

# **KBC Eco Fund**

## **Audited annual report**

### **31 August 2022**

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



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# 1. General information on the Bevek

## 1.1. Organisation of the Bevek

### Office

2 Havenlaan - B-1080 Brussels, Belgium.

### Date of incorporation

27 March 1992

### Life

Unlimited.

### Status

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

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

### Board of directors of the Bevek

Name	Function	Mandat
Patrick Dallemagne	Financial Director CBC Banque SA, Avenue Albert 1er 60, B-5000 Namur	Chairman
Jean-Louis Claessens	/	Independent Director
Jozef Walravens	/	Independent Director
Carine Vansteenkiste	General Manager KBC Private Banking - West Region KBC Bank NV, Havenlaan 2, B-1080 Brussels	Non-executive director
Johan Tyteca	/	Natural person to whom the executive management of the Bevek has been entrusted
Tom Mermuys	Head of Asset Allocation and Strategy Portfolios KBC Asset Management NV, Havenlaan 2, 1080 Brussels	Natural person to whom the executive management of the Bevek has been entrusted

### Management type

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

### Date of incorporation of the management company

30 december 1999.

## Names and positions of the directors of the management company

Name	Title	
Wouter Vanden Eynde	<i>Independent Director</i>	
Stefan Van Riet	<i>Non-Executive Director</i>	
Pierre Konings	<i>Non-Executive Director</i>	
Katrien Mattelaer	<i>Non-Executive Director</i>	
Johan Daemen	<i>Non-Executive Director</i>	resigned 01/01/2022
Luc Vanderhaegen	<i>Independent Director</i>	appointed 15/04/2022
Peter Andronov	<i>Chairman</i>	
Johan Lema	<i>President of the Executive Committee</i>	
Klaus Vandewalle	<i>Executive Director</i>	
Jürgen Verschaeve	<i>Executive Director</i>	
Frank Van de Vel	<i>Executive Director</i>	
Chris Sterckx	<i>Executive Director</i>	

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

Name	Title	
Johan Lema	<i>President of the Executive Committee</i>	
Klaus Vandewalle	<i>Executive Director</i>	
Jürgen Verschaeve	<i>Executive Director</i>	
Frank Van de Vel	<i>Executive Director</i>	
Chris Sterckx	<i>Executive Director</i>	

These persons may also be directors of various beveks.

## Auditor of the management company

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

## Financial portfolio management

Management of the investment policy has not been delegated.

## Financial service providers

The financial services providers in Belgium are:  
KBC Bank NV, Havenlaan 2, B-1080 Brussels

## Custodian

KBC Bank NV, Havenlaan 2, B-1080 Brussels.

### Custodian's activities

The custodian:

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

- iv. The rules regarding fees and costs specified in the applicable legal and regulatory provisions, the articles of association and the prospectus are respected;
- v. The returns of the Bevek are appropriated in accordance with the applicable legal and regulatory provisions, the articles of association and the prospectus.

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

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

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

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

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

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

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

The custodian of the Bevek has delegated a number of custody tasks as of the publication date of this annual/half-year report. The tasks delegated to this sub-custodian are:

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

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

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

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

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

## Conflicts of interest

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

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

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

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

## Administration and accounting management

KBC Asset Management N.V., Havenlaan 2, B-1080 Brussel

## Accredited auditor of the the Bevek

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

## Distributor

IVESAM NV, Havenlaan 2, B-1080 Brussels

## Promoter

KBC

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

## Remuneration policy and remuneration paid by the management company

### General:

The KBC group has a specific management structure, under which KBC Group NV and the various group companies are brought together within one or more business units, for operational purposes.

KBC Asset Management NV is part of the KBC Asset Management product factory within the KBC group's International Markets Business Unit.

In 2010, the KBC group introduced the KBC Remuneration Policy, which lays down general remuneration guidelines for all staff and specific guidelines for those employees who could have a material impact on the risk profile of the company. Further information about the remuneration policy is available in the 'KBC Asset Management Group Compensation Report', which you can read at <https://kbcam.kbc.be/en/about-us>. The compensation report includes information from the level of the KBC Asset Management group entities about the remuneration principles and contains remuneration figures for the relevant fiscal year according to EU and national legislation. The report comprises the following sections:

- Overview of remuneration
- Risk adjustments
- Corporate governance
- Information provided on remuneration

## Remuneration paid by the management company for book year endings on 31 August 2022

the total reward over the fiscal year, broken down into the fixed and variable pay that the manager pays to its staff, the number of recipients and any amount paid direct by the bevek/sicav, including all performance rewards and carried interest.	Fixed pay: 36 328 555 EUR Variable pay: 4 089 989 EUR Number of recipients: 355
the aggregate pay amount, broken down into the highest management and the manager's staff whose acts significantly affect the fund's risk profile.	Management rewards: 2 149 100 EUR Reward for the manager's staff whose acts affect the risk profile: 563 107 EUR

The annual evaluation required by Article 14B(1)(c) and (d) of Directive 2009/65/EC did not throw up any irregularities in compliance with the remuneration policy.



## List of sub-funds and share classes of KBC Eco Fund

The table below contains an overview of the sub-funds sold and their share classes. If no share class is mentioned for a sub-fund, that means that only capitalisation- and/or distribution units are available. The characteristics of the different share classes are given in the prospectus.

	<b>Name</b>
1	Alternative Energy
	Classic Shares
	Institutional B Shares
2	Climate Change
	Classic Shares
	Institutional B Shares
3	CSOB Water
4	Impact Investing
	Classic Shares
	Institutional F Shares LU
	K&H Classic Shares HUF
5	Water
	Classic Shares
	Institutional B Shares
6	World
	Classic Shares
	Institutional Shares

## Sub-funds and share classes liquidated during the reporting period

Not applicable

In the event of discrepancies between the Dutch and the other language versions of the Annual report, the Dutch will prevail.

## 1.2. Management report

### 1.2.1. Information for the shareholders

Pursuant to Article 3:6 of the Code of Companies and associations, information is supplied regarding the following:

- The balance sheet and profit and loss account provide a true and fair view of the performance and results of the undertaking for collective investment. The 'General market overview' section includes a description of the main risks and uncertainties facing the undertaking for collective investment.
- No important events took place after the close of the financial year.
- As regards events that might have a material impact on the development of the undertaking for collective investment, please refer to the 'Outlook' heading in the 'General market overview' section.
- The undertaking for collective investment does not conduct any research and development.
- The undertaking for collective investment does not have any branch offices.
- In establishing and applying the valuation rules, it is assumed that the undertaking for collective investment will continue to pursue its activities, even if the profit and loss account shows a loss for two consecutive financial years.
- All information required by the Code of Companies and associations has been included in this report.
- The risk profile of the undertaking for collective investment specified in the prospectus provides an overview regarding risk management.

#### Reclaims of foreign withholding taxes on dividends.

In some Member States of the European Union domestic investment funds benefit from exemptions or refunds of withholding taxes when they receive dividends from a domestic entity. The same tax benefits do not apply to non-resident investment funds investing cross-border. Such tax system is not in accordance with the free movement of capital within the European Union.

Since 2006 KBC investment funds yearly file requests for a refund of discriminatory withholding tax paid on dividends in France, Spain, Italy, Germany, Finland, Sweden, Norway and Austria. Refunds have already been received from French, Norwegian, Swedish, Spanish and Austrian fiscal administration.

The funds no longer file requests in The Netherlands as a consequence of recent Dutch Court decisions.

There were no refunds this period.

#### **Significant changes during the financial year**

Date	Description	Subfund
7 January 2022	Ability to lend financial instruments	World, Alternative Energy, Water, Impact Investing, Climate Change, CSOB Water
7 January 2022	Increase of the management fee	Impact Investing Classic Shares K&H HUF
2 May 2022	Increase of the management fee	Water Classic Shares

#### **1.2.1.1. Securities Financing Transactions (SFTs)**

##### **General**

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

Lending financial instruments is a transaction where one a sub-fund transfers financial instruments to a counterparty in exchange for financial collateral and subject to an undertaking on the part of that counterparty to supply the sub-fund with comparable financial instruments at some future date or on the sub-fund's request. The counterparty pays a fee for this to the sub-fund.

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

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

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

### General information on the SFTs used

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

### Criteria for the selection of counterparties

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

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

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

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

### Description of acceptable financial collateral and its valuation

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

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

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

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

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

## Reuse of financial collateral

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

- **deposits with credit institutions** which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the office of the credit institution is situated within a member state of the EEA, or if the office is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- **short term money market funds** as defined in Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds.
- **government bonds** that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

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

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

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

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

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

## Holding of the financial collateral

The financial collateral will be held in the following manner:

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

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

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

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

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

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

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

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

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

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

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

The investment policy takes into account certain social, ethical and environmental aspects against which issuers are being assessed. Investments may not be made in, amongst others:

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

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

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

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

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

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

### **Integration of sustainability risk into the investment policy:**

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

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

and on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > *Exclusion policies for socially responsible funds*.

In its investment policy, the management company constantly assesses the underlying investments at issuer level, but also (if relevant) at the level of the asset allocation and the regional or sectoral allocation. In these regular assessments, the sustainability risk is considered as one of the various elements that can influence the return. The SRI research team assigns an ESG risk rating to the majority of companies included in the best-known benchmarks and to a selection of small and medium-sized companies, based on input from an ESG data provider, where ESG stands for "Environmental, Social and Governance". The ESG risk ratings are shared internally with portfolio managers and strategists so that they can use them as a factor in the investment decision-making process. Only sub-fund that follow the Best-In-Class methodology have a binding rule: they only invest in companies with the lowest ESG risk rating in their sub-sector. The threshold varies. Relatively more companies are accepted from sub-sectors with a low ESG risk rating than from sub-sectors with a high ESG risk rating.

#### **1.2.1.4. Synthetic risk and reward indicator**

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

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

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

#### **1.2.1.5. Ongoing charges**

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

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

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

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

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

In the information for each sub-fund – under '2.4.6. Expenses' – you can see the percentage of the fee that has actually been shared for each sub-fund.

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

Fee sharing heeft geen invloed op de hoogte van de beheercommissie die a sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the General Meeting.

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

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

#### **1.2.1.7. Existence of Commission Sharing Agreements**

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

#### **What the Commission Sharing Agreement entails:**

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



**N.B.:**

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

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

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

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

No CSA accrual during this period.

**1.2.1.8. Recurrent fees and charges**

<b>Recurrent fees and charges paid by the Bevek</b>	
Fees paid to directors insofar as the General Meeting has approved said fees.	250 EUR per meeting attended, linked to the director's actual attendance of/participation in the meetings of the Board of Directors. This fee is divided across all the sub-funds marketed.
<b>Recurrent fees and charges paid by the sub-fund</b>	
Fee paid to the statutory auditor of the Bevek	Fee of the statutory auditor: 4875 EUR/year (excluding VAT) and: 1598 EUR/year (excluding VAT) for structured sub-funds. These amounts can be indexed on an annual basis in accordance with the decision of the General Meeting.

**1.2.1.9. Non-recurrent fees and charges borne by the investor**

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

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

This anti-dilution levy can be applied in the following sub-funds: Alternative Energy, Climate Change, CSOB Water, Impact Investing, Water, World.

## 1.2.2. General market overview

1 September 2020 – 31 August 2021

### General overview

#### The economic context

The global spread of the Covid-19 virus and the lockdowns organised across the world to manage further infections, and hence the pressure on the healthcare system, triggered an unprecedented contraction in the world economy in the first half of 2020. Governments embarked on an equally unprecedented expansion of public spending and guarantees in a bid to guide the economy through the lockdown period with as little damage as possible.

The recovery began at the end of the second quarter and continued in the third quarter. Infection rates began to move clearly in the wrong direction again in the final quarter, resulting in both partial and full lockdowns. These put the brakes back on the economic recovery, especially on the service side of the economy. In Europe, in particular, this second Covid wave led to a new (albeit less deep) economic dip, which characterised the first half of the reporting period. However, the successful roll-out of the vaccination programmes (especially in the US and the UK) and new support packages (particularly from the Biden government) quickly restored confidence. Industry, in particular (including in Europe) was running at full speed, while ongoing restrictions on mobility continued to weigh on the service sector.

#### Monetary policy

Since March 2020, the coronavirus crisis has caused a dramatic reversal in monetary policy. The seriousness of the situation became clear after the Federal Reserve cut its base rate not once but twice outside its normal schedule of meetings. The Fed opted to provide almost unlimited liquidity, including an open-ended bond-purchasing programme. Central banks worldwide followed the Fed's example and lowered their key rates.

The European Central Bank (ECB) had already cut its deposit rate in September 2019 from -0.4% to -0.5% and relaunched its bond purchase programme. Since then, the ECB has taken a great many additional steps, with the launch of the 750 billion-euro Pandemic Emergency Purchase Programme (PEPP) aimed at supporting the euro area economy and calming the unrest on the financial markets. The ECB is thus not only pumping a great deal of liquidity into the market, but also providing extensive flexibility in its implementation. The PEPP budget was raised again in June to 1 350 billion euros and the duration of the programmes was extended in December.

Towards the end of the reporting period, the Fed began sending out more and more signals that it would soon make a start on reducing its bond purchase programme.

#### Currency markets

The euro was buoyed up in the second half of 2020 by the news regarding the large European support fund, while the dollar suffered from the very low interest rates. This situation changed at the start of 2021: US bond yields rose, fuelled by a powerful economic recovery, while the rapid vaccination roll-out also put the wind in the greenback's sails.

Overall, the euro fell slightly against the USD over the full reporting period. By contrast, the euro gained strongly against the Japanese yen. Sterling made up much of the ground lost during the Brexit crisis.

#### Stock markets

The global stock market (euro-denominated MSCI World AC) gained 29.2% in euro terms over the reporting period as a whole. The correction which accompanied the spread of the virus was brought to a halt in 2020 due to the massive stimulus measures rolled out by governments and central banks. The announcement that the vaccine candidates had been very successfully tested led to a further surge in share prices at the beginning of November 2020. Shares that had suffered amid the coronavirus crisis and lockdowns rallied strongly, enabling the stock markets to end 2020 with the wind in their sails.

This momentum continued in 2021. Covid infection rates improved and the prospect of large groups of the population being vaccinated lifted hopes of an economic normalisation and easing of lockdowns. In addition, US President Biden unveiled his new stimulus plan to support the economy. The economic recovery also continued, initially led mainly by a recovery in the industrial sectors, joined from the second quarter of 2021 by a strong rally in the service and consumer sectors.

Clear regional differences in returns were apparent over the reporting period. Among the traditional markets, US equities continued to forge ahead (+31.6% in euro terms), slightly above the global average. The US led the way in the recovery due to the highly successful vaccination campaign in the first quarter and the massive stimulus measures introduced by President Biden. In the second quarter, the stronger dollar helped US shares make some percentage gains in euro terms. The euro area lagged far behind, but has surged since the end of 2020, ending the period up 32.3%. Shares in the UK were plagued by fears of a hard Brexit, weaker economic conditions and a crippling second wave of the pandemic. However, the eleventh-hour Brexit deal provided some stability and the successful vaccination campaign, economic recovery and stronger sterling also pushed up share prices strongly in the UK.

Shares from emerging markets (countries or regions that are expected to experience rapid economic growth to make up their lag relative to the West) recorded gains of 'only' 20.4% over the reporting period. Stock markets in emerging Asian economies recovered quite quickly after having been hit hard by fears about the new coronavirus strain, though recently they have been faltering. Uncertainty about the regulation of large media and technology



companies, fears of a cooling economy and solvency problems at a major real estate company led to a correction in China (-5.8%). By contrast, Latin America managed to keep pace with the global trend, gaining 30.7%. Driven by a sharp rise in Russia (+38.6%) and in the Central European markets, Eastern Europe outperformed the broad equity market (38.2%).

For the sectors, too, the differences over the reporting period were quite pronounced. Cyclical sectors struggled in the early days of the pandemic but recovered well afterwards. The commodity sectors gained 36% thanks to the sharp rise in commodity prices, while Industrials were also up, gaining 34%. The Energy sector collapsed in 2020, but was able to make good the losses completely (+33.9%) on the back of a recovering oil price. Financials underperformed for some time due to fears of recession and low interest rates, but were pushed 45,6% higher by a strong rally from the end of 2020 and higher interest rates in early 2021, driven partly by the banking sector. Consumer Discretionary stocks were hit hard at the start of the crisis (e.g. the automotive, luxury goods and tourism industries), but rebounded strongly thereafter. Supply problems due to a lack of components later proved to be an issue for the automotive sector. The Covid winners in the sector, such as (online) retail, also lagged well behind the recovery, so that the sector as a whole posted an increase of 'only' 19.9%.

Technology turned out to be one of the winners from the coronavirus crisis, and managed to maintain the momentum. Since the start of 2021, this sector has lagged behind slightly due to its vulnerability to rising interest rates, but the cut in market interest rates in June helped the sector make some gains. Information Technology was up 34.8% compared to a year earlier, due mainly to its more cyclical component, semiconductors. Software rallied after a difficult period. The technology-related Communication Services sector (+31.6%) performed in line with the broad market.

Given their lower susceptibility to a recession, the defensive sectors performed relatively better in the early stages of the coronavirus crisis, but then ended up lagging somewhat behind the recovery in the summer of 2020 and in the vaccine rally in 2021. Higher interest rates in the first quarter of 2021 also made life difficult for them. Health Care recovered, but posted a below-average gain in the reporting period (+24.3%). Consumer Staples did very well at the beginning of the coronavirus crisis, but gained only 14.3% over the reporting period. Utilities saw a similar trend (+18%), with green energy companies providing the main support for the sector.

## Bond markets

After falling sharply in 2020, US bond yields began rising strongly in the first quarter of 2021 before subsequently falling back again. Overall, ten-year yields in the US rose by around 0.6% over that period. Yields in Germany rose only very slightly (+0.04%). Higher commodity prices are leading to more uncertainty about inflation, but growth prospects are brightening as vaccinations increase. This sparked an upward trend in inflation, prompting investor fears that the US central bank (Fed) would be forced to take action more quickly. In anticipation of this, bond yields rose sharply at the start of 2021. Interest rates worldwide are still very low and have fallen even further recently as many central banks stress that the upsurge in inflation is a temporary phenomenon. Bond yields in the euro area are still low and sometimes negative due to the continuing extremely accommodative monetary policy of the European Central Bank (ECB) combined with the modest inflation outlook. Riskier bond themes benefited from mounting investor confidence in the future reopening of economies but do not always manage to avoid losses.

The ECB has indicated that inflation will increase slowly, and will remain (well) below its target level in the years ahead. Deposit rates will therefore not be raised from their current -0.5% any time soon. KBC economists are not expecting a first rise in interest rates before 2023. Additionally, the ECB is providing stimulus until March 2022 through its bond purchase programme, meaning that the monetary tap will remain open for some considerable time to come. This could keep bond yields low.

The ECB's flexible monetary policy and the European support plan Next Generation EU ('NGEU') have also underpinned demand for riskier bonds over the past six months. Peripheral countries are again proving popular and risk premiums have narrowed further relative to German yields. For example, the ten-year spread for Italian bonds has narrowed further to 1.05%. Demand for corporate bonds also remains quite robust, due in part to support from the ECB's purchasing policy. This credit premium has fallen from 1.15% to 0.84%.

## Outlook

### The economic context

The global economy continues to perform strongly, though the rate of growth is likely to slacken in the second half-year now that the major economies have passed their growth peak. We are maintaining our positive outlook, despite the new uncertainties surrounding the further normalisation of the virus situation caused by the rapid spread of the Delta variant. On top of that there is the growing headwind of the supply chain disruptions. However, we believe this will be temporary; it will gradually ease and will not derail the economic recovery.

The economy has rebounded strongly in the euro area thanks to the gradual reopening in the second quarter. Although we expect some slowdown in real GDP growth in the coming quarters, the economic recovery will remain robust thanks to pent-up demand, which remains strong. The slight weakening of a number of frequently available indicators and persistent supply-side bottlenecks in the economy have led us to adjust our growth forecast for the third quarter slightly downwards. In the light of the stronger than expected growth in the second quarter, we have nonetheless raised our growth forecast for the full year 2021 from 4.2% to 5.0%. We are sticking to our 4.5% forecast for growth in 2022.

Economic growth in the US remained substantial in the second quarter, with activity climbing above pre-pandemic levels. The initial boost from the reopening has now passed, which is why we now predict lower, but still strong, growth rates for the rest of the year. However, the available indicators for the third quarter suggest a sharper

slowdown in growth than initially expected, particularly for private consumption. The labour market report for August indicates an increasingly negative impact of the Delta variant of the virus. In light of this recent information, we have lowered our economic growth forecast from 6.5% to 6.0% for 2021. We expect real GDP to grow by 3.9% in 2022.

Inflation rose sharply during the summer months, reaching 3% in the euro area as a result of higher energy prices and technical factors. It fell back slightly in the US in August to 5.3%, bringing an end to eight successive months of increases, providing a first indication of an easing of inflationary pressure. We still believe the spike in inflation was primarily due to temporary factors. That said, inflation will remain high for the rest of 2021 and is likely to persist in 2022. The uncertainty also remains high, with upside risks for the coming quarters, though we see no prospect of galloping inflation.

### **Monetary policy**

Despite the higher inflation, central banks on both sides of the Atlantic are persisting with their highly accommodative monetary policy. In so doing, they are making clear that they regard the recent upsurge in inflation as temporary.

At its September policy meeting, the ECB decided to slightly reduce its PEPP bond purchases in the fourth quarter. This decision was taken against the background of the continuing highly favourable financing climate and the ECB's uprating of the growth and inflation forecasts. ECB president Christine Lagarde stressed that the small reduction in bond purchases should not be seen as the start of tapering, but rather as the fine-tuning of a policy instrument that must be flexible enough to deal with the emergency situation caused by the pandemic. She also announced plans for a key discussion about the future of the quantitative easing instruments at the forthcoming policy meeting in December.

We think the ECB will end the PEPP bond purchases after March 2022. The remaining portfolio is likely to be (partially) transferred to the Asset Purchase Programme (APP), enabling a gradual reduction in bond purchases.

In general terms, we think the ECB will maintain its very flexible policy across the whole forecast horizon. This means that the ending of the APP and at the start of the normalisation of the key rate is unlikely before 2023.

In the US, the Fed also stuck to its highly accommodative policy at its July policy meeting. Nonetheless, the minutes of the meeting confirm that the discussion on tapering is in full swing and that several board members feel it would be appropriate to start scaling back the purchase of financial assets in the coming months, though opinions differ on the precise timing.

The Fed has however also made clear that the start of tapering will depend on a substantial improvement on the labour market. In that regard, the weak labour market report in August could temper the enthusiasm of some board members for a rapid start of tapering. On the other hand, the labour market report was not weak enough for the announcement of the start of tapering to be removed from the agenda for the September meeting.

Against this backdrop, we are sticking to our view that the Fed will begin unwinding its purchase programme in the fourth quarter of 2021. It may well start by reducing the purchases of mortgage-backed securities (currently 40 billion USD per month); that would help prevent overheating on the housing market. The next step will be to reduce the purchases of government bonds (currently 80 billion USD per month). We think the Fed will hold off on raising interest rates until the asset purchase programmes have ended completely. That implies that we do not anticipate a rise in interest rates before the start of 2023.

### **Currency markets**

We are now expecting a weaker performance from the greenback over the coming period, to 1.21 USD per EUR by the end of 2021 and 1.30 USD per EUR by the end of 2022. This pronounced weakening will be driven largely by the growing twin deficit – a current account deficit and a budget deficit – and the resultant financing requirements.

### **Financial markets**

Although the valuation of most stock markets (especially in the US) is now fairly high, we are opting to invest in shares just above the benchmark. The risks appear fairly limited in the short term because news concerning the economy, corporate results, government support and quite possibly Covid will remain supportive. We will only consider increasing our shareholdings if there is a market correction.

Given the extremely low level of interest rates, even negative in some cases, we are still invested below the benchmark level for bonds.

### **Stock markets**

Within the equity portfolio, we see the best opportunities for earning a return in Europe. After a long Covid winter, figurative summer finally seems to have arrived for countries in the euro area. Industrial activity is slowly returning to pre-crisis levels. Covid measures are being steadily lifted and the reopening of the economy continues, allowing a further recovery in consumer spending and the services sector. In particular, small and medium-sized enterprises (SMEs) in the euro area stand to benefit from this. In the UK, too, the measures have now been lifted completely despite the surging Delta variant, and the vaccines mean that the number of hospital admissions is fairly limited. After performing weakly for several years, UK shares have become fairly cheap and our opinion is turning slightly more positive, although British shares continue to trade at a Brexit discount – a risk premium which could weigh on these stocks for some time.

We are underweight on emerging markets. The significant uncertainty for investors in China prompted us to reduce the weighting of Asian emerging markets somewhat. New regulations for Chinese technology companies triggered a sharp correction. Chinese economic growth is also slowing, with lower levels of lending and relatively weak producer confidence. Problems at the real estate giant Evergrande sowed new doubts about China. The Chinese government may be considering new stimulus measures, but until then we remain cautious about Chinese shares. In Asia, we are also underweight on Japan and the wider Pacific region, although we have recently increased our position in Japanese equities. The vaccination campaign has finally got up to speed in Japan, and the number of Covid cases is falling. Reopening the economy is working, and Japan is now looking forward hopefully to a new

Prime Minister and the possibility of a stimulus programme.

At sector level, we mainly favour shares that are focused on economic recovery among consumers. Thanks to vaccination programmes, the focus here is gradually shifting from an early-cyclical, industrial recovery to one oriented more towards consumption and services. Higher inflation figures and forecast rate hikes are also causing some shifts in the portfolio.

An overweighting of the Consumer Discretionary sector would be in line with the shift from a more industrial recovery to a consumer-oriented one. This sector not only includes e-commerce companies, but it also has a considerable exposure to shares that ought to benefit from a reopening of the economy (catering, tourism, etc.). After struggling for a few months due to the delta variant, these shareholdings have been increased again in the portfolio. Some of the more defensive consumer companies, such as food and beverage producers, and household and personal products, reported poorer results in the second quarter and have been reduced to their benchmark level. Media companies too will be able to benefit from this recovery, due in part to increased advertising revenues. Our stance on technology stocks is more or less neutral, although we have further increased the overweighting of the more cyclical semiconductor segment (computer chips). Demand for these chips remains sky-high, while the supply is unable to keep up and prices are therefore staying high, benefiting these companies. We have slightly reduced our position in the Energy sector to a neutral weighting in response to the higher oil price, which may have peaked, and the surge in the price of shares in these companies.

Given the stable economic outlook and the expectation of higher interest rates, we remain overweight in Financials. The Federal Reserve indicated that it will ratchet up its key rate more rapidly and start scaling back the enormous support programmes at the start of next year, implying that long rates ought also to rise further. In this pro-cyclical environment, banks should be able to slightly reduce their provisions for non-performing loans, while it ought to be possible to systematically increase lending volumes.

The flip side of this pro-cyclical positioning is that certain typically defensive and interest-rate-sensitive sectors such as utilities and real estate are underweighted. They include companies with predictable profits that do well in a recession, but underperform in a bull market driven by strong economic recovery. Consequently, their earnings growth will be lower in the year ahead than that of the cyclical sectors. An exception is the health care sector, which reported good results and for which the risk of regulation has decreased somewhat. We are holding the positions in this sector at their benchmark level.

As regards investment themes, the focus is on water companies. Drinking water is in very short supply due to obsolete and inadequate water infrastructure, climate change and problems with water quality and waste-water processing. This offers opportunities for water companies to achieve robust long-term revenue growth.

## Bond markets

Covid-19 isn't going down without a fight, but thanks to the smooth roll-out of vaccinations, both the US and Europe are benefiting from the reopening of their economies. Producer and consumer confidence have risen sharply and GDP is also growing at a robust rate. This acceleration combined with several other effects is now pushing up inflation. Central banks are reassuring the markets that rising prices are temporary and will ease in 2022. Following inflation jitters at the beginning of the year, bond markets have calmed a little since the second quarter.

Where the US central bank (Fed) has been talking about scaling back its bond purchases since the beginning of the summer, the European Central Bank (ECB) has said it is still far too early to consider this for the euro area. ECB president Christine Lagarde is also unwilling as yet to indicate what will happen in 2022 and the end of the PEPP – an exceptionally large-scale bond-purchasing programme in response to the Covid crisis. In the meantime, the ECB will continue to support the economy and the financial markets through an extremely accommodative monetary policy, in the shape of both low money-market rates and holding down yields through the bond-purchasing programme. We are looking at a longer period of low interest rates in the euro area, although we now expect bond yields to gradually rise as the growth outlook continues to brighten.

In view of this expectation and the extremely low level of interest rates, even negative in some cases, we are invested slightly below the benchmark level for both the bond allocation and average terms to maturity. The intention is to limit the interest rate risk (loss in value when interest rates are rising) so that it weighs less heavily on returns. Due to the economic recovery, the relatively attractive yield and the ECB's bond-purchasing programme, corporate bonds occupy a prominent place in the portfolio. The uncertainties surrounding emerging markets remain, but the compensation is attractive, enabling a limited position to be taken in this theme.

## **1.3. Auditor's report**



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## KBC ECO FUND NV

### **Auditor's report**

For the year ended 31.08.2022

## Statutory auditor’s report to the shareholders’ meeting of KBC ECO FUND NV for the year ended on 31 August 2022 – Annual Accounts

In the context of the statutory audit of the annual accounts of KBC Eco Fund NV ("**COMPANY**"), we hereby submit our statutory audit report. This report includes our report on the annual accounts and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders’ meeting of 27 November 2020, in accordance with the proposal of the board of directors. Our mandate will expire on the date of the shareholders’ meeting deliberating on the annual accounts for the year ending 31 August 2023. We have performed the statutory audit of the annual accounts of KBC Eco Fund NV for two consecutive financial years.

### Report on the annual accounts

#### Unqualified opinion

We have performed the statutory audit of the annual accounts of the Company, drafted in accordance with the financial reporting framework applicable in Belgium, which comprises the balance sheet as at 31 August 2022 and the income statement for the year then ended, as well as the explanatory notes. The annual accounts shows a balance sheet total of 2.268.237.605,03 EUR and the income statement shows a loss of 219.135.225,06 EUR. An overview of the total net asset value and the result of each compartment is presented in the below table.

Compartment	Currency	Equity	Result
KBC Eco Fund/World	EUR	216.085.453,00	-21.288.909,40
KBC Eco Fund/Alternative Energy	EUR	291.131.894,24	26.314.806,05
KBC Eco Fund/Water	EUR	1.166.035.319,56	-134.235.291,79
KBC Eco Fund/Impact Investing	EUR	314.857.421,67	-71.799.398,26
KBC Eco Fund/Climate Change	EUR	134.457.248,86	-2.540.065,46
KBC Eco Fund/CSOB Water	CZK	3.570.008.987,43	-381.982.324,15

In our opinion, the annual accounts give a true and fair view of the company’s net asset value and financial position as of 31 August 2022 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium<sup>1</sup>.

<sup>1</sup> Royal Decree of 10 November 2006 on the accounting, annual accounts and periodic reports of certain public institutions for collective investment with a variable number of participation rights.



## Basis for the unqualified opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA), as applicable in Belgium. Our responsibilities under those standards are further described in the section "Responsibilities of the statutory auditor for the audit of the annual accounts". We have complied with all ethical requirements relevant to the statutory audit of the annual accounts in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of the board of directors for the preparation of the annual accounts

The board of directors is responsible for the preparation and fair presentation of the annual accounts in accordance with the financial reporting framework applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

## Responsibilities of the statutory auditor for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of annual accounts in Belgium. The scope of the audit does neither comprise any assurance regarding the future viability of the Company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the Company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;



- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, if any, including any significant deficiencies in internal control that we might identify during our audit.

## Other legal and regulatory requirements

### Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the annual accounts for maintaining the company's accounting records in compliance with the legal and regulatory requirements applicable in Belgium, as well as for the company's compliance with the Companies Code and the company's articles of association.

### Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the annual accounts and compliance with certain obligations referred to in the Code of Companies and associations and the articles of association, as well as to report on these matters.

### Aspects regarding the directors' report

In our opinion, after performing the specific procedures on the annual report, the annual report is consistent with the annual accounts for that same year and has been established in accordance with the requirements of articles 3:5 and 3:6 of the Code of companies and associations.

In the context of our statutory audit of the annual accounts we are also responsible to consider, in particular based on information that we became aware of during the audit, if the annual report on the annual accounts is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement.

### Statements regarding independence

Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the company during the performance of our mandate.





## Other statements

- The chart of accounts is not equipped with a complete set of off-balance sheet accounts. Our assessment of the completeness of the off-balance sheet rights and commitments, is based on the confirmation of management and third parties. Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant legal and regulatory requirements.
- Except for the non compliance with the deadlines for the convocation of the general shareholders' meeting, and the related documents to be transmitted, we do not have to report any transactions undertaken or decisions taken which may be in violation of the company's articles of association or Code of companies and associations.

Brussels, date see signature

MAZARS BEDRIJFSREVISOREN  
The Statutory Auditor  
Represented by



Dirk Stragier  
Bedrijfsrevisor



Nele Van Laethem  
Bedrijfsrevisor

## 1.4. Aggregate balance sheet (in EUR)

Balance sheet layout		31/08/2022	31/08/2021
	<b>TOTAL NET ASSETS</b>	2,268,237,605.03	2,110,186,713.16
<b>II.</b>	<b>Securities, money market instruments, UCIs and derivatives</b>		
A.	Bonds and other debt instruments		
	a) Bonds		
	Collateral received in the form of bonds	965,717.32	
C.	Shares and similar instruments		
	a) Shares	2,252,010,287.93	2,110,194,718.83
D.	Other securities	139,194.10	48,107.96
F.	Derivative financial instruments		
	j) Foreign exchange		
	Futures and forward contracts (+/-)	2,091,658.78	766,959.26
<b>IV.</b>	<b>Receivables and payables within one year</b>		
A.	Receivables		
	a) Accounts receivable	1,367,801.85	2,035,118.83
B.	Payables		
	a) Accounts payable (-)	-4,416,630.31	-1,384,816.76
	c) Borrowings (-)	-3,418,040.93	-6,131,341.09
	d) Collateral (-)	-965,717.32	
<b>V.</b>	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	21,537,266.49	5,549,154.52
<b>VI.</b>	<b>Accruals and deferrals</b>		
B.	Accrued income	1,655,715.25	1,416,448.45
C.	Accrued expense (-)	-2,729,648.12	-2,307,636.83
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	2,268,237,605.03	2,110,186,713.16
<b>A.</b>	<b>Capital</b>	2,484,499,751.68	1,496,643,630.26
<b>B.</b>	<b>Income equalization</b>	2,873,078.41	567,446.04
<b>D.</b>	<b>Result of the bookyear</b>	-219,135,225.06	612,975,636.87
<b>Off-balance-sheet headings</b>			
I.	Collateral (+/-)		
I.A.	Collateral (+/-)		
I.A.a.	Securities/money market instruments	965,717.32	
III.	Notional amounts of futures and forward contracts (+)		
III.A.	Purchased futures and forward contracts	118,931,093.31	89,589,052.62
III.B.	Written futures and forward contracts	-13,661,445.84	-8,706,656.86

## 1.5. Aggregate profit and loss account (in EUR)

Income Statement	31/08/2022	31/08/2021
<b>I. Net gains(losses) on investments</b>		
A. Bonds and other debt instruments		
a) Bonds	-12,715.80	
C. Shares and similar instruments		
a) Shares	-366,238,320.97	593,012,335.23
D. Other securities	2,541.75	5,494.57
F. Derivative financial instruments		
n) On other underlying products		
Swap contracts (+/-)	1,822,656.89	
G. Receivables, deposits, cash at bank and in hand and payables	-0.00	-0.01
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	1,296,328.76	321,220.77
b) Other foreign exchange positions and transactions	147,780,988.61	13,609,684.64
<b>Det. section I gains and losses on investments</b>		
Realised gains on investments	151,524,724.17	205,193,647.66
Unrealised gains on investments	-133,713,937.02	419,603,707.75
Realised losses on investments	-40,074,821.65	-57,006,844.45
Unrealised losses on investments	-193,084,486.27	39,158,224.24
<b>II. Investment income and expenses</b>		
A. Dividends	34,921,851.70	36,269,327.48
B. Interests		
a) Securities and money market instruments	6,646.24	6,017.20
b) Cash at bank and in hand and deposits	37,531.00	852.28
C. Interest on borrowings (-)	-108,770.17	-54,670.12
F. Other investment income	218,146.30	40,729.55
<b>III. Other income</b>		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	111,025.48	273,436.40
<b>IV. Operating expenses</b>		
A. Investment transaction and delivery costs (-)	-1,031,048.76	-1,219,397.85
B. Financial expenses (-)	-5,660.23	-2,000.21
C. Custodian's fee (-)	-851,785.38	-665,589.41
D. Manager's fee (-)		
a) Financial management	-32,932,820.06	-25,114,563.34
b) Administration and accounting management	-2,153,836.52	-1,725,016.97
E. Administrative expenses (-)	-4,995.75	-5,007.46
F. Formation and organisation expenses (-)	-19,271.23	-28,470.55
G. Remuneration, social security charges and pension	-35,828.07	-29,032.62
H. Services and sundry goods (-)	-79,531.01	-58,608.14
J. Taxes	-1,660,108.86	-1,469,026.28
L. Other expenses (-)	-198,248.99	-192,078.30

	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	-3,786,704.31	6,026,901.67
V.	<b>Profit (loss) on ordinary activities before tax</b>	-219,135,225.06	612,975,636.87
VII.	<b>Result of the bookyear</b>	-219,135,225.06	612,975,636.87

<b>Appropriation Account</b>		<b>31/08/2022</b>	<b>31/08/2021</b>
<b>I.</b>	<b>Profit to be appropriated</b>	-216,262,146.65	613,543,082.91
	Profit for the period available for appropriation	-219,135,225.06	612,975,636.87
	Income on the creation of shares (income on the cancellation of shares)	2,873,078.41	567,446.04
<b>II.</b>	<b>(Appropriations to) Deductions from capital</b>	224,530,653.62	-605,894,199.94
<b>IV.</b>	<b>(Dividends to be paid out)</b>	-8,268,506.97	-7,648,882.97

## 1.6. Summary of recognition and valuation rules

### 1.6.1. Summary of the rules

Summary of the valuation rules pursuant to the Royal Decree of 10 November 2006 on the accounting, annual accounts and periodic reports of certain open-ended undertakings for collective investment.

The assets of the various sub-funds are valued as follows:

- When purchased or sold, securities, money market instruments, units in undertakings for collective investment and financial derivatives are recorded in the accounts at their acquisition price or sale price, respectively. Any additional expenses, such as trading and delivery costs, are charged directly to the profit and loss account.
- After initial recognition, securities, money market instruments and financial derivatives are measured at fair value on the basis of the following rules:
  - Securities that are traded on an active market without the involvement of third-party financial institutions are measured at fair value using the closing price;
  - Assets that have an active market which functions through third -party financial institutions that guarantee continuous bid and ask prices are measured using the current bid price set on that market. However, since most international benchmarks use mid-prices, and the data providers cannot supply bid prices (e.g., JP Morgan, iBoxx, MSCI, etc.), the midprices are used to measure debt instruments, as provided for in the Notes to the aforementioned Royal Decree. The method to correct these midprices and generate the bid price is not used, as it is not reliable enough and could result in major fluctuations.
  - Securities whose last known price is not representative and securities that are not admitted to official listing or admitted to another organised market are valued as follows:
    - 1 When measuring these securities at fair value, use is made of the current fair value of similar assets for which there is an active market, provided this fair value is adjusted to take account of the differences between the assets concerned.
    - 2 If no fair value for similar assets exists, the fair value is calculated on the basis of other valuation techniques which make maximum use of market data, which are consistent with generally accepted economic methods and which are verified and tested on a regular basis.
    - 3 If no organised or unofficial market exists for the assets being valued, account is also taken of the uncertain character of these assets, based on the risk that the counterparties involved might not meet their obligations.
  - Shares for which there is no organised or unofficial market, and whose fair value cannot be calculated reliably as set out above, are measured at cost. Impairment is applied to these shares if there are objective instructions to this end.
  - Units in undertakings for collective investment (for which there is no organised market) are measured at fair value using their last net asset value.
- Liquid assets, including assets on demand at credit institutions, obligations on current account vis-à-vis credit institutions, amounts payable and receivable in the short term that are not represented by negotiable securities or money market instruments (other than vis-à-vis credit institutions), tax assets and liabilities, are measured at nominal value. Other amounts receivable in the longer term that are not represented by negotiable securities are measured at fair value. Impairment is applied to assets, amounts to be received and receivables if there is uncertainty that they will be paid in full or in part at maturity, or if the realisation value of this asset is less than its acquisition value. Additional impairment is recorded on the assets, amounts to be received and receivables referred to in the previous paragraph to ensure that any change in their value, or risks inherent in the asset in question, are taken into account.
- The income generated by securities lending is recognised as other income (Income statement II.B.a.: Investment income and expenses – Interest – Securities and money market instruments) and is included on an accruals basis in the income statement over the term of the transaction.
- Securities issued in a currency other than that of the relevant sub-fund are converted into the currency of the sub-fund at the last known mid-market exchange rate.

#### Differences

A minor difference may appear from time to time between the net asset value as published in the press and the net asset value shown in this report. These are minimal differences in the net asset value calculated that are identified after publication.

If these differences reach or exceed a certain tolerance limit, the difference will be compensated. For those buying or selling shares in the bevek and for the bevek itself, this tolerance limit will be a certain percentage of the net asset value and the net assets, respectively.

This tolerance limit is:

- money market funds: 0.25%
- bond funds, balanced funds and funds offering a capital guarantee: 0.50%
- equity funds: 1%
- other funds (real estate funds, etc.): 0.50%



## 1.6.2. Exchange rates

1 EUR =	31/08/2022		31/08/2021	
		1.466778	AUD	1.615174
	5.209754	BRL	6.043372	BRL
	1.316868	CAD	1.491675	CAD
	0.981366	CHF	1.081351	CHF
	897.553930	CLP	914.789728	CLP
	24.507465	CZK	25.414026	CZK
	7.437349	DKK	7.436657	DKK
	1.000000	EUR	1.000000	EUR
	0.864171	GBP	0.857729	GBP
	7.892411	HKD	9.180772	HKD
	402.075050	HUF	349.160052	HUF
	3.344911	ILS	3.781866	ILS
	79.899142	INR	86.181703	INR
	139.394369	JPY	129.684237	JPY
	1,344.973400	KRW	1,368.672750	KRW
	20.223621	MXN	23.655627	MXN
	9.979229	NOK	10.276230	NOK
	1.640107	NZD	1.677132	NZD
	56.466660	PHP	58.727387	PHP
	10.692264	SEK	10.197494	SEK
	1.402842	SGD	1.587823	SGD
	18.295479	TRY	9.814851	TRY
	30.606428	TWD	32.714401	TWD
	1.005550	USD	1.180450	USD
	17.138996	ZAR	17.075209	ZAR



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# 2. Information on KBC Eco Fund Alternative Energy

## 2.1. Management report

### 2.1.1. Launch date and subscription price

#### **Classic Shares Distribution**

Launch date:	31 October 2000
Initial subscription price:	500 EUR
Currency:	EUR

#### **Classic Shares Capitalisation**

Launch date:	31 October 2000
Initial subscription price:	500 EUR
Currency:	EUR

#### **Institutional B Shares Capitalisation**

Launch date:	25 November 2011
Initial subscription price:	160.81 EUR
Currency:	EUR

### 2.1.2. Stock exchange listing

Not applicable.

### 2.1.3. Goal and key principles of the investment policy

#### **Object of the sub-fund**

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

#### **Sub-fund's investment policy**

##### ***Permitted asset classes***

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

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

##### ***Restrictions of the investment policy***

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

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

## **Permitted derivatives transactions**

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

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

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

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

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

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

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

## Strategy selected

The total assets of the sub-fund are invested, to the maximum extent possible, in shares of companies operating in the alternative energy sector in a socially responsible way. These companies have to realize a substantial proportion of their turnover in this sector.

The sub-fund invests in socially responsible assets. Socially Responsible Investing (SRI), has a positive impact on society, the environment and the world we live in. It is aligned with today's social and economic needs, without jeopardising the needs of future generations. The sub-fund promotes a combination of environmental and social characteristics, namely providing access to and improving the efficiency of alternative energy, but is not a sustainable investment within the meaning of Article 2(17) of the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector. However, the concrete contribution to these characteristics is not measured by indicators. The companies in which it invests must follow good governance practices.

Specialised researchers of KBC Asset Management NV compile a universe of socially responsible companies. They are assisted by an advisory board (i.e. the 'SRI Advisory Board') comprised of up to twelve persons, who are not affiliated to KBC Asset Management NV, and whose sole responsibility is to supervise the methodology and activities of the specialist researchers of KBC Asset Management NV. The secretariat of the advisory board is provided by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with a data supplier with expertise in SRI that provides data to the specialised researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The fund manager then strives to invest as much as possible in assets that form part of this universe. In order to create this socially responsible universe, the companies are subjected to a negative and positive screening procedure.

### Negative screening

Negative screening entails specific criteria that exclude companies in advance from the socially responsible universe.

On top of the exclusion criteria set out under 'Social, ethical and environmental aspects', the companies are assessed against additional SRI exclusion criteria which are available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for socially responsible investment funds.

The most important exclusion criteria relate on the one hand to controversial activities (tobacco, gambling, weapons, fur and speciality leather and adult entertainment). Companies involved in such controversial activities are excluded. On the other hand, the screening for controversies ensures that companies who seriously violate the basic principles in terms of the environment, social aspects or good governance are excluded. This list is not exhaustive and can be adapted under the supervision of the Advisory Board.

### Positive screening

Positive screening entails creating a universe of companies that operate in the alternative energy sector in a socially responsible manner. This includes, for example, the following business activities: companies active in the development of solar energy, wind energy and biofuels. Companies that focus at least 50% of their activities on this objective or that are market leaders in the relevant field(s) are eligible for the universe provided that these activities represent a significant part of their turnover.

It cannot be ruled out, however, that very limited investments may be made temporarily in assets that do not meet the above criteria. The reasons for this include the following:

- developments as a result of which a company can no longer be regarded as socially responsible after purchase on the basis of the above criteria;
- corporate events, such as a merger of one company with another, where the merged company can no longer be considered a socially responsible company on the basis of the above criteria;
- incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets that do not have a socially responsible nature;
- a planned update of the socially responsible universe in which assets are no longer labelled as socially responsible but in which the fund manager chooses not to sell them immediately in the interest of the customer due to transaction charges.

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

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets which are not of a socially responsible nature, to the extent that no workable and comparable socially responsible alternative is available on the market for these derivatives. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a socially responsible nature.

The fund is actively managed without referring to any benchmark.

The socially responsible character is guaranteed by the aforementioned SRI screening.

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

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

### **Securities Financing Transactions (SFTs)**

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.1. Securities Financing Transactions (SFTs)'.

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

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.2. General strategy for hedging the exchange rate risk'.

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

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.3. Social, ethical and environmental aspects'.

## **2.1.4. Financial portfolio management**

There is no delegation of the management of the asset allocation.

## **2.1.5. Distributors**

IVESAM NV, Havenlaan 2, B-1080 Brussels.

## **2.1.6. Index and benchmark**

Not applicable.

## **2.1.7. Policy pursued during the financial year**

In line with the defined strategy, the fund invests in a selection of shares issued by companies with exposure to the renewable energy industry.

## **2.1.8. Future policy**

The fund will continue to invest in equities primarily related to the renewable energy industry.

## **2.1.9. Synthetic risk and reward indicator (SRRI)**

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk)

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk)

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.4. Synthetic risk and reward indicator'

The synthetic risk indicator gives an idea of the risk associated with investing in an undertaking for collective investment or a sub-fund. It measures risk on a scale of one (least risk) to seven (most risk).

## **2.1.10. Leveraged finance**

The total amount of leveraged finance used by the sub-fund is 102 773.39 EUR.

This amount was calculated by multiplying the leverage ratio calculated using the UCITS-commitment method by the sub-fund's total assets under management.

## **2.1.11. Value-at-Risk**

Not applicable

## 2.2. Balance sheet

Balance sheet layout		31/08/2022 (in Euro)	31/08/2021 (in Euro)
	<b>TOTAL NET ASSETS</b>	291,131,894.24	90,910,203.04
<b>II.</b>	<b>Securities, money market instruments, UCIs and derivatives</b>		
C.	Shares and similar instruments		
a)	Shares	288,321,983.63	90,252,228.60
D.	Other securities	66,153.35	11.49
<b>IV.</b>	<b>Receivables and payables within one year</b>		
A.	Receivables		
a)	Accounts receivable	603,613.30	121,756.50
B.	Payables		
a)	Accounts payable (-)	-47,127.71	-54,113.61
c)	Borrowings (-)	-36,295.93	-37,990.98
<b>V.</b>	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	2,532,120.05	707,533.27
<b>VI.</b>	<b>Accruals and deferrals</b>		
B.	Accrued income	42,654.87	22,937.56
C.	Accrued expense (-)	-351,207.32	-102,159.79
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	291,131,894.24	90,910,203.04
<b>A.</b>	<b>Capital</b>	263,357,520.98	52,606,054.35
<b>B.</b>	<b>Income equalization</b>	1,459,567.21	-55,532.40
<b>D.</b>	<b>Result of the bookyear</b>	26,314,806.05	38,359,681.09

## 2.3. Profit and loss account

Income Statement		31/08/2022 (in Euro)	31/08/2021 (in Euro)
<b>I.</b>	<b>Net gains(losses) on investments</b>		
C.	Shares and similar instruments		
	a) Shares	18,040,204.05	37,734,074.73
D.	Other securities	-2,390.89	0.48
H.	Foreign exchange positions and transactions		
	b) Other foreign exchange positions and transactions	8,354,892.49	747,231.80
	<b>Det.section I gains and losses on investments</b>		
	Realised gains on investments	11,461,748.67	25,298,559.17
	Unrealised gains on investments	24,610,422.13	12,408,505.55
	Realised losses on investments	-1,975,065.05	-877,599.33
	Unrealised losses on investments	-7,704,400.10	1,651,841.62
<b>II.</b>	<b>Investment income and expenses</b>		
A.	Dividends	2,652,765.18	1,326,455.80
B.	Interests		
	a) Securities and money market instruments		9.81
	b) Cash at bank and in hand and deposits	228.98	7.74
C.	Interest on borrowings (-)	-5,333.56	-2,266.55
<b>III.</b>	<b>Other income</b>		
A.	Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	45,994.97	33,937.25
<b>IV.</b>	<b>Operating expenses</b>		
A.	Investment transaction and delivery costs (-)	-249,631.81	-103,114.55
B.	Financial expenses (-)	-314.67	-133.62
C.	Custodian's fee (-)	-58,265.80	-34,224.94
D.	Manager's fee (-)		
	a) Financial management		
	Classic Shares	-1,976,105.97	-1,089,631.01
	Institutional B Shares	-71,824.44	-43,073.74
	b) Administration and accounting management	-155,797.28	-86,999.93
E.	Administrative expenses (-)	-997.32	-1,002.27
F.	Formation and organisation expenses (-)	-817.51	-1,673.12
G.	Remuneration, social security charges and pension	-2,136.71	-1,397.72
H.	Services and sundry goods (-)	-10,626.81	-8,534.47
J.	Taxes		
	Classic Shares	-162,923.00	-83,917.83
	Institutional B Shares	-2,542.46	-995.69
L.	Other expenses (-)	-79,571.39	-25,071.08
	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	-77,899.60	-121,625.92
<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	26,314,806.05	38,359,681.09
<b>VII.</b>	<b>Result of the bookyear</b>	26,314,806.05	38,359,681.09



<b>Appropriation Account</b>		<b>31/08/2022</b> (in Euro)	<b>31/08/2021</b> (in Euro)
<b>I.</b>	<b>Profit to be appropriated</b>	27,774,373.26	38,304,148.69
	Profit for the period available for appropriation	26,314,806.05	38,359,681.09
	Income on the creation of shares (income on the cancellation of shares)	1,459,567.21	-55,532.40
<b>II.</b>	<b>(Appropriations to) Deductions from capital</b>	-26,281,395.00	-37,975,932.09
<b>IV.</b>	<b>(Dividends to be paid out)</b>	-1,492,978.26	-328,216.60

## 2.4. Composition of the assets and key figures

### 2.4.1. Composition of the assets of KBC Eco Fund Alternative Energy

Name	Quantity on 31/08/2022	Currency	Price in currency	Evaluation (in Euro)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Austria</u>							
ANDRITZ AG -	143,613.00	EUR	45.980	6,603,325.74		2.29	2.27
<u>Belgium</u>							
ELIA SYSTEM OPERATOR -	55,271.00	EUR	144.900	8,008,767.90		2.78	2.75
UMICORE -	133,965.00	EUR	31.750	4,253,388.75		1.48	1.46
<u>Brazil</u>							
SAO MARTINHO SA -	709,955.00	BRL	31.860	4,341,695.20		1.51	1.49
<u>Canada</u>							
BALLARD POWER SYSTEMS -	355,794.00	CAD	10.250	2,769,364.68		0.96	0.95
HYDRO ONE LTD -	323,700.00	CAD	35.560	8,741,020.02		3.03	3.00
INNERGEX RENEWABLE ENERGY INC -	354,794.00	CAD	19.850	5,348,037.47		1.85	1.84
POLARIS INFRASTRUCTURE INC -	97,040.00	CAD	19.280	1,420,742.86		0.49	0.49
5N PLUS INC -	124,519.00	CAD	1.680	158,855.61		0.06	0.06
<u>Denmark</u>							
CADELER A/S -	560,343.00	NOK	33.840	1,900,147.50		0.66	0.65
NOVOZYMES A/S B	119,274.00	DKK	425.600	6,825,417.39		2.37	2.34
VESTAS WINDS SYSTEMS -	122,044.00	DKK	186.420	3,059,079.39		1.06	1.05
<u>France</u>							
LEGRAND (PAR)	92,430.00	EUR	72.280	6,680,840.40		2.32	2.30
MERSEN (PAR)	84,057.00	EUR	29.500	2,479,681.50		0.86	0.85
NEOEN SA -	99,332.00	EUR	41.200	4,092,478.40		1.42	1.41
NEXANS SA (PAR)	44,179.00	EUR	91.100	4,024,706.90		1.40	1.38
VOLTALIA SA -	92,618.00	EUR	21.350	1,977,394.30		0.69	0.68
<u>Germany</u>							
ENCAVIS AG -	248,188.00	EUR	21.350	5,298,813.80		1.84	1.82
ENERGIEKONTOR AG -	44,027.00	EUR	87.800	3,865,570.60		1.34	1.33
NORDEX AG -	265,434.00	EUR	9.606	2,549,759.00		0.88	0.88
PNE AG -	150,563.00	EUR	16.480	2,481,278.24		0.86	0.85
SMA SOLAR TECHNOLOGY AG -	61,190.00	EUR	50.300	3,077,857.00		1.07	1.06
7C SOLARPARKEN AG -	612,719.00	EUR	5.300	3,247,410.70		1.13	1.12
<u>Greece</u>							
TERNA ENERGY SA -	283,029.00	EUR	17.730	5,018,104.17		1.74	1.72
<u>Hong Kong</u>							
WASION HOLDINGS LTD -	2,466,000.00	HKD	2.650	827,997.92		0.29	0.28
<u>India</u>							
ADANI GREEN ENERGY LTD -	183,882.00	INR	2,436.200	5,606,735.11		1.94	1.93
<u>Italy</u>							
TERNA RETE ELETTRICA NAZIONALE -	1,085,440.00	EUR	7.100	7,706,624.00		2.67	2.65
<u>Japan</u>							
WEST HOLDINGS CORP -	127,657.00	JPY	4,435.000	4,061,561.45		1.41	1.40
<u>Netherlands</u>							
ADVANCED METALLURGICAL GROUP -	145,511.00	EUR	25.520	3,713,440.72		1.29	1.28
ALFEN BEHEER BV -	33,696.00	EUR	112.800	3,800,908.80		1.32	1.31
SIF HOLDING NV -	35,884.00	EUR	10.180	365,299.12		0.13	0.13
<u>New Zealand</u>							
MERIDIAN ENERGY LTD -	718,275.00	NZD	5.005	2,191,908.79		0.76	0.75
<u>Norway</u>							
AKER HORIZONS HOLDING AS -	794,787.00	NOK	17.960	1,430,408.55		0.50	0.49
REC SILICON ASA -	1,292,718.00	NOK	20.610	2,669,837.31		0.93	0.92
SCATEC SOLAR ASA -	349,635.00	NOK	101.300	3,549,174.53		1.23	1.22
<u>Singapore</u>							
MAXEON SOLAR TECHNOLOGIES LTD -	159,662.00	USD	19.850	3,151,798.22		1.09	1.08

<u>Spain</u>							
ABENGOA S.A. B SHARES	40,847,142.00	EUR	0.001	40,847.14		0.01	0.01
AUDAX RENOVABLES SA -	1,662,418.00	EUR	1.099	1,826,997.38		0.63	0.63
CORP ACCIONA ENERGIAS RENOVABL -	192,878.00	EUR	41.440	7,992,864.32		2.77	2.75
EDP RENOVAVEIS SA -	301,389.00	EUR	24.170	7,284,572.13		2.53	2.50
GREENERGY RENOVABLES SA -	98,630.00	EUR	36.000	3,550,680.00		1.23	1.22
RED ELECTRICA DE ESPANA -	328,967.00	EUR	18.235	5,998,713.25		2.08	2.06
SIEMENS GAMESA RENEWABLE ENERGY SA -	198,806.00	EUR	17.925	3,563,597.55		1.24	1.22
SOLARIA ENERGIA Y MEDIO AMBIENTE SA -	203,356.00	EUR	21.180	4,307,080.08		1.49	1.48
SOLTEC POWER HOLDINGS SA -	478,321.00	EUR	5.240	2,506,402.04		0.87	0.86
<u>Sweden</u>							
ARISE AB -	120,662.00	SEK	76.300	861,044.04		0.30	0.30
EOLUS VIND AB -	53,566.00	SEK	138.000	691,351.02		0.24	0.24
<u>Switzerland</u>							
GURIT HOLDING AG -	2,770.00	CHF	102.600	289,598.22		0.10	0.10
LANDIS+GYR GROUP AG -	62,711.00	CHF	57.100	3,648,787.70		1.26	1.25
MEYER BURGER TECHNOLOGY AG MEYER BURGER TECHNOLOGY AG	6,342,046.00	CHF	0.490	3,169,192.43		1.10	1.09
<u>Taiwan</u>							
E-TON SOLAR TECH CO LTD -	180,334.00	TWD	0.010	58.92		0.00	0.00
MOTECH INDUSTRIES INC -	4,558,319.00	TWD	28.500	4,244,601.53		1.47	1.46
SINO-AMERICAN SILICON PRODUCTS -	1,372,910.00	TWD	167.500	7,513,533.57		2.61	2.58
<u>U.K.</u>							
CERES POWER HOLDINGS PLC -	342,789.00	GBP	6.492	2,575,167.19		0.89	0.89
ITM POWER PLC -	692,957.00	GBP	1.976	1,584,503.74		0.55	0.54
LINDE PLC -	25,884.00	EUR	281.000	7,273,404.00		2.52	2.50
<u>U.S.A.</u>							
AMERESCO INC -	58,422.00	USD	68.850	4,000,153.85		1.39	1.37
AMERICAN SUPERCONDUCTOR CORP -	251,677.00	USD	5.340	1,336,537.40		0.46	0.46
ARRAY TECHNOLOGIES INC -	265,381.00	USD	20.900	5,515,849.93		1.91	1.90
BLOOM ENERGY CORP -	142,421.00	USD	25.410	3,598,943.47		1.25	1.24
CANADIAN SOLAR INC -	94,730.00	USD	45.170	4,255,336.98		1.48	1.46
ENPHASE ENERGY INC -	18,997.00	USD	286.440	5,411,467.04		1.88	1.86
FIRST SOLAR INC -	52,470.00	USD	127.550	6,655,609.87		2.31	2.29
FTC SOLAR INC -	484,704.00	USD	4.140	1,995,598.99		0.69	0.69
FUELCELL ENERGY LTD -	567,174.00	USD	4.190	2,363,342.51		0.82	0.81
JINKOSOLAR HOLDING CO LTD -	53,835.00	USD	60.870	3,258,849.83		1.13	1.12
MYR GROUP INC/DELAWARE -	66,504.00	USD	92.940	6,146,767.20		2.13	2.11
ORMAT TECHNOLOGIES INC -	76,562.00	USD	93.480	7,117,513.56		2.47	2.44
OWENS CORNING -	87,031.00	USD	81.730	7,073,784.13		2.45	2.43
PLUG POWER INC -	178,084.00	USD	28.040	4,965,914.53		1.72	1.71
SHOALS TECHNOLOGIES GROUP INC -	190,009.00	USD	26.370	4,982,882.33		1.73	1.71
SUNPOWER CORP -A-	134,691.00	USD	24.000	3,214,742.18		1.12	1.10
SUNRUN INC -	127,099.00	USD	33.030	4,174,909.22		1.45	1.43
TESLA INC -	10,389.00	USD	275.610	2,847,508.62		0.99	0.98
TPI COMPOSITES INC -	172,217.00	USD	18.590	3,183,843.70		1.10	1.09
Total shares				288,321,983.63		99.98	99.04
<b>Rights</b>							
<u>Germany</u>							
ENCAVIS AG -	61.00	EUR	0.170	10.37		0.00	0.00
NORDEX AG -	1.00	EUR	1.120	1.12		0.00	0.00
NORDEX AG -	4.00	EUR	0.455	1.82		0.00	0.00
7C SOLARPARKEN AG -	553,917.00	EUR	0.017	9,228.26		0.00	0.00
<u>Taiwan</u>							
MOTECH INDUSTRIES INC -	328,654.00	TWD	5.300	56,911.78		0.02	0.02
Total rights				66,153.35		0.02	0.02
TOTAL SECURITIES PORTFOLIO				288,388,136.98		100.00	99.06
CASH AT BANK AND IN HAND							
<b>Demand accounts</b>							
<u>Belgium</u>							
KBC GROUP AUD	0.29	AUD	1.000	0.20		0.00	0.00
KBC GROUP CAD	-7,163.63	CAD	1.000	-5,439.90		0.00	-0.00
KBC GROUP CHF	-15,623.28	CHF	1.000	-15,919.92		0.00	-0.01
KBC GROUP DKK	-43,793.56	DKK	1.000	-5,888.33		0.00	-0.00
KBC GROUP EURO	2,457,926.13	EUR	1.000	2,457,926.13		0.00	0.84
KBC GROUP GBP	5,613.46	GBP	1.000	6,495.77		0.00	0.00
KBC GROUP HKD	-873.40	HKD	1.000	-110.66		0.00	0.00
KBC GROUP JPY	288,333.00	JPY	1.000	2,068.47		0.00	0.00
KBC GROUP NOK	324,211.27	NOK	1.000	32,488.61		0.00	0.01
KBC GROUP NZD	648.14	NZD	1.000	395.18		0.00	0.00
KBC GROUP SEK	-95,558.10	SEK	1.000	-8,937.12		0.00	-0.00
KBC GROUP USD	32,927.43	USD	1.000	32,745.69		0.00	0.01
Total demand accounts				2,495,824.12		0.00	0.86
TOTAL CASH AT BANK AND IN HAND				2,495,824.12		0.00	0.86

OTHER RECEIVABLES AND PAYABLES						
<b>Receivables</b>						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	603,613.30	EUR	1.000	603,613.30	0.00	0.21
Total receivables				603,613.30	0.00	0.21
<b>Payables</b>						
<u>Belgium</u>						
KBC GROUP EUR PAYABLE	-47,127.71	EUR	1.000	-47,127.71	0.00	-0.02
Payables				-47,127.71	0.00	-0.02
<b>TOTAL RECEIVABLES AND PAYABLES</b>				<b>556,485.59</b>	<b>0.00</b>	<b>0.19</b>
<b>OTHER</b>						
Interest receivable		EUR		42,654.87	0.00	0.02
Expenses payable		EUR		-351,207.32	0.00	-0.12
<b>TOTAL OTHER</b>				<b>-308,552.45</b>	<b>0.00</b>	<b>-0.11</b>
<b>TOTAL NET ASSETS</b>				<b>291,131,894.24</b>	<b>0.00</b>	<b>100.00</b>

### Geographic breakdown (as a % of securities portfolio)

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
Austria	1.44	1.91	2.02	2.27
Belgium	6.55	6.83	4.81	5.25
Brazil	1.46	1.33	2.92	1.49
Canada	7.18	6.50	6.62	6.32
Switzerland	6.28	4.39	2.76	2.44
China	1.46	1.90	0.61	0.00
Germany	5.78	8.48	7.76	7.04
Denmark	2.15	2.62	4.04	4.04
Spain	9.35	10.66	14.80	12.72
France	2.68	4.50	8.19	6.60
U.K.	3.87	7.63	4.14	3.93
Greece	1.54	1.48	2.12	1.72
Hong Kong	2.07	2.15	0.75	0.28
India	2.40	0.54	3.24	1.92
Italy	4.16	4.30	3.17	2.64
Japan	3.08	4.07	1.26	1.41
South Korea	1.51	0.99	0.00	0.00
Netherlands	2.49	2.18	3.91	2.70
Norway	1.50	1.30	2.06	2.63
New Zealand	1.60	1.35	1.46	0.75
Portugal	0.00	2.20	0.00	0.00
Singapore	0.00	0.00	0.65	1.08
Sweden	0.00	0.00	0.66	0.54
Thailand	1.67	0.00	0.00	0.00
Taiwan	4.02	3.82	3.05	4.06
U.S.A.	25.76	18.87	19.00	28.17
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

### Sector breakdown (as a % of securities portfolio)

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
Cyclicals	55.49	52.75	60.32	60.04
Consum(cycl)	5.18	4.60	4.60	5.13
Cons.goods	1.46	1.33	2.92	1.49
Financials	2.09	2.06	1.46	2.86
Technology	16.75	15.73	6.38	7.64
Utilities	19.03	23.53	24.32	22.84
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

### Currency breakdown (as a % of net assets)

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
BRASILIAN REAL	1.46	1.33	2.92	1.49
CANADIAN DOLLAR	6.29	6.49	6.62	6.32
SWISS FRANC	6.28	4.43	2.76	2.43
DANISH KRONE	2.15	2.62	3.56	3.39
EURO	34.14	44.00	49.38	43.43
POUND STERLING	3.88	6.05	1.54	1.43
HONG KONG DOLLAR	3.39	4.12	1.36	0.28
INDIE RUPEE	2.40	0.54	3.24	1.92
JAPANESE YEN	3.10	4.04	1.26	1.41
KOREAN WON	1.51	0.99	0.00	0.00
NORWEGIAN KRONE	1.44	1.30	2.54	3.29
NEW ZEALAND DOLLAR	1.60	1.35	1.46	0.75
SWEDISH KRONA	0.00	0.00	0.66	0.54
THAI BATH	1.67	0.00	0.00	0.00
NEW TAIWAN DOLLAR	4.02	3.82	3.05	4.06
US DOLLAR	26.67	18.92	19.65	29.26
TOTAL	100.00	100.00	100.00	100.00

### 2.4.2. Changes in the composition of the assets of KBC Eco Fund Alternative Energy (in Euro)

	1 <sup>st</sup> half of year	2 <sup>nd</sup> half of year	Year
<b>Purchases</b>	43,484,459.65	168,310,043.82	211,794,503.47
<b>Sales</b>	32,109,606.50	7,933,897.83	40,043,504.33
<b>Total 1</b>	75,594,066.15	176,243,941.65	251,838,007.80
<b>Subscriptions</b>	17,820,628.05	172,521,506.02	190,342,134.07
<b>Redemptions</b>	6,948,037.24	10,594,564.15	17,542,601.39
<b>Total 2</b>	24,768,665.29	183,116,070.17	207,884,735.46
<b>Monthly average of total assets</b>	93,049,538.95	214,347,115.29	153.450.781.04
<b>Turnover rate</b>	54.62%	-3.21%	28.64%

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period. A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions. A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio. Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions can be consulted free of charge at the company designated as financial service: KBC Bank NV, Havenlaan 2, B-1080 Brussels

### 2.4.3. Amount of commitments in respect of financial derivatives positions

Nil

### 2.4.4. Changes in the number of subscriptions and redemptions and the net asset value

## Classic Shares

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2020 - 08*	18,394.20	9,704.49	7,881.07	2,266.66	86,171.99	29,909.81	116,081.80
2021 - 08*	40,946.32	40,965.12	41,744.63	24,120.43	85,373.68	46,754.50	132,128.18
2022 - 08*	131,811.70	153,403.77	11,293.30	8,647.68	205,892.08	191,510.59	397,402.67

Period	Amounts received and paid by the UCITS (in Euro)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2020 - 08*	6,026,452.62	2,615,498.52	2,600,662.81	583,346.16
2021 - 08*	22,538,064.45	17,695,957.49	24,538,025.72	11,228,093.32
2022 - 08*	87,227,858.40	78,135,829.38	7,264,787.49	4,339,649.83

Period	Net asset value End of period (in Euro)		
	Of the class	Of one share	
		Capitalization	Distribution
2020 - 08*	43,548,557.20	397.09	311.96
2021 - 08*	78,470,378.92	644.66	501.19
2022 - 08*	253,566,586.10	718.95	551.09

\*The financial year does not coincide with the calendar year.

## Institutional B Shares

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2020 - 08*	8,851.58		12,069.28		32,209.43		32,209.43
2021 - 08*	8,129.00		21,710.28		18,628.15		18,628.15
2022 - 08*	39,648.99		8,487.00		49,790.13		49,790.13

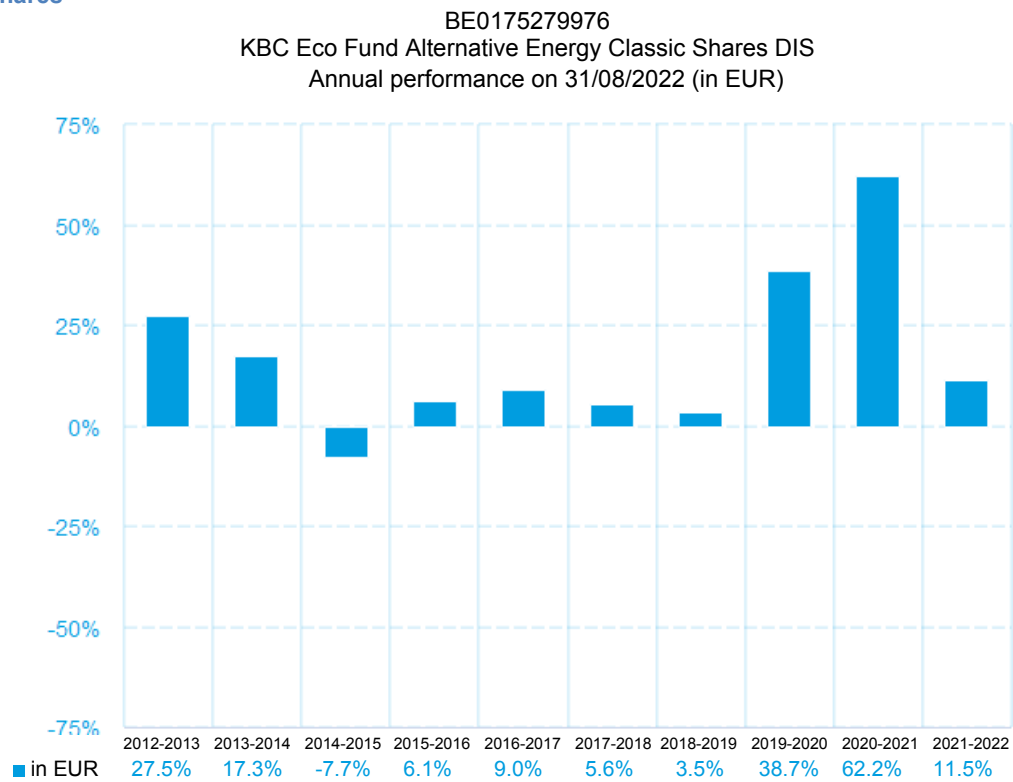
Period	Amounts received and paid by the UCITS (in Euro)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2020 - 08*	3,319,362.61		3,929,612.17	
2021 - 08*	4,458,887.89		12,841,952.97	
2022 - 08*	26,590,790.20		6,108,765.08	

Period	Net asset value End of period (in Euro)		
	Of the class	Of one share	
		Capitalization	Distribution
2020 - 08*	13,076,291.80	405.98	
2021 - 08*	12,439,824.12	667.80	
2022 - 08*	37,565,308.23	754.47	

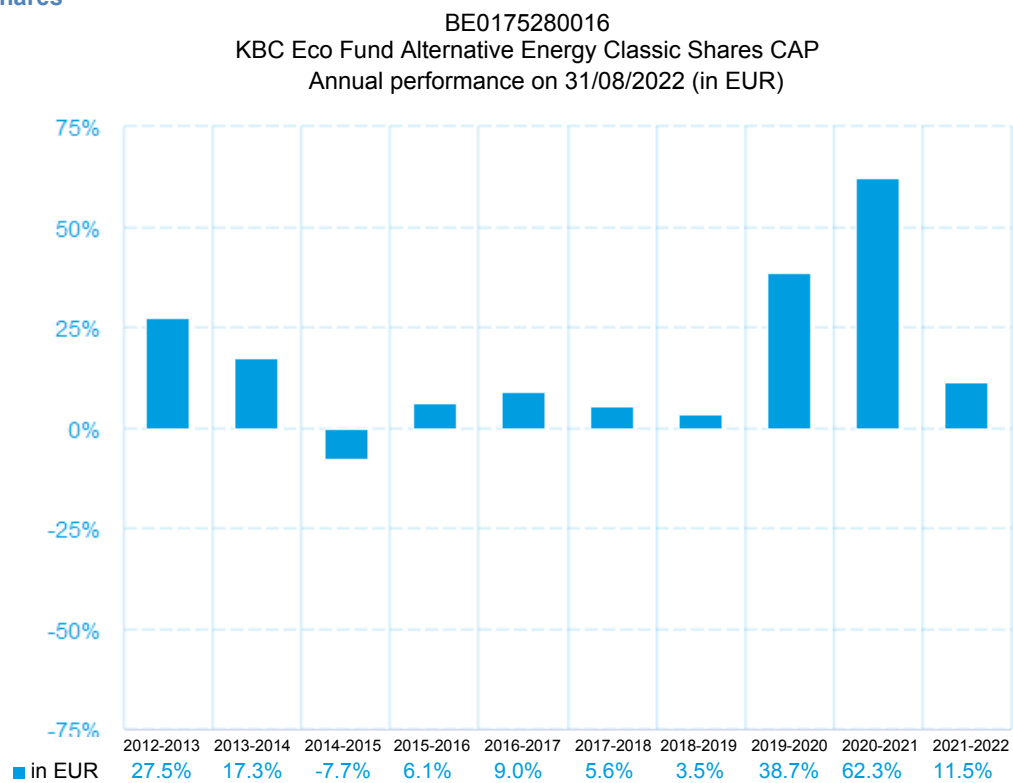
\*The financial year does not coincide with the calendar year.

## 2.4.5. Performance figures

### Classic Shares



### Classic Shares



Cap Div	ISIN Code	Curr ency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
DIS	BE0175279976	EUR	11.46%		35.85%		22.33%		15.91%		31/10/2000	1.55%
CAP	BE0175280016	EUR	11.52%		35.92%		22.38%		15.94%		31/10/2000	1.68%

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.

### Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

#### Capitalisation units (CAP)

Return on date D over a period of X years :

$$[\text{NIW}(D) / \text{NIW}(Y)]^{[1 / X]} - 1$$

where Y = D-X

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{[1 / F]} - 1$$

where F = 1 if the unit has existed for less than one year on date D

where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D

#### Distribution units (DIV)

Return on date D over a period of X years :

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{[1 / X]} - 1$$

where Y = D-X

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{[1 / F]} - 1$$

where F = 1 if the unit has existed for less than one year on date D

where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [\text{Wi} / \text{NIW}(D_i)] + 1$$

i = 1 ... N

from which C = C0 \* ... \* CN.

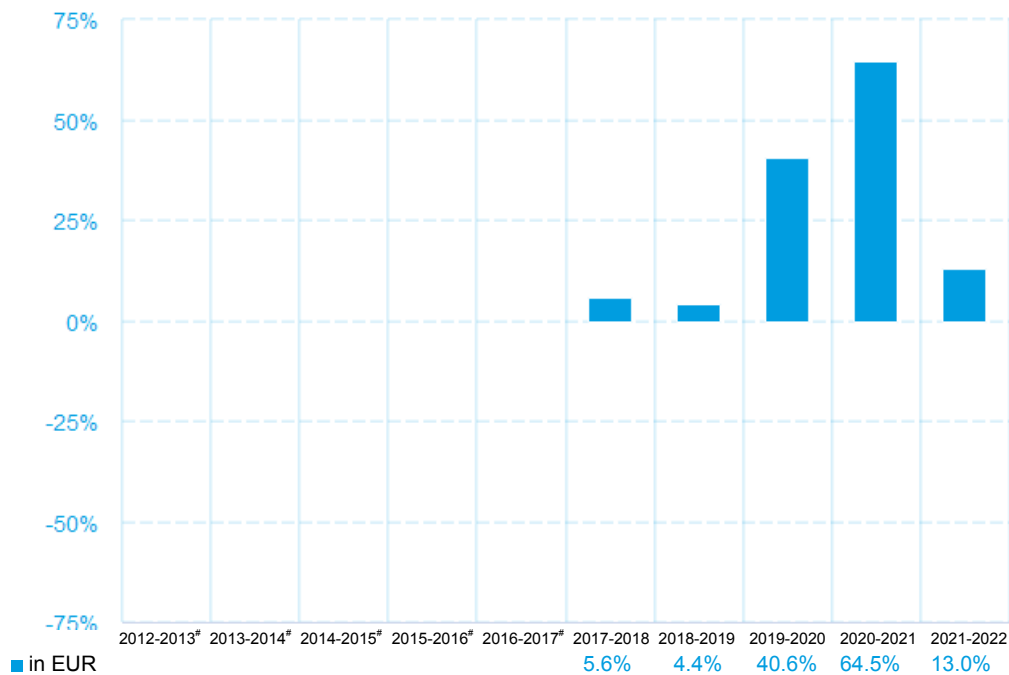
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares

Dividend on ex-dividend date 30/11/2022: 5,4571 net (7,7958 gross).



## Institutional B Shares

BE6228924690  
KBC Eco Fund Alternative Energy Institutional B Shares CAP  
Annual performance on 31/08/2022 (in EUR)



# There is insufficient data for this year to give investors a useful indication of past performance.

Cap Div	ISIN Code	Curr ency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
CAP	BE6228924690	EUR	12.98%		37.71%		23.55%		%		25/11/2011	

Risk warning: Past performance is not a guide to future performance.  
\* Return on annual basis.

## Institutional B Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:  
Capitalisation units (CAP)  
Return on date D over a period of X years :  
$$\frac{NIW(D)}{NIW(Y)}^{[1 / X]} - 1$$
where Y = D-X  
Return on date D since the start date S of the unit:  
$$\frac{NIW(D)}{NIW(S)}^{[1 / F]} - 1$$
where F = 1 if the unit has existed for less than one year on date D  
where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation shares.

## 2.4.6. Costs

### **Ongoing Charges and Transaction costs:**

#### *Classic Shares Distribution :*

Ongoing charges : 1,846%

Transaction costs: 0,174%

#### *Classic Shares Capitalisation :*

Ongoing charges : 1,794%

Transaction costs: 0,174%

#### *Institutional B Shares Capitalisation :*

Ongoing charges : 0,503%

Transaction costs: 0,174%

Percentage calculated at reporting date: 31 August 2022 .

A more detailed explanation with respect to the method of calculating ongoing charges and the relevant exclusions can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.5. Ongoing charges'

More information on how transaction costs are calculated: the transaction costs are not included in the ongoing charges, but are instead shown separately. Moreover, this does not fully reflect the actual transaction costs as only the explicit transaction costs are given.

### **Existence of Commission Sharing Agreements**

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.7. Commission Sharing Agreements'.

No CSA accrual during this period.

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

The management company has shared 52,28% of its fee with the distributor, and institutional and/or professional parties.

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.6. Fee-sharing agreements and rebates'.

## 2.4.7. Notes to the financial statements and other data

### Classic Shares

Fee for managing the investment portfolio	Max 1.50%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.  (* ) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year.
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund.
Fee for financial services	-	-
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Annual tax	See prospectus General Part : 'Information concerning the Bevek - H. Tax treatment'	
Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs	0.10%	of the net assets of the sub-fund per year.

### Institutional B Shares

Fee for managing the investment portfolio	Max 1.50%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.  (* ) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year.
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund.
Fee for financial services	-	-
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Annual tax	See prospectus General Part : 'Information concerning the Bevek - H. Tax treatment'	
Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs	0.10%	of the net assets of the sub-fund per year.

### Anti-dilution levy

During the past reporting period, no anti-dilution levy, as described in the general information on the Bevek of this report, under title 1.2.1.9. *Non-recurring fees and charges borne by the investor*, was charged in favor of this sub-fund.

### ***Exercising voting rights***

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

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## 2. Information on KBC Eco Fund Climate Change

### 2.1. Management report

#### 2.1.1. Launch date and subscription price

##### **Classic Shares Distribution**

Launch date:	2 February 2007
Initial subscription price:	500 EUR
Currency:	EUR

##### **Classic Shares Capitalisation**

Launch date:	2 February 2007
Initial subscription price:	500 EUR
Currency:	EUR

##### **Institutional B Shares Capitalisation**

Launch date:	25 November 2011
Initial subscription price:	296.94 EUR
Currency:	EUR

#### 2.1.2. Stock exchange listing

Not applicable.

#### 2.1.3. Goal and key principles of the investment policy

##### **Object of the sub-fund**

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

##### **Sub-fund's investment policy**

###### ***Permitted asset classes***

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

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

###### ***Restrictions of the investment policy***

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

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

## Permitted derivatives transactions

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

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

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

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

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

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

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



## Strategy selected

The total assets of the sub-fund are invested, to the maximum extent possible, in shares of companies operating in combating climate change and/or focus on reducing greenhouse gas emissions in a socially responsible way. . These companies have to realize a substantial proportion of their turnover in this sector.

The sub-fund invests in socially responsible assets. Socially Responsible Investing (SRI), has a positive impact on society, the environment and the world we live in. It is aligned with today's social and economic needs, without jeopardising the needs of future generations. The sub-fund promotes a combination of environmental and social characteristics, namely climate change mitigation, but is not a sustainable investment within the meaning of Article 2(17) of the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector. However, the concrete contribution to these characteristics is not measured by indicators. The companies in which it invests must follow good governance practices.

Specialised researchers of KBC Asset Management NV compile a universe of socially responsible companies. They are assisted by an advisory board (i.e. the 'SRI Advisory Board') comprised of up to twelve persons, who are not affiliated to KBC Asset Management NV, and whose sole responsibility is to supervise the methodology and activities of the specialist researchers of KBC Asset Management NV. The secretariat of the advisory board is provided by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with a data supplier with expertise in SRI that provides data to the specialised researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The fund manager then strives to invest as much as possible in assets that form part of this universe. In order to create this socially responsible universe, the companies are subjected to a negative and positive screening procedure.

### Negative screening

Negative screening entails specific criteria that exclude companies in advance from the socially responsible universe.

On top of the exclusion criteria set out under 'Social, ethical and environmental aspects', the companies are assessed against additional SRI exclusion criteria which are available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for socially responsible investment funds.

The most important exclusion criteria relate on the one hand to controversial activities (tobacco, gambling, weapons, fur and speciality leather and adult entertainment). Companies involved in such controversial activities are excluded. On the other hand, the screening for controversies ensures that companies who seriously violate the basic principles in terms of the environment, social aspects or good governance are excluded. This list is not exhaustive and can be adapted under the supervision of the Advisory Board.

### Positive screening

Positive screening entails creating a universe of companies that operate in a socially responsible manner in combating climate change.

This includes, for example, the following business activities: companies active in the field of water, alternative energy, energy saving, recycling and waste processing. Companies that focus at least 50% of their activities on this objective or that are market leaders in the relevant field(s) are eligible for the universe provided that these activities represent a significant part of their turnover.

It cannot be ruled out, however, that very limited investments may be made temporarily in assets that do not meet the above criteria. The reasons for this include the following:

- developments as a result of which a company can no longer be regarded as socially responsible after purchase on the basis of the above criteria;
- corporate events, such as a merger of one company with another, where the merged company can no longer be considered a socially responsible company on the basis of the above criteria;
- incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets that do not have a socially responsible nature;
- a planned update of the socially responsible universe in which assets are no longer labelled as socially responsible but in which the fund manager chooses not to sell them immediately in the interest of the customer due to transaction charges.

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

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets which are not of a socially responsible nature, to the extent that no workable and comparable socially responsible alternative is available on the market for these derivatives. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a socially responsible nature.

The fund is actively managed without referring to any benchmark.

The socially responsible character is guaranteed by the aforementioned SRI screening.

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

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

## **Securities Financing Transactions (SFTs)**

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.1. Securities Financing Transactions (SFTs)'.

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

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.2. General strategy for hedging the exchange rate risk'.

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

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.3. Social, ethical and environmental aspects'.

## **2.1.4. Financial portfolio management**

There is no delegation of the management of the asset allocation.

## **2.1.5. Distributors**

IVESAM NV, Havenlaan 2, B-1080 Brussels.

## **2.1.6. Index and benchmark**

Not applicable.

## **2.1.7. Policy pursued during the financial year**

In line with the defined strategy, the fund invests in a selection of shares issued by companies with exposure to the climate change prevention industry.

## **2.1.8. Future policy**

The fund will continue to invest in equities primarily related to the climate change prevention industry.

## **2.1.9. Synthetic risk and reward indicator (SRRI)**

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk)

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk)

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.4. Synthetic risk and reward indicator'

The synthetic risk indicator gives an idea of the risk associated with investing in an undertaking for collective investment or a sub-fund. It measures risk on a scale of one (least risk) to seven (most risk).

## **2.1.10. Leveraged finance**

The total amount of leveraged finance used by the sub-fund is 18 883.72 EUR.

This amount was calculated by multiplying the leverage ratio calculated using the UCITS-commitment method by the sub-fund's total assets under management.

## **2.1.11. Value-at-Risk**

Not applicable

## 2.2. Balance sheet

Balance sheet layout		31/08/2022 (in Euro)	31/08/2021 (in Euro)
	<b>TOTAL NET ASSETS</b>	134,457,248.86	113,757,887.53
<b>II.</b>	<b>Securities, money market instruments, UCIs and derivatives</b>		
C.	Shares and similar instruments		
a)	Shares	132,964,714.04	113,670,189.71
D.	Other securities	4.03	4,962.71
<b>IV.</b>	<b>Receivables and payables within one year</b>		
A.	Receivables		
a)	Accounts receivable	168,845.65	100,303.75
B.	Payables		
a)	Accounts payable (-)	-27,607.80	-13,319.02
c)	Borrowings (-)	-20,355.17	-4,410.30
<b>V.</b>	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	1,386,499.50	59,588.31
<b>VI.</b>	<b>Accruals and deferrals</b>		
B.	Accrued income	168,636.93	84,270.63
C.	Accrued expense (-)	-183,488.32	-143,698.26
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	134,457,248.86	113,757,887.53
<b>A.</b>	<b>Capital</b>	136,847,184.02	96,222,549.89
<b>B.</b>	<b>Income equalization</b>	150,130.29	418,446.93
<b>D.</b>	<b>Result of the bookyear</b>	-2,540,065.45	17,116,890.71

## 2.3. Profit and loss account

Income Statement		31/08/2022 (in Euro)	31/08/2021 (in Euro)
<b>I.</b>	<b>Net gains(losses) on investments</b>		
C.	Shares and similar instruments		
	a) Shares	-8,367,332.99	15,959,440.13
D.	Other securities	-2.83	5,496.97
H.	Foreign exchange positions and transactions		
	b) Other foreign exchange positions and transactions	5,844,958.07	928,222.39
	<b>Det.section I gains and losses on investments</b>		
	Realised gains on investments	6,459,319.30	5,183,119.56
	Unrealised gains on investments	5,651,602.56	11,635,976.40
	Realised losses on investments	-1,723,778.62	-1,870,067.12
	Unrealised losses on investments	-12,909,520.99	1,944,130.65
<b>II.</b>	<b>Investment income and expenses</b>		
A.	Dividends	2,190,080.15	1,496,949.93
B.	Interests		
	a) Securities and money market instruments		2.09
	b) Cash at bank and in hand and deposits	213.60	0.71
C.	Interest on borrowings (-)	-4,342.66	-1,710.82
<b>III.</b>	<b>Other income</b>		
A.	Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	4,015.90	5,599.72
<b>IV.</b>	<b>Operating expenses</b>		
A.	Investment transaction and delivery costs (-)	-107,917.52	-122,911.48
B.	Financial expenses (-)	-350.83	-106.56
C.	Custodian's fee (-)	-48,810.64	-24,502.31
D.	Manager's fee (-)		
	a) Financial management		
	Classic Shares	-1,757,756.45	-926,574.56
	Institutional B Shares	-18,540.57	-11,130.53
	b) Administration and accounting management	-123,430.12	-65,481.77
E.	Administrative expenses (-)	-1,000.96	-1,000.29
F.	Formation and organisation expenses (-)	-960.76	-902.86
G.	Remuneration, social security charges and pension	-2,073.30	-995.74
H.	Services and sundry goods (-)	-10,106.62	-8,360.46
J.	Taxes		
	Classic Shares	-118,830.87	-78,971.63
	Institutional B Shares	-63.00	-52.16
L.	Other expenses (-)	-17,813.05	-36,120.06
	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	-17,687.69	223,731.23
<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	-2,540,065.45	17,116,890.71
<b>VII.</b>	<b>Result of the bookyear</b>	-2,540,065.45	17,116,890.71

<b>Appropriation Account</b>		<b>31/08/2022</b> (in Euro)	<b>31/08/2021</b> (in Euro)
<b>I.</b>	<b>Profit to be appropriated</b>	-2,389,935.16	17,535,337.64
	Profit for the period available for appropriation	-2,540,065.45	17,116,890.71
	Income on the creation of shares (income on the cancellation of shares)	150,130.29	418,446.93
<b>II.</b>	<b>(Appropriations to) Deductions from capital</b>	3,289,742.76	-16,779,429.06
<b>IV.</b>	<b>(Dividends to be paid out)</b>	-899,807.60	-755,908.58

## 2.4. Composition of the assets and key figures

### 2.4.1. Composition of the assets of KBC Eco Fund Climate Change

Name	Quantity on 31/08/2022	Currency	Price in currency	Evaluation (in Euro)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Austria</u>							
ANDRITZ AG -	39,901.00	EUR	45.980	1,834,647.98		1.38	1.36
WIENERBERGER AG (WIEN)	50,617.00	EUR	23.340	1,181,400.78		0.89	0.88
<u>Belgium</u>							
EKOPAK NV -	28,163.00	EUR	20.700	582,974.10		0.44	0.43
UMICORE -	32,883.00	EUR	31.750	1,044,035.25		0.79	0.78
<u>Canada</u>							
BALLARD POWER SYSTEMS -	84,025.00	CAD	10.250	654,018.52		0.49	0.49
HYDRO ONE LTD -	101,239.00	CAD	35.560	2,733,803.29		2.06	2.03
5N PLUS INC -	80,608.00	CAD	1.680	102,835.98		0.08	0.08
<u>China</u>							
BYD CO LTD -	35,725.00	HKD	242.200	1,096,318.33		0.83	0.82
<u>Denmark</u>							
CADELER A/S -	189,788.00	NOK	33.840	643,579.37		0.48	0.48
NOVOZYMES A/S B	27,933.00	DKK	425.600	1,598,457.20		1.20	1.19
ROCKWOOL INTERNATIONAL A/S -	2,453.00	DKK	1,530.500	504,792.27		0.38	0.38
VESTAS WINDS SYSTEMS -	42,782.00	DKK	186.420	1,072,347.14		0.81	0.80
<u>France</u>							
ALSTOM -	51,522.00	EUR	20.560	1,059,292.32		0.80	0.79
CIE DE ST-GOBAIN -	25,111.00	EUR	40.350	1,013,228.85		0.76	0.75
EUROFINS SCIENTIFIC -	4,374.00	EUR	69.100	302,243.40		0.23	0.23
FORSEE POWER SACA -	36,206.00	EUR	4.105	148,625.63		0.11	0.11
GETLINK SA -	52,925.00	EUR	18.790	994,460.75		0.75	0.74
LEGRAND (PAR)	16,821.00	EUR	72.280	1,215,821.88		0.91	0.90
MERSEN (PAR)	5,553.00	EUR	29.500	163,813.50		0.12	0.12
NEXANS SA (PAR)	10,432.00	EUR	91.100	950,355.20		0.72	0.71
SECHE ENVIRONNEMENT SA -	14,344.00	EUR	79.500	1,140,348.00		0.86	0.85
VALEO -	47,231.00	EUR	19.140	904,001.34		0.68	0.67
<u>Germany</u>							
COVESTRO AG -	39,858.00	EUR	30.120	1,200,522.96		0.90	0.89
ENCAVIS AG -	130,035.00	EUR	21.350	2,776,247.25		2.09	2.07
HELLA GMBH + CO.KGAA -	12,198.00	EUR	70.300	857,519.40		0.65	0.64
NORDEX AG -	101,001.00	EUR	9.606	970,215.61		0.73	0.72
SGL CARBON AG -	84,622.00	EUR	6.790	574,583.38		0.43	0.43
SMA SOLAR TECHNOLOGY AG -	29,738.00	EUR	50.300	1,495,821.40		1.13	1.11
STEICO SE -	4,443.00	EUR	76.600	340,333.80		0.26	0.25
TRAFFIC SYSTEM SE -	6,118.00	EUR	21.100	129,089.80		0.10	0.10
VOSSLOH AG (FRA)	41,876.00	EUR	34.050	1,425,877.80		1.07	1.06
<u>Hong Kong</u>							
CHINA EVERBRIGHT INTL -	2,849,119.00	HKD	3.890	1,404,269.59		1.06	1.04
MTR CORPORATION -	466,831.00	HKD	40.250	2,380,761.40		1.79	1.77
<u>India</u>							
JAIN IRRIGATION SYSTEMS LTD -	1,570,202.00	INR	40.800	801,813.88		0.60	0.60
<u>Ireland</u>							
KINGSPAN GROUP PLC -	8,455.00	EUR	56.960	481,596.80		0.36	0.36
<u>Italy</u>							
SALCEF SPA -	56,930.00	EUR	17.500	996,275.00		0.75	0.74
TERNA RETE ELETTRICA NAZIONALE -	337,050.00	EUR	7.100	2,393,055.00		1.80	1.78
<u>Japan</u>							
CENTRAL JAPAN RAILWAY -	14,700.00	JPY	16,445.000	1,734,227.16		1.30	1.29
EAST JAPAN RAILWAY -	34,100.00	JPY	7,239.000	1,770,874.26		1.33	1.32
KURITA WATER INDUSTR. -	42,900.00	JPY	5,460.000	1,680,369.17		1.26	1.25
NGK INSULATORS -	123,500.00	JPY	1,999.000	1,771,065.09		1.33	1.32
NIPPON SHEET GLASS CO LTD -	296,200.00	JPY	534.000	1,134,700.07		0.85	0.84
NOMURA MICRO SCIENCE CO LTD -	20,100.00	JPY	3,710.000	534,964.22		0.40	0.40
RENOVA INC -	53,500.00	JPY	3,045.000	1,168,680.64		0.88	0.87

SHIMANO INC -	10,800.00	JPY	24,820.000	1,923,004.51		1.45	1.43
TSUKISHIMA KIKAI CO LTD -	79,200.00	JPY	918.000	521,582.04		0.39	0.39
WEST HOLDINGS CORP -	33,700.00	JPY	4,435.000	1,072,206.15		0.81	0.80
WEST JAPAN RAILWAY -	50,100.00	JPY	5,432.000	1,952,325.64		1.47	1.45
<u>Luxembourg</u>							
BEFESA SA -	30,678.00	EUR	41.040	1,259,025.12		0.95	0.94
<u>Netherlands</u>							
AALBERTS NV (AMS)	10,100.00	EUR	36.560	369,256.00		0.28	0.28
ALFEN BEHEER BV -	12,265.00	EUR	112.800	1,383,492.00		1.04	1.03
ARCADIS N.V. (AMS)	51,665.00	EUR	31.820	1,643,980.30		1.24	1.22
EBUSCO HOLDING NV -	31,168.00	EUR	20.180	628,970.24		0.47	0.47
SIGNIFY NV -	24,338.00	EUR	28.370	690,469.06		0.52	0.51
<u>Norway</u>							
AKER HORIZONS HOLDING AS -	211,709.00	NOK	17.960	381,020.78		0.29	0.28
TOMRA SYSTEMS -	44,511.00	NOK	227.350	1,014,063.89		0.76	0.75
<u>Portugal</u>							
CORTICEIRA AMORIM SGPS SA (LIS)	61,036.00	EUR	10.060	614,022.16		0.46	0.46
<u>Singapore</u>							
SOUND GLOBAL LTD -	75,000.00	HKD		0.00		0.00	0.00
<u>South Korea</u>							
SAMSUNG SDI CO LTD -	3,276.00	KRW	598,000.000	1,456,570.07		1.10	1.08
WOONGJIN COWAY CO LTD -	34,184.00	KRW	63,700.000	1,619,006.59		1.22	1.20
<u>Spain</u>							
CORP ACCIONA ENERGIAS RENOVABL -	61,759.00	EUR	41.440	2,559,292.96		1.93	1.90
EDP RENOVAVEIS SA -	72,347.00	EUR	24.170	1,748,626.99		1.32	1.30
FLUIDRA SA -	36,031.00	EUR	15.950	574,694.45		0.43	0.43
RED ELECTRICA DE ESPANA -	112,821.00	EUR	18.235	2,057,290.94		1.55	1.53
SIEMENS GAMESA RENEWABLE ENERGY SA -	47,382.00	EUR	17.925	849,322.35		0.64	0.63
<u>Sweden</u>							
SWECO AB -	78,766.00	SEK	100.700	741,820.05		0.56	0.55
<u>Switzerland</u>							
LANDIS+GYR GROUP AG -	20,336.00	CHF	57.100	1,183,233.35		0.89	0.88
<u>Taiwan</u>							
CLEANAWAY CO LTD -	150,487.00	TWD	177.000	870,281.20		0.66	0.65
GIANT MANUFACTURING CO LTD -	221,000.00	TWD	239.500	1,729,358.94		1.30	1.29
<u>U.K.</u>							
CERES POWER HOLDINGS PLC -	94,303.00	GBP	6.492	708,441.61		0.53	0.53
FIRSTGROUP PLC -	832,825.00	GBP	1.151	1,109,249.19		0.83	0.83
LINDE PLC -	7,837.00	EUR	281.000	2,202,197.00		1.66	1.64
PENNON GROUP PLC -	186,792.00	GBP	9.340	2,018,855.29		1.52	1.50
RENEWI PLC -	274,624.00	GBP	7.760	2,466,040.77		1.86	1.83
SEVERN TRENT -	68,124.00	GBP	27.870	2,197,035.89		1.65	1.63
SIG PLC -	1,609,416.00	GBP	0.336	625,759.76		0.47	0.47
<u>U.S.A.</u>							
AMERICAN SUPERCONDUCTOR CORP -	26,737.00	USD	5.340	141,987.55		0.11	0.11
APTIV PLC -	10,715.00	USD	93.430	995,577.00		0.75	0.74
ARRAY TECHNOLOGIES INC -	69,040.00	USD	20.900	1,434,971.91		1.08	1.07
BADGER METER INC -	8,432.00	USD	94.690	794,019.27		0.60	0.59
BLOOM ENERGY CORP -	53,060.00	USD	25.410	1,340,813.09		1.01	1.00
BORGWARNER INC -	37,855.00	USD	37.700	1,419,256.63		1.07	1.06
CALIFORNIA WATER SERVICE GROUP -	30,827.00	USD	58.530	1,794,345.69		1.35	1.34
CANADIAN SOLAR INC -	26,420.00	USD	45.170	1,186,804.63		0.89	0.88
DANAHER CORPORATION -	7,610.00	USD	269.910	2,042,678.24		1.54	1.52
ENERGY RECOVERY INC -	68,878.00	USD	22.940	1,571,340.38		1.18	1.17
ENPHASE ENERGY INC -	10,573.00	USD	286.440	3,011,814.55		2.27	2.24
FIRST SOLAR INC -	20,806.00	USD	127.550	2,639,157.97		1.99	1.96
GREAT LAKES DREDGE & DOCK CORP -	62,394.00	USD	9.570	593,814.91		0.45	0.44
ITRON INC -	12,998.00	USD	47.580	615,031.42		0.46	0.46
LINDSAY MANUFACTURING CO -	11,680.00	USD	160.360	1,862,667.00		1.40	1.39
OWENS CORNING -	20,248.00	USD	81.730	1,645,735.21		1.24	1.22
PLUG POWER INC -	53,599.00	USD	28.040	1,494,620.81		1.12	1.11
PROTERRA INC -	43,625.00	USD	6.040	262,040.67		0.20	0.20
QUANTUMSCAPE CORP -	16,871.00	USD	11.030	185,060.05		0.14	0.14
REGAL REXNORD CORP -	9,092.00	USD	137.590	1,244,063.73		0.94	0.93
REPUBLIC SERVICES INC. -	18,101.00	USD	142.720	2,569,116.13		1.93	1.91
SHOALS TECHNOLOGIES GROUP INC -	33,431.00	USD	26.370	876,709.73		0.66	0.65
TESLA INC -	5,388.00	USD	275.610	1,476,790.49		1.11	1.10
THERMO ELECTRONIC -	3,749.00	USD	545.320	2,033,120.86		1.53	1.51
VALMONT INDUSTRIES -	8,256.00	USD	276.820	2,272,811.81		1.71	1.69
WASTE CONNECTIONS INC -	16,017.00	CAD	182.860	2,224,116.61		1.67	1.65
WASTE MANAGEMENT INC. -	14,057.00	USD	169.030	2,362,940.39		1.78	1.76
WATERS CORP -	5,195.00	USD	298.600	1,542,665.21		1.16	1.15
WOLFSPEED INC -	10,547.00	USD	113.470	1,190,162.69		0.90	0.89
XYLEM INC/NY -	11,101.00	USD	91.100	1,005,719.36		0.76	0.75

Total shares				132,964,714.04		100.00	98.89
<b>Rights</b>							
<u>Germany</u>							
ENCAVIS AG -	13.00	EUR	0.170	2.21		0.00	0.00
NORDEX AG -	4.00	EUR	0.455	1.82		0.00	0.00
Total rights				4.03		0.00	0.00
<b>TOTAL SECURITIES PORTFOLIO</b>				<b>132,964,718.07</b>		<b>100.00</b>	<b>98.89</b>
<b>CASH AT BANK AND IN HAND</b>							
<b>Demand accounts</b>							
<u>Belgium</u>							
KBC GROUP CAD	1,343.59	CAD	1.000	1,020.29		0.00	0.00
KBC GROUP CHF	-1,018.74	CHF	1.000	-1,038.08		0.00	-0.00
KBC GROUP DKK	-12,515.19	DKK	1.000	-1,682.75		0.00	-0.00
KBC GROUP EURO	1,380,832.51	EUR	1.000	1,380,832.51		0.00	1.03
KBC GROUP GBP	4.56	GBP	1.000	5.28		0.00	0.00
KBC GROUP HKD	481.08	HKD	1.000	60.95		0.00	0.00
KBC GROUP JPY	-524,736.00	JPY	1.000	-3,764.40		0.00	-0.00
KBC GROUP NOK	-138,411.31	NOK	1.000	-13,869.94		0.00	-0.01
KBC GROUP NZD	0.24	NZD	1.000	0.15		0.00	0.00
KBC GROUP SEK	23,659.07	SEK	1.000	2,212.73		0.00	0.00
KBC GROUP SGD	0.27	SGD	1.000	0.19		0.00	0.00
KBC GROUP USD	2,380.54	USD	1.000	2,367.40		0.00	0.00
Total demand accounts				1,366,144.33		0.00	1.02
<b>TOTAL CASH AT BANK AND IN HAND</b>				<b>1,366,144.33</b>		<b>0.00</b>	<b>1.02</b>
<b>OTHER RECEIVABLES AND PAYABLES</b>							
<b>Receivables</b>							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	168,845.65	EUR	1.000	168,845.65		0.00	0.13
Total receivables				168,845.65		0.00	0.13
<b>Payables</b>							
<u>Belgium</u>							
KBC GROUP EUR PAYABLE	-27,607.80	EUR	1.000	-27,607.80		0.00	-0.02
Total payables				-27,607.80		0.00	-0.02
<b>TOTAL RECEIVABLES AND PAYABLES</b>				<b>141,237.85</b>		<b>0.00</b>	<b>0.11</b>
<b>OTHER</b>							
Interest receivable		EUR		168,636.93		0.00	0.13
Expenses payable		EUR		-183,488.32		0.00	-0.14
<b>TOTAL OTHER</b>				<b>-14,851.39</b>		<b>0.00</b>	<b>-0.01</b>
<b>TOTAL NET ASSETS</b>				<b>134,457,248.86</b>		<b>0.00</b>	<b>100.00</b>

### Geographic breakdown (as a % of securities portfolio)

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
Austria	0.98	2.72	2.40	2.24
Belgium	1.74	1.82	1.38	2.34
Canada	6.93	4.37	3.77	4.25
Switzerland	3.98	1.77	0.94	0.88
China	0.95	0.84	0.79	0.81
Germany	6.50	8.96	7.72	7.26
Denmark	2.93	3.25	3.39	2.84
Spain	3.65	4.12	5.98	5.79
Finland	1.30	1.26	0.22	0.00
France	4.46	5.58	7.30	5.86
U.K.	7.28	9.06	9.03	8.45
Hong Kong	5.20	2.92	3.25	2.83
India	0.21	0.42	0.60	0.60
Ireland	0.12	0.00	0.61	0.36
Italy	1.73	2.02	2.64	2.52
Japan	7.74	7.86	11.98	11.34
South Korea	2.67	2.55	2.16	2.28
Luxembourg	0.00	0.00	0.77	0.94
Malaysia	0.38	0.00	0.00	0.00
Netherlands	1.36	3.18	3.83	3.50
Norway	0.00	0.00	0.76	1.04
Portugal	0.00	0.00	0.03	0.46



Sweden	1.25	0.84	0.81	0.55
Thailand	0.88	0.00	0.00	0.00
Taiwan	1.72	3.80	3.02	1.98
U.S.A.	36.04	32.66	26.62	30.88
TOTAL	100.00	100.00	100.00	100.00

#### Sector breakdown (as a % of securities portfolio)

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
Cyclicals	41.73	44.25	45.66	45.36
Consum(cycl)	30.35	24.83	27.30	26.43
Pharma	3.13	3.71	4.36	4.71
Financials	0.22	1.42	1.63	3.19
Technology	11.85	10.16	4.01	3.72
Utilities	12.72	15.63	17.04	16.59
TOTAL	100.00	100.00	100.00	100.00

#### Currency breakdown (as a % of net assets)

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
CANADIAN DOLLAR	6.93	4.37	3.77	4.25
SWISS FRANC	3.99	1.77	0.94	0.88
DANISH KRONE	2.93	3.25	2.91	2.36
EURO	21.82	31.15	34.59	32.92
POUND STERLING	7.27	7.55	7.37	6.81
HONG KONG DOLLAR	6.16	3.77	4.04	3.64
INDIE RUPEE	0.21	0.42	0.54	0.60
JAPANESE YEN	7.75	7.86	11.98	11.34
KOREAN WON	2.67	2.55	2.16	2.28
MALAYSIAN RINGGIT	0.38	0.00	0.00	0.00
NORWEGIAN KRONE	0.00	0.00	1.24	1.51
SWEDISH KRONA	1.25	0.84	0.81	0.55
THAI BATH	0.88	0.00	0.00	0.00
NEW TAIWAN DOLLAR	1.72	3.80	3.02	1.98
US DOLLAR	36.04	32.67	26.63	30.88
TOTAL	100.00	100.00	100.00	100.00

## 2.4.2. Changes in the composition of the assets of KBC Eco Fund Climate Change (in Euro)

	1 <sup>st</sup> half of year	2 <sup>nd</sup> half of year	Year
<b>Purchases</b>	43,946,319.04	10,433,587.04	54,379,906.08
<b>Sales</b>	28,045,874.21	4,518,365.18	32,564,239.39
<b>Total 1</b>	71,992,193.24	14,951,952.23	86,944,145.47
<b>Subscriptions</b>	21,961,902.87	11,325,949.24	33,287,852.11
<b>Redemptions</b>	5,161,448.32	4,203,163.79	9,364,612.11
<b>Total 2</b>	27,123,351.19	15,529,113.03	42,652,464.22
<b>Monthly average of total assets</b>	120,855,954.10	125,267,850.55	123,070,980.30
<b>Turnover rate</b>	37.12%	-0.46%	35.99%

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio. Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions can be consulted free of charge at the company designated as financial service:  
KBC Bank NV, Havenlaan 2, B-1080 Brussels

## 2.4.3. Amount of commitments in respect of financial derivatives positions

Nil

## 2.4.4. Changes in the number of subscriptions and redemptions and the net asset value

### Classic Shares

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2020 - 08*	13,460.88	2,095.18	3,923.70	379.00	47,040.34	6,059.39	53,099.73
2021 - 08*	45,129.31	58,829.09	16,191.34	1,044.85	75,978.31	63,843.63	139,821.94
2022 - 08*	25,239.92	16,984.90	6,654.46	4,282.38	94,563.76	76,546.15	171,109.91

Period	Amounts received and paid by the UCITS (in Euro)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2020 - 08*	7,700,740.56	1,074,804.78	2,433,217.67	186,529.40
2021 - 08*	33,922,360.35	37,784,669.62	10,137,474.54	651,339.10
2022 - 08*	20,181,440.67	11,551,794.91	5,278,985.20	2,805,951.47

Period	Net asset value End of period (in Euro)		
	Of the class	Of one share	
		Capitalization	Distribution
2020 - 08*	30,917,307.29	591.71	508.84
2021 - 08*	107,845,758.67	829.68	701.84
2022 - 08*	128,158,051.61	809.87	673.76

\*The financial year does not coincide with the calendar year.

### Institutional B Shares

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2020 - 08*	655.00		370.00		2,501.00		2,501.00
2021 - 08*	4,470.00		100.00		6,871.00		6,871.00
2022 - 08*	2,115.00		1,583.00		7,403.00		7,403.00

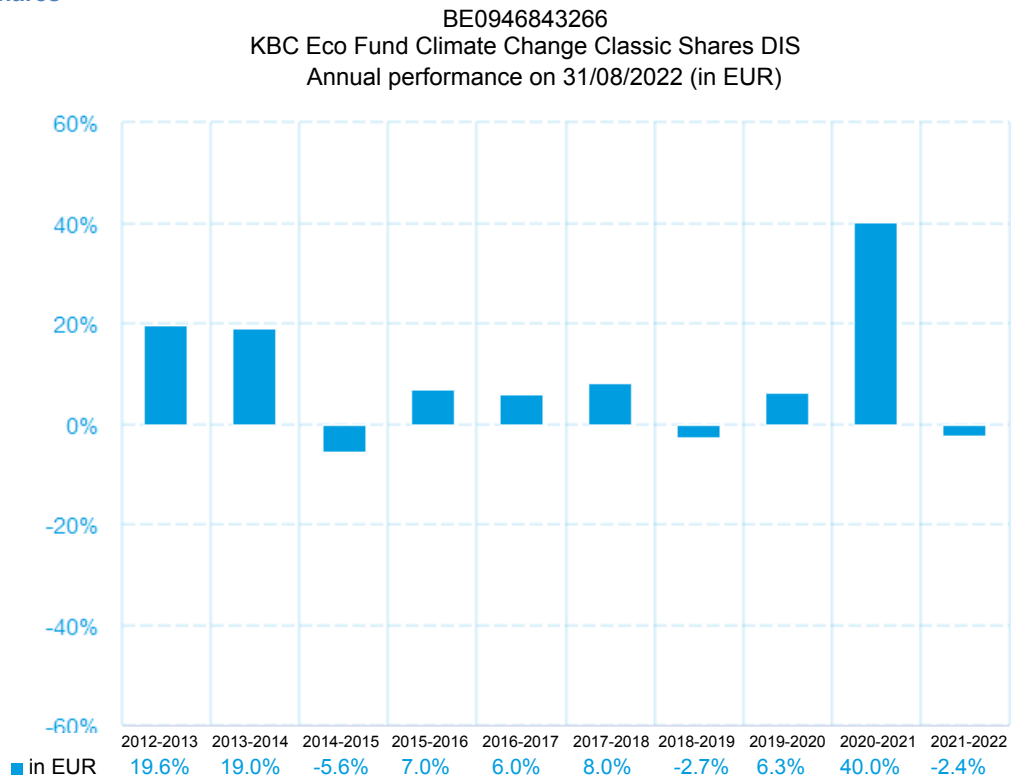
Period	Amounts received and paid by the UCITS (in Euro)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2020 - 08*	374,502.75		181,426.90	
2021 - 08*	3,434,738.66		82,507.00	
2022 - 08*	1,775,314.28		1,352,948.78	

Period	Net asset value End of period (in Euro)		
	Of the class	Of one share	
		Capitalization	Distribution
2020 - 08*	1,514,681.47	605.63	
2021 - 08*	5,912,128.86	860.45	
2022 - 08*	6,299,197.25	850.90	

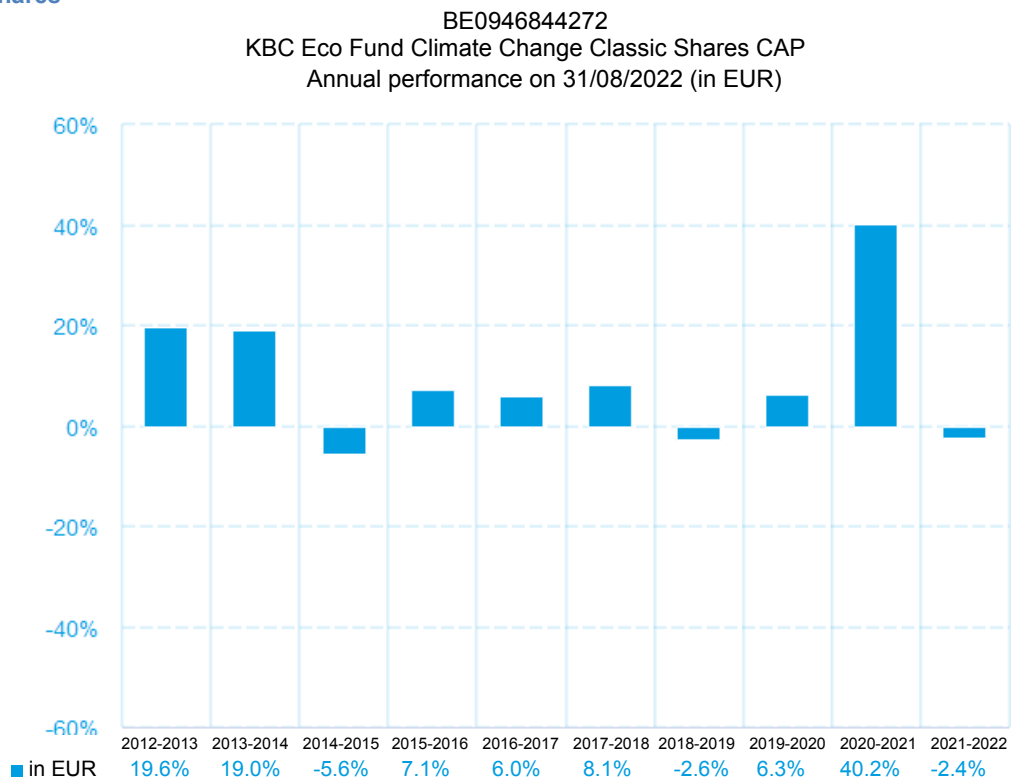
\*The financial year does not coincide with the calendar year.

## 2.4.5. Performance figures

### Classic Shares



### Classic Shares



Cap Div	ISIN Code	Curr ency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
DIS	BE0946843266	EUR	-2.39%		13.25%		8.84%		8.81%		02/02/2007	3.11%
CAP	BE0946844272	EUR	-2.39%		13.33%		8.90%		8.86%		02/02/2007	3.14%

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.

### Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

#### Capitalisation units (CAP)

Return on date D over a period of X years :

$$[\text{NIW}(D) / \text{NIW}(Y)]^{[1 / X]} - 1$$

where Y = D-X

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{[1 / F]} - 1$$

where F = 1 if the unit has existed for less than one year on date D

where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D

#### Distribution units (DIV)

Return on date D over a period of X years :

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{[1 / X]} - 1$$

where Y = D-X

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{[1 / F]} - 1$$

where F = 1 if the unit has existed for less than one year on date D

where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [\text{Wi} / \text{NIW}(D_i)] + 1$$

i = 1 ... N

from which C = C0 \* ... \* CN.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares

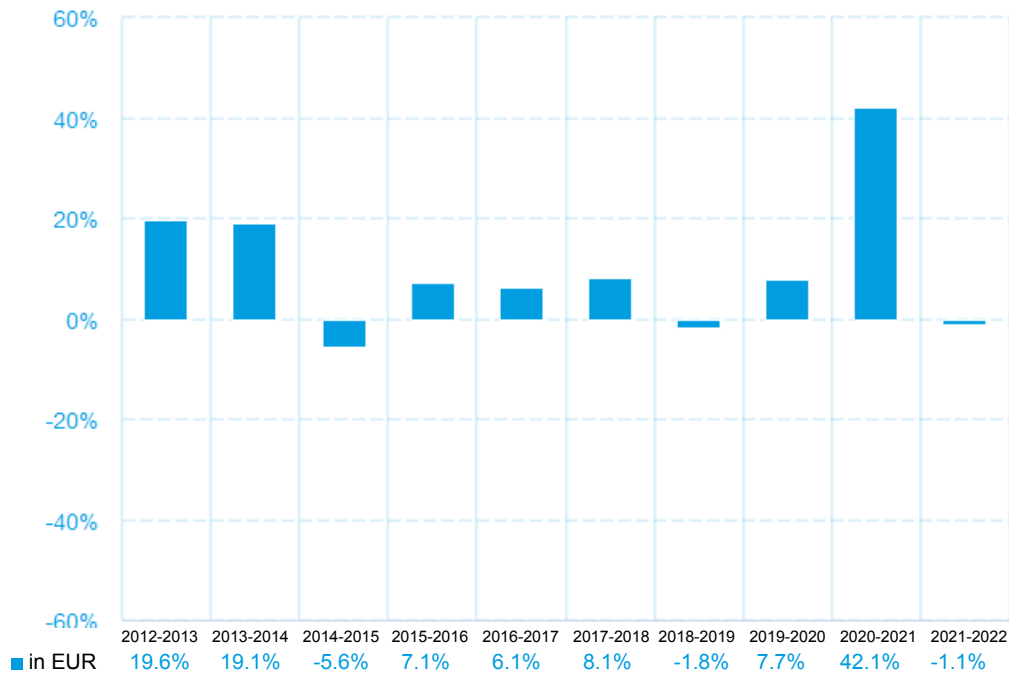
Dividend on ex-dividend date 30/11/2022: 8,2286 net (11,7551 gross).

In accordance with the Royal Decree of 10 November 2006 on the accounting and the annual accounts of certain public collective investment undertakings, investors are informed that the General Meeting of the fund will decide to pay a dividend despite the fact that a negative 'result available for appropriation' was recorded for the corresponding financial year.

Investors are also informed that the dividend to be paid stems directly from the interest, dividends and realised capital gains received from the investments made during the financial year corresponding to the dividend to be paid out.

## Institutional B Shares

BE6228923684  
KBC Eco Fund Climate Change Institutional B Shares CAP  
Annual performance on 31/08/2022 (in EUR)



Cap Div	ISIN Code	Curr ency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
CAP	BE6228923684	EUR	-1.11%		14.81%		9.94%		9.40%		25/11/2011	10.27%

Risk warning: Past performance is not a guide to future performance.  
\* Return on annual basis.

## Institutional B Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:  
Capitalisation units (CAP)  
Return on date D over a period of X years :  
$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$
where Y = D-X  
Return on date D since the start date S of the unit:  
$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$
where F = 1 if the unit has existed for less than one year on date D  
where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation shares.

## 2.4.6. Costs

### **Ongoing Charges and Transaction costs:**

#### *Classic Shares Distribution :*

Ongoing charges : 1,774%

Transaction costs: 0,084%

#### *Classic Shares Capitalisation :*

Ongoing charges : 1,768%

Transaction costs: 0,084%

#### *Institutional B Shares Capitalisation :*

Ongoing charges : 0,467%

Transaction costs: 0,084%

Percentage calculated at reporting date: 31 August 2022 .

A more detailed explanation with respect to the method of calculating ongoing charges and the relevant exclusions can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.5. Ongoing charges'

More information on how transaction costs are calculated: the transaction costs are not included in the ongoing charges, but are instead shown separately. Moreover, this does not fully reflect the actual transaction costs as only the explicit transaction costs are given.

### **Existence of Commission Sharing Agreements**

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.7. Commission Sharing Agreements'.

No CSA accrual during this period.

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

The management company has shared 53,40% of its fee with the distributor, and institutional and/or professional parties.

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.6. Fee-sharing agreements and rebates'.

## 2.4.7. Notes to the financial statements and other data

### Classic Shares

Fee for managing the investment portfolio	Max 1.50%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.  (* ) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year.
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund.
Fee for financial services	-	-
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Annual tax	See prospectus General Part : 'Information concerning the Bevek - H. Tax treatment'	
Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs	0.10%	of the net assets of the sub-fund per year.

### Institutional B Shares

Fee for managing the investment portfolio	Max 1.50%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.  (* ) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year.
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund.
Fee for financial services	-	-
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Annual tax	See prospectus General Part : 'Information concerning the Bevek - H. Tax treatment'	
Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs	0.10%	of the net assets of the sub-fund per year.

### Anti-dilution levy

During the past reporting period, no anti-dilution levy, as described in the general information on the Bevek of this report, under title 1.2.1.9. *Non-recurring fees and charges borne by the investor*, was charged in favor of this sub-fund.



### ***Exercising voting rights***

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

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    - 2.1.3. Goal and key principles of the investment policy
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## 2. Information on KBC Eco Fund CSOB Water

### 2.1. Management report

#### 2.1.1. Launch date and subscription price

##### **Distribution**

Launch date: 31 July 2007

Initial subscription price: 1 000 CZK

Currency: CZK

##### **Capitalisation**

Launch date: 31 July 2007

Initial subscription price: 1 000 CZK

Currency: CZK

#### 2.1.2. Stock exchange listing

Not applicable.

#### 2.1.3. Goal and key principles of the investment policy

##### **Object of the sub-fund**

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

##### **Sub-fund's investment policy**

###### *Permitted asset classes*

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

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

###### *Restrictions of the investment policy*

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

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

## Permitted derivatives transactions

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

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

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

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

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

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

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

## Strategy selected

The total assets of the sub-fund are invested, to the maximum extent possible, in shares of companies operating in the water sector in a socially responsible way.

These companies have to realize a substantial proportion of their turnover in this sector.

The sub-fund invests in socially responsible assets. Socially Responsible Investing (SRI), has a positive impact on society, the environment and the world we live in. It is aligned with today's social and economic needs, without jeopardising the needs of future generations. The sub-fund promotes a combination of environmental and social characteristics, namely providing access to and improving the efficiency of clean water facilities, but is not a sustainable investment within the meaning of Article 2(17) of the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector. However, the concrete contribution to these characteristics is not measured by indicators. The companies in which it invests must follow good governance practices.

Specialised researchers of KBC Asset Management NV compile a universe of socially responsible companies. They are assisted by an advisory board (i.e. the 'SRI Advisory Board') comprised of up to twelve persons, who are not affiliated to KBC Asset Management NV, and whose sole responsibility is to supervise the methodology and activities of the specialist researchers of KBC Asset Management NV. The secretariat of the advisory board is provided by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with a data supplier with expertise in SRI that provides data to the specialised researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The fund manager then strives to invest as much as possible in assets that form part of this universe. In order to create this socially responsible universe, the companies are subjected to a negative and positive screening procedure.

### Negative screening

Negative screening entails specific criteria that exclude companies in advance from the socially responsible universe.

On top of the exclusion criteria set out under 'Social, ethical and environmental aspects', the companies are assessed against additional SRI exclusion criteria which are available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for socially responsible investment funds.

The most important exclusion criteria relate on the one hand to controversial activities (tobacco, gambling, weapons, fur and speciality leather and adult entertainment). Companies involved in such controversial activities are excluded. On the other hand, the screening for controversies ensures that companies who seriously violate the basic principles in terms of the environment, social aspects or good governance are excluded. This list is not exhaustive and can be adapted under the supervision of the Advisory Board.

### Positive screening

Positive screening entails creating a universe of companies that operate in the water sector in a socially responsible manner. This includes, for example, the following business activities: companies active in the field of water and wastewater services, water purification technology and consultancies in the field of environmental management. Companies that focus at least 50% of their activities on this objective or that are market leaders in the relevant field(s) are eligible for the universe provided that these activities represent a significant part of their turnover.

It cannot be ruled out, however, that very limited investments may be made temporarily in assets that do not meet the above criteria. The reasons for this include the following:

- developments as a result of which a company can no longer be regarded as socially responsible after purchase on the basis of the above criteria;
- corporate events, such as a merger of one company with another, where the merged company can no longer be considered a socially responsible company on the basis of the above criteria;
- incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets that do not have a socially responsible nature;
- a planned update of the socially responsible universe in which assets are no longer labelled as socially responsible but in which the fund manager chooses not to sell them immediately in the interest of the customer due to transaction charges.

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

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets which are not of a socially responsible nature, to the extent that no workable and comparable socially responsible alternative is available on the market for these derivatives. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a socially responsible nature.

The fund is actively managed without referring to any benchmark.

The socially responsible character is guaranteed by the aforementioned SRI screening.

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

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

## **Securities Financing Transactions (SFTs)**

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.1. Securities Financing Transactions (SFTs)'.

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

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.2. General strategy for hedging the exchange rate risk'.

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

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.3. Social, ethical and environmental aspects'.

## **2.1.4. Financial portfolio management**

There is no delegation of the management of the asset allocation.

## **2.1.5. Distributors**

IVESAM NV, Havenlaan 2, B-1080 Brussels.

## **2.1.6. Index and benchmark**

Not applicable.

## **2.1.7. Policy pursued during the financial year**

In line with the defined strategy, the fund invests in a selection of shares issued by companies with exposure to the water industry.

## **2.1.8. Future policy**

In line with the defined strategy, the fund invests in a selection of shares issued by companies with exposure to the water industry.

## **2.1.9. Synthetic risk and reward indicator (SRRI)**

5 on a scale of 1 (lowest risk) to 7 (highest risk)

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.4. Synthetic risk and reward indicator'

The synthetic risk indicator gives an idea of the risk associated with investing in an undertaking for collective investment or a sub-fund. It measures risk on a scale of one (least risk) to seven (most risk).

## **2.1.10. Leveraged finance**

The total amount of leveraged finance used by the sub-fund is 304 937 376.36 CZK. This amount was calculated by multiplying the leverage ratio calculated using the UCITS-commitment method by the sub-fund's total assets under management.

## **2.1.11. Value-at-Risk**

Not applicable

## 2.2. Balance sheet

<b>Balance sheet layout</b>		<b>31/08/2022</b> (in Czech koruna)	<b>31/08/2021</b> (in Czech koruna)
	<b>TOTAL NET ASSETS</b>	3,570,008,987.46	2,874,135,482.34
<b>II.</b>	<b>Securities, money market instruments, UCIs and derivatives</b>		
A.	Bonds and other debt instruments		
	a) Bonds		
	Collateral received in the form of bonds	23,667,283.50	
C.	Shares and similar instruments		
	a) Shares	3,580,212,940.21	2,833,662,210.44
D.	Other securities	326,696.93	
F.	Derivative financial instruments		
	j) Foreign exchange		
	Futures and forward contracts (+/-)	51,261,254.32	19,491,522.51
<b>IV.</b>	<b>Receivables and payables within one year</b>		
A.	Receivables		
	a) Accounts receivable	1,462,965.04	13,369,520.70
B.	Payables		
	a) Accounts payable (-)	-949,092.65	-6,420,802.58
	c) Borrowings (-)	-64,760,768.28	-3,794,435.58
	d) Collateral (-)	-23,667,283.50	
<b>V.</b>	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	2,561,333.37	17,836,646.41
<b>VI.</b>	<b>Accruals and deferrals</b>		
B.	Accrued income	3,301,711.56	2,272,965.37
C.	Accrued expense (-)	-3,408,053.04	-2,282,144.93
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	3,570,008,987.46	2,874,135,482.34
<b>A.</b>	<b>Capital</b>	3,945,554,901.50	2,128,974,238.66
<b>B.</b>	<b>Income equalization</b>	6,436,410.08	7,190,035.65
<b>D.</b>	<b>Result of the bookyear</b>	-381,982,324.12	737,971,208.03
<b>Off-balance-sheet headings</b>			
I.	Collateral (+/-)		
I.A.	Collateral (+/-)		
I.A.a.	Securities/money market instruments	23,667,283.50	
III.	Notional amounts of futures and forward contracts (+)		
III.A.	Purchased futures and forward contracts	2,914,699,606.69	2,276,818,512.61
III.B.	Written futures and forward contracts	-334,807,405.83	-221,271,203.92



## 2.3. Profit and loss account

Income Statement		31/08/2022 (in Czech koruna)	31/08/2021 (in Czech koruna)
<b>I.</b>	<b>Net gains(losses) on investments</b>		
A.	Bonds and other debt instruments		
	a) Bonds	-311,632.04	
C.	Shares and similar instruments		
	a) Shares	-502,680,574.50	726,069,385.03
D.	Other securities	2,732.15	
F.	Derivative financial instruments		
	n) On other underlying products		
	Swap contracts (+/-)	44,668,700.00	
G.	Receivables, deposits, cash at bank and in hand and payables	-0.01	-0.01
H.	Foreign exchange positions and transactions		
	a) Derivative financial instruments		
	Futures and forward contracts	31,769,731.81	8,163,513.06
	b) Other foreign exchange positions and transactions	62,025,894.23	-3,008,745.01
	<b>Det.section I gains and losses on investments</b>		
	Realised gains on investments	289,084,010.03	232,673,859.34
	Unrealised gains on investments	704,846,186.04	1,724,194,659.20
	Realised losses on investments	-341,076,647.04	-128,571,083.04
	Unrealised losses on investments	-1,017,378,697.39	-1,097,073,282.43
<b>II.</b>	<b>Investment income and expenses</b>		
A.	Dividends	59,886,087.98	54,696,455.78
B.	Interests		
	a) Securities and money market instruments	162,882.56	152,618.78
	b) Cash at bank and in hand and deposits	656,583.70	5,784.54
C.	Interest on borrowings (-)	-882,713.95	-88,392.17
<b>IV.</b>	<b>Operating expenses</b>		
A.	Investment transaction and delivery costs (-)	-2,595,078.73	-1,647,785.94
B.	Financial expenses (-)	-10,736.82	-3,319.28
C.	Custodian's fee (-)	-1,335,278.51	-820,370.12
D.	Manager's fee (-)		
	a) Financial management	-68,891,955.54	-42,546,637.71
	b) Administration and accounting management	-3,486,196.85	-2,127,335.07
F.	Formation and organisation expenses (-)	-15,679.96	-37,671.97
G.	Remuneration, social security charges and pension	-56,482.66	-34,903.05
H.	Services and sundry goods (-)	-399,439.28	-354,323.94
J.	Taxes	-32,762.31	-21,039.32
L.	Other expenses (-)	-456,405.39	-426,025.57
	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	-17,457,175.73	6,747,054.96
<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	-381,982,324.12	737,971,208.03
<b>VII.</b>	<b>Result of the bookyear</b>	-381,982,324.12	737,971,208.03

<b>Appropriation Account</b>		<b>31/08/2022</b> (in Czech koruna)	<b>31/08/2021</b> (in Czech koruna)
<b>I.</b>	<b>Profit to be appropriated</b>	-375,545,914.04	745,161,243.68
	Profit for the period available for appropriation	-381,982,324.12	737,971,208.03
	Income on the creation of shares (income on the cancellation of shares)	6,436,410.08	7,190,035.65
<b>II.</b>	<b>(Appropriations to) Deductions from capital</b>	375,545,914.04	-745,161,243.68

## 2.4. Composition of the assets and key figures

### 2.4.1. Composition of the assets of KBC Eco Fund CSOB Water

Name	Quantity on 31/08/2022	Currency	Price in currency	Evaluation (in Czech koruna)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Austria</u>							
ANDRITZ AG -	65,612.00	EUR	45.980	73,935,098.15		2.04	2.07
WIENERBERGER AG (WIEN)	95,950.00	EUR	23.340	54,883,808.63		1.51	1.54
<u>Belgium</u>							
EKOPAK NV -	25,974.00	EUR	20.700	13,176,728.34		0.36	0.37
<u>Bermuda</u>							
CONSOLIDATED WATER CO LTD -	117,046.00	USD	16.200	46,213,230.33		1.27	1.29
<u>Canada</u>							
PRIMO WATER CORP -	169,149.00	CAD	17.250	54,301,847.84		1.50	1.52
<u>Cayman Islands</u>							
CT ENVIRONMENTAL GROUP LTD -	9,512,000.00	HKD	0.010	295,366.03		0.01	0.01
<u>Chile</u>							
AGUAS ANDINAS SA -	10,475,189.00	CLP	196.340	56,157,595.59		1.55	1.57
INVERSIONES AGUAS METROPOLITAN -	618,514.00	CLP	452.990	7,650,256.56		0.21	0.21
<u>Finland</u>							
UPONOR OYJ -	68,453.00	EUR	14.950	25,080,263.18		0.69	0.70
<u>France</u>							
EUROFINS SCIENTIFIC -	22,777.00	EUR	69.100	38,572,072.98		1.06	1.08
<u>Germany</u>							
NORMA GROUP -	64,311.00	EUR	15.660	24,681,720.56		0.68	0.69
<u>Hong Kong</u>							
BEIJING ENTERPRISES WATER GROUP LTD -	8,595,752.00	HKD	2.020	53,916,780.36		1.49	1.51
CHINA EVERBRIGHT INTL -	5,788,649.00	HKD	3.890	69,922,270.45		1.93	1.96
CHINA WATER AFFAIRS GROUP LTD -	3,135,995.00	HKD	7.160	69,723,164.15		1.92	1.95
<u>India</u>							
THERMAX LTD -	109,347.00	INR	2,416.350	81,044,397.32		2.23	2.27
<u>Ireland</u>							
PENTAIR PLC -	33,455.00	USD	44.500	36,284,052.05		1.00	1.02
<u>Japan</u>							
KUBOTA CORP -	237,100.00	JPY	2,175.500	90,686,745.35		2.50	2.54
KURITA WATERIndustr. -	95,900.00	JPY	5,460.000	92,058,612.32		2.54	2.58
NOMURA MICRO SCIENCE CO LTD -	60,800.00	JPY	3,710.000	39,657,986.73		1.09	1.11
ORGANO CORPORATION -	46,200.00	JPY	9,320.000	75,702,646.46		2.08	2.12
TORISHIMA PUMP MANUFACTURING CO -	136,100.00	JPY	1,469.000	35,150,628.54		0.97	0.99
TSUKISHIMA KIKAI CO LTD -	182,900.00	JPY	918.000	29,519,538.32		0.81	0.83
TSURUMI MANUFACTURING CO LTD -	80,500.00	JPY	2,150.000	30,428,988.39		0.84	0.85
<u>Netherlands</u>							
AALBERTS NV (AMS)	47,238.00	EUR	36.560	42,324,915.48		1.17	1.19
ARCADIS N.V. (AMS)	70,785.00	EUR	31.820	55,200,094.64		1.52	1.55
NX FILTRATION NV -	31,936.00	EUR	10.480	8,202,386.18		0.23	0.23
<u>Philippines</u>							
MANILA WATER CO -	4,723,000.00	PHP	15.500	31,772,833.40		0.88	0.89
<u>Singapore</u>							
SOUND GLOBAL LTD -	374,000.00	HKD		0.00		0.00	0.00
<u>South Korea</u>							
WOONGJIN COWAY CO LTD -	60,355.00	KRW	63,700.000	70,054,718.81		1.93	1.96
<u>Spain</u>							
FLUIDRA SA -	77,191.00	EUR	15.950	30,173,505.26		0.83	0.85
<u>Sweden</u>							
INDUTRADE AB -	77,403.00	SEK	198.200	35,163,342.64		0.97	0.99
SWECO AB -	129,824.00	SEK	100.700	29,964,922.96		0.83	0.84

<u>Switzerland</u>							
FERGUSON PLC -	11,792.00	GBP	99.860	33,394,695.33		0.92	0.94
GEBERIT AG -	4,526.00	CHF	452.900	51,189,871.31		1.41	1.43
GEORG.FISCHER (NAAM)	49,009.00	CHF	53.200	65,111,041.29		1.79	1.82
LANDIS+GYR GROUP AG -	43,342.00	CHF	57.100	61,803,379.49		1.70	1.73
<u>U.K.</u>							
GENUIT GROUP PLC -	236,968.00	GBP	3.600	24,193,051.91		0.67	0.68
HALMA PLC -	54,355.00	GBP	20.750	31,985,714.36		0.88	0.90
PENNON GROUP PLC -	305,855.00	GBP	9.340	81,014,156.43		2.23	2.27
RPS GROUP -	986,199.00	GBP	2.110	59,012,697.45		1.63	1.65
SEVERN TRENT -	120,841.00	GBP	27.870	95,510,195.21		4.04	2.68
UNITED UTILITIES WATER PLC -	317,632.00	GBP	10.565	95,168,276.44		2.62	2.67
<u>U.S.A.</u>							
ADVANCED DRAINAGE SYSTEMS INC -	14,904.00	USD	135.700	49,292,111.88		1.36	1.38
AGILENT TECHNOLOGIES -	19,041.00	USD	128.250	59,517,113.84		1.64	1.67
AMERICAN WATER WORKS INC. -	22,586.00	USD	148.450	81,717,347.60		2.25	2.29
AO SMITH CORP -	36,112.00	USD	56.450	49,683,275.95		1.37	1.39
ARTESIAN RESOURCES CORP -A-	62,307.00	USD	54.630	82,958,860.41		2.28	2.32
BADGER METER INC -	19,010.00	USD	94.690	43,871,347.05		1.21	1.23
CALIFORNIA WATER SERVICE GROUP -	62,298.00	USD	58.530	88,868,400.70		2.45	2.49
DANAHER CORPORATION -	9,352.00	USD	269.910	61,520,266.68		1.69	1.72
ENERGY RECOVERY INC -	87,107.00	USD	22.940	48,701,373.13		1.34	1.36
EVOQUA WATER TECHNOLOGIES CORP -	61,275.00	USD	35.080	52,388,702.28		1.44	1.47
FRANKLIN ELECTRIC CO INC -	28,290.00	USD	86.850	59,882,166.75		1.65	1.68
GORMAN-RUPP CO/THE -	52,521.00	USD	26.410	33,806,181.88		0.93	0.95
ITRON INC -	35,195.00	USD	47.580	40,813,152.62		1.12	1.14
LINDSAY MANUFACTURING CO -	16,008.00	USD	160.360	62,564,482.87		1.72	1.75
MIDDLESEX WATER CO -	30,140.00	USD	88.770	65,208,499.05		1.80	1.83
MUELLER WATER PRODUCTS INC -A-	167,616.00	USD	11.280	46,080,725.50		1.27	1.29
NORTHWEST PIPE COMPANY -	49,950.00	USD	31.660	38,542,611.65		1.06	1.08
PERKINELMER, INC. -	12,595.00	USD	135.060	41,459,079.30		1.14	1.16
PURE CYCLE CORP -	123,478.00	USD	10.320	31,057,323.07		0.86	0.87
SJW GROUP -	57,455.00	USD	64.300	90,039,596.05		2.48	2.52
STANTEC INC -	57,239.00	CAD	62.330	66,396,508.01		1.83	1.86
THE TORO COMPANY -	26,437.00	USD	82.930	53,434,109.05		1.47	1.50
THERMO ELECTRONIC -	4,198.00	USD	545.320	55,794,141.09		1.54	1.56
VALMONT INDUSTRIES -	12,824.00	USD	276.820	86,519,840.41		2.38	2.42
WATERS CORP -	6,447.00	USD	298.600	46,918,293.71		1.29	1.31
WATTS WATER TECHNOLOGIES INC A	12,825.00	USD	138.520	43,297,676.64		1.19	1.21
XYLEM INC/NY -	20,546.00	USD	91.100	45,618,436.54		1.26	1.28
YORK WATER CO -	50,369.00	USD	43.970	53,977,719.28		1.49	1.51
Total shares				3,580,212,940.21		98.58	100.29
<b>Rights</b>							
<u>Australia</u>							
G.U.D. HOLDINGS LTD -	51,455.00	AUD	0.380	326,696.93		0.01	0.01
Total rights				326,696.93		0.01	0.01
Forward contracts		CZK		51,261,254.32		0.00	1.44
TOTAL SECURITIES PORTFOLIO				3,631,800,891.46		100.00	101.73
COLLATERAL RECEIVED							
<u>Belgium</u>							
COLLATERAL ONTVANGEN	965,717.28	EUR	1.000	23,667,283.50		0.00	0.66
TOTAL RECEIVED COLLATERAL				23,667,283.50		0.00	0.66
CASH AT BANK AND IN HAND							
<b>Demand accounts</b>							
<u>Belgium</u>							
KBC GROUP AUD	-3.42	AUD	1.000	-57.14		0.00	0.00
KBC GROUP BRAZILIAANSE CRUZEIRO	-0.03	BRL	1.000	-0.14		0.00	0.00
KBC GROUP CAD	8,715.54	CAD	1.000	162,199.82		0.00	0.01
KBC GROUP CHF	-513.99	CHF	1.000	-12,835.77		0.00	0.00
KBC GROUP CZK	-58,411,820.22	CZK	1.000	-58,411,820.22		0.00	-1.64
KBC GROUP EURO	-256,593.32	EUR	1.000	-6,288,452.09		0.00	-0.18
KBC GROUP GBP	7,134.22	GBP	1.000	202,322.86		0.00	0.01
KBC GROUP HKD	3,775.05	HKD	1.000	11,722.26		0.00	0.00
KBC GROUP JPY	3,902,002.00	JPY	1.000	686,026.14		0.00	0.02
KBC GROUP MXN	24.86	MXN	1.000	30.13		0.00	0.00
KBC GROUP SEK	-19,443.43	SEK	1.000	-44,565.79		0.00	-0.00
KBC GROUP SGD	-173.85	SGD	1.000	-3,037.13		0.00	0.00
KBC GROUP USD	61,505.82	USD	1.000	1,499,032.16		0.00	0.04
Total demand accounts				-62,199,434.91		0.00	-1.74
TOTAL CASH AT BANK AND IN HAND				-62,199,434.91		0.00	-1.74
OTHER RECEIVABLES AND PAYABLES							
<b>Receivables</b>							
<u>Belgium</u>							

KBC GROUP CZK RECEIVABLE	1,462,965.04	CZK	1.000	1,462,965.04	0.00	0.04
Total receivables				1,462,965.04	0.00	0.04
<b>Payables</b>						
<u>Belgium</u>						
COLLATERAL ONTVANGEN TEGENPOST	-965,717.28	EUR	1.000	-23,667,283.50	0.00	-0.66
KBC GROUP CZK PAYABLE	-949,092.65	CZK	1.000	-949,092.65	0.00	-0.03
Payables				-24,616,376.15	0.00	-0.69
TOTAL RECEIVABLES AND PAYABLES				-23,153,411.11	0.00	-0.65
<b>OTHER</b>						
Interest receivable		CZK		2,996,474.00	0.00	0.08
Accrued interest		CZK		305,237.56	0.00	0.01
Expenses payable		CZK		-3,408,053.04	0.00	-0.10
TOTAL OTHER				-106,341.48	0.00	-0.00
TOTAL NET ASSETS				3,570,008,987.46	0.00	100.00

### Geographic breakdown (as a % of securities portfolio)

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
Australia	1.24	0.89	0.01	0.01
Austria	2.86	3.31	3.62	3.61
Belgium	0.64	1.72	-0.89	0.09
Bermuda	0.87	1.07	0.79	1.29
Brazil	1.48	0.00	0.00	0.00
Canada	0.00	1.90	1.53	1.53
Switzerland	6.46	7.32	7.45	6.93
Chile	1.28	1.25	1.65	1.79
China	0.68	0.00	0.00	0.00
Cayman Islands	0.01	0.01	0.01	0.01
Germany	0.00	1.03	0.96	0.69
Spain	0.00	1.51	1.17	0.84
Finland	2.84	1.38	0.99	0.70
France	1.20	2.05	1.50	1.08
U.K.	8.55	8.57	11.85	10.90
Hong Kong	6.82	6.92	6.62	5.42
India	5.17	2.42	1.92	2.27
Japan	9.72	8.31	10.20	11.00
South Korea	0.89	1.22	1.84	1.96
Netherlands	2.69	3.23	3.69	2.95
Philippines	1.26	1.12	1.13	0.89
Sweden	2.86	2.21	2.06	1.82
Thailand	2.14	0.00	0.00	0.00
U.S.A.	40.34	42.56	41.90	44.22
TOTAL	100.00	100.00	100.00	100.00

### Sector breakdown (as a % of securities portfolio)

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
Cyclicals	52.38	53.13	50.51	49.33
Consum(cycl)	4.49	3.01	3.93	4.54
Cons.goods	0.00	1.90	1.53	1.53
Pharma	5.63	6.68	4.24	3.95
Financials	1.20	1.39	(1.19)	-0.28
Technology	5.10	5.67	6.12	5.79
Telecomm.	1.56	0.84	1.46	1.38
Utilities	29.64	27.38	33.40	33.76
TOTAL	100.00	100.00	100.00	100.00

### Currency breakdown (as a % of net assets)

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
AUSTRALIAN DOLLAR	1.23	0.89	0.01	0.01
BRASILIAN REAL	1.48	0.00	0.00	0.00
CANADIAN DOLLAR	0.00	1.00	-0.39	0.13
SWISS FRANC	-0.30	0.23	-0.07	0.44
CHILEAN PESO	1.28	1.25	1.69	1.79
CZECH KORUNA	85.75	87.39	90.20	89.20
EURO	-0.71	1.72	0.87	0.61
POUND STERLING	0.02	1.21	0.23	1.09
HONG KONG DOLLAR	7.55	6.95	6.64	5.43
INDIE RUPEE	5.17	2.42	1.92	2.27
JAPANESE YEN	0.27	0.62	0.13	1.57
KOREAN WON	0.89	1.22	1.84	1.96
PESO	1.26	1.12	1.17	0.89
SWEDISH KRONA	0.04	0.11	2.06	1.82
THAI BATH	2.14	0.00	0.00	0.00
US DOLLAR	-6.07	-6.13	-6.30	-7.21
TOTAL	100.00	100.00	100.00	100.00

### 2.4.2. Changes in the composition of the assets of KBC Eco Fund CSOB Water (in Czech koruna)

	1 <sup>st</sup> half of year	2 <sup>nd</sup> half of year	Year
<b>Purchases</b>	1,153,454,794.08	534,381,586.57	1,687,836,380.66
<b>Sales</b>	361,727,848.41	229,815,175.81	591,543,024.22
<b>Total 1</b>	1,515,182,642.50	764,196,762.38	2,279,379,404.88
<b>Subscriptions</b>	761,798,747.62	472,108,105.86	1,233,906,853.48
<b>Redemptions</b>	161,886,222.38	134,331,266.85	296,217,489.23
<b>Total 2</b>	923,684,970.00	606,439,372.71	1,530,124,342.71
<b>Monthly average of total assets</b>	3,293,296,726.47	3,410,308,924.60	3,352,286,347.01
<b>Turnover rate</b>	17.96%	4.62%	22.35%

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period. A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions. A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio. Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions can be consulted free of charge at the company designated as financial service: KBC Bank NV, Havenlaan 2, B-1080 Brussels

### 2.4.3. Amount of commitments in respect of financial derivatives positions

Name	Currency	Value in currency	in Czech koruna	Lot-size	Transaction date	
COLLATER ONTVANGEN	EUR	965,717.28	23,667,283.50	N/A	31.08.2022	
KBC AK-VK 221013-220708 19.07867	CZK-CAD	CZK	119,580,244.77	119,580,244.77	N/A	08.07.2022
KBC AK-VK 221013-220708 25.56448	CZK-CHF	CZK	166,036,549.52	166,036,549.52	N/A	08.07.2022
KBC AK-VK 221013-220708 25.23141	CZK-EUR	CZK	347,535,523.75	347,535,523.75	N/A	08.07.2022
KBC AK-VK 221013-220708 29.72559	CZK-GBP	CZK	402,606,342.06	402,606,342.06	N/A	08.07.2022
KBC AK-VK 221013-220708 24.73058	CZK-USD	CZK	1,730,109,977.81	1,730,109,977.81	N/A	08.07.2022
KBC AK-VK 221013-220809 24.16095	CZK-USD	CZK	148,830,968.78	148,830,968.78	N/A	09.08.2022
KBC VK-AK 221013-220708 5.466664	JPY-CZK	JPY	-1,904,328,564.0 0	-334,807,405.83	N/A	08.07.2022

### 2.4.4. Changes in the number of subscriptions and redemptions and the net asset value

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2020 - 08*	453,274.56	0.00	144,291.29	0.00	1,172,823.87	0.00	1,172,823.87
2021 - 08*	531,390.14	0.00	193,383.53	0.00	1,510,830.48	0.00	1,510,830.48
2022 - 08*	707,190.09	0.00	214,440.53	0.00	2,129,260.55	0.00	2,129,260.55

Period	Amounts received and paid by the UCITS (in Czech koruna)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2020 - 08*	591,052,158.81	0.00	194,785,931.82	0.00
2021 - 08*	875,796,146.81	0.00	310,678,294.87	0.00
2022 - 08*	1,242,869,030.00	0.00	2,339,847,143.00	0.00

Period	Net asset value End of period (in Czech koruna)		
	Of the sub-fund	Of one share	
		Capitalization	Distribution
2020 - 08*	1,571,046,422.37	1,339.54	0.00
2021 - 08*	2,874,135,482.34	1,902.35	0.00
2022 - 08*	3,570,008,987.00	1,676.64	0.00

\*The financial year does not coincide with the calendar year.

## 2.4.5. Performance figures

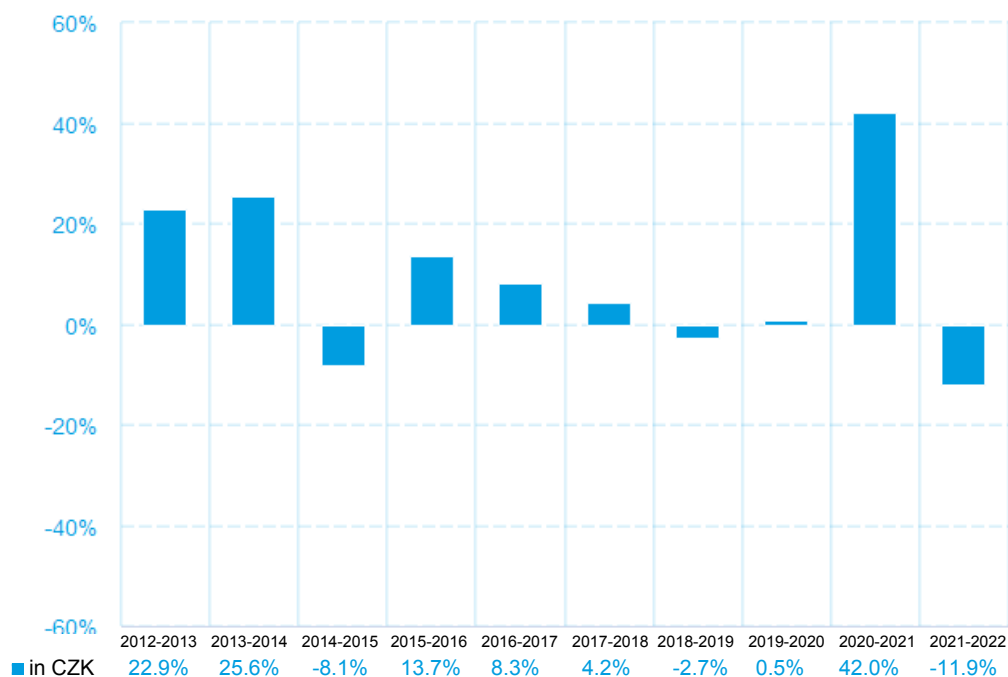
BE0947249448  
KBC Eco Fund CSOB Water DIS  
Annual performance on 31/08/2022 (in CZK)

The cumulative returns are shown where they relate to a period of at least one year.

If the results are expressed in a currency other than the euro, the return may be higher or lower due to exchange rate fluctuations.

BE0947250453  
KBC Eco Fund CSOB Water CAP  
Annual performance on 31/08/2022 (in CZK)

If the results are expressed in a currency other than the euro, the return may be higher or lower due to exchange rate fluctuations.



Cap Div	ISIN Code	Curr ency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
CAP	BE0947250453	CZK	-11.86%		7.94%		4.98%		8.33%		31/07/2007	3.48%

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.



- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in CZK and in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years :

$$[\text{NIW}(D) / \text{NIW}(Y)]^{[1 / X]} - 1$$

where  $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{[1 / F]} - 1$$

where  $F = 1$  if the unit has existed for less than one year on date D

where  $F = (D - S) / 365.25$  if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years :

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{[1 / X]} - 1$$

where  $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{[1 / F]} - 1$$

where  $F = 1$  if the unit has existed for less than one year on date D

where  $F = (D - S) / 365.25$  if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [\text{Wi} / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which  $C = C_0 * \dots * C_N$ .

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares

## 2.4.6. Costs

### Ongoing Charges and Transaction costs:

#### Distribution :

Ongoing charges : not applicable  
Transaction costs: not applicable

#### Capitalisation :

Ongoing charges : 2,158%  
Transaction costs: 0,079%

Percentage calculated at reporting date: 31 August 2022 .

A more detailed explanation with respect to the method of calculating ongoing charges and the relevant exclusions can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.5. Ongoing charges'

More information on how transaction costs are calculated: the transaction costs are not included in the ongoing charges, but are instead shown separately. Moreover, this does not fully reflect the actual transaction costs as only the explicit transaction costs are given.

### Existence of Commission Sharing Agreements

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.7. Commission Sharing Agreements'.

No CSA accrual during this period.

### Existence of fee sharing agreements and rebates

The management company has shared 70,00% of its fee with the distributor, and institutional and/or professional parties.

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.6. Fee-sharing agreements and rebates'.

## 2.4.7. Notes to the financial statements and other data

Fee for managing the investment portfolio	Max 2.00%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.  (* ) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year.
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund.
Fee for financial services	-	-
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Annual tax	See prospectus General Part : 'Information concerning the Bevek - H. Tax treatment'	
Other charges (estimation)	0.10%	of the net assets of the sub-fund per year.

### Anti-dilution levy

During the past reporting period, no anti-dilution levy, as described in the general information on the Bevek of this report, under title 1.2.1.9. *Non-recurring fees and charges borne by the investor*, was charged in favor of this sub-fund.

### **Exercising voting rights**

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

### **Detail of the received (+) / given (-) collateral for financial derivatives**

Name	Currency	Nominaal	Currency Fund	Waarde in munt fonds
SLOVAK REPUBL. 12 3,375 151124	EUR	902000	CZK	23667283.13
			Total	23667283.13

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank .

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# 2. Information on KBC Eco Fund Impact Investing

## 2.1. Management report

### 2.1.1. Launch date and subscription price

#### **Classic Shares Distribution**

Launch date:	29 December 2000
Initial subscription price:	500 EUR
Currency:	EUR

#### **Classic Shares Capitalisation**

Launch date:	29 December 2000
Initial subscription price:	500 EUR
Currency:	EUR

#### **K&H Classic Shares HUF Capitalisation**

Launch date:	23 September 2019
Initial subscription price:	1 000 HUF
Currency:	HUF

#### **Institutional F Shares LU Capitalisation**

Launch date:	9 April 2021
Initial subscription price:	1 000 EUR
Currency:	EUR

### 2.1.2. Stock exchange listing

Not applicable.

### 2.1.3. Goal and key principles of the investment policy

#### **Object of the sub-fund**

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

#### **Sub-fund's investment policy**

##### ***Permitted asset classes***

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

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

##### ***Restrictions of the investment policy***

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

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

## Permitted derivatives transactions

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

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

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

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

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

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

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

## Strategy selected

The investment philosophy of the sub-fund is based on the concept of impact investing (mission-related investments). The sustainable investment objective is to contribute to sustainable development.

To this end, the assets are invested to the maximum extent possible, in equities of companies throughout the world which seek not only to achieve a financial return, but also to make a positive contribution, through their products and/or services, to sustainable themes and thus have an impact on society and the environment.

Specialised researchers of KBC Asset Management NV compile a universe of companies that contribute to sustainable development.

They are assisted by an advisory board (i.e. the 'SRI Advisory Board', where SRI stands for 'Socially Responsible Investing') comprised of up to twelve persons, who are not affiliated to KBC Asset Management NV, and whose sole responsibility is to supervise the methodology and activities of the specialist researchers of KBC Asset Management NV. The secretariat of the advisory board is provided by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with a data supplier with expertise in sustainability that provides data to the specialised researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The fund manager then strives to invest as much as possible in assets that form part of this universe. In order to create this universe, the companies are subjected to a negative and positive screening procedure.

### Negative screening

Negative screening entails specific criteria that exclude companies in advance from the universe.

On top of the exclusion criteria set out under 'Social, ethical and environmental aspects', the companies are assessed against additional SRI exclusion criteria which are available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for socially responsible investment funds.

The most important exclusion criteria relate on the one hand to controversial activities (tobacco, gambling, weapons, fur and speciality leather and adult entertainment). Companies involved in such controversial activities are excluded. On the other hand, the screening for controversies ensures that companies who seriously violate the basic principles in terms of the environment, social aspects or good governance are excluded. This list is not exhaustive and can be adapted under the supervision of the Advisory Board.

### Positive screening

Specialised researchers from KBC Asset Management NV determine, in consultation with the SRI Advisory Board, which sustainability themes can be addressed in the sub-fund. Examples of such themes are renewable energy, sustainable mobility, healthy food, access to education and recycling. Companies whose products and/or services have a positive influence on such a theme will be presented to the Advisory Board. If evaluated positively, these companies have a chance of being included. The influence that a company exerts through its core activity on the chosen theme is measured regularly (for example, by the number of installed hydrogen installations to stimulate renewable energy, the number of homes for social housing projects to stimulate affordable housing and the use of polymers from waste streams to stimulate recycling). If it is deemed that insufficient progress is being made or that the company is no longer relevant to the theme, this company will be excluded from the authorised universe and therefore from the portfolio of the sub-fund.

It cannot be ruled out, however, that very limited investments may be made temporarily in assets that do not meet the above criteria. The reasons for this include the following:

- developments as a result of which a company can no longer contribute to sustainable development after purchase on the basis of the above criteria;
- corporate events, such as a merger of one company with another, where the merged company can no longer be considered to contribute to sustainable development on the basis of the above criteria;
- incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets that do not contribute to sustainable development;
- a planned update of the universe in which assets no longer contribute to sustainable development but in which the fund manager chooses not to sell them immediately in the interest of the customer due to transaction charges.

In these cases, the fund manager will replace the assets that contribute to sustainable development in assets as soon as possible, always taking into account the sole interest of the investor.

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets that do not contribute to sustainable development, to the extent that no workable and comparable sustainable development alternative is available on the market for these derivatives. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers who contribute to sustainable development.

The fund is actively managed without referring to any benchmark.

The aforementioned screening process provides a structured methodology for achieving the sub-fund's sustainable investment objective.



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

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

## **Securities Financing Transactions (SFTs)**

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.1. Securities Financing Transactions (SFTs)'.

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

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.2. General strategy for hedging the exchange rate risk'.

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

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.3. Social, ethical and environmental aspects'.

## **2.1.4. Financial portfolio management**

There is no delegation of the management of the asset allocation.

## **2.1.5. Distributors**

IVESAM NV, Havenlaan 2, B-1080 Brussels.

## **2.1.6. Index and benchmark**

Not applicable.

## **2.1.7. Policy pursued during the financial year**

In line with the defined strategy, the fund invests in a selection of shares issued by companies and organizations with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return.

## **2.1.8. Future policy**

In line with the defined strategy, the fund will continue to invest in a selection of shares issued by companies and organizations with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return.

## **2.1.9. Synthetic risk and reward indicator (SRRI)**

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk)

K&H Classic Shares HUF: 6 on a scale of 1 (lowest risk) to 7 (highest risk)

Institutional F Shares LU: 6 on a scale of 1 (lowest risk) to 7 (highest risk)

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.4. Synthetic risk and reward indicator'

The synthetic risk indicator gives an idea of the risk associated with investing in an undertaking for collective investment or a sub-fund. It measures risk on a scale of one (least risk) to seven (most risk).

## **2.1.10. Leveraged finance**

The total amount of leveraged finance used by the sub-fund is 363 687.41 EUR.

This amount was calculated by multiplying the leverage ratio calculated using the UCITS-commitment method by the sub-fund's total assets under management.

## **2.1.11. Value-at-Risk**

Not applicable

## 2.2. Balance sheet

Balance sheet layout		31/08/2022 (in Euro)	31/08/2021 (in Euro)
	<b>TOTAL NET ASSETS</b>	314,857,421.67	331,351,373.43
<b>II.</b>	<b>Securities, money market instruments, UCIs and derivatives</b>		
C.	Shares and similar instruments		
a)	Shares	312,785,622.94	329,034,453.47
D.	Other securities	11.92	43,133.76
<b>IV.</b>	<b>Receivables and payables within one year</b>		
A.	Receivables		
a)	Accounts receivable	41,557.71	279,863.65
B.	Payables		
a)	Accounts payable (-)	-44,840.09	-735,357.79
c)	Borrowings (-)	-366,442.43	-390,210.72
<b>V.</b>	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	2,714,534.95	3,392,550.56
<b>VI.</b>	<b>Accruals and deferrals</b>		
B.	Accrued income	118,909.26	100,434.97
C.	Accrued expense (-)	-391,932.59	-373,494.47
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	314,857,421.67	331,351,373.43
<b>A.</b>	<b>Capital</b>	386,257,917.20	271,626,388.70
<b>B.</b>	<b>Income equalization</b>	398,902.73	392,624.69
<b>D.</b>	<b>Result of the bookyear</b>	-71,799,398.26	59,332,360.04

## 2.3. Profit and loss account

Income Statement		31/08/2022 (in Euro)	31/08/2021 (in Euro)
<b>I.</b>	<b>Net gains(losses) on investments</b>		
C.	Shares and similar instruments		
	a) Shares	-89,094,311.53	58,482,877.45
D.	Other securities	-9.24	
H.	Foreign exchange positions and transactions		
	b) Other foreign exchange positions and transactions	16,484,308.51	2,688,507.28
	<b>Det.section I gains and losses on investments</b>		
	Realised gains on investments	884,267.89	16,794,499.07
	Unrealised gains on investments	-25,314,318.88	40,997,167.96
	Realised losses on investments	-1,052,460.98	-5,790,736.34
	Unrealised losses on investments	-47,127,500.29	9,170,454.04
<b>II.</b>	<b>Investment income and expenses</b>		
A.	Dividends	6,324,730.25	2,416,857.94
B.	Interests		
	b) Cash at bank and in hand and deposits	7,149.29	386.44
C.	Interest on borrowings (-)	-10,115.99	-7,634.56
F.	Other investment income	218,146.30	40,729.55
<b>IV.</b>	<b>Operating expenses</b>		
A.	Investment transaction and delivery costs (-)	-74,680.43	-199,184.89
B.	Financial expenses (-)	-871.30	-272.69
C.	Custodian's fee (-)	-129,506.73	-87,095.58
D.	Manager's fee (-)		
	a) Financial management		
	Classic Shares	-4,019,681.66	-3,253,924.10
	Classic Shares K&H HUF	-229,620.59	-84,511.70
	Institutional F Shares LU	-655,381.24	-113,052.98
	b) Administration and accounting management	-325,645.91	-230,725.45
E.	Administrative expenses (-)	-1,002.08	-1,006.07
F.	Formation and organisation expenses (-)	-5,655.48	-4,820.91
G.	Remuneration, social security charges and pension	-5,535.13	-3,722.87
H.	Services and sundry goods (-)	-10,200.35	-10,893.87
J.	Taxes		
	Classic Shares	-238,783.36	-243,970.83
	Classic Shares K&H HUF	-366.07	-30.30
	Institutional F Shares LU	-1,140.00	-29.52
L.	Other expenses (-)	-31,225.52	-56,122.30
	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	810,614.00	-1,839,024.69
<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	-71,799,398.26	59,332,360.04
<b>VII.</b>	<b>Result of the bookyear</b>	-71,799,398.26	59,332,360.04

<b>Appropriation Account</b>		<b>31/08/2022</b> (in Euro)	<b>31/08/2021</b> (in Euro)
<b>I.</b>	<b>Profit to be appropriated</b>	-71,400,495.53	59,724,984.73
	Profit for the period available for appropriation	-71,799,398.26	59,332,360.04
	Income on the creation of shares (income on the cancellation of shares)	398,902.73	392,624.69
<b>II.</b>	<b>(Appropriations to) Deductions from capital</b>	73,060,385.13	-58,887,885.37
<b>IV.</b>	<b>(Dividends to be paid out)</b>	-1,659,889.60	-837,099.36

## 2.4. Composition of the assets and key figures

### 2.4.1. Composition of the assets of KBC Eco Fund Impact Investing

Name	Quantity on 31/08/2022	Currency	Price in currency	Evaluation (in Euro)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Austria</u>							
LENZING AG (WIEN)	66,968.00	EUR	73.800	4,942,238.40		1.58	1.57
<u>Belgium</u>							
BIOCARTIS NV -	500,000.00	EUR	1.660	830,000.00		0.27	0.26
CARE PROPERTIES INVEST -	59,168.00	EUR	21.500	1,272,112.00		0.41	0.40
MATERIALE NV -	260,907.00	USD	11.690	3,033,168.74		0.97	0.96
UMICORE -	213,782.00	EUR	31.750	6,787,578.50		2.17	2.16
WAREHOUSE DISTR. DE PAUW -	284,191.00	EUR	30.380	8,633,722.58		2.76	2.74
<u>Brazil</u>							
COGNA EDUCACAO -	9,979,981.00	BRL	2.480	4,750,771.39		1.52	1.51
<u>Denmark</u>							
BAVARIAN NORDIC A/S -	221,702.00	DKK	280.000	8,346,597.16		2.67	2.65
NOVO NORDISK A/S B	157,230.00	DKK	792.500	16,753,922.28		5.36	5.32
VESTAS WINDS SYSTEMS -	178,105.00	DKK	186.420	4,464,269.73		1.43	1.42
<u>Finland</u>							
RAISIO GROUP (HEL) 'V'	680,130.00	EUR	2.170	1,475,882.10		0.47	0.47
<u>France</u>							
CIE DE ST-GOBAIN -	180,612.00	EUR	40.350	7,287,694.20		2.33	2.32
<u>Germany</u>							
AUMANN AG -	101,269.00	EUR	15.320	1,551,441.08		0.50	0.49
BRAIN BIOTECHNOLOGY RESEARCH & -	38,629.00	EUR	6.760	261,132.04		0.08	0.08
EVOTEC SE -	195,845.00	EUR	21.940	4,296,839.30		1.37	1.37
WACKER CHEMIE AG -	60,895.00	EUR	142.050	8,650,134.75		2.77	2.75
<u>India</u>							
JAIN IRRIGATION SYSTEMS LTD -	8,246,342.00	INR	40.800	4,210,943.22		1.35	1.34
SHRIRAM CITY UNION FINANCE LTD -	119,826.00	INR	1,903.750	2,855,083.79		0.91	0.91
<u>Ireland</u>							
KINGSPAN GROUP PLC -	109,850.00	EUR	56.640	6,221,904.00		1.99	1.98
<u>Japan</u>							
FANUC CORP -	61,800.00	JPY	22,535.000	9,990,812.47		3.19	3.17
KEYENCE CORP -	26,000.00	JPY	52,840.000	9,855,778.32		3.15	3.13
<u>Luxembourg</u>							
MILLICOM INTL. CELLULAR -	501,605.00	SEK	152.850	7,170,634.83		2.29	2.28
<u>Netherlands</u>							
ALFEN BEHEER BV -	89,140.00	EUR	112.800	10,054,992.00		3.22	3.19
CORBION NV (AMS)NRC	227,487.00	EUR	28.320	6,442,431.84		2.06	2.05
KONINKLIJKE D.S.M. NV (AMS)	74,507.00	EUR	127.350	9,488,466.45		3.03	3.01
SIGNIFY NV -	191,644.00	EUR	28.370	5,436,940.28		1.74	1.73
<u>New Zealand</u>							
A2 MILK CO LTD -	1,193,344.00	AUD	5.550	4,515,377.88		1.44	1.43
<u>Norway</u>							
TOMRA SYSTEMS -	352,340.00	NOK	227.350	8,027,123.01		2.57	2.55
<u>Philippines</u>							
MANILA WATER CO -	7,683,000.00	PHP	15.500	2,108,970.13		0.67	0.67
<u>Spain</u>							
CONSTRUCCIONES Y AUXILIAR DE F -	83,225.00	EUR	28.800	2,396,880.00		0.77	0.76
<u>Sweden</u>							
AUTOLIV INC AB	92,877.00	SEK	828.600	7,197,528.85		2.30	2.29
DORO AB -	241,419.00	SEK	15.600	352,230.01		0.11	0.11
<u>Switzerland</u>							
LANDIS+GYR GROUP AG -	121,441.00	CHF	57.100	7,065,944.21		2.26	2.24

<u>U.K.</u>							
CARETECH HOLDINGS PLC -	576,030.00	GBP	7.450	4,965,939.42		1.59	1.58
CIVITAS SOCIAL HOUSING PLC -	4,507,643.00	GBP	0.711	3,708,678.24		1.19	1.18
DS SMITH PLC -	2,223,955.00	GBP	2.677	6,889,289.08		2.20	2.19
GENUIT GROUP PLC -	1,095,845.00	GBP	3.600	4,565,114.48		1.46	1.45
UNITE GROUP PLC -	574,725.00	GBP	10.510	6,989,769.38		2.24	2.22
3IGROUP -	732,148.00	GBP	12.155	10,298,023.67		3.29	3.27
<u>U.S.A.</u>							
BEYOND MEAT INC -	72,798.00	USD	24.400	1,766,467.31		0.56	0.56
BIOMARIN PHARMACEUTICAL INC -	147,000.00	USD	89.200	13,040,027.85		4.17	4.14
BRIGHT HORIZONS FAMILY SOLUTIO -	87,378.00	USD	68.200	5,926,288.70		1.90	1.88
CHEGG INC -	166,035.00	USD	19.680	3,249,533.89		1.04	1.03
EQUINIX INC -	17,012.00	USD	657.370	11,121,454.37		3.56	3.53
GILEAD SCIENCES -	210,003.00	USD	63.470	13,255,323.37		4.24	4.21
HERON THERAPEUTICS INC -	622,233.00	USD	4.090	2,530,886.55		0.81	0.80
ITRON INC -	137,994.00	USD	47.580	6,529,515.71		2.09	2.07
LKQ CORP -	271,865.00	USD	53.220	14,388,797.47		4.60	4.57
SUNPOWER CORP -A-	302,336.00	USD	24.000	7,216,015.12		2.31	2.29
VMWARE INC CLASS A -	83,326.00	USD	116.030	9,614,952.79		3.07	3.05
Total shares				312,785,622.94		100.00	99.34
<b>Rights</b>							
<u>Luxembourg</u>							
MILLICOM INTL. CELLULAR -	3.00	SEK	42.500	11.92		0.00	0.00
Total rights				11.92		0.00	0.00
TOTAL SECURITIES PORTFOLIO				312,785,634.86		100.00	99.34
CASH AT BANK AND IN HAND							
<b>Demand accounts</b>							
<u>Belgium</u>							
KBC GROUP AUD	960.42	AUD	1.000	654.78		0.00	0.00
KBC GROUP CHF	259,689.42	CHF	1.000	264,620.21		0.00	0.08
KBC GROUP DKK	483,226.27	DKK	1.000	64,972.91		0.00	0.02
KBC GROUP EURO	1,640,307.76	EUR	1.000	1,640,307.76		0.00	0.52
KBC GROUP GBP	349,010.62	GBP	1.000	403,867.29		0.00	0.13
KBC GROUP HKD	2.34	HKD	1.000	0.30		0.00	0.00
KBC GROUP HUF	-147,337,357.15	HUF	1.000	-366,442.43		0.00	-0.12
KBC GROUP JPY	12,558,683.00	JPY	1.000	90,094.62		0.00	0.03
KBC GROUP NOK	261.48	NOK	1.000	26.20		0.00	0.00
KBC GROUP SEK	148,620.42	SEK	1.000	13,899.81		0.00	0.00
KBC GROUP USD	237,401.38	USD	1.000	236,091.07		0.00	0.08
Total demand accounts				2,348,092.52		0.00	0.75
TOTAL CASH AT BANK AND IN HAND				2,348,092.52		0.00	0.75
OTHER RECEIVABLES AND PAYABLES							
<b>Receivables</b>							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	41,380.61	EUR	1.000	41,380.61		0.00	0.01
KBC GROUP HUF RECEIVABLE	71,207.62	HUF	1.000	177.10		0.00	0.00
Total receivables				41,557.71		0.00	0.01
<b>Payables</b>							
<u>Belgium</u>							
KBC GROUP EUR PAYABLE	-44,840.09	EUR	1.000	-44,840.09		0.00	-0.01
Payables				-44,840.09		0.00	-0.01
TOTAL RECEIVABLES AND PAYABLES				-3,282.38		0.00	-0.00
OTHER							
Interest receivable		EUR		118,909.26		0.00	0.04
Expenses payable		EUR		-391,932.59		0.00	-0.13
TOTAL OTHER				-273,023.33		0.00	-0.09
TOTAL NET ASSETS				314,857,421.67		0.00	100.00

### Geographic breakdown (as a % of securities portfolio)

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
Austria	2.86	2.15	2.07	1.57
Belgium	10.20	9.06	9.10	7.24
Brazil	0.87	1.35	1.09	1.51
Switzerland	1.96	1.82	2.20	2.24
Germany	5.71	5.51	4.87	4.68
Denmark	7.95	7.66	7.66	9.38
Spain	1.36	0.90	0.81	0.76
Finland	1.08	0.77	0.61	0.47

France	0.00	3.10	3.15	2.31
U.K.	13.09	13.27	12.81	11.91
India	1.83	1.84	1.91	2.25
Ireland	1.58	2.97	2.97	1.97
Japan	5.69	5.77	5.78	6.30
Luxembourg	1.88	2.26	1.77	2.27
Netherlands	10.10	9.49	11.30	9.96
Norway	1.60	2.35	2.31	2.55
New Zealand	1.77	1.21	1.32	1.43
Philippines	1.09	0.83	0.84	0.67
Sweden	3.19	2.27	2.51	2.39
U.S.A.	26.19	25.42	24.92	28.14
TOTAL	100.00	100.00	100.00	100.00

#### **Sector breakdown (as a % of securities portfolio)**

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
Cyclicals	27.06	29.16	29.30	25.13
Consum(cycl)	14.21	13.69	13.54	13.46
Cons.goods	9.62	8.56	8.74	9.06
Pharma	16.12	17.12	16.61	20.06
Financials	4.97	4.95	5.55	4.91
Technology	12.13	11.44	11.72	12.27
Telecomm.	1.88	2.26	1.77	2.27
Utilities	3.68	2.23	2.08	2.74
Real est.	10.33	10.59	10.69	10.10
TOTAL	100.00	100.00	100.00	100.00

#### **Currency breakdown (as a % of net assets)**

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
AUSTRALIAN DOLLAR	1.77	1.22	1.32	1.43
BRASILIAN REAL	0.87	1.35	1.09	1.51
SWISS FRANC	1.96	1.82	2.20	2.32
DANISH KRONE	7.95	7.67	7.66	9.40
EURO	30.44	32.94	33.28	27.79
POUND STERLING	13.11	13.27	12.81	12.04
HUNGARIAN FORINT	0.27	0.05	0.09	-0.12
INDIE RUPEE	1.83	1.84	1.91	2.25
JAPANESE YEN	5.69	5.76	5.79	6.33
NORWEGIAN KRONE	1.60	2.35	2.31	2.55
PESO	1.08	0.83	0.84	0.67
SWEDISH KRONA	5.07	4.53	4.28	4.66
US DOLLAR	28.36	26.37	26.42	29.17
TOTAL	100.00	100.00	100.00	100.00

## 2.4.2. Changes in the composition of the assets of KBC Eco Fund Impact Investing (in Euro)

	1 <sup>st</sup> half of year	2 <sup>nd</sup> half of year	Year
<b>Purchases</b>	43,166,515.37	19,686,574.45	62,853,089.81
<b>Sales</b>	4,063,975.58	2,479,962.69	6,543,938.27
<b>Total 1</b>	47,230,490.94	22,166,537.14	69,397,028.08
<b>Subscriptions</b>	53,081,849.77	22,524,192.18	75,606,041.95
<b>Redemptions</b>	11,830,626.17	7,975,982.47	19,806,608.64
<b>Total 2</b>	64,912,475.94	30,500,174.65	95,412,650.59
<b>Monthly average of total assets</b>	334,053,240.20	316,282,855.20	325.131.483.12
<b>Turnover rate</b>	-5.29%	-2.63%	-8.00%

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period. A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions. A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio. Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions can be consulted free of charge at the company designated as financial service: KBC Bank NV, Havenlaan 2, B-1080 Brussels

## 2.4.3. Amount of commitments in respect of financial derivatives positions

Nil

## 2.4.4. Changes in the number of subscriptions and redemptions and the net asset value

### Classic Shares

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2020 - 08*	34,504.16	20,918.47	16,289.90	10,916.38	154,980.49	101,304.68	256,285.17
2021 - 08*	71,953.64	44,449.15	14,694.97	12,031.89	212,239.15	133,721.94	345,961.09
2022 - 08*	49,604.60	18,551.08	15,947.62	10,964.94	245,896.13	141,308.09	387,204.22

Period	Amounts received and paid by the UCITS (in Euro)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2020 - 08*	22,569,198.35	10,289,129.72	10,463,625.67	5,245,650.03
2021 - 08*	59,501,508.59	26,983,612.64	12,033,436.43	7,188,152.45
2022 - 08*	40,646,585.64	11,335,382.96	12,774,058.41	6,458,759.61

Period	Net asset value End of period (in Euro)		
	Of the class	Of one share	
		Capitalization	Distribution
2020 - 08*	158,897,070.51	690.42	512.26
2021 - 08*	281,648,730.78	906.44	667.55
2022 - 08*	254,191,183.06	728.46	531.22

\*The financial year does not coincide with the calendar year.



## Classic Shares K&H HUF

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2020 - 08*	536,366.00		36,478.00		499,888.00		499,888.00
2021 - 08*	2,610,671.00		49,595.00		3,060,964.00		3,060,964.00
2022 - 08*	1,259,075.00		225,389.00		4,094,650.00		4,094,650.00

Period	Amounts received and paid by the UCITS (in Hungarian forint)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2020 - 08*	538,118,564.12		32,549,311.60	
2021 - 08*	3,507,582,809.01		65,058,692.91	
2022 - 08*	1,748,839,236.00		300,892,953.50	

Period	Net asset value End of period (in Hungarian forint)		
	Of the class	Of one share	
		Capitalization	Distribution
2020 - 08*	551,831,861.34	1,103.77	
2021 - 08*	4,372,169,314.00	1,428.06	
2022 - 08*	5,408,856,120.00	1,320.82	

\*The financial year does not coincide with the calendar year.

## Institutional F Shares LU

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2021 - 08*	34,182.00		0.00		34,182.00		34,182.00
2022 - 08*	19,789.00		0.00		53,971.00		53,971.00

Period	Amounts received and paid by the UCITS (in Euro)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2021 - 08*	35,094,238.10		0.00	
2022 - 08*	19,383,644.55		0.00	

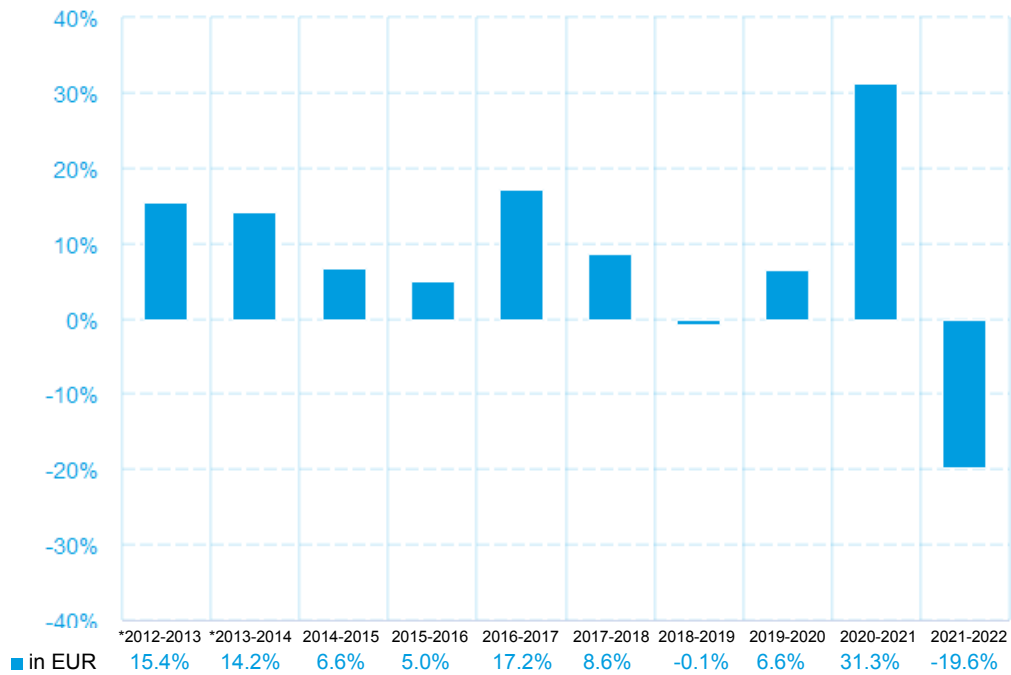
Period	Net asset value End of period (in Euro)		
	Of the class	Of one share	
		Capitalization	Distribution
2021 - 08*	37,180,679.49	1,087.73	
2022 - 08*	47,213,884.30	874.80	

\*The financial year does not coincide with the calendar year.

## 2.4.5. Performance figures

### Classic Shares

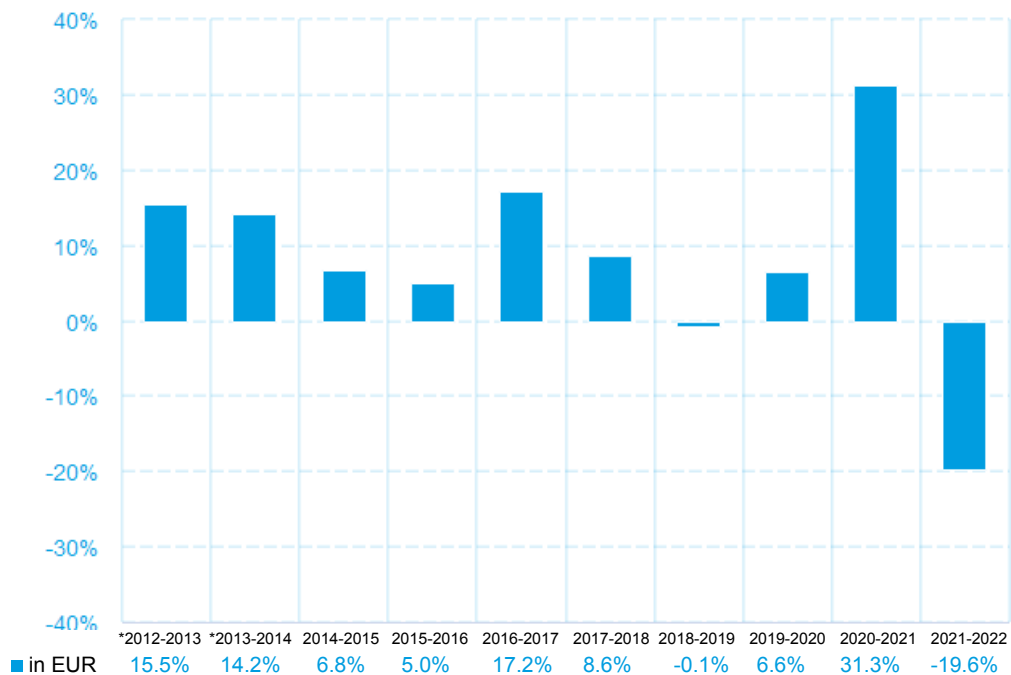
BE0175717504  
KBC Eco Fund Impact Investing Classic Shares DIS  
Annual performance on 31/08/2022 (in EUR)



\* These performances were achieved under circumstances that no longer apply

### Classic Shares

BE0175718510  
KBC Eco Fund Impact Investing Classic Shares CAP  
Annual performance on 31/08/2022 (in EUR)



\* These performances were achieved under circumstances that no longer apply

Cap Div	ISIN Code	Curr ency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
DIS	BE0175717504	EUR	-19.64%		3.99%		4.05%		7.76%		29/12/2000	1.73%
CAP	BE0175718510	EUR	-19.64%		3.99%		4.05%		7.78%		29/12/2000	1.75%

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.

### Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

#### Capitalisation units (CAP)

Return on date D over a period of X years :

$$[\text{NIW}(D) / \text{NIW}(Y)]^{[1 / X]} - 1$$

where Y = D-X

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{[1 / F]} - 1$$

where F = 1 if the unit has existed for less than one year on date D

where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D

#### Distribution units (DIV)

Return on date D over a period of X years :

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{[1 / X]} - 1$$

where Y = D-X

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{[1 / F]} - 1$$

where F = 1 if the unit has existed for less than one year on date D

where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [\text{Wi} / \text{NIW}(D_i)] + 1$$

i = 1 ... N

from which C = C0 \* .... \* CN.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares

Dividend on ex-dividend date 30/11/2022: 8,2226 net (11,7466 gross).

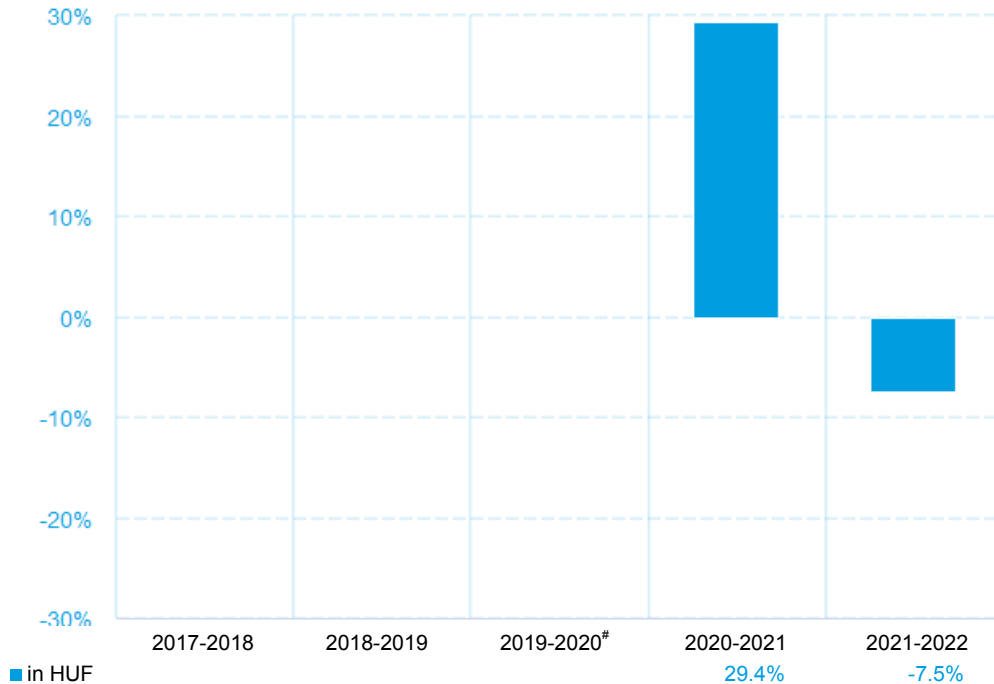
In accordance with the Royal Decree of 10 November 2006 on the accounting and the annual accounts of certain public collective investment undertakings, investors are informed that the General Meeting of the fund will decide to pay a dividend despite the fact that a negative 'result available for appropriation' was recorded for the corresponding financial year.

Investors are also informed that the dividend to be paid stems directly from the interest, dividends and realised capital gains received from the investments made during the financial year corresponding to the dividend to be paid out.

## K&H Classic Shares HUF

BE6315653806  
KBC Eco Fund Impact Investing K&H Classic Shares HUF CAP  
Annual performance on 31/08/2022 (in HUF)

If the results are expressed in a currency other than the euro, the return may be higher or lower due to exchange rate fluctuations.



# There is insufficient data for this year to give investors a useful indication of past performance.

Cap Div	ISIN Code	Curr ency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
CAP	BE6315653806	HUF	-7.51%		%		%		%		23/09/2019	9.93%

Risk warning: Past performance is not a guide to future performance.

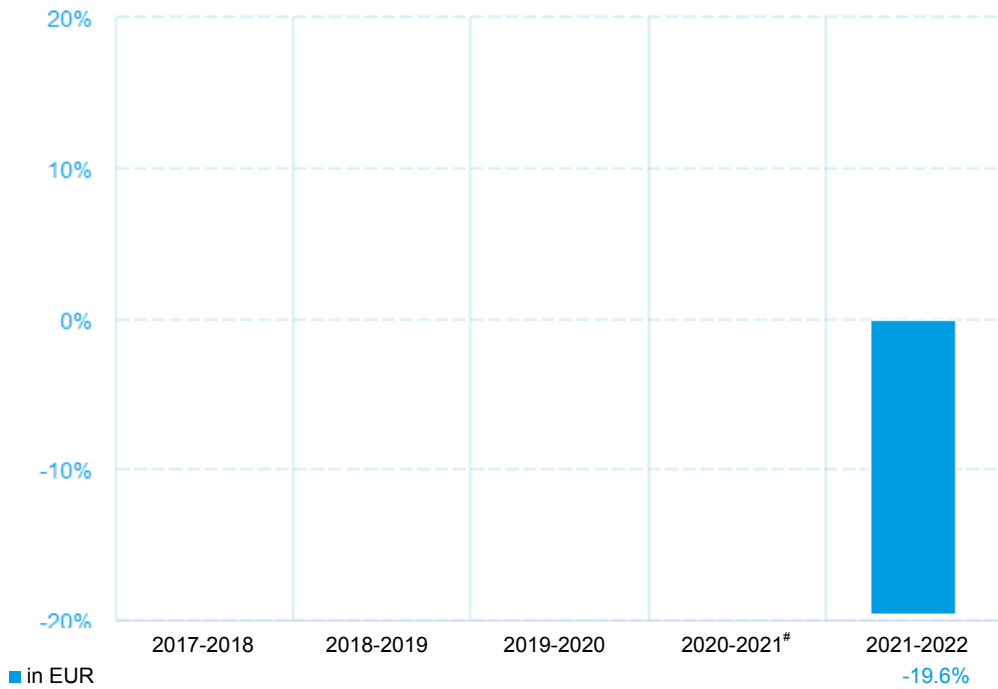
\* Return on annual basis.

## K&H Classic Shares HUF

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in HUF and in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:  
Capitalisation units (CAP)  
Return on date D over a period of X years :  
$$\left[ \frac{NIW(D)}{NIW(Y)} \right]^{1/X} - 1$$
  
where Y = D-X
- Return on date D since the start date S of the unit:  
$$\left[ \frac{NIW(D)}{NIW(S)} \right]^{1/F} - 1$$
  
where F = 1 if the unit has existed for less than one year on date D  
where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation shares.

**Institutional F Shares LU**

BE6327153373  
 KBC Eco Fund Impact Investing Institutional F Shares LU CAP  
 Annual performance on 31/08/2022 (in EUR)



# There is insufficient data for this year to give investors a useful indication of past performance.

Cap Div	ISIN Code	Curr ency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
CAP	BE6327153373	EUR	-19.58%		%		%		%		09/04/2021	-9.89%

Risk warning: Past performance is not a guide to future performance.  
 \* Return on annual basis.

**Institutional F Shares LU**

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:  
Capitalisation units (CAP)  
 Return on date D over a period of X years :  

$$[NIW(D) / NIW(Y)]^{[1 / X]} - 1$$
 where Y = D-X  
 Return on date D since the start date S of the unit:  

$$[NIW(D) / NIW(S)]^{[1 / F]} - 1$$
 where F = 1 if the unit has existed for less than one year on date D  
 where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation shares.

## 2.4.6. Costs

### Ongoing Charges and Transaction costs:

#### Classic Shares Distribution :

Ongoing charges : 1,747%  
Transaction costs: 0,023%

#### Classic Shares Capitalisation :

Ongoing charges : 1,747%  
Transaction costs: 0,023%

#### K&H Classic Shares HUF Capitalisation :

Ongoing charges : 1,809%  
Transaction costs: 0,023%

#### Institutional F Shares LU Capitalisation :

Ongoing charges : 1,672%  
Transaction costs: 0,023%

Percentage calculated at reporting date: 31 August 2022 .

A more detailed explanation with respect to the method of calculating ongoing charges and the relevant exclusions can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.5. Ongoing charges'

More information on how transaction costs are calculated: the transaction costs are not included in the ongoing charges, but are instead shown separately. Moreover, this does not fully reflect the actual transaction costs as only the explicit transaction costs are given.

### Existence of Commission Sharing Agreements

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.7. Commission Sharing Agreements'.

No CSA accrual during this period.

### Existence of fee sharing agreements and rebates

The management company has shared 54,50% of its fee with the distributor, and institutional and/or professional parties.

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.6. Fee-sharing agreements and rebates'.

## 2.4.7. Notes to the financial statements and other data

### Classic Shares

Fee for managing the investment portfolio	Max 1.50%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.  (* ) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year.
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund.
Fee for financial services	-	-
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Annual tax	See prospectus General Part : 'Information concerning the Bevek - H. Tax treatment'	
Other charges (estimation) such as the regulator's fees, the cost of publication	0.10%	of the net assets of the sub-fund per year.

and any marketing costs

### **K&H Classic Shares HUF**

Fee for managing the investment portfolio	Max 1.80%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.  (* The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year.
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund.
Fee for financial services	-	-
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Annual tax	See prospectus General Part : 'Information concerning the Bevek - H. Tax treatment'	
Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs	0.10%	of the net assets of the sub-fund per year.

### **Institutional F Shares LU**

Fee for managing the investment portfolio	Max 1.50%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.  (* The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year.
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund.
Fee for financial services	-	-
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Annual tax	See prospectus General Part : 'Information concerning the Bevek - H. Tax treatment'	
Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs	0.10%	of the net assets of the sub-fund per year.

### **Anti-dilution levy**

During the past reporting period, no anti-dilution levy, as described in the general information on the Bevek of this report, under title 1.2.1.9. *Non-recurring fees and charges borne by the investor*, was charged in favor of this sub-fund.

### ***Exercising voting rights***

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.



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## 2. Information on KBC Eco Fund Water

### 2.1. Management report

#### 2.1.1. Launch date and subscription price

##### **Classic Shares Distribution**

Launch date:	1 December 2000
Initial subscription price:	500 EUR
Currency:	EUR

##### **Classic Shares Capitalisation**

Launch date:	1 December 2000
Initial subscription price:	500 EUR
Currency:	EUR

##### **Institutional B Shares Capitalisation**

Launch date:	25 November 2011
Initial subscription price:	549.15 EUR
Currency:	EUR

#### 2.1.2. Stock exchange listing

Not applicable.

#### 2.1.3. Goal and key principles of the investment policy

##### Object of the sub-fund

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

##### Sub-fund's investment policy

###### *Permitted asset classes*

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

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

###### *Restrictions of the investment policy*

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

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

## Permitted derivatives transactions

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

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

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

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

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

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

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

## Strategy selected

The total assets of the sub-fund are invested, to the maximum extent possible, in shares of companies operating in the water sector in a socially responsible way.

These companies have to realize a substantial proportion of their turnover in this sector.

The sub-fund invests in socially responsible assets. Socially Responsible Investing (SRI), has a positive impact on society, the environment and the world we live in. It is aligned with today's social and economic needs, without jeopardising the needs of future generations. The sub-fund promotes a combination of environmental and social characteristics, namely providing access to and improving the efficiency of clean water facilities, but is not a sustainable investment within the meaning of Article 2(17) of the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector. However, the concrete contribution to these characteristics is not measured by indicators. The companies in which it invests must follow good governance practices.

Specialised researchers of KBC Asset Management NV compile a universe of socially responsible companies. They are assisted by an advisory board (i.e. the 'SRI Advisory Board') comprised of up to twelve persons, who are not affiliated to KBC Asset Management NV, and whose sole responsibility is to supervise the methodology and activities of the specialist researchers of KBC Asset Management NV. The secretariat of the advisory board is provided by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with a data supplier with expertise in SRI that provides data to the specialised researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The fund manager then strives to invest as much as possible in assets that form part of this universe. In order to create this socially responsible universe, the companies are subjected to a negative and positive screening procedure.

### Negative screening

Negative screening entails specific criteria that exclude companies in advance from the socially responsible universe.

On top of the exclusion criteria set out under 'Social, ethical and environmental aspects', the companies are assessed against additional SRI exclusion criteria which are available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for socially responsible investment funds.

The most important exclusion criteria relate on the one hand to controversial activities (tobacco, gambling, weapons, fur and speciality leather and adult entertainment). Companies involved in such controversial activities are excluded. On the other hand, the screening for controversies ensures that companies who seriously violate the basic principles in terms of the environment, social aspects or good governance are excluded. This list is not exhaustive and can be adapted under the supervision of the Advisory Board.

### Positive screening

Positive screening entails creating a universe of companies that operate in the water sector in a socially responsible manner. This includes, for example, the following business activities: companies active in the field of water and wastewater services, water purification technology and consultancies in the field of environmental management. Companies that focus at least 50% of their activities on this objective or that are market leaders in the relevant field(s) are eligible for the universe provided that these activities represent a significant part of their turnover.

It cannot be ruled out, however, that very limited investments may be made temporarily in assets that do not meet the above criteria. The reasons for this include the following:

- developments as a result of which a company can no longer be regarded as socially responsible after purchase on the basis of the above criteria;
- corporate events, such as a merger of one company with another, where the merged company can no longer be considered a socially responsible company on the basis of the above criteria;
- incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets that do not have a socially responsible nature;
- a planned update of the socially responsible universe in which assets are no longer labelled as socially responsible but in which the fund manager chooses not to sell them immediately in the interest of the customer due to transaction charges.

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

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets which are not of a socially responsible nature, to the extent that no workable and comparable socially responsible alternative is available on the market for these derivatives. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a socially responsible nature.

The fund is actively managed without referring to any benchmark.

The socially responsible character is guaranteed by the aforementioned SRI screening.

### **Securities Financing Transactions (SFTs)**

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.1. Securities Financing Transactions (SFTs)'.

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

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.2. General strategy for hedging the exchange rate risk'.

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

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.3. Social, ethical and environmental aspects'.

## **2.1.4. Financial portfolio management**

There is no delegation of the management of the asset allocation.

## **2.1.5. Distributors**

IVESAM NV, Havenlaan 2, B-1080 Brussels.

## **2.1.6. Index and benchmark**

Not applicable.

## **2.1.7. Policy pursued during the financial year**

In line with the defined strategy, the fund invests in a selection of shares issued by companies with exposure to the water industry.

## **2.1.8. Future policy**

In line with the defined strategy, the fund invests in a selection of shares issued by companies with exposure to the water industry.

## **2.1.9. Synthetic risk and reward indicator (SRRI)**

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk)

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk)

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.4. Synthetic risk and reward indicator'

The synthetic risk indicator gives an idea of the risk associated with investing in an undertaking for collective investment or a sub-fund. It measures risk on a scale of one (least risk) to seven (most risk).

## **2.1.10. Leveraged finance**

The total amount of leveraged finance used by the sub-fund is 10.81 EUR.

This amount was calculated by multiplying the leverage ratio calculated using the UCITS-commitment method by the sub-fund's total assets under management.

## **2.1.11. Value-at-Risk**

Not applicable

## 2.2. Balance sheet

Balance sheet layout		31/08/2022 (in Euro)	31/08/2021 (in Euro)
	<b>TOTAL NET ASSETS</b>	1,166,035,319.55	1,181,114,803.55
<b>II.</b>	<b>Securities, money market instruments, UCIs and derivatives</b>		
C.	Shares and similar instruments		
a)	Shares	1,155,500,440.69	1,182,281,391.44
D.	Other securities	47,506.14	
<b>IV.</b>	<b>Receivables and payables within one year</b>		
A.	Receivables		
a)	Accounts receivable	481,906.40	980,682.45
B.	Payables		
a)	Accounts payable (-)	-4,143,348.64	-275,423.42
c)	Borrowings (-)	-6.41	-2,035,958.40
<b>V.</b>	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	14,716,353.66	599,857.76
<b>VI.</b>	<b>Accruals and deferrals</b>		
B.	Accrued income	886,279.19	920,486.74
C.	Accrued expense (-)	-1,453,811.48	-1,356,233.02
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	1,166,035,319.55	1,181,114,803.55
<b>A.</b>	<b>Capital</b>	1,299,508,203.95	791,192,098.00
<b>B.</b>	<b>Income equalization</b>	762,407.40	-3,729.50
<b>D.</b>	<b>Result of the bookyear</b>	-134,235,291.80	389,926,435.05

## 2.3. Profit and loss account

Income Statement		31/08/2022 (in Euro)	31/08/2021 (in Euro)
<b>I.</b>	<b>Net gains(losses) on investments</b>		
C.	Shares and similar instruments		
	a) Shares	-221,881,796.20	373,663,044.83
D.	Other securities	4,833.23	
H.	Foreign exchange positions and transactions		
	b) Other foreign exchange positions and transactions	90,750,695.86	8,202,633.69
	<b>Det.section I gains and losses on investments</b>		
	Realised gains on investments	55,900,452.76	109,422,318.13
	Unrealised gains on investments	-123,534,257.79	244,399,175.06
	Realised losses on investments	-6,273,233.17	-29,669,862.87
	Unrealised losses on investments	-57,219,228.91	57,714,048.20
<b>II.</b>	<b>Investment income and expenses</b>		
A.	Dividends	17,692,506.24	24,760,537.79
B.	Interests		
	b) Cash at bank and in hand and deposits	3,022.83	82.02
C.	Interest on borrowings (-)	-47,798.58	-34,427.19
<b>III.</b>	<b>Other income</b>		
A.	Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	7,653.81	140,483.22
<b>IV.</b>	<b>Operating expenses</b>		
A.	Investment transaction and delivery costs (-)	-242,701.41	-535,434.73
B.	Financial expenses (-)	-3,009.33	-1,032.35
C.	Custodian's fee (-)	-462,535.09	-380,826.51
D.	Manager's fee (-)		
	a) Financial management		
	Classic Shares	-17,724,708.51	-13,597,065.76
	Institutional B Shares	-21,960.74	-238,247.98
	b) Administration and accounting management	-1,163,633.92	-985,888.39
E.	Administrative expenses (-)	-995.39	-997.72
F.	Formation and organisation expenses (-)	-9,312.85	-15,043.67
G.	Remuneration, social security charges and pension	-19,593.49	-16,897.22
H.	Services and sundry goods (-)	-23,259.51	-23,480.45
J.	Taxes		
	Classic Shares	-1,032,752.42	-955,061.65
	Institutional B Shares	-37.72	-6,695.97
L.	Other expenses (-)	-59,908.61	-49,246.91
	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	-3,109,024.70	8,060,756.53
<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	-134,235,291.80	389,926,435.05
<b>VII.</b>	<b>Result of the bookyear</b>	-134,235,291.80	389,926,435.05



<b>Appropriation Account</b>		<b>31/08/2022</b> (in Euro)	<b>31/08/2021</b> (in Euro)
<b>I.</b>	<b>Profit to be appropriated</b>	-133,472,884.40	389,922,705.55
	Profit for the period available for appropriation	-134,235,291.80	389,926,435.05
	Income on the creation of shares (income on the cancellation of shares)	762,407.40	-3,729.50
<b>II.</b>	<b>(Appropriations to) Deductions from capital</b>	137,327,943.43	-384,481,027.99
<b>IV.</b>	<b>(Dividends to be paid out)</b>	-3,855,059.03	-5,441,677.56

## 2.4. Composition of the assets and key figures

### 2.4.1. Composition of the assets of KBC Eco Fund Water

Name	Quantity on 31/08/2022	Currency	Price in currency	Evaluation (in Euro)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Austria</u>							
ANDRITZ AG -	487,279.00	EUR	45.980	22,405,088.42		1.94	1.92
WIENERBERGER AG (WIEN)	610,640.00	EUR	23.340	14,252,337.60		1.23	1.22
<u>Belgium</u>							
EKOPAK NV -	120,416.00	EUR	20.700	2,492,611.20		0.22	0.21
<u>Bermuda</u>							
CONSOLIDATED WATER CO LTD -	133,465.00	USD	16.200	2,150,199.39		0.19	0.18
<u>Canada</u>							
PRIMO WATER CORP -	1,326,366.00	CAD	17.250	17,374,413.10		1.50	1.49
<u>Cayman Islands</u>							
CT ENVIRONMENTAL GROUP LTD -	27,048,000.00	HKD	0.010	34,270.90		0.00	0.00
<u>Chile</u>							
AGUAS ANDINAS SA -	19,323,219.00	CLP	196.340	4,226,955.83		0.37	0.36
INVERSIONES AGUAS METROPOLITAN -	637,407.00	CLP	452.990	321,695.43		0.03	0.03
<u>Finland</u>							
UPONOR OYJ -	210,002.00	EUR	14.950	3,139,529.90		0.27	0.27
<u>France</u>							
EUROFINS SCIENTIFIC -	241,231.00	EUR	69.100	16,669,062.10		1.44	1.43
<u>Germany</u>							
NORMA GROUP -	53,730.00	EUR	15.660	841,411.80		0.07	0.07
<u>Hong Kong</u>							
BEIJING ENTERPRISES WATER GROUP LTD -	20,000,000.00	HKD	2.020	5,118,841.30		0.44	0.44
CHINA EVERBRIGHT INTL -	27,057,873.00	HKD	3.890	13,336,244.70		1.15	1.14
CHINA WATER AFFAIRS GROUP LTD -	7,566,250.00	HKD	7.160	6,864,106.44		0.59	0.59
<u>India</u>							
THERMAX LTD -	249,502.00	INR	2,416.350	7,545,564.79		0.65	0.65
<u>Ireland</u>							
PENTAIR PLC -	690,982.00	USD	44.500	30,578,985.63		2.65	2.62
<u>Japan</u>							
KUBOTA CORP -	2,182,000.00	JPY	2,175.500	34,054,037.00		2.95	2.92
KURITA WATERIndustr. -	901,800.00	JPY	5,460.000	35,323,005.05		3.06	3.03
NOMURA MICRO SCIENCE CO LTD -	245,200.00	JPY	3,710.000	6,526,031.19		0.56	0.56
ORGANO CORPORATION -	106,500.00	JPY	9,320.000	7,120,660.66		0.62	0.61
TORISHIMA PUMP MANUFACTURING CO -	213,100.00	JPY	1,469.000	2,245,742.80		0.19	0.19
TSUKISHIMA KIKAI CO LTD -	150,500.00	JPY	918.000	991,137.60		0.09	0.09
TSURUMI MANUFACTURING CO LTD -	55,700.00	JPY	2,150.000	859,109.31		0.07	0.07
<u>Netherlands</u>							
AALBERTS NV (AMS)	466,588.00	EUR	36.560	17,058,457.28		1.48	1.46
ARCADIS N.V. (AMS)	436,647.00	EUR	31.820	13,894,107.54		1.20	1.19
NX FILTRATION NV -	20,096.00	EUR	10.480	210,606.08		0.02	0.02
<u>Philippines</u>							
MANILA WATER CO -	5,661,600.00	PHP	15.500	1,554,099.35		0.13	0.13
<u>Singapore</u>							
SOUND GLOBAL LTD -	2,051,000.00	HKD		0.00		0.00	0.00
<u>South Korea</u>							
WOONGJIN COWAY CO LTD -	429,797.00	KRW	63,700.000	20,355,844.14		1.76	1.75
<u>Spain</u>							
FLUIDRA SA -	309,806.00	EUR	15.950	4,941,405.70		0.43	0.42
<u>Sweden</u>							
INDUTRADE AB -	935,127.00	SEK	198.200	17,334,229.94		1.50	1.49
SWECO AB -	723,620.00	SEK	100.700	6,815,070.28		0.59	0.58

<u>Switzerland</u>							
FERGUSON PLC -	295,647.00	GBP	99.860	34,163,714.21		2.96	2.93
GEBERIT AG -	69,112.00	CHF	452.900	31,895,142.20		2.76	2.74
GEORG.FISCHER (NAAM)	506,060.00	CHF	53.200	27,433,574.89		2.37	2.35
LANDIS+GYR GROUP AG -	232,264.00	CHF	57.100	13,514,088.86		1.17	1.16
<u>U.K.</u>							
GENUIT GROUP PLC -	1,081,794.00	GBP	3.600	4,506,580.27		0.39	0.39
HALMA PLC -	763,286.00	GBP	20.750	18,327,593.33		1.59	1.57
PENNON GROUP PLC -	1,849,118.00	GBP	9.340	19,985,340.16		1.73	1.71
RPS GROUP -	517,004.00	GBP	2.110	1,262,340.16		0.11	0.11
SEVERN TRENT -	1,159,814.00	GBP	27.870	37,404,629.52		3.24	3.21
UNITED UTILITIES WATER PLC -	2,836,542.00	GBP	10.565	34,678,376.86		3.00	2.97
<u>U.S.A.</u>							
ADVANCED DRAINAGE SYSTEMS INC -	126,203.00	USD	135.700	17,031,223.81		1.47	1.46
AGILENT TECHNOLOGIES -	268,712.00	USD	128.250	34,272,103.82		2.97	2.94
AMERICAN WATER WORKS INC. -	292,071.00	USD	148.450	43,118,631.54		3.73	3.70
AO SMITH CORP -	588,216.00	USD	56.450	33,021,523.74		2.86	2.83
ARTESIAN RESOURCES CORP -A-	72,774.00	USD	54.630	3,953,700.58		0.34	0.34
BADGER METER INC -	174,586.00	USD	94.690	16,440,304.65		1.42	1.41
CALIFORNIA WATER SERVICE GROUP -	385,517.00	USD	58.530	22,439,769.29		1.94	1.92
DANAHER CORPORATION -	145,794.00	USD	269.910	39,134,064.48		3.39	3.36
ENERGY RECOVERY INC -	665,387.00	USD	22.940	15,179,730.28		1.31	1.30
EVOQUA WATER TECHNOLOGIES CORP -	791,515.00	USD	35.080	27,613,093.53		2.39	2.37
FRANKLIN ELECTRIC CO INC -	230,219.00	USD	86.850	19,884,163.05		1.72	1.71
GORMAN-RUPP CO/THE -	122,623.00	USD	26.410	3,220,599.10		0.28	0.28
ITRON INC -	338,718.00	USD	47.580	16,027,251.20		1.39	1.38
LINDSAY MANUFACTURING CO -	184,944.00	USD	160.360	29,493,928.54		2.55	2.53
MIDDLESEX WATER CO -	171,959.00	USD	88.770	15,180,548.39		1.31	1.30
MUELLER WATER PRODUCTS INC -A-	1,371,576.00	USD	11.280	15,385,985.06		1.33	1.32
NORTHWEST PIPE COMPANY -	77,769.00	USD	31.660	2,448,576.94		0.21	0.21
PERKINELMER, INC. -	159,889.00	USD	135.060	21,475,419.76		1.86	1.84
PURE CYCLE CORP -	201,627.00	USD	10.320	2,069,305.99		0.18	0.18
SJW GROUP -	286,798.00	USD	64.300	18,339,328.13		1.59	1.57
STANTEC INC -	259,564.00	CAD	62.330	12,285,681.39		1.06	1.05
THE TORO COMPANY -	406,948.00	USD	82.930	33,561,928.93		2.90	2.88
THERMO ELECTRONIC -	69,645.00	USD	545.320	37,769,192.38		3.27	3.24
VALMONT INDUSTRIES -	110,888.00	USD	276.820	30,526,593.57		2.64	2.62
WATERS CORP -	104,007.00	USD	298.600	30,885,078.02		2.67	2.65
WATTS WATER TECHNOLOGIES INC A	224,760.00	USD	138.520	30,961,916.56		2.68	2.66
XYLEM INC/NY -	449,206.00	USD	91.100	40,696,799.36		3.52	3.49
YORK WATER CO -	74,959.00	USD	43.970	3,277,755.69		0.28	0.28
Total shares				1,155,500,440.69		100.00	99.10
<b>Rights</b>							
<u>Australia</u>							
G.U.D. HOLDINGS LTD -	183,371.00	AUD	0.380	47,506.14		0.00	0.00
Total rights				47,506.14		0.00	0.00
TOTAL SECURITIES PORTFOLIO				1,155,547,946.83		100.00	99.10
CASH AT BANK AND IN HAND							
<b>Demand accounts</b>							
<u>Belgium</u>							
KBC GROUP AUD	-9.40	AUD	1.000	-6.41		0.00	0.00
KBC GROUP CAD	156.58	CAD	1.000	118.90		0.00	0.00
KBC GROUP CHF	0.20	CHF	1.000	0.20		0.00	0.00
KBC GROUP EURO	13,541,134.95	EUR	1.000	13,541,134.95		0.00	1.16
KBC GROUP GBP	598.78	GBP	1.000	692.89		0.00	0.00
KBC GROUP HKD	2,762.96	HKD	1.000	350.08		0.00	0.00
KBC GROUP JPY	40,652,188.00	JPY	1.000	291,634.36		0.00	0.03
KBC GROUP MXN	11,144.51	MXN	1.000	551.06		0.00	0.00
KBC GROUP SEK	119,236.30	SEK	1.000	11,151.64		0.00	0.00
KBC GROUP SGD	12,160.60	SGD	1.000	8,668.54		0.00	0.00
KBC GROUP USD	866,835.42	USD	1.000	862,051.04		0.00	0.07
Total demand accounts				14,716,347.25		0.00	1.26
TOTAL CASH AT BANK AND IN HAND				14,716,347.25		0.00	1.26
OTHER RECEIVABLES AND PAYABLES							
<b>Receivables</b>							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	481,906.40	EUR	1.000	481,906.40		0.00	0.04
Total receivables				481,906.40		0.00	0.04
<b>Payables</b>							
<u>Belgium</u>							
KBC GROUP EUR PAYABLE	-3,684,502.75	EUR	1.000	-3,684,502.75		0.00	-0.32
KBC GROUP KRW PAYABLE	-617,135,513.00	KRW	1.000	-458,845.89		0.00	-0.04
Payables				-4,143,348.64		0.00	-0.36

TOTAL RECEIVABLES AND PAYABLES				-3,661,442.24		0.00	-0.31
OTHER							
Interest receivable		EUR		886,279.19		0.00	0.08
Expenses payable		EUR		-1,453,811.48		0.00	-0.12
TOTAL OTHER				-567,532.29		0.00	-0.05
TOTAL NET ASSETS				1,166,035,319.55		0.00	100.00

### Geographic breakdown (as a % of securities portfolio)

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
Australia	0.36	0.36	0.00	0.00
Austria	2.54	3.42	3.18	3.14
Belgium	1.44	0.10	-0.08	1.14
Bermuda	0.13	0.13	0.10	0.18
Brazil	2.32	0.00	0.00	0.00
Canada	0.00	1.69	1.52	1.49
Switzerland	10.99	11.78	13.38	11.79
Chile	0.28	0.35	0.35	0.39
China	0.12	0.00	0.00	0.00
Germany	0.00	0.14	0.14	0.07
Spain	0.00	0.42	0.69	0.42
Finland	0.78	0.51	0.37	0.27
France	1.97	2.02	1.80	1.43
U.K.	10.21	10.89	11.02	10.00
Hong Kong	3.06	4.41	3.14	2.17
India	2.38	1.63	0.47	0.65
Japan	7.31	5.77	7.09	7.46
South Korea	1.20	1.86	1.82	1.74
Netherlands	2.23	3.63	3.64	2.67
Philippines	0.15	0.16	0.17	0.13
Sweden	4.51	2.95	2.32	2.06
Thailand	0.33	0.00	0.00	0.00
U.S.A.	47.69	47.78	48.88	52.80
TOTAL	100.00	100.00	100.00	100.00

### Sector breakdown (as a % of securities portfolio)

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
Cyclicals	52.51	55.43	53.22	52.09
Consum(cycl)	4.89	4.14	5.73	5.81
Cons.goods	0.00	1.69	1.52	1.49
Pharma	8.23	6.41	6.87	7.31
Financials	1.54	-0.06	(0.27)	0.93
Technology	5.25	5.88	8.10	7.35
Telecomm.	2.13	0.90	1.65	1.46
Utilities	25.45	25.61	23.18	23.56
TOTAL	100.00	100.00	100.00	100.00

### Currency breakdown (as a % of net assets)

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
AUSTRALIAN DOLLAR	0.36	0.36	0.00	0.00
BRASILIAN REAL	2.32	0.00	0.00	0.00
CANADIAN DOLLAR	0.00	2.60	2.54	2.54
SWISS FRANC	6.28	7.45	7.19	6.24
CHILEAN PESO	0.28	0.35	0.35	0.39
EURO	8.79	10.27	9.81	9.09
POUND STERLING	12.46	12.37	14.35	12.93
HONG KONG DOLLAR	3.19	4.41	3.15	2.17
INDIE RUPEE	2.38	1.63	0.47	0.65
JAPANESE YEN	7.31	5.78	7.08	7.48
KOREAN WON	1.20	1.86	1.82	1.70
PESO	0.15	0.16	0.17	0.13
SWEDISH KRONA	4.51	2.95	2.32	2.06
THAI BATH	0.33	0.00	0.00	0.00
US DOLLAR	50.44	49.81	50.75	54.62
TOTAL	100.00	100.00	100.00	100.00

### 2.4.2. Changes in the composition of the assets of KBC Eco Fund Water (in Euro)

	1 <sup>st</sup> half of year	2 <sup>nd</sup> half of year	Year
<b>Purchases</b>	224,516,940.86	47,690,147.23	272,207,088.10
<b>Sales</b>	155,336,017.10	12,430,496.40	167,766,513.51
<b>Total 1</b>	379,852,957.97	60,120,643.63	439,973,601.60
<b>Subscriptions</b>	135,042,889.25	87,185,784.30	222,228,673.55
<b>Redemptions</b>	60,147,862.64	38,862,076.74	99,009,939.38
<b>Total 2</b>	195,190,751.89	126,047,861.04	321,238,612.93
<b>Monthly average of total assets</b>	1,183,438,290.57	1,140,188,799.65	1.161.724.554.38
<b>Turnover rate</b>	15.60%	-5.78%	10.22%

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions can be consulted free of charge at the company designated as financial service:  
KBC Bank NV, Havenlaan 2, B-1080 Brussels

### 2.4.3. Amount of commitments in respect of financial derivatives positions

Nil

### 2.4.4. Changes in the number of subscriptions and redemptions and the net asset value

## Classic Shares

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2020 - 08*	94,453.57	104,359.91	27,835.90	22,086.15	353,087.87	194,208.77	547,296.64
2021 - 08*	99,202.10	38,250.01	40,331.95	72,079.25	411,958.02	160,379.53	572,337.55
2022 - 08*	88,523.67	24,526.91	36,802.68	12,592.51	463,679.01	172,313.93	635,992.94

Period	Amounts received and paid by the UCITS (in Euro)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2020 - 08*	141,683,180.62	119,920,714.36	41,967,369.52	23,207,685.38
2021 - 08*	183,873,679.59	50,827,898.20	71,308,198.58	87,979,901.43
2022 - 08*	183,883,706.70	36,774,298.47	76,475,251.18	18,999,318.56

Period	Net asset value End of period (in Euro)		
	Of the class	Of one share	
		Capitalization	Distribution
2020 - 08*	740,916,429.71	1,492.66	1,101.28
2021 - 08*	1,173,763,129.67	2,219.90	1,616.53
2022 - 08*	1,159,922,629.80	1,977.70	1,409.67

\*The financial year does not coincide with the calendar year.

## Institutional B Shares

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2020 - 08*	25,951.67		106,728.02		55,406.09		55,406.09
2021 - 08*	7,394.17		59,616.00		3,184.26		3,184.26
2022 - 08*	1,308.60		1,559.86		2,933.00		2,933.00

Period	Amounts received and paid by the UCITS (in Euro)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2020 - 08*	42,038,842.11		149,743,978.15	
2021 - 08*	13,222,138.09		120,650,043.61	
2022 - 08*	2,860,389.81		3,363,225.86	

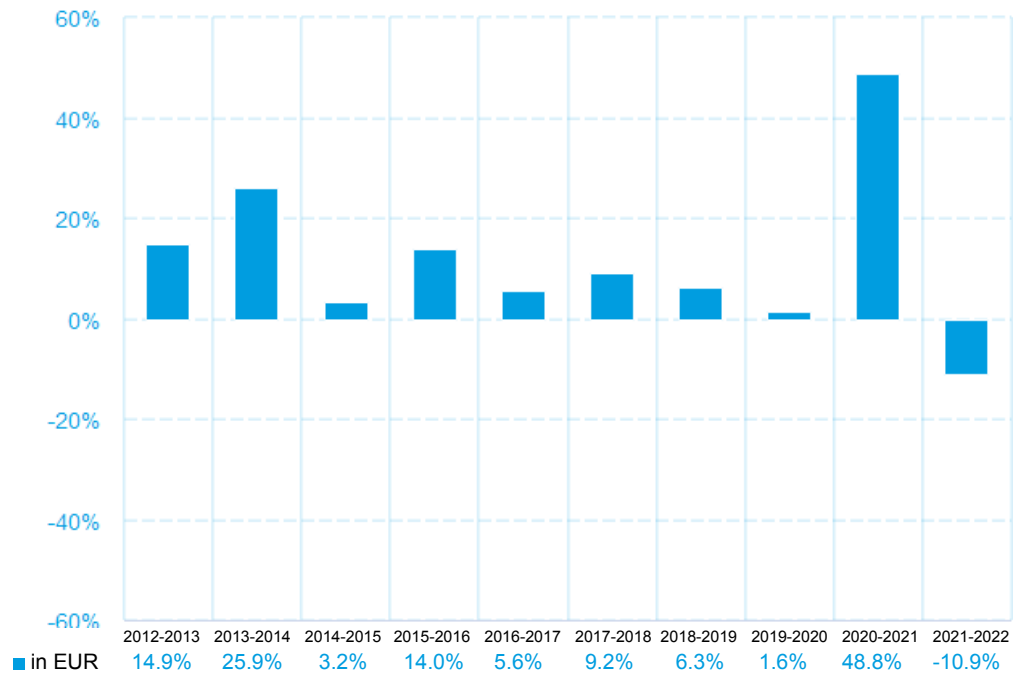
Period	Net asset value End of period (in Euro)		
	Of the class	Of one share	
		Capitalization	Distribution
2020 - 08*	84,884,445.60	1,532.04	
2021 - 08*	7,351,673.88	2,308.75	
2022 - 08*	6,112,689.76	2,084.11	

\*The financial year does not coincide with the calendar year.

## 2.4.5. Performance figures

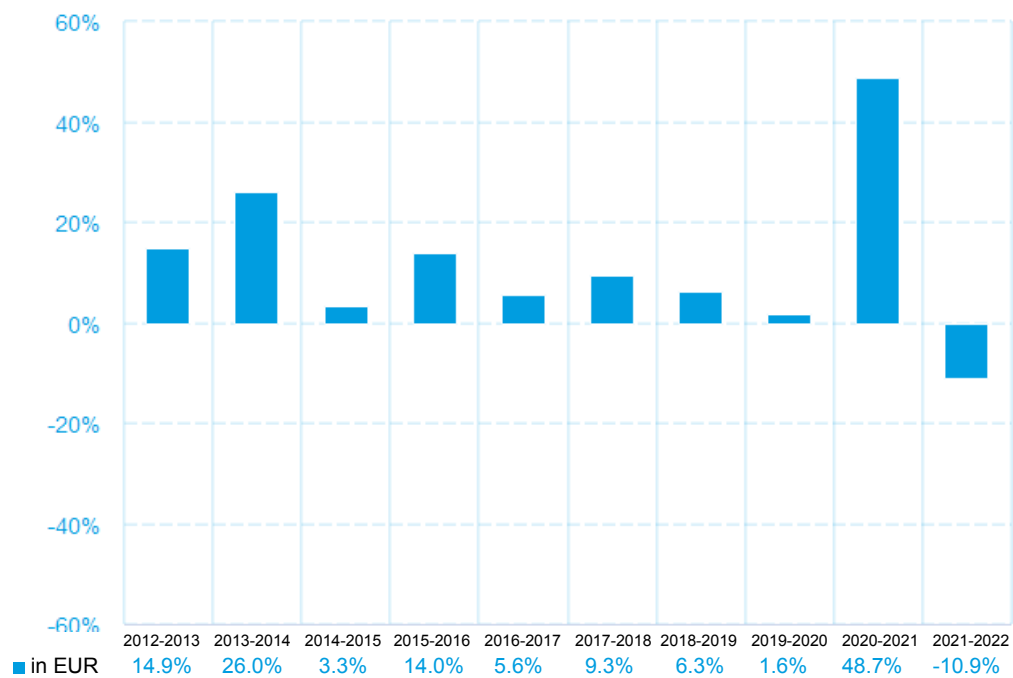
### Classic Shares

BE0175478057  
KBC Eco Fund Water Classic Shares DIS  
Annual performance on 31/08/2022 (in EUR)



### Classic Shares

BE0175479063  
KBC Eco Fund Water Classic Shares CAP  
Annual performance on 31/08/2022 (in EUR)



Cap Div	ISIN Code	Curr ency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
DIS	BE0175478057	EUR	-10.91%		10.42%		9.35%		10.89%		01/12/2000	6.51%
CAP	BE0175479063	EUR	-10.91%		10.43%		9.37%		10.91%		01/12/2000	6.53%

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.

### Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

#### Capitalisation units (CAP)

Return on date D over a period of X years :

$$[\text{NIW}(D) / \text{NIW}(Y)]^{[1 / X]} - 1$$

where Y = D-X

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{[1 / F]} - 1$$

where F = 1 if the unit has existed for less than one year on date D

where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D

#### Distribution units (DIV)

Return on date D over a period of X years :

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{[1 / X]} - 1$$

where Y = D-X

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{[1 / F]} - 1$$

where F = 1 if the unit has existed for less than one year on date D

where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [\text{Wi} / \text{NIW}(D_i)] + 1$$

i = 1 ... N

from which C = C0 \* ... \* CN.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares

Dividend on ex-dividend date 30/11/2022: 15,6606 net (22,3723 gross).

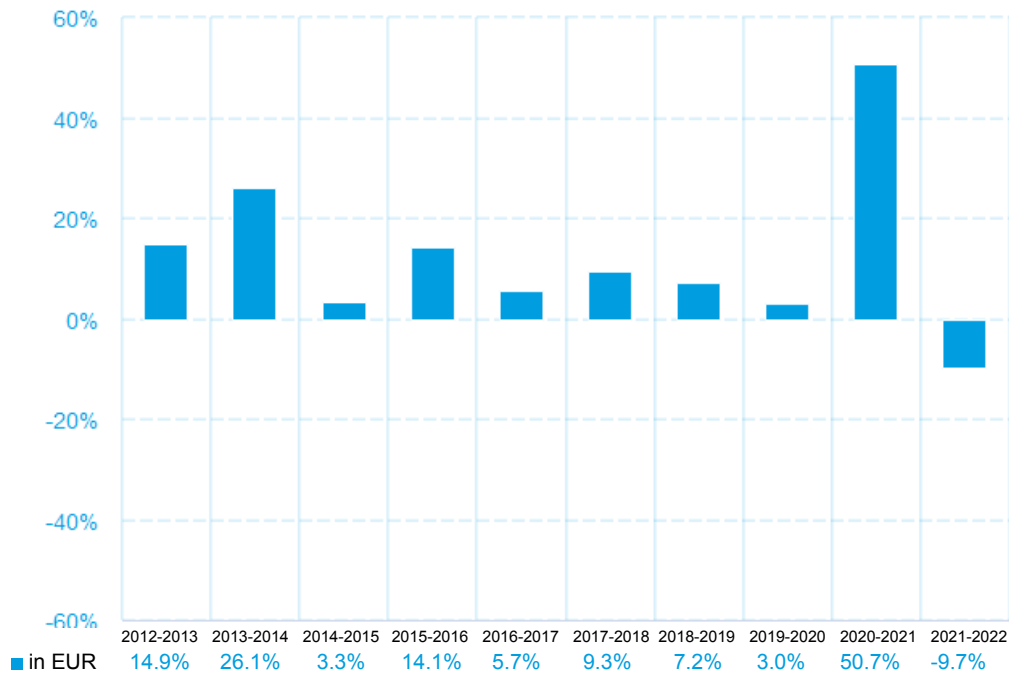
In accordance with the Royal Decree of 10 November 2006 on the accounting and the annual accounts of certain public collective investment undertakings, investors are informed that the General Meeting of the fund will decide to pay a dividend despite the fact that a negative 'result available for appropriation' was recorded for the corresponding financial year.

Investors are also informed that the dividend to be paid stems directly from the interest, dividends and realised capital gains received from the investments made during the financial year corresponding to the dividend to be paid out.



## Institutional B Shares

BE6228912570  
KBC Eco Fund Water Institutional B Shares CAP  
Annual performance on 31/08/2022 (in EUR)



Cap Div	ISIN Code	Curr ency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
CAP	BE6228912570	EUR	-9.73%		11.89%		10.42%		11.48%		25/11/2011	13.19%

Risk warning: Past performance is not a guide to future performance.  
\* Return on annual basis.

## Institutional B Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:  
Capitalisation units (CAP)  
Return on date D over a period of X years :  
$$\left[ \frac{NIW(D)}{NIW(Y)} \right]^{1/X} - 1$$
where Y = D-X  
Return on date D since the start date S of the unit:  
$$\left[ \frac{NIW(D)}{NIW(S)} \right]^{1/F} - 1$$
where F = 1 if the unit has existed for less than one year on date D  
where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation shares.

## 2.4.6. Costs

### **Ongoing Charges and Transaction costs:**

#### *Classic Shares Distribution :*

Ongoing charges : 1,779%

Transaction costs: 0,021%

#### *Classic Shares Capitalisation :*

Ongoing charges : 1,775%

Transaction costs: 0,021%

#### *Institutional B Shares Capitalisation :*

Ongoing charges : 0,458%

Transaction costs: 0,021%

Percentage calculated at reporting date: 31 August 2022 .

A more detailed explanation with respect to the method of calculating ongoing charges and the relevant exclusions can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.5. Ongoing charges'

More information on how transaction costs are calculated: the transaction costs are not included in the ongoing charges, but are instead shown separately. Moreover, this does not fully reflect the actual transaction costs as only the explicit transaction costs are given.

### **Existence of Commission Sharing Agreements**

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.7. Commission Sharing Agreements'.

No CSA accrual during this period.

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

The management company has shared 53,74% of its fee with the distributor, and institutional and/or professional parties.

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.6. Fee-sharing agreements and rebates'.

## 2.4.7. Notes to the financial statements and other data

### Classic Shares

Fee for managing the investment portfolio	Max 1.60%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.  (* ) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year.
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund.
Fee for financial services	-	-
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Annual tax	See prospectus General Part : 'Information concerning the Bevek - H. Tax treatment'	
Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs	0.10%	of the net assets of the sub-fund per year.

### Institutional B Shares

Fee for managing the investment portfolio	Max 1.50%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.  (* ) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year.
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund.
Fee for financial services	-	-
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Annual tax	See prospectus General Part : 'Information concerning the Bevek - H. Tax treatment'	
Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs	0.10%	of the net assets of the sub-fund per year.

### Anti-dilution levy

During the past reporting period, no anti-dilution levy, as described in the general information on the Bevek of this report, under title 1.2.1.9. *Non-recurring fees and charges borne by the investor*, was charged in favor of this sub-fund.

### ***Exercising voting rights***

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

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## 2. Information on KBC Eco Fund World

### 2.1. Management report

#### 2.1.1. Launch date and subscription price

##### **Classic Shares Distribution**

Launch date:	30 April 1992
Initial subscription price:	10 000 BEF
Currency:	EUR

##### **Classic Shares Capitalisation**

Launch date:	30 April 1992
Initial subscription price:	10 000 BEF
Currency:	EUR

##### **Institutional Shares Capitalisation**

Launch date:	25 September 2013
Initial subscription price:	1 000 EUR
Currency:	EUR

#### 2.1.2. Stock exchange listing

Not applicable.

#### 2.1.3. Goal and key principles of the investment policy

##### Object of the sub-fund

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

##### Sub-fund's investment policy

###### *Permitted asset classes*

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

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

###### *Restrictions of the investment policy*

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

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

###### *Permitted derivatives transactions*

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

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

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

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

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

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

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



## Strategy selected

The assets are invested in the shares of companies in all sectors worldwide that outperform their peers in managing the environmental impact of both their production process and their end product.

Within the above limits, the sub-fund invests in socially responsible assets. Socially Responsible Investing (SRI), has a positive impact on society, the environment and the world we live in. It is aligned with today's social and economic needs, without jeopardising the needs of future generations. The sub-fund promotes a combination of environmental and social characteristics, but does not have the objective of investing in economic activities that contribute to the achievement of environmental or social objectives. The companies in which it invests must follow good governance practices.

Specialised researchers of KBC Asset Management NV compile a universe of socially responsible companies. They are assisted by an advisory board (i.e. the 'SRI Advisory Board') comprised of up to twelve persons, who are not affiliated to KBC Asset Management NV, and whose sole responsibility is to supervise the methodology and activities of the specialist researchers of KBC Asset Management NV. The secretariat of the advisory board is provided by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with a data supplier with expertise in SRI that provides data to the specialised researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The fund manager then strives to invest as much as possible in assets that form part of this universe. In order to create this socially responsible universe, the companies are subjected to a negative and positive screening procedure.

### Negative screening

Negative screening entails specific criteria that exclude companies in advance from the socially responsible universe.

On top of the exclusion criteria set out under 'Social, ethical and environmental aspects', the companies are assessed against additional SRI exclusion criteria which are available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for socially responsible investment funds.

The most important exclusion criteria relate on the one hand to controversial activities (tobacco, gambling, weapons, fur and speciality leather and adult entertainment). Companies involved in such controversial activities are excluded. On the other hand, the screening for controversies ensures that companies who seriously violate the basic principles in terms of the environment, social aspects or good governance are excluded. This list is not exhaustive and can be adapted under the supervision of the Advisory Board.

### Positive screening

Positive screening entails comparing a number of SRI criteria between companies within the same industry. Based on these criteria, companies belonging to the best-in-class of their group are included in the socially responsible universe.

The companies are selected based on a series of criteria which are tested as much as possible against objective measures, such as internationally recognised indicators. The advisory board supervises any changes to the list of criteria at all times. During the initial subscription period, the main criteria used are the following:

- respect for the environment (e.g., reducing greenhouse gas emissions);
- attention to society (e.g., employee working conditions) and
- corporate governance (e.g., independence and diversity of the board of directors).

This list is not exhaustive and may be changed under the supervision of the advisory board.

The sub-sector in which the company operates will determine which criteria are most relevant for this positive screening but good governance will always be taken into account.

Moreover, only those companies that perform best in terms of the environment will be selected.

It cannot be ruled out, however, that very limited investments may be made temporarily in assets that do not meet the above criteria. The reasons for this include the following:

- developments as a result of which a company can no longer be regarded as socially responsible after purchase on the basis of the above criteria;
- corporate events, such as a merger of one company with another, where the merged company can no longer be considered a socially responsible company on the basis of the above criteria;
- incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets that do not have a socially responsible nature;
- a planned update of the socially responsible universe in which assets are no longer labelled as socially responsible but in which the fund manager chooses not to sell them immediately in the interest of the customer due to transaction charges.

In these cases, the fund manager will replace the assets concerned with socially responsible assets as soon as

possible, always taking into account the sole interest of the investor.

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets which are not of a socially responsible nature to the extent that no workable and comparable socially responsible alternative is available on the market for these derivatives. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a socially responsible nature.

The fund is actively managed with reference to the following benchmark: MSCI World-Net Return index.

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

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

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

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

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

The longterm expected tracking error for this fund is 3.00%. The tracking error measures the volatility of the fund's return relative to that of the benchmark. The higher the tracking error, the more the fund's return fluctuates relative to the benchmark. Market conditions may cause the actual tracking error to differ from the expected tracking error.

#### Required disclaimers for benchmark providers:

Source: MSCI. No MSCI Party nor any other party involved in or related to compiling, computing or creating the MSCI data, makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates, or any third party involved in compiling, computing, or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

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

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

### **Securities Financing Transactions (SFTs)**

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.1. Securities Financing Transactions (SFTs)'.

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

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.2. General strategy for hedging the exchange rate risk'.

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

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.3. Social, ethical and environmental aspects'.

## **2.1.4. Financial portfolio management**

There is no delegation of the management of the asset allocation.

## **2.1.5. Distributors**

IVESAM NV, Havenlaan 2, B-1080 Brussels.

## **2.1.6. Index and benchmark**

See 'Sub-fund's investment policy'.

## **2.1.7. Policy pursued during the financial year**

In line with the defined strategy, the fund was and is invested in an internationally diversified selection of shares issued by companies pursuing sustainable policies. The companies are the best-in-class with regard to their overall score (economic policy and internal social relations, corporate governance, human rights and socially questionable practices) and their score for environmental criteria.

### **2.1.8. Future policy**

The fund will continue investing in a global selection of shares issued by companies pursuing sustainable policies.

### **2.1.9. Synthetic risk and reward indicator (SRRI)**

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk)

Institutional Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk)

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.4. Synthetic risk and reward indicator'

The synthetic risk indicator gives an idea of the risk associated with investing in an undertaking for collective investment or a sub-fund. It measures risk on a scale of one (least risk) to seven (most risk).

### **2.1.10. Leveraged finance**

The total amount of leveraged finance used by the sub-fund is 204 328.06 EUR.

This amount was calculated by multiplying the leverage ratio calculated using the UCITS-commitment method by the sub-fund's total assets under management.

### **2.1.11. Value-at-Risk**

Not applicable

## 2.2. Balance sheet

Balance sheet layout		31/08/2022 (in Euro)	31/08/2021 (in Euro)
	<b>TOTAL NET ASSETS</b>	216,085,453.00	279,959,955.57
<b>II.</b>	<b>Securities, money market instruments, UCIs and derivatives</b>		
C.	Shares and similar instruments		
a)	Shares	216,350,897.91	283,456,522.05
D.	Other securities	12,188.15	
<b>IV.</b>	<b>Receivables and payables within one year</b>		
A.	Receivables		
a)	Accounts receivable	12,184.12	26,443.89
B.	Payables		
a)	Accounts payable (-)	-114,979.39	-53,954.93
c)	Borrowings (-)	-352,449.48	-3,513,465.91
<b>V.</b>	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	83,245.96	87,782.01
<b>VI.</b>	<b>Accruals and deferrals</b>		
B.	Accrued income	304,512.31	198,881.11
C.	Accrued expense (-)	-210,146.58	-242,252.65
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	216,085,453.00	279,959,955.57
<b>A.</b>	<b>Capital</b>	237,534,922.21	201,224,914.99
<b>B.</b>	<b>Income equalization</b>	-160,559.81	-467,279.72
<b>D.</b>	<b>Result of the bookyear</b>	-21,288,909.40	79,202,320.30

## 2.3. Profit and loss account

Income Statement		31/08/2022 (in Euro)	31/08/2021 (in Euro)
<b>I.</b>	<b>Net gains(losses) on investments</b>		
C.	Shares and similar instruments		
	a) Shares	-44,423,759.51	78,603,265.52
D.	Other securities		-2.88
G.	Receivables, deposits, cash at bank and in hand and payables		-0.01
H.	Foreign exchange positions and transactions		
	b) Other foreign exchange positions and transactions	23,815,235.68	1,161,478.63
	<b>Det.section I gains and losses on investments</b>		
	Realised gains on investments	65,023,182.30	39,339,819.18
	Unrealised gains on investments	-43,887,853.98	42,318,667.18
	Realised losses on investments	-15,133,028.53	-13,739,518.76
	Unrealised losses on investments	-26,610,823.62	11,845,773.66
<b>II.</b>	<b>Investment income and expenses</b>		
A.	Dividends	3,618,184.30	4,116,310.71
B.	Interests		
	b) Cash at bank and in hand and deposits	125.13	147.76
C.	Interest on borrowings (-)	-5,161.21	-5,152.91
<b>III.</b>	<b>Other income</b>		
A.	Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	53,360.80	93,416.21
<b>IV.</b>	<b>Operating expenses</b>		
A.	Investment transaction and delivery costs (-)	-250,228.27	-193,914.54
B.	Financial expenses (-)	-676.00	-324.38
C.	Custodian's fee (-)	-98,182.56	-106,659.86
D.	Manager's fee (-)		
	a) Financial management		
	Classic Shares	-1,657,030.81	-1,289,597.36
	Institutional Shares	-1,989,149.04	-2,793,613.61
	b) Administration and accounting management	-243,078.88	-272,214.30
E.	Administrative expenses (-)	-1,000.00	-1,001.11
F.	Formation and organisation expenses (-)	-1,884.83	-4,547.66
G.	Remuneration, social security charges and pension	-4,184.73	-4,645.69
H.	Services and sundry goods (-)	-9,039.04	6,603.17
J.	Taxes		
	Classic Shares	-88,231.35	-76,190.68
	Institutional Shares	-13,101.78	-22,282.16
L.	Other expenses (-)	8,892.70	-8,754.55
	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	-680,385.57	-562,420.96
<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	-21,288,909.40	79,202,320.30
<b>VII.</b>	<b>Result of the bookyear</b>	-21,288,909.40	79,202,320.30

<b>Appropriation Account</b>		<b>31/08/2022</b> (in Euro)	<b>31/08/2021</b> (in Euro)
<b>I.</b>	<b>Profit to be appropriated</b>	-21,449,469.21	78,735,040.58
	Profit for the period available for appropriation	-21,288,909.40	79,202,320.30
	Income on the creation of shares (income on the cancellation of shares)	-160,559.81	-467,279.72
<b>II.</b>	<b>(Appropriations to) Deductions from capital</b>	21,810,241.69	-78,449,059.71
<b>IV.</b>	<b>(Dividends to be paid out)</b>	-360,772.48	-285,980.87

## 2.4. Composition of the assets and key figures

### 2.4.1. Composition of the assets of KBC Eco Fund World

Name	Quantity on 31/08/2022	Currency	Price in currency	Evaluation (in Euro)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Argentina</u>							
MERCADOLIBRE INC -	1,898.00	USD	855.360	1,614,512.73		0.75	0.75
<u>Australia</u>							
COLES GROUP LTD -	3,467.00	AUD	17.560	41,506.28		0.02	0.02
FORTESCUE METALS GROUP -	42,011.00	AUD	18.420	527,579.74		0.24	0.24
GOODMAN GROUP -	1,738.00	AUD	19.670	23,307.17		0.01	0.01
INSURANCE AUSTRALIA GR LTD -	147,673.00	AUD	4.650	468,154.84		0.22	0.22
QBE INSURANCE GROUP LTD -	51,048.00	AUD	12.070	420,069.81		0.19	0.19
RAMSAY HEALTH CARE LTD -	17,670.00	AUD	71.710	863,876.65		0.40	0.40
SUNCORP GROUP LTD -	12,060.00	AUD	10.900	89,620.89		0.04	0.04
WISETECH GLOBAL LTD -	9,690.00	AUD	58.770	388,253.10		0.18	0.18
<u>Austria</u>							
ERSTE GROUP BANK AG -	3,889.00	EUR	22.480	87,424.72		0.04	0.04
<u>Belgium</u>							
U.C.B. -	2,365.00	EUR	70.100	165,786.50		0.08	0.08
<u>Bermuda</u>							
EVEREST RE GROUP LTD -	240.00	USD	269.050	64,215.60		0.03	0.03
<u>Canada</u>							
AGNICO EAGLE MINES -	16,634.00	CAD	54.160	684,121.15		0.32	0.32
AIR CANADA -A-	117,634.00	CAD	17.690	1,580,222.94		0.73	0.73
BANK OF NOVA SCOTIA -	6,358.00	CAD	72.620	350,618.18		0.16	0.16
HYDRO ONE LTD -	25,247.00	CAD	35.560	681,756.36		0.32	0.32
IGM FINANCIAL INC -	19,929.00	CAD	35.750	541,027.35		0.25	0.25
LUNDIN MINING CORP -	6,072.00	CAD	6.830	31,492.72		0.02	0.02
NAT. BK CANADA -	24,812.00	CAD	86.890	1,637,152.87		0.76	0.76
ROYAL BK CANADA -	32,748.00	CAD	122.130	3,037,139.93		1.40	1.41
SHAW COMMUNICATIONS INC B	13,643.00	CAD	33.650	348,620.25		0.16	0.16
SILVER WHEATON CORP -	18,906.00	CAD	40.090	575,563.67		0.27	0.27
SUN LIFE FINANCIAL INC -	11,444.00	CAD	57.860	502,821.62		0.23	0.23
TORONTO DOMINION BK -	8,324.00	CAD	84.490	534,066.14		0.25	0.25
WSP GLOBAL INC -	1,267.00	CAD	156.510	150,583.15		0.07	0.07
YAMANA GOLD INC -	68,471.00	CAD	5.780	300,533.00		0.14	0.14
<u>Denmark</u>							
DSV PANALPINA A S -	3,577.00	DKK	1,096.500	527,362.67		0.24	0.24
NOVO NORDISK A/S B	24,923.00	DKK	792.500	2,655,714.59		1.23	1.23
<u>Finland</u>							
NORDEA BANK ABP -	9,930.00	EUR	9.268	92,031.24		0.04	0.04
ORION OYJ B	2,353.00	EUR	45.170	106,285.01		0.05	0.05
<u>France</u>							
ACCOR -	7,515.00	EUR	23.870	179,383.05		0.08	0.08
AMUNDI SA -	536.00	EUR	50.700	27,175.20		0.01	0.01
AXA -	2,766.00	EUR	23.525	65,070.15		0.03	0.03
EDENRED -	9,620.00	EUR	50.500	485,810.00		0.23	0.23
ESSILOR_LUXOTTICA (PAR)	4,433.00	EUR	149.250	661,625.25		0.31	0.31
GECINA REG	5,274.00	EUR	88.950	469,122.30		0.22	0.22
HERMES INTL. (PAR)	990.00	EUR	1,282.500	1,269,675.00		0.59	0.59
KERING -	1,546.00	EUR	503.000	777,638.00		0.36	0.36
L'OREAL -	2,006.00	EUR	343.250	688,559.50		0.32	0.32
LEGRAND (PAR)	5,003.00	EUR	72.280	361,616.84		0.17	0.17
PERNOD RICARD SA -	2,555.00	EUR	183.550	468,970.25		0.22	0.22
PUBLICIS GROUPE SA -	32,158.00	EUR	48.750	1,567,702.50		0.73	0.73
SARTORIUS STEDIM BIOTECH -	53.00	EUR	415.900	22,042.70		0.01	0.01
SCHNEIDER ELECTRIC SE -	2,733.00	EUR	118.780	324,625.74		0.15	0.15
TELEPERFORMANCE -	706.00	EUR	284.300	200,715.80		0.09	0.09
WENDEL INVESTISSEMENT (PAR)	1,432.00	EUR	78.500	112,412.00		0.05	0.05
<u>Germany</u>							
ADIDAS AG -	3,849.00	EUR	148.280	570,729.72		0.26	0.26

ALLIANZ AG REG	307.00	EUR	168.580	51,754.06		0.02	0.02
BEIERSDORF AG -	5,162.00	EUR	100.600	519,297.20		0.24	0.24
DEUTSCHE LUFTHANSA AG REG	17,049.00	EUR	5.935	101,185.82		0.05	0.05
DEUTSCHE POST AG -	33,688.00	EUR	36.395	1,226,074.76		0.57	0.57
DEUTSCHE TELEKOM INT FIN REG	4,169.00	EUR	18.788	78,327.17		0.04	0.04
KNORR-BREMSE AG -	11,008.00	EUR	48.350	532,236.80		0.25	0.25
MERCK KGAA -	859.00	EUR	171.400	147,232.60		0.07	0.07
SAP AG -	656.00	EUR	84.940	55,720.64		0.03	0.03
SIEMENS ENERGY AG -	17,093.00	EUR	14.670	250,754.31		0.12	0.12
TELEFONICA DEUTSCHLAND HOLDING -	108,246.00	EUR	2.585	279,815.91		0.13	0.13
VONOVIA SE -	6,010.00	EUR	27.000	162,270.00		0.08	0.08
<u>Hong Kong</u>							
AIA GROUP LTD -	88,426.00	HKD	75.950	850,938.27		0.39	0.39
CK HUTCHISON HOLDINGS LTD -	39,560.00	HKD	50.750	254,379.80		0.12	0.12
HANG SENG BANK LTD. -	7,600.00	HKD	123.000	118,442.89		0.06	0.06
HONG KONG EXCHANGES & CLEARING LTD. -	11,200.00	HKD	317.800	450,985.12		0.21	0.21
<u>Ireland</u>							
C.R.H. PLC -	13,830.00	EUR	36.795	508,874.85		0.24	0.24
DCC PLC -	12,204.00	GBP	49.630	700,884.60		0.32	0.32
KERRY GROUP PLC -	8,908.00	EUR	102.850	916,187.80		0.42	0.42
<u>Italy</u>							
TELECOM ITALIA SPA (MIL)	216,616.00	EUR	0.206	44,622.90		0.02	0.02
<u>Japan</u>							
AEON CO LTD. -	24,700.00	JPY	2,722.500	482,413.68		0.22	0.22
ASAHI GROUP HOLDINGS LTD -	7,300.00	JPY	4,673.000	244,722.22		0.11	0.11
ASTELLAS PHARMA INC -	8,100.00	JPY	1,984.500	115,316.35		0.05	0.05
DAI NIPPON PRINTNG -	20,200.00	JPY	2,937.000	425,608.30		0.20	0.20
DAIFUKU CO LTD -	2,900.00	JPY	8,190.000	170,387.08		0.08	0.08
DAIICHI SANKYO COMPANY LTD -	6,200.00	JPY	4,197.000	186,674.69		0.09	0.09
DAIWA HOUSE -	26,800.00	JPY	3,136.000	602,928.23		0.28	0.28
EAST JAPAN RAILWAY -	10,400.00	JPY	7,239.000	540,090.68		0.25	0.25
FANUC CORP -	1,000.00	JPY	22,535.000	161,663.63		0.08	0.08
FAST RETAILING CO LTD. -	1,800.00	JPY	81,950.000	1,058,220.65		0.49	0.49
FUJITSU LTD -	900.00	JPY	16,565.000	106,951.95		0.05	0.05
HAMAMATSU PHOTONICS KK -	1,600.00	JPY	5,950.000	68,295.44		0.03	0.03
KAO CORP -	19,700.00	JPY	6,055.000	855,726.82		0.40	0.40
KUBOTA CORP -	12,700.00	JPY	2,175.500	198,206.36		0.09	0.09
MITSUBISHI UFJ FINANCIAL GROUP -	16,800.00	JPY	721.100	86,907.96		0.04	0.04
MURATA MANUFACTURING CO -	6,000.00	JPY	7,554.000	325,149.43		0.15	0.15
NABTESCO CORP -	37,100.00	JPY	3,325.000	884,953.25		0.41	0.41
NAMCO BANDAI HOLDING INC -	1,100.00	JPY	10,485.000	82,740.07		0.04	0.04
NGK INSULATORS -	5,000.00	JPY	1,999.000	71,703.04		0.03	0.03
NINTENDO CO -	1,200.00	JPY	56,990.000	490,608.05		0.23	0.23
NOMURA RESEARCH INSTITUTE LTD -	4,200.00	JPY	3,790.000	114,194.00		0.05	0.05
OMRON CORP -	5,800.00	JPY	7,390.000	307,487.31		0.14	0.14
ORACLE CORP JAPAN -	1,200.00	JPY	8,350.000	71,882.39		0.03	0.03
PEPTIDREAM INC -	22,600.00	JPY	1,681.000	272,540.42		0.13	0.13
RAKUTEN INC -	23,900.00	JPY	676.000	115,904.25		0.05	0.05
SANTEN PHARMACEUTICAL CO LTD -	25,600.00	JPY	1,006.000	184,753.52		0.09	0.09
SHIONOGI & CO -	3,400.00	JPY	6,804.000	165,957.92		0.08	0.08
SONY CORP -	19,300.00	JPY	11,135.000	1,541,708.62		0.71	0.71
SUMITOMO MITSUI TRUST HOLD INC -	1,100.00	JPY	4,336.000	34,216.59		0.02	0.02
SYSTEMEX CORP -	1,300.00	JPY	8,603.000	80,232.08		0.04	0.04
TAKEDA PHARMACEUTICAL CO LTD -	4,600.00	JPY	3,850.000	127,049.61		0.06	0.06
TDK CORP -	9,300.00	JPY	4,915.000	327,914.97		0.15	0.15
TOKYO ELECTRON -	1,000.00	JPY	44,160.000	316,799.02		0.15	0.15
WEST JAPAN RAILWAY -	2,900.00	JPY	5,432.000	113,008.87		0.05	0.05
YAMAHA MOTORS -	8,300.00	JPY	2,899.000	172,616.01		0.08	0.08
YOKOGAWA ELECTRIC CORP -	18,900.00	JPY	2,445.000	331,509.09		0.15	0.15
<u>Netherlands</u>							
A.K.Z.O. NOBEL -	5,206.00	EUR	63.040	328,186.24		0.15	0.15
ASM INTERNATIONAL -	1,929.00	EUR	271.100	522,951.90		0.24	0.24
ASML HOLDING NV -	175.00	EUR	484.650	84,813.75		0.04	0.04
ING GROEP NV -	73,381.00	EUR	8.766	643,257.85		0.30	0.30
KONINKLIJKE D.S.M. NV (AMS)	3,752.00	EUR	127.350	477,817.20		0.22	0.22
NN GROUP NV -	14,339.00	EUR	40.970	587,468.83		0.27	0.27
<u>New Zealand</u>							
FISHER & PAYKEL HEALTHCARE CORP. -	2,404.00	NZD	19.660	28,816.79		0.01	0.01
MERIDIAN ENERGY LTD -	230,475.00	NZD	5.005	703,324.18		0.33	0.33
<u>Norway</u>							
DNB BANK ASA -	54,473.00	NOK	190.000	1,037,141.24		0.48	0.48
STATOILHYDRO ASA -	146,470.00	NOK	68.500	1,005,407.83		0.47	0.47
<u>Singapore</u>							
DBS GROUP HOLDINGS LTD -	26,400.00	SGD	32.600	613,497.11		0.28	0.28
UNITED OVERSEAS BANK LTD. -	20,700.00	SGD	27.330	403,274.69		0.19	0.19
VENTURE CORP LTD -	25,400.00	SGD	18.290	331,160.41		0.15	0.15



<u>Spain</u>							
CAIXABANK SA -	224,026.00	EUR	3.004	672,974.10		0.31	0.31
EDP RENOVAVEIS SA -	2,021.00	EUR	24.170	48,847.57		0.02	0.02
INDUSTRIA DE DISENO TEXTIL SA -	9,758.00	EUR	21.550	210,284.90		0.10	0.10
<u>Sweden</u>							
ALLEIMA AB -	14,079.00	SEK	42.800	56,356.74		0.03	0.03
ATLAS COPCO AB A	3,504.00	SEK	108.740	35,635.57		0.02	0.02
BOLIDEN AB -	5,949.00	SEK	343.550	191,145.57		0.09	0.09
HUSQVARNA AB -B-	4,241.00	SEK	72.000	28,558.22		0.01	0.01
INDUSTRIVARDEN AB -	5,559.00	SEK	237.200	123,322.31		0.06	0.06
KINNEVIK AB -B-	11,255.00	SEK	152.450	160,473.47		0.07	0.07
SANDVIK FRIA -	70,395.00	SEK	166.950	1,099,154.00		0.51	0.51
SCA-SVENSKA CELLULOSA AB B	9,588.00	SEK	160.350	143,789.54		0.07	0.07
SKANSKA AB B	2,697.00	SEK	158.150	39,891.51		0.02	0.02
<u>Switzerland</u>							
CHOCOLADEFABRIKEN LINDT-REG -	30.00	CHF	10,340.000	316,089.85		0.15	0.15
KUEHNE & NAGEL INT'L AG -	343.00	CHF	226.000	78,989.86		0.04	0.04
LOGITECH INTERNATIONAL SA REG	206.00	CHF	48.860	10,256.27		0.01	0.01
LONZA AG -	1,508.00	CHF	523.400	804,273.61		0.37	0.37
NESTLE AG REG	15,950.00	CHF	114.580	1,862,251.22		0.86	0.86
ROCHE HOLDING GENOTS	8,693.00	CHF	315.400	2,793,830.99		1.29	1.29
SIKA FINANZ AG -	2,852.00	CHF	220.400	640,515.84		0.30	0.30
SWISS RE -	10,621.00	CHF	76.180	824,470.53		0.38	0.38
TE CONNECTIVITY LTD -	7,146.00	USD	126.210	896,918.76		0.42	0.42
ZURICH INSURANCE GROUP AG -	475.00	CHF	434.100	210,112.63		0.10	0.10
<u>U.K.</u>							
ANTOFAGASTA PLC -	9,202.00	GBP	11.010	117,238.32		0.05	0.05
ASHTAD GROUP PLC -	3,080.00	GBP	42.500	151,474.56		0.07	0.07
ASTRAZENECA PLC -	20,479.00	GBP	106.440	2,522,398.24		1.17	1.17
BURBERRY GROUP PLC -	3,455.00	GBP	17.480	69,885.89		0.03	0.03
COMPASS GROUP -	16,605.00	GBP	18.590	357,205.64		0.17	0.17
CRODA INTERNATIONAL -	271.00	GBP	67.260	21,092.41		0.01	0.01
DIAGEO -	70,589.00	GBP	37.640	3,074,586.29		1.42	1.42
LINDE PLC -	7,574.00	USD	282.860	2,130,557.05		0.99	0.99
LONDON STOCK EXCHANGE GRP PLC -	10,776.00	GBP	81.020	1,010,298.86		0.47	0.47
RECKITT BENCKISER PLC -	965.00	GBP	66.480	74,236.65		0.03	0.03
ROYAL BANK OF SCOTLAND GROUP PLC -	283,717.00	GBP	2.465	809,122.40		0.37	0.37
SEGRO PLC -	12,066.00	GBP	9.430	131,666.43		0.06	0.06
UNILEVER PLC -	27,557.00	GBP	39.255	1,251,776.98		0.58	0.58
UNITED UTILITIES WATER PLC -	187.00	GBP	10.565	2,286.18		0.00	0.00
VODAFONE GROUP PLC -	22,483.00	GBP	1.157	30,096.26		0.01	0.01
WHITBREAD HOLDINGS PLC -	2,575.00	GBP	25.040	74,612.50		0.03	0.04
WPP GROUP PLC -	94,146.00	GBP	7.444	810,976.52		0.38	0.38
3IGROUP -	13,529.00	GBP	12.155	190,292.08		0.09	0.09
<u>U.S.A.</u>							
ABBOTT LAB. -	1,802.00	USD	102.650	183,954.35		0.09	0.09
ABBVIE INC -	11,696.00	USD	134.460	1,563,964.16		0.72	0.72
ACCENTURE LTD A	1,704.00	USD	288.460	488,822.87		0.23	0.23
ADVANC MICRO DEVICES -	19,327.00	USD	84.870	1,631,229.17		0.75	0.76
AGILENT TECHNOLOGIES -	18,154.00	USD	128.250	2,315,400.03		1.07	1.07
AKAMAI TECHNOLOGIES INC -	3,787.00	USD	90.280	340,003.34		0.16	0.16
ALIGN TECHNOLOGY INC -	2,850.00	USD	243.700	690,711.55		0.32	0.32
ALLSTATE CORPORATION -	21,345.00	USD	120.500	2,557,876.29		1.18	1.18
AMERICAN EXPRESS -	2,444.00	USD	152.000	369,437.62		0.17	0.17
ANSYS INC -	330.00	USD	248.300	81,486.75		0.04	0.04
ANTHEM INC -	1,181.00	USD	485.110	569,752.78		0.26	0.26
APPLIED MATERIALS -	4,821.00	USD	94.070	451,008.37		0.21	0.21
APTIV PLC -	6,444.00	USD	93.430	598,739.91		0.28	0.28
AUTOZONE INC. -	225.00	USD	2,119.210	474,190.49		0.22	0.22
BOOKING HOLDINGS INC -	823.00	USD	1,875.810	1,535,270.88		0.71	0.71
BOSTON SCIENTIFIC -	20,903.00	USD	40.310	837,949.31		0.39	0.39
BRISTOL-MYERS SQUIBB CO -	52,602.00	USD	67.410	3,526,329.69		1.63	1.63
CADENCE DESIGN SYSTEMS -	1,830.00	USD	173.770	316,243.95		0.15	0.15
CATALENT INC -	9,692.00	USD	88.000	848,188.55		0.39	0.39
CDW CORP/DE -	8,008.00	USD	170.700	1,359,420.81		0.63	0.63
CIGNA CORP. -	1,819.00	USD	283.450	512,749.79		0.24	0.24
CISCO SYSTEMS INC -	68,004.00	USD	44.720	3,024,353.72		1.40	1.40
CITRIX SYSTEMS INC -	14,150.00	USD	102.770	1,446,169.26		0.67	0.67
CROWDSTRIKE HOLDINGS INC -	9,490.00	USD	182.610	1,723,404.01		0.80	0.80
DANAHER CORPORATION -	12,115.00	USD	269.910	3,251,911.54		1.50	1.51
DELL TECHNOLOGIES INC -	60,105.00	USD	38.290	2,288,718.06		1.06	1.06
DIGITAL INSIGHT -	703.00	USD	123.630	86,432.19		0.04	0.04
DOVER CORPORATION -	7,536.00	USD	124.960	936,500.98		0.43	0.43
DOW INC -	2,444.00	USD	51.000	123,956.04		0.06	0.06
EBAY INC. -	30,562.00	USD	44.130	1,341,257.08		0.62	0.62
EDWARDS LIFESCIENCES CORP. -	7,563.00	USD	90.100	677,665.26		0.31	0.31
ELECTRONIC ARTS -	10,898.00	USD	126.870	1,374,998.02		0.64	0.64
ESTEE LAUDER -	11,552.00	USD	254.380	2,922,378.56		1.35	1.35
ETSY INC -	23.00	USD	105.610	2,415.62		0.00	0.00

FIFTH THIRD BANCORPORATION -	41,813.00	USD	34.150	1,420,032.77		0.66	0.66
FOX CORP CLASS A	14,603.00	USD	34.180	496,375.66		0.23	0.23
FOX CORP CLASS B	33,838.00	USD	31.620	1,064,052.07		0.49	0.49
GENERAL MILLS IN -	29,306.00	USD	76.800	2,238,278.36		1.03	1.04
GILEAD SCIENCES -	20,805.00	USD	63.470	1,313,205.06		0.61	0.61
HARTFORD FIN.SERV.GR. -	13,879.00	USD	64.310	887,632.13		0.41	0.41
HCA HEALTHCARE INC -	8,335.00	USD	197.870	1,640,143.65		0.76	0.76
HEWLETT PACKARD -	83,074.00	USD	28.710	2,371,890.55		1.10	1.10
HEWLETT PACKARD ENTERPRISE CO -	54,561.00	USD	13.600	737,934.07		0.34	0.34
HILTON WORLDWIDE HOLDINGS INC -	5,135.00	USD	127.360	650,383.97		0.30	0.30
I.B.M. -	3,055.00	USD	128.450	390,248.87		0.18	0.18
ILLUMINA INC -	6,378.00	USD	201.640	1,278,961.68		0.59	0.59
INTERPUBLIC GROUP -	36,840.00	USD	27.640	1,012,637.46		0.47	0.47
INTUIT INC -	4,762.00	USD	431.780	2,044,787.79		0.95	0.95
KEURIG DR PEPPER INC -	9,243.00	USD	38.120	350,398.45		0.16	0.16
KEYSIGHT TECHNOLOGIES INC -	8,047.00	USD	163.890	1,311,543.76		0.61	0.61
LAMB WESTON HOLDINGS INC -	4,146.00	USD	79.530	327,911.47		0.15	0.15
LOWE'S CIE -	6,327.00	USD	194.140	1,221,544.21		0.56	0.56
MARSH & MCLENNAN CO -	2,140.00	USD	161.370	343,425.79		0.16	0.16
MCGRAW HILL FINANCIAL INC -	8,719.00	USD	352.180	3,053,709.33		1.41	1.41
MERCK & CO -	8,168.00	USD	85.360	693,372.26		0.32	0.32
METLIFE INC. -	45,831.00	USD	64.330	2,932,035.43		1.36	1.36
METTLER-TOLEDO INTERNATIONAL INC -	97.00	USD	1,212.460	116,959.49		0.05	0.05
MICRON TECHNOLOGY -	3,693.00	USD	56.530	207,613.04		0.10	0.10
MICROSOFT CORP -	40,827.00	USD	261.470	10,616,116.24		4.91	4.91
MOHAWK INDUSTRIES INC -	11,472.00	USD	110.360	1,259,062.13		0.58	0.58
MONDELEZ INTERNATIONAL INC A	47,838.00	USD	61.860	2,942,925.44		1.36	1.36
MOODY S CORP -	4,279.00	USD	284.520	1,210,741.46		0.56	0.56
MORGAN STANLEY -	40,428.00	USD	85.220	3,426,258.43		1.58	1.59
MSCI INC -	704.00	USD	449.240	314,519.38		0.14	0.15
NEWMONT GOLDCORP CORP -	39,344.00	USD	41.360	1,618,286.35		0.75	0.75
NIKE B	9,763.00	USD	106.450	1,033,535.23		0.48	0.48
NORTONLIFELOCK INC -	52,865.00	USD	22.590	1,187,629.01		0.55	0.55
NUTRIEN LTD -	13,409.00	CAD	120.570	1,227,702.99		0.57	0.57
NVIDIA CORP NAS	15,860.00	USD	150.940	2,380,695.54		1.10	1.10
OLD DOMINION FREIGHT LINE INC -	3,606.00	USD	271.410	973,302.63		0.45	0.45
ORACLE CORP -	4,243.00	USD	74.150	312,881.96		0.14	0.14
OWENS CORNING -	10,666.00	USD	81.730	866,107.98		0.40	0.40
PALO ALTO NETWORKS INC -	3,899.00	USD	556.810	2,159,019.63		1.00	1.00
PEPSICO INC -	23,484.00	USD	172.270	4,023,259.59		1.86	1.86
PERKINELMER, INC. -	6,612.00	USD	135.060	888,087.83		0.41	0.41
PNC FINANCIAL SERVICES GROUP -	5,894.00	USD	158.000	926,112.08		0.43	0.43
PROLOGIS TRUST -	10,413.00	USD	124.510	1,289,366.65		0.60	0.60
PRUDENTIAL FINANCIAL INC -	7,417.00	USD	95.750	706,258.02		0.33	0.33
REGENRON PHARMACEUTICALS -	2,624.00	USD	581.060	1,516,286.05		0.70	0.70
REGIONS FINANCIAL CORPORATION -	103,331.00	USD	21.670	2,226,823.90		1.03	1.03
ROLLINS INC -	6,218.00	USD	33.760	208,761.06		0.10	0.10
SALESFORCE.COM INC. -	1,996.00	USD	156.120	309,895.60		0.14	0.14
SEI INVESTMENTS CO -	8,607.00	USD	54.700	468,204.37		0.22	0.22
SNAP INC -	114,504.00	USD	10.880	1,238,927.47		0.57	0.57
STANLEY WORKS -	10,592.00	USD	88.100	928,004.77		0.43	0.43
STARBUCKS CORP -	27,282.00	USD	84.070	2,280,938.53		1.05	1.06
SYNOPSYS INC -	1,200.00	USD	346.020	412,932.23		0.19	0.19
SYSCO CORPORATION -	10,995.00	USD	82.220	899,019.34		0.42	0.42
TARGET CORP -	360.00	USD	160.340	57,403.81		0.03	0.03
TRANE TECHNOLOGIES PLC -	15,936.00	USD	154.070	2,441,708.04		1.13	1.13
TWITTER INC -	21,022.00	USD	38.750	810,106.41		0.37	0.38
UNITEDHEALTH GROUP INC. -	9,766.00	USD	519.330	5,043,783.78		2.33	2.33
UNITER RENTALS INC -	18.00	USD	292.040	5,227.71		0.00	0.00
VEEVA SYSTEMS INC -	3,720.00	USD	199.320	737,377.95		0.34	0.34
VISA INC -	7,073.00	USD	198.710	1,397,718.49		0.65	0.65
VMWARE INC CLASS A -	12,549.00	USD	116.030	1,448,023.94		0.67	0.67
WALGREENS BOOTS ALLIANCE INC -	9,506.00	USD	35.060	331,440.86		0.15	0.15
WALT DISNEY -	32,890.00	USD	112.080	3,665,965.09		1.69	1.70
WASTE MANAGEMENT INC. -	7,307.00	USD	169.030	1,228,285.23		0.57	0.57
WHIRLPOOL CORPORATION -	337.00	USD	156.600	52,482.92		0.02	0.02
YUM! BRANDS INC -	6,143.00	USD	111.240	679,575.68		0.31	0.31
ZOETIS INC -	20,337.00	USD	156.530	3,165,780.53		1.46	1.47
Total shares				216,350,897.91		99.99	100.12
<b>Rights</b>							
<u>Netherlands</u>							
NN GROUP NV -	14,339.00	EUR	0.850	12,188.15		0.01	0.01
Total rights				12,188.15		0.01	0.01
TOTAL SECURITIES PORTFOLIO				216,363,086.06		100.00	100.13
CASH AT BANK AND IN HAND							
<b>Demand accounts</b>							
<u>Belgium</u>							
KBC GROUP AUD	848.18	AUD	1.000	578.26		0.00	0.00
KBC GROUP CAD	16,570.49	CAD	1.000	12,583.26		0.00	0.01

KBC GROUP CHF	3,691.81	CHF	1.000	3,761.91	0.00	0.00
KBC GROUP DKK	80,208.51	DKK	1.000	10,784.56	0.00	0.01
KBC GROUP EURO	-34,799.53	EUR	1.000	-34,799.53	0.00	-0.02
KBC GROUP GBP	12,744.52	GBP	1.000	14,747.67	0.00	0.01
KBC GROUP HKD	-2,560.25	HKD	1.000	-324.39	0.00	0.00
KBC GROUP ILS	-0.29	ILS	1.000	-0.09	0.00	0.00
KBC GROUP JPY	3,438,763.00	JPY	1.000	24,669.31	0.00	0.01
KBC GROUP NOK	1,432.71	NOK	1.000	143.57	0.00	0.00
KBC GROUP NZD	542.10	NZD	1.000	330.53	0.00	0.00
KBC GROUP SEK	-27,216.72	SEK	1.000	-2,545.46	0.00	-0.00
KBC GROUP SGD	21,939.68	SGD	1.000	15,639.44	0.00	0.01
KBC GROUP TRY	-57.19	TRY	1.000	-3.13	0.00	0.00
KBC GROUP USD	-316,523.89	USD	1.000	-314,776.88	0.00	-0.15
KBC GROUP ZAR	127.64	ZAR	1.000	7.45	0.00	0.00
Total demand accounts				-269,203.52	0.00	-0.13
TOTAL CASH AT BANK AND IN HAND				-269,203.52	0.00	-0.13
OTHER RECEIVABLES AND PAYABLES						
<b>Receivables</b>						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	8,204.45	EUR	1.000	8,204.45	0.00	0.00
KBC GROUP USD RECEIVABLE	4,001.76	USD	1.000	3,979.67	0.00	0.00
Total receivables				12,184.12	0.00	0.01
<b>Payables</b>						
<u>Belgium</u>						
KBC GROUP EUR PAYABLE	-114,979.39	EUR	1.000	-114,979.39	0.00	-0.05
Payables				-114,979.39	0.00	-0.05
TOTAL RECEIVABLES AND PAYABLES				-102,795.27	0.00	-0.05
OTHER						
Interest receivable		EUR		287,012.29	0.00	0.13
Accrued interest		EUR		17,500.02	0.00	0.01
Expenses payable		EUR		-210,146.58	0.00	-0.10
TOTAL OTHER				94,365.73	0.00	0.04
TOTAL NET ASSETS				216,085,453.00	0.00	100.00

### Geographic breakdown (as a % of securities portfolio)

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
Argentina	0.14	0.16	1.07	0.75
Australia	0.79	0.80	1.05	1.30
Austria	0.00	0.17	0.32	0.04
Belgium	0.12	-1.22	-0.01	-0.10
Bermuda	0.00	0.00	0.04	0.03
Canada	0.55	0.57	6.15	5.07
Switzerland	1.25	1.28	2.85	3.49
China	0.29	0.00	0.00	0.00
Germany	4.25	3.21	2.46	1.86
Denmark	2.47	2.61	1.32	1.47
Spain	0.02	0.00	0.30	0.43
Finland	0.33	0.00	0.32	0.09
France	5.67	6.57	4.10	3.55
U.K.	4.44	5.10	4.81	5.98
Hong Kong	0.00	0.00	0.78	0.77
Ireland	0.88	0.99	0.46	0.98
Italy	1.24	0.20	0.34	0.02
Japan	10.21	9.01	4.73	5.30
Netherlands	1.64	2.33	3.12	1.23
Norway	0.00	0.00	1.07	0.94
New Zealand	0.38	0.35	0.40	0.34
Singapore	0.00	0.00	0.54	0.62
Sweden	0.71	0.99	1.29	0.86
U.S.A.	64.62	66.88	62.49	64.98
TOTAL	100.00	100.00	100.00	100.00

### Sector breakdown (as a % of securities portfolio)

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
Cyclicals	10.99	10.48	10.73	11.33
Consum(cycl)	22.72	24.44	17.90	16.80
Cons.goods	9.68	9.63	9.16	13.05
Pharma	9.33	10.17	12.62	16.67
Financials	14.58	12.50	19.42	15.84
Technology	26.17	26.77	26.83	23.96
Telecomm.	1.19	0.41	0.40	0.20
Utilities	1.88	2.13	1.01	0.65
Real est.	3.46	3.47	1.74	1.41
Various	0.00	0.00	0.19	0.09
TOTAL	100.00	100.00	100.00	100.00

### Currency breakdown (as a % of net assets)

	28/02/2021	31/08/2021	28/02/2022	31/08/2022
AUSTRALIAN DOLLAR	0.79	0.80	1.05	1.30
CANADIAN DOLLAR	0.55	0.57	6.17	5.65
SWISS FRANC	1.25	1.28	2.73	3.49
DANISH KRONE	2.47	2.62	1.32	1.47
EURO	12.90	10.84	10.29	7.89
POUND STERLING	2.55	2.26	4.18	5.32
HONG KONG DOLLAR	0.00	0.00	0.78	0.77
JAPANESE YEN	10.21	9.02	4.73	5.31
NORWEGIAN KRONE	0.00	0.00	1.07	0.94
NEW ZEALAND DOLLAR	0.38	0.35	0.40	0.34
SWEDISH KRONA	0.71	0.99	1.43	0.86
SINGAPORE DOLLAR	0.00	0.00	0.54	0.63
US DOLLAR	68.19	71.27	65.31	66.03
TOTAL	100.00	100.00	100.00	100.00

## 2.4.2. Changes in the composition of the assets of KBC Eco Fund World (in Euro)

	1 <sup>st</sup> half of year	2 <sup>nd</sup> half of year	Year
<b>Purchases</b>	162,957,219.16	71,468,434.83	234,425,653.98
<b>Sales</b>	203,261,430.99	77,715,513.83	280,976,944.82
<b>Total 1</b>	366,218,650.15	149,183,948.66	515,402,598.81
<b>Subscriptions</b>	15,376,365.36	6,942,638.82	22,319,004.18
<b>Redemptions</b>	51,837,830.95	12,498,538.00	64,336,368.95
<b>Total 2</b>	67,214,196.31	19,441,176.82	86,655,373.13
<b>Monthly average of total assets</b>	261,621,089.72	224,621,410.28	243.121.250.00
<b>Turnover rate</b>	114.29%	57.76%	176.35%

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%), reason: The fund is regularly rebalanced to reflect quantitative viewpoints in a timely and appropriate manner. When quantitative signals are strong, monthly turnover can be significant.

The detailed list of transactions can be consulted free of charge at the company designated as financial service:

KBC Bank NV, Havenlaan 2, B-1080 Brussels

## 2.4.3. Amount of commitments in respect of financial derivatives positions

Nil

## 2.4.4. Changes in the number of subscriptions and redemptions and the

## net asset value

### Classic Shares

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2020 - 08*	11,952.26	5,600.28	7,297.23	1,464.40	50,543.68	19,276.49	69,820.17
2021 - 08*	13,453.46	4,004.44	6,326.83	2,452.02	57,670.31	20,828.91	78,499.22
2022 - 08*	12,348.18	4,360.71	7,187.54	1,391.64	62,830.96	23,797.97	86,628.93

Period	Amounts received and paid by the UCITS (in Euro)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2020 - 08*	12,942,862.51	4,459,933.39	7,714,747.78	1,110,190.14
2021 - 08*	16,766,014.35	3,615,648.55	7,659,947.95	2,262,869.67
2022 - 08*	17,984,685.19	4,451,952.24	9,942,788.59	1,417,675.02

Period	Net asset value End of period (in Euro)		
	Of the class	Of one share	
		Capitalization	Distribution
2020 - 08*	70,995,916.85	1,098.70	802.19
2021 - 08*	106,142,716.37	1,461.53	1,049.30
2022 - 08*	106,279,436.07	1,333.63	944.88

\*The financial year does not coincide with the calendar year.

### Institutional Shares

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2020 - 08*	15,500.00		57,300.05		138,000.00		138,000.00
2021 - 08*	20,306.00		41,500.00		116,806.00		116,806.00
2022 - 08*	0.00		36,000.00		80,806.00		80,806.00

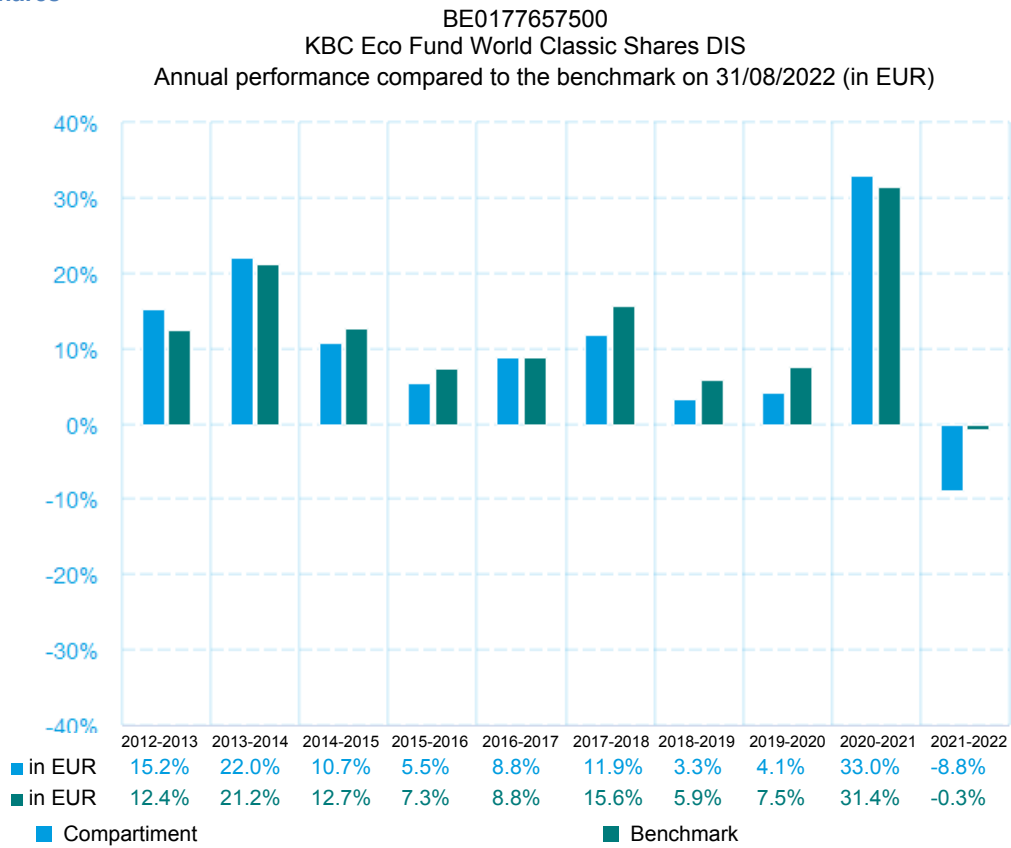
Period	Amounts received and paid by the UCITS (in Euro)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2020 - 08*	16,563,530.00		64,169,035.00	
2021 - 08*	23,496,988.38		58,170,750.00	
2022 - 08*	0.00		53,360,820.00	

Period	Net asset value End of period (in Euro)		
	Of the class	Of one share	
		Capitalization	Distribution
2020 - 08*	154,254,038.57	1,117.78	
2021 - 08*	173,817,239.20	1,488.08	
2022 - 08*	109,806,016.90	1,358.88	

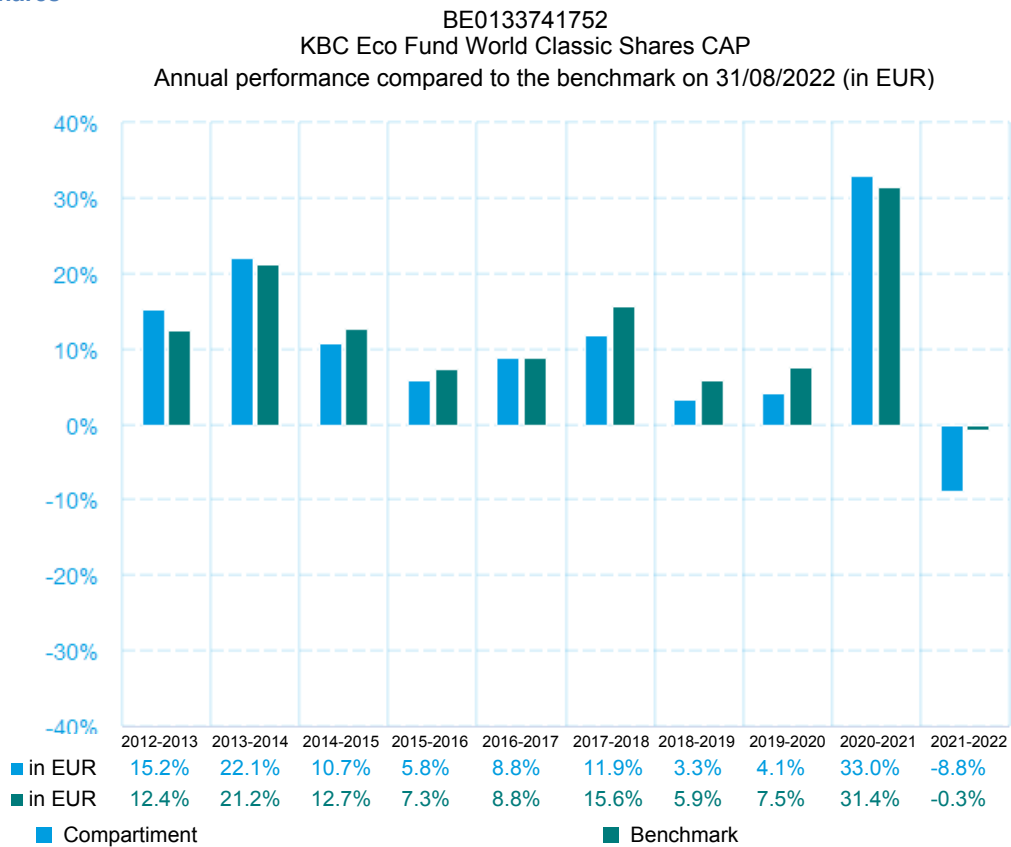
\*The financial year does not coincide with the calendar year.

## 2.4.5. Performance figures

### Classic Shares



### Classic Shares



Cap Div	ISIN Code	Curr ency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
DIS	BE0177657500	EUR	-8.77%	-0.30%	8.08%	12.11%	7.85%	11.52%	10.04%	11.97%	30/04/1992	4.41%
CAP	BE0133741752	EUR	-8.75%	-0.30%	8.11%	12.11%	7.88%	11.52%	10.11%	11.97%	30/04/1992	5.70%

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.

### Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

#### Capitalisation units (CAP)

Return on date D over a period of X years :

$$[\text{NIW}(D) / \text{NIW}(Y)]^{[1 / X]} - 1$$

where Y = D-X

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{[1 / F]} - 1$$

where F = 1 if the unit has existed for less than one year on date D

where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D

#### Distribution units (DIV)

Return on date D over a period of X years :

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{[1 / X]} - 1$$

where Y = D-X

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{[1 / F]} - 1$$

where F = 1 if the unit has existed for less than one year on date D

where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [\text{Wi} / \text{NIW}(D_i)] + 1$$

i = 1 ... N

from which C = C0 \* ... \* CN.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares

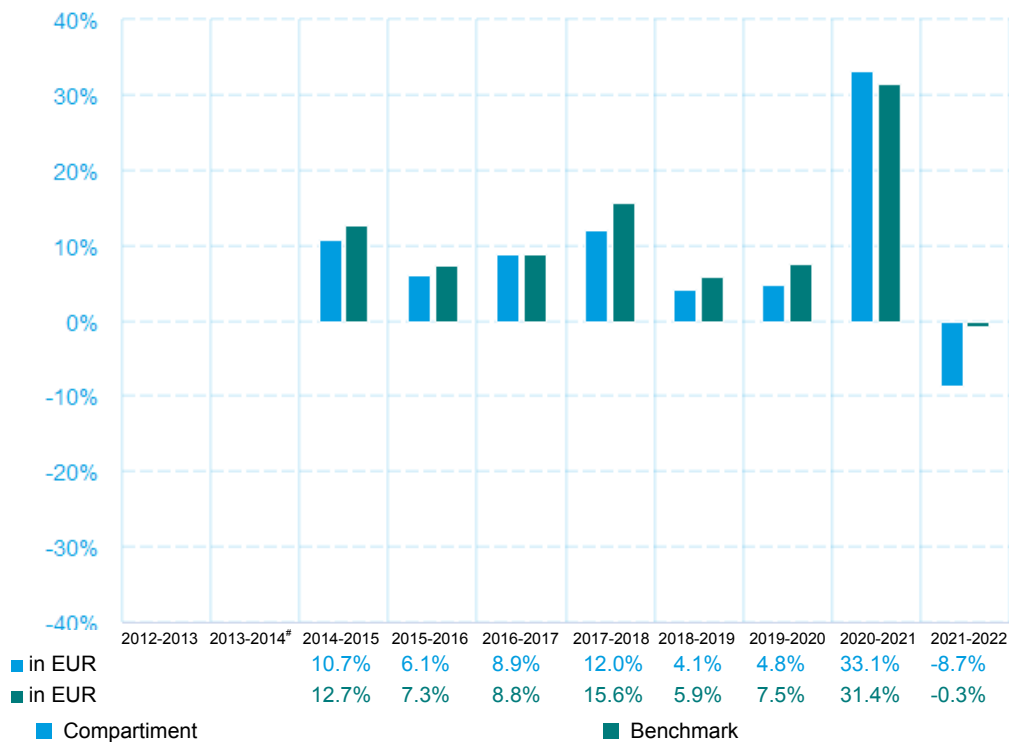
Dividend on ex-dividend date 30/11/2022: 10,6119 net (15,1598 gross).

In accordance with the Royal Decree of 10 November 2006 on the accounting and the annual accounts of certain public collective investment undertakings, investors are informed that the General Meeting of the fund will decide to pay a dividend despite the fact that a negative 'result available for appropriation' was recorded for the corresponding financial year.

Investors are also informed that the dividend to be paid stems directly from the interest, dividends and realised capital gains received from the investments made during the financial year corresponding to the dividend to be paid out.

## Institutional Shares

BE6257810497  
KBC Eco Fund World Institutional Shares CAP  
Annual performance compared to the benchmark on 31/08/2022 (in EUR)



# There is insufficient data for this year to give investors a useful indication of past performance.

Cap Div	ISIN Code	Curr ency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
CAP	BE6257810497	EUR	-8.68%	-0.30%	8.40%	12.11%	8.23%	11.52%	%		25/09/2013	9.10%

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.

## Institutional Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:  
**Capitalisation units (CAP)**  
Return on date D over a period of X years :  
$$\left[ \frac{NIW(D)}{NIW(Y)} \right]^{1/X} - 1$$
where Y = D-X  
Return on date D since the start date S of the unit:  
$$\left[ \frac{NIW(D)}{NIW(S)} \right]^{1/F} - 1$$
where F = 1 if the unit has existed for less than one year on date D  
where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation shares.



## 2.4.6. Costs

### **Ongoing Charges and Transaction costs:**

#### *Classic Shares Distribution :*

Ongoing charges : 1,749%

Transaction costs: 0,104%

#### *Classic Shares Capitalisation :*

Ongoing charges : 1,727%

Transaction costs: 0,104%

#### *Institutional Shares Capitalisation :*

Ongoing charges : 1,651%

Transaction costs: 0,104%

Percentage calculated at reporting date: 31 August 2022 .

A more detailed explanation with respect to the method of calculating ongoing charges and the relevant exclusions can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.5. Ongoing charges'

More information on how transaction costs are calculated: the transaction costs are not included in the ongoing charges, but are instead shown separately. Moreover, this does not fully reflect the actual transaction costs as only the explicit transaction costs are given.

### **Existence of Commission Sharing Agreements**

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.7. Commission Sharing Agreements'.

No CSA accrual during this period.

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

The management company has shared 53,03% of its fee with the distributor, and institutional and/or professional parties.

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.6. Fee-sharing agreements and rebates'.

## 2.4.7. Notes to the financial statements and other data

### Classic Shares

Fee for managing the investment portfolio	Max 1.50%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.  (* ) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year.
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund.
Fee for financial services	-	-
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Annual tax	See prospectus General Part : 'Information concerning the Bevek - H. Tax treatment'	
Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs	0.10%	of the net assets of the sub-fund per year.

### Institutional Shares

Fee for managing the investment portfolio	Max 1.50%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.  (* ) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year.
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund.
Fee for financial services	-	-
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Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	
Annual tax	See prospectus General Part : 'Information concerning the Bevek - H. Tax treatment'	
Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs	0.10%	of the net assets of the sub-fund per year.

### Anti-dilution levy

During the past reporting period, no anti-dilution levy, as described in the general information on the Bevek of this report, under title 1.2.1.9. *Non-recurring fees and charges borne by the investor*, was charged in favor of this sub-fund.

### ***Exercising voting rights***

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.