

# **KBC Eco Fund**

## **Audited annual report**

### **31 August 2021**

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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.

### 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 appointed 01/09/2020
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
Wilfried Kupers	General Manager Group Legal KBC Group NV, Havenlaan 2, 1080 Brussels	Natural person to whom the executive management of the Bevek has been entrusted resigned 31/08/2020

### 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>	
Peter Andronov	<i>Chairman</i>	appointed 30/06/2021
Luc Popelier	<i>Chairman</i>	resigned 30/06/2021
Johan Lema	<i>President of the Executive Committee</i>	
Linda Demunter	<i>Managing Director</i>	resigned 14/11/2020
Jürgen Verschaeve	<i>Managing Director</i>	appointed 15/11/2020
Frank Van de Vel	<i>Managing Director</i>	
Chris Sterckx	<i>Managing Director</i>	
Klaus Vandewalle	<i>Managing 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>	
Linda Demunter	<i>Managing Director</i>	resigned 14/11/2020
Jürgen Verschaeve	<i>Managing Director</i>	appointed 15/11/2020
Frank Van de Vel	<i>Managing Director</i>	
Chris Sterckx	<i>Managing Director</i>	
Klaus Vandewalle	<i>Managing 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.

## Status of the Bevek

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.

## 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

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

## 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**

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

## **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 2021

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: 34 417 348 EUR Variable pay: 3 749 709 EUR Number of recipients: 381
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: 2 145 060 EUR Reward for the manager's staff whose acts affect the risk profile: 666 700 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
	Classic Shares HUF
	Institutional F Shares LU
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.

<b>fund</b>	<b>amount</b>	<b>currency</b>
Alternative Energy	15,781.68	EUR
Climate Change	17,677.42	EUR
CSOB Water	33,459.10	EUR
Impact Investing	7,310.15	EUR
World	82,122.74	EUR

#### Fees for special assignments conducted within the bevek by the statutory auditor

- Other certifications: 3,043.00 EUR

### *Significant changes during the financial year*

<b>Date</b>	<b>Description</b>	<b>Subfund</b>
11 September 2020	Possibility of charging an Anti Dilution Levy ('ADL')	Alternative Energy, Climate Change, CSOB Water, Impact Investing, Water, World.
11 September 2020	Stop delegation of the portfolio management	Alternative Energy, Climate Change, CSOB Water, Impact Investing, Water, World.
1 October 2020	Update of the general part	/
1 October 2020	custodian's fee is calculated monthly instead of annually	/
30 March 2021	Clarification of the applied exclusion policy	/
30 March 2021	Implementation of the Sustainable Finance Disclosure Regulation (Level 1)	/

### 1.2.1.1. Securities Financing Transactions (SFTs)

The Bevek may not lend any financial instruments.

### 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 under title "3. Information on the risk profile" 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 – 30 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 31.08.2021

## Statutory auditor's report to the shareholders' meeting of KBC ECO FUND NV for the year ended on 31 August 2020 – 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 1 financial year.

### 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 2021 and the income statement for the year then ended, as well as the explanatory notes. The annual accounts shows a balance sheet total of 2.110.186.713 EUR and the income statement shows a profit of 612.975.637 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	279.959.956	79.202.320
KBC Eco Fund/Alternative Energy	EUR	90.910.203	38.359.681
KBC Eco Fund/Water	EUR	1.181.114.804	389.926.435
KBC Eco Fund/Impact Investing	EUR	331.351.373	59.332.360
KBC Eco Fund/Climate Change	EUR	113.757.888	17.116.891
KBC Eco Fund/CSOB Water	CZK	2.874.135.482	737.971.208

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 2021 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.

## Other matter

The audit of the annual accounts of the company for the financial year ended on 31 August 2020 was conducted by another auditor, who issued an unqualified opinion on 5 November 2020 on these annual accounts.

## 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

- 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.
- 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, 29 November 2021

MAZARS BEDRIJFSREVISOREN  
The Statutory Auditor  
Represented by

Dirk Stragier  
Bedrijfsrevisor

Nele Van Laethem  
Bedrijfsrevisor

## 1.4. Aggregate balance sheet (in EUR)

Balance sheet layout		31/08/2021	31/08/2020
	<b>TOTAL NET ASSETS</b>	2,110,186,713.16	1,360,349,669.05
II.	<b>Securities, money market instruments, UCIs and derivatives</b>		
C.	Shares and similar instruments		
a)	Shares	2,110,194,718.83	1,346,149,380.89
D.	Other securities	48,107.96	40,004.26
F.	Derivative financial instruments		
j)	Foreign exchange		
	Futures and forward contracts (+/-)	766,959.26	431,115.58
IV.	<b>Receivables and payables within one year</b>		
A.	Receivables		
a)	Accounts receivable	2,035,118.83	1.34
B.	Payables		
a)	Accounts payable (-)	-1,384,816.76	-0.33
c)	Borrowings (-)	-6,131,341.09	-199,214.23
V.	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	5,549,154.52	13,916,725.75
VI.	<b>Accruals and deferrals</b>		
B.	Accrued income	1,416,448.45	1,459,747.05
C.	Accrued expense (-)	-2,307,636.83	-1,448,091.27
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	2,110,186,713.16	1,360,349,669.05
A.	<b>Capital</b>	1,496,643,630.26	1,326,968,056.40
B.	<b>Income equalization</b>	567,446.04	28,327.12
D.	<b>Result of the bookyear</b>	612,975,636.87	33,353,285.53
<b>Off-balance-sheet headings</b>			
III.	Notional amounts of futures and forward contracts (+)		
III.A.	Purchased futures and forward contracts	89,589,052.62	46,558,689.44
III.B.	Written futures and forward contracts	-8,706,656.86	-5,052,176.13



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

Income Statement		31/08/2021	31/08/2020
<b>I.</b>	<b>Net gains(losses) on investments</b>		
C.	Shares and similar instruments		
	a)Shares	593,012,335.23	100,136,224.26
D.	Other securities	5,494.57	-254,339.79
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	321,220.77	855,462.48
	b)Other foreign exchange positions and transactions	13,609,684.64	-64,905,160.00
	<b>Det.section I gains and losses on investments</b>		
	Realised gains on investments	205,193,647.66	115,490,634.08
	Unrealised gains on investments	419,603,707.75	29,423,905.28
	Realised losses on investments	-57,006,844.45	-70,506,255.28
	Unrealised losses on investments	39,158,224.24	-38,576,097.15
<b>II.</b>	<b>Investment income and expenses</b>		
A.	Dividends	36,269,327.48	19,275,625.54
B.	Interests		
	a)Securities and money market instruments	6,017.20	
	b)Cash at bank and in hand and deposits	852.28	23,117.55
C.	Interest on borrowings (-)	-54,670.12	-46,206.36
F.	Other investment income	40,729.55	29.91
<b>III.</b>	<b>Other income</b>		
	Income received to cover the acquisition and realizaion of assets, to discourage withdrawals and for delivery charges	273,436.40	314,107.73
B.	Other		85.72
<b>IV.</b>	<b>Operating expenses</b>		
A.	Investment transaction and delivery costs (-)	-1,219,397.85	-1,613,906.98
B.	Financial expenses (-)	-2,000.21	-1,727.61
C.	Custodian's fee (-)	-665,589.41	-530,426.42
D.	Manager's fee (-)		
	a)Financial management	-25,114,563.34	-17,065,345.34
	b)Administration and accounting management	-1,725,016.97	-1,345,463.57
E.	Administrative expenses (-)	-5,007.46	-5,004.60
F.	Formation and organisation expenses (-)	-28,470.55	-29,771.01
G.	Remuneration, social security charges and pension	-29,032.62	-17,601.41
H.	Services and sundry goods (-)	-58,608.14	-87,669.49
J.	Taxes	-1,469,026.28	-1,041,808.60
K.	Other expenses (-)	-192,078.30	-306,936.46
	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	6,026,901.67	-2,478,901.40

<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	612,975,636.87	33,353,285.53
<b>VII.</b>	<b>Result of the bookyear</b>	612,975,636.87	33,353,285.53

Appropriation Account		31/08/2021	31/08/2020
I.	<b>Profit to be appropriated</b>	613,543,082.91	33,381,612.65
	Profit for the period available for appropriation	612,975,636.87	33,353,285.53
	Income on the creation of shares (income on the cancellation of shares)	567,446.04	28,327.12
II.	<b>(Appropriations to) Deductions from capital</b>	-605,894,199.94	-29,395,358.24
IV.	<b>(Dividends to be paid out)</b>	-7,648,882.97	-3,986,254.41

## 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 =	31/08/2021		31/08/2020	
	1.615174	AUD	1.617132	AUD
	6.043372	BRL	6.560862	BRL
	1.491675	CAD	1.558263	CAD
	1.081351	CHF	1.076893	CHF
	914.789728	CLP	927.542942	CLP
	25.414026	CZK	26.276038	CZK
	7.436657	DKK	7.444370	DKK
	1.000000	EUR	1.000000	EUR
	0.857729	GBP	0.893199	GBP
	9.180772	HKD	9.268791	HKD
	349.160052	HUF	354.910002	HUF
	3.781866	ILS	4.008525	ILS
	86.181703	INR	88.030889	INR
	129.684237	JPY	126.824518	JPY
	1,368.672750	KRW	1,420.669010	KRW
	23.655627	MXN	26.174561	MXN
	4.907130	MYR	4.981729	MYR
	10.276230	NOK	10.378454	NOK
	1.677132	NZD	1.769418	NZD
	58.727387	PHP	57.985635	PHP
	10.197494	SEK	10.315009	SEK
	1.587823	SGD	1.626013	SGD
	38.078365	THB	37.140227	THB
	9.814851	TRY	8.800996	TRY
	32.714401	TWD	35.090966	TWD
	1.180450	USD	1.195950	USD
	17.075209	ZAR	20.260887	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**

###### **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)**

The sub-fund may not lend any financial instruments.

### **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**

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

## **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).

### **Leveraged finance**

The total amount of leveraged finance used by the sub-fund is 25 945.32 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.

## 2.2. Balance sheet

Balance sheet layout		31/08/2021 (in the currency of the sub-fund)	31/08/2020 (in the currency of the sub-fund)
	<b>TOTAL NET ASSETS</b>	90,910,203.04	56,624,849.00
II.	<b>Securities, money market instruments, UCIs and derivatives</b>		
C.	Shares and similar instruments		
a)	Shares	90,252,228.60	56,654,466.12
D.	Other securities	11.49	
IV.	<b>Receivables and payables within one year</b>		
A.	Receivables		
a)	Accounts receivable	121,756.50	0.38
B.	Payables		
a)	Accounts payable (-)	-54,113.61	
c)	Borrowings (-)	-37,990.98	-52,784.84
V.	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	707,533.27	42,257.38
VI.	<b>Accruals and deferrals</b>		
B.	Accrued income	22,937.56	30,393.11
C.	Accrued expense (-)	-102,159.79	-49,483.15
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	90,910,203.04	56,624,849.00
A.	<b>Capital</b>	52,606,054.35	41,721,127.35
B.	<b>Income equalization</b>	-55,532.40	58,722.29
D.	<b>Result of the bookyear</b>	38,359,681.09	14,844,999.36

## 2.3. Profit and loss account

Income Statement		31/08/2021 (in the currency of the fund)	31/08/2020 (in the currency of the fund)
<b>I.</b>	<b>Net gains(losses) on investments</b>		
C.	Shares and similar instruments		
a)	Shares	37,734,074.73	16,722,213.37
D.	Other securities	0.48	-232,214.36
H.	Foreign exchange positions and transactions		
a)	Derivative financial instruments		
	Futures and forward contracts		-0.01
b)	Other foreign exchange positions and transactions	747,231.80	-1,619,641.89
	<b>Det.section I gains and losses on investments</b>		
	Realised gains on investments	25,298,559.17	7,676,926.08
	Unrealised gains on investments	12,408,505.55	8,140,906.49
	Realised losses on investments	-877,599.33	-2,146,591.79
	Unrealised losses on investments	1,651,841.62	1,199,116.33
<b>II.</b>	<b>Investment income and expenses</b>		
A.	Dividends	1,326,455.80	632,092.11
B.	Interests		
a)	Securities and money market instruments	9.81	
b)	Cash at bank and in hand and deposits	7.74	1,208.21
C.	Interest on borrowings (-)	-2,266.55	-1,027.19
<b>III.</b>	<b>Other income</b>		
A.	Income received to cover the acquisition and realizaion of assets, to discourage withdrawals and for delivery charges	33,937.25	11,483.19
B.	Other		3.34
<b>IV.</b>	<b>Operating expenses</b>		
A.	Investment transaction and delivery costs (-)	-103,114.55	-36,089.62
B.	Financial expenses (-)	-133.62	-86.73
C.	Custodian's fee (-)	-34,224.94	-16,366.32
D.	Manager's fee (-)		
a)	Financial management		
	Classic Shares	-1,089,631.01	-483,623.95
	Institutional B Shares	-43,073.74	-30,411.96
b)	Administration and accounting management	-86,999.93	-42,378.80
E.	Administrative expenses (-)	-1,002.27	-998.67
F.	Formation and organisation expenses (-)	-1,673.12	-2,274.63
G.	Remuneration, social security charges and pension	-1,397.72	-545.27
H.	Services and sundry goods (-)	-8,534.47	-8,853.92
J.	Taxes		
	Classic Shares	-83,917.83	-35,518.31
	Institutional B Shares	-995.69	-803.74
K.	Other expenses (-)	-25,071.08	-11,165.49
	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	-121,625.92	-25,357.75
<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	38,359,681.09	14,844,999.36
<b>VII.</b>	<b>Result of the bookyear</b>	38,359,681.09	14,844,999.36

<b>Appropriation Account</b>		<b>31/08/2021</b> (in the currency of the sub-fund)	<b>31/08/2020</b> (in the currency of the sub-fund)
<b>I.</b>	<b>Profit to be appropriated</b>	38,304,148.69	14,903,721.65
	Profit for the period available for appropriation	38,359,681.09	14,844,999.36
	Income on the creation of shares (income on the cancellation of shares)	-55,532.40	58,722.29
<b>II.</b>	<b>(Appropriations to) Deductions from capital</b>	-37,975,932.09	-14,787,587.85
<b>IV.</b>	<b>(Dividends to be paid out)</b>	-328,216.60	-116,133.80

## 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 31/08/2021	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Austria</u>							
ANDRITZ AG -	30,411.00	EUR	48.660	1,479,799.26		1.64	1.63
ZUMTOBEL AG -	27,293.00	EUR	9.240	252,187.32		0.28	0.28
<u>Belgium</u>							
BEKAERT -	36,544.00	EUR	40.320	1,473,454.08		1.63	1.62
ELIA SYSTEM OPERATOR -	22,169.00	EUR	106.400	2,358,781.60		2.61	2.60
UMICORE -	29,437.00	EUR	55.740	1,640,818.38		1.82	1.81
<u>Brazil</u>							
SAO MARTINHO SA -	227,212.00	BRL	32.140	1,208,363.93		1.34	1.33
<u>Canada</u>							
BALLARD POWER SYSTEMS -	47,684.00	CAD	21.260	679,612.79		0.75	0.75
GREENPOWER MOTOR CO INC -	5,027.00	CAD	17.360	58,503.82		0.07	0.06
HYDRO ONE LTD -	107,957.00	CAD	31.400	2,272,511.33		2.52	2.50
INNERGEX RENEWABLE ENERGY INC -	83,781.00	CAD	20.110	1,129,492.14		1.25	1.24
POLARIS INFRASTRUCTURE INC -	87,861.00	CAD	18.640	1,097,912.30		1.22	1.21
WESTPORT FUEL SYSTEMS INC -	66,092.00	CAD	5.000	221,536.10		0.25	0.24
5N PLUS INC -	238,983.00	CAD	2.860	458,203.76		0.51	0.50
<u>China</u>							
DONGFANG ELECTRIC CORP LTD -	1,160,313.00	HKD	10.660	1,347,265.29		1.49	1.48
GCL POLY ENERGY HOLDINGS LTD -	1,775,207.00	HKD	1.980	382,855.55		0.42	0.42
<u>Denmark</u>							
NOVOZYMES A/S B	21,572.00	DKK	508.800	1,475,909.43		1.64	1.62
VESTAS WINDS SYSTEMS -	26,655.00	DKK	254.300	911,480.21		1.01	1.00
<u>France</u>							
LEGRAND (PAR)	13,712.00	EUR	96.920	1,328,967.04		1.47	1.46
MERSEN (PAR)	27,850.00	EUR	32.950	917,657.50		1.02	1.01
NEOEN SA -	21,077.00	EUR	36.180	762,565.86		0.85	0.84
NEXANS SA (PAR)	12,746.00	EUR	84.750	1,080,223.50		1.20	1.19
<u>Germany</u>							
AIXTRON AG -	38,701.00	EUR	24.430	945,465.43		1.05	1.04
ENCAVIS AG -	73,469.00	EUR	15.390	1,130,687.91		1.25	1.24
ENERGIEKONTOR AG -	14,142.00	EUR	57.500	813,165.00		0.90	0.89
MANZ AG -	8,291.00	EUR	55.700	461,808.70		0.51	0.51
NORDEX AG -	67,798.00	EUR	15.870	1,075,954.26		1.19	1.18
PNE AG -	41,554.00	EUR	7.340	305,006.36		0.34	0.34
SMA SOLAR TECHNOLOGY AG -	20,739.00	EUR	40.540	840,759.06		0.93	0.93
WACKER CHEMIE AG -	8,320.00	EUR	149.350	1,242,592.00		1.38	1.37
7C SOLARPARKEN AG -	232,297.00	EUR	3.875	900,150.88		1.00	0.99
<u>Greece</u>							
TERNA ENERGY SA -	110,933.00	EUR	12.120	1,344,507.96		1.49	1.48
<u>Hong Kong</u>							
CHINA EVERBRIGHT INTL -	2,481,075.00	HKD	5.380	1,453,928.09		1.61	1.60
WASION HOLDINGS LTD -	1,798,000.00	HKD	2.550	499,402.40		0.55	0.55
<u>India</u>							
PRAJ INDUSTRIES LTD -	126,722.00	INR	332.400	488,762.59		0.54	0.54
<u>Italy</u>							
FALK RENEWABLES SPA -	247,200.00	EUR	6.980	1,725,456.00		1.91	1.90
TERNA RETE ELETTRICA NAZIONALE -	326,658.00	EUR	6.696	2,187,301.97		2.42	2.41
<u>Japan</u>							
KYOCERA -	25,000.00	JPY	6,846.000	1,319,744.05		1.46	1.45
NIPPON SHEET GLASS CO LTD -	223,000.00	JPY	570.000	980,149.96		1.09	1.08
WEST HOLDINGS CORP -	36,857.00	JPY	4,905.000	1,394,028.98		1.55	1.53
<u>Netherlands</u>							
ADVANCED METALLURGICAL GROUP -	34,729.00	EUR	29.980	1,041,175.42		1.15	1.15
ALFEN BEHEER BV -	10,454.00	EUR	90.900	950,268.60		1.05	1.05

<u>New Zealand</u>						
MERIDIAN ENERGY LTD -	244,645.00	NZD	5.250	765,822.58	0.85	0.84
TRUSTPOWER LTD BAY ENERGY LTD	96,958.00	NZD	7.970	460,759.70	0.51	0.51
<u>Norway</u>						
REC SILICON ASA -	298,467.00	NOK	15.820	459,482.49	0.51	0.51
SCATEC SOLAR ASA -	41,805.00	NOK	179.800	731,449.05	0.81	0.81
<u>Portugal</u>						
REN REDES ENERGETICAS -	806,801.00	EUR	2.480	2,000,866.48	2.22	2.20
<u>South Korea</u>						
OCI CO LTD -	9,733.00	KRW	127,000.000	903,131.15	1.00	0.99
<u>Spain</u>						
ABENGOA S.A. B SHARES	40,847,142.00	EUR	0.001	40,847.14	0.05	0.05
ACCIONA SA -	12,213.00	EUR	137.600	1,680,508.80	1.86	1.85
AUDAX RENOVABLES SA -	687,339.00	EUR	1.920	1,319,690.88	1.46	1.45
EDP RENOVAVEIS SA -	62,905.00	EUR	22.520	1,416,620.60	1.57	1.56
GREENERGY RENOVABLES SA -	27,013.00	EUR	29.500	796,883.50	0.88	0.88
RED ELECTRICA DE ESPANA -	112,859.00	EUR	16.890	1,906,188.51	2.11	2.10
SIEMENS GAMESA RENEWABLE ENERGY SA -	29,522.00	EUR	25.110	741,297.42	0.82	0.82
SOLARIA ENERGIA Y MEDIO AMBIENTE SA -	73,933.00	EUR	16.800	1,242,074.40	1.38	1.37
SOLTEC POWER HOLDINGS SA -	80,999.00	EUR	6.915	560,108.09	0.62	0.62
<u>Switzerland</u>						
GURIT HOLDING AG -	285.00	CHF	1,892.000	498,653.90	0.55	0.55
LANDIS+GYR GROUP AG -	17,920.00	CHF	70.150	1,162,515.91	1.29	1.28
MEYER BURGER TECHNOLOGY AG MEYER BURGER TECHNOLOGY AG	2,329,634.00	CHF	0.463	997,474.75	1.11	1.10
OC OERLIKON CORP AG (NOM)20CHF	140,282.00	CHF	10.220	1,325,824.59	1.47	1.46
<u>Taiwan</u>						
E-TON SOLAR TECH CO LTD -	180,334.00	TWD	0.010	55.12	0.00	0.00
GLOBALWAFERS CO LTD -	48,768.00	TWD	870.000	1,296,926.08	1.44	1.43
MOTECH INDUSTRIES INC -	1,087,762.00	TWD	30.450	1,012,470.10	1.12	1.11
SINO-AMERICAN SILICON PRODUCTS -	196,773.00	TWD	193.000	1,160,870.68	1.29	1.28
<u>U.K.</u>						
CERES POWER HOLDINGS PLC -	72,296.00	GBP	11.790	993,751.53	1.10	1.09
ITM POWER PLC -	63,561.00	GBP	4.854	359,699.83	0.40	0.40
LINDE PLC -	5,731.00	EUR	267.200	1,531,323.20	1.70	1.68
NAT. GRID PLC -	224,049.00	GBP	9.413	2,458,786.41	2.73	2.71
SPIRAX-SARCO ENGINEERING PLC -	8,511.00	GBP	161.100	1,598,548.68	1.77	1.76
<u>U.S.A.</u>						
ADVANCED ENERGY INDUSTRIES -	11,044.00	USD	90.180	843,701.91	0.94	0.93
AMERESCO INC -	23,404.00	USD	69.150	1,370,991.23	1.52	1.51
AMERICAN SUPERCONDUCTOR CORP -	39,362.00	USD	14.900	496,839.17	0.55	0.55
APPLIED MATERIALS -	9,714.00	USD	135.130	1,111,993.58	1.23	1.22
ARRAY TECHNOLOGIES INC -	39,259.00	USD	19.070	634,223.50	0.70	0.70
CANADIAN SOLAR INC -	18,468.00	USD	36.970	578,391.26	0.64	0.64
CREE RESEARCH INC -	9,986.00	USD	84.980	718,887.10	0.80	0.79
ENPHASE ENERGY INC -	4,981.00	USD	173.730	733,067.16	0.81	0.81
FIRST SOLAR INC -	11,332.00	USD	94.000	902,374.52	1.00	0.99
FUELCELL ENERGY LTD -	39,486.00	USD	6.240	208,727.72	0.23	0.23
ITRON INC -	13,029.00	USD	84.010	927,244.94	1.03	1.02
JINKOSOLAR HOLDING CO LTD -	14,248.00	USD	49.200	593,842.69	0.66	0.65
MYR GROUP INC/DELAWARE -	20,206.00	USD	104.010	1,780,360.08	1.97	1.96
OWENS CORNING -	12,807.00	USD	95.550	1,036,646.07	1.15	1.14
PLUG POWER INC -	24,606.00	USD	26.060	543,210.10	0.60	0.60
SOLAREDGE TECHNOLOGIES INC -	4,047.00	USD	289.780	993,468.30	1.10	1.09
TESLA INC -	1,501.00	USD	735.720	935,504.02	1.04	1.03
TPI COMPOSITES INC -	17,115.00	USD	36.310	526,448.09	0.58	0.58
VEECO INSTRUMENTS INC -	47,691.00	USD	22.790	920,731.83	1.02	1.01
VMWARE INC CLASS A -	10,582.00	USD	148.870	1,334,526.95	1.48	1.47
Total shares				90,252,228.60	100.00	99.28
<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
Total rights				11.49	0.00	0.00
TOTAL SECURITIES PORTFOLIO				90,252,240.09	100.00	99.28
CASH AT BANK AND IN HAND						
<b>Demand accounts</b>						
<u>Belgium</u>						
KBC GROUP AUD	0.29	AUD	1.000	0.18	0.00	0.00
KBC GROUP CAD	-8,043.84	CAD	1.000	-5,392.49	0.00	-0.01
KBC GROUP CHF	36,971.99	CHF	1.000	34,190.55	0.00	0.04
KBC GROUP DKK	-19,799.87	DKK	1.000	-2,662.47	0.00	-0.00



KBC GROUP EURO	481,265.74	EUR	1.000	481,265.74	0.00	0.53
KBC GROUP GBP	74,374.78	GBP	1.000	86,711.25	0.00	0.10
KBC GROUP HKD	585,267.04	HKD	1.000	63,749.21	0.00	0.07
KBC GROUP JPY	-3,631,587.00	JPY	1.000	-28,003.30	0.00	-0.03
KBC GROUP NOK	2,324.99	NOK	1.000	226.25	0.00	0.00
KBC GROUP NZD	-3,241.42	NZD	1.000	-1,932.72	0.00	-0.00
KBC GROUP SEK	343.23	SEK	1.000	33.66	0.00	0.00
KBC GROUP USD	48,819.20	USD	1.000	41,356.43	0.00	0.05
Total demand accounts				669,542.29	0.00	0.74
TOTAL CASH AT BANK AND IN HAND				669,542.29	0.00	0.74
OTHER RECEIVABLES AND PAYABLES						
<b>Receivables</b>						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	121,756.50	EUR	1.000	121,756.50	0.00	0.13
Total receivables				121,756.50	0.00	0.13
<b>Payables</b>						
<u>Belgium</u>						
KBC GROUP EUR PAYABLE	-54,113.61	EUR	1.000	-54,113.61	0.00	-0.06
Payables				-54,113.61	0.00	-0.06
TOTAL RECEIVABLES AND PAYABLES				67,642.89	0.00	0.07
OTHER						
Interest receivable		EUR		22,937.56	0.00	0.03
Expenses payable		EUR		-102,159.79	0.00	-0.11
TOTAL OTHER				-79,222.23	0.00	-0.09
TOTAL NET ASSETS				90,910,203.04	0.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
Australia	0.58	0.00	0.00	0.00
Austria	1.45	1.32	1.44	1.91
Belgium	5.22	3.53	6.55	6.83
Brazil	2.50	1.66	1.46	1.33
Canada	8.32	5.97	7.18	6.50
Switzerland	3.95	4.82	6.28	4.39
China	1.24	2.23	1.46	1.90
Germany	7.83	6.98	5.78	8.48
Denmark	2.99	3.22	2.15	2.62
Spain	9.75	10.88	9.35	10.66
France	2.70	2.67	2.68	4.50
U.K.	2.99	3.89	3.87	7.63
Greece	0.93	1.31	1.54	1.48
Hong Kong	1.51	2.30	2.07	2.15
India	1.16	1.60	2.40	0.54
Italy	5.24	3.14	4.16	4.30
Japan	4.51	4.24	3.08	4.07
South Korea	0.71	1.47	1.51	0.99
Netherlands	1.35	3.02	2.49	2.18
Norway	2.67	2.17	1.50	1.30
New Zealand	1.30	1.95	1.60	1.35
Portugal	0.00	0.00	0.00	2.20
Singapore	0.00	0.23	0.00	0.00
Thailand	1.32	1.06	1.67	0.00
Taiwan	3.22	4.95	4.02	3.82
U.S.A.	26.48	25.39	25.76	18.87
British Virgin Islands	0.08	0.00	0.00	0.00
TOTAL	100.00	100.00	100.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
Cyclicals	50.69	57.52	55.49	52.75
Consum(cycl)	6.66	7.76	5.18	4.60
Cons.goods	2.50	1.66	1.46	1.33
Financials	3.03	1.83	2.09	2.06
Technology	13.02	13.60	16.75	15.73
Utilities	24.10	17.63	19.03	23.53
TOTAL	100.00	100.00	100.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
AUSTRALIAN DOLLAR	0.59	0.00	0.00	0.00
BRASILIAN REAL	2.50	1.66	1.46	1.33
CANADIAN DOLLAR	6.69	4.92	6.29	6.49
SWISS FRANC	3.96	4.82	6.28	4.43
DANISH KRONE	3.01	3.22	2.15	2.62
EURO	34.34	32.78	34.14	44.00
POUND STERLING	2.99	3.90	3.88	6.05
HONG KONG DOLLAR	2.75	4.56	3.39	4.12
INDIE RUPEE	1.16	1.60	2.40	0.54
JAPANESE YEN	4.55	4.24	3.10	4.04
KOREAN WON	0.71	1.47	1.51	0.99
NORWEGIAN KRONE	2.68	2.17	1.44	1.30
NEW ZEALAND DOLLAR	1.34	1.95	1.60	1.35
THAI BATH	1.32	1.06	1.67	0.00
NEW TAIWAN DOLLAR	3.22	4.95	4.02	3.82
US DOLLAR	28.19	26.70	26.67	18.92
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 the currency of the sub-fund)

	1 <sup>st</sup> half of year	2 <sup>nd</sup> half of year	Year
<b>Purchases</b>	33,254,585.85	18,904,026.84	52,158,612.69
<b>Sales</b>	10,932,566.96	46,192,980.45	57,125,547.41
<b>Total 1</b>	44,187,152.81	65,097,007.28	109,284,160.09
<b>Subscriptions</b>	34,798,041.82	9,722,863.53	44,520,905.35
<b>Redemptions</b>	11,241,161.97	37,230,448.25	48,471,610.22
<b>Total 2</b>	46,039,203.79	46,953,311.78	92,992,515.57
<b>Monthly average of total assets</b>	83,969,921.63	89,292,124.36	86.674.292.93
<b>Turnover rate</b>	-2.21%	20.32%	18.80%

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:  
 CBC Banque SA, Avenue Albert 1er 60, B-5000 Namur  
 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						
Year	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2019 - 08*	7,100.98	2,361.00	9,550.88	2,297.50	75,658.86	22,471.98	98,130.84
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

Period	Amounts received and paid by the UCITS (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2019 - 08*	1,947,383.61	526,000.90	2,593,077.37	497,077.04
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

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2019 - 08*	26,816,887.83	286.23	229.66
2020 - 08*	43,548,557.20	397.09	311.96
2021 - 08*	78,470,378.92	644.66	501.19

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

## Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2019 - 08*	2,699.06		5,888.00		35,427.13		35,427.13
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

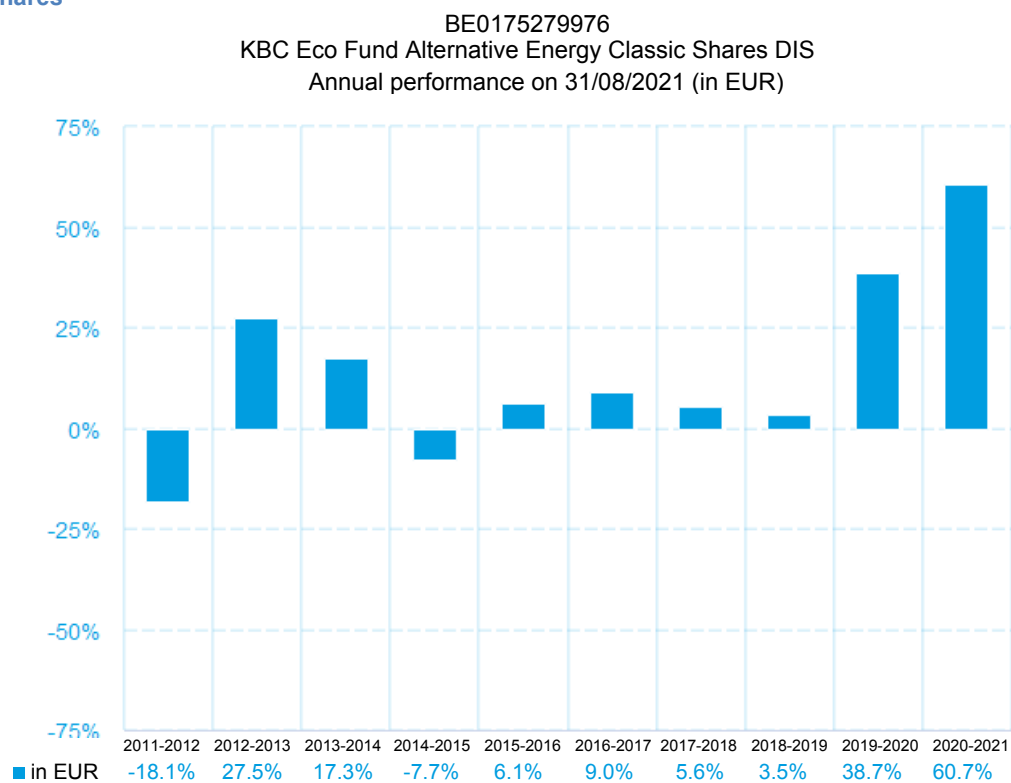
Period	Amounts received and paid by the UCITS (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2019 - 08*	688,427.30		1,580,712.29	
2020 - 08*	3,319,362.61		3,929,612.17	
2021 - 08*	4,458,887.89		12,841,952.97	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2019 - 08*	10,233,049.48	288.85	
2020 - 08*	13,076,291.80	405.98	
2021 - 08*	12,439,824.12	667.80	

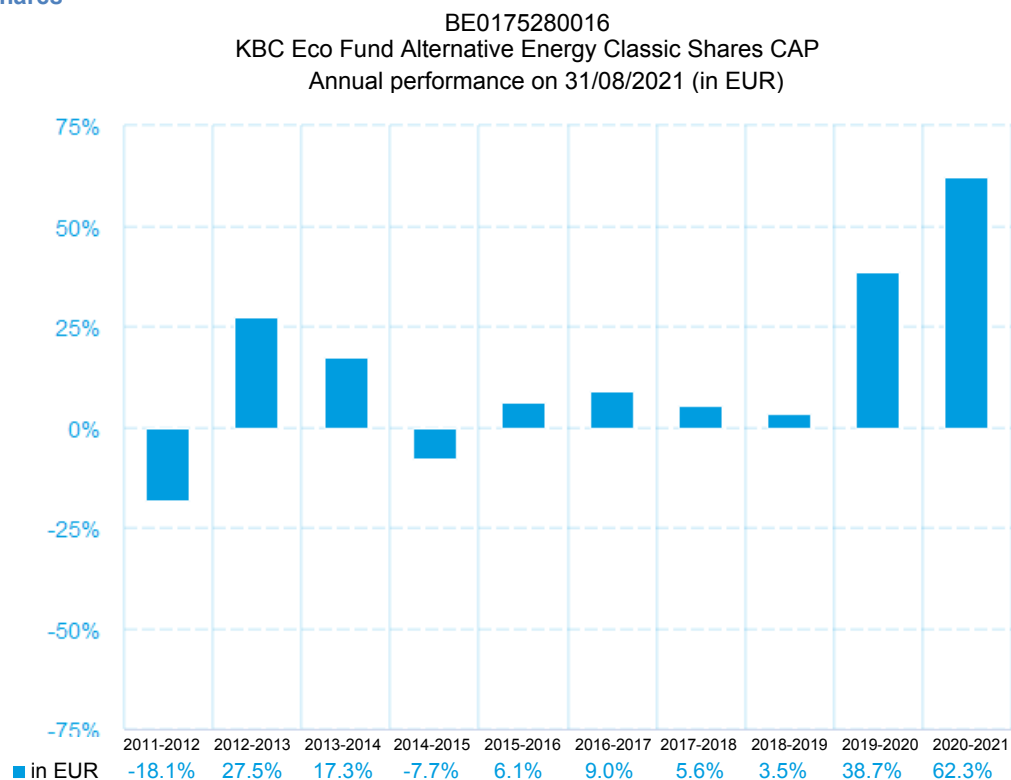
\*The financial year does not coincide with the calendar year.

## 2.4.5. Performance figures

### Classic Shares



### Classic Shares



Cap Div	ISIN Code	Currency	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	60.66%		32.10%		21.55%		12.28%		31/10/2000	1.17%
CAP	BE0175280016	EUR	62.35%		32.59%		21.83%		12.41%		31/10/2000	1.23%

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:

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

i = 1 ... N

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

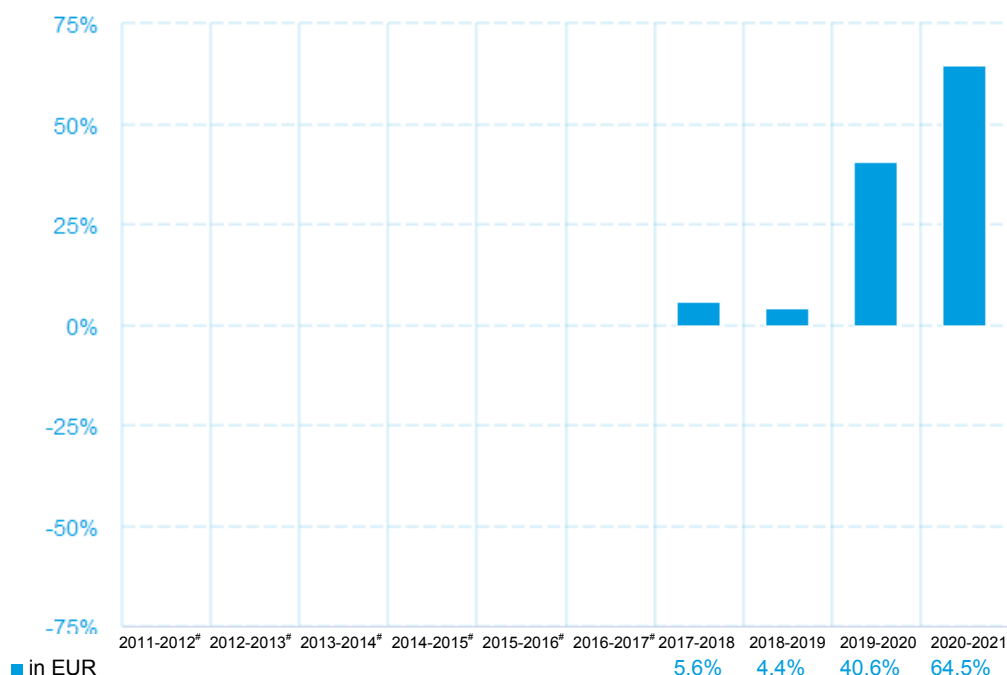
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the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

Dividend on ex-dividend date 30/11/2021: 4,9169 net (7,0242 gross).

Dividend on ex-dividend date 30/11/2021: 4,9169 net (7,0242 gross).

## Institutional B Shares

### BE6228924690 KBC Eco Fund Alternative Energy Institutional B Shares CAP Annual performance on 31/08/2021 (in EUR)



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

Cap Div	ISIN Code	Currency	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	64.49%		34.12%		%		%		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 :  

$$\left[ \frac{NIW(D)}{NIW(Y)} \right]^{1/X} - 1$$
 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 : 1.864%  
Transaction costs : 0.110%

#### *Classic Shares Capitalisation :*

Ongoing Charges : 1.795%  
Transaction costs : 0.110%

#### *Institutional B Shares Capitalisation :*

Ongoing Charges : 0.483%  
Transaction costs : 0.110%

Percentage calculated at reporting date: 31 August 2021 .

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 50,88% 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.
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund	
Annual tax	see the 'Information concerning the Bevek - H. Tax treatment'	

### 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.
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund	
Annual tax	see the 'Information concerning the Bevek - H. Tax treatment'	

### 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**

###### **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)**

The sub-fund may not lend any financial instruments.

### **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**

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

## **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).

### **Leveraged finance**

The total amount of leveraged finance used by the sub-fund is 9 370.64 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.

## 2.2. Balance sheet

Balance sheet layout		31/08/2021 (in the currency of the sub-fund)	31/08/2020 (in the currency of the sub-fund)
	<b>TOTAL NET ASSETS</b>	113,757,887.53	32,431,988.77
II.	<b>Securities, money market instruments, UCIs and derivatives</b>		
C.	Shares and similar instruments		
a)	Shares	113,670,189.71	32,411,064.19
D.	Other securities	4,962.71	
IV.	<b>Receivables and payables within one year</b>		
A.	Receivables		
a)	Accounts receivable	100,303.75	
B.	Payables		
a)	Accounts payable (-)	-13,319.02	
c)	Borrowings (-)	-4,410.30	-4,893.53
V.	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	59,588.31	44,503.42
VI.	<b>Accruals and deferrals</b>		
B.	Accrued income	84,270.63	12,032.07
C.	Accrued expense (-)	-143,698.26	-30,717.38
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	113,757,887.53	32,431,988.77
A.	<b>Capital</b>	96,222,549.89	30,479,592.32
B.	<b>Income equalization</b>	418,446.93	55,790.52
D.	<b>Result of the bookyear</b>	17,116,890.71	1,896,605.93

## 2.3. Profit and loss account

Income Statement		31/08/2021 (in the currency of the fund)	31/08/2020 (in the currency of the fund)
<b>I.</b>	<b>Net gains(losses) on investments</b>		
C.	Shares and similar instruments		
a)	Shares	15,959,440.13	3,283,513.42
D.	Other securities	5,496.97	-17,363.90
H.	Foreign exchange positions and transactions		
b)	Other foreign exchange positions and transactions	928,222.39	-1,339,162.64
	<b>Det.section I gains and losses on investments</b>		
	Realised gains on investments	5,183,119.56	3,179,524.94
	Unrealised gains on investments	11,635,976.40	1,747,791.62
	Realised losses on investments	-1,870,067.12	-2,623,349.63
	Unrealised losses on investments	1,944,130.65	-376,980.05
<b>II.</b>	<b>Investment income and expenses</b>		
A.	Dividends	1,496,949.93	490,762.19
B.	Interests		
a)	Securities and money market instruments	2.09	
b)	Cash at bank and in hand and deposits	0.71	935.59
C.	Interest on borrowings (-)	-1,710.82	-874.20
<b>III.</b>	<b>Other income</b>		
A.	Income received to cover the acquisition and realizaon of assets, to discourage withdrawals and for delivery charges	5,599.72	808.00
B.	Other		2.01
<b>IV.</b>	<b>Operating expenses</b>		
A.	Investment transaction and delivery costs (-)	-122,911.48	-36,579.79
B.	Financial expenses (-)	-106.56	-67.61
C.	Custodian's fee (-)	-24,502.31	-10,858.71
D.	Manager's fee (-)		
a)	Financial management		
	Classic Shares	-926,574.56	-399,730.01
	Institutional B Shares	-11,130.53	-3,811.18
b)	Administration and accounting management	-65,481.77	-27,919.05
E.	Administrative expenses (-)	-1,000.29	-1,000.12
F.	Formation and organisation expenses (-)	-902.86	-2,011.99
G.	Remuneration, social security charges and pension	-995.74	-364.10
H.	Services and sundry goods (-)	-8,360.46	-7,916.32
J.	Taxes		
	Classic Shares	-78,971.63	-23,076.34
	Institutional B Shares	-52.16	-25.27
K.	Other expenses (-)	-36,120.06	-8,654.05
	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	223,731.23	-30,380.94
<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	17,116,890.71	1,896,605.93
<b>VII.</b>	<b>Result of the bookyear</b>	17,116,890.71	1,896,605.93



<b>Appropriation Account</b>		<b>31/08/2021</b> (in the currency of the sub-fund)	<b>31/08/2020</b> (in the currency of the sub-fund)
<b>I.</b>	<b>Profit to be appropriated</b>	17,535,337.64	1,952,396.45
	Profit for the period available for appropriation	17,116,890.71	1,896,605.93
	Income on the creation of shares (income on the cancellation of shares)	418,446.93	55,790.52
<b>II.</b>	<b>(Appropriations to) Deductions from capital</b>	-16,779,429.06	-1,899,509.52
<b>IV.</b>	<b>(Dividends to be paid out)</b>	-755,908.58	-52,886.93

## 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 31/08/2021	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Austria</u>							
ANDRITZ AG -	34,222.00	EUR	48.660	1,665,242.52		1.47	1.46
WIENERBERGER AG (WIEN)	43,337.00	EUR	33.240	1,440,521.88		1.27	1.27
<u>Belgium</u>							
EKOPAK NV -	20,000.00	EUR	17.500	350,000.00		0.31	0.31
UMICORE -	28,112.00	EUR	55.740	1,566,962.88		1.38	1.38
<u>Canada</u>							
HYDRO ONE LTD -	111,436.00	CAD	31.400	2,345,744.82		2.07	2.07
5N PLUS INC -	262,058.00	CAD	2.860	502,445.61		0.44	0.44
<u>China</u>							
BYD CO LTD -	33,477.00	HKD	263.400	960,468.36		0.85	0.84
<u>Denmark</u>							
NOVOZYMES A/S B	24,401.00	DKK	508.800	1,669,463.48		1.47	1.47
ROCKWOOL INTERNATIONAL A/S -	2,007.00	DKK	3,333.000	899,507.69		0.79	0.79
VESTAS WINDS SYSTEMS -	32,848.00	DKK	254.300	1,123,252.74		0.99	0.99
<u>Finland</u>							
LASSILA & TIKANOJA OYJ -	96,421.00	EUR	14.880	1,434,744.48		1.26	1.26
<u>France</u>							
ALSTOM -	33,588.00	EUR	36.400	1,222,603.20		1.08	1.08
CIE DE ST-GOBAIN -	24,330.00	EUR	61.390	1,493,618.70		1.31	1.31
LEGRAND (PAR)	12,285.00	EUR	96.920	1,190,662.20		1.05	1.05
NEXANS SA (PAR)	12,414.00	EUR	84.750	1,052,086.50		0.93	0.93
SECHE ENVIRONNEMENT SA -	5,523.00	EUR	50.700	280,016.10		0.25	0.25
VALEO -	46,404.00	EUR	24.080	1,117,408.32		0.98	0.98
<u>Germany</u>							
CONTINENTAL AG -	10,575.00	EUR	113.820	1,203,646.50		1.06	1.06
COVESTRO AG -	29,499.00	EUR	54.900	1,619,495.10		1.43	1.42
ELRINGKLINGER AG -	55,666.00	EUR	13.770	766,520.82		0.67	0.67
ENCAVIS AG -	95,835.00	EUR	15.390	1,474,900.65		1.30	1.30
HELLA GMBH + CO.KGAA -	7,740.00	EUR	60.540	468,579.60		0.41	0.41
NORDEX AG -	60,021.00	EUR	15.870	952,533.27		0.84	0.84
SGL CARBON AG -	84,622.00	EUR	9.410	796,293.02		0.70	0.70
SMA SOLAR TECHNOLOGY AG -	29,103.00	EUR	40.540	1,179,835.62		1.04	1.04
TRAFFIC SYSTEM SE -	16,423.00	EUR	45.050	739,856.15		0.65	0.65
VOSSLOH AG (FRA)	21,197.00	EUR	48.000	1,017,456.00		0.90	0.89
<u>Hong Kong</u>							
CHINA EVERBRIGHT INTL -	2,268,776.00	HKD	5.380	1,329,519.33		1.17	1.17
MTR CORPORATION -	414,977.00	HKD	43.800	1,979,788.95		1.74	1.74
<u>India</u>							
JAIN IRRIGATION SYSTEMS LTD -	1,337,122.00	INR	31.100	482,521.14		0.42	0.42
<u>Italy</u>							
TERNA RETE ELETTRICA NAZIONALE -	343,065.00	EUR	6.696	2,297,163.24		2.02	2.02
<u>Japan</u>							
CENTRAL JAPAN RAILWAY -	11,300.00	JPY	16,125.000	1,405,047.40		1.24	1.24
EAST JAPAN RAILWAY -	28,500.00	JPY	7,431.000	1,633,070.49		1.44	1.44
KURITA WATER INDUSTR. -	41,400.00	JPY	5,160.000	1,647,262.65		1.45	1.45
NGK INSULATORS -	103,400.00	JPY	1,825.000	1,455,111.31		1.28	1.28
NIPPON SHEET GLASS CO LTD -	223,500.00	JPY	570.000	982,347.61		0.86	0.86
TSUKISHIMA KIKAI CO LTD -	45,000.00	JPY	1,157.000	401,475.16		0.35	0.35
WEST JAPAN RAILWAY -	30,700.00	JPY	6,016.000	1,424,160.75		1.25	1.25
<u>Netherlands</u>							
ACCELL GROUP NV -	44,159.00	EUR	40.400	1,784,023.60		1.57	1.57
ARCADIS N.V. (AMS)	43,639.00	EUR	41.960	1,831,092.44		1.61	1.61
<u>Singapore</u>							
SOUND GLOBAL LTD -	75,000.00	HKD				0.00	0.00

<u>South Korea</u>						
SAMSUNG SDI CO LTD -	2,812.00	KRW	793,000.000	1,629,254.33	1.43	1.43
WOONGJIN COWAY CO LTD -	22,368.00	KRW	78,200.000	1,278,010.10	1.12	1.12
<u>Spain</u>						
EDP RENOVAVEIS SA -	62,075.00	EUR	22.520	1,397,929.00	1.23	1.23
FLUIDRA SA -	35,333.00	EUR	34.600	1,222,521.80	1.08	1.08
RED ELECTRICA DE ESPANA -	86,669.00	EUR	16.890	1,463,839.41	1.29	1.29
SIEMENS GAMESA RENEWABLE ENERGY SA -	24,168.00	EUR	25.110	606,858.48	0.53	0.53
<u>Sweden</u>						
SWECO AB -	64,661.00	SEK	151.300	959,373.83	0.84	0.84
<u>Switzerland</u>						
LANDIS+GYR GROUP AG -	16,313.00	CHF	70.150	1,058,265.74	0.93	0.93
OC OERLIKON CORP AG (NOM)20CHF	101,793.00	CHF	10.220	962,059.73	0.85	0.85
<u>Taiwan</u>						
CLEANAWAY CO LTD -	422,219.00	TWD	170.000	2,194,056.06	1.93	1.93
GIANT MANUFACTURING CO LTD -	204,000.00	TWD	335.000	2,088,988.27	1.84	1.84
<u>U.K.</u>						
CERES POWER HOLDINGS PLC -	75,307.00	GBP	11.790	1,035,139.52	0.91	0.91
FIRSTGROUP PLC -	662,608.00	GBP	0.903	697,193.97	0.61	0.61
LINDE PLC -	6,457.00	EUR	267.200	1,725,310.40	1.52	1.52
NAT. GRID PLC -	206,259.00	GBP	9.413	2,263,553.18	1.99	1.99
PENNON GROUP PLC -	82,866.00	GBP	12.480	1,205,703.99	1.06	1.06
RENEWI PLC -	197,526.00	GBP	5.460	1,257,380.29	1.11	1.11
SIG PLC -	1,568,735.00	GBP	0.529	966,594.49	0.85	0.85
SPIRAX-SARCO ENGINEERING PLC -	6,131.00	GBP	161.100	1,151,533.54	1.01	1.01
<u>U.S.A.</u>						
AMERICAN SUPERCONDUCTOR CORP -	26,737.00	USD	14.900	337,482.57	0.30	0.30
APPLIED MATERIALS -	11,126.00	USD	135.130	1,273,629.87	1.12	1.12
APTIV PLC -	9,606.00	USD	152.190	1,238,457.49	1.09	1.09
ARRAY TECHNOLOGIES INC -	67,420.00	USD	19.070	1,089,160.40	0.96	0.96
BADGER METER INC -	7,800.00	USD	107.090	707,613.20	0.62	0.62
BLOOM ENERGY CORP -	46,993.00	USD	21.420	852,717.23	0.75	0.75
BORGWARNER INC -	32,423.00	USD	42.680	1,172,276.37	1.03	1.03
CALIFORNIA WATER SERVICE GROUP -	34,332.00	USD	63.550	1,848,277.01	1.63	1.63
CANADIAN SALAR INC -	15,787.00	USD	36.970	494,426.18	0.44	0.44
COVANTA HOLD CORP -	84,880.00	USD	20.050	1,441,690.88	1.27	1.27
CREE RESEARCH INC -	9,101.00	USD	84.980	655,176.40	0.58	0.58
DANAHER CORPORATION -	6,454.00	USD	324.160	1,772,314.49	1.56	1.56
ENERGY RECOVERY INC -	64,786.00	USD	20.430	1,121,248.66	0.99	0.99
ENPHASE ENERGY INC -	6,211.00	USD	173.730	914,089.57	0.80	0.80
ESSENTIAL UTILITIES INC -	41,938.00	USD	49.630	1,763,211.44	1.55	1.55
FIRST SOLAR INC -	11,974.00	USD	94.000	953,497.40	0.84	0.84
GREAT LAKES DREDGE & DOCK CORP -	56,539.00	USD	15.110	723,710.70	0.64	0.64
ITRON INC -	12,174.00	USD	84.010	866,396.49	0.76	0.76
LINDSAY MANUFACTURING CO -	8,042.00	USD	164.750	1,122,385.11	0.99	0.99
OWENS CORNING -	17,035.00	USD	95.550	1,378,876.06	1.21	1.21
PERKINELMER, INC. -	8,483.00	USD	184.800	1,328,017.62	1.17	1.17
PLUG POWER INC -	46,220.00	USD	26.060	1,020,367.83	0.90	0.90
REGAL-BELDIT CORP -	8,093.00	USD	149.420	1,024,402.61	0.90	0.90
REPUBLIC SERVICES INC. -	15,401.00	USD	124.130	1,619,489.29	1.43	1.42
TESLA INC -	1,483.00	USD	735.720	924,285.45	0.81	0.81
THERMO ELECTRONIC -	3,296.00	USD	554.950	1,549,506.71	1.36	1.36
VALMONT INDUSTRIES -	7,097.00	USD	248.860	1,496,174.70	1.32	1.32
VEECO INSTRUMENTS INC -	43,576.00	USD	22.790	841,286.83	0.74	0.74
VMWARE INC CLASS A -	12,165.00	USD	148.870	1,534,163.71	1.35	1.35
WASTE CONNECTIONS INC -	19,442.00	CAD	163.030	2,124,878.34	1.87	1.87
WASTE MANAGEMENT INC. -	12,871.00	USD	155.110	1,691,237.08	1.49	1.49
WATERS CORP -	4,047.00	USD	414.020	1,419,406.95	1.25	1.25
XYLEM INC/NY -	8,836.00	USD	136.310	1,020,318.66	0.90	0.90
Total shares				113,670,189.71	100.00	99.92
<b>Rights</b>						
<u>France</u>						
ALSTOM -	19,842.00	EUR	0.250	4,960.50	0.00	0.00
<u>Germany</u>						
ENCAVIS AG -	13.00	EUR	0.170	2.21	0.00	0.00
Total rights				4,962.71	0.00	0.00
TOTAL SECURITIES PORTFOLIO				113,675,152.42	100.00	99.93
CASH AT BANK AND IN HAND						
<b>Demand accounts</b>						
<u>Belgium</u>						
KBC GROUP CAD	-536.72	CAD	1.000	-359.81	0.00	0.00
KBC GROUP CHF	-782.76	CHF	1.000	-723.87	0.00	-0.00
KBC GROUP DKK	-6,813.83	DKK	1.000	-916.25	0.00	-0.00

KBC GROUP EURO	37,952.27	EUR	1.000	37,952.27		0.00	0.03
KBC GROUP GBP	29.64	GBP	1.000	34.56		0.00	0.00
KBC GROUP HKD	82,193.12	HKD	1.000	8,952.75		0.00	0.01
KBC GROUP JPY	-194,108.00	JPY	1.000	-1,496.77		0.00	-0.00
KBC GROUP NOK	20.95	NOK	1.000	2.04		0.00	0.00
KBC GROUP NZD	0.24	NZD	1.000	0.14		0.00	0.00
KBC GROUP SEK	-9,316.44	SEK	1.000	-913.60		0.00	-0.00
KBC GROUP SGD	0.27	SGD	1.000	0.17		0.00	0.00
KBC GROUP USD	14,928.42	USD	1.000	12,646.38		0.00	0.01
Total demand accounts				55,178.01		0.00	0.05
TOTAL CASH AT BANK AND IN HAND				55,178.01		0.00	0.05
OTHER RECEIVABLES AND PAYABLES							
<b>Receivables</b>							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	100,303.75	EUR	1.000	100,303.75		0.00	0.09
Total receivables				100,303.75		0.00	0.09
<b>Payables</b>							
<u>Belgium</u>							
KBC GROUP EUR PAYABLE	-13,319.02	EUR	1.000	-13,319.02		0.00	-0.01
Payables				-13,319.02		0.00	-0.01
TOTAL RECEIVABLES AND PAYABLES				86,984.73		0.00	0.08
OTHER							
Interest receivable		EUR		84,270.63		0.00	0.07
Expenses payable		EUR		-143,698.26		0.00	-0.13
TOTAL OTHER				-59,427.63		0.00	-0.05
TOTAL NET ASSETS				113,757,887.53		0.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
Austria	0.00	0.87	0.98	2.72
Belgium	2.45	1.07	1.74	1.82
Canada	10.25	6.27	6.93	4.37
Switzerland	3.27	3.41	3.98	1.77
China	3.97	5.03	0.95	0.84
Germany	5.76	6.50	6.50	8.96
Denmark	3.82	4.58	2.93	3.25
Spain	6.48	4.93	3.65	4.12
Finland	1.19	0.95	1.30	1.26
France	3.86	3.49	4.46	5.58
U.K.	6.03	6.71	7.28	9.06
Hong Kong	3.35	4.00	5.20	2.92
India	0.02	0.24	0.21	0.42
Ireland	1.34	1.31	0.12	0.00
Italy	2.79	1.63	1.73	2.02
Jersey/The Channel Islands	0.03	0.00	0.00	0.00
Japan	8.71	4.81	7.74	7.86
South Korea	2.11	2.40	2.67	2.55
Malaysia	0.34	0.32	0.38	0.00
Netherlands	0.00	1.31	1.36	3.18
Singapore	0.88	0.00	0.00	0.00
Sweden	1.31	2.43	1.25	0.84
Thailand	2.61	0.88	0.88	0.00
Taiwan	2.07	2.16	1.72	3.80
U.S.A.	27.36	34.70	36.04	32.66
TOTAL	100.00	100.00	100.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
Cyclicals	42.22	46.80	41.73	44.25
Consum(cycl)	34.47	28.79	30.35	24.83
Pharma	2.23	2.99	3.13	3.71
Financials	0.42	0.11	0.22	1.42
Technology	8.56	9.33	11.85	10.16
Utilities	12.10	11.98	12.72	15.63
TOTAL	100.00	100.00	100.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
CANADIAN DOLLAR	10.25	6.27	6.93	4.37
SWISS FRANC	3.27	3.42	3.99	1.77
DANISH KRONE	3.83	4.58	2.93	3.25
EURO	23.48	22.07	21.82	31.15
POUND STERLING	6.07	6.70	7.27	7.55
HONG KONG DOLLAR	7.32	9.03	6.16	3.77
INDIE RUPEE	0.02	0.24	0.21	0.42
JAPANESE YEN	8.71	4.81	7.75	7.86
KOREAN WON	2.11	2.40	2.67	2.55
MALAYSIAN RINGGIT	0.34	0.32	0.38	0.00
SWEDISH KRONA	1.31	2.43	1.25	0.84
SINGAPORE DOLLAR	0.88	0.00	0.00	0.00
THAI BATH	2.61	0.88	0.88	0.00
NEW TAIWAN DOLLAR	1.76	2.16	1.72	3.80
US DOLLAR	28.04	34.69	36.04	32.67
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 the currency of the sub-fund)

	1 <sup>st</sup> half of year	2 <sup>nd</sup> half of year	Year
<b>Purchases</b>	33,028,792.77	54,114,154.56	87,142,947.33
<b>Sales</b>	9,652,849.01	12,812,213.82	22,465,062.84
<b>Total 1</b>	42,681,641.78	66,926,368.39	109,608,010.17
<b>Subscriptions</b>	33,165,379.66	41,539,031.22	74,704,410.88
<b>Redemptions</b>	9,655,691.46	1,182,611.50	10,838,302.96
<b>Total 2</b>	42,821,071.12	42,721,642.72	85,542,713.84
<b>Monthly average of total assets</b>	35,996,635.53	93,855,537.44	65,280,324.66
<b>Turnover rate</b>	-0.39%	25.79%	36.86%

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:  
CBC Banque SA, Avenue Albert 1er 60, B-5000 Namur  
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						
Year	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2019 - 08*	2,707.93	1,013.00	3,494.33	341.00	37,503.15	4,343.21	41,846.36
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

Period	Amounts received and paid by the UCITS (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2019 - 08*	1,536,081.34	508,026.00	1,900,595.78	171,049.38
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

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2019 - 08*	22,985,042.95	556.41	487.63
2020 - 08*	30,917,307.29	591.71	508.84
2021 - 08*	107,845,758.67	829.68	701.84

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

## Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2019 - 08*			250.00		2,216.00		2,216.00
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

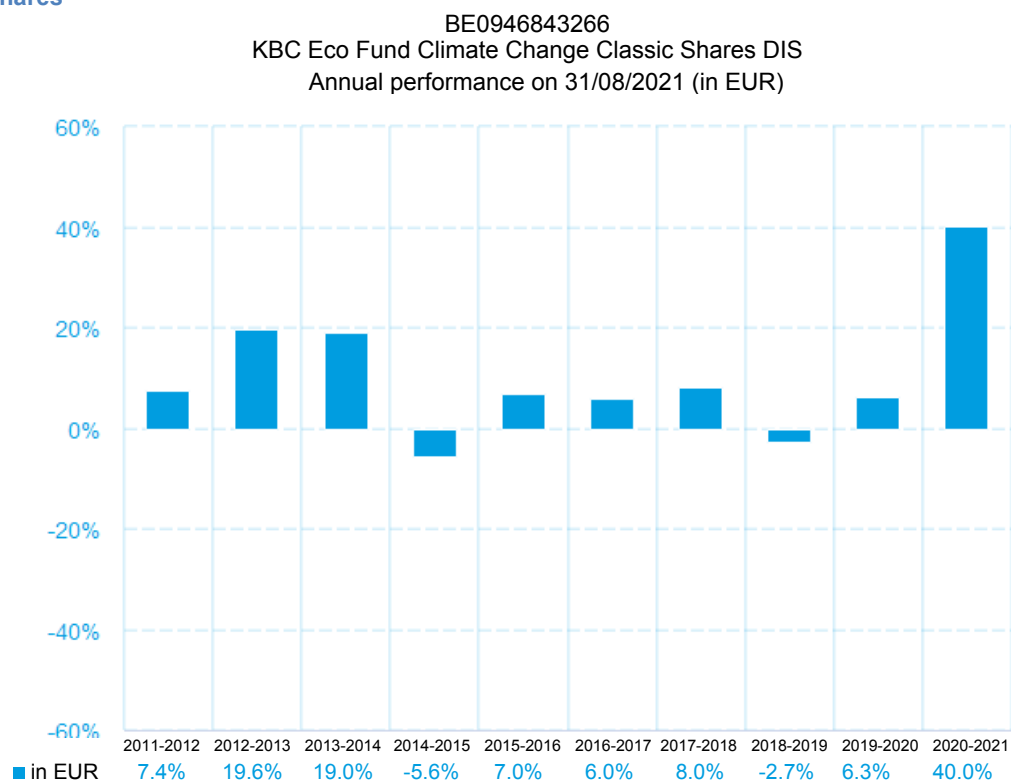
Period	Amounts received and paid by the UCITS (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2019 - 08*	0.00		144,997.50	
2020 - 08*	374,502.75		181,426.90	
2021 - 08*	3,434,738.66		82,507.00	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2019 - 08*	1,245,816.82	562.19	
2020 - 08*	1,514,681.47	605.63	
2021 - 08*	5,912,128.86	860.45	

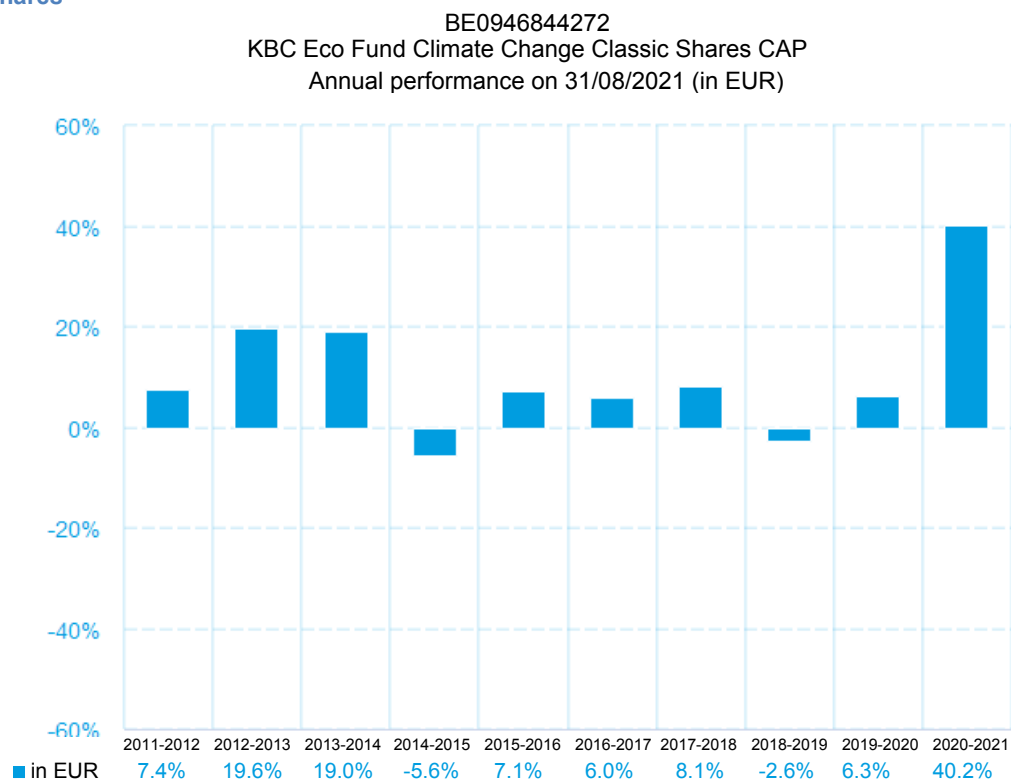
\*The financial year does not coincide with the calendar year.

## 2.4.5. Performance figures

### Classic Shares



### Classic Shares



Cap Div	ISIN Code	Currency	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	40.05%		13.13%		10.65%		9.86%		02/02/2007	3.50%
CAP	BE0946844272	EUR	40.22%		13.23%		10.72%		9.91%		02/02/2007	3.53%

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 :

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

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

#### Distribution units (DIV)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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:

$$Ci = [Wi / NIW(Di)] + 1$$

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

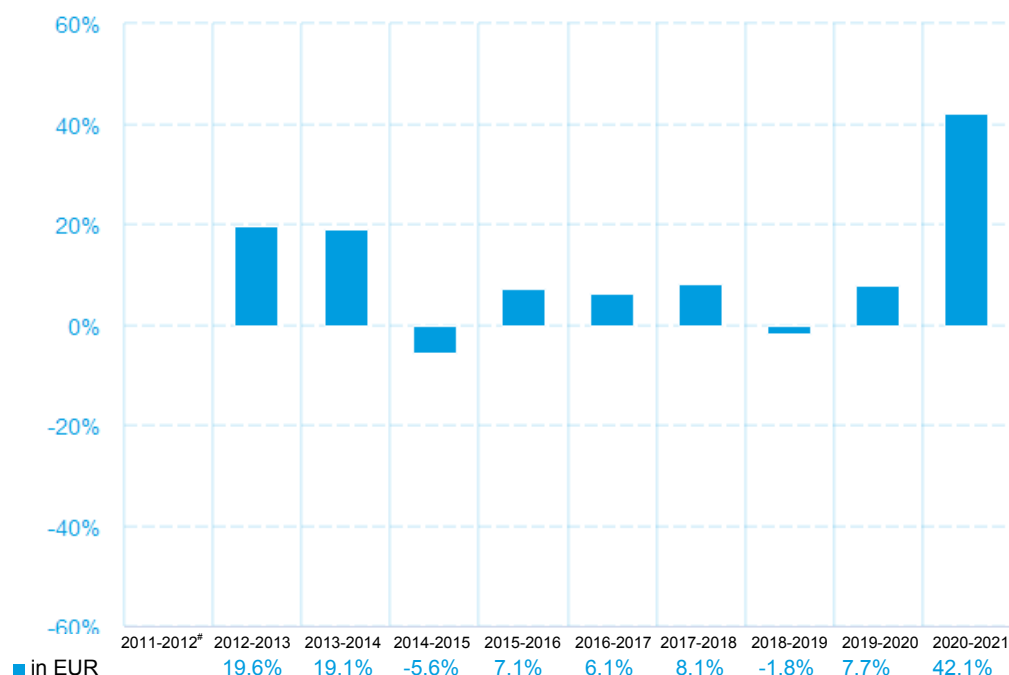
Dividend on ex-dividend date 30/11/2021: 8,2871 net (11,8387 gross).

Dividend on ex-dividend date 30/11/2021: 8,2871 net (11,8387 gross).



## Institutional B Shares

### BE6228923684 KBC Eco Fund Climate Change Institutional B Shares CAP Annual performance on 31/08/2021 (in EUR)



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

Cap Div	ISIN Code	Currency	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	42.08%		14.53%		11.50%		%		25/11/2011	11.51%

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 : 1.950%  
Transaction costs : 0.205%

#### *Classic Shares Capitalisation :*

Ongoing Charges : 1.834%  
Transaction costs : 0.205%

#### *Institutional B Shares Capitalisation :*

Ongoing Charges : 0.519%  
Transaction costs : 0.205%

Percentage calculated at reporting date: 31 August 2021 .

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 53,04% 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.
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund	
Annual tax	see the 'Information concerning the Bevek - H. Tax treatment'	

### 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.
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund	
Annual tax	see the 'Information concerning the Bevek - H. Tax treatment'	

### 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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    - 2.1.4. Financial portfolio management
    - 2.1.5. Distributors
    - 2.1.6. Index and benchmark
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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**

###### **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)**

The sub-fund may not lend any financial instruments.

### **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**

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

## **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).

### **Leveraged finance**

The total amount of leveraged finance used by the sub-fund is 180 127 657.00 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.

## 2.2. Balance sheet

Balance sheet layout		31/08/2021 (in the currency of the sub-fund)	31/08/2020 (in the currency of the sub-fund)
	<b>TOTAL NET ASSETS</b>	2,874,135,482.34	1,571,046,422.37
II.	<b>Securities, money market instruments, UCIs and derivatives</b>		
C.	Shares and similar instruments		
a)	Shares	2,833,662,210.44	1,561,039,347.24
F.	Derivative financial instruments		
j)	Foreign exchange		
	Futures and forward contracts (+/-)	19,491,522.51	11,328,009.45
IV.	<b>Receivables and payables within one year</b>		
A.	Receivables		
a)	Accounts receivable	13,369,520.70	
B.	Payables		
a)	Accounts payable (-)	-6,420,802.58	
c)	Borrowings (-)	-3,794,435.58	-3,120,262.77
V.	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	17,836,646.41	1,845,167.87
VI.	<b>Accruals and deferrals</b>		
B.	Accrued income	2,272,965.37	1,080,075.55
C.	Accrued expense (-)	-2,282,144.93	-1,125,914.97
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	2,874,135,482.34	1,571,046,422.37
A.	<b>Capital</b>	2,128,974,238.66	1,543,892,872.11
B.	<b>Income equalization</b>	7,190,035.65	4,068,316.43
D.	<b>Result of the bookyear</b>	737,971,208.03	23,085,233.83
<b>Off-balance-sheet headings</b>			
III.	Notional amounts of futures and forward contracts (+)		
III.A.	Purchased futures and forward contracts	2,276,818,512.61	1,223,377,892.94
III.B.	Written futures and forward contracts	-221,271,203.92	-132,751,172.02

## 2.3. Profit and loss account

Income Statement		31/08/2021 (in the currency of the fund)	31/08/2020 (in the currency of the fund)
<b>I.</b>	<b>Net gains(losses) on investments</b>		
C.	Shares and similar instruments		
	a) Shares	726,069,385.03	68,556,493.75
G.	Receivables, deposits, cash at bank and in hand and payables	-0.01	0.05
H.	Foreign exchange positions and transactions		
	a) Derivative financial instruments		
	Futures and forward contracts	8,163,513.06	22,382,153.52
	b) Other foreign exchange positions and transactions	-3,008,745.01	-57,197,077.28
	<b>Det.section I gains and losses on investments</b>		
	Realised gains on investments	232,673,859.34	268,172,404.49
	Unrealised gains on investments	1,724,194,659.20	463,864,195.38
	Realised losses on investments	-128,571,083.04	-216,785,120.88
	Unrealised losses on investments	-1,097,073,282.43	-481,509,908.95
<b>II.</b>	<b>Investment income and expenses</b>		
A.	Dividends	54,696,455.78	19,386,268.65
B.	Interests		
	a) Securities and money market instruments	152,618.78	
	b) Cash at bank and in hand and deposits	5,784.54	68,062.27
C.	Interest on borrowings (-)	-88,392.17	-278,043.62
<b>III.</b>	<b>Other income</b>		
B.	Other		99.07
<b>IV.</b>	<b>Operating expenses</b>		
A.	Investment transaction and delivery costs (-)	-1,647,785.94	-1,318,348.48
B.	Financial expenses (-)	-3,319.28	-2,545.59
C.	Custodian's fee (-)	-820,370.12	-518,309.83
D.	Manager's fee (-)		
	a) Financial management	-42,546,637.71	-26,120,953.69
	b) Administration and accounting management	-2,127,335.07	-1,306,050.00
F.	Formation and organisation expenses (-)	-37,671.97	-19,107.34
G.	Remuneration, social security charges and pension	-34,903.05	-17,463.57
H.	Services and sundry goods (-)	-354,323.94	-162,416.49
J.	Taxes	-21,039.32	-9,442.23
K.	Other expenses (-)	-426,025.57	-358,085.36
	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	6,747,054.96	-10,656,336.21
<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	737,971,208.03	23,085,233.83
<b>VII.</b>	<b>Result of the bookyear</b>	737,971,208.03	23,085,233.83

<b>Appropriation Account</b>		<b>31/08/2021</b> (in the currency of the sub-fund)	<b>31/08/2020</b> (in the currency of the sub-fund)
<b>I.</b>	<b>Profit to be appropriated</b>		
	Profit for the period available for appropriation	745,161,243.68	27,153,550.26
	Income on the creation of shares (income on the cancellation of shares)	737,971,208.03	23,085,233.83
		7,190,035.65	4,068,316.43
<b>II.</b>	<b>(Appropriations to) Deductions from capital</b>	-745,161,243.68	-27,153,550.26

## 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 31/08/2021	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Australia</u>							
G.U.D. HOLDINGS LTD -	149,970.00	AUD	10.550	24,894,934.16		0.87	0.87
<u>Austria</u>							
ANDRITZ AG -	38,694.00	EUR	48.660	47,850,800.35		1.68	1.67
WIENERBERGER AG (WIEN)	56,271.00	EUR	33.240	47,535,615.60		1.67	1.65
<u>Belgium</u>							
EKOPAK NV -	21,480.00	EUR	17.500	9,553,132.47		0.34	0.33
<u>Bermuda</u>							
CONSOLIDATED WATER CO LTD -	117,298.00	USD	12.170	30,733,148.96		1.08	1.07
<u>Canada</u>							
PRIMO WATER CORP -	142,542.00	CAD	22.420	54,447,448.70		1.91	1.89
<u>Cayman Islands</u>							
CT ENVIRONMENTAL GROUP LTD -	9,512,000.00	HKD	0.010	263,309.22		0.01	0.01
<u>Chile</u>							
AGUAS ANDINAS SA -	6,640,543.00	CLP	173.130	31,939,500.11		1.12	1.11
INVERSIONES AGUAS METROPOLITAN -	310,579.00	CLP	466.380	4,024,057.69		0.14	0.14
<u>Finland</u>							
UPONOR OYJ -	57,176.00	EUR	27.220	39,552,629.78		1.39	1.38
<u>France</u>							
EUROFINS SCIENTIFIC -	19,293.00	EUR	120.080	58,876,762.05		2.06	2.05
<u>Germany</u>							
NORMA GROUP -	27,342.00	EUR	42.740	29,698,756.87		1.04	1.03
<u>Hong Kong</u>							
BEIJING ENTERPRISES WATER GROUP LTD -	6,176,827.00	HKD	3.210	54,886,394.48		1.92	1.91
CHINA EVERBRIGHT INTL -	3,497,899.00	HKD	5.380	52,093,528.32		1.83	1.81
CHINA LIANSU GROUP HOLDINGS LT -	545,389.00	HKD	16.640	25,121,983.66		0.88	0.87
CHINA WATER AFFAIRS GROUP LTD -	2,554,000.00	HKD	7.750	54,791,958.96		1.92	1.91
WASION HOLDINGS LTD -	1,770,000.00	HKD	2.550	12,494,177.72		0.44	0.44
<u>India</u>							
NCC LTD/INDIA -	1,045,975.00	INR	79.250	24,444,377.01		0.86	0.85
THERMAX LTD -	107,840.00	INR	1,407.550	44,761,239.91		1.57	1.56
<u>Ireland</u>							
PENTAIR PLC -	23,712.00	USD	77.160	39,390,027.20		1.38	1.37
<u>Japan</u>							
KUBOTA CORP -	81,300.00	JPY	2,274.500	36,237,878.71		1.27	1.26
KURITA WATER INDUSTR. -	55,400.00	JPY	5,160.000	56,020,340.82		1.96	1.95
NOMURA MICRO SCIENCE CO LTD -	39,800.00	JPY	4,860.000	37,905,796.06		1.33	1.32
ORGANO CORPORATION -	30,900.00	JPY	6,360.000	38,512,514.55		1.35	1.34
TORISHIMA PUMP MANUFACTURING CO -	120,100.00	JPY	947.000	22,288,419.17		0.78	0.78
TSUKISHIMA KIKAI CO LTD -	140,500.00	JPY	1,157.000	31,856,346.28		1.12	1.11
TSURUMI MANUFACTURING CO LTD -	47,800.00	JPY	1,720.000	16,111,746.64		0.56	0.56
<u>Netherlands</u>							
AALBERTS NV (AMS)	30,177.00	EUR	52.900	40,570,018.82		1.42	1.41
ARCADIS N.V. (AMS)	48,972.00	EUR	41.960	52,222,396.11		1.83	1.82
<u>Philippines</u>							
MANILA WATER CO -	4,121,300.00	PHP	18.140	32,352,235.99		1.13	1.13
<u>Singapore</u>							
SOUND GLOBAL LTD -	374,000.00	HKD				0.00	0.00
<u>South Korea</u>							
WOONGJIN COWAY CO LTD -	24,125.00	KRW	78,200.000	35,030,628.17		1.23	1.22
<u>Spain</u>							

FLUIDRA SA -	49,309.00	EUR	34.600	43,358,651.63		1.52	1.51
<u>Sweden</u>							
INDUTRADE AB -	51,893.00	SEK	285.000	36,858,158.64		1.29	1.28
SWECO AB -	71,203.00	SEK	151.300	26,848,326.25		0.94	0.93
<u>Switzerland</u>							
FERGUSON PLC -	11,771.00	GBP	105.050	36,638,073.38		1.28	1.27
GEBERIT AG -	2,771.00	CHF	765.200	49,833,132.73		1.75	1.73
GEORG.FISCHER (NAAM)	1,554.00	CHF	1,503.000	54,892,966.02		1.92	1.91
LANDIS+GYR GROUP AG -	18,085.00	CHF	70.150	29,816,241.06		1.05	1.04
<u>U.K.</u>							
GENUIT GROUP PLC -	153,514.00	GBP	7.940	36,115,339.53		1.27	1.26
HALMA PLC -	39,484.00	GBP	30.030	35,131,742.20		1.23	1.22
PENNON GROUP PLC -	114,654.00	GBP	12.480	42,396,207.39		1.49	1.48
RPS GROUP -	744,893.00	GBP	1.116	24,630,957.76		0.86	0.86
SEVERN TRENT -	69,854.00	GBP	27.620	57,166,047.50		2.00	1.99
UNITED UTILITIES WATER PLC -	161,084.00	GBP	10.575	50,472,636.72		1.77	1.76
<u>U.S.A.</u>							
ADVANCED DRAINAGE SYSTEMS INC -	9,768.00	USD	114.150	24,005,316.83		0.84	0.84
AGILENT TECHNOLOGIES -	16,451.00	USD	175.470	62,147,126.64		2.86	2.16
AMERICAN WATER WORKS INC. -	12,292.00	USD	182.250	48,229,855.87		1.69	1.68
AO SMITH CORP -	24,759.00	USD	72.720	38,762,595.17		1.36	1.35
ARTESIAN RESOURCES CORP -A-	40,205.00	USD	39.410	34,112,407.95		1.20	1.19
BADGER METER INC -	11,713.00	USD	107.090	27,004,922.63		0.95	0.94
CALIFORNIA WATER SERVICE GROUP -	35,290.00	USD	63.550	48,282,871.28		1.69	1.68
DANAHER CORPORATION -	7,281.00	USD	324.160	50,813,174.78		1.78	1.77
ENERGY RECOVERY INC -	59,337.00	USD	20.430	26,098,757.21		0.92	0.91
ESSENTIAL UTILITIES INC -	48,201.00	USD	49.630	51,502,249.58		1.81	1.79
EVOQUA WATER TECHNOLOGIES CORP -	49,303.00	USD	38.920	41,311,603.58		1.45	1.44
FRANKLIN ELECTRIC CO INC -	24,120.00	USD	84.980	44,128,575.23		1.55	1.54
GORMAN-RUPP CO/THE -	47,317.00	USD	35.070	35,725,543.37		1.25	1.24
IDEXX LABORATORIES INC. -	3,434.00	USD	673.760	49,811,703.05		1.75	1.73
ITRON INC -	17,269.00	USD	84.010	31,233,744.24		1.10	1.09
LINDSAY MANUFACTURING CO -	11,174.00	USD	164.750	39,633,275.46		1.39	1.38
MIDDLESEX WATER CO -	14,363.00	USD	109.410	33,832,029.75		1.19	1.18
MUELLER WATER PRODUCTS INC -A-	111,865.00	USD	16.620	40,026,823.11		1.40	1.39
NORTHWEST PIPE COMPANY -	32,395.00	USD	25.920	18,077,520.26		0.63	0.63
PERKINELMER, INC. -	11,034.00	USD	184.800	43,899,626.17		1.54	1.53
PURE CYCLE CORP -	103,429.00	USD	14.950	33,289,662.63		1.17	1.16
REXNORD HOLDINGS INC -	25,479.00	USD	60.760	33,329,286.72		1.17	1.16
SJW GROUP -	29,749.00	USD	69.330	44,403,729.40		1.56	1.55
SPX CORPORATION -	16,966.00	USD	62.480	22,821,614.18		0.80	0.79
STANTEC INC -	49,842.00	CAD	60.890	51,705,948.93		1.81	1.80
THE TORO COMPANY -	9,689.00	USD	109.940	22,932,983.79		0.80	0.80
THERMO ELECTRONIC -	3,691.00	USD	554.950	44,098,495.85		1.55	1.53
VALMONT INDUSTRIES -	7,528.00	USD	248.860	40,333,005.23		1.41	1.40
WATERS CORP -	4,404.00	USD	414.020	39,254,957.08		1.38	1.37
WATTS WATER TECHNOLOGIES INC A	11,500.00	USD	171.570	42,478,098.45		1.49	1.48
XYLEM INC/NY -	9,285.00	USD	136.310	27,248,054.63		0.96	0.95
YORK WATER CO -	29,278.00	USD	51.570	32,506,066.04		1.14	1.13
Total shares				2,833,662,210.44		99.32	98.59
Forward contracts		CZK		19,491,522.51		0.00	0.68
TOTAL SECURITIES PORTFOLIO				2,853,153,732.95		100.00	99.27
CASH AT BANK AND IN HAND							
<b>Demand accounts</b>							
<u>Belgium</u>							
KBC GROUP AUD	-402.37	AUD	1.000	-6,331.11		0.00	0.00
KBC GROUP BRAZILIAANSE CRUZEIRO	-0.03	BRL	1.000	-0.13		0.00	0.00
KBC GROUP CAD	-663.86	CAD	1.000	-11,310.34		0.00	0.00
KBC GROUP CHF	-1,568.47	CHF	1.000	-36,862.34		0.00	-0.00
KBC GROUP CZK	10,428,074.37	CZK	1.000	10,428,074.37		0.00	0.36
KBC GROUP EURO	4,251.01	EUR	1.000	108,035.28		0.00	0.00
KBC GROUP GBP	-125,165.75	GBP	1.000	-3,708,589.10		0.00	-0.13
KBC GROUP HKD	209,459.58	HKD	1.000	579,821.69		0.00	0.02
KBC GROUP JPY	905,208.00	JPY	1.000	177,392.26		0.00	0.01
KBC GROUP MXN	24.86	MXN	1.000	26.71		0.00	0.00
KBC GROUP SEK	-11,466.70	SEK	1.000	-28,577.12		0.00	-0.00
KBC GROUP SGD	-172.78	SGD	1.000	-2,765.44		0.00	0.00
KBC GROUP USD	303,927.99	USD	1.000	6,543,296.10		0.00	0.23
Total demand accounts				14,042,210.83		0.00	0.49
TOTAL CASH AT BANK AND IN HAND				14,042,210.83		0.00	0.49
OTHER RECEIVABLES AND PAYABLES							
<b>Receivables</b>							
<u>Belgium</u>							
KBC GROUP CZK RECEIVABLE	9,669,250.06	CZK	1.000	9,669,250.06		0.00	0.34
KBC GROUP GBP RECEIVABLE	124,885.00	GBP	1.000	3,700,270.64		0.00	0.13

Total receivables				13,369,520.70		0.00	0.47
<b>Payables</b>							
<u>Belgium</u>							
KBC GROUP CZK PAYABLE	-3,929,021.31	CZK	1.000	-3,929,021.31		0.00	-0.14
KBC GROUP USD PAYABLE	-115,740.15	USD	1.000	-2,491,781.27		0.00	-0.09
Payables				-6,420,802.58		0.00	-0.22
TOTAL RECEIVABLES AND PAYABLES				6,948,718.12		0.00	0.24
OTHER							
Interest receivable		CZK		2,120,346.59		0.00	0.07
Accrued interest		CZK		152,618.78		0.00	0.01
Expenses payable		CZK		-2,282,144.93		0.00	-0.08
TOTAL OTHER				-9,179.56		0.00	0.00
TOTAL NET ASSETS				2,874,135,482.34		0.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
Australia	1.29	1.44	1.24	0.89
Austria	2.50	2.87	2.86	3.31
Belgium	-0.65	0.65	0.64	1.72
Bermuda	1.26	1.00	0.87	1.07
Brazil	2.85	1.51	1.48	0.00
Canada	0.00	0.00	0.00	1.90
Switzerland	6.45	6.91	6.46	7.32
Chile	1.30	1.13	1.28	1.25
China	0.22	0.71	0.68	0.00
Cayman Islands	0.80	0.02	0.01	0.01
Germany	0.00	0.00	0.00	1.03
Spain	0.00	0.00	0.00	1.51
Finland	2.81	3.17	2.84	1.38
France	1.05	1.50	1.20	2.05
U.K.	10.67	7.97	8.55	8.57
Hong Kong	6.89	9.58	6.82	6.92
India	2.69	3.66	5.17	2.42
Japan	7.75	9.23	9.72	8.31
South Korea	1.20	1.18	0.89	1.22
Netherlands	2.63	2.53	2.69	3.23
Philippines	1.97	1.51	1.26	1.12
Sweden	3.79	3.49	2.86	2.21
Thailand	2.87	2.78	2.14	0.00
U.S.A.	39.66	37.16	40.34	42.56
TOTAL	100.00	100.00	100.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
Cyclicals	49.27	53.78	52.38	53.13
Consum(cycl)	4.46	3.56	4.49	3.01
Cons.goods	0.00	0.00	0.00	1.90
Pharma	3.50	5.00	5.63	6.68
Financials	1.33	1.35	1.20	1.39
Technology	5.59	5.35	5.10	5.67
Telecomm.	0.00	1.02	1.56	0.84
Utilities	35.85	29.94	29.64	27.38
TOTAL	100.00	100.00	100.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
AUSTRALIAN DOLLAR	1.29	1.43	1.23	0.89
BRASILIAN REAL	2.85	1.51	1.48	0.00
CANADIAN DOLLAR	0.00	0.00	0.00	1.00
SWISS FRANC	-0.44	0.17	-0.30	0.23
CHILEAN PESO	1.30	1.13	1.28	1.25
CZECH KORUNA	92.57	86.50	85.75	87.39
EURO	-1.05	0.46	-0.71	1.72
POUND STERLING	-0.91	0.20	0.02	1.21
HONG KONG DOLLAR	7.91	10.31	7.55	6.95
INDIE RUPEE	2.69	3.66	5.17	2.42
JAPANESE YEN	-1.07	0.80	0.27	0.62
KOREAN WON	1.20	1.18	0.89	1.22
PESO	1.97	1.51	1.26	1.12
SWEDISH KRONA	-0.53	0.02	0.04	0.11
THAI BATH	2.87	2.78	2.14	0.00
US DOLLAR	-10.65	-11.66	-6.07	-6.13
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 the currency of the sub-fund)

	1 <sup>st</sup> half of year	2 <sup>nd</sup> half of year	Year
<b>Purchases</b>	207,252,129.44	892,544,999.38	1,099,797,128.82
<b>Sales</b>	53,932,329.29	458,453,827.88	512,386,157.17
<b>Total 1</b>	261,184,458.74	1,350,998,827.26	1,612,183,285.99
<b>Subscriptions</b>	304,917,430.38	560,120,315.52	865,037,745.90
<b>Redemptions</b>	165,567,583.73	141,542,345.88	307,109,929.61
<b>Total 2</b>	470,485,014.11	701,662,661.40	1,172,147,675.51
<b>Monthly average of total assets</b>	1,803,664,898.20	2,435,894,700.33	2,124,962,010.76
<b>Turnover rate</b>	-11.60%	26.66%	20.71%

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:

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

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 the currency of the sub-fund	Lot-size	Transaction date
KBC AK-VK CZK-CAD 211015-210713 17.38131	CZK	79,177,008.00	79,177,008.00	N/A	13.07.2021
KBC AK-VK CZK-CHF 211015-210713 23.72287	CZK	129,072,949.41	129,072,949.41	N/A	13.07.2021
KBC AK-VK CZK-EUR 211015-210713 25.72452	CZK	323,719,906.41	323,719,906.41	N/A	13.07.2021
KBC AK-VK CZK-GBP 211015-210713 30.02670	CZK	251,541,252.87	251,541,252.87	N/A	13.07.2021
KBC AK-VK CZK-SEK 211015-210713 2.522652	CZK	61,150,575.37	61,150,575.37	N/A	13.07.2021
KBC AK-VK CZK-USD 211015-210713 21.67319	CZK	1,288,215,575.24	1,288,215,575.24	N/A	13.07.2021
KBC AK-VK CZK-USD 211015-210827 21.63261	CZK	143,941,245.31	143,941,245.31	N/A	27.08.2021
KBC VK-AK JPY-CZK 211015-210713 5.084474	JPY	-1,129,116,148.00	-221,271,203.92	N/A	13.07.2021

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

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2019 - 08*	224,303.09		128,967.19		863,840.60		863,840.60
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

Period	Amounts received and paid by the UCITS (in the currency of the sub-fund)				
Year	Subscriptions		Redemptions		
	Capitalization	Distribution	Capitalization	Distribution	
2019 - 08*	292,464,977.90	0.00	167,968,958.17		0.00
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

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2019 - 08*	1,151,694,961.55	1,333.23	
2020 - 08*	1,571,046,422.37	1,339.54	0.00
2021 - 08*	2,874,135,482.34	1,902.35	0.00

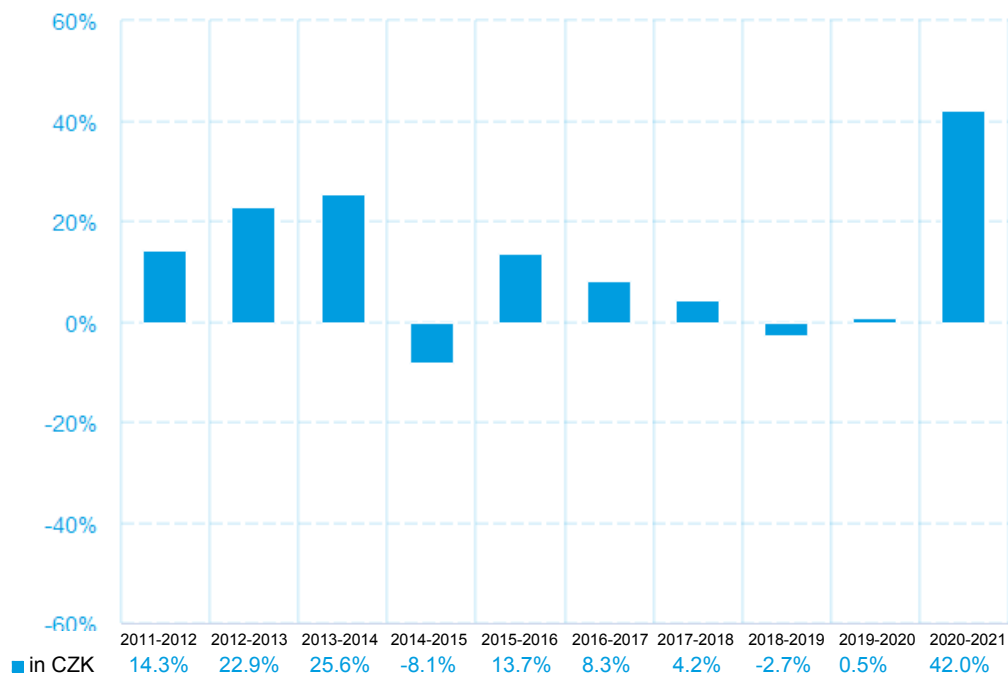
\*The financial year does not coincide with the calendar year.

## 2.4.5. Performance figures

BE0947249448  
KBC Eco Fund CSOB Water DIS  
Annual performance on 31/08/2021 (in CZK)

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

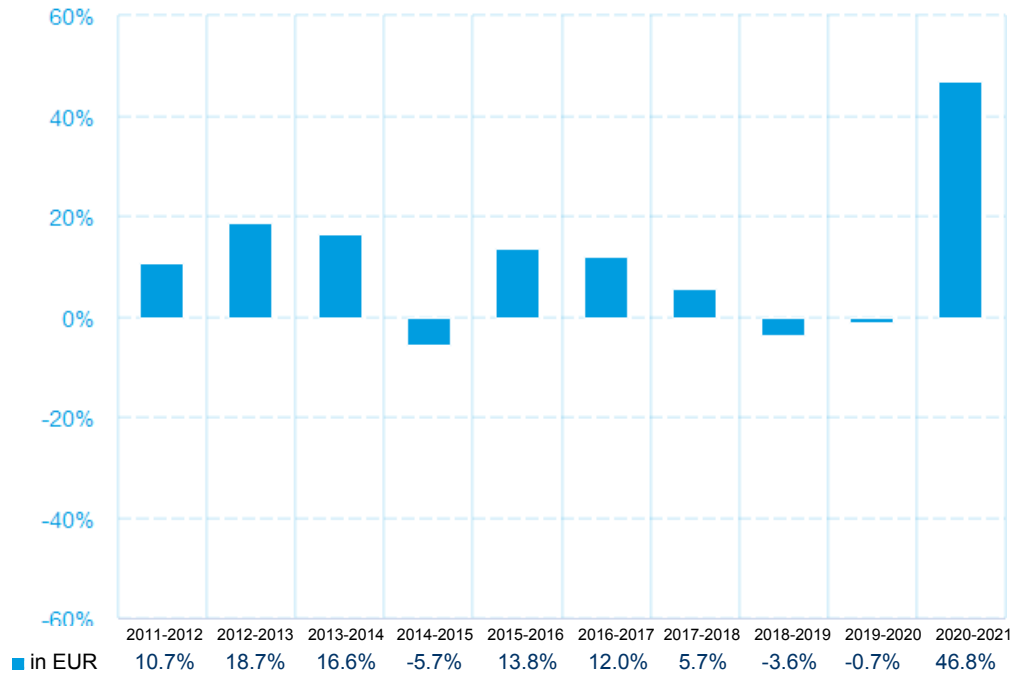
BE0947250453  
KBC Eco Fund CSOB Water CAP  
Annual performance on 31/08/2021 (in CZK)



BE0947249448  
KBC Eco Fund CSOB Water DIS  
Annual performance on 31/08/2021 (in EUR)

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

BE0947250453  
KBC Eco Fund CSOB Water CAP  
Annual performance on 31/08/2021 (in EUR)



Cap Div	ISIN Code	Currency	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	42.02%		11.56%		9.38%		11.18%		31/07/2007	4.67%
CAP	BE0947250453	EUR	46.83%		12.02%		10.74%		10.60%		31/07/2007	5.41%

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 :  

$$[NIW(D) / NIW(Y)]^{[1 / X]} - 1$$
 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  
Distribution units (DIV)  
 Return on date D over a period of X years :  

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

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

$$Ci = [Wi / NIW(Di)] + 1$$

$$i = 1 \dots N$$
 from which  $C = C0 * \dots * CN$ .
- 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

## 2.4.6. Costs

### Ongoing Charges and Transaction costs:

#### Distribution :

Ongoing Charges : 0.000%  
Transaction costs : 0.077%

#### Capitalisation :

Ongoing Charges : 2.174%  
Transaction costs : 0.077%

Percentage calculated at reporting date: 31 August 2021 .

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.
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund	
Annual tax	see the 'Information concerning the Bevek - H. Tax treatment'	

### 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.

### Details of collateral cash given for financial derivatives

Name	Currency	Value in currency of the portfolio
------	----------	------------------------------------

Given cash collateral
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0.00
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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

##### **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**

###### **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)**

The sub-fund may not lend any financial instruments.

### **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**

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

## **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)

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).

### **Leveraged finance**

The total amount of leveraged finance used by the sub-fund is 402 642.51 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.

## 2.2. Balance sheet

Balance sheet layout		31/08/2021 (in the currency of the sub-fund)	31/08/2020 (in the currency of the sub-fund)
	<b>TOTAL NET ASSETS</b>	331,351,373.43	160,451,920.24
II.	<b>Securities, money market instruments, UCIs and derivatives</b>		
C.	Shares and similar instruments		
a)	Shares	329,034,453.47	158,907,044.06
D.	Other securities	43,133.76	40,001.54
IV.	<b>Receivables and payables within one year</b>		
A.	Receivables		
a)	Accounts receivable	279,863.65	
B.	Payables		
a)	Accounts payable (-)	-735,357.79	
c)	Borrowings (-)	-390,210.72	-14,507.85
V.	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	3,392,550.56	1,631,661.58
VI.	<b>Accruals and deferrals</b>		
B.	Accrued income	100,434.97	76,948.21
C.	Accrued expense (-)	-373,494.47	-189,227.30
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	331,351,373.43	160,451,920.24
A.	<b>Capital</b>	271,626,388.70	150,998,071.25
B.	<b>Income equalization</b>	392,624.69	82,210.51
D.	<b>Result of the bookyear</b>	59,332,360.04	9,371,638.48

## 2.3. Profit and loss account

Income Statement		31/08/2021 (in the currency of the fund)	31/08/2020 (in the currency of the fund)
<b>I.</b>	<b>Net gains(losses) on investments</b>		
C.	Shares and similar instruments		
	a) Shares	58,482,877.45	14,932,058.77
H.	Foreign exchange positions and transactions		
	b) Other foreign exchange positions and transactions	2,688,507.28	-4,138,613.77
	<b>Det.section I gains and losses on investments</b>		
	Realised gains on investments	16,794,499.07	5,637,082.91
	Unrealised gains on investments	40,997,167.96	16,690,193.49
	Realised losses on investments	-5,790,736.34	-4,392,987.62
	Unrealised losses on investments	9,170,454.04	-7,140,843.78
<b>II.</b>	<b>Investment income and expenses</b>		
A.	Dividends	2,416,857.94	1,209,706.93
B.	Interests		
	b) Cash at bank and in hand and deposits	386.44	434.68
C.	Interest on borrowings (-)	-7,634.56	-4,272.62
F.	Other investment income	40,729.55	29.91
<b>III.</b>	<b>Other income</b>		
B.	Other		9.79
<b>IV.</b>	<b>Operating expenses</b>		
A.	Investment transaction and delivery costs (-)	-199,184.89	-71,750.38
B.	Financial expenses (-)	-272.69	-212.74
C.	Custodian's fee (-)	-87,095.58	-55,305.96
D.	Manager's fee (-)		
	a) Financial management		
	Classic Shares	-3,253,924.10	-2,145,613.78
	Classic Shares K&H HUF	-84,511.70	-12,606.76
	Institutional F Shares LU	-113,052.98	0.00
	b) Administration and accounting management	-230,725.45	-143,974.76
E.	Administrative expenses (-)	-1,006.07	-995.94
F.	Formation and organisation expenses (-)	-4,820.91	-4,448.39
G.	Remuneration, social security charges and pension	-3,722.87	-1,899.81
H.	Services and sundry goods (-)	-10,893.87	-10,398.07
J.	Taxes		
	Classic Shares	-243,970.83	-147,447.92
	Classic Shares K&H HUF	-30.30	-716.66
	Institutional F Shares LU	-29.52	0.00
K.	Other expenses (-)	-56,122.30	-32,344.04
	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	-1,839,024.69	-1,421,806.52
<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	59,332,360.04	9,371,638.48
<b>VII.</b>	<b>Result of the bookyear</b>	59,332,360.04	9,371,638.48

<b>Appropriation Account</b>		<b>31/08/2021</b> (in the currency of the sub-fund)	<b>31/08/2020</b> (in the currency of the sub-fund)
<b>I.</b>	<b>Profit to be appropriated</b>	59,724,984.73	9,453,848.99
	Profit for the period available for appropriation	59,332,360.04	9,371,638.48
	Income on the creation of shares (income on the cancellation of shares)	392,624.69	82,210.51
<b>II.</b>	<b>(Appropriations to) Deductions from capital</b>	-58,887,885.37	-9,032,644.40
<b>IV.</b>	<b>(Dividends to be paid out)</b>	-837,099.36	-421,204.59

## 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 31/08/2021	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Austria</u>							
LENZING AG (WIEN)	63,703.00	EUR	112.000	7,134,736.00		2.17	2.15
<u>Belgium</u>							
BIOCARTIS NV -	519,132.00	EUR	4.340	2,253,032.88		0.69	0.68
CARE PROPERTIES INVEST -	67,689.00	EUR	28.150	1,905,445.35		0.58	0.57
MATERIALISE NV -	188,590.00	USD	22.060	3,524,330.04		1.07	1.06
UMICORE -	185,559.00	EUR	55.740	10,343,058.66		3.14	3.12
WAREHOUSE DISTR. DE PAUW -	244,194.00	EUR	38.940	9,508,914.36		2.89	2.87
<u>Brazil</u>							
COGNA EDUCACAO -	8,427,808.00	BRL	3.210	4,476,517.43		1.36	1.35
<u>Denmark</u>							
BAVARIAN NORDIC A/S -	207,926.00	DKK	308.900	8,636,721.23		2.63	2.61
NOVO NORDISK A/S B	138,340.00	DKK	627.700	11,676,753.03		3.55	3.53
VESTAS WINDS SYSTEMS -	149,146.00	DKK	254.300	5,100,117.30		1.55	1.54
<u>Finland</u>							
RAISIO GROUP (HEL) 'V'	684,969.00	EUR	3.725	2,551,509.53		0.78	0.77
<u>France</u>							
CIE DE ST-GOBAIN -	167,748.00	EUR	61.390	10,298,049.72		3.13	3.11
<u>Germany</u>							
AUMANN AG -	117,758.00	EUR	17.380	2,046,634.04		0.62	0.62
BRAIN BIOTECHNOLOGY RESEARCH & -	58,144.00	EUR	10.350	601,790.40		0.18	0.18
EVOTEC SE -	178,087.00	EUR	42.100	7,497,462.70		2.28	2.26
WACKER CHEMIE AG -	54,422.00	EUR	149.350	8,127,925.70		2.47	2.45
<u>India</u>							
JAIN IRRIGATION SYSTEMS LTD -	7,621,137.00	INR	31.100	2,750,205.11		0.84	0.83
SHRIRAM CITY UNION FINANCE LTD -	137,816.00	INR	2,096.750	3,352,981.97		1.02	1.01
<u>Ireland</u>							
KINGSPAN GROUP PLC -	61,660.00	EUR	96.780	5,967,454.80		1.81	1.80
KINGSPAN GROUP PLC -	40,389.00	EUR	96.380	3,892,691.82		1.18	1.18
<u>Japan</u>							
FANUC CORP -	40,300.00	JPY	23,990.000	7,455,007.81		2.27	2.25
KEYENCE CORP -	22,900.00	JPY	66,130.000	11,677,417.66		3.55	3.52
<u>Luxembourg</u>							
MILLICOM INTL. CELLULAR -	234,199.00	SEK	325.900	7,484,726.26		2.27	2.26
<u>Netherlands</u>							
ALFEN BEHEER BV -	63,536.00	EUR	90.900	5,775,422.40		1.76	1.74
CORBION NV (AMS)NRC	143,634.00	EUR	45.520	6,538,219.68		1.99	1.97
KONINKLIJKE D.S.M. NV (AMS)	63,432.00	EUR	180.250	11,433,618.00		3.47	3.45
SIGNIFY NV -	162,619.00	EUR	47.420	7,711,392.98		2.34	2.33
<u>New Zealand</u>							
A2 MILK CO LTD -	1,108,669.00	AUD	5.830	4,001,760.70		1.22	1.21
<u>Norway</u>							
TOMRA SYSTEMS -	150,142.00	NOK	534.400	7,807,910.26		2.37	2.36
<u>Philippines</u>							
MANILA WATER CO -	8,951,300.00	PHP	18.140	2,764,920.92		0.84	0.83
<u>Spain</u>							
CONSTRUCCIONES Y AUXILIAR DE F -	81,802.00	EUR	36.300	2,969,412.60		0.90	0.90
<u>Sweden</u>							
AUTOLIV INC AB	78,354.00	SEK	768.400	5,904,118.33		1.79	1.78
DORO AB -	261,626.00	SEK	63.800	1,636,847.07		0.50	0.49
<u>Switzerland</u>							
LANDIS+GYR GROUP AG -	92,877.00	CHF	70.150	6,025,166.87		1.83	1.82



<u>U.K.</u>						
CARETECH HOLDINGS PLC -	599,068.00	GBP	6.440	4,497,919.98	1.37	1.36
CIVITAS SOCIAL HOUSING PLC -	4,312,998.00	GBP	1.056	5,309,980.31	1.61	1.60
DS SMITH PLC -	1,866,936.00	GBP	4.424	9,629,290.39	2.93	2.91
GENUIT GROUP PLC -	678,983.00	GBP	7.940	6,285,345.26	1.91	1.90
UNITE GROUP PLC -	538,913.00	GBP	12.225	7,680,991.12	2.33	2.32
3IGROUP -	676,378.00	GBP	13.375	10,547,098.44	3.21	3.18
<u>U.S.A.</u>						
BEYOND MEAT INC -	47,288.00	USD	119.640	4,792,694.58	1.46	1.45
BIOMARIN PHARMACEUTICAL INC -	130,546.00	USD	84.210	9,312,786.36	2.83	2.81
BRIGHT HORIZONS FAMILY SOLUTIO -	68,960.00	USD	145.760	8,515,065.95	2.59	2.57
CHEGG INC -	109,435.00	USD	83.220	7,715,007.58	2.34	2.33
EQUINIX INC -	14,839.00	USD	843.450	10,602,697.74	3.22	3.20
GILEAD SCIENCES -	174,150.00	USD	72.780	10,737,123.13	3.26	3.24
HERON THERAPEUTICS INC -	440,982.00	USD	11.670	4,359,574.69	1.33	1.32
ITRON INC -	65,206.00	USD	84.010	4,640,565.94	1.41	1.40
LKQ CORP -	235,760.00	USD	52.690	10,523,270.28	3.20	3.18
SUNPOWER CORP -A-	245,671.00	USD	21.550	4,484,908.34	1.36	1.35
VMWARE INC CLASS A -	67,938.00	USD	148.870	8,567,859.77	2.60	2.59
Total shares				329,034,453.47	99.99	99.30
<b>Rights</b>						
<u>Netherlands</u>						
KONINKLIJKE D.S.M. NV -	63,432.00	EUR	0.680	43,133.76	0.01	0.01
Total rights				43,133.76	0.01	0.01
TOTAL SECURITIES PORTFOLIO				329,077,587.23	100.00	99.31
CASH AT BANK AND IN HAND						
<b>Demand accounts</b>						
<u>Belgium</u>						
KBC GROUP AUD	37,596.76	AUD	1.000	23,277.22	0.00	0.01
KBC GROUP CHF	-443.97	CHF	1.000	-410.57	0.00	0.00
KBC GROUP DKK	352,945.46	DKK	1.000	47,460.23	0.00	0.01
KBC GROUP EURO	3,185,594.43	EUR	1.000	3,185,594.43	0.00	0.96
KBC GROUP GBP	-3.44	GBP	1.000	-4.01	0.00	0.00
KBC GROUP HKD	2.34	HKD	1.000	0.25	0.00	0.00
KBC GROUP HUF	45,322,733.93	HUF	1.000	129,805.04	0.00	0.04
KBC GROUP JPY	-4,971,832.00	JPY	1.000	-38,337.98	0.00	-0.01
KBC GROUP NOK	28,590.96	NOK	1.000	2,782.24	0.00	0.00
KBC GROUP SEK	37,028.62	SEK	1.000	3,631.15	0.00	0.00
KBC GROUP USD	-414,878.79	USD	1.000	-351,458.16	0.00	-0.11
Total demand accounts				3,002,339.84	0.00	0.91
TOTAL CASH AT BANK AND IN HAND				3,002,339.84	0.00	0.91
OTHER RECEIVABLES AND PAYABLES						
<b>Receivables</b>						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	235,212.21	EUR	1.000	235,212.21	0.00	0.07
KBC GROUP HUF RECEIVABLE	15,590,500.50	HUF	1.000	44,651.44	0.00	0.01
Total receivables				279,863.65	0.00	0.08
<b>Payables</b>						
<u>Belgium</u>						
KBC GROUP EUR PAYABLE	-735,357.79	EUR	1.000	-735,357.79	0.00	-0.22
Payables				-735,357.79	0.00	-0.22
TOTAL RECEIVABLES AND PAYABLES				-455,494.14	0.00	-0.14
OTHER						
Interest receivable		EUR		100,434.97	0.00	0.03
Expenses payable		EUR		-373,494.47	0.00	-0.11
TOTAL OTHER				-273,059.50	0.00	-0.08
TOTAL NET ASSETS				331,351,373.43	0.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
Austria	1.52	0.99	2.86	2.15
Belgium	9.64	11.85	10.20	9.06
Brazil	1.43	0.58	0.87	1.35
Switzerland	1.92	1.54	1.96	1.82
Germany	4.82	6.48	5.71	5.51
Denmark	8.03	10.44	7.95	7.66
Spain	2.03	1.42	1.36	0.90
Finland	1.27	1.18	1.08	0.77

France	0.00	0.00	0.00	3.10
U.K.	15.61	12.73	13.09	13.27
India	1.96	1.44	1.83	1.84
Ireland	2.74	3.35	1.58	2.97
Japan	4.81	4.74	5.69	5.77
Luxembourg	2.67	1.76	1.88	2.26
Netherlands	10.44	13.37	10.10	9.49
Norway	0.00	0.00	1.60	2.35
New Zealand	2.78	2.95	1.77	1.21
Philippines	1.22	1.32	1.09	0.83
Singapore	0.00	0.46	0.00	0.00
Sweden	2.16	3.11	3.19	2.27
U.S.A.	24.95	20.29	26.19	25.42
TOTAL	100.00	100.00	100.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
Cyclicals	26.46	26.93	27.06	29.16
Consum(cycl)	13.07	13.35	14.21	13.69
Cons.goods	10.16	8.87	9.62	8.56
Pharma	15.66	15.23	16.12	17.12
Financials	3.99	4.67	4.97	4.95
Technology	10.20	12.97	12.13	11.44
Telecomm.	2.67	1.76	1.88	2.26
Utilities	3.45	2.70	3.68	2.23
Real est.	14.34	13.52	10.33	10.59
TOTAL	100.00	100.00	100.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
AUSTRALIAN DOLLAR	2.78	2.95	1.77	1.22
BRASILIAN REAL	1.43	0.58	0.87	1.35
SWISS FRANC	1.92	1.54	1.96	1.82
DANISH KRONE	8.03	10.44	7.95	7.67
EURO	30.71	35.54	30.44	32.94
POUND STERLING	15.65	12.73	13.11	13.27
HUNGARIAN FORINT	0.08	-0.01	0.27	0.05
INDIE RUPEE	1.96	1.44	1.83	1.84
JAPANESE YEN	4.81	4.74	5.69	5.76
NORWEGIAN KRONE	0.00	0.00	1.60	2.35
PESO	1.22	1.32	1.08	0.83
SWEDISH KRONA	4.83	4.87	5.07	4.53
US DOLLAR	26.58	23.86	28.36	26.37
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 the currency of the sub-fund)

	1 <sup>st</sup> half of year	2 <sup>nd</sup> half of year	Year
<b>Purchases</b>	52,393,781.78	89,357,966.34	141,751,748.12
<b>Sales</b>	21,621,803.54	10,560,328.87	32,182,132.41
<b>Total 1</b>	74,015,585.33	99,918,295.21	173,933,880.54
<b>Subscriptions</b>	42,070,448.45	88,944,731.14	131,015,179.59
<b>Redemptions</b>	9,229,384.63	10,096,761.45	19,326,146.08
<b>Total 2</b>	51,299,833.08	99,041,492.59	150,341,325.67
<b>Monthly average of total assets</b>	187,833,406.78	271,964,513.35	230.243.759.68
<b>Turnover rate</b>	12.09%	0.32%	10.25%

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:  
 CBC Banque SA, Avenue Albert 1er 60, B-5000 Namur  
 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
2019 - 08*	45,980.55	22,779.00	17,563.21	13,136.98	136,766.23	91,302.59	228,068.82
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

Period	Amounts received and paid by the UCITS (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2019 - 08*	28,657,844.10	10,810,104.09	10,928,643.25	6,181,301.25
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

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2019 - 08*	133,134,662.98	647.74	487.90
2020 - 08*	158,897,070.51	690.42	512.26
2021 - 08*	281,648,730.78	906.44	667.55

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

### Classic Shares K&H HUF

Period	Change in number of shares in circulation						
Year	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

Period	Amounts received and paid by the UCITS (in the currency of the class)			
Year	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	

Period	Net asset value End of period (in the currency of the class)		
Year	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	

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

### Institutional F Shares LU

Period	Change in number of shares in circulation						
Year	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

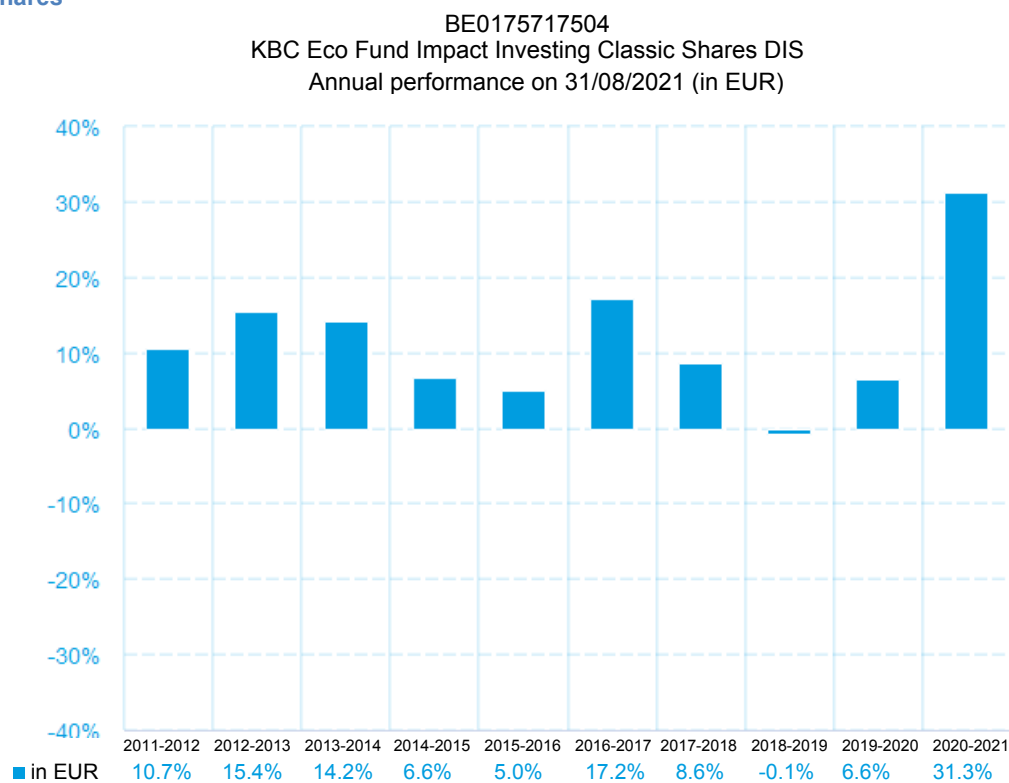
Period	Amounts received and paid by the UCITS (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2021 - 08*	35,094,238.10		0.00	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2021 - 08*	37,180,679.49	1,087.73	

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

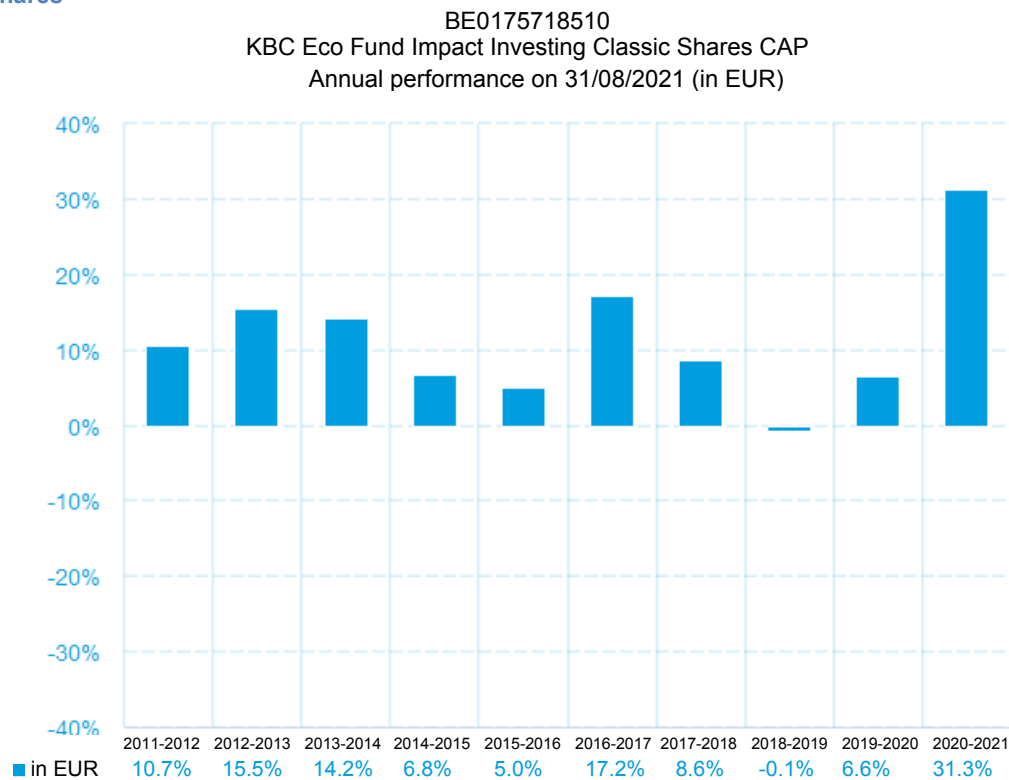
## 2.4.5. Performance figures

### Classic Shares



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

### Classic Shares



\* 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	31.29%		11.81%		12.21%		11.26%		29/12/2000	2.90%
CAP	BE0175718510	EUR	31.29%		11.81%		12.21%		11.28%		29/12/2000	2.92%

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:

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

i = 1 ... N

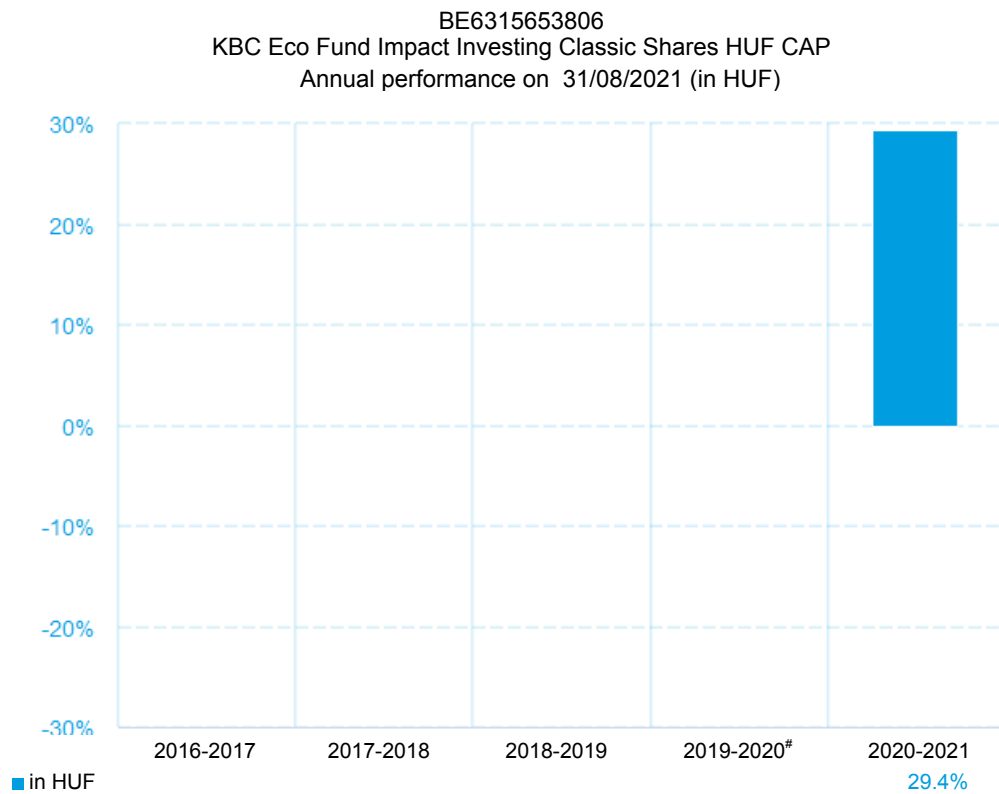
from which C = C0 \* .... \* CN.

- 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 30/11/2021: 4,3790 net (6,2557 gross).

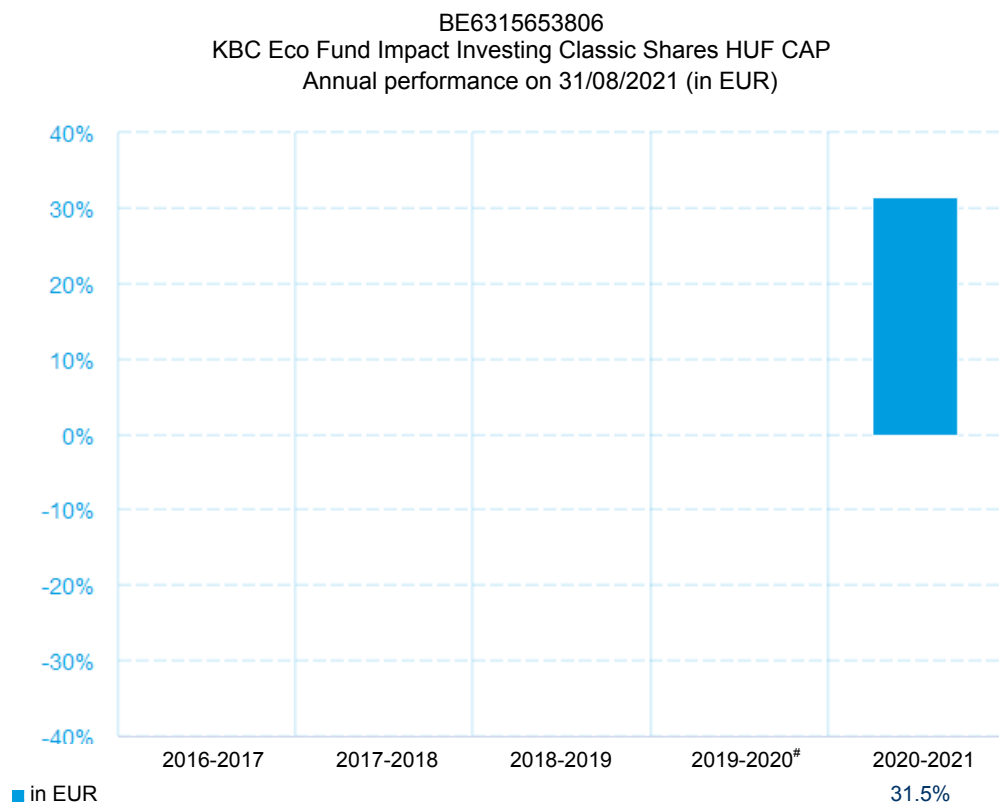
Dividend on ex-dividend date 30/11/2021: 4,3790 net (6,2557 gross).

### Classic Shares HUF



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

### Classic Shares HUF



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

Cap Div	ISIN Code	Currency	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	29.38%		%		%		%		23/09/2019	20.18%
CAP	BE6315653806	EUR	31.51%								23/09/2019	17.67%

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

\* Return on annual basis.

### 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 :  

$$\frac{NIW(D)}{NIW(Y)} ^ {1/X} - 1$$
 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.

### Institutional F Shares LU

BE6327153373  
KBC Eco Fund Impact Investing Institutional F Shares LU CAP  
Annual performance on 31/08/2021 (in EUR)

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



## 2.4.6. Costs

### Ongoing Charges and Transaction costs:

#### Classic Shares Distribution :

Ongoing Charges : 1.780%  
Transaction costs : 0.085%

#### Classic Shares Capitalisation :

Ongoing Charges : 1.778%  
Transaction costs : 0.085%

#### Classic Shares HUF Capitalisation :

Ongoing Charges : 1.574%  
Transaction costs : 0.085%

#### Institutional F Shares LU Capitalisation :

Ongoing Charges :  
Transaction costs :

Percentage calculated at reporting date: 31 August 2021 .

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 53,77% 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.
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund	
Annual tax	see the 'Information concerning the Bevek - H. Tax treatment'	

### Classic Shares HUF

Fee for managing the investment portfolio	Max 1.35%	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.
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		(*) 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.
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund	
Annual tax	see the 'Information concerning the Bevek - H. Tax treatment'	

### ***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.
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund	
Annual tax	see the 'Information concerning the Bevek - H. Tax treatment'	

### ***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**

###### **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)**

The sub-fund may not lend any financial instruments.

### **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**

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

## **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).

### **Leveraged finance**

The total amount of leveraged finance used by the sub-fund is 571 147.86 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.



## 2.2. Balance sheet

Balance sheet layout		31/08/2021 (in the currency of the sub-fund)	31/08/2020 (in the currency of the sub-fund)
	<b>TOTAL NET ASSETS</b>	1,181,114,803.55	825,800,875.31
II.	<b>Securities, money market instruments, UCIs and derivatives</b>		
C.	Shares and similar instruments		
	a) Shares	1,182,281,391.44	815,637,973.98
IV.	<b>Receivables and payables within one year</b>		
A.	Receivables		
	a) Accounts receivable	980,682.45	0.96
B.	Payables		
	a) Accounts payable (-)	-275,423.42	-0.33
	c) Borrowings (-)	-2,035,958.40	-0.24
V.	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	599,857.76	10,006,827.92
VI.	<b>Accruals and deferrals</b>		
B.	Accrued income	920,486.74	1,095,944.42
C.	Accrued expense (-)	-1,356,233.02	-939,871.40
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	1,181,114,803.55	825,800,875.31
A.	<b>Capital</b>	791,192,098.00	831,993,557.07
B.	<b>Income equalization</b>	-3,729.50	-168,613.77
D.	<b>Result of the bookyear</b>	389,926,435.05	-6,024,067.99

## 2.3. Profit and loss account

Income Statement		31/08/2021 (in the currency of the fund)	31/08/2020 (in the currency of the fund)
<b>I.</b>	<b>Net gains(losses) on investments</b>		
C.	Shares and similar instruments		
	a) Shares	373,663,044.83	40,235,663.12
G.	Receivables, deposits, cash at bank and in hand and payables		-0.02
H.	Foreign exchange positions and transactions		
	a) Derivative financial instruments		
	Futures and forward contracts		0.02
	b) Other foreign exchange positions and transactions	8,202,633.69	-44,673,460.56
	<b>Det.section I gains and losses on investments</b>		
	Realised gains on investments	109,422,318.13	58,415,231.46
	Unrealised gains on investments	244,399,175.06	-11,221,090.28
	Realised losses on investments	-29,669,862.87	-33,059,120.38
	Unrealised losses on investments	57,714,048.20	-18,572,818.24
<b>II.</b>	<b>Investment income and expenses</b>		
A.	Dividends	24,760,537.79	12,192,116.17
B.	Interests		
	b) Cash at bank and in hand and deposits	82.02	14,430.70
C.	Interest on borrowings (-)	-34,427.19	-25,169.33
<b>III.</b>	<b>Other income</b>		
A.	Income received to cover the acquisition and realizaion of assets, to discourage withdrawals and for delivery charges	140,483.22	212,802.21
B.	Other		52.99
<b>IV.</b>	<b>Operating expenses</b>		
A.	Investment transaction and delivery costs (-)	-535,434.73	-1,160,326.26
B.	Financial expenses (-)	-1,032.35	-985.53
C.	Custodian's fee (-)	-380,826.51	-335,659.83
D.	Manager's fee (-)		
	a) Financial management		
	Classic Shares	-13,597,065.76	-10,095,019.96
	Institutional B Shares	-238,247.98	-526,087.23
	b) Administration and accounting management	-985,888.39	-848,364.91
E.	Administrative expenses (-)	-997.72	-1,010.09
F.	Formation and organisation expenses (-)	-15,043.67	-15,256.38
G.	Remuneration, social security charges and pension	-16,897.22	-10,906.43
H.	Services and sundry goods (-)	-23,480.45	-25,304.89
J.	Taxes		
	Classic Shares	-955,061.65	-742,163.69
	Institutional B Shares	-6,695.97	-15,972.99
K.	Other expenses (-)	-49,246.91	-203,445.10
	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	8,060,756.53	-1,586,270.55
<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	389,926,435.05	-6,024,067.99
<b>VII.</b>	<b>Result of the bookyear</b>	389,926,435.05	-6,024,067.99

<b>Appropriation Account</b>		<b>31/08/2021</b> (in the currency of the sub-fund)	<b>31/08/2020</b> (in the currency of the sub-fund)
<b>I.</b>	<b>Profit to be appropriated</b>	389,922,705.55	-6,192,681.76
	Profit for the period available for appropriation	389,926,435.05	-6,024,067.99
	Income on the creation of shares (income on the cancellation of shares)	-3,729.50	-168,613.77
<b>II.</b>	<b>(Appropriations to) Deductions from capital</b>	-384,481,027.99	9,321,831.77
<b>IV.</b>	<b>(Dividends to be paid out)</b>	-5,441,677.56	-3,129,150.01

## 2.4. Composition of the assets and key figures

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

Name	Quantity on 31/08/2021	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Australia</u>							
G.U.D. HOLDINGS LTD -	634,466.00	AUD	10.550	4,144,207.28		0.35	0.35
<u>Austria</u>							
ANDRITZ AG -	448,714.00	EUR	48.660	21,834,423.24		1.85	1.85
WIENERBERGER AG (WIEN)	560,266.00	EUR	33.240	18,623,241.84		1.58	1.58
<u>Belgium</u>							
EKOPAK NV -	107,143.00	EUR	17.500	1,875,002.50		0.16	0.16
<u>Bermuda</u>							
CONSOLIDATED WATER CO LTD -	152,645.00	USD	12.170	1,573,713.12		0.13	0.13
<u>Canada</u>							
PRIMO WATER CORP -	1,322,506.00	CAD	22.420	19,877,367.25		1.68	1.68
<u>Cayman Islands</u>							
CT ENVIRONMENTAL GROUP LTD -	27,048,000.00	HKD	0.010	29,461.57		0.00	0.00
<u>Chile</u>							
AGUAS ANDINAS SA -	20,514,631.00	CLP	173.130	3,882,529.46		0.33	0.33
INVERSIONES AGUAS METROPOLITAN -	591,800.00	CLP	466.380	301,712.71		0.03	0.03
<u>Finland</u>							
UPONOR OYJ -	220,143.00	EUR	27.220	5,992,292.46		0.51	0.51
<u>France</u>							
EUROFINS SCIENTIFIC -	199,028.00	EUR	120.080	23,899,282.24		2.02	2.02
<u>Germany</u>							
NORMA GROUP -	38,971.00	EUR	42.740	1,665,620.54		0.14	0.14
<u>Hong Kong</u>							
BEIJING ENTERPRISES WATER GROUP LTD -	31,233,529.00	HKD	3.210	10,920,608.77		0.92	0.93
CHINA EVERBRIGHT INTL -	27,318,285.00	HKD	5.380	16,008,714.77		1.35	1.36
CHINA LIANSU GROUP HOLDINGS LT -	10,314,814.00	HKD	16.640	18,695,431.04		1.58	1.58
CHINA WATER AFFAIRS GROUP LTD -	7,044,932.00	HKD	7.750	5,947,018.20		0.50	0.50
WASION HOLDINGS LTD -	2,157,674.00	HKD	2.550	599,303.44		0.05	0.05
<u>India</u>							
NCC LTD/INDIA -	16,812,928.00	INR	79.250	15,460,642.94		1.31	1.31
THERMAX LTD -	223,086.00	INR	1,407.550	3,643,519.30		0.31	0.31
<u>Ireland</u>							
PENTAIR PLC -	500,760.00	USD	77.160	32,732,128.93		2.77	2.77
<u>Japan</u>							
KUBOTA CORP -	1,015,400.00	JPY	2,274.500	17,808,851.36		1.51	1.51
KURITA WATER INDUSTR. -	807,700.00	JPY	5,160.000	32,137,537.27		2.72	2.72
NOMURA MICRO SCIENCE CO LTD -	251,000.00	JPY	4,860.000	9,406,386.07		0.80	0.80
ORGANO CORPORATION -	109,900.00	JPY	6,360.000	5,389,737.54		0.46	0.46
TORISHIMA PUMP MANUFACTURING CO -	239,700.00	JPY	947.000	1,750,373.87		0.15	0.15
TSUKISHIMA KIKAI CO LTD -	128,600.00	JPY	1,157.000	1,147,326.80		0.10	0.10
TSURUMI MANUFACTURING CO LTD -	47,300.00	JPY	1,720.000	627,339.16		0.05	0.05
<u>Netherlands</u>							
AALBERTS NV (AMS)	465,431.00	EUR	52.900	24,621,299.90		2.08	2.09
ARCADIS N.V. (AMS)	436,904.00	EUR	41.960	18,332,491.84		1.55	1.55
<u>Philippines</u>							
MANILA WATER CO -	6,082,700.00	PHP	18.140	1,878,853.85		0.16	0.16
<u>Singapore</u>							
SOUND GLOBAL LTD -	2,051,000.00	HKD				0.00	0.00
<u>South Korea</u>							
WOONGJIN COWAY CO LTD -	384,125.00	KRW	78,200.000	21,947,229.53		1.86	1.86
<u>Spain</u>							

FLUIDRA SA -	143,751.00	EUR	34.600	4,973,784.60		0.42	0.42
<u>Sweden</u>							
INDUTRADE AB -	858,288.00	SEK	285.000	23,987,468.92		2.03	2.03
SWECO AB -	736,926.00	SEK	151.300	10,933,754.84		0.93	0.93
<u>Switzerland</u>							
FERGUSON PLC -	150,839.00	GBP	105.050	18,473,936.09		1.56	1.56
GEBERIT AG -	53,766.00	CHF	765.200	38,046,605.43		3.22	3.22
GEORG.FISCHER (NAAM)	25,108.00	CHF	1,503.000	34,898,304.36		2.95	2.96
LANDIS+GYR GROUP AG -	233,683.00	CHF	70.150	15,159,609.71		1.28	1.28
<u>U.K.</u>							
GENUIT GROUP PLC -	964,396.00	GBP	7.940	8,927,413.24		0.76	0.76
HALMA PLC -	711,462.00	GBP	30.030	24,909,027.75		2.11	2.11
PENNON GROUP PLC -	1,515,561.00	GBP	12.480	22,051,479.95		1.87	1.87
RPS GROUP -	621,959.00	GBP	1.116	809,236.92		0.07	0.07
SEVERN TRENT -	1,135,914.00	GBP	27.620	36,577,907.89		3.09	3.10
UNITED UTILITIES WATER PLC -	2,844,195.00	GBP	10.575	35,066,262.55		2.97	2.97
<u>U.S.A.</u>							
ADVANCED DRAINAGE SYSTEMS INC -	109,974.00	USD	114.150	10,634,530.98		0.90	0.90
AGILENT TECHNOLOGIES -	156,282.00	USD	175.470	23,230,803.96		1.97	1.97
AMERICAN WATER WORKS INC. -	266,592.00	USD	182.250	41,159,212.16		3.48	3.49
AO SMITH CORP -	446,130.00	USD	72.720	27,483,225.55		2.33	2.33
ARTESIAN RESOURCES CORP -A-	40,181.00	USD	39.410	1,341,465.72		0.11	0.11
BADGER METER INC -	176,623.00	USD	107.090	16,023,175.12		1.36	1.36
CALIFORNIA WATER SERVICE GROUP -	388,233.00	USD	63.550	20,900,679.53		1.77	1.77
DANAHER CORPORATION -	64,140.00	USD	324.160	17,613,302.05		1.49	1.49
ENERGY RECOVERY INC -	564,321.00	USD	20.430	9,766,680.53		0.83	0.83
ESSENTIAL UTILITIES INC -	867,844.00	USD	49.630	36,487,015.73		3.09	3.09
EVOQUA WATER TECHNOLOGIES CORP -	536,051.00	USD	38.920	17,673,857.36		1.50	1.50
FRANKLIN ELECTRIC CO INC -	203,961.00	USD	84.980	14,683,049.50		1.24	1.24
GORMAN-RUPP CO/THE -	98,096.00	USD	35.070	2,914,334.97		0.25	0.25
IDEXX LABORATORIES INC. -	38,338.00	USD	673.760	21,882,003.37		1.85	1.85
ITRON INC -	211,842.00	USD	84.010	15,076,323.79		1.27	1.28
LINDSAY MANUFACTURING CO -	165,807.00	USD	164.750	23,140,923.59		1.96	1.96
MIDDLESEX WATER CO -	174,081.00	USD	109.410	16,134,696.27		1.37	1.37
MUELLER WATER PRODUCTS INC -A-	1,389,383.00	USD	16.620	19,561,646.37		1.66	1.66
NORTHWEST PIPE COMPANY -	84,970.00	USD	25.920	1,865,748.15		0.16	0.16
PERKINELMER, INC. -	96,903.00	USD	184.800	15,170,210.00		1.28	1.28
PURE CYCLE CORP -	140,205.00	USD	14.950	1,775,648.91		0.15	0.15
REXNORD HOLDINGS INC -	540,088.00	USD	60.760	27,799,353.53		2.35	2.35
SJW GROUP -	258,134.00	USD	69.330	15,160,684.67		1.28	1.28
SPX CORPORATION -	361,812.00	USD	62.480	19,150,335.69		1.62	1.62
STANTEC INC -	264,191.00	CAD	60.890	10,784,241.26		0.91	0.91
THE TORO COMPANY -	222,574.00	USD	109.940	20,729,201.20		1.75	1.76
THERMO ELECTRONIC -	28,486.00	USD	554.950	13,391,762.21		1.13	1.13
VALMONT INDUSTRIES -	111,517.00	USD	248.860	23,509,780.69		1.99	1.99
WATERS CORP -	47,601.00	USD	414.020	16,695,129.84		1.41	1.41
WATTS WATER TECHNOLOGIES INC A	223,662.00	USD	171.570	32,507,678.72		2.75	2.75
XYLEM INC/NY -	241,799.00	USD	136.310	27,921,234.86		2.36	2.36
YORK WATER CO -	58,256.00	USD	51.570	2,545,014.12		0.22	0.22
Total shares				1,182,281,391.44		100.00	100.10
TOTAL SECURITIES PORTFOLIO				1,182,281,391.44		100.00	100.10
CASH AT BANK AND IN HAND							
<b>Demand accounts</b>							
<u>Belgium</u>							
KBC GROUP AUD	7,708.03	AUD	1.000	4,772.26		0.00	0.00
KBC GROUP CAD	-718.17	CAD	1.000	-481.45		0.00	0.00
KBC GROUP CHF	-25,174.71	CHF	1.000	-23,280.79		0.00	-0.00
KBC GROUP EURO	-1,069,945.73	EUR	1.000	-1,069,945.73		0.00	-0.09
KBC GROUP GBP	-795,223.81	GBP	1.000	-927,126.75		0.00	-0.08
KBC GROUP HKD	27,450.56	HKD	1.000	2,990.01		0.00	0.00
KBC GROUP JPY	16,933,046.00	JPY	1.000	130,571.35		0.00	0.01
KBC GROUP MXN	10,494.18	MXN	1.000	443.62		0.00	0.00
KBC GROUP SEK	-154,223.64	SEK	1.000	-15,123.68		0.00	-0.00
KBC GROUP SGD	12,088.24	SGD	1.000	7,613.09		0.00	0.00
KBC GROUP USD	535,295.63	USD	1.000	453,467.43		0.00	0.04
Total demand accounts				-1,436,100.64		0.00	-0.12
TOTAL CASH AT BANK AND IN HAND				-1,436,100.64		0.00	-0.12
OTHER RECEIVABLES AND PAYABLES							
<b>Receivables</b>							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	980,682.45	EUR	1.000	980,682.45		0.00	0.08
Total receivables				980,682.45		0.00	0.08
<b>Payables</b>							
<u>Belgium</u>							

KBC GROUP EUR PAYABLE	-275,423.42	EUR	1.000	-275,423.42		0.00	-0.02
Payables				-275,423.42		0.00	-0.02
TOTAL RECEIVABLES AND PAYABLES				705,259.03		0.00	0.06
OTHER							
Interest receivable		EUR		920,486.74		0.00	0.08
Expenses payable		EUR		-1,356,233.02		0.00	-0.11
TOTAL OTHER				-435,746.28		0.00	-0.04
TOTAL NET ASSETS				1,181,114,803.55		0.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
Australia	0.31	0.38	0.36	0.36
Austria	1.54	1.90	2.54	3.42
Belgium	-0.14	1.21	1.44	0.10
Bermuda	0.10	0.14	0.13	0.13
Brazil	4.08	2.46	2.32	0.00
Canada	0.00	0.00	0.00	1.69
Switzerland	11.37	11.60	10.99	11.78
Chile	0.26	0.25	0.28	0.35
China	0.12	0.11	0.12	0.00
Cayman Islands	0.12	0.00	0.00	0.00
Germany	0.00	0.00	0.00	0.14
Spain	0.00	0.00	0.00	0.42
Finland	0.66	0.77	0.78	0.51
France	2.01	2.82	1.97	2.02
U.K.	11.24	11.50	10.21	10.89
Hong Kong	3.64	3.69	3.06	4.41
India	1.31	1.17	2.38	1.63
Japan	7.72	6.81	7.31	5.77
South Korea	1.28	1.59	1.20	1.86
Netherlands	2.00	1.89	2.23	3.63
Philippines	0.36	0.16	0.15	0.16
Sweden	3.00	4.36	4.51	2.95
Thailand	0.20	0.41	0.33	0.00
U.S.A.	48.82	46.78	47.69	47.78
TOTAL	100.00	100.00	100.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
Cyclicals	50.42	51.33	52.51	55.43
Consum(cycl)	7.41	5.51	4.89	4.14
Cons.goods	0.00	0.00	0.00	1.69
Pharma	7.16	9.47	8.23	6.41
Financials	0.21	1.32	1.54	-0.06
Technology	8.00	5.55	5.25	5.88
Telecomm.	0.00	1.44	2.13	0.90
Utilities	26.80	25.38	25.45	25.61
TOTAL	100.00	100.00	100.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
AUSTRALIAN DOLLAR	0.31	0.38	0.36	0.36
BRASILIAN REAL	4.08	2.46	2.32	0.00
CANADIAN DOLLAR	0.00	0.00	0.00	2.60
SWISS FRANC	5.99	6.31	6.28	7.45
CHILEAN PESO	0.26	0.25	0.28	0.35
EURO	6.48	8.51	8.79	10.27
POUND STERLING	14.04	14.33	12.46	12.37
HONG KONG DOLLAR	3.88	3.80	3.19	4.41
INDIE RUPEE	1.31	1.17	2.38	1.63
JAPANESE YEN	7.30	6.84	7.31	5.78
KOREAN WON	1.28	1.59	1.20	1.86
PESO	0.34	0.16	0.15	0.16
SWEDISH KRONA	3.00	4.36	4.51	2.95
THAI BATH	0.20	0.41	0.33	0.00
US DOLLAR	51.53	49.43	50.44	49.81
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 the currency of the sub-fund)

	1 <sup>st</sup> half of year	2 <sup>nd</sup> half of year	Year
<b>Purchases</b>	70,471,165.41	323,815,822.79	394,286,988.21
<b>Sales</b>	104,018,305.14	305,529,267.00	409,547,572.13
<b>Total 1</b>	174,489,470.55	629,345,089.79	803,834,560.34
<b>Subscriptions</b>	106,302,087.19	139,528,481.41	245,830,568.60
<b>Redemptions</b>	133,423,320.61	144,078,227.51	277,501,548.12
<b>Total 2</b>	239,725,407.80	283,606,708.92	523,332,116.72
<b>Monthly average of total assets</b>	887,803,585.35	1,078,246,160.89	983,805,375.48
<b>Turnover rate</b>	-7.35%	32.06%	28.51%

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:  
CBC Banque SA, Avenue Albert 1er 60, B-5000 Namur  
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						
Year	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2019 - 08*	66,578.62	23,185.69	34,860.79	13,942.50	286,470.20	111,935.01	398,405.21
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

Period	Amounts received and paid by the UCITS (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2019 - 08*	91,905,982.13	24,349,481.74	47,784,435.88	14,370,343.03
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

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2019 - 08*	544,230,952.11	1,468.63	1,103.43
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

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

## Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2019 - 08*	36,871.14		54,288.85		136,182.44		136,182.44
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

Period	Amounts received and paid by the UCITS (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2019 - 08*	50,643,768.36		74,937,399.38	
2020 - 08*	42,038,842.11		149,743,978.15	
2021 - 08*	13,222,138.09		120,650,043.61	

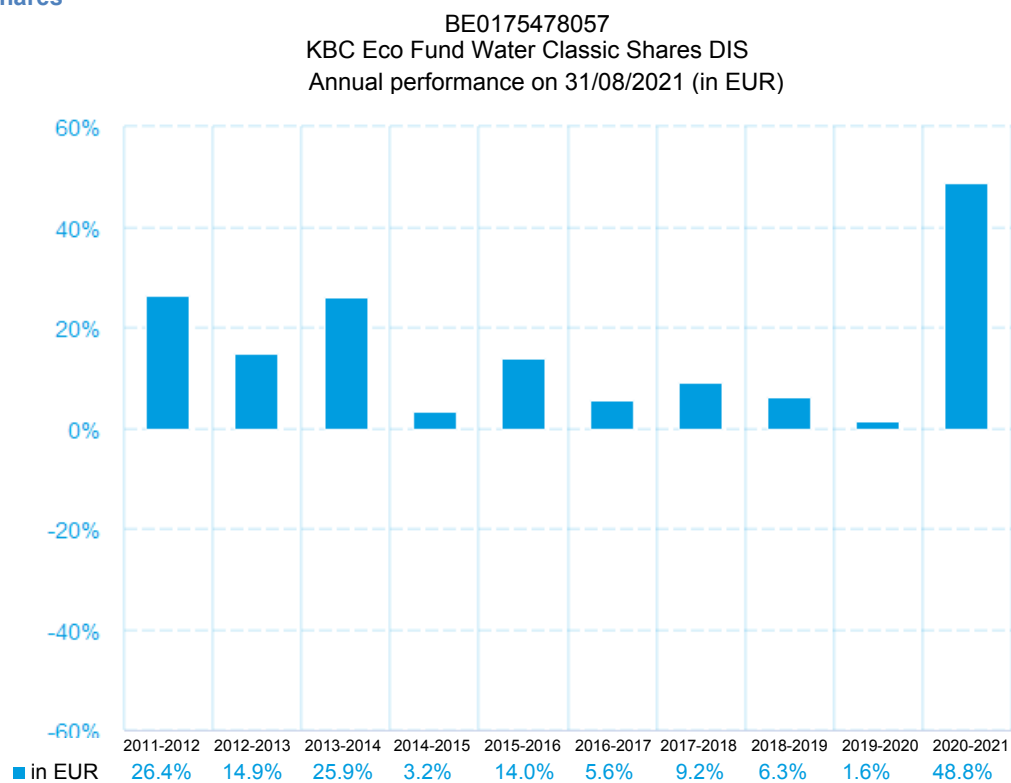
Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2019 - 08*	202,606,591.61	1,487.76	
2020 - 08*	84,884,445.60	1,532.04	
2021 - 08*	7,351,673.88	2,308.75	

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

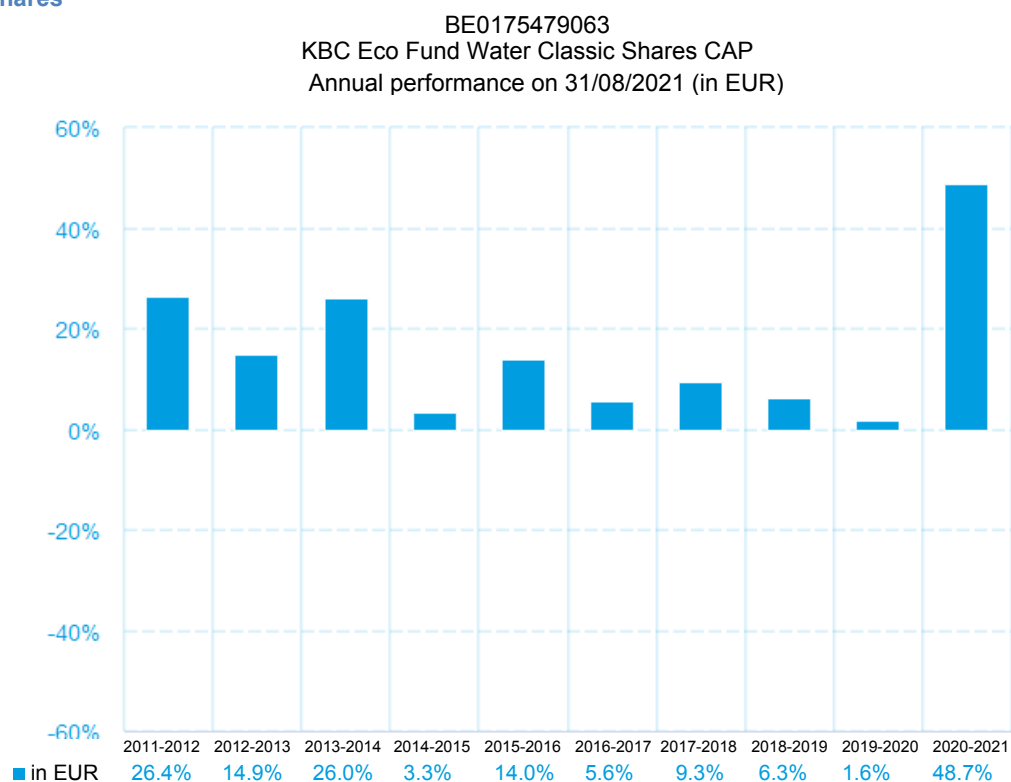


## 2.4.5. Performance figures

### 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	BE0175478057	EUR	48.75%		17.12%		13.14%		14.83%		01/12/2000	7.43%
CAP	BE0175479063	EUR	48.72%		17.13%		13.16%		14.85%		01/12/2000	7.45%

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:

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

i = 1 ... N

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

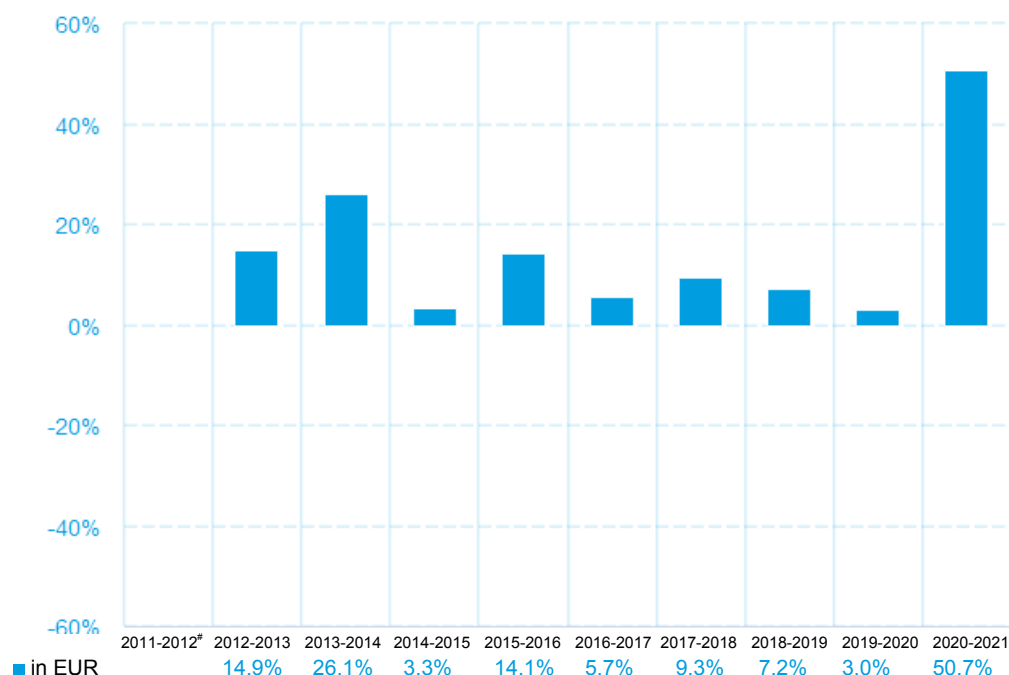
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the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

Dividend on ex-dividend date 30/11/2021: 23,7535 net (33,9336 gross).

Dividend on ex-dividend date 30/11/2021: 23,7535 net (33,9336 gross).

## Institutional B Shares

### BE6228912570 KBC Eco Fund Water Institutional B Shares CAP Annual performance on 31/08/2021 (in EUR)



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

Cap Div	ISIN Code	Currency	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	50.70%		18.48%		13.96%		%		25/11/2011	15.84%

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 : 1.736%  
Transaction costs : 0.054%

#### *Classic Shares Capitalisation :*

Ongoing Charges : 1.762%  
Transaction costs : 0.054%

#### *Institutional B Shares Capitalisation :*

Ongoing Charges : 0.444%  
Transaction costs : 0.054%

Percentage calculated at reporting date: 31 August 2021 .

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 53,13% 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.
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund	
Annual tax	see the 'Information concerning the Bevek - H. Tax treatment'	

### 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.
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund	
Annual tax	see the 'Information concerning the Bevek - H. Tax treatment'	

### 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**

###### **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.

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)**

The sub-fund may not lend any financial instruments.

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

A more detailed explanation can be found in this report's General information on the Beveik 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 Beveik 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**

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

## 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 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).

### **Leveraged finance**

The total amount of leveraged finance used by the sub-fund is 3 532 455.49 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.

## 2.2. Balance sheet

Balance sheet layout		31/08/2021 (in the currency of the sub-fund)	31/08/2020 (in the currency of the sub-fund)
	<b>TOTAL NET ASSETS</b>	279,959,955.57	225,249,955.42
II.	<b>Securities, money market instruments, UCIs and derivatives</b>		
C.	Shares and similar instruments		
a)	Shares	283,456,522.05	223,129,596.37
D.	Other securities		2.72
IV.	<b>Receivables and payables within one year</b>		
A.	Receivables		
a)	Accounts receivable	26,443.89	
B.	Payables		
a)	Accounts payable (-)	-53,954.93	
c)	Borrowings (-)	-3,513,465.91	-8,278.41
V.	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	87,782.01	2,121,253.00
VI.	<b>Accruals and deferrals</b>		
B.	Accrued income	198,881.11	203,324.28
C.	Accrued expense (-)	-242,252.65	-195,942.54
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	279,959,955.57	225,249,955.42
A.	<b>Capital</b>	201,224,914.99	213,019,024.01
B.	<b>Income equalization</b>	-467,279.72	-154,612.33
D.	<b>Result of the bookyear</b>	79,202,320.30	12,385,543.74

## 2.3. Profit and loss account

Income Statement		31/08/2021 (in the currency of the fund)	31/08/2020 (in the currency of the fund)
<b>I.</b>	<b>Net gains(losses) on investments</b>		
C.	Shares and similar instruments		
a)	Shares	78,603,265.52	22,353,687.64
D.	Other securities	-2.88	-4,761.53
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		3,653.93
b)	Other foreign exchange positions and transactions	1,161,478.63	-10,957,504.06
	<b>Det.section I gains and losses on investments</b>		
	Realised gains on investments	39,339,819.18	30,375,900.63
	Unrealised gains on investments	42,318,667.18	-3,587,402.07
	Realised losses on investments	-13,739,518.76	-20,033,908.73
	Unrealised losses on investments	11,845,773.66	4,640,486.16
<b>II.</b>	<b>Investment income and expenses</b>		
A.	Dividends	4,116,310.71	4,013,155.45
B.	Interests		
b)	Cash at bank and in hand and deposits	147.76	3,518.09
C.	Interest on borrowings (-)	-5,152.91	-4,281.38
<b>III.</b>	<b>Other income</b>		
A.	Income received to cover the acquisition and realizaion of assets, to discourage withdrawals and for delivery charges	93,416.21	89,014.33
B.	Other		13.82
<b>IV.</b>	<b>Operating expenses</b>		
A.	Investment transaction and delivery costs (-)	-193,914.54	-258,987.90
B.	Financial expenses (-)	-324.38	-278.12
C.	Custodian's fee (-)	-106,659.86	-92,510.03
D.	Manager's fee (-)		
a)	Financial management		
	Classic Shares	-1,289,597.36	-994,586.39
	Institutional Shares	-2,793,613.61	-1,379,756.24
b)	Administration and accounting management	-272,214.30	-233,121.07
E.	Administrative expenses (-)	-1,001.11	-999.78
F.	Formation and organisation expenses (-)	-4,547.66	-5,052.44
G.	Remuneration, social security charges and pension	-4,645.69	-3,221.18
H.	Services and sundry goods (-)	6,603.17	-29,015.13
J.	Taxes		
	Classic Shares	-76,190.68	-55,265.89
	Institutional Shares	-22,282.16	-20,458.44
K.	Other expenses (-)	-8,754.55	-37,699.95
	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	-562,420.96	990,467.75
<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	79,202,320.30	12,385,543.74
<b>VII.</b>	<b>Result of the bookyear</b>	79,202,320.30	12,385,543.74

<b>Appropriation Account</b>		<b>31/08/2021</b> (in the currency of the sub-fund)	<b>31/08/2020</b> (in the currency of the sub-fund)
<b>I.</b>	<b>Profit to be appropriated</b>	78,735,040.58	12,230,931.41
	Profit for the period available for appropriation	79,202,320.30	12,385,543.74
	Income on the creation of shares (income on the cancellation of shares)	-467,279.72	-154,612.33
<b>II.</b>	<b>(Appropriations to) Deductions from capital</b>	-78,449,059.71	-11,964,052.33
<b>IV.</b>	<b>(Dividends to be paid out)</b>	-285,980.87	-266,879.08

## 2.4. Composition of the assets and key figures

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

Name	Quantity on 31/08/2021	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Argentina</u>							
MERCADOLIBRE INC -	283.00	USD	1,867.450	447,700.75		0.16	0.16
<u>Australia</u>							
COLES GROUP LTD -	9,045.00	AUD	18.080	101,248.28		0.04	0.04
CSL LIMITED -	3,019.00	AUD	311.940	583,062.13		0.21	0.21
FORTESCUE METALS GROUP -	29,433.00	AUD	21.000	382,678.87		0.14	0.14
GOODMAN GROUP -	3,083.00	AUD	23.130	44,149.91		0.02	0.02
RAMSAY HEALTH CARE LTD -	21,140.00	AUD	68.900	901,788.85		0.32	0.32
SYDNEY AIRPORT -	41,308.00	AUD	7.970	203,832.37		0.07	0.07
<u>Austria</u>							
VOESTALPINE AG -	12,533.00	EUR	38.400	481,267.20		0.17	0.17
<u>Belgium</u>							
G.B.L. -	297.00	EUR	97.100	28,838.70		0.01	0.01
<u>Canada</u>							
HYDRO ONE LTD -	68,274.00	CAD	31.400	1,437,178.13		0.51	0.51
ROYAL BK CANADA -	2,042.00	CAD	129.600	177,413.37		0.06	0.06
<u>Denmark</u>							
CARLSBERG A/S B	26,134.00	DKK	1,099.500	3,863,877.20		1.36	1.38
DSV PANALPINA A S -	7,490.00	DKK	1,605.000	1,616,512.43		0.57	0.58
NOVO NORDISK A/S B	17,643.00	DKK	627.700	1,489,178.50		0.53	0.53
PANDORA A/S -	3,337.00	DKK	754.000	338,337.20		0.12	0.12
<u>France</u>							
CAPGEMINI SA -	12,213.00	EUR	190.150	2,322,301.95		0.82	0.83
FAURECIA (PAR)	47,717.00	EUR	40.840	1,948,762.28		0.69	0.70
GECINA REG	19,481.00	EUR	131.550	2,562,725.55		0.90	0.92
L'OREAL -	6,177.00	EUR	396.300	2,447,945.10		0.86	0.87
LVMH-MOET HENNESSY LOUIS VUITT SE -	287.00	EUR	626.800	179,891.60		0.06	0.06
PUBLICIS GROUPE SA -	11,723.00	EUR	55.520	650,860.96		0.23	0.23
SARTORIUS STEDIM BIOTECH -	4,258.00	EUR	513.600	2,186,908.80		0.77	0.78
SUEZ -	86,708.00	EUR	19.650	1,703,812.20		0.60	0.61
VIVENDI SA -	137,191.00	EUR	32.320	4,434,013.12		1.56	1.58
<u>Germany</u>							
ALLIANZ AG REG	6,750.00	EUR	198.980	1,343,115.00		0.47	0.48
DEUTSCHE TELEKOM INT FIN REG	25,048.00	EUR	18.008	451,064.38		0.16	0.16
DEUTSCHE WOHNEN AG -	41,475.00	EUR	52.560	2,179,926.00		0.77	0.78
HEIDELBERGCEMENT AG -	56,881.00	EUR	73.600	4,186,441.60		1.48	1.50
MERCK KGAA -	958.00	EUR	201.200	192,749.60		0.07	0.07
SIEMENS AG REG	3,749.00	EUR	140.840	528,009.16		0.19	0.19
ZALANDO SE -	1,084.00	EUR	93.800	101,679.20		0.04	0.04
<u>Ireland</u>							
C.R.H. PLC -	61,624.00	EUR	45.040	2,775,544.96		0.98	0.99
<u>Italy</u>							
TELECOM ITALIA SPA (MIL) DI RISPARMIO NWE	1,388,065.00	EUR	0.409	567,579.78		0.20	0.20
<u>Japan</u>							
AEON CO LTD. -	35,500.00	JPY	2,919.500	799,189.26		0.28	0.28
CANON INC -	89,400.00	JPY	2,611.500	1,800,281.25		0.64	0.64
DAI NIPPON PRINTNG -	86,400.00	JPY	2,616.000	1,742,867.18		0.62	0.62
DAINIPPON SUMITOMO PHARMA CO L -	21,000.00	JPY	1,972.000	319,329.48		0.11	0.11
DAIWA HOUSE -	108,800.00	JPY	3,356.000	2,815,552.67		0.99	1.01
EAST JAPAN RAILWAY -	14,900.00	JPY	7,431.000	853,780.71		0.30	0.31
FAST RETAILING CO LTD. -	4,500.00	JPY	72,520.000	2,516,419.94		0.89	0.90
IDEMITSU KOSAN CO LTD -	1.00	JPY	2,638.000	20.34		0.00	0.00
KAO CORP -	42,300.00	JPY	6,646.000	2,167,771.55		0.77	0.77
KUBOTA CORP -	3,500.00	JPY	2,274.500	61,385.64		0.02	0.02
MAZDA MOTOR CORP. -	110,200.00	JPY	955.000	811,517.29		0.29	0.29
NABTESCO CORP -	27,800.00	JPY	4,360.000	934,639.42		0.33	0.33
NISSAN CHEMICAL INDUSTRIES LTD -	24,700.00	JPY	6,170.000	1,175,154.39		0.42	0.42

NOMURA HOLDINGS INC -	546,600.00	JPY	533.600	2,249,045.58	0.79	0.80
OBAYASHI CORP -	203,700.00	JPY	906.000	1,423,088.91	0.50	0.51
SONY CORP -	51,400.00	JPY	11,360.000	4,502,505.57	1.59	1.61
TAKEDA PHARMACEUTICAL CO LTD -	17,300.00	JPY	3,679.000	490,782.08	0.17	0.18
TOKYO ELECTRON -	1,600.00	JPY	47,240.000	582,831.05	0.21	0.21
<u>Netherlands</u>						
A.K.Z.O. NOBEL -	7,340.00	EUR	104.400	766,296.00	0.27	0.27
ASML HOLDING NV -	2,721.00	EUR	704.500	1,916,944.50	0.68	0.69
NXP SEMICONDUCTOR NV -	21,175.00	USD	215.130	3,859,017.96	1.36	1.38
<u>New Zealand</u>						
FISHER & PAYKEL HEALTHCARE CORP. -	2,404.00	NZD	33.100	47,445.49	0.02	0.02
MERIDIAN ENERGY LTD -	295,521.00	NZD	5.250	925,081.87	0.33	0.33
<u>Sweden</u>						
ELECTROLUX B	39,107.00	SEK	218.600	838,322.62	0.30	0.30
HUSQVARNA AB -B-	74,197.00	SEK	115.750	842,197.35	0.30	0.30
INDUSTRIVARDEN AB -	4,779.00	SEK	300.800	140,968.28	0.05	0.05
KINNEVIK AB -B-	28,596.00	SEK	338.100	948,106.19	0.33	0.34
<u>Switzerland</u>						
CHOCOLADEFABRIKEN LINDT-REG -	69.00	CHF	10,770.000	687,223.53	0.24	0.25
GEBERIT AG -	488.00	CHF	765.200	345,324.99	0.12	0.12
KUEHNE & NAGEL INT'L AG -	8,271.00	CHF	335.100	2,563,100.73	0.90	0.92
<u>U.K.</u>						
BERKELEY GROUP (THE) PLC -	6,866.00	GBP	48.270	386,394.41	0.14	0.14
BURBERRY GROUP PLC -	6,390.00	GBP	18.595	138,530.94	0.05	0.05
COCA-COLA EUROPEAN PARTNERS PL -	51,167.00	USD	57.740	2,502,759.61	0.88	0.89
LINDE PLC -	20,463.00	USD	314.590	5,453,390.80	1.92	1.95
SEGRO PLC -	103,137.00	GBP	12.840	1,543,935.86	0.55	0.55
UNITED UTILITIES WATER PLC -	154,955.00	GBP	10.575	1,910,450.13	0.67	0.68
VODAFONE GROUP PLC -	108,195.00	GBP	1.220	153,841.80	0.05	0.06
WPP GROUP PLC -	192,633.00	GBP	9.836	2,209,016.42	0.78	0.79
<u>U.S.A.</u>						
ACCENTURE LTD A	7,126.00	USD	336.560	2,031,705.33	0.72	0.73
ADOBE SYSTEMS -	9,710.00	USD	663.700	5,459,381.59	1.93	1.95
ADVANC MICRO DEVICES -	5,184.00	USD	110.720	486,231.93	0.17	0.17
AGILENT TECHNOLOGIES -	37,807.00	USD	175.470	5,619,885.88	1.98	2.01
ALLSTATE CORPORATION -	42,517.00	USD	135.280	4,872,463.69	1.72	1.74
AMGEN -	4,837.00	USD	225.530	924,129.45	0.33	0.33
APPLIED MATERIALS -	15,269.00	USD	135.130	1,747,892.73	0.62	0.62
APTIV PLC -	1,997.00	USD	152.190	257,464.04	0.09	0.09
ARROW ELECTRONICS INC -	38,262.00	USD	121.220	3,929,111.47	1.39	1.40
AUTOMATIC DATA PROCESSING, INC. -	729.00	USD	209.040	129,094.97	0.05	0.05
AUTOZONE INC. -	828.00	USD	1,549.150	1,086,616.29	0.38	0.39
AVALONBAY COMMUNITIES INC -	334.00	USD	229.580	64,958.04	0.02	0.02
BEST BUY -	20,372.00	USD	116.510	2,010,709.24	0.71	0.72
BIOGEN INC -	6,789.00	USD	338.910	1,949,138.03	0.69	0.70
CADENCE DESIGN SYSTEMS -	721.00	USD	163.480	99,850.97	0.04	0.04
CIGNA CORP. -	14,376.00	USD	211.650	2,577,559.74	0.91	0.92
CISCO SYSTEMS INC -	67,096.00	USD	59.020	3,354,657.90	1.18	1.20
COMCAST CORP -A-	52,622.00	USD	60.680	2,704,987.89	0.95	0.97
CORNING INC -	107,084.00	USD	39.990	3,627,675.17	1.28	1.30
DISCOVER FINANCIAL SERVICES -	25,649.00	USD	128.220	2,785,983.97	0.98	1.00
EDWARDS LIFESCIENCES CORP. -	35,233.00	USD	117.180	3,497,482.27	1.23	1.25
ELECTRONIC ARTS -	30,618.00	USD	145.210	3,766,393.99	1.33	1.35
EXPEDITORS INTL OF WASHINGTON INC. -	32,452.00	USD	124.640	3,426,504.54	1.21	1.22
FIRST REPUBLIC BANK -	5,944.00	USD	198.940	1,001,736.08	0.35	0.36
FRANKLIN RESOURCES INC -	107,909.00	USD	32.440	2,965,452.12	1.05	1.06
GILEAD SCIENCES -	7,107.00	USD	72.780	438,178.20	0.16	0.16
HARTFORD FIN.SERV.GR. -	16,869.00	USD	67.220	960,594.84	0.34	0.34
HERSHEY CORP -	6,232.00	USD	177.700	938,139.18	0.33	0.34
HEWLETT PACKARD -	120,521.00	USD	29.740	3,036,379.80	1.07	1.09
HEWLETT PACKARD ENTERPRISE CO -	336,817.00	USD	15.460	4,411,191.34	1.56	1.58
HILTON WORLDWIDE HOLDINGS INC -	14,085.00	USD	124.860	1,489,815.83	0.53	0.53
INTEL CORP -	31,144.00	USD	54.060	1,426,273.57	0.50	0.51
INTERPUBLIC GROUP -	143,513.00	USD	37.230	4,526,230.67	1.60	1.62
JPMORGAN CHASE & CO -	44,897.00	USD	159.950	6,083,506.42	2.15	2.17
KELLOGG CO. -	6,471.00	USD	63.140	346,121.34	0.12	0.12
KROGER CY -	60,863.00	USD	46.030	2,373,267.73	0.84	0.85
LEAR CORP -	8,734.00	USD	159.940	1,183,375.80	0.42	0.42
LIBERTY GLOBAL INC -C-	185,296.00	USD	28.980	4,549,009.34	1.61	1.63
LIBERTY GLOBAL INC A	52,410.00	USD	28.740	1,276,007.79	0.45	0.46
LOWE'S CIE -	18,560.00	USD	203.890	3,205,725.27	1.13	1.15
MCGRAW HILL FINANCIAL INC -	11,385.00	USD	443.820	4,280,478.38	1.51	1.53
MEDTRONIC PLC -	5,117.00	USD	133.480	578,607.45	0.20	0.21
METTLER-TOLEDO INTERNATIONAL INC -	3,510.00	USD	1,552.830	4,617,250.46	1.63	1.65
MICROSOFT CORP -	44,733.00	USD	301.880	11,439,703.54	4.04	4.09
MOHAWK INDUSTRIES INC -	12,427.00	USD	197.760	2,081,887.01	0.73	0.74
NEWMONT GOLDCORP CORP -	4,062.00	USD	57.990	199,547.10	0.07	0.07
NVIDIA CORP NAS	28,530.00	USD	223.850	5,410,174.51	1.91	1.93



OLD DOMINION FREIGHT LINE INC -	374.00	USD	288.720	91,474.67	0.03	0.03
ORACLE CORP -	78,021.00	USD	89.130	5,890,983.72	2.08	2.10
OWENS CORNING -	29,622.00	USD	95.550	2,397,714.52	0.85	0.86
PAYPAL HOLDINGS INC -	14,356.00	USD	288.660	3,510,528.15	1.24	1.25
PEPSICO INC -	23,556.00	USD	156.390	3,120,778.38	1.10	1.12
PNC FINANCIAL SERVICES GROUP -	10,820.00	USD	191.100	1,751,621.84	0.62	0.63
PRINCIPAL FINANCIAL GROUP INC -	50,849.00	USD	66.810	2,877,903.93	1.01	1.03
PROLOGIS TRUST -	4,503.00	USD	134.660	513,680.36	0.18	0.18
PRUDENTIAL FINANCIAL INC -	3,541.00	USD	105.880	317,608.61	0.11	0.11
REGENRON PHARMACEUTICALS -	3,385.00	USD	673.400	1,931,008.51	0.68	0.69
REGIONS FINANCIAL CORPORATION -	215,874.00	USD	20.430	3,736,122.51	1.32	1.34
ROLLINS INC -	52,460.00	USD	38.920	1,729,631.24	0.61	0.62
STARBUCKS CORP -	45,112.00	USD	117.490	4,489,990.16	1.58	1.60
STATE STREET CORPORATION -	11,753.00	USD	92.910	925,046.58	0.33	0.33
TARGET CORP -	3,449.00	USD	246.980	721,618.04	0.26	0.26
TRACTOR SUPPLY COMPANY -	12,828.00	USD	194.250	2,110,922.95	0.75	0.75
TRANE TECHNOLOGIES PLC -	25,685.00	USD	198.500	4,319,092.30	1.52	1.54
UNITEDHEALTH GROUP INC. -	11,841.00	USD	416.270	4,175,571.24	1.47	1.49
UNITER RENTALS INC -	16,500.00	USD	352.650	4,929,243.09	1.74	1.76
US BANCORP -	39,033.00	USD	57.390	1,897,669.42	0.67	0.68
VEEVA SYSTEMS INC -	5,616.00	USD	331.980	1,579,397.42	0.56	0.56
VISA INC -	12,858.00	USD	229.100	2,495,461.73	0.88	0.89
W.W. GRAINGER, INC. -	6,057.00	USD	433.700	2,225,355.50	0.79	0.80
WASTE MANAGEMENT INC. -	24,654.00	USD	155.110	3,239,512.00	1.14	1.16
YUM! BRANDS INC -	8,695.00	USD	131.030	965,145.37	0.34	0.35
Total shares				283,456,522.05	100.00	101.25
TOTAL SECURITIES PORTFOLIO				283,456,522.05	100.00	101.25
CASH AT BANK AND IN HAND						
Demand accounts						
Belgium						
KBC GROUP AUD	1,418.91	AUD	1.000	878.49	0.00	0.00
KBC GROUP CAD	2,315.19	CAD	1.000	1,552.07	0.00	0.00
KBC GROUP CHF	-291.39	CHF	1.000	-269.47	0.00	0.00
KBC GROUP DKK	112,384.57	DKK	1.000	15,112.24	0.00	0.01
KBC GROUP EURO	-3,502,961.28	EUR	1.000	-3,502,961.28	0.00	-1.25
KBC GROUP GBP	5,362.70	GBP	1.000	6,252.21	0.00	0.00
KBC GROUP HKD	2,330.38	HKD	1.000	253.83	0.00	0.00
KBC GROUP ILS	13,752.71	ILS	1.000	3,636.49	0.00	0.00
KBC GROUP JPY	3,384,785.00	JPY	1.000	26,100.20	0.00	0.01
KBC GROUP NOK	10,884.49	NOK	1.000	1,059.19	0.00	0.00
KBC GROUP NZD	12,399.25	NZD	1.000	7,393.12	0.00	0.00
KBC GROUP SEK	-100,766.37	SEK	1.000	-9,881.48	0.00	-0.00
KBC GROUP SGD	7.16	SGD	1.000	4.51	0.00	0.00
KBC GROUP TRY	-3,471.31	TRY	1.000	-353.68	0.00	0.00
KBC GROUP USD	26,266.55	USD	1.000	22,251.30	0.00	0.01
KBC GROUP ZAR	56,149.52	ZAR	1.000	3,288.36	0.00	0.00
Total demand accounts				-3,425,683.90	0.00	-1.22
TOTAL CASH AT BANK AND IN HAND				-3,425,683.90	0.00	-1.22
OTHER RECEIVABLES AND PAYABLES						
Receivables						
Belgium						
KBC GROUP EUR RECEIVABLE	26,443.89	EUR	1.000	26,443.89	0.00	0.01
Total receivables				26,443.89	0.00	0.01
Payables						
Belgium						
KBC GROUP EUR PAYABLE	-53,954.93	EUR	1.000	-53,954.93	0.00	-0.02
Payables				-53,954.93	0.00	-0.02
TOTAL RECEIVABLES AND PAYABLES				-27,511.04	0.00	-0.01
OTHER						
Interest receivable		EUR		181,381.09	0.00	0.07
Accrued interest		EUR		17,500.02	0.00	0.01
Expenses payable		EUR		-242,252.65	0.00	-0.09
TOTAL OTHER				-43,371.54	0.00	-0.02
TOTAL NET ASSETS				279,959,955.57	0.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
Argentina	0.00	0.00	0.14	0.16
Australia	1.14	0.91	0.79	0.80
Austria	0.23	0.00	0.00	0.17
Belgium	2.45	1.29	0.12	-1.22
Canada	3.62	2.35	0.55	0.57

Switzerland	1.97	1.04	1.25	1.28
China	0.00	0.00	0.29	0.00
Germany	1.39	2.73	4.25	3.21
Denmark	2.00	1.78	2.47	2.61
Spain	0.40	0.03	0.02	0.00
Finland	0.97	0.38	0.33	0.00
France	5.50	5.43	5.67	6.57
U.K.	3.01	3.03	4.44	5.10
Ireland	0.00	0.94	0.88	0.99
Italy	2.24	1.32	1.24	0.20
Japan	10.83	9.75	10.21	9.01
Netherlands	3.44	2.00	1.64	2.33
Norway	0.00	0.06	0.00	0.00
New Zealand	0.18	0.39	0.38	0.35
Sweden	0.86	0.97	0.71	0.99
U.S.A.	59.77	65.60	64.62	66.88
TOTAL	100.00	100.00	100.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
Cyclicals	9.52	8.84	10.99	10.48
Consum(cycl)	19.97	22.63	22.72	24.44
Cons.goods	9.66	12.30	9.68	9.63
Pharma	13.07	11.04	9.33	10.17
Financials	16.62	12.56	14.58	12.50
Technology	19.89	24.23	26.17	26.77
Telecomm.	4.46	2.39	1.19	0.41
Utilities	2.63	2.14	1.88	2.13
Real est.	4.18	3.87	3.46	3.47
TOTAL	100.00	100.00	100.00	100.00

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

	29/02/2020	31/08/2020	28/02/2021	31/08/2021
AUSTRALIAN DOLLAR	1.14	0.92	0.79	0.80
CANADIAN DOLLAR	3.62	2.35	0.55	0.57
SWISS FRANC	1.96	1.04	1.25	1.28
DANISH KRONE	2.00	1.78	2.47	2.62
EURO	15.83	13.95	12.90	10.84
POUND STERLING	3.01	3.03	2.55	2.26
JAPANESE YEN	10.46	9.75	10.21	9.02
NORWEGIAN KRONE	0.00	0.06	0.00	0.00
NEW ZEALAND DOLLAR	0.18	0.39	0.38	0.35
SWEDISH KRONA	0.85	0.97	0.71	0.99
US DOLLAR	60.95	65.76	68.19	71.27
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 the currency of the sub-fund)

	1 <sup>st</sup> half of year	2 <sup>nd</sup> half of year	Year
<b>Purchases</b>	128,845,139.92	59,996,653.08	188,841,793.00
<b>Sales</b>	100,353,088.24	108,027,764.92	208,380,853.16
<b>Total 1</b>	229,198,228.16	168,024,418.01	397,222,646.17
<b>Subscriptions</b>	32,633,612.05	11,012,292.80	43,645,904.85
<b>Redemptions</b>	5,122,007.80	62,154,874.67	67,276,882.47
<b>Total 2</b>	37,755,619.85	73,167,167.47	110,922,787.32
<b>Monthly average of total assets</b>	250,591,404.11	291,794,389.60	271.360.388.67
<b>Turnover rate</b>	76.40%	32.51%	105.50%

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:  
 CBC Banque SA, Avenue Albert 1er 60, B-5000 Namur  
 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
2019 - 08*	7,839.65	4,921.11	11,334.55	942.95	45,888.64	15,140.61	61,029.25
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

Period	Amounts received and paid by the UCITS (in the currency of the class)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2019 - 08*	7,808,538.58	3,725,278.69	11,437,126.46	708,862.37
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

Period	Net asset value		
	End of period (in the currency of the class)		
	Of the class	Of one share	
Year		Capitalization	Distribution
2019 - 08*	60,344,408.26	1,055.33	787.06
2020 - 08*	70,995,916.85	1,098.70	802.19
2021 - 08*	106,142,716.37	1,461.53	1,049.30

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

## Institutional Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2019 - 08*	50,000.00		17,000.00		179,800.05		179,800.05
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

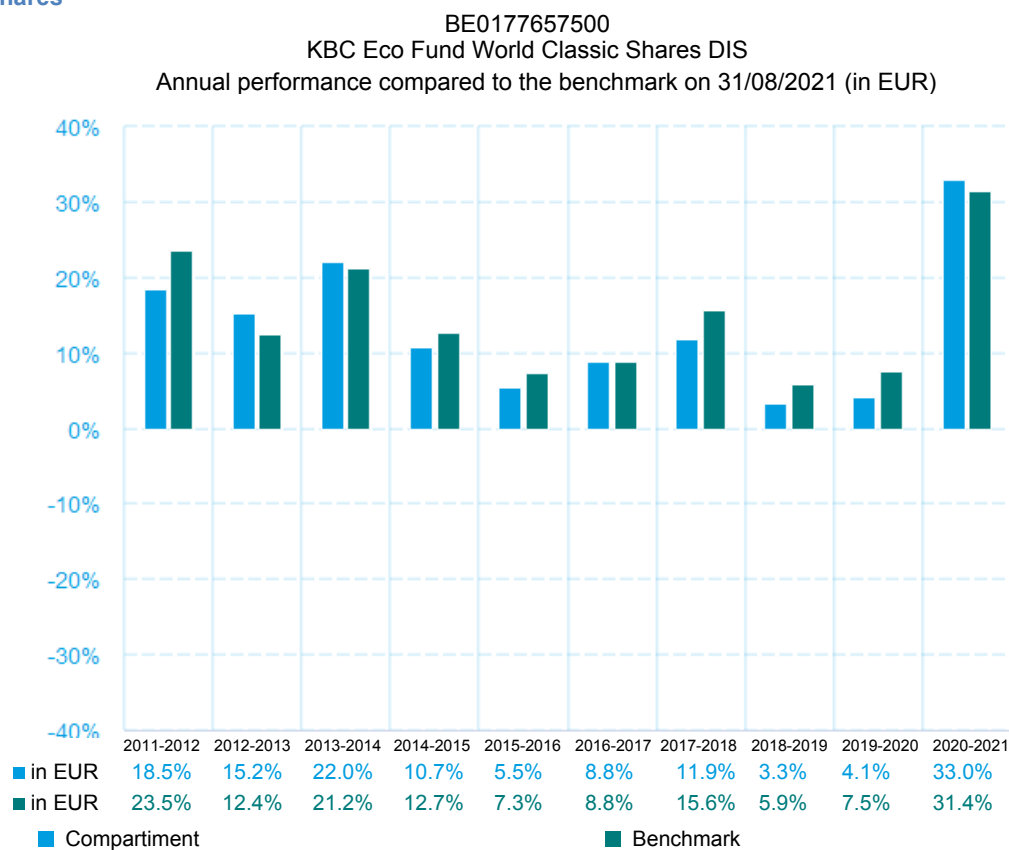
Period	Amounts received and paid by the UCITS (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2019 - 08*	50,632,616.00		17,423,360.00	
2020 - 08*	16,563,530.00		64,169,035.00	
2021 - 08*	23,496,988.38		58,170,750.00	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2019 - 08*	191,824,902.09	1,066.88	
2020 - 08*	154,254,038.57	1,117.78	
2021 - 08*	173,817,239.20	1,488.08	

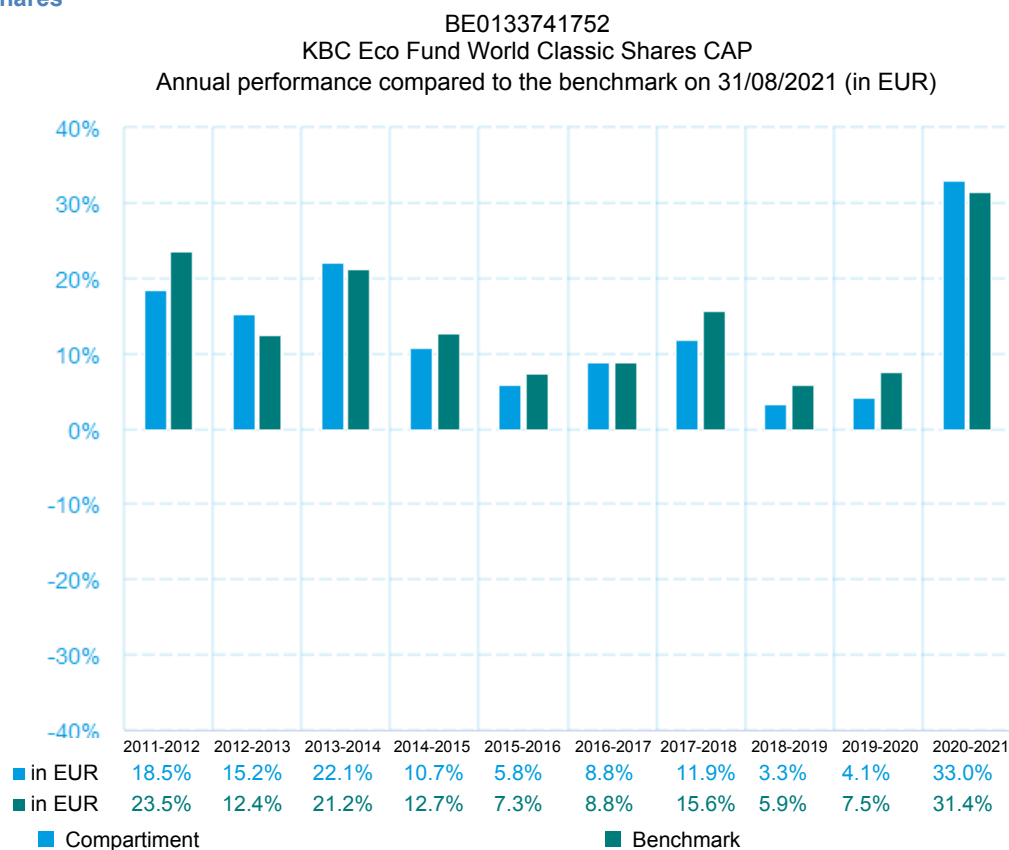
\*The financial year does not coincide with the calendar year.

## 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	33.00%	31.43%	12.64%	14.39%	11.71%	13.50%	12.95%	14.38%	30/04/1992	5.12%
CAP	BE0133741752	EUR	33.02%	31.43%	12.68%	14.39%	11.75%	13.50%	13.02%	14.38%	30/04/1992	6.23%

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

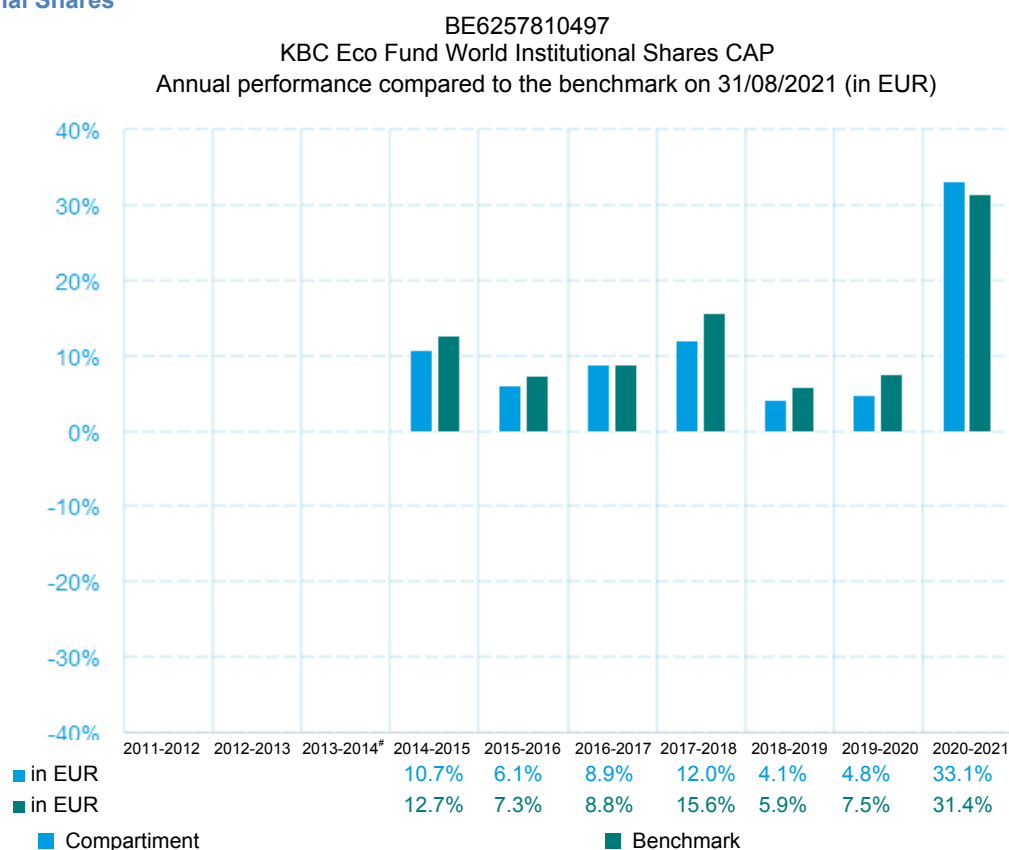
from which C = C0 \* .... \* CN.

- 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 30/11/2021: 9,6130 net (13,7329 gross).

Dividend on ex-dividend date 30/11/2021: 9,6130 net (13,7329 gross).

## Institutional Shares



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

Cap Div	ISIN Code	Currency	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	33.13%	31.43%	13.25%	14.39%	12.11%	13.50%	%		25/09/2013	11.63%

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 : 1.752%

Transaction costs : 0.073%

#### *Classic Shares Capitalisation :*

Ongoing Charges : 1.734%

Transaction costs : 0.073%

#### *Institutional Shares Capitalisation :*

Ongoing Charges : 1.656%

Transaction costs : 0.073%

Percentage calculated at reporting date: 31 August 2021 .

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 52,99% 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.
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund	
Annual tax	see the 'Information concerning the Bevek - H. Tax treatment'	

### 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.
Custodian's fee	Max 0.04%	per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.
Fee paid to the bevek's statutory auditor	see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund	
Annual tax	see the 'Information concerning the Bevek - H. Tax treatment'	

### 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.