P R O S P E C T U S

relating to a public issue of shares

K B C   R E N T A

Société d’Investissement à Capital Variable (Sicav – Open-ended Investment Company)

LUXEMBOURG

04/06/2021

CONTENTS

1. General remarks

This issue prospectus is modular in structure. The basic document contains all the necessary information about the Sicav and its legal framework. All the information concerning a specific sub-fund of the Sicav is given in the Appendices.

- Appendix **1** contains the specific characteristics of the sub-funds, i.e. the information associated with the investment policy, the terms and conditions of issue and redemption, and the fees.

The Appendices form an integral part of this prospectus.

The Sicav will also publish such key investor information for each class of shares as is required by law.

In the event of discrepancies between the French and the other language versions of the prospectus, the French takes precedence.

KBC Renta (the 'Sicav') is a Luxembourg open-ended investment company with multiple sub-funds that is governed by the Act of 17 December 2010 on Undertakings for Collective Investment and falling under Part I of that Act. Each of the Sicav's sub-funds is invested directly or indirectly in securities, preferably in bonds denominated in a specific currency or group of currencies.

This prospectus describes each sub-fund's investment policy, the status of the various share classes, the procedures for buying or redeeming the shares, and legal and administrative aspects of the Sicav.

The Board of Directors may decide to create new sub-funds at any time. It may also dissolve, split or merge one or more sub-funds.

For each sub-fund, the Sicav will issue distribution (class A) shares and capitalisation (class B) shares. Class A shares entitle the holder to a dividend, whereas the portion of income attributable to class B shares is capitalised, i.e. added to the portion of the net assets of the Sicav attributable to the class B shares of the sub-fund concerned.--

All shareholders may ask for their shares in a sub-fund to be converted into shares in another sub-fund, subject to payment of a conversion fee. Similarly, holders of distribution shares are entitled to convert them into capitalisation shares, and vice versa, free of charge.

The Board of Directors may decide to cease issuance of shares for one or more sub-funds. The prospectus will then be updated. The Sicav's assets are held in custody by Brown Brothers Harriman (Luxembourg) S.C.A.

The Sicav is included on the official list of undertakings for collective investment in accordance with the Act of 17 December 2010.

This cannot be taken to mean that the supervisory authorities have approved the contents of this prospectus or the quality of the securities offered and held by the Sicav. Any declaration to the contrary would be unauthorised and illegal.

This prospectus may not be used for the purposes of offering for sale and marketing in any country or under any conditions where such offering or marketing is not authorised.

In particular, the Sicav's shares are not registered in accordance with any of the legislative provisions governing securities of the United States of America and cannot be offered for sale in the United States or in any of its territories or any of its possessions or regions under its jurisdiction.--

No person is authorised to give any information other than that contained in this prospectus or in the documents referred to herein that are available for inspection by the public.-

The Board of Directors of the Sicav assumes responsibility for the accuracy of the information contained in this prospectus on its date of publication.

This prospectus may be updated to take account of material changes made to the present document. Prospective shareholders are therefore advised to contact the Sicav in order to ascertain whether a more recent prospectus has been published.

Prospective shareholders are advised to obtain advice on laws and regulations (concerning taxation and currency controls, for instance) governing subscription, purchase, possession and sale of shares in their countries of origin, residence or domicile.

This prospectus is only valid if accompanied by the most recent annual report and the latest interim report if the latter is the more recent.-

The UCI and its sub-funds are not, and shall not be, registered under the United States Securities Act of 1933, as amended, and the shares or units may not be offered, sold, transferred or delivered, directly or indirectly, in the United States of America, or in any of its territories or any of its possessions or regions under its jurisdiction or to a US citizen, as defined in the United States Securities Act. The UCI and its sub-funds have not been registered under the United Investment Company Act of 1940, as amended.

2. Administration of the Sicav

2.1. Board of Directors

2.1.1. Chairman of the Board of Directors

Johan TYTECA, Rolandstraat 5 GV 01, B-8670 KOKSIJDE

2.1.2. Directors

Lazlo BELGRADO, Manager, KBC Asset Management SA, 4, rue du Fort Wallis, L-2714 Luxembourg

Bruno NELEMANS, Senior Project Manager, KBC Asset Management NV, 2, avenue du Port, B-1080 Brussels

Patrick DALLEMAGNE, General Manager, CBC Banque & Assurance, 60, Avenue Albert I, B-5000 Namur

2.2. Registered office

80 Route d'Esch, 1470 Luxembourg

2.3. Management Company

KBC Asset Management SA, 4, rue du Fort Wallis, L-2714 Luxembourg

2.4. Custodian

Brown Brothers Harriman (Luxembourg) S.C.A., 80 route d'Esch, L-1470 Luxembourg.

2.5. Domiciliary agent, registrar and transfer agent, administrative agent

Brown Brothers Harriman (Luxembourg) S.C.A., 80 route d'Esch, L-1470 Luxembourg.

2.6. Auditor

Deloitte Audit SARL, 20 boulevard de Kockelscheuer, L-1821 Luxembourg

2.7. Paying agents

KBC Bank SA, 2 avenue du Port, B-1080 Brussels, Belgium

CBC Banque SA, 60, avenue Albert I, B-5000 Namur, Belgium

Brown Brothers Harriman (Luxembourg) S.C.A., 80 route d'Esch, L-1470 Luxembourg.

CM-CIC Securities, 6, avenue de Provence, 75009 Paris, France

2.8. Financial services: subscriptions, redemptions, news and information

KBC Bank SA (Belgium)

CBC Banque SA (Belgium)

Brown Brothers Harriman (Luxembourg) S.C.A.

CM-CIC Securities (France)

3. General characteristics of the Sicav

KBC Renta is an open-ended investment company (Sicav) under Luxembourg law and was established on 6 January 1986 in Luxembourg under the name 'Decarenta' for an indefinite period, in accordance with the Act of 17 December 2010 on undertakings for collective investment and the Commercial Companies Act of 10 August 1915.

In particular, it is governed by the provisions of Part I of the Act of 17 December 2010 relating specifically to undertakings for collective investment in transferable securities.

The Articles of Association of the Sicav were published in the Mémorial, Recueil Spécial des Sociétés et Associations (the 'Mémorial') on 3 February 1986 after having been filed, together with the legal notice, with the Chancery of the District Court of and in Luxembourg, where a copy can be obtained on payment of the registry fees.

The Articles of Association of the Sicav were amended by deed dated 22 August 1990, filed with the Chancery of the District Court of and in Luxembourg and published in the Mémorial on 5 November 1990.

The Articles of Association were amended again by deed dated 19 October 1992, filed with the Chancery of the District Court of and in Luxembourg and published in the Mémorial on 27 November 1992. By this deed, the name 'Decarenta' was changed to KB RENTA and the Sicav was converted into a structure with multiple sub-funds. On this occasion, the Decarenta shares were assimilated to shares in the KB RENTA Decarenta sub-fund.

The Articles of Association of the Sicav were again amended by deed dated 13 January 1994, filed with the Chancery of the District Court of and in Luxembourg and published in the Mémorial on 15 April 1994.

The Articles of Association of the Sicav were again amended by deed dated 4 November 1998, filed with the Chancery of the District Court of and in Luxembourg and published in the Mémorial on 25 November 1998. On this occasion, the name 'KB RENTA' was changed to KBC Renta.

The Articles of Association of the Sicav were amended by deed dated 11 December 1998, filed with the Chancery of the District Court of and in Luxembourg and published in the Mémorial on 7 September 1999.

The Articles of Association of the Sicav were amended by deed dated 27 December 2005, filed with the Chancery of the District Court of and in Luxembourg and published in the Mémorial on 13 February 2006. The Articles of Association were last amended by deed of 17 April 2019 and published in the Recueil Electronique des Sociétés et Associations on 7 May 2019.

The Sicav is entered in the Luxembourg trade register under number B - 23669.

The registered office of the SICAV is at 80 route d'Esch, L-1470 Luxembourg.

The founding shareholders established the Sicav by subscribing to initial capital of 9 000 000 Danish krone, represented by 100 class A shares and 1,700 class B shares in the Sicav named 'Decarenta' at the time. The Sicav's capital is at all times equal to its net asset value and is represented by fully paid-up, no-par-value shares. Changes in capital occur ipso jure and are not subject to the requirements of publication and registration in the Registre du Commerce et des sociétés (Trade and Company Register) prescribed for capital increases or decreases of sociétés anonymes (type of limited company). The minimum capital is the equivalent of 1 239 467.62 euros

The Sicav's consolidation currency is the euro.

The Board of Directors is responsible for administering and managing the Sicav and for supervising its operations, as well as for establishing and implementing the investment policy.

Under the Act of 17 December 2010 on undertakings for collective investment, the Board of Directors may appoint a Management Company.

The Sicav has appointed KBC Asset Management SA, a société anonyme (company with limited liability), with registered office at 4 rue du Fort Wallis, L-2714 Luxembourg, as the Management Company of the Sicav, within the meaning of Section 15 of the Act of 17 December 2010 on Undertakings for Collective Investment.

4. Investment policy and objectives

By means of these investments, the Sicav seeks to provide its shareholders with:

– a return consistent with that on the sub-fund's reference currency

– a potential capital gain.-

Unless specified otherwise in Appendix 1, the Sicav may also invest in domestic government bonds denominated in the reference currency of the sub-fund in question.

Since the umbrella UCITS has a 'European passport', the investment policy complies with Part I of the Act.

Since the portfolio of each of the sub-funds is subject to market fluctuations and to the risks inherent in any investment, the price of the shares may vary accordingly and the Sicav cannot guarantee the achievement of its objectives.

Save with regard to the provisions of 4.4 and unless otherwise indicated, the limits apply per sub-fund.

4.1. Eligible instruments

The investments of the UCITS will be restricted to the following exclusively:

4.1.1. Listed securities and money market instruments

4.1.1.1. Securities and money market instruments listed or traded on a regulated market;

4.1.1.2. Securities and money market instruments traded on another market in an EU Member State, provided that the market is regulated, regularly operating, recognised and open to the public;

4.1.1.3. Securities and money market instruments admitted to official listing on a stock exchange in a non-EU State or traded on another market in a non-EU State, provided that the market is regulated, regularly operating, recognised and open to the public, and that the choice of stock exchange or market has been provided for in the present prospectus;

4.1.1.4. Newly issued securities and money market instruments, provided that:

- the issue conditions include an undertaking that application will be made for admission to official listing on a stock exchange or another market that is regulated, regularly operating, recognised and open to the public, and provided that the choice of stock exchange or market has been provided for in the present prospectus;

- official listing is obtained within no more than one year of the issue.

4.1.1.5. The Sicav is authorised, in accordance with the principle of spreading risk, to invest up to 100% of its assets in different issues of securities and money market instruments issued or guaranteed by a Member State, its regional or local authorities, an OECD Member State, Singapore, Brazil, Russia, Indonesia and South Africa, or by public international institutions of which one or more EU Member States are members, provided that the securities come from at least six different issues and that securities from any single issue may not exceed 30% of the total amount.

4.1.2. Shares/units in UCIs

4.1.2.1. Shares of authorised UCITS in accordance with Directive 2009/65/EC, as amended by Directive 2014/91/EC.

4.1.2.2. Other UCIs within the meaning of Article 1(2), first and second indents, of Directive 2009/65/EC, as amended by Directive 2014/91/EC, whether located in an EU Member State or not, on condition that:

- these other UCIs are authorised under laws providing that they are subject to supervision considered by the Luxembourg financial services authority, the CSSF (Commission de Surveillance du Secteur Financier), to be equivalent to that provided for in Community legislation, and that there is sufficient guarantee of cooperation amongst the authorities;
- the level of protection guaranteed to the holders of shares/units in these other UCIs is equivalent to that provided for the holders of the shares/units in a UCITS and, in particular, that the rules relating to asset segregation, borrowing, loans and short sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC, as amended by Directive 2014/91/EC;
- the activities of these other UCIs are the subject of half-yearly and annual reports, permitting the assets and liabilities, profits and operations for the reporting period to be evaluated;
- no more than 10% of the assets of the UCITS or these other UCIs whose acquisition is planned may, under their instruments of incorporation, be invested entirely in the shares/units of other UCITS or other UCIs.

4.1.2.3. Each sub-fund's investments in shares/units in UCIs may not exceed 10% of these assets.

4.1.2.4. If a UCITS invests in units of other UCITS and/or other UCIs managed directly or indirectly by the same management company or by any other company with which the management company is linked by common management or control or by a substantial direct or indirect participating interest, the said management company or other company may not charge subscription or redemption fees for the UCITS' investment in shares/units of other UCITS and/or other UCIs.

4.1.3. Deposits

4.1.3.1. Deposits with a credit institution, which are repayable on demand or may be withdrawn, with a maturity of up to one year, provided that the credit institution has its registered office in a Member State of the European Union or, if the registered office of the credit institution is located in another country, is subject to prudential rules considered by the CSSF to be equivalent to those provided for in Community legislation.

4.1.4. Derivatives

4.1.4.1. Derivatives may be used both for achieving the investment objectives and for hedging risks.

4.1.4.2. Derivatives can be both listed and unlisted: they include forward contracts, options or swaps of shares, indices, foreign currency or interest rates or other transactions in derivatives. Transactions in unlisted derivatives may only be concluded with prime financial institutions specialised in transactions of this type. The sub-fund aims to conclude transactions that are as effective as possible, in compliance with the relevant regulations and the Articles of Association. All fees and charges associated with these transactions are booked to the sub-fund and all the income accrues to the sub-fund.
The counterparty does not have any discretionary decision-making power whatsoever regarding the composition or management of the UCITS' investment portfolio or the underlying of the derivatives, and the counterparty's agreement is not required for any transaction whatsoever involving the UCITS' investment portfolio.

4.1.4.3. The UCI may conclude contracts relating to a credit risk on issuers of debt instruments. The credit risk is the risk of the issuer of the debt instrument defaulting. This credit risk relates to parties whose rating at the time the contract is concluded is equivalent to that of issuers whose debt instruments the UCI holds directly or indirectly.

4.1.4.4. Derivatives may also be used to protect the sub-fund's assets against the risk of exchange rate fluctuations.

4.1.4.5. Credit derivatives may only be used to achieve the investment objectives and within the limits of the existing profile, without implying any transfer to less credible debtors. Hence there is no increase in the credit risk. In so far as derivatives are used, this will involve instruments that are liquid and readily negotiable. Use of derivatives does not, therefore, influence the liquidity risk. Nor does use of derivatives alter the allocation of the portfolio between regions, sectors or themes. It does not, therefore, affect the concentration risk. Derivatives do not guarantee the full or partial protection of the capital. They never increase nor decrease the capital risk. Nor does the use of derivatives have any influence whatsoever on the processing risk, deposit risk, flexibility risk, inflation risk or the environmental risk (risk associated with external factors).

4.1.4.6. Exposure to the counterparty risk stemming from an OTC derivatives transaction and efficient portfolio management techniques should be combined when calculating the counterparty risk limits specified in Section 4.3.1 above.

In the case of OTC derivatives transactions, a guarantee is provided to ensure that the counterparty risk does not at any time exceed 10% of the Sicav's net assets. The guarantee shall extend to at least 100% of (the exposure to OTC derivatives transactions as a percentage of the Fund's net assets – x), where x is less than 10%. The minimum operating thresholds and discount percentages mentioned below are taken into account to determine the extent of the guarantee required.

When a sub-fund concludes OTC derivatives transactions and uses efficient portfolio management techniques, all the collateral used to reduce the exposure to the counterparty risk must satisfy the following criteria at all times:

(A) Any collateral received other than cash shall be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. The collateral received must also comply with the provisions of Section 4.4 below.

(B) A daily independent valuation shall be available for collateral received. Assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.

(C) Collateral received shall be of high quality.

(D) The collateral received shall be issued by an entity that is independent of the counterparty and is not expected to display a high correlation with the performance of the counterparty.

(E) Collateral shall be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the sub-fund receives from the counterparty to OTC financial derivative transactions and efficient portfolio management a basket of securities with a maximum exposure to a given issuer not exceeding 20% of its net asset value.
When a sub-fund is exposed to different counterparties, the different baskets of securities shall be aggregated to calculate the 20% limit of exposure to a single issuer.

(F) Where there is a title transfer, the collateral received shall be held by the Custodian. For other types of collateral arrangement, the collateral can be held by a third-party custodian, which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

(G) It must be possible for the sub-fund to enforce the collateral in full at any time without being required to consult or obtain permission from the counterparty.

(H) Non-cash collateral received shall not be sold, re-invested or pledged.

(I) Cash collateral should only be:
– deposited with the entities specified in Section 4.1.3;
– invested in prime government bonds;
– used for repo operations, provided that these involve credit institutions that are subject to prudential supervision and that the Fund may repurchase the entire amount in cash, together with interest accrued, at any time;
– invested in short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds.

Collateral in the form of cash that is reinvested must be diversified in accordance with the diversification criteria applicable to collateral in forms other than cash.

4.1.4.7. Collateral policy

Collateral received by the Fund shall predominantly be limited to cash and bonds and to investment-grade bonds: sovereign bonds and covered bonds.
At present, the Fund is only in receipt of guarantees in the form of investment grade bonds, not cash.
Since the Fund is not in receipt of any guarantees in cash, there is no reinvestment policy and hence no risk associated with such reinvestment policy.
The prospectus shall be updated if guarantees in the form of cash are used.

4.1.4.8. Haircut policy

The following discounts relating to collateral for derivatives transactions are those applied by the Management Company (the Management Company reserves the right to amend this policy at any time, in which case this Prospectus will be updated accordingly):

The Fund does not use guarantees in cash at present.

Credit rating*	Residual term to maturity (years)	Assets denominated in the currency of the sub-fund			Assets not denominated in the currency of the sub-fund		
		Categories			Categories		
		Cash	Government bonds	Covered	Cash	Government bonds	Covered
AAA/Aaa	0-1	0.0%	0.5%	5.5%	5.0%	5.5%	10.5%
	1-3	0.0%	2.0%	6.5%	5.0%	7.0%	11.5%
	3-5	0.0%	2.5%	7.5%	5.0%	7.5%	12.5%
	5-7	0.0%	4.0%	8.0%	5.0%	9.0%	13.0%
	7-10	0.0%	4.0%	9.0%	5.0%	9.0%	14.0%
	> 10	0.0%	5.5%	10.5%	5.0%	10.5%	15.0%
AA+ to AA- /Aa1 to Aa3	0-1	0.0%	0.5%	15.0%	5.0%	5.5%	15.0%
	1-3	0.0%	2.0%	15.0%	5.0%	7.0%	15.0%
	3-5	0.0%	2.5%	15.0%	5.0%	7.5%	15.0%
	5-7	0.0%	4.0%	15.0%	5.0%	9.0%	15.0%
	7-10	0.0%	4.0%	15.0%	5.0%	9.0%	15.0%
	> 10	0.0%	5.5%	15.0%	5.0%	10.5%	15.0%
A+ to A- /A1 to A3	0-1	0.0%	1.0%	N/A	5.0%	6.0%	N/A
	1-3	0.0%	3.0%	N/A	5.0%	8.0%	N/A
	3-5	0.0%	3.0%	N/A	5.0%	8.0%	N/A
	5-7	0.0%	6.0%	N/A	5.0%	11.0%	N/A
	7-10	0.0%	6.0%	N/A	5.0%	11.0%	N/A
	> 10	0.0%	6.0%	N/A	5.0%	11.0%	N/A
BBB+	0-1	0.0%	1.0%	N/A	5.0%	6.0%	N/A
	1-3	0.0%	3.0%	N/A	5.0%	8.0%	N/A
	3-5	0.0%	3.0%	N/A	5.0%	8.0%	N/A
	5-7	0.0%	6.0%	N/A	5.0%	11.0%	N/A
	7-10	0.0%	6.0%	N/A	5.0%	11.0%	N/A
	> 10	0.0%	6.0%	N/A	5.0%	11.0%	N/A

Credit Quality means the lower of the ratings assigned by either S&P or Moody's as the case may be.

4.1.4.9. The Fund does not invest directly in total return swaps.

4.1.5. Unlisted money market instruments

4.1.5.1. Money market instruments other than those traded on a regulated market, provided that the issue or the issuer of these instruments is subject to regulation designed to protect investors and savings and that these instruments are:

- issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, another State or, in the case of a federal State, one of the members of the federation, or a public international institution of which one or more Member States are members, or
- issued by an undertaking whose securities are traded on the regulated markets referred to in points 4.1.1.1, 4.1.1.2 or 4.1.1.3 above, or
- issued or guaranteed by an institution subject to prudential supervision according to the criteria defined by Community law, or by an institution which is subject to and complies with prudential rules considered by the CSSF to be at least as strict as those provided for in Community legislation, or
- issued by other entities belonging to the categories approved by the CSSF, provided that the investments in these instruments are subject to investor protection rules that are equivalent to those provided for in the first,

second and third indents and that the issuer is a company with capital and reserves amounting to at least ten million euros (10 000 000 euros) that presents and publishes its annual accounts in accordance with the Fourth Directive 78/660/EEC, or an entity which, within a group of companies including one or more listed companies, is responsible for financing the group, or an entity which is responsible for financing special purpose vehicles benefiting from bank loans.

4.1.6. Liquid assets

The UCITS may hold liquid assets on an ancillary basis.

4.1.7. Other

4.1.7.1. The UCITS may invest no more than 10% of its assets in transferable securities and money market instruments other than those referred to below;

4.1.7.2. The UCITS may acquire movable and immovable property that is essential for the direct conduct of its business.

4.1.7.3. The UCITS may not acquire either precious metals or certificates representing them.

4.2. Financial techniques and instruments

4.2.1. General information

4.2.1.1 The UCITS may employ techniques and instruments relating to transferable securities and money market instruments under the conditions and within the limits laid down by the CSSF provided that such techniques and instruments are used for efficient management of the portfolio.

Where these operations involve the use of derivatives, these conditions and limits must be in accordance with the provisions of the Act.

Under no circumstances may these operations cause the UCITS to depart from its investment objectives as set out in this prospectus.

4.2.1.2. The UCITS will ensure that the overall risk associated with the derivatives does not exceed the total net value of its portfolio. Risks are calculated taking account of the current value of the underlying assets, the counterparty risk, the foreseeable market trend and the time available to liquidate the positions. This also applies to the following paragraphs.

The UCITS may, within the framework of its investment policy and the limits set under point 4.3.1.5, invest in financial derivatives insofar as, overall, the risks to which the underlying assets are exposed do not exceed the investment limits set under point 4.3.1. When the UCITS invests in financial derivatives based on an index, these investments are not necessarily combined with the limits fixed under point 4.3.1.

Where a derivative is embedded in a transferable security or a money market instrument, the derivative must be taken into account when applying the provisions of this Article.

4.2.2. **Securities financing transactions**

The UCITS does not engage in the following securities financing transactions falling within the scope of the Regulation (EU) 2015/2365 of 25 November 2015:

- Repurchase transactions
- Securities or commodities lending and securities or commodities borrowing
- Buy-sellback or sell-buyback transactions
- Margin lending transactions

If the Fund does make use of transactions of this type, the prospectus must be updated in accordance with the provisions of Regulation (EU) 2015/2365.

The Fund does not enter into reverse repurchase agreements or repurchase agreements.

4.3. Use of benchmark

4.3.1. Benchmark

4.3.1.1. In accordance with the Investment Policy of the individual sub-fund, ‘benchmark’ refers to an index serving as a point of reference to allow the performance and composition of the sub-funds’ portfolios to be measured.

4.3.1.2. Unless stated otherwise in its Investment Policy, the sub-fund which refers to a benchmark is actively managed and does not set out to track the benchmark and may invest in securities that are not included in the benchmark.

4.3.1.3. Investors should be aware that the performance of the sub-fund can deviate from the performance of the benchmark. This deviation is measured by means of the tracking error, which indicates the volatility of the difference between the performance of the sub-fund and that of its benchmark. The expected tracking error is set out in the table below. Investors should be aware that the tracking error can vary according to market conditions. While it is the intention of the sub-funds to outperform the benchmark, sub-funds with a lower level of deviation from the benchmark are more likely to have a more limited extent to outperform the benchmark.

Name of the sub-fund	Benchmark	Expected tracking error	Administrator of the benchmark listed in the ESMA Register
KBC Renta Eurorenta	JP Morgan European Monetary Union Investment Grade Index (EMU IG)	1%	Yes
KBC Renta Dollarenta	JP Morgan Government Bond Index (GBI) United States	1.25 %	Yes
KBC Renta Canarenta	JP Morgan Government Bond Index (GBI) Canada	< 0.5%	Yes
KBC Renta Short Euro	JP Morgan European Monetary Union Investment Grade Index (EMU IG) 1-3 Years	0.5 %	Yes
KBC Renta Czechrenta	JP Morgan Government Bond Index (GBI) Czech Republic	0.75%	Yes
KBC Renta Short EUR	JP Morgan European Monetary Union Investment Grade Index (EMU IG) 1-3 Years	0.5%	Yes
KBC Renta Nokrenta	ICE BofAML Norway Government Index	< 0.5%	Yes

4.3.2. Inclusion in the European Securities and Markets Authority's register

4.3.2.1 Information about certain of the Sicav's sub-funds that is included in this prospectus may make reference to the use of benchmarks. Under Regulation (EU) 2016/1011 of the European Parliament and of the Council (the 'Benchmark Regulation'), the Sicav is required to disclose information on the inclusion of the benchmarks' administrator(s) in the register of approved administrators and benchmarks as established by the European Markets and Securities Authority (the 'ESMA Register').

4.3.2.2. The Benchmark Regulation provides benchmark administrators with a transitional period for inclusion in the ESMA Register (ending 1 January 2020). The Sicav will monitor the inclusion of entities acting as benchmark administrator(s) used by sub-funds of the Sicav in the ESMA Register and will amend this prospectus accordingly.

4.3.3. Contingency plan

4.3.3.1. The Management Company of the Sicav 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.

Contingency plans can be viewed without charge at the registered office of the management company, KBC Asset Management SA., 4 Rue du Fort Wallis, L-2714 Luxembourg.

Situations where a benchmark might materially change include, but are not limited to:

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

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

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

4.3.3.2. If a benchmark used by one or more of the UCI's sub-funds materially changes or ceases to be provided, a suitable replacement will be sought.

Elements to be considered when selecting a replacement benchmark include, but are not limited to:

- The geographical, economical or sectoral 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 private market; and
- Preference will be given to administrators with an existing license with KBC Asset Management, should this result in lower costs.

4.3.3.3. If no replacement benchmark can be found, consideration can be given to, for example, amending the sub-fund's investment policy or proposing the fund's liquidation.

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

4.4. Diversification

4.4.1. General rules

4.4.1.1. The UCITS may not invest more than 10% of its assets in transferable securities or money market instruments issued by the same body. The UCITS may not invest more than 20% of its assets in deposits with the same body. The counterparty risk of the UCITS in an OTC derivatives transaction may not exceed 10% of its assets where the counterparty is a credit institution referred to under point 4.1.3.1 or 5% of its assets in other cases.

4.4.1.2. The total value of the transferable securities and money market instruments held by a UCITS of issuers in which it has, in each case, invested more than 5% of its assets may not exceed 40% of the value of its assets. This limit does not apply to deposits with financial institutions subject to prudential supervision and to OTC derivatives transactions with these institutions.

Notwithstanding the individual limits set under point 4.4.1.1, the UCITS may not combine:

- investments in transferable securities or money market instruments issued by one and the same issuing body;
- deposits with one and the same body; and/or
- exposures stemming from OTC derivative transactions with one and the same body,

that exceed 20% of its assets.

4.4.1.3. The limit mentioned in the first sentence of point 4.4.1.1 will be set at a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State of the European Union, by its local authorities, by a non-EU state or by public international institutions of which one or more EU Member States are members.

4.4.1.4. The limit mentioned in the first sentence of point 4.4.1.1 will be set at a maximum of 25% for certain bonds, if they are issued by a credit institution that has its registered office in an EU Member State and is subject by law to specific State supervision designed to protect the bondholders. In particular, the sums deriving from the issue of these bonds must be invested, in accordance with the law, in assets which, throughout the duration of the bonds, are able to cover the claims arising from the bonds and which, in the event of the bankruptcy of the issuer, would be used on a priority basis for the repayment of the principal and payment of the accrued interest.

Where a UCITS invests more than 5% of its assets in the bonds mentioned in the first paragraph that are issued by a single issuer, the total value of these investments may not exceed 80% of the value of the assets of the UCITS.

4.4.1.5. The transferable securities and money market instruments referred to in paragraphs 4.4.1.3 and 4.4.1.4 are not taken into account for the purposes of the 40% limit mentioned in paragraph 4.4.1.2.

The limits specified in points 4.4.1.1, 4.4.1.2, 4.4.1.3 and 4.4.1.4 may not be combined. Consequently, investments in the securities or money market instruments issued by one and the same body, in deposits or derivatives made with this same body in accordance with points 4.4.1.1, 4.4.1.2, 4.4.1.3 and 4.4.1.4 may not exceed 35% in total of the assets of the UCITS.

Companies grouped together for the purposes of producing consolidated accounts within the meaning of Directive 83/349/EEC, or in accordance with generally accepted international accounting rules, are considered as a single entity for the calculation of the limits laid down in this article.

A single UCI may, on an aggregate basis, invest up to 20% of its assets in transferable securities and money market instruments of the same group.

4.4.2. Replication of an index

4.4.2.1. Without prejudice to the limits provided for under 4.5, the limits specified under 4.4.1 will be set at maximum 20% for investments in shares and/or bonds issued by one and the same body where, in accordance with the UCITS' instruments of incorporation, the objective of the UCITS' investment policy is to replicate the composition of a specific share or bond index recognised by the CSSF, provided that:

- the composition of the index is sufficiently diversified;
- the index constitutes a representative benchmark for the market to which it refers;
- it is published appropriately.

4.4.2.2. The limit provided for under 4.4.2.1 is set at 35% where this is justified by exceptional conditions on the markets, and especially on the regulated markets where certain transferable securities or certain money market instruments predominate. Investment up to this limit is only permitted for a single issuer.

4.4.3. Exceptions to diversification

4.4.3.1. Contrary to point 4.4.1, the Sicav is authorised, in accordance with the principle of spreading risk, to invest up to 100% of its assets in different issues of securities and money market instruments issued or guaranteed by a Member State, its regional or local authorities, an OECD Member State, Singapore, Brazil, Russia, Indonesia and South Africa, or by public international institutions of which one or more EU Member States are members, provided that the securities come from at least six different issues and that securities from any single issue may not exceed 30% of the total amount.

4.5. Limits on participating interests

4.5.1. The Sicav may not acquire shares with voting rights allowing it to exert a significant influence on the management of an issuer.

4.5.2. Nor may a UCITS acquire more than:

- 10% of the non-voting shares of any single issuer;
- 10% of the bonds of any single issuer;
- 25% of the shares/units in any single UCITS and/or other UCI;
- 10% of the money market instruments issued by a single issuer.

The limits provided for under the second, third and fourth bullets need not be respected at the time of acquisition if, at that time, it is not possible to calculate the gross amount of the bonds or money market instruments or the net amount of the securities issued.

4.5.3. Points 4.5.1 and 4.5.2 do not apply in respect of:

4.5.3.1. Transferable securities and money market instruments issued or guaranteed by a Member State of the European Union or its local authorities.

4.5.3.2. Transferable securities and money market instruments issued or guaranteed by a non-EU Member State.

4.5.3.3. Transferable securities and money market instruments issued by a public international institution of which one or more Member States of the European Union are members.

4.5.3.4. Shares held by a UCITS in the capital of a company incorporated in a non-EU State investing its assets mainly in securities of issuers established in this State where, pursuant to the legislation of that State, an investment of this kind is the only way for the UCITS to invest in securities of issuers of the State in question. This exception only applies, however, provided that the company incorporated in a non-EU State respects in its investment policy the limits set out under points 4.4.1, 4.4.2 and 4.5.1 and 4.5.2.
In the event that the limits set out under points 4.4.1 and 4.4.2 are exceeded, point 4.6 of Article 49 will apply mutatis mutandis.

4.5.3.5. Shares held by one or more investment companies in the capital of subsidiary companies engaging solely in management, advisory or marketing activities exclusively for these companies in the country where the subsidiary is located, with regard to the redemption of units/shares at the request of holders.

4.6. Exceptions to the investment policy

4.6.1. The UCITS shall not necessarily be required to comply with the limits set out in Section 4 when exercising subscription rights connected to securities or money market instruments that form part of its assets.

Whilst ensuring that the risk-spreading principle is respected, newly authorised UCITS may derogate from points 4.4.1, 4.4.2 and 4.4.3. for a period of six months from the date of their authorisation.

4.6.2. If the limits referred to in paragraph 4.6.1 are exceeded for reasons beyond the control of the UCITS or as a result of the exercise of subscription rights, the priority objective of the UCITS in its sales transactions must be to rectify this situation, taking due account of investors' interests.

4.6.3. If the issuer is a legal entity with multiple sub-funds where the assets of one sub-fund are available exclusively to satisfy the rights of investors in relation to this sub-fund and the rights of creditors whose claims derive from the creation, operation or liquidation of this sub-fund, each sub-fund is to be considered as a separate issuer for the purposes of the application of the risk-spreading rules set out under 4.4.1 and 4.4.2.

4.7. Prohibitions

4.7.1. The UCITS may not borrow.

However, a UCITS may acquire foreign currency by means of a 'back-to-back' loan.

4.7.2. By way of derogation from 4.7.1, the UCITS may borrow:

4.7.2.1. Up to 10% of its assets, provided that the borrowing is on a temporary basis.

4.7.2.2. Up to 10% of its assets, in the case of investment companies, provided that the borrowing is to make possible the acquisition of immovable property essential for the direct pursuit of its business. In this case the borrowing and that referred to in 4.7.2.1 may not in any case in aggregate exceed 15% of its assets.

4.7.3.4. Without prejudice to the application of points 4.1 and 4.2, the UCITS may neither grant loans nor act as a guarantor on behalf of third parties. This prohibition does not prevent the UCITS from acquiring securities, money market instruments or other financial instruments referred to in points 4.1.2, 4.1.4 and 4.1.5 that are not fully paid.

4.7.4. The UCITS may not carry out short sales of transferable securities, money market instruments or other financial instruments mentioned under 4.1.2, 4.1.4 and 4.1.5.

5. Risk management

The Management Company employs a risk management method that allows it to check and measure at any time the risk associated with the positions and the contribution they make to the overall risk profile of the Sicav's portfolios; it uses a method that allows the OTC derivative instruments to be valued precisely and independently.

The method used is the 'commitment approach'. For those sub-funds that require the 'value at risk' method to be used, this method will be used, and this will be indicated for the sub-fund concerned.

The risk management carried out by the Management Company is organised according to the type of risk and covers the following aspects, among others:

- Compliance: control of compliance with the investment restrictions and other limits imposed by the relevant regulations.
- Market risk: the risk that the entire market or a class of assets will fall, which will have an effect on the price and value of the assets in the portfolio. In an equity fund, for instance, there is a risk that the equity market in question will fall, and, in a bond fund, a risk that the bond market in question will fall. The higher the volatility of the market in which the UCI invests, the greater the risk. Such markets are subject to significant fluctuations in return.
- Credit risk: the risk that an issuer or counterparty will default and fail to meet its obligations regarding the fund. This is a real risk if the Fund invests in debt instruments. Debtor quality also affects the credit risk (e.g., an investment in a debtor with a high 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 debtors can have an impact on the credit risk.
- Settlement risk: the risk that settlement via a payments system fails to take place as expected because payment or delivery by a counterparty does not occur or does not satisfy the original criteria. This is a real risk if the UCI invests in regions where the financial markets are not 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 on time at a reasonable price. This means that the UCI has to liquidate its assets at a less favourable price or after a certain period. This is a real risk if the UCI invests in instruments for which there is no market or if the market is limited, 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 exchange rate fluctuations. This is a real risk only if the UCI invests in assets that are denominated in a currency with a trend that differs from that of the reference currency of the sub-fund. For instance, a sub-fund denominated in US dollars will not be exposed to any currency risk when investing in bonds or equities denominated in US dollars. It will however be exposed to a currency risk in the case of investments in bonds or shares denominated in euros.
- Custody risk: the risk of the loss of assets placed 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 high concentration of investments in specific assets or in specific markets. This means that the performance of those assets or markets will have a significant impact on the value of the UCI's portfolio. The greater the diversification of the UCI's portfolio, the lower the concentration risk. This risk will also be higher in more specialised markets (e.g., specific regions, sectors or themes) than in broadly diversified markets (e.g., a worldwide allocation).
- Performance risk: the risk relating to the performance, including the fact that the risk may vary according to the choice of each fund and the presence or absence of any third-party guarantees or limits to which these are subject. This risk is also affected by the market risk and the level of active management used by the manager.
- Capital risk: the risk relating to capital, including the potential risk of erosion due to the redemption of units and the distribution of profit in excess of the investment return. This risk can be limited by, for example, loss-mitigation, capital-protection or capital-guarantee techniques.
- Flexibility risk: the risk of inflexibility attributable to the product itself, including the risk of early redemption, and restrictions on switching to other providers. This risk can mean that the UCI is unable to take the desired actions at certain times. It can be higher in the case of funds or investments subject to restrictive laws or regulations.
- Inflation risk: this risk is dependent on inflation. It applies, for example, to long-term fixed-income bonds.
- Environmental factors: uncertainty concerning the changeability of external factors (such as the tax system or amendments to the law and regulations) that could affect how the fund operates.
- Tracking error risk: the tracking error indicates the volatility of the difference between the performance of the sub-fund and that of its benchmark. The tracking error can arise from differences in the weighting of securities, price differences, transaction costs, non-invested cash instruments and fund administration costs. The tracking error can increase in the event of substantial market volatility.
- Sustainability risk: the management company defines sustainability risk as the risk that investment returns will be adversely affected by environmental, social or governance risks.

  Environmental risk refers to the risk that investment returns will be adversely affected by environmental factors, including factors resulting from climate change and from other environmental damage.

  Social risk is defined as the risk that investment returns will be adversely affected by social factors.

  Governance risk is defined as the risk that investment returns will be adversely affected by governance factors.

  The nature of these risks varies according to a time scale:

  - In the short term, sustainability risk is generally an event risk. Risks of this kind do not generally affect returns unless the event occurs. Examples of such events include accidents (e.g. triggering litigation in pursuit of compensation for environmental damage); trials and fines (e.g. failure to respect social legislation); scandals (e.g. when a business is subject to bad publicity because human rights have not been respected throughout its supply chain or because a company's products do not comply with the promised ESG (Environmental, Social and Governance) standard. Sustainability risks of this kind are deemed to be higher when an issuer is less stringent in its pursuit of ESG standards; and

  - In the longer term, the sustainability risk relates to risks that can develop over a longer period, such as: exposure to commercial activities that could come under pressure from climate change (e.g. certain segments of the automotive industry); shifting client preferences towards products (e.g. preference for more sustainable products); recruitment difficulties; increased costs (e.g. insurance companies facing losses attributable to changing weather conditions). Since this risk develops over a longer period, businesses can mitigate it by, for instance, adjusting their product range or improving their supply chains.

  The management company takes account of these sustainability risks in its investment policy by:

  I. drawing up an exclusion policy ('Exclusion criteria') that applies to all funds and open-ended investment companies. (More detailed information can be found at www.kbc.be/particuliers/fr/informations-legales/documentation-investissements General exclusion policies for conventional and SRI funds); and

  II. differentiating sub-funds subject to supplementary criteria on socially responsible investment (SRI). These supplementary criteria are specified under 'Sub-fund's investment policy' and at www.kbc.be/particuliers/fr/informations-legales/documentation-investissements *Exclusion policies for SRI funds*. The sustainability risk is smaller for these sub-funds.

KBC AM's investment policy constantly evaluates the underlying investments at issuer level but also, where applicable, at asset allocation or geographical/sector allocation level. This regular scrutiny considers sustainability risk as one of numerous elements with a potential influence on returns. The SRI research team assigns an ESG risk rating to most of the enterprises included in the common indexes and to a selection of small and medium-sized enterprises based on data provided by an ESG data supplier. ESG risk ratings are shared internally with the portfolio managers and strategists so they can use them as an element in the investment decision-making process.

The Management Company also calculates and supervises the risk profile of the sub-funds, the risk profile of the target investor and the risks inherent in the sub-funds, as specified for each sub-fund in the detailed description of the sub-funds and in the simplified prospectus.

6. Appropriation of income

The Annual General Meeting of Shareholders of each sub-fund shall decide on the appropriation of income on a proposal from the Board of Directors.

Should the Board propose payment of a dividend to the General Meeting of Shareholders of a sub-fund, this dividend will be calculated according to the limits laid down by law and the Articles of Association.

For class A shares, the Board of Directors will propose that a dividend be distributed subject to the limits of the amount available accruing to them.

The distribution of a dividend may take place without regard to all realised and unrealised capital gains and losses. In addition, the dividends may include the distribution of capital, provided that, after distribution, the net assets of the Sicav exceed 1 250 000 euros.

The profit accruing to class B shares shall be capitalised.

Notice of all dividend payments shall be published in the Luxemburger Wort and in any other daily newspaper that the Board of Directors considers appropriate.

If deemed appropriate, the Board of Directors may pay interim dividends.

7. The Management Company: KBC Asset Management SA

7.1. Board of Directors of the Management Company

Chairman:

Mr Johan LEMA,

KBC Asset Management SA, Chairman of the Executive Committee, 2 avenue du Port, B - 1080 Brussels.

Directors:

Mr Lazlo BELGRADO

KBC Asset Management SA (Belgium), Managing Director, 4, rue du Fort Wallis, L-2714 Luxembourg

Mr Ivo BAUWENS

KBC Group RE, General Manager, 4, rue du Fort Wallis, L-2714 Luxembourg.

7.2. Directors of the Management Company

Mr Lazlo BELGRADO

KBC Asset Management SA, 4, Rue du Fort Wallis, L-2714 Luxembourg

Mr Koen VANDERAUWERA

KBC Asset Management SA, 4, Rue du Fort Wallis, L-2714 Luxembourg

7.3. Registered office of the Management Company

4 Rue du Fort Wallis, L-2714 Luxembourg.

7.4. Date of incorporation of the Management Company

The Management Company was established on 1 December 1999 under the name KBC Institutionals Gestion SA. The name of the Management Company was changed to KBC Asset Management SA on 10 February 2006.

The Management Company was authorised by the CSSF under Article 101 of Section 15 of the Act of 17 December 2010 on undertakings for collective investment, with effect from 10 February 2006.

7.5. Issued and fully-paid capital of the Management Company

The issued capital, which is fully paid up, of the Management Company is 4 152 937 euros.

7.6. Sicavs and Fonds Communs de Placement (FCPs) that have appointed the Management Company.

Sicav: KBC Bonds, KBC Renta, , KBC Interest Fund, KBC Institutional Interest Fund, Global Partners, KBC Select Investors, KBC Flexible and Contribute Partners.

FCPs: KBC Life Invest Fund, KBC Life Privileged Portfolio Fund, KBC Life Institutional Fund and KBC Life Invest Platform.

7.7. Appointment by the Sicav of the Management Company and responsibilities of the Management Company

7.7.1. Appointment by the Sicav of the Management Company

Under the terms of the contract that took effect on 1 May 2006, the Sicav appointed KBC Asset Management SA to be its Management Company within the meaning of Section 15 of the Act of 17 December 2010.

7.7.2. Management activities

7.7.2.1. General

The object of the Management Company is to manage undertakings for collective investment pursuant to the Act of 17 December 2010. This management activity covers the management, administration and marketing of undertakings for collective investment such as the Sicav.

7.7.2.2. Activities carried out on behalf of the Sicav

- Portfolio management
- Central administration: The Management Company has delegated the central administration to Brown Brothers Harriman (Luxembourg) S.C.A.(see 11. Central administration).

8. Fund manager

The Management Company may delegate the management of one or more sub-funds to one or more fund managers. In such cases, the detailed description of such sub-fund(s) in Appendix 1 shall give details of this delegation, the fund manager to whom the management has been delegated and the fees payable.

9. Socially responsible investments

The Sicav’s sub-funds adhere to an investment policy of investing in securities issued by socially responsible companies or public bodies.

Sustainable and Responsible Investing (SRI) has a positive influence on society, the environment and the world in which we live. It responds to today’s societal and economic needs without harming future generations.

Specialist researchers at KBC Asset Management NV compile a group or ‘universe’ of issuers (businesses, governments, supranational debtors and/or public bodies) with a socially responsible character. They are advised by an ‘SRI Advisory Board’ made up of a maximum of 12 people independent of KBC Asset Management NV and KBC Fund Management Ltd, who are exclusively charged with verifying the methodology and activities of the specialist researchers at KBC Asset Management NV. An officer from KBC Asset Management NV acts as secretary to this advisory board. KBC Asset Management NV also collaborates with a highly reputed data provider specialising in the field of sustainability. This data is processed and supplemented with publicly available information by the specialist research team.

The manager then seeks to invest to the greatest possible extent in assets belonging to this universe. Before they can be included in the universe, the issuers are subject to both positive and negative screening.

Negative screening

Negative screening is where issuers are excluded from the universe based on certain specific criteria.

In addition to the exclusion criteria set out under 'Social, ethical and environmental aspects', a supplementary set of SRI exclusion criteria have recently been added to the screening of issuers. You can find them under www.kbc.be/socially-responsible-investment (Four reasons for investing sustainably at KBC > Stringent sustainability screening). The main exclusion criteria are tobacco, gambling, arms, fur, special leathers and adult entertainment. This list is not exhaustive and may be adjusted under the oversight of the advisory board.

Positive screening

Positive screening is based on a comparison between governments and between businesses belonging to the same industrial category, using a number of SRI criteria. The issuers selected as 'best in class' based on these criteria are then included in the sustainable universe.

Issuers are selected by a series of criteria which, in so far as possible, are measured using objective yardsticks such as internationally recognised indicators. The advisory board continuously adjusts the list of criteria. The main criteria used during the initial subscription period are as follows:

- In the case of corporate bonds, issuers are selected based on the following criteria:
    - Respect for the environment (e.g., greenhouse gas reduction);
    - Attentiveness to society (e.g., working conditions for employees); and
    - Good governance (e.g., independence and diversity of the Board of Directors).
- In the case of shares and bonds issued by national governments, supranational debtors and/or public bodies, issuers are selected based on the following criteria:
    - General economic performance and stability (e.g., quality of institutions and government bodies);
    - Socio-economic development and general public health (e.g., education and employment);
    - Equality, freedom and rights of the populace;
    - Environmental policy (e.g., climate change);
    - Security, peace and international relations.

This list is not exhaustive and may be adjusted under the oversight of the advisory board.

It cannot be ruled out, however, that investment in assets that do not meet the criteria set out above could occur in a highly temporary and limited manner. Potential reasons for this include:

- events following which a business, having been purchased, ceases to qualify as socially responsible under the aforementioned criteria;
- corporate events such as the merger of one company with another, whereby the merged company no longer qualifies as a sustainable, socially responsible issuer under the aforementioned criteria;
- incorrect information resulting (involuntarily and erroneously) in investment in the shares of businesses that are not socially responsible;
- a planned update of the sustainable universe with the result that less liquid instruments are no longer considered sustainable but which the manager chooses not to sell in the short term in the interest of the customer and for reasons of transaction costs.

The main objective of the Sicav Nokrenta sub-fund is to passively track the performance of its benchmark.

Following an in-depth screening in accordance with the criteria defined above, the issues comprising the benchmark of the various sub-funds were deemed to be socially responsible assets (SRI).

We therefore draw the attention of investors to the fact that if one or more of the securities comprising the benchmark no longer meet the SRI criteria described above, following an in-depth screening, these criteria will no longer be decisive in determining the composition of the sub-fund's assets and the sub-fund will therefore no longer be composed of socially responsible assets.

10. Custodian

Brown Brothers Harriman (Luxembourg) S.C.A., société en commandite par actions, with its registered office at 80, route d'Esch, L-1470 Luxembourg, has been designated as the Sicav's Custodian on the basis of an agreement entered into on 17 May 2016.

Brown Brothers Harriman (Luxembourg) S.C.A. is a credit institution incorporated on 9 February 1989. As Custodian, Brown Brothers Harriman (Luxembourg) S.C.A. performs the usual duties in accordance with Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended by Directive 2014/91/EU of 23 July 2014 on the coordination of laws, regulations and administrative provisions in respect of custodian functions, remuneration policies and sanctions and the Act of 2010.

Specifically, the custodian must ensure that:

a) the sale, issue, repurchase, redemption and cancellation of the Sicav's shares are carried out in accordance with the law and with the Sicav's Articles of Incorporation;

b) the value of the Sicav's shares is calculated in accordance with the law, the Articles of Incorporation and the Prospectus;

c) The instructions of the Management Company or the Sicav are carried out, unless they conflict with the law or the Sicav's Articles of Incorporation;

d) in transactions involving the Sicav's assets, the consideration for the transactions is remitted to it within the customary periods;

e) the Sicav's products are applied in accordance with Luxembourg law, the Articles of Incorporation and the Prospectus;

f) it is able to supply a full inventory of all the Sicav's assets.

The custodian will ensure that the Sicav's liquid asset flows are correctly tracked and, more specifically, that all payments made by shareholders or on their account when subscribing to shares in the Sicav have been received and that all the Sicav's liquid assets have been recorded in cash accounts that are:

a) opened in the Sicav's name or that of the Custodian acting on the Sicav's behalf;

b) opened at an entity as defined by Article 18(1a, b and c) of Commission Directive 2006/73/EC; and

c) held in accordance with the principles set out in Article 16 of Directive 2006/73/EC.

Custody of the Sicav's assets must be entrusted to a Custodian, taking account of the following elements:

a) In the case of financial instruments, the safekeeping of which can be ensured, the Custodian:
   - i) must ensure the safekeeping of all the financial instruments that can be entered in a custody account held at the Custodian, and of all financial instruments that can be delivered physically to the Custodian;
   - ii) must ensure that all the financial instruments that can be entered in a custody account held at the Custodian are registered at the Custodian in separate accounts, in accordance with the principles set out in Article 16 of Directive 2006/73/EC, opened in the Sicav's name, such that they may be clearly identified at all times as belonging to the Sicav, in accordance with applicable law.

b) In the case of other assets, the Custodian:
   - i) must verify that the Sicav is the owner of these assets by evaluating, based on information or documents furnished by the Sicav and, where appropriate, external proofs, whether the Sicav holds the ownership rights;
   - ii) must maintain a register of assets of which it knows the Sicav to be the owner and must ensure the updating of this register.

The Sicav's assets may not be reused other than under the conditions described in the Law of 2010 and Directive 2009/65/CE.

The Custodian will maintain full and detailed company policies and procedures requiring the Custodian to comply with the applicable laws and regulations.

The Custodian has policies and procedures governing the management of conflicts of interest. These policies and procedures deal with the conflicts of interest that can result from the supply of services to the UCITS.

The Custodian's policies require that all material conflicts of interest involving internal and external parities be acknowledged without delay, reported to management, registered, and where applicable, mitigated and/or neutralised. Where a conflict of interest cannot be avoided, the Custodian must maintain and apply effective organisational and administrative measures in order to take all reasonable precautions to (i) report the conflicts of interest to the Sicav and its shareholders and (ii) to manage and monitor such conflicts.

The Custodian will ensure that its employees are informed, trained and advised on conflict of interest policies and procedures, and that tasks and responsibilities are separated in an appropriate manner in order to avoid conflicts of interest.

Compliance with the conflict of interest policies and procedures will be supervised and checked by the Executive Committee as general partner and by the authorised management of BBH, as well as by the Custodian's compliance, internal audit and risk management functions.

The Custodian will take all reasonable precautions to identify and mitigate potential conflicts of interest. This includes the implementation of its conflict of interest policies, which are appropriate for the scale, complexity and nature of its activities. This policy identifies the circumstances that give, or might give rise to a conflict of interest, and includes the procedures to be followed and the measures to be adopted to manage conflicts of interest. The Custodian will maintain and monitor a register of conflicts of interest.

The Custodian will also act as administrative agent in accordance with the terms of the fund management agreement between the Custodian and the Management Company. The Custodian has implemented an appropriate separation of activities between its custodian services and its fund management services, including the reporting and governance procedures. The custodian function will, moreover, be hierarchically and functionally distinct from the fund management services unit.

The Custodian may delegate the custody of the Sicav's assets to sub-custodians, subject to the conditions set out by current law and regulations and the provisions of the custody agreement. The Custodian must have a process in place designed to select the highest-quality sub-custodian in each market. The Custodian must exercise appropriate care and diligence in selecting and designating each sub-custodian, to ensure that each sub-custodian possesses and maintains the required competence. The Custodian should also determine periodically whether the sub-custodians are complying with the applicable legal and regulatory obligations and must continuously monitor each sub-custodian, to ensure that it continues to meet its obligations in an appropriate manner. The list of its sub-custodians is available on the Management Company's website at https://kbcam.kbc.be/fr/kbcamsa and clicking the 'Sub-custodian list and their BBH delegates' tab, or by sending a written request to the Custodian.

A potential conflict of interest might arise in situations in which the sub-custodians have or conclude a separate commercial and/or business relationship with the Custodian parallel to the sub-custody relationship. Conflicts of interest can potentially arise between the Custodian and the sub-custodian during the conduct of its business. In the event of a group connection between the sub-custodian and the Custodian, the Custodian undertakes to identify any potential conflict arising from this connection, where applicable, and to take all measures capable of avoiding these conflicts of interest.

The Custodian does not anticipate that it will have any specific conflicts of interest arising from delegation to a sub-custodian. The Custodian will notify the Board of Directors of the Sicav and the Management Company in the event that a conflict of this nature should arise.

Any other potential conflict of interest regarding the Custodian will be identified, mitigated and handled in accordance with the Custodian's policies and procedures.

Updated information on the Custodian's custody obligations and the conflicts of interest to which this might give rise can be obtained free of charge and on request from the Custodian.

The Custodian is liable to the Sicav or its investors for the loss of a financial instrument held in custody by the Custodian or a sub-custodian pursuant to the Act of 17 December 2010. This liability comprises a duty of restitution on the Custodian's part, unless it can prove that the loss resulted from an external event beyond its reasonable control, the consequences of which could not have been avoided even if all reasonable efforts to do so had been made.

The Custodian is also liable to the Sicav or its investors for all other losses suffered by them as a result of the Custodian's negligent or intentional failure to properly fulfil its duties in accordance with the Act of 17 December 2010.

11. Central administration

The Management Company has delegated the functions of domiciliary agent, administrative agent and registrar and transfer agent to Brown Brothers Harriman (Luxembourg) S.C.A. pursuant to a contract that entered into effect on 20 June 2016. These contracts were concluded for an indefinite period and may be terminated by each party subject to three months' notice.

Brown Brothers Harriman (Luxembourg) S.C.A. was established on 9 February 1989 in the form of a société en commandite par actions (partnership limited by shares) under Luxembourg law. Its registered office is at 80 route d'Esch, L-1470 Luxembourg.

Brown Brothers Harriman (Luxembourg) S.C.A. will be paid by the Management Company.

Subscribers and/or distributors' personal details are processed by Brown Brothers Harriman (Luxembourg) S.C.A. ('BBH') to enable them to provide the administrative management of the Sicav, to ensure correct processing of transactions in accordance with the provisions of the prospectus and the contracts of service providers, to correctly allocate received payments, to ensure the correct payment of the agreed fees and to ensure the correct holding of general meetings. Subscribers or distributors are entitled to access the information on file about them in order to change, correct or update it.

12. Shares

For each sub-fund and category, the shares are issued in registered form in the name of the investor. The shares will be admitted to clearing institutions, as the shareholder chooses.

The register of shareholders is kept at 80 route d'Esch, L-1470 Luxembourg.

The Sicav offers two categories of share for each sub-fund: capitalisation shares (category B) and distribution shares (category A). For each sub-fund, the assets of these two classes are merged into a single pool. The shares are differentiated by their distribution policy: one class capitalises its income, the other pays a dividend.

The shares must be fully paid up and are issued at no par value.

There is no limit to the number of shares that may be issued.

The rights attached to the shares are those specified in the Luxembourg Act of 10 August 1915 on commercial companies, as modified if not suspended by the Act of 17 December 2010. The shares in each category and sub-fund have equal voting rights and rights to the proceeds of liquidation of the relevant sub-fund.

13. Net asset value

13.1. General

For each sub-fund, the net asset value per share and the issue and redemption prices are calculated on each bank business day (valuation day) in Luxembourg under the responsibility of the Sicav's Board of Directors. The net asset value for each share class of each sub-fund is determined by dividing the net asset value of the sub-fund concerned attributable to this class by the total number of shares outstanding in this class on the valuation date. If a valuation day is a public or bank holiday in Luxembourg, the valuation day will be the following banking day.

The percentage of the total net assets attributable to each share class of each sub-fund will be determined at the launch of the Sicav and comprises the number of shares issued in each class and sub-fund multiplied by the respective initial issue price. It will be subsequently adjusted on the basis of dividend distributions and subscriptions or redemptions as follows:

Firstly, when a dividend is paid out on distribution shares of a sub-fund, the assets attributable to this share class will be reduced by the total amount of the dividend (resulting in a reduction in the percentage of total net assets attributable to this share class), while the net assets attributable to this sub-fund's capitalisation share class will remain unchanged (resulting in an increase in the percentage of total net assets attributable to this share class);

Secondly, when shares of a class are issued or redeemed, the corresponding net assets will be increased by the amount received or decreased by the amount paid, respectively.

The net asset value of the Sicav's various sub-funds will be calculated as follows.

13.2. Assets

13.2.1. List of assets

The Sicav's assets comprise, inter alia:

13.2.1.1. all cash in hand or on deposit, including interest due but not yet received and interest accrued on these deposits until the valuation day;

13.2.1.2. all bills and demand notes and accounts receivable, (including the proceeds of the sale of securities for which the price has not yet been received);

13.2.1.3. all securities, units, shares, bonds, options or subscription rights and other investments and securities belonging to the Sicav;

13.2.1.4. all dividends and payments receivable by the Sicav in cash or securities insofar as the Sicav is aware of them;

13.2.1.5. all interest due but not yet received and all interest generated until the valuation day by securities belonging to the Sicav, unless such interest is included in the capital amount of these securities;

13.2.1.6. the Sicav's formation expenses, to the extent that these have not been written off;

13.2.1.7. all other assets of any kind, including prepaid expenses.

13.2.2. Valuation of the assets

The value of these assets will be determined as follows:

13.2.2.1. The value of cash in hand or on deposit, of bills and demand notes and accounts receivable, pre-paid expenses, dividends and interest declared or accrued but not yet received will be the nominal value of these assets, unless it appears unlikely that the full value can be received, in which case the value will be determined by making such deduction as the Sicav considers appropriate to reflect the true value thereof.

13.2.2.2. The value of all securities admitted to official listing on a stock exchange or traded on another market that is regulated, regularly operating, recognised and open to the public will be determined on the basis of the last known price in Luxembourg on the valuation day, and, if these securities are traded on more than one market, on the basis of the last known price on the main market for the relevant securities. If this price is not representative, the value will be determined on the basis of the foreseeable sale price, estimated prudently and in good faith by the Board of Directors.

13.2.2.3. Securities not listed or traded on a stock exchange or any other market that is regulated, regularly operating, recognised and open to the public will be valued on the basis of the foreseeable sale value, estimated prudently and in good faith.

13.2.2.4. Securities expressed in a currency other than the currency of the sub-fund will be converted into the currency of the sub-fund at the exchange rate obtaining on the banking day concerned or at the exchange rate provided for by the forward contracts.

13.3. Liabilities

13.3.1. List of liabilities

The Sicav's liabilities comprise, inter alia:

13.3.1.1. all loans, securities that have matured and accounts payable;

13.3.1.2. all known liabilities, present and future, including all matured contractual obligations to make payment in cash or in kind, including the amount of any unpaid dividends declared by the Sicav.

13.3.1.3. all reserves authorised and approved by the Board of Directors, specifically those set aside to cope with a potential loss in value of certain of the Sicav's investments;-

13.3.1.4. all other liabilities of the Sicav of any nature whatsoever, except for those represented by the Sicav's capital and reserves. For the purposes of valuing these other liabilities, the Sicav will take account of all expenses to be paid by it, including, without limitation, its formation expenses and expenses to subsequently amend the Articles of Association, fees and expenses payable to the investment adviser, managers, accountants, custodians and correspondent banks, domiciliary and administrative agents, registrar and transfer agents, paying agents or other agents and employees of the Sicav, as well as permanent representatives of the Sicav in the countries where it is subject to a registration requirement, expenses for legal counsel and for the auditing of the Sicav's annual accounts, promotional expenses, printing and publishing expenses for documents used to sell the shares, printing expenses for the annual and interim financial statements, expenses for holding shareholder meetings and meetings of the Board of Directors, the reasonable travel expenses of directors and managers, attendance fees, the expense of registration declarations, all taxes and duties imposed by government authorities and the stock exchanges, the costs of publishing issue and redemption prices, as well as all other operating expenses including financial, banking or broking expenses incurred on the purchase or sale of assets or otherwise, and all other administrative expenses.

13.3.2. Valuation of the liabilities

For the purpose of valuing these liabilities, the Sicav will take account on a pro rata basis of administrative and other expenses that recur regularly or periodically.

13.3.3. Other principles

13.3.3.1. In respect of third parties, the Sicav constitutes a single legal entity, and all liabilities are binding on the Sicav as a whole, regardless of the sub-fund to which these debts are allocated.-- The assets, liabilities, fees and expenses that are not attributable to any one sub-fund will be allocated to the various sub-funds in equal proportions or, where the amounts in question warrant, in proportion to their respective net assets.

13.3.3.2. In relations among shareholders, each sub-fund is treated as a separate entity.

13.3.3.3. Any share of the Sicav that is in the process of being redeemed will be considered to be an issued and existing share until the close of the valuation day applying to the redemption of this share, and the price thereof will be considered a liability of the Sicav from the close of that day until the price has been paid.

Any share to be issued by the Sicav in response to subscription applications received will be considered to have been issued from the close of the valuation day applying in respect of its issue price and the price thereof will be considered as an amount receivable by the Sicav until it is actually received by the Sicav.

13.3.3.4. Account will be taken, as far as possible, of all investments or divestments decided upon by the Sicav until the valuation day.

14. Suspension of calculation of the net asset value

The Board of Directors is authorised to temporarily suspend calculation of the net asset value of one or more of the Sicav's sub-funds and the net asset value of each class of shares, as well as the issue or redemption of shares in the following cases:

14.1. during any period when a market or stock exchange that is the main market or exchange on which a substantial proportion of the Sicav's investments is traded at a given time is closed for a reason other than normal holidays, or when trading on that market or exchange is suspended or subject to major restrictions;

14.2. when the political, economic, military, monetary or social situation or any occurrence of force majeure beyond the Sicav's control prevents it from disposing of its assets by reasonable and normal means, without seriously compromising shareholders' interests;

14.3. when exchange or capital movement restrictions prevent transactions being carried out on behalf of the Sicav or when the buying or selling of the Sicav's assets cannot take place at normal exchange rates;

14.4. as soon as the announcement is published that a general meeting has been convened for the purpose of passing a resolution for the dissolution of the Sicav.

In exceptional circumstances that could adversely affect shareholders' interests, or in the event of requests for redemptions exceeding 10% of the net assets of the sub-fund, the Sicav's Board of Directors reserves the right to postpone calculation of the value of a share until after carrying out the requisite sales of securities on behalf of the sub-fund.

In this case, subscriptions and redemptions already in the pipeline will be processed on a priority basis according to the net value calculated in this way.

Subscribers and shareholders presenting shares for redemption will be advised that the calculation of the net asset value has been suspended.

Pending subscriptions and redemption applications may be withdrawn by written notification provided that the notification is received by the Sicav before the suspension comes to an end.-

Pending subscriptions and redemptions will be taken into consideration on the first valuation day following the end of the suspension.

15. Issuance of shares and subscription and payment procedure

The Board of Directors is authorised to issue shares of any sub-fund and any class at any time and without limitation.

The Sicav's shares are not being offered for frequent trading by investors seeking to take advantage of short-term fluctuations in the relevant markets. The Sicav will not be managed and is not intended to serve as a vehicle for such transactions. This type of activity, considered to constitute 'market timing', could be prejudicial to the Sicav's shareholders. The Sicav is therefore entitled to refuse any request to subscribe to shares that it considers, in good faith, to constitute market timing activity involving the Sicav's assets.

The Sicav will take the necessary measures to rule out 'late trading' and to ensure that the subscription, redemption and conversion orders are accepted at a time when the net asset value applying to these orders is not yet known.

15.1. Initial subscription

The price of and fee charged for subscriptions during the initial subscription period are specified in Appendix 1.

15.2. Subsequent subscriptions

After the initial subscription period, the shares will be issued at a price corresponding to the net asset value per share, plus an entry fee of 2.5% maximum payable to the professional intermediaries.

This fee is currently 2.5% in Belgium and Luxembourg.

The rate of this entry fee is set, and may be changed, by the Board of Directors. Shareholders will be notified by means of an announcement in the annual report.

15.3. Procedure

Subscription applications can be submitted to the Sicav or handed in at the counters of the financial service providers until 2 p.m. on any day on which banks in Luxembourg are open for business (Valuation Day). If accepted, they will be processed on the basis of the net asset value on the day on which the subscription application is received (calculated on the first bank business day in Luxembourg following receipt of these applications on the basis of the prices of the underlying securities on the day the subscription application is received).

Payment of the issue price must be made no later than three bank business days in Luxembourg following receipt of the subscription application.

The Sicav reserves the right to:

- refuse any application made to subscribe to shares in whole or in part;
- redeem, at any time, shares held by persons not authorised to buy or hold the Sicav's shares.

The Sicav's shares are not being offered for frequent trading by investors seeking to take advantage of short-term fluctuations in the relevant markets. The Sicav will not be managed and is not intended to serve as a vehicle for such transactions. This type of activity, considered to constitute 'market timing', could be prejudicial to the Sicav's shareholders. The Sicav is therefore entitled to refuse any request to subscribe to or convert shares that it considers, in good faith, to constitute market timing activity involving the Sicav's assets.

16. Conversion of the shares of one sub-fund to shares of another sub-fund

All shareholders may request the conversion of all or some of their shares to shares of another sub-fund at a price equal to the respective net values of the shares of the different sub-funds, less a conversion fee.

If, within one or more sub-funds, distribution shares and capitalisation shares are issued and in circulation, the holders of distribution shares will be entitled to convert all or part of them into capitalisation shares and vice versa, at a price equal to the respective net values on the date the conversion order is received (calculated on the first Luxembourg bank business day following receipt of these applications, based on the price of the underlying securities on the date the conversion order was received) and this within one and the same sub-fund or when switching from one sub-fund to another.

Shareholders wishing to convert their shares as set out above may apply in writing to the Sicav, indicating the number and type of the shares to be converted and also specifying whether the shares of the new sub-fund are to be distribution or capitalisation shares. Shareholders must also specify the address where the payment of any balance from the conversion must be sent and the application must be accompanied by the old share certificate, if issued. Conversion applications must reach the Sicav or the counters of the financial service providers by 2 p.m. at the latest on any day on which banks in Luxembourg are open for business.

The periods of notice relating to the conversion of shares are identical to those applied for the subscription and redemption of shares.

The number of shares allotted in the new sub-fund will be established according to the following formula:

$$A = \frac{B \times C \times D}{E}$$

where:

A: is the number of shares to be allotted in the new sub-fund (distribution shares or capitalisation shares, as the case may be);

B: is the number of shares of the initial sub-fund (distribution shares or capitalisation shares, as the case may be) to be converted into shares in the new sub-fund;

C: is the net asset value – on the date the order to convert shares in the initial sub-fund is received – of the shares to be converted (distribution shares or capitalisation shares, as the case may be);

D: is the exchange rate applicable on the day of the transaction between the currencies in which the two classes of share are expressed;

E: is the net asset value – on the date the order to convert shares into shares in the new sub-fund is received – of the shares to be allocated (distribution shares or capitalisation shares, as the case may be).

No conversion of shares will occur if the calculation of the net asset value of one of the sub-funds concerned is suspended.

17. Redemption of shares

All shareholders are entitled to have their shares redeemed by the Sicav at any time. Shares redeemed by the Sicav will be cancelled.

Redemption applications will be accepted until 2 p.m. on any bank business day in Luxembourg. Redemption applications must be sent to the Sicav in writing or by fax. Applications must be irrevocable (subject to the provisions of Section 13) and must state the number, sub-fund and class of the shares to be redeemed, as well as any information of relevance for effecting the redemption.

Applications relating to bearer shares must be accompanied, where applicable, by the certificates to be redeemed, along with any unmatured coupons attached, while requests relating to registered shares must state the name under which the shares are registered and be accompanied by documents confirming the transfer.

All shares submitted for redemption will be redeemed at the net asset value per share on the day the redemption order is received (calculated on the first bank business day in Luxembourg following receipt of these applications, based on the prices of the underlying securities on the day the redemption order is received), less an exit fee of 1% maximum of the net asset value, payable to the relevant sub-fund of the Sicav.

No exit fee is currently payable in Belgium or Luxembourg.

The redemption price will be paid no later than three Luxembourg bank business days after the date on which the application for redemption was received, provided that the Sicav has received all the documents confirming the redemption.

Payment will be made in the currency of the sub-fund concerned or according to the instructions in the redemption application, in which case the costs for the currency exchange will be paid by the shareholder.

The redemption price of the Sicav's shares may be higher or lower than the purchase price paid by the shareholder at the time of subscription, depending on whether the net asset value has increased or decreased.

Any taxes and brokerage fees payable in connection with the redemption are payable by the seller. These expenses may not under any circumstances exceed the maximum authorised by the laws, regulations and banking practices of the countries where the shares are redeemed.

The rate of the exit fee is set, and may be changed, by the Board of Directors. Shareholders will be notified by means of an announcement in the annual report. Any increase in the exit fee must be the subject of a notice in the Luxemburger Wort and any other newspaper as the Board of Directors considers appropriate, and shall only enter into force one month after such publication.

18. Regular share purchase plan available in Belgium

In Belgium, investors can acquire shares by signing up to a regular purchase plan at KBC Bank NV, Brussels, hereinafter referred to as 'the Bank'.-

Due completion of the subscription form attached to this prospectus is all that is required.

The subscriber undertakes to pay a specific sum at regular intervals (at least every three months). This entire sum will go directly towards the acquisition of shares and fractions of shares of the class and in the sub-fund selected by the subscriber, at the issue price obtaining.

Fractions of shares are not actually issued by the Sicav but are an indivisible part of whole shares subscribed by the Bank on behalf of a number of customers.

The shares and fractions of shares purchased will be kept on behalf of the subscriber in a custody account with the Bank. The Bank is accountable to the subscribers for the shares and fractions of shares belonging to them.

Subscribers may make additional contributions or ask to change the amount of their payment. They may also request the suspension of their payments or stop the plan, withdraw all or some of their full shares from the custody account or sell their shares and/or fractions of shares in accordance with the terms and conditions provided for the redemption of shares by the Sicav.

The regular purchase plan will not give rise to additional charges being levied.

The Bank reserves the right to terminate the plan:

1. if, in particular through a lack of covering funds on the account, the subscriber makes it impossible to continue the plan;
2. subject to three months' written notice.

19. Taxation

19.1. Taxation of the Sicav

Under the legislation in force and in accordance with current practice, the Sicav is not subject to any Luxembourg income or capital gains tax.- Likewise, the dividends paid by the Sicav are not subject to any Luxembourg withholding tax.

However, the Sicav is subject to a tax in Luxembourg of 0.05% per annum on its net asset value. This tax is payable quarterly on the basis of the net assets of the Sicav calculated at the end of the quarter to which the tax relates. Furthermore, at the time of its establishment, the Sicav was liable for tax on the raising of capital of 1 239.47 euros.

The Institutional B Shares sub-categories within the Sicav will qualify for the reduced tax of 0.01% and are intended for institutional investors (as defined in Article 174 (2) of the Act of 17 December 2010).

However, some portfolio income of the Sicav in the form of dividends and interest may be subject to a variable-rate tax deducted at source in the countries where it originated.

19.2. Taxation of the shareholders

Amounts paid out by the Sicav and the income, dividends, other amounts paid out and capital gains collected or realised by a shareholder residing in Luxembourg or abroad are not subject to any Luxembourg withholding tax of the 'debtor' type.

Taxation of resident shareholders

In certain cases, and under certain conditions, the capital gains realised by an individual resident shareholder directly or indirectly holding or having held more than 10% of the share capital of the Sicav or of a sub-fund or holding shares for six months or less before the transfer thereof, the dividends received by a shareholder and the income realised or received by a collective resident entity may be subject to tax in Luxembourg unless a deduction or exemption applies.

Resident shareholders are also subject in Luxembourg to a wealth tax, a tax on gifts registered in Luxembourg and a tax on inheritance.

Taxation of non-resident shareholders

In certain cases and under certain conditions, non-resident shareholders directly or indirectly holding or having held more than 10% of the share capital of the Sicav or of a sub-fund of the Sicav, or shareholders with a permanent establishment in Luxembourg to which the share relates may be subject to a tax in Luxembourg, unless a tax convention limiting Luxembourg's right to impose tax or a deduction or exemption applies.

Non-resident shareholders are not subject in Luxembourg to a wealth tax, a tax on gifts not registered in Luxembourg or a tax on inheritance.

Based on Luxembourg legislation, the Sicav is required to collect and automatically report to the Luxembourg tax administration financial information on investors with tax obligations in a country other than Luxembourg. The Luxembourg tax administration can only use the received data to exchange them with the competent foreign authorities for tax purposes. The reported information shall include identification data on the investor such as name, address, place of birth, date of birth, as well as certain financial details on the investment in the Sicav during a given reference period.

Shareholders may also be subject to tax in their country of residence under the laws and regulations that apply to them and that they are required to observe. Prospective investors are advised to find out about the tax requirements in effect in their country of residence.

The description set out in the 'taxation' section is based on legal and regulatory texts in effect on the date of this prospectus, which are subject to change. Prospective investors are also cautioned that this description is not exhaustive and does not cover all the tax issues that might be of interest to persons who wish to hold shares in the Sicav. Prospective investors are advised to obtain information and advice on the laws and regulations that apply to them on subscription to, or on the purchase, possession, transfer and sale of these shares in their country of origin, in the country in which these transactions take place, in their country of residence or in their country of domicile.

20. Fees, charges and expenses

20.1. Fees and expenses payable to the Sicav

The fee structure set out below will apply:

Portfolio management fee

In remuneration for the portfolio management services it provides, the appointed Management Company, KBC Asset Management SA, will receive a portfolio management fee, of which the maximum level charged to the investors is indicated for each share class in the prospectus.

Sales commissions and trail commissions may be paid to sub-distributors out of the management fee and reimbursements may be granted to investors.

Fixed Service Fees

In addition to the portfolio management fee and unless otherwise indicated in the appendix ‘Detailed Description of the Sub-Fund’, each share class must pay the designated Management Company, KBC Asset Management N.V., a Fixed Service Fee (the ‘Fixed Service Fee’) to cover the management fees, custody fees and other ongoing operational and administrative fees incurred by the sub-fund, as set out for each share class in the prospectus. The Fixed Service Fee is set at share class level for each sub-fund.

The Fixed Service Fee is determined on each calculation of the net asset value and is paid monthly in arrears.

The Fixed Service Fee covers:

i. The fees and expenses inherent to the services provided to the Sicav by service providers other than the Management Company to which the Management Company has delegated its administrative functions such as calculating the net asset value of the sub-funds and other accounting and administrative services, as well as transfer agent and registrar, and the costs associated with the distribution of the sub-funds and their registration in foreign jurisdictions to enable them to be offered there, including the fees payable to the supervisory authorities of those countries;

ii. the fees and expenses owing to other agents and service providers designated directly by the Sicav, including the fees of the Custodian, the Custodian of immobilised bearer shares, the principal paying agent or local paying agents, auditors’ and legal advisers’ fees and, where applicable, directors’ attendance fees;

iii. other costs, including formation expenses and the cost of creating new sub-funds, expenses incurred when creating or closing share classes and paying any dividends, the cost of insurance, listing (where applicable), publishing the price of shares, printing, reporting and publication, including the costs of preparing, printing and distributing prospectuses and other periodic reports or registration notices; as well as

iv) all other operational costs, including postage, telephone, telex and fax.

This Fixed Service Fee is fixed to the extent that the Management Company will bear any expense incurred above the aforementioned fee charged to the share class. Conversely, the Management Company may retain any portion of the Fixed Service Fee charged to the share class exceeding the relevant expenses actually incurred by the share class in question.

The Fixed Service Fee does not include the following, which will therefore be charged directly to the relevant sub-fund/share class:

- Fees and expenses associated with the purchase and sale of securities and financial instruments
- Broker’s fees
- Transaction charges (other than custody service)
- Bank interest and charges, as well as other expenses associated with the transactions
- Payment of subscription tax in Luxembourg
- Extraordinary expenses: these specifically include, to an unlimited level, costs arising from legal action and the total amount of all Luxembourg or foreign taxes (other than subscription tax in Luxembourg), duties or similar charges billed to the sub-funds or levied on their assets, which cannot be considered ordinary costs

If the Sicav’s sub-funds invest in shares issued by one or more other sub-funds of the Sicav or in one or more sub-funds of another UCITS or UCI managed by the Management Company, the Fixed Service Fee may equally be charged to the sub-fund that is investing as to the sub-fund invested in.

Fees and expenses to be borne by the investor

Where applicable, according to the specific details set out in the appendix ‘Detailed Description of the Sub-Fund’, investors may be required to bear the fees and expenses for issue, redemption and conversion. These fees may be payable to the sub-fund and/or the distributor, as specified in the appendix 'Detailed description of the sub-fund'.

In relations among investors, each sub-fund is treated as a separate entity.

The rights of creditors in respect of one sub-fund or deriving from the creation, operation or liquidation of a sub-fund are limited to the assets of that sub-fund. The assets of a sub-fund are available exclusively to satisfy the rights of creditors whose claims derive from the creation, operation or liquidation of that sub-fund.

20.2. Ongoing charges

The Key Investor Information Documents give details of the ongoing charges calculated in accordance with the terms of Commission Regulation (EU) No. 583/2010 of 1 July 2010.

Ongoing charges are those to which the UCI is subject during a financial year. They are shown in the form of a single figure and include all the annual charges and other payments booked against the UCI's assets during the period specified. The total is based on the figures for the previous financial year. It is expressed as a ratio (%) of the average net assets of the sub-fund or the class of shares, as the case may be.

The following are not included in the charges shown: entry and exit fees, performance fees, transaction fees paid in relation to the acquisition or sale of assets, interest paid, payments made to grant surety in respect of financial derivatives and soft commissions or similar payments received by the management company or any person associated with the management company.

21. General meetings of shareholders

The Annual General Meeting of Shareholders is held each year at the registered office of the Sicav, or at any other venue in Luxembourg specified in the convening notice.

The Annual General Meeting is held at 3 p.m. on the second Wednesday in December or, if that is a public holiday, on the next banking day.-

Notifications will be published in the Mémorial, in the Luxemburger Wort and in every other daily newspaper the Board of Directors considers appropriate, and, where notifications for any general meetings are sent to all registered shareholders, to the address appearing in the register of shareholders, at least eight days prior to that general meeting.-

This notification will indicate the time and venue of the general meeting and the conditions of admission thereto, the agenda and the requirements under Luxembourg law concerning the required quorum for attendance and voting.

In addition, the shareholders of each sub-fund will be convened for separate general meetings deliberating and adopting resolutions under the quorum and majority requirements set out in the Commercial Companies Act of 10 August 1915, as amended, for the following:

– Appropriation of the annual profit of their sub-fund;

– Any decisions affecting their rights.

The Sicav requests investors to note that no investor may fully exercise his rights directly vis-à-vis the Sicav (including the right to attend general meetings of shareholders) unless the investor concerned is recorded in his name in the Sicav's register of shareholders. If an investor invests in the Sicav via an intermediary investing in the Sicav in the intermediary's name but on behalf of the investor, certain shareholder rights may not necessarily be exercised by the shareholder directly vis-à-vis the Sicav. Investors are advised to obtain information on their rights.

22. Liquidation

The Sicav shall be wound up subject to the conditions specified in the Act of 17 December 2010.

Should the Sicav's capital fall below two thirds of the minimum capital, the Board of Directors must submit the question of the dissolution of the Sicav to the General Meeting, for which no quorum shall be prescribed, and at which decisions shall be taken by a simple majority of the shares represented at the Meeting.

Should the Sicav's capital fall below one quarter of the minimum capital, the Board of Directors must submit the question of the dissolution of the Sicav to the General Meeting, for which no quorum shall be prescribed; the dissolution may be adopted by shareholders holding one quarter of the shares represented at the Meeting.

The meeting is to be so convened that it takes place within forty days of the date on which it is established that the net assets have fallen below two thirds or one quarter, as the case may be, of the minimum capital. Furthermore, the Sicav may be dissolved by decision of a general meeting of shareholders pursuant to the provisions of the Articles of Association on the subject.

The decisions of the General Meeting or the court pronouncing the dissolution and liquidation of the Sicav shall be published in the Mémorial and in three daily newspapers with a sufficient circulation, at least one of which must be a Luxembourg newspaper. These publications are made at the request of the liquidator(s).

The Board of Directors may moreover decide to simply liquidate one or more sub-funds in the following cases:

– If the net assets of the sub-fund(s) concerned fall below 1 250 000 euros (or the equivalent value in another currency);

– If economic and/or political circumstances change.

The decision to wind up a sub-fund must be published in accordance with the relevant publication rules. In particular, information must be given on the reasons for, and the terms and conditions of, the winding up.

Unless the Board of Directors decides otherwise, the Sicav may, pending execution of the liquidation decision, continue to redeem the shares of the sub-fund that is to be liquidated. For these redemptions, the investment company must use as a basis the net asset value established taking account of the liquidation costs, but without deduction of an exit fee or any other amount. The capitalised formation expenses are to be amortised in full by the sub-fund concerned as soon as the decision to wind up the sub-fund is taken.

Amounts which it has not been possible to distribute to the beneficiaries by the closing date of the liquidation of the sub-fund(s) may be deposited with Brown Brothers Harriman (Luxembourg) S.C.A. for a period of no more than six months from that date. After that period, the assets must be deposited at the Caisse de Consignation (Consignment Office) in favour of the beneficiaries.

Subject to the conditions set out by the 2010 Act and, where applicable, by a CSSF Regulation, the Board of Directors is authorised to decide on a national or cross-border merger and its effective date with another UCITS in accordance with one of the merger techniques set out by the 2010 Act, whether in the form of an absorbed UCITS or an absorbing UCITS.

For any merger in which the Company ceases to exist, the effective date of the merger must be decided by a meeting that shall deliberate in accordance with the provisions and quorum and majority requirements set out in the present Articles of Association, subject to the conditions set out by the Act. In this case, the effective date of the merger must be found to have been made by notarial deed.

23. Information for shareholders

23.1. Publication of the net asset value

The net asset value of each sub-fund and of each class of share, and the issue, redemption and conversion prices, will be published on each Valuation Date at the Sicav's registered office. This information may also be published in any daily newspaper the Board of Directors considers appropriate, and may be obtained from other institutions designated by the Sicav.

23.2. Financial notices

The financial notices will be published in the countries where the Sicav is marketed in at least one daily newspaper with adequate circulation and, as far as the Grand Duchy of Luxembourg is concerned, in D'Wort.-

23.3. Financial year and reports to shareholders

The Sicav's financial year starts on 1 October and ends on 30 September of each year.

Each year, the Sicav shall publish a detailed report on its activity and the management of its assets, including a consolidated balance sheet and profit and loss account expressed in euros, a detailed list of the assets in each sub-fund and the report of the statutory auditor.

In addition, at the end of every half-year, it shall publish an interim report containing, in particular, information on the composition of the portfolio, changes in the portfolio during the period, the number of shares in circulation and the number of shares issued and redeemed since the last report.

The Sicav may decide to publish interim reports.

23.4. Auditor

The Sicav's accounts and annual reports are audited by Deloitte Audit, 20, boulevard de Kockelscheuer, L-1821 Luxembourg.

23.5. Documents available to the general public

The Sicav's Articles of Association and financial reports are available to the public, free of charge, from its registered office.

The following contracts may also be consulted at the Sicav's registered office:
– The domiciliary agent contract;
– The contract appointing the Management Company;
– The contract with the custodian;
– The paying agent contract.

23.6. Inducements

In order to foster the wider distribution of units in the sub-fund, in addition to using several channels of distribution, the management company has, in its capacity as distributor, entered into a distribution agreement with one or more sub-distributors.

It is in the interests of investors in the sub-fund and the management company that the sub-fund's assets should be as high as possible, including through the sale of the highest possible number of units. In this respect, there is therefore no question of any conflict of interests.

The management company may share its management fee with its sub-distributors, institutional and/or professional parties. The fact that the management fee is shared shall not affect the amount of the management fee paid to the Management Company by the sub-fund.

In principle, this is between 35% and 70% if the sub-distributor is a KBC Group SA entity and between 35% and 70% if the sub-distributor is not a KBC Group SA entity. In a limited number of cases, the fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the assets of the Sicav in units in undertakings for collective investment that are not managed by a KBC Group SA entity, and if the management company receives a fee, it shall pay this fee to the Sicav.

23.7. Remuneration policy

The remuneration policy for employees of the Management Company is based on the KBC Remuneration Policy, which sets general rules in this area for all members of staff and sets out specific guidelines for employees whose activities could have a material impact on the company's risk profile (Key Identified Staff). The KBC Remuneration Policy will be updated continuously.

General rules

The remuneration policy is in accordance with the economic strategy, the objectives, the values and the interests of the Management Company and the Sicav that it manages and those of the investors in this Sicav.

Employee remuneration comprises a fixed element and a variable element. The fixed element is chiefly determined by the employee's position (e.g., the responsibility he or she assumes and the complexity of the position). The variable element depends on a variety of factors, most notably business performance, the performance of the department in which the employee works and his or her personal targets. The remuneration policy also reflects market practice, competitiveness, risk factors, the long-term objectives of the company and its shareholders, and developments in the legal and regulatory context.

Key Identified Staff

Key Identified Staff are subject to specific rules. These employees receive variable remuneration, which encourages reasonable risk management practices and in no way encourages exposure to extreme risk.

For further information on this matter (e.g., the method for calculating remuneration and allowances, the identity of the people responsible for awarding allowances, including – where applicable – the composition of the remuneration committee set up to this effect), please refer to the website https://www.kbcam.kbc.be/fr/kbcamsa and click the 'Remuneration policy' tab.

This information can also be obtained free of charge from the management company.

Appendix 1. Detailed description of the sub-funds

General remarks

Under the Articles of Association, the Board of Directors is authorised to set the investment policy for each sub-fund into which the company's capital is divided.

Each sub-fund may use derivatives for purposes other than hedging within the limits set out in section 4. Investment policy and objectives. Each sub-fund may thus use derivatives, both listed and unlisted, to achieve its objectives. They may include futures and forward contracts, options or swaps of shares, indices, foreign currency or interest rates or other transactions in derivatives. Transactions in unlisted derivatives may only be concluded with prime financial institutions specialised in transactions of this type. Such derivatives may also be used to protect the assets against exchange rate fluctuations. The sub-fund aims to conclude transactions that are as effective as possible, in compliance with the relevant regulations and the Articles of Association. As described in Section 5, KBC Asset Management, as a risk manager, employs a method for managing risks that enables it to check and measure at any time the risk associated with the positions and the contribution they make to the overall risk profile of the portfolio; it uses a method that allows OTC derivatives to be valued accurately and independently.

1.1. KBC Renta Eurorenta

Investment policy

The portfolio of the KBC Renta Eurorenta sub-fund is primarily invested, directly or indirectly, in securities, with preference being given to bonds denominated in euros.

The sub-fund's benchmark is the JP Morgan European Monetary Union Investment Grade Index (EMU IG). The sub-fund seeks to outperform the benchmark.

The sub-fund is actively managed and does not set out to replicate the benchmark. The benchmark is used to measure the performance and composition of the portfolio. The majority of the bonds held by the fund belong to the benchmark. The manager may, at its discretion, invest in bonds that do not belong to the benchmark in order to take advantage of specific investment opportunities for the sub-fund.

The sub-fund's investment policy restricts the extent to which the portfolio holdings may deviate from the benchmark. This deviation is measured by means of the tracking error, which indicates the volatility of the difference between the performance of the sub-fund and that of its benchmark. The expected tracking error is 1.0%. Investors should be aware that the real tracking error may vary according to market conditions. A fund with a lower level of deviation from the benchmark is more likely to outperform the benchmark to a more limited extent.

The sub-fund invests at least 75% of its assets, directly and/or indirectly, in bonds and debt instruments with an investment grade rating (at least BBB-/Baa3 (long-term) or A3/F3/P3 (short-term)) from at least one of the following rating agencies: Moody's (Moody's Investors Service), S&P (Standard & Poor's, a division of McGraw-Hill Companies) or Fitch (Fitch Ratings).

The sub-fund may also invest up to 25% of its assets in bonds and debt instruments with a lower rating or that have not been assigned a rating by any of the aforementioned rating agencies.

<u>Disclaimer from the supplier of the index.</u>

The information was taken from sources considered to be reliable. However, JP Morgan gives no guarantee as to the completeness or exclusivity with regard to the index. Use of the index is permitted. The index may not be copied, used or distributed without the prior written consent of JP Morgan. Copyright 2017, JP Morgan Chase & Co. All rights reserved.

The net asset value of the sub-fund is expressed in euros.

Risk profile

<u>Risk profile of the sub-fund</u>

The method used to calculate the overall risk is the commitment approach.

In accordance with Directive 583/2010, a synthetic risk and reward indicator is established to provide an indication of the potential returns, and also the attendant risks, of the sub-fund, expressed in the currency of the sub-fund. The indicator uses a risk scale (risk classes) of 1 to 7. The higher the figure, the higher the potential return, although the return is also more difficult to predict. Losses are also possible. The lowest ranking on the scale does not imply that the investment is entirely risk-free. It only implies that, compared with the higher rankings, the product concerned would, under normal circumstances, generate a lower return, which is also easier to predict.

The synthetic risk and reward indicator is reviewed at regular intervals and products may therefore be reclassified with a lower or higher ranking on the scale on the basis of past data. The past data are not always a reliable indicator of the future return and risk.

The most recent figure for the indicator can be found in the Key Investor Information Documents under the heading 'risk and reward profile'.

The value of bond funds is primarily affected by interest-rate fluctuations. That is because the interest rate for these bonds is fixed, and is not affected by market rates.

Investment in this fund is also subject to:

- A moderate inflation risk: bond funds do not provide protection against an increase in inflation.
- A moderate credit risk. This fund invests primarily, but not solely, in bonds with an investment grade rating. Consequently the risk of an issuer being unable to honour its obligations is higher than for a fund that invests only in bonds with an investment grade rating. If investors have doubts about the solvency of bond issuers, the value of the bonds may decrease.

<u>Risk profile of the typical investor</u>

The sub-fund was set up for defensive investors.

Manager

The Management Company has delegated the management of the sub-fund's portfolio to KBC Asset Management NV, Avenue du Port 2, 1080 Brussels, Belgium, pursuant to a portfolio management agreement with effect from 1 October 2020.

KBC Asset Management NV was established in 2000 as a management company for undertakings for collective investment. It is supervised by the Belgian Financial Services and Markets Authority (FSMA) and holds the necessary authorisation to perform portfolio management for undertakings for collective investment.

The Management Company remunerates KBC Asset Management NV for its services separately from its own assets.

Issue, redemption and fees

The initial subscription period for the sub-funds KBC Renta Guldenrenta (*), KBC Renta Demrenta (*) and KBC Renta Pesetarenta (*) was from 16 to 30 November 1992, while for the sub-fund KBC Renta Lirarenta (*), the initial subscription period was from 31 October to 18 November 1994. During this period, subscriptions were accepted at the following prices:

- KBC Renta Guldenrenta: NLG 1 000
- KBC Renta Demrenta: DEM 1 000
- KBC Renta Pesetarenta: ESP 50 000
- KBC Renta Lirarenta: ITL 1 250 000

plus an entry fee of 2.50% maximum payable to the professional intermediaries.

The sub-funds KBC Renta Oblirenta (*) and KBC Renta Eurorenta were launched on 17 July 1995. As of that date, the Sicavs KBC Renta, Oblirenta and Ecufund were merged: the Sicav KBC Renta absorbed Oblirenta and ECU FUND, which transferred their assets to KBC Renta. In exchange for the assets contributed, KBC Renta issued:

- one new KBC Renta Oblirenta share for each cancelled Oblirenta share to the Oblirenta shareholders;
- one new KBC Renta Eurorenta share for each cancelled Ecufund share to the Ecufund shareholders.

(*) The KBC Renta Guldenrenta, KBC Renta Demrenta, KBC Renta Pesetarenta, KBC Renta Lirarenta, KBC Renta Oblirenta and KBC Bonds Strong Currency sub-funds merged with the KBC Renta Eurorenta sub-fund on 27 October 2000.

KBC Renta Slovakrenta and KBC Renta Emurenta merged with the KBC Renta Eurorenta sub-fund on 14 June 2019.

KBC Renta Swissrenta and KBC Renta Decarenta merged with the KBC Renta Eurorenta sub-fund on 13 November 2020.

The initial subscription period for the KBC Renta Slovakrenta sub-fund ran from 12 May 2003 to 13 June 2003. During this period, subscriptions were accepted at the price of 20 000 SKK.

The initial subscription period for the KBC Renta Emurenta (under the name KBC Renta DRACHMARENTA) sub-fund ran from 7 December 1998 to 31 December 1998. During this period, subscriptions were accepted at the price of 100 000 GRD.

As described in Section 20 'Fees and expenses', the sub-fund will pay the Management Company:

- Portfolio Management Fee: max. 1.10 % annually, calculated based on the Sub-fund's average total net assets. The management fee may in no case be negative.
  For the portion of the net assets relating to an investment in undertakings for collective investment(*) managed by a financial institution of KBC Group NV, the fee for managing the investment portfolio is equal to the difference between the fee for managing the investment portfolio of the above undertakings for collective investment and the percentage indicated above for the portfolio management fee.

  (*) The fee for managing the investment portfolio of undertakings for collective investment in which the sub-fund invests will be a maximum of 1.70%.
- Fixed Service Fee: max. 0.125% annually.

These fees will be paid monthly and will be calculated on the average net asset value of the sub-fund.

a) 'Institutional B Shares' sub-category

Capitalisation shares in an 'Institutional B Shares' sub-category will be offered for subscription as from 24 November 2011. The first net asset value of this new sub-category will be the net asset value for the existing capitalisation shares sub-category on the date of the first subscription to the new 'Institutional B Shares' class of shares.

The 'Institutional B Shares' sub-category is intended for investment vehicles promoted by the KBC group. These shares will be eligible for the reduced subscription tax of 0.01%.

Amount to cover the costs of the purchase/sale of assets: 0.50% maximum for the sub-fund.

As described in Section 20 'Fees and expenses', the sub-fund will pay the Management Company:

- Portfolio Management Fee: max. 1.10 % annually, calculated based on the Sub-fund's average total net assets. The management fee may in no case be negative.
  For the portion of the net assets relating to an investment in undertakings for collective investment(*) managed by a financial institution of KBC Group NV, the fee for managing the investment portfolio is equal to the difference between the fee for managing the investment portfolio of the above undertakings for collective investment and the percentage indicated above for the portfolio management fee.

  (*) The fee for managing the investment portfolio of undertakings for collective investment in which the sub-fund invests will be a maximum of 1.70%.

- Fixed Service Fee: max. 0.125% annually.

These fees will be paid monthly and will be calculated on the average net asset value of the sub-fund.

1.2. KBC Renta Dollarenta

Investment policy

The portfolio of the KBC Renta Dollarenta sub-fund is primarily invested, directly or indirectly, in securities, with preference being given to bonds, denominated in US dollars (hereinafter referred to as 'USD').

The sub-fund's benchmark is the JP Morgan Government Bond Index (GBI) United States. The sub-fund seeks to outperform the benchmark.

The sub-fund is actively managed and does not aim to replicate the benchmark index. The benchmark index is used to measure the performance and composition of the portfolio. The majority of the bonds held by the fund belong to the benchmark. The manager may, at its discretion, invest in bonds that do not belong to the benchmark in order to take advantage of specific investment opportunities for the sub-fund.

The sub-fund's investment policy restricts the extent to which the portfolio holdings may deviate from the benchmark. This deviation is measured by means of the tracking error, which indicates the volatility of the difference between the performance of the sub-fund and that of its benchmark. The expected tracking error is 1.25%. Investors should be aware that the real tracking error may vary according to market conditions. A fund with a lower level of deviation from the benchmark is more likely to outperform the benchmark to a more limited extent.

The sub-fund invests at least 75% of its assets, directly and/or indirectly, in bonds and debt instruments with an investment grade rating (at least BBB-/Baa3 (long-term) or A3/F3/P3 (short-term)) from at least one of the following rating agencies: Moody's (Moody's Investors Service), S&P (Standard & Poor's, a division of McGraw-Hill Companies) or Fitch (Fitch Ratings).

The sub-fund may also invest up to 25% of its assets in bonds and debt instruments with a lower rating or that have not been assigned a rating by any of the aforementioned rating agencies.

Disclaimer from the supplier of the index.

The information was taken from sources considered to be reliable. However, JP Morgan gives no guarantee as to the completeness or exclusivity with regard to the index. Use of the index is permitted. The index may not be copied, used or distributed without the prior written consent of JP Morgan.

The net asset value of this sub-fund is expressed in USD.

Investors should note that the sub-fund may invest (in keeping with the principle of spreading risk) up to 100% of its net assets in securities issued or backed by the United States of America subject to the conditions set out in point 4.1.1.5 'Investment policy and objectives'.

Risk profile

Risk profile of the sub-fund

The method used to calculate the overall risk is the commitment approach.

In accordance with Directive 583/2010, a synthetic risk and reward indicator is established to provide an indication of the potential returns, and also the attendant risks, of the sub-fund, expressed in the currency of the sub-fund. The indicator uses a risk scale (risk classes) of 1 to 7. The higher the figure, the higher the potential return, although the return is also more difficult to predict. Losses are also possible. The lowest ranking on the scale does not imply that the investment is entirely risk-free. It only implies that, compared with the higher rankings, the product concerned would, under normal circumstances, generate a lower return, which is also easier to predict.

The synthetic risk and reward indicator is reviewed at regular intervals and products may therefore be reclassified with a lower or higher ranking on the scale on the basis of past data. The past data are not always a reliable indicator of the future return and risk.

The most recent figure for the indicator can be found in the Key Investor Information Documents under the heading 'risk and reward profile'.

The value of bond funds is primarily affected by interest-rate fluctuations. That is because the interest rate for these bonds is fixed, and is not affected by market rates.

Investment in this fund is also subject to:

- A moderate inflation risk: bond funds do not provide protection against an increase in inflation.
- A moderate concentration risk: the investments are concentrated in the United States of America.

Risk profile of the typical investor

The sub-fund was set up for dynamic investors.

Manager

The Management Company has delegated the management of the sub-fund's portfolio to KBC Asset Management NV, Avenue du Port 2, 1080 Brussels, Belgium, pursuant to a portfolio management agreement with effect from 1 October 2020.

KBC Asset Management NV was established in 2000 as a management company for undertakings for collective investment. It is supervised by the Belgian Financial Services and Markets Authority (FSMA) and holds the necessary authorisation to perform portfolio management for undertakings for collective investment.

The Management Company remunerates KBC Asset Management NV for its services separately from its own assets.

Issue, redemption and fees

KBC Renta NZD-Renta, KBC Renta AUD-Renta, KBC Rent Short USD were merged with the KBC Renta Dollarenta sub-fund on 4 June 2021.

a) 'Capitalisation' and 'distribution' sub-categories

The initial subscription period for the KBC Renta Dollarenta sub-fund ran from 20 February 1996 to 1 March 1996. During this period, subscriptions were accepted at the price of 500 USD.

As described in Section 20 'Fees and expenses', the sub-fund will pay the Management Company:

- Portfolio Management Fee: max. 1.10 % annually, calculated based on the Sub-fund's average total net assets. The management fee may in no case be negative.
  For the portion of the net assets relating to an investment in undertakings for collective investment(*) managed by a financial institution of KBC Group NV, the fee for managing the investment portfolio is equal to the difference between the fee for managing the investment portfolio of the above undertakings for collective investment and the percentage indicated above for the portfolio management fee.

  (*) The fee for managing the investment portfolio of undertakings for collective investment in which the sub-fund invests will be a maximum of 1.70%.

- Fixed Service Fee: max. 0.125% annually.

These fees will be paid monthly and will be calculated on the average net asset value of the sub-fund.

b) 'Institutional B Shares' sub-category

Capitalisation shares in an 'Institutional B Shares' sub-category will be offered for subscription as from 24 November 2011. The first net asset value of this new sub-category will be the net asset value for the existing capitalisation shares sub-category on the date of the first subscription to the new 'Institutional B Shares' class of shares.

The 'Institutional B Shares' sub-category is intended for investment vehicles promoted by the KBC group.

These shares will be eligible for the reduced subscription tax of 0.01%.

Amount to cover the costs of the purchase/sale of assets: 0.50% maximum for the sub-fund.

As described in Section 20 'Fees and expenses', the sub-fund will pay the Management Company:

- Portfolio Management Fee: max. 1.10 % annually, calculated based on the Sub-fund's average total net assets. The management fee may in no case be negative.
  For the portion of the net assets relating to an investment in undertakings for collective investment(*) managed by a financial institution of KBC Group NV, the fee for managing the investment portfolio is equal to the difference between the fee for managing the investment portfolio of the above undertakings for collective investment and the percentage indicated above for the portfolio management fee.

  (*) The fee for managing the investment portfolio of undertakings for collective investment in which the sub-fund invests will be a maximum of 1.70%.

- Fixed Service Fee: max. 0.125% annually.

These fees will be paid monthly and will be calculated on the average net asset value of the sub-fund.

c) 'Institutional F Shares' sub-category

Shares in the 'Institutional F Shares' sub-category will be issued from 6 December 2017 to 11 December 2017 at a subscription price of 1 000 US.

This 'Institutional F Shares' sub-category will be allocated to the subscription for the collective investment fund under Belgian law Dollar Obligatiedepot ('DOD').

Only capitalisation shares in this sub-category will be issued.

No entry fee in favour of a financial intermediary or in favour of the sub-fund will apply.

Redemption will be effected at the net asset value applicable, without deduction of an exit fee.

These shares will be eligible for the reduced Luxembourg subscription tax of 0.01%.

As described in Section 20 ‘Fees and expenses’, the sub-fund will pay the Management Company:

- Portfolio Management Fee: max. 1.10 % annually, calculated based on the Sub-fund’s average total net assets. The management fee may in no case be negative.
  For the portion of the net assets relating to an investment in undertakings for collective investment(*) managed by a financial institution of KBC Group NV, the fee for managing the investment portfolio is equal to the difference between the fee for managing the investment portfolio of the above undertakings for collective investment and the percentage indicated above for the portfolio management fee.

  (*) The fee for managing the investment portfolio of undertakings for collective investment in which the sub-fund invests will be a maximum of 1.70%.

Fixed Service Fee: max. 0.125% annually.

These fees will be paid monthly and will be calculated on the average net asset value of the sub-fund.

1.3. KBC Renta Canarenta

Investment policy

The KBC Renta Canarenta sub-fund aims to passively track the performance of its benchmark, the JP Morgan Government Bond Index (GBI) Canada. Its investment objective is to generate a return comparable to the performance of the JP Morgan Government Bond Index (GBI) Canada.

JP Morgan Government Bond Index (GBI) Canada is a bond index containing only Canadian government bonds.

The methodology of the index, its composition, auditing rules and additional information can be obtained from the registered office of the Management Company.

In accordance with the methodology used by the supplier of the benchmark, the index will be rebalanced on a monthly basis. The more frequently the index is rebalanced, the greater the impact on transaction charges for the sub-fund concerned will be. The frequency of rebalancing will have an impact of less than 0.05% on the annual return of the sub-fund.

As far as the method is concerned, the choice is mainly made for physical replication of the benchmark. However, the limited use of derivatives (bond futures) with a maximum limit of 10% has not been ruled out in order to limit the tracking error with the benchmark.

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The sub-fund intends to implement a stratified sampling model of the performance of the index. The sub-fund will invest in all securities included in the benchmark or will limit itself to a representative selection of securities (stratified sampling) that have been, are or will be included in the benchmark. Following the use of this replication method, it is not expected that the sub-fund will hold each and every one of the underlying securities comprising the benchmark at all times or hold them in the same proportion as their weightings in the Index. The sub-fund may also hold securities that are not underlying securities comprising the index in order to comply with the diversification rules described in point 4.4. of the main part of the prospectus, to deal with the lack of liquidity of certain securities or the limited number of issues making up the benchmark. The sampled replication model will not lead to an increase in the counterparty risk. The credit rating of all the securities in which the sub-fund invests is in line with the credit rating of the securities comprising the benchmark.

Under normal market conditions, a tracking error of 0.5% is expected on an annual basis.

For more information regarding the specific risks for sub-funds managed passively, please see point 5 « Risk management » in the main part of the prospectus.

The credit rating of all the securities in which the sub-fund invests is in line with the credit rating of the securities comprising the benchmark.

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The net asset value of this sub-fund is expressed in CAD.

Investors should note that the sub-fund may invest (in keeping with the principle of spreading risk) up to 100% of its net assets in securities issued or backed by Canada, subject to the conditions set out in point 4.1.1.5 'Investment policy and objectives'.

Risk profile

Risk profile of the sub-fund

The method used to calculate the overall risk is the commitment approach.

In accordance with Directive 583/2010, a synthetic risk and reward indicator is established to provide an indication of the potential returns, and also the attendant risks, of the sub-fund, expressed in the currency of the sub-fund. The indicator uses a risk scale (risk classes) of 1 to 7. The higher the figure, the higher the potential return, although the return is also more difficult to predict. Losses are also possible. The lowest ranking on the scale does not imply that the investment is entirely risk-free. It only implies that, compared with the higher rankings, the product concerned would, under normal circumstances, generate a lower return, which is also easier to predict.

The synthetic risk and reward indicator is reviewed at regular intervals and products may therefore be reclassified with a lower or higher ranking on the scale on the basis of past data. The past data are not always a reliable indicator of the future return and risk.

The most recent figure for the indicator can be found in the Key Investor Information Documents under the heading 'risk and reward profile'.

The value of bond funds is primarily affected by interest-rate fluctuations. That is because the interest rate for these bonds is fixed, and is not affected by market rates.

Investment in this fund is also subject to:

- A moderate inflation risk: bond funds do not provide protection against an increase in inflation.
- A moderate credit risk: this fund invests primarily, but not solely, in bonds with an investment grade rating. Consequently the risk of an issuer being unable to honour its obligations is higher than for a fund that invests only in bonds with an investment grade rating. If investors have doubts about the solvency of bond issuers, the value of the bonds may decrease.
- A high concentration risk: the investments are concentrated in Canada.

Risk profile of the typical investor

The sub-fund was set up for dynamic investors.

Manager

The Management Company has delegated the management of the sub-fund's portfolio to KBC Asset Management NV, Avenue du Port 2, 1080 Brussels, Belgium, pursuant to a portfolio management agreement with effect from 1 October 2020.

KBC Asset Management NV was established in 2000 as a management company for undertakings for collective investment. It is supervised by the Belgian Financial Services and Markets Authority (FSMA) and holds the necessary authorisation to perform portfolio management for undertakings for collective investment.

The Management Company remunerates KBC Asset Management NV for its services separately from its own assets.

.Issue, redemption and fees

The initial subscription period for the KBC Renta Canarenta sub-fund ran from 20 February 1996 to 1 March 1996. During this period, subscriptions were accepted at the price of 1 000 CAD.

As described in Section 20 'Fees and expenses', the sub-fund will pay the Management Company:

- Portfolio Management Fee: max. 1.10 % annually, calculated based on the Sub-fund's average total net assets. The management fee may in no case be negative.
  For the portion of the net assets relating to an investment in undertakings for collective investment(*) managed by a financial institution of KBC Group NV, the fee for managing the investment portfolio is equal to the difference between the fee for managing the investment portfolio of the above undertakings for collective investment and the percentage indicated above for the portfolio management fee.

  (*) The fee for managing the investment portfolio of undertakings for collective investment in which the sub-fund invests will be a maximum of 1.70%.
- Fixed Service Fee: max. 0.125% annually.

These fees will be paid monthly and will be calculated on the average net asset value of the sub-fund.

a) 'Institutional B Shares' sub-category

Capitalisation shares in an 'Institutional B Shares' sub-category will be offered for subscription as from 24 November 2011. The first net asset value of this new sub-category will be the net asset value for the existing capitalisation shares sub-category on the date of the first subscription to the new 'Institutional B Shares' class of shares.

The 'Institutional B Shares' sub-category is intended for investment vehicles promoted by the KBC group.

These shares will be eligible for the reduced subscription tax of 0.01%.

Amount to cover the costs of the purchase/sale of assets: 0.50% maximum for the sub-fund.

As described in Section 20 'Fees and expenses', the sub-fund will pay the Management Company:

- Portfolio Management Fee: max. 1.10 % annually, calculated based on the Sub-fund's average total net assets. The management fee may in no case be negative.
  For the portion of the net assets relating to an investment in undertakings for collective investment(*) managed by a financial institution of KBC Group NV, the fee for managing the investment portfolio is equal to the difference between the fee for managing the investment portfolio of the above undertakings for collective investment and the percentage indicated above for the portfolio management fee.

  (*) The fee for managing the investment portfolio of undertakings for collective investment in which the sub-fund invests will be a maximum of 1.70%.
- Fixed Service Fee: max. 0.125% annually.

These fees will be paid monthly and will be calculated on the average net asset value of the sub-fund.

1.4. KBC Renta Czechrenta

Investment policy

The portfolio of the KBC Renta Czechrenta sub-fund is primarily invested, directly or indirectly, in securities, with preference being given to bonds denominated in Czech koruna (hereinafter referred to as 'CZK').

The sub-fund's benchmark is the JP Morgan Government Bond Index (GBI) Czech Republic. The sub-fund seeks to outperform the benchmark.

The sub-fund is actively managed and does not aim to replicate the benchmark index. The benchmark index is used to measure the performance and composition of the portfolio. The majority of the bonds held by the fund belong to the benchmark. The manager may, at its discretion, invest in bonds that do not belong to the benchmark in order to take advantage of specific investment opportunities for the sub-fund.

The sub-fund's investment policy restricts the extent to which the portfolio holdings may deviate from the benchmark. This deviation is measured by means of the tracking error, which indicates the volatility of the difference between the performance of the sub-fund and that of its benchmark. The expected tracking error is 0.75 %. Investors should be aware that the real tracking error may vary according to market conditions. A fund with a low deviation from the benchmark is likely to outperform the benchmark to a more limited extent.

The sub-fund invests at least 75% of its assets, directly and/or indirectly, in bonds and debt instruments with an investment grade rating (at least BBB-/Baa3 (long-term) or A3/F3/P3 (short-term)) from at least one of the following rating agencies: Moody's (Moody's Investors Service), S&P (Standard & Poor's, a division of McGraw-Hill Companies) or Fitch (Fitch Ratings).

The sub-fund may also invest up to 25% of its assets in bonds and debt instruments with a lower rating or that have not been assigned a rating by any of the aforementioned rating agencies.

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The net asset value of this sub-fund is expressed in CZK.

Investors should note that the sub-fund may invest (in keeping with the principle of spreading risk) up to 100% of its net assets in securities issued or guaranteed by the Czech Republic, subject to the conditions set out in point 4.1.1.5. Investment policy and objectives.

Risk profile

Risk profile of the sub-fund

The method used to calculate the overall risk is the commitment approach.

In accordance with Directive 583/2010, a synthetic risk and reward indicator is established to provide an indication of the potential returns, and also the attendant risks, of the sub-fund, expressed in the currency of the sub-fund. The indicator uses a risk scale (risk classes) of 1 to 7. The higher the figure, the higher the potential return, although the return is also more difficult to predict. Losses are also possible. The lowest ranking on the scale does not imply that the investment is entirely risk-free. It only implies that, compared with the higher rankings, the product concerned would, under normal circumstances, generate a lower return, which is also easier to predict.

The synthetic risk and reward indicator is reviewed at regular intervals and products may therefore be reclassified with a lower or higher ranking on the scale on the basis of past data. The past data are not always a reliable indicator of the future return and risk.

The most recent figure for the indicator can be found in the Key Investor Information Documents under the heading 'risk and reward profile'.

The value of bond funds is primarily affected by interest-rate fluctuations. That is because the interest rate for these bonds is fixed, and is not affected by market rates.

Investment in this fund is also subject to:

- A moderate inflation risk: bond funds do not provide protection against an increase in inflation.
- A moderate credit risk: this fund invests primarily, but not solely, in bonds with an investment grade rating. Consequently the risk of an issuer being unable to honour its obligations is higher than for a fund that invests only in

bonds with an investment grade rating. If investors have doubts about the solvency of bond issuers, the value of the bonds may decrease.

- A high concentration risk: the investments are concentrated in the Czech Republic.

Risk profile of the typical investor

The sub-fund was set up for dynamic investors.

Manager

The Management Company has delegated the management of the sub-fund's portfolio to KBC Asset Management NV, Avenue du Port 2, 1080 Brussels, Belgium, pursuant to a portfolio management agreement with effect from 1 October 2020.

KBC Asset Management NV was established in 2000 as a management company for undertakings for collective investment. It is supervised by the Belgian Financial Services and Markets Authority (FSMA) and holds the necessary authorisation to perform portfolio management for undertakings for collective investment.

The Management Company remunerates KBC Asset Management NV for its services separately from its own assets.

Fund manager

The Management Company has delegated the management of the sub-fund to CSOB Asset Management a.s., investični společnost, Radlicka 333/150, 150 57, Praha 5, Czech Republic ('Fund Manager'). Pursuant to an investment management agreement entered into by the Management Company and the Fund Manager on 1 September 2004, the Fund Manager is responsible for the discretionary management of the sub-fund's portfolio.

CSOB Asset Management was established in 1995 and is a member of the KBC group.

CSOB Asset Management operates under the supervision of the Czech Securities Commission and is duly authorised to carry out discretionary management of investment funds.

In consideration of its services, the Management Company will pay the Fund Manager an annual fee of maximum 1%. This fee will be due at the end of each quarter and will be calculated on the net asset value of the sub-fund on the last valuation day of the quarter.

Issue, redemption and fees

The initial subscription period for the KBC Renta Czechrenta sub-fund ran from 8 March 1999 to 1 April 1999. During this period, subscriptions were accepted at the price of 20 000 CZK, plus an entry fee of 2.5% payable to professional intermediaries.

As described in Section 20 'Fees and expenses', the sub-fund will pay the Management Company:

- Portfolio Management Fee: max. 1.60 % annually, calculated based on the Sub-fund's average total net assets. The management fee may in no case be negative.
  For the portion of the net assets relating to an investment in undertakings for collective investment(*) managed by a financial institution of KBC Group NV, the fee for managing the investment portfolio is equal to the difference between the fee for managing the investment portfolio of the above undertakings for collective investment and the percentage indicated above for the portfolio management fee.

  (*) The fee for managing the investment portfolio of undertakings for collective investment in which the sub-fund invests will be a maximum of 1.70%.

- Fixed Service Fee: max. 0.125% annually.

These fees will be paid monthly and will be calculated on the average net asset value of the sub-fund.

a) 'Institutional B Shares' sub-category

Capitalisation shares in an 'Institutional B Shares' sub-category will be offered for subscription as from 24 November 2011. The first net asset value of this new sub-category will be the net asset value for the existing capitalisation shares sub-category on the date of the first subscription to the new 'Institutional B Shares' class of shares.

The 'Institutional B Shares' sub-category is intended for investment vehicles promoted by the KBC group.

These shares will be eligible for the reduced subscription tax of 0.01%.

Amount to cover the costs of the purchase/sale of assets: 1.125% maximum for the sub-fund.

As described in Section 20 'Fees and expenses', the sub-fund will pay the Management Company:

- Portfolio Management Fee: max. 1.60 % annually, calculated based on the Sub-fund's average total net assets. The management fee may in no case be negative.
  For the portion of the net assets relating to an investment in undertakings for collective investment(*) managed by a financial institution of KBC Group NV, the fee for managing the investment portfolio is equal to the difference between the fee for managing the investment portfolio of the above undertakings for collective investment and the percentage indicated above for the portfolio management fee.

(*) The fee for managing the investment portfolio of undertakings for collective investment in which the sub-fund invests will be a maximum of 1.70%.

- Fixed Service Fee: max. 0.125% annually.

These fees will be paid monthly and will be calculated on the average net asset value of the sub-fund.

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1.5. KBC Renta Short EUR

Investment policy

The portfolio of the KBC Renta Short EUR sub-fund is primarily invested, directly or indirectly, in securities, with preference being given to bonds denominated in euros, so that the portfolio has an average remaining term to maturity of between one and three years.

The sub-fund's benchmark is the JP Morgan European Monetary Union Investment Grade Index (EMU IG) 1–3 Years. The sub-fund seeks to outperform the benchmark.

The sub-fund is actively managed and does not aim to replicate the benchmark index. The benchmark index is used to measure the performance and composition of the portfolio. The majority of the bonds held by the fund belong to the benchmark. The manager may, at its discretion, invest in bonds that do not belong to the benchmark in order to take advantage of specific investment opportunities for the sub-fund.

The sub-fund's investment policy restricts the extent to which the portfolio holdings may deviate from the benchmark. This deviation is measured by means of the tracking error, which indicates the volatility of the difference between the performance of the sub-fund and that of its benchmark. The expected tracking error is 0.5%. Investors should be aware that the real tracking error may vary according to market conditions. A fund with a low deviation from the benchmark is likely to outperform the benchmark to a more limited extent.

The sub-fund invests at least 75% of its assets, directly and/or indirectly, in bonds and debt instruments with an investment grade rating (at least BBB-/Baa3 (long-term) or A3/F3/P3 (short-term)) from at least one of the following rating agencies: Moody's (Moody's Investors Service), S&P (Standard & Poor's, a division of McGraw-Hill Companies) or Fitch (Fitch Ratings).

The sub-fund may also invest up to 25% of its assets in bonds and debt instruments with a lower rating or that have not been assigned a rating by any of the aforementioned rating agencies.

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The net asset value of the sub-fund is expressed in euros.

Risk profile

Risk profile of the sub-fund

The method used to calculate the overall risk is the commitment approach.

In accordance with Directive 583/2010, a synthetic risk and reward indicator is established to provide an indication of the potential returns, and also the attendant risks, of the sub-fund, expressed in the currency of the sub-fund. The indicator uses a risk scale (risk classes) of 1 to 7. The higher the figure, the higher the potential return, although the return is also more difficult to predict. Losses are also possible. The lowest ranking on the scale does not imply that the investment is entirely risk-free. It only implies that, compared with the higher rankings, the product concerned would, under normal circumstances, generate a lower return, which is also easier to predict.

The synthetic risk and reward indicator is reviewed at regular intervals and products may therefore be reclassified with a lower or higher ranking on the scale on the basis of past data. The past data are not always a reliable indicator of the future return and risk.

The most recent figure for the indicator can be found in the Key Investor Information Documents under the heading 'risk and reward profile'.
The value of bond funds is primarily affected by interest-rate fluctuations. That is because the interest rate for these bonds is fixed, and is not affected by market rates.

Investment in this fund is also subject to:

- A moderate inflation risk: bond funds do not provide protection against an increase in inflation.
- A moderate credit risk: this fund invests primarily, but not solely, in bonds with an investment grade rating. Consequently the risk of an issuer being unable to honour its obligations is higher than for a fund that invests only in bonds with an investment grade rating. If investors have doubts about the solvency of bond issuers, the value of the bonds may decrease.

Risk profile of the typical investor

The sub-fund was set up for defensive investors.

Manager

The Management Company has delegated the management of the sub-fund's portfolio to KBC Asset Management NV, Avenue du Port 2, 1080 Brussels, Belgium, pursuant to a portfolio management agreement with effect from 1 October 2020.

KBC Asset Management NV was established in 2000 as a management company for undertakings for collective investment. It is supervised by the Belgian Financial Services and Markets Authority (FSMA) and holds the necessary authorisation to perform portfolio management for undertakings for collective investment.

The Management Company remunerates KBC Asset Management NV for its services separately from its own assets.

Issue, redemption and fees

The initial subscription period for the KBC Renta Short EUR sub-fund ran from 27 August 2001 to 31 August 2001. During this period, subscriptions were accepted at the price of 500 euros, plus an entry fee of 2.5% payable to professional intermediaries.

As described in Section 20 'Fees and expenses', the sub-fund will pay the Management Company:

- Portfolio Management Fee: max. 1.10 % annually, calculated based on the Sub-fund's average total net assets. The management fee may in no case be negative.
  For the portion of the net assets relating to an investment in undertakings for collective investment(*) managed by a financial institution of KBC Group NV, the fee for managing the investment portfolio is equal to the difference between the fee for managing the investment portfolio of the above undertakings for collective investment and the percentage indicated above for the portfolio management fee.

  (*) The fee for managing the investment portfolio of undertakings for collective investment in which the sub-fund invests will be a maximum of 1.70%.

- Fixed Service Fee: max. 0.125% annually.

These fees will be paid monthly and will be calculated on the average net asset value of the sub-fund.

a) 'Institutional B Shares' sub-category

Capitalisation shares in an 'Institutional B Shares' sub-category will be offered for subscription as from 24 November 2011. The first net asset value of this new sub-category will be the net asset value for the existing capitalisation shares sub-category on the date of the first subscription to the new 'Institutional B Shares' class of shares.

The 'Institutional B Shares' sub-category is intended for investment vehicles promoted by the KBC group.

These shares will be eligible for the reduced subscription tax of 0.01%.

Amount to cover the costs of the purchase/sale of assets: 0.50% maximum for the sub-fund.

As described in Section 20 'Fees and expenses', the sub-fund will pay the Management Company:

- Portfolio Management Fee: max. 1.10 % annually, calculated based on the Sub-fund's average total net assets. The management fee may in no case be negative.
  For the portion of the net assets relating to an investment in undertakings for collective investment(*) managed by a financial institution of KBC Group NV, the fee for managing the investment portfolio is equal to the difference between the fee for managing the investment portfolio of the above undertakings for collective investment and the percentage indicated above for the portfolio management fee.

  (*) The fee for managing the investment portfolio of undertakings for collective investment in which the sub-fund invests will be a maximum of 1.70%.

- Fixed Service Fee: max. 0.125% annually.

These fees will be paid monthly and will be calculated on the average net asset value of the sub-fund.

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1.6. KBC Renta Nokrenta

Investment policy

The KBC Renta Nokrenta sub-fund aims to passively track the performance of its benchmark, the ICE BofA Norway Government Index. Its investment objective is to generate a return comparable to the performance of the ICE BofA Norway Government Index.

ICE BofA Norway Government Index is a bond index containing only Danish government bonds.

The methodology of the index, its composition, the auditing regulations and additional information can be obtained from the management company's offices.

In accordance with the methodology used by the supplier of the benchmark, the index will be rebalanced on a monthly basis. The more frequently the index is rebalanced, the greater the impact on transaction charges for the sub-fund concerned will be. The frequency of rebalancing will have an impact of less than 0.05% on the annual return of the sub-fund.

As far as the method is concerned, the choice is mainly made for physical replication of the benchmark. However, the limited use of derivatives (bond futures) with a maximum limit of 10% has not been ruled out in order to limit the tracking error with the benchmark.

The sub-fund intends to implement a stratified sampling model of the performance of the index. The sub-fund will invest in all securities included in the benchmark or will limit itself to a representative selection of securities (stratified sampling) that have been, are or will be included in the benchmark. Following the use of this replication method, it is not expected that the sub-fund will hold each and every one of the underlying securities comprising the benchmark at all times or hold them in the same proportion as their weightings in the Index. The sub-fund may also hold securities that are not underlying securities comprising the index in order to comply with the diversification rules described in point 4.4. of the main part of the prospectus, to deal with the lack of liquidity of certain securities or the limited number of issues making up the benchmark. The sampled replication model will not lead to an increase in the counterparty risk. The credit rating of all the securities in which the sub-fund invests is in line with the credit rating of the securities comprising the benchmark.

Under normal market conditions, a tracking error of 0.5% is expected on an annual basis.

For more information regarding the specific risks for sub-funds managed passively, please see point 5 'Risk management' in the main part of the prospectus.

The credit rating of all the securities in which the sub-fund invests is in line with the credit rating of the securities comprising the benchmark.

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Specialist researchers at KBC Asset Management NV compile a group or 'universe' of issuers (businesses, governments, supranational debtors and/or public bodies) with a socially responsible character. They are advised by an 'SRI Advisory Board' made up of a maximum of 12 people independent of KBC Asset Management NV and KBC Fund Management Ltd, who are exclusively charged with verifying the methodology and activities of the specialist researchers at KBC Asset Management NV. An officer from KBC Asset Management NV acts as secretary to this advisory board. KBC Asset Management NV also collaborates with a highly reputed data provider specialising in the field of sustainability. This data is processed and supplemented with publicly available information by the specialist research team.

The manager then seeks to invest to the greatest possible extent in assets belonging to this universe. Before they can be included in the universe, the issuers are subject to both positive and negative screening.

Negative screening

Negative screening is where issuers are excluded from the universe based on certain specific criteria.

In addition to the exclusion criteria set out under 'Social, ethical and environmental aspects', a supplementary set of SRI exclusion criteria have recently been added to the screening of issuers. You can find them under www.kbc.be/socially-responsible-investment (Four reasons for investing sustainably at KBC > Stringent sustainability screening). The main exclusion criteria are tobacco, gambling, arms, fur, special leathers and adult entertainment. This list is not exhaustive and may be adjusted under the oversight of the advisory board.

Positive screening

Positive screening is based on a comparison between governments and between businesses belonging to the same industrial category, using a number of SRI criteria. The issuers selected as 'best in class' based on these criteria are then included in the sustainable universe.

Issuers are selected by a series of criteria which, in so far as possible, are measured using objective yardsticks such as internationally recognised indicators. The advisory board continuously adjusts the list of criteria. The main criteria used during the initial subscription period are as follows:

- In the case of corporate bonds, issuers are selected based on the following criteria:
    - Respect for the environment (e.g., greenhouse gas reduction);
    - Attentiveness to society (e.g., working conditions for employees); and
    - Good governance (e.g., independence and diversity of the Board of Directors).
- In the case of shares and bonds issued by national governments, supranational debtors and/or public bodies, issuers are selected based on the following criteria:
    - General economic performance and stability (e.g., quality of institutions and government bodies);
    - Socio-economic development and general public health (e.g., education and employment);
    - Equality, freedom and rights of the populace;
    - Environmental policy (e.g., climate change);
    - Security, peace and international relations.

This list is not exhaustive and may be adjusted under the oversight of the advisory board.

It cannot be ruled out, however, that investment in assets that do not meet the criteria set out above could occur in a highly temporary and limited manner. Potential reasons for this include:

- events following which a business, having been purchased, ceases to qualify as socially responsible under the aforementioned criteria;
- corporate events such as the merger of one company with another, whereby the merged company no longer qualifies as a sustainable, socially responsible issuer under the aforementioned criteria;
- incorrect information resulting (involuntarily and erroneously) in investment in the shares of businesses that are not socially responsible;
- a planned update of the sustainable universe with the result that less liquid instruments are no longer considered sustainable but which the manager chooses not to sell in the short term in the interest of the customer and for reasons of transaction costs.

Use of a benchmark does not affect the portfolio's socially responsible character. The socially responsible character of the sub-fund is guaranteed by the aforementioned thorough screening.

Following an in-depth screening in accordance with the criteria defined above, the issues comprising the benchmark were deemed to be socially responsible assets (SRI).

We therefore draw the attention of investors to the fact that if one or more of the securities comprising the benchmark no longer meet the SRI criteria described above, following an in-depth screening, these criteria will no longer be decisive in determining the composition of the sub-fund's assets and the sub-fund will therefore no longer be composed of socially responsible assets.

What's more, the manager may make use of derivatives of bonds that do not have a socially responsible character for the purposes of effective portfolio management, provided there is no socially responsible alternative to these derivatives that is usable, comparable and available on the market. In addition, the counterparties with whom derivatives transactions are concluded are not necessarily issuers of a socially responsible character.

The net asset value of this sub-fund is expressed in NOK.

Investors should note that the sub-fund may invest (in keeping with the principle of spreading risk) up to 100% of its net assets in securities issued or backed by Norway, subject to the conditions set out in point 4.1.1.5 'Investment policy and objectives'.

Risk profile

Risk profile of the sub-fund

The method used to calculate the overall risk is the commitment approach.

In accordance with Directive 583/2010, a synthetic risk and reward indicator is established to provide an indication of the potential returns, and also the attendant risks, of the sub-fund, expressed in the currency of the sub-fund. The indicator uses a risk scale (risk classes) of 1 to 7. The higher the figure, the higher the potential return, although the return is also more difficult to predict. Losses are also possible. The lowest ranking on the scale does not imply that the investment is entirely risk-free. It only implies that, compared with the higher rankings, the product concerned would, under normal circumstances, generate a lower return, which is also easier to predict.

The synthetic risk and reward indicator is reviewed at regular intervals and products may therefore be reclassified with a lower or higher ranking on the scale on the basis of past data. The past data are not always a reliable indicator of the future return and risk.

The most recent figure for the indicator can be found in the Key Investor Information Documents under the heading 'risk and reward profile'.

The value of bond funds is primarily affected by interest-rate fluctuations. That is because the interest rate for these bonds is fixed, and is not affected by market rates.

Investment in this fund is also subject to:

- A moderate inflation risk: bond funds do not provide protection against an increase in inflation.
- A moderate credit risk. This fund invests primarily, but not solely, in bonds with an investment grade rating. Consequently the risk of an issuer being unable to honour its obligations is higher than for a fund that invests only in bonds with an investment grade rating. If investors have doubts about the solvency of bond issuers, the value of the bonds may decrease.
- A high concentration risk: the investments are concentrated in Norway.

Exchange risk: none

Market risk: moderate

Risk profile of the typical investor

The sub-fund was set up for dynamic investors.

Manager

The Management Company has delegated the management of the sub-fund's portfolio to KBC Asset Management NV, Avenue du Port 2, 1080 Brussels, Belgium, pursuant to a portfolio management agreement with effect from 1 October 2020.

KBC Asset Management NV was established in 2000 as a management company for undertakings for collective investment. It is supervised by the Belgian Financial Services and Markets Authority (FSMA) and holds the necessary authorisation to perform portfolio management for undertakings for collective investment.

The Management Company remunerates KBC Asset Management NV for its services separately from its own assets.

Issue, redemption and fees

The initial subscription period for the KBC Renta Nokrenta sub-fund ran from 1 April 2003 to 2 May 2003. During this period, subscriptions were accepted at the price of 4 000 NOK, plus an entry fee of 2.5% payable to professional intermediaries.

As described in Section 20 ‘Fees and expenses’, the sub-fund will pay the Management Company:

- Portfolio Management Fee: max. 1.10 % annually, calculated based on the Sub-fund’s average total net assets. The management fee may in no case be negative.
  For the portion of the net assets relating to an investment in undertakings for collective investment(*) managed by a financial institution of KBC Group NV, the fee for managing the investment portfolio is equal to the difference between the fee for managing the investment portfolio of the above undertakings for collective investment and the percentage indicated above for the portfolio management fee.

  (*) The fee for managing the investment portfolio of undertakings for collective investment in which the sub-fund invests will be a maximum of 1.70%.

- Fixed Service Fee: max. 0.125% annually.

These fees will be paid monthly and will be calculated on the average net asset value of the sub-fund.

a) ‘Institutional B Shares’ sub-category

Capitalisation shares in an ‘Institutional B Shares’ sub-category will be offered for subscription as from 24 November 2011. The first net asset value of this new sub-category will be the net asset value for the existing capitalisation shares sub-category on the date of the first subscription to the new ‘Institutional B Shares’ class of shares.

The ‘Institutional B Shares’ sub-category is intended for investment vehicles promoted by the KBC group.

These shares will be eligible for the reduced subscription tax of 0.01%.

Amount to cover the costs of the purchase/sale of assets: 0.75% maximum for the sub-fund.

As described in Section 20 ‘Fees and expenses’, the sub-fund will pay the Management Company:

- Portfolio Management Fee: max. 1.10 % annually, calculated based on the Sub-fund’s average total net assets. The management fee may in no case be negative.
  For the portion of the net assets relating to an investment in undertakings for collective investment(*) managed by a financial institution of KBC Group NV, the fee for managing the investment portfolio is equal to the difference between the fee for managing the investment portfolio of the above undertakings for collective investment and the percentage indicated above for the portfolio management fee.

  (*) The fee for managing the investment portfolio of undertakings for collective investment in which the sub-fund invests will be a maximum of 1.70%.

- Fixed Service Fee: max. 0.125% annually.

These fees will be paid monthly and will be calculated on the average net asset value of the sub-fund.

1.7. KBC Renta Strategic Accents 1

Investment policy

The KBC Renta Strategic Accents 1 sub-fund invests at least 90% of its assets, directly or indirectly (in derivatives, and more particularly futures and interest rate swaps and units in UCIs within the limits specified in point 4.1.2.3. of the prospectus), in corporate bonds, government bonds, other debt instruments, deposits or money market instruments.

The remaining 10% is invested in other assets as defined in Section 4.1 ‘Eligible instruments’.

The sub-fund is actively managed without use of a benchmark.

The sub-fund’s objective is to respond tactically to opportunities on the bond and money markets. The portfolio composition may therefore vary significantly over time. The fund may invest in both bonds issued by public authorities and bodies and corporate bonds. In addition, the portfolio may, within the legal limits, be concentrated in certain issuers, currencies or types of bonds.

The sub-fund may invest up to 10% of its assets in bonds listed on the China Interbank Bond Market (CIBM) thanks to the mutual bond market access between mainland China and Hong Kong under the Bond Connect scheme (Bond Connect Securities and Bond Connect Program) supported by the People’s Bank of China (PBOC) and the Hong Kong Monetary Authority (HKMA).

Bond Connect is a new initiative launched in July 2017 for mutual bond market access between Hong Kong and mainland China, established by the China Foreign Exchange Trade System & National Interbank Funding Centre (CFETS), China Central Depository & Clearing Co, Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Units.

Under the regulations in force in mainland China, eligible foreign investors will be allowed to invest in bonds traded on the Chinese Interbank Bond Market through the ‘Northbound trading of Bond Connect’. There will be no investment quotas for ‘Northbound Trading Link’

Risks relating to the China Interbank Bond Market (CIBM)

● The CIBM is in the process of development and internationalisation. Therefore the market capitalisation and trading volume may be lower than those of the more developed markets. Market volatility and a potential lack of liquidity due to low trading volumes can lead to significant fluctuations in certain securities traded on these markets. By investing in this market, the sub-fund is therefore exposed to liquidity and volatility risks, and may suffer losses on Chinese market bond transactions. In particular, the spread between the supply and demand of Chinese bonds (bid-offer spread) compared to developed markets may therefore generate substantial transaction and realisation costs for the sub-fund in question.

● The sub-fund may face currency risks if the currency risk is not hedged.

● The sub-fund may also incur risks in connection with the settlement process and counterparty default. It is possible that the sub-fund may enter into transactions with counterparties who are then unable to fulfil their obligations by delivering or paying for the appropriate securities.

● The CIBM is also subject to regulatory risk. The relevant rules and regulations on investments in the CIBM are subject to change.

Risks relating to investments in the CIBM via Bond Connect

● Transactions through Bond Connect are carried out by way of newly developed transaction platforms and operational systems. In the event that the system fails to function properly, the transaction through Bond Connect may be disrupted. There is no assurance that such systems will continue to be adapted to changes and developments in the market.

● For investments via Bond Connect the relevant filings, registration with the PBOC and account openings have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties. As such, the fund is subject to the risks of default or errors on the part of these parties.

● Investing via Bond Connect is also subject to regulatory risks. The relevant rules and regulations on Bond Connect are subject to changes which may have a potential retrospective effect. In the event that the relevant mainland Chinese authorities suspend account openings or transactions on the CIBM, the ability of the sub-fund to invest in the CIBM market will be adversely affected and limited.

The sub-fund can invest up to 100% of its assets in bonds and debt instruments with a rating below investment grade and hence BBB-/Baa3 (long-term) or A3/F3/P3 (short-term) from at least one of the following rating agencies: Moody’s (Moody’s Investors Service), S&P (Standard & Poor’s, a division of McGraw-Hill Companies) or Fitch (Fitch Ratings).

The sub-fund may invest up to 25% of its assets in debt instruments that have not been assigned a rating by one of the aforementioned rating agencies.

The net asset value of the sub-fund is expressed in euros.

Investors should note that the sub-fund may, in accordance with the principle of spreading risk, invest up to 100% of its net assets in securities issued or guaranteed by an OECD Member State, one or more EU Member States, Brazil, Russia, Indonesia, Singapore, China and South Africa, subject to the conditions set out in point 4 'Investment policy and objectives'.

Risk profile

Risk profile of the sub-fund

The method used to calculate the overall risk is the commitment approach.

In accordance with Directive 583/2010, a synthetic risk and reward indicator (SRRI) is established to provide an indication of the potential returns, and also the attendant risks, of the sub-fund, expressed in the currency of the sub-fund. The indicator uses a risk scale (risk classes) of 1 to 7. The higher the figure, the higher the potential return, although the return is also more difficult to predict. Losses are also possible. The lowest ranking on the scale does not imply that the investment is entirely risk-free. It only implies that, compared with the higher rankings, the product concerned would, under normal circumstances, generate a lower return, which is also easier to predict.

The synthetic risk and reward indicator is reviewed at regular intervals and products may therefore be reclassified with a lower or higher ranking on the scale on the basis of past data. Past data do not always provide a reliable indication of the future return and risk.

The most recent figure for the indicator can be found in the Key Investor Information Documents under the heading 'risk and reward profile'.

The value of bond funds is primarily affected by interest-rate fluctuations. This is because the value of fixed-income bonds increases when interest rates fall and decreases when interest rates rise.

Investment in this fund is also subject to:

- A high credit risk: this fund may invest in bonds with a rating lower than investment grade. Consequently the risk of an issuer being unable to honour its obligations is higher than for a fund that invests only in bonds with an investment grade rating. If investors have doubts about the solvency of bond issuers, the value of the bonds may decrease.
- A moderate inflation risk: bond funds do not provide protection against an increase in inflation.
- A high exchange risk: since the fund invests in securities denominated in currencies other than the reference currency of the fund, there is a real risk of the value of an investment being affected by exchange-rate fluctuations.
- A moderate liquidity risk: since the fund invests partly in less liquid bonds, investors run the risk of not being able to sell a position on time and at a reasonable price.
- A moderate capital risk: the fund does not provide capital protection.

The fund does not provide capital protection.

Risk profile of the typical investor

The sub-fund was set up for dynamic investors.

Manager

The Management Company has delegated the management of the sub-fund's portfolio to KBC Asset Management NV, Avenue du Port 2, 1080 Brussels, Belgium, pursuant to a portfolio management agreement with effect from 1 October 2020.

KBC Asset Management NV was established in 2000 as a management company for undertakings for collective investment. It is supervised by the Belgian Financial Services and Markets Authority (FSMA) and holds the necessary authorisation to perform portfolio management for undertakings for collective investment.

The Management Company remunerates KBC Asset Management NV for its services separately from its own assets.

Issue, redemption and fees

'Institutional B Shares' sub-category

Capitalisation shares in the 'Institutional B Shares' sub-category will be issued from 18 December 2012 until 21 December 2012 at the initial subscription price of 1 000 euros.

The initial subscription price must be paid by 28 December 2012 at the latest, at the first net asset value of 24 December 2012.

The 'Institutional B Shares' sub-category is intended for investment vehicles promoted by the KBC group.

These shares will be eligible for the reduced subscription tax of 0.01%.

Amount to cover the fees for purchase and sale of the assets: maximum 1.50% for the sub-fund.

As described in Section 20 ‘Fees and expenses’, the sub-fund will pay the Management Company:

- Portfolio Management Fee: max. 1.50 % annually, calculated based on the Sub-fund’s average total net assets. The management fee may in no case be negative.
  For the portion of the net assets relating to an investment in undertakings for collective investment(*) managed by a financial institution of KBC Group NV, the fee for managing the investment portfolio is equal to the difference between the fee for managing the investment portfolio of the above undertakings for collective investment and the percentage indicated above for the portfolio management fee.

  (*) The fee for managing the investment portfolio of undertakings for collective investment in which the sub-fund invests will be a maximum of 1.70%.

- Fixed Service Fee: max. 0.125% annually.

These fees will be paid monthly and will be calculated on the average net asset value of the sub-fund.

‘Classic Shares’ sub-category

Distribution shares in the ‘Classic Shares’ sub-category will be issued on 12 November 2014 at the initial subscription price of 1 000 euros. Subscriptions to shares in the sub-category will only be accepted if one and the same person subscribes in an amount of at least 25 000 euros. The initial subscription price must be paid by 17 November 2014 at the latest, at the first net asset value of 13 November 2014.

These shares will be eligible for the subscription tax of 0.05%.

As described in Section 20 ‘Fees and expenses’, the sub-fund will pay the Management Company:

- Portfolio Management Fee: max. 1.50 % annually, calculated based on the Sub-fund’s average total net assets. The management fee may in no case be negative.
  For the portion of the net assets relating to an investment in undertakings for collective investment(*) managed by a financial institution of KBC Group NV, the fee for managing the investment portfolio is equal to the difference between the fee for managing the investment portfolio of the above undertakings for collective investment and the percentage indicated above for the portfolio management fee.

  (*) The fee for managing the investment portfolio of undertakings for collective investment in which the sub-fund invests will be a maximum of 1.70%.

- Fixed Service Fee: max. 0.125% annually.

These fees will be paid monthly and will be calculated on the average net asset value of the sub-fund.