

Semi-Annual report as at 28th February 2015

KBC Master Fund

Public open-ended investment company under Belgian law (bevek)
with a variable number of units/shares opting for Investments
complying with the conditions of Directive 2009/65/EC
UCITS

No subscriptions will be accepted on the basis of this report. Subscriptions will only be valid if effected after a free copy of the key investor information or prospectus has been provided.

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1. GENERAL INFORMATION ON THE BEVEK

1.1 ORGANIZATION OF THE BEVEK

REGISTERED OFFICE :

2 Havenlaan - B-1080 Brussels, Belgium.

DATE OF INCORPORATION:

25 November 1993

LIFE:

Unlimited.

BOARD OF DIRECTORS OF THE BEVEK:

Wouter Vanden Eynde, Representative KBC Asset Management NV
 Luc Vanbriel, Head of Management Structured Products and Money Market Funds KBC Asset Management NV

Jean-Louis Claessens, Independent Manager
 Olivier Morel, Financial Manager CBC Banque SA
 Jef Vuchelen, Independent Manager

Chairman:

Olivier Morel, Financial Manager CBC Banque SA

Natural persons to whom the executive management of the bevek has been entrusted:

Wouter Vanden Eynde, Representative KBC Asset Management NV
 Luc Vanbriel, Head of Management Structured Products and Money Market Funds KBC Asset Management NV

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:

Chairman:

L. Gijssens

Directors:

D. Mampaey, President of the Executive Committee
 J. Peeters, Independent Director
 J. Daemen, Non-Executive Director
 P. Konings, Non-Executive Director
 J. Verschaeve, Managing Director
 G. Rammeloo, Managing Director
 O. Morel, Non-Executive Director
 K. Mattelaer, Non-Executive Director
 K. Van Eeckhoutte, Non-Executive Director
 C. Sterckx, Managing Director
 D. Cuypers, Managing Director
 L. Demunter, Managing Director

NAMES AND POSITIONS OF THE NATURAL PERSONS TO WHOM THE EXECUTIVE MANAGEMENT OF THE MANAGEMENT COMPANY HAS BEEN ENTRUSTED:

D. Mampaey, President of the Executive Committee
J. Verschaeve, Managing Director
G. Rammeloo, Managing Director
C. Sterckx, Managing Director
D. Cuypers, Managing Director
L. Demunter, Managing Director
These persons may also be directors of various beveks.

AUDITOR OF THE MANAGEMENT COMPANY:

Ernst & Young Bedrijfsrevisoren BCVBA, represented by Christel Weymeersch, company auditor and recognized auditor, De Kleetlaan 2, 1831 Diegem.

STATUS OF THE BEVEK:

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 Act 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:

In this regard, please see 'Information concerning the sub-fund'.

FINANCIAL-SERVICES PROVIDERS:

The financial services providers in Belgium are:
KBC Bank NV, Havenlaan 2, B-1080 Brussels
CBC Banque SA, Grand Place 5, B-1000 Brussels

CUSTODIAN:

KBC Bank N.V., 2 Havenlaan - B-1080 Brussels, Belgium.

ADMINISTRATION AND ACCOUNTING MANAGEMENT:

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

ACCREDITED AUDITOR OF THE BEVEK:

Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, in the form of a CVBA (co-operative limited liability company), Berkenlaan 8b, B-1831 Diegem, represented by partner Frank Verhaegen, company auditor and recognized auditor.

DISTRIBUTOR:

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

PROMOTER:

KBC

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

LIST OF SUB-FUNDS OF KBC MASTER FUND

1. Bonds
2. CSOB Balanced
3. CSOB Conservative
4. CSOB Dynamic
5. CSOB Growth
6. CSOB Multi Invest
7. CSOB Portfolio Pro Kveten 90
8. CSOB Portfolio Pro Listopad 90
9. CSOB Portfolio Pro Srpen 90
10. CSOB Portfolio Pro Srpen 95
11. CSOB Portfolio Pro Unor 95
12. Dynamic Mixed Fund
13. High
14. Low
15. Medium
16. Minimum Variance Global
17. Mixed Fund

SHARE CLASSES

The characteristics of the different share classes are given in the prospectus.

The following sub-funds have a share class called 'Classic Shares':

Minimum Variance Global

The following sub-funds have a share class called 'Institutional Shares':

Minimum Variance Global

The following sub-funds have a share class called 'Institutional B Shares':

Minimum Variance Global

In the event of discrepancies between the French and the other language versions of the (Semi-)Annual report, the French will prevail.

1.2 MANAGEMENT REPORT

1.2.1 INFORMATION FOR THE SHAREHOLDERS

Not applicable.

1.2.2 GENERAL MARKET OVERVIEW

During the period under review confidence in the permanence of the economic recovery worldwide began to grow. The US took an ambitious austerity programme in its stride. The labour market picked up. The Bank of England managed successfully to detach the UK economy from its liquidity drip. Japan broke out of its negative deflationary spiral. The economic skies now even seem to be clearing in the euro area. The stock markets responded warmly to the economic optimism. The bond markets were mesmerised by the prospect of the European Central bank (ECB) following the US example and starting to purchase government paper on a large scale.

Shaking off the sense of crisis

Economic growth in 2014 was more than satisfactory. Global GDP climbed by around +3% in real terms. That is comparable with the growth rate in 2013. However, the regional differences are (very) wide. Overall, the emerging markets recorded slightly slower growth. Growth accelerated in the West, thanks to the US, but the euro area fell behind.

The US economy is going through its sixth successive year of expansion. During the course of 2014, sentiment changed from economic scepticism to optimism. The driver for this was the recovery on the labour market. Jobs growth is accelerating; an average of 258,000 new jobs are being created every month. This trend alone is enough to boost the purchasing power of US consumers by 2.2%. This in turn ensures that the basis for the economic recovery is more solid than in previous years. The unemployment rate fell further to 5.7% in November 2015. This fall was accompanied by ever stronger signals of a squeeze in some segments of the labour market. Terms such as 'boom' and 'Goldilocks' are coming into favour to describe this phase of the cycle. The recovery on the housing market remains vulnerable, however. Although house prices are rising, and relatively strongly at that, sales of new homes remain sluggish.

This is in stark contrast to the euro area, where the economy has been limping along for a long time and has only very recently started to show signs of improvement. The fragile recovery in 2013 was interrupted in 2014. The sanctions against Russia did not help consumer confidence, especially in Germany. It was only very late in 2014 that the tide turned. The IFO, the business confidence barometer in Germany, began climbing again in November, and in December and January consumer confidence and retail sales rose throughout the euro area, with the exception of Portugal. The benefits of a weak euro and the lower oil prices are clearly finally beginning to feed through into the real economy.

In Japan, *Abenomics* (the large-scale monetary and fiscal stimulation programme launched by the Abe government in 2013) is not having the desired result. More than that, raising the general VAT rate by 5% in April 2014 proved to be disastrous. GDP in the third quarter of 2014 was -0.4% lower in real terms than in the same period in the previous year.

Falling stars and delivered promises

The euphoria surrounding the BRIC countries (Brazil, Russia, India and China) is making way for concerns about the *Fragile Five* (Brazil, India, Indonesia, Turkey and South Africa).

The Russian economy is creaking under the sanctions, capital flight, the depreciation of the rouble and the fall in oil prices. An oil price of 105 USD is thought to be the minimum needed to keep the country afloat. That now appears to be a distant dream.

Mexico is pulling itself up on the coat-tails of the economic strength of its northern neighbour, the US. Advantage is being taken of the favourable economic climate to push through far-reaching reforms, even in the heavily protected energy sector. Venezuela and Argentina have been struggling with recession some time. The period of double-digit growth in China now appears to have passed, but the government continues to manage the economy in such a way as to hold growth within a bandwidth of 7 - 7.5%. Chinese policy is based around quality and sustainable growth rather than a high growth figure as such. It has opted for selective measures to support growth (a relaxation of bank lending, investments in cheap housing for the average Chinese and in railways, and support for smaller businesses). This is helping keep growth above 7%, a rate which is needed in order to push down unemployment and prevent social unrest. We saw this, for example, in the moves to control the exchange rate (weakening in the period February-March and beyond, after the broadening of the exchange rate bandwidth from $\pm 1\%$ to $\pm 2\%$ on 8 December) and interest rates (cut on 21 November).

The euro crisis is easing, but the spectre of a “Grexit” is rearing its head again

The euro crisis reached its peak in the summer of 2012, when Greece was not only in financial and economic turmoil, but had also landed in a political vacuum. The crisis resulted in the bankruptcy of Greece and Cyprus. Portugal and Ireland lost the confidence of international bond investors and were obliged to turn for support to the IMF, the ECB and the partner countries in the euro area. As these storms raged, several of the currency union’s rules were reformed. But once the sense of urgency had subsided, it proved almost impossible to get all the members of the euro orchestra playing the same tune. The ECB was in fact focused only on defending the euro. It regarded it as essential to unblock the monetary transmission channel. Hence the various programmes to provide the banking sector with extremely cheap liquidity (during the previous reporting period under the acronym TLTRO) and the new system of stricter and uniform banking supervision. The latter came into operation on 4 November 2014, having been preceded earlier in the year by a comprehensive health check of the credit portfolios of 130 European banks.

When the ECB gave an assurance in September 2012 with much bravura that it was if necessary prepared to pump liquidity into the market indefinitely, confidence in government bonds recovered. Interest rate spreads between the EMU partners began to narrow, even without the need for specific action. During the course of 2014, Ireland and Portugal were able to begin raising finance via the traditional channels once again, without the need for their European stewardship. Greece initially also had these ambitions, but it became clear as the year progressed that it would not be possible to cancel the support programme at the end of 2014, as intended, but that it would have to be extended. The new Greek government, elected on a Eurosceptical ticket, attempted to force the troika to agree a much milder reform policy, but mass capital flight and the threat of a “Grexit” prompted a rethink.

New record for corporate earnings

The economic recovery was accompanied by a spectacular revival in corporate earnings. All the businesses making up the S&P 500 Index in the United States had equalled their pre-recession profit levels by as early as the third quarter of 2012, since when their earnings have risen by around 5% a year. That was also the case in 2014. The earnings per share of firms in the S&P 500 index were an average of 5.5% higher in the fourth quarter than a year earlier. If we ignore the nosedive in oil company profits, we are looking at an increase in earnings of more than 10%.

Companies in the EUROSTOXX®-600 index reported earnings growth of 15% in the same quarter. 2014 showed a happy reversal of the picture in the period 2011 – 2013. The euro crisis, the associated recession in Europe, the write-down of government bond portfolios by banks and the strong euro all contributed to a fall in the profit mass at stock exchange level. As a result, profit levels fell behind relative to S&P companies by more than 20% in the first quarter of 2014.

ISIS fails to prevent a sharp fall in oil prices

The Arab Spring and the power struggle in Libya meant a barrel of Brent crude oil cost 126 US dollars at the end of April 2011. The balance of supply and demand over the last three years (weak global demand, high stocks, rising supplies and substitution by shale oil) has caused the oil price to fall since then, apart from an occasional increase due to a flare-up in geopolitical tensions (in 2013, for instance, disruption to supplies in Libya and Nigeria). In recent months the pressure from the excess supply became so great that the premium for the political risk disappeared entirely. OPEC was unable to reach a consensus in November on restricting production and so halting the free fall in the oil price. On 31 January 2015, the price of Brent crude was down to just 46.7 USD a barrel, less than half the price a year earlier and far below the marginal production cost of around 80 USD. These low levels were unsustainable, and the oil price rallied strongly in February.

The steep price rises on most other commodity markets had already come to an end earlier. The prices of many industrial metals and agricultural products peaked around mid-February 2011. This was followed by a correction, rising to between 30% (aluminium) and 45% (copper, nickel) since the peak levels of early 2011. With the easing of the economic doubts the price correction in recent months would appear to have bottomed out.

Inflation is falling further under the influence of the downturn in oil and commodity prices. In the US, the annual increase in the consumer price index fell from a peak of 3.9% in September 2011 to a cyclical low of 0.7% in October 2015. Inflation even turned negative in the euro area (-0.6% in January 2015). Plagued by persistent economic weakness, and for a long time by a strong euro, deflation remained a real concern. The fall in the oil price has only increased that risk in recent months.

Learning to live with negative interest rates

The US central bank (the Fed) had already cut its key rate very early on in the crisis. Since December 2008 the rate has been a symbolic 0.25%. The ECB waited much longer before starting to cut. In 2014 it cut its key rate on two occasions by 10 basis points. Since 4 September the rate has been 0.05%. For deposits the ECB now has a negative rate of interest of -0.20%. ECB President Mario Draghi has emphasised that this is the absolute end of the interest rate reductions.

The policy of (virtually) free money was not sufficient to guarantee that the economic recovery would prove lasting. The central banks therefore looked for alternatives. The Federal Reserve, the Bank of England and the Bank of Japan intervened directly in the bond markets and bought up large amounts of debt paper in an attempt to keep the long-term rate low as well. The Fed, for instance, had repurchased government bonds and mortgage loans to the value of 85 billion US dollars a month to the end of 2013. The programme has been tapered since January 2014, coming to an end in October.

The Bank of England had already discontinued its own large-scale liquidity injections at year-end 2013. The Bank of Japan only began its programme in April 2013 and will persist with it for a while yet. It confirmed this in November. It proved difficult to achieve a consensus on a similar policy in the ECB policy committee. The prospect of large-scale purchases of government bonds was raised by ECB President Mario Draghi as long ago as September 2012, but remained a red line that the German Bundesbank would not cross. As a consequence, the ECB had to be content with granting exceptional credit facilities, under the acronyms LTRO and TLTRO, on extremely favourable terms in order to pump excessive liquidity into the European banking system. It was not until 22 January 2015 that the ECB President was able to announce that, from March 2015 and possibly until at least September 2016, the ECB and euro area national banks would be purchase government paper to the tune of 60 billion euros a month.

Seeking a floor for bond rates

Intense economic doubts, realisation that inflation is as good as dead, and central bank intervention are keeping bond yields historically low. Bond yields in Germany, the reference in the euro area, have traditionally followed movements on the US market closely. That situation was reversed in the current reporting period. Calls for a European variant of QE grew in 2014, and that drove ten-year rates down inexorably, not just in Germany, but also in the US. On 2 February 2015 the yield on US government bonds reached a ten-year low of 1.67%. The fact that the Fed began – admittedly couched in cautious terms – to raise the prospect of the first interest rate hike in seven years, had virtually no influence on this. At the end of the reporting period, yields on German bonds with maturities of less than seven years had turned negative. German ten-year rates stood at 0.36%.

The further easing of the euro crisis caused a further narrowing of interest rate spreads between the EMU partners, almost without hiccups – except in the case of Greece. Belgian-German spreads also narrowed further to 25 basis points at the end of 2015.

There have been no significant bankruptcies in the business sector in recent years. This allowed corporate bond yields to move closer to yields on government bonds. The credit risk premium is now at a fair level; the additional premium has evaporated.

The return of the dollar

The euro was the strongest currency in the world in 2013. The ECB is also the only one of the four principal central banks not to embark on a large-scale debt purchase programme, but is by contrast confronted with a shrinking balance sheet. Initially, the strength of the euro was maintained in 2014: on 25 May, an exchange rate of 1.40 USD per EUR was reached. Then the tide turned. Anticipation of the launch of QE in Europe grew steadily, whereas QE was being tapered in the US. This shift in monetary policy between the ECB (prospect of a bigger supply of euros) and the Fed (faster creation of dollars) impacted on the USD/EUR exchange rate. On 28 February the euro was worth 1.118 USD, 22.8% weaker than a year earlier.

Sterling frequently occupies a midway position between USD and EUR, and that was also the case in the reporting period. In the weeks before the Scottish referendum, held on 18 September 2014, the success of supporters of separation prompted nervous movements in the exchange rate.

The launch of *Abenomics* in Japan drove down the JPY/USD exchange rate by more than 30%, from unambiguously *overvalued* to *correctly valued*. The yen moved within a bandwidth of 100 – 110 JPY per USD between mid-2013 and the end of October 2014. When the Bank of Japan came to the realisation in early November 2014 that quantitative easing had not delivered the anticipated results, it decided to step up its measures. This put the currency under renewed pressure in the final months of the reporting period. At the end of February 2015, the yen was worth 15% less against the dollar (120 JPY per USD) than a year earlier.

2013 was not a good year for emerging market currencies. Fears that the liquidity tap in the US could be turned off imminently led to heavy selling pressure on the currencies of such countries as Brazil, South Africa, Turkey, India and Indonesia. This pressure continued until the spring of 2014. Since then the picture has been mixed, but there is no sign of a broad-based recovery.

Stockmarket recovery continues

The euro crisis and the fear that the European banking sector would collapse as a result cast an almost permanent shadow over the equity markets during the period from April 2010 to October 2011. The mood changed in the course of 2012, with better reports on the US labour market. In 2014 reasonably solid PMIs (business confidence indicators) throughout the world, with the exception of the euro area, boosted economic optimism. Strong labour market reports in the US provided a solid underpinning for that optimism. From October 2012 onwards, the underlying trend in the international stock markets has been unmistakably positive. This has happened with barely a hiccup, as witnessed by the historically low share-price volatility. The S&P 500 set one record after another in 2014, reaching an all-time high on September. Overall, the MSCI All Country World Index (the broadest global index) was up 34.7% year-on-year in euro terms on 30 June 2015.

In the traditional markets, the US recorded the strongest performance (with a return of +43.5%), which was not entirely due to the strengthening of the dollar. The S&P-500 surged from one record to another, with the rally only being interrupted between 18 September and 15 October. Until October, doubts about the economy (fears that the US would be dragged into a downward spiral when it transpired that the German economic engine was stuttering and China also began emitting negative signals) led to a correction of -7.4%, but the sombre mood passed quickly.

Western Europe was unable to sustain the catching-up exercise that began in 2012 (return on the MSCI Europe over the reporting period in euro terms: +22.0%). Fears that the EMU's problems harboured a systemic risk disappeared completely. Neither the debacle at Banco Espírito Santo in April nor the threat of a "Grexit" (February) had any impact. To be replaced by fears of deflation. Europe's cheaper valuation (compared with the US) provided little support, as corporate earnings in Europe had already lagged behind considerably for two years, relative to both forecasts and to the pattern of earnings in the United States.

Japan (return of +34.5%) performed more or less in line with the world index. Stock market sentiment fluctuated between hope that *Abenomics* would break through the deflation spiral and fear that the VAT hikes would prove disastrous for consumer confidence.

The emerging regions staged a come-back, after several years of underperformance. The Asian emerging markets (+38.7%) began a catching-up exercise from March-April onwards. The recovery occurred entirely in parallel with improved PMIs (in the region, but also globally), and a (cautious) recovery in exports by the region. That optimism has begun to fade in recent months, as growing doubts about the growth narrative in China caused the outperformance to wither away. This once again provided fuel for concerns about a growing credit bubble. Latin America (+13.7%) initially performed very strongly, but without solid fundamentals. The economic climate in Brazil deteriorated substantially and Argentina found itself gasping for breath financially following a legal judgement in the US downgrading the country's status to Selective Default. There was evidence of flight from Eastern Europe (-5.4%) in response to the crisis in Ukraine and the capital flight from Russia.

There were wide sectoral differences in the returns. The best performing sectors included Financials (+49.8%), Pharmaceuticals (+47.7%) and Consumer Discretionary (+41.8%). The laggards included Energy open sign +933) and Materials (+23.9%), both cyclical sectors.

The Technology sector was attractively valued, with a growth outlook and earnings figures that greatly exceeded expectations. The recent results season confirmed that turnover and profits were being supported by trends like e-commerce, mobile appliances, cloud computing and network upgrades. Their balance sheets are virtually free of debt and they have large amounts of cash that they are increasingly paying out to shareholders. The flotations of Twitter and Alibaba gave the sector a boost.

Pharmaceuticals has long since shed the aura of a growth sector. There has not been much innovation in recent years and the sector is undergoing a transformation. Business units are being reorganised, acquisitions are being rolled out on a large scale and share-buyback programmes launched, and investors are finding this repositioning of the sector to their taste.

Food and Beverage manufacturers benefited from improving margins (as falls in the price of agricultural products were not passed on in the form of cheaper end-product prices) and from lively demand in the new markets, where the purchasing power of the middle class is growing strongly. The emerging markets already account for 60-70% of the profits of Western food & beverage producers.

In view of the improved economic environment, the disappointing results of the cyclical sectors are surprising. Oil companies felt the repercussions of the fall in oil prices. The current price is well below the marginal production cost.

The first decade of this century was dominated by the strong Chinese growth narrative, which resulted in an unquenchable thirst for commodities. This made Mining the outstanding growth sector. Huge investments have led to massive expansions in capacity. The oversupply has now become very apparent and the hype appears to have passed.

Thanks to the strong performance of Real Estate (+46.1%), the discount at which the sector traded for some considerable time has disappeared. The high dividends went down well, and the sector is growing more attractive as the economic outlook brightens in a world with interest rates close to zero.

Outlook

People living in continental Europe might not realise it, but the world economy has reached cruising speed. The growth figure for 2014 (currently estimated at 3%) is reasonable but not exceptional. Growth optimism is on the up in the US. The first swallows are reaching the euro area as harbingers of an economic spring. Driven mainly by greater consumer purchasing power and an easing of austerity measures. Emerging Asia is likely to follow suit, though not everyone appears convinced of this.

US growth indicators are spiking, with particularly promising labour market reports in recent months. Unemployment is falling fairly sharply: 3 207 000 new jobs were created in the last twelve months, which translates into employment growth of just over 2.3% year-on-year. Although the unemployment rate (5.7% in January) can still be seen as relatively high, the average conceals major differences between states and sectors. There are even reports of tightness here and there. This normally means that pay rises will begin to accelerate. The word “boom” is increasingly being used to describe the present phase in the cycle.

The contrast with the euro area is substantial: the cautious economic recovery that began in 2013 had already begun to falter in 2014. German producer confidence fell sharply when the EU announced sanctions against Russia and again when Russia introduced its counter-sanctions. It will not take much to push the European economy into a third recession in six years. Fortunately some of the conditions changed towards the end of the year. The overvaluation of the euro was reversed. The fall in the oil price provided breathing space for consumers, who felt more confident about the future and therefore began to spend more. The acceleration of pay rises in Germany will provide further support for the recovery. They will keep the German locomotive running, and this will automatically improve the competitiveness of other countries without them having to make additional efforts in respect of wage control. In short, if the European banks now also start applying less stringent lending criteria, growth should be able to pick up in Europe, too. However, euro area growth is unlikely to exceed 1-1.5% in 2015 and 1.5-2% in 2016 in real terms.

In recent years the foundation has been laid for more sustainable growth in 2015 and beyond. US households have trimmed back their debt level significantly, the savings rate has already increased considerably and loan servicing (instalments and interest payments combined) now accounts for only 9,8% of household budgets (the lowest level in fifteen years – it was at 12.5% four years ago). The sharpest edges of the restructuring of the public finances are being rubbed off, not just in the US, where the budget debate has been liberated from its ideological discourse, but also in the euro area, where the European Commission values structural measures over budgetary orthodoxy. Households are gradually moving towards a position where they can spend more of their money on consumption. The explosive growth in earnings between 2009 and 2014 bolstered companies' already substantial cash positions. During the crisis investments were scaled back heavily, with the foundations being laid for a catch-up process.

The Fed believes the time has come to adjust its extremely flexible monetary policy. The unparalleled liquidity injections in the form of the purchasing programme for government bonds and other debt paper are tapering off. The US central bank considers that the economic recovery is sufficiently sustainable for it to gradually move toward a more neutral monetary policy. A key interest rate of 3-3.5% would be consistent with this. The present rate (0.25%) is a long way off this. The first of a series of interest rate hikes will therefore be implemented in the course of 2015. The precise timing will depend on the unemployment trend. The Fed has suggested a date of around mid-2015. We think this is highly likely, though the market appears to be expecting a later date (October-November). In order not to alarm the markets, the interest rate rises will be implemented very gradually, in small steps. All the same, the gap between a growth-neutral rate and the present rate is so large that it will be a long time before monetary policy ceases to be loose and growth-supporting. Either way, the Fed will keep long-term rates low and banish any fears of deflation.

The euro crisis has receded into the background –Greece notwithstanding – but many problems remain to be resolved. In 2014 attention focussed on the large-scale survey being conducted by the ECB into the quality of European banks' credit portfolios. This review and the subsequent stress tests (examining whether the banks' capital buffers are sufficient for crises to be survived) will need to provide the ECB with sufficient information for it to discharge its task as pan-European regulator as from November. Frankfurt's main hope is that the analysis will restore trust between the European banks to such an extent that they will normalise their interbank relationships. It will be key in 2015 to induce European banks to be more willing to lend to households and SMEs. That is more a question of confidence (removing fears of deflation) than of liquidity injections by the ECB. At the level of budgetary discipline the reins are being eased. Control over national budgets has been tightened, but the standards have become less absolute and allow considerable room for manoeuvre. As a result, national governments in reality now have more room for manoeuvre, and they are taking full advantage of this (with the promise that structural measures will be implemented). A number of countries (including France and Italy) have even openly stated that they will be disregarding the European norms. Light touch from Brussels.

The ECB will maintain the money market rates of (almost) 0% for a long time yet, and certainly longer than the US. As long as the economy in the euro area remains weak and there are no genuine inflationary tensions, there will be no compelling macroeconomic reasons to conduct a more restrictive policy.

Inflation has long ceased to be a reason for concern. On the contrary, if anything it is too low (closer to -0% than to the official euro area inflation target of 2% for inflation in the euro area). There is considerable concern, however, about growth. And the ECB will be absolutely determined to prevent the euro crisis from flaring up again. It will most likely continue to aim for a *normal* short rate of 3% for the euro area, but that has now become a very long-term objective and is totally ruled out in the short term (horizon year-end 2015). The ECB's main concern at present is not the level of its interest rates but the way in which these low rates percolate through into market rates in Southern Europe. It is here that low interest rates are needed most – and also where market rates remain the highest.

Bond yields seem to have bottomed out. It would be logical for yields to increase again from the current record lows, on the back of an improved economic environment. As a result, the market might, in the months ahead, start to anticipate tighter monetary policy in 2015 (US) or later (EMU). No significant increase in interest rates is likely in the coming months, however. Fearful of the negative consequences for growth, the central banks will avoid any such hike at any price.

The default risk premium in the corporate bond market has fallen steeply in recent years. At its present level, it provides appropriate compensation for the debtor risk. Much more narrowing of spreads is therefore not on the cards, even though most companies have a very healthy financial structure. Rate spreads within the EMU have narrowed sharply and are gradually starting to correctly reflect the differences in quality of the various governments as debtors. Given the ongoing problems of the euro, an increase in risk aversion and volatility of the rate spreads cannot be ruled out.

Emerging markets will continue to deliver the largest contribution to world GDP growth. The strong economic growth in Asia has sometimes led to tensions on the credit market. Appropriate monetary policy is therefore required: sometimes restrictive (as in 2011) and at other times stimulatory (as at present).

One of the major challenges for this decade will be the further development of consumption in China and the rest of Asia. That could help bring about a more balanced economic world order. It will not only reduce the region's dependence on exports but, at least as importantly, will have an effect on international capital flows. And increased consumption there will mean lower savings and higher imports, including from the US and Europe. This will help the West to 'grow out' of its debt problems.

Thanks to the continuing strength of expansion in the emerging markets, the global economy could post growth of around 3.5% in 2015 and 2016 (+3.0% in 2014). This is one of the reasons why corporate earnings could continue to grow in the coming quarters at a rate of 8–10% – faster than in the recent past. The strong earnings growth is also attributable to sustained wage restraint. Maintaining purchasing power is now about all that is on offer. There is virtually no question of real wage rises. In brief, every one-cent increase in revenue translates (almost) entirely into an extra cent of profit, rather than into higher pay.

The money market rate won't increase rapidly and bond yields are an historical low. Everything seems to point to shares being the most attractive investment option for the months ahead. The lack of alternatives is not, of course, sufficient reason to increase the market valuation: for that to happen, investors must hold onto their risk appetite. Shares are no longer as cheap as they were a while ago: based on forecast earnings for the coming 12 months, the price/earnings ratio is 18.4 for the S&P500 index and 16.6 for the MSCI Europe. That is already quite expensive. Shares are, however, still dirt-cheap compared with bonds. The earnings yield – the inverse of the price/earnings ratio – is currently 6.05% for the MSCI Europe, an unprecedented premium of more than 500 basis points above German yields. Put differently, what offers better protection against the inflation risk over the next ten years: a German government bond with a coupon yield of 0.35%, or an average European share with a dividend yield of 3.25%?

Edited to 3 March 2015.

1.3 AGGREGATED BALANCE SHEET (IN EUR)

Balance sheet layout	28/02/2015 <small>(in the currency of the bevek)</small>	28/02/2014 <small>(in the currency of the bevek)</small>
TOTAL NET ASSETS	1.349.250.265,73	818.353.984,68
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		8.910.841,22
a) Collateral received in the form of bonds	7.604.165,21	14.521.531,32
C. Shares and similar instruments		
a) Shares	230.305.017,88	92.446.826,43
Of which securities lent	8.859.649,25	13.736.756,61
E. Open-end undertakings for collective investment	1.089.561.097,13	703.292.354,53
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-2.160.874,47	3.640.616,63
m) Financial indices		
Futures and forward contracts (+/-)	187,22	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	17.869.275,82	11.135.678,14
b) Tax assets		190.983,40
c) Collateral	51.413,40	
B. Payables		
a) Accounts payable (-)	-7.654.667,09	-8.625.372,44
c) Borrowings (-)	-5.972.649,24	-3.422.900,50
d) Collateral (-)	-7.604.165,21	-14.521.531,32
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	27.485.645,70	10.978.689,46
VI. Accruals and deferrals		
A. Expense to be carried forward	69.923,32	70.418,96
B. Accrued income	193.844,42	208.670,84
C. Accrued expense (-)	-497.948,38	-472.821,99
TOTAL SHAREHOLDERS' EQUITY	1.349.250.265,73	818.353.984,68
A. Capital	1.277.550.214,93	778.073.719,26
B. Income equalization	1.125.623,21	-1.165.422,31
D. Result for the period	70.574.427,56	41.445.687,75

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	7.604.165,21	14.521.531,32
I.A.B	Cash at bank and in hand/deposits	51.413,40	
III	Notional amounts of futures and forward contracts		
III.A	Purchased futures and forward contracts	504.590.294,27	295.780.989,40
III.B	Written futures and forward contracts	-20.782.967,73	-22.551.967,76
IX	Financial instruments lent	8.859.649,25	13.736.756,61

1.4 AGGREGATED PROFIT AND LOSS ACCOUNT (IN EUR)

Income Statement	28/02/2015 (in the currency of the bevek)	28/02/2014 (in the currency of the bevek)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds		559.554,05
C. Shares and similar instruments		
a) Shares	13.655.194,53	8.056.693,57
D. Other securities	-1,03	-2.478,13
E. Open-end undertakings for collective investment	60.818.511,42	34.138.507,32
F. Derivative financial instruments		
a) Bonds		
Futures and forward contracts	-31.271,17	-6.449,87
l) Financial indices		
Futures and forward contracts	390.198,15	199.992,94
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	323.763,09	2.868.659,72
b) Other foreign exchange positions and transactions	-2.293.323,66	-3.871.547,16
Det.section I gains and losses on investments		
Realised gains on investments	60.537.718,53	
Unrealised gains on investments	122.205.615,44	
Realised losses on investments	-39.028.089,33	
Unrealised losses on investments	-70.852.173,35	
II. Investment income and expenses		
A. Dividends	872.468,87	1.255.579,20
B. Interests		
a) Securities and money market instruments	34.309,99	532.400,35
b) Cash at bank and in hand and deposits	8.420,71	8.183,06
C. Interest on borrowings (-)	-7.056,28	-9.901,87
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	285.636,10	40.882,90
B. Other		64.701,98

IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-1.215.743,65	-773.371,48
B. Financial expenses (-)	-2.854,05	1.460,32
C. Custodian's fee (-)	-44.481,38	-206.883,26
D. Manager's fee (-)		
a) Financial management	-1.457.596,17	-810.878,91
b) Administration and accounting management	-540.742,53	-389.441,58
E. Administrative expenses (-)	-399,56	-1.980,48
F. Formation and organisation expenses (-)	-14.997,08	-12.113,02
H. Services and sundry goods (-)	-37.902,12	-20.603,33
J. Taxes	-13.792,09	-16.193,90
K. Other expenses (-)	-153.914,59	-159.084,66
Income and expenditure for the period		
Subtotal II + III + IV	-2.288.643,75	-497.244,68
V. Profit (loss) on ordinary activities before tax	70.574.427,56	41.445.687,75
VII. Result for the period	70.574.427,56	41.445.687,75

1.5 SUMMARY OF ACCOUNTING POLICIES

1.5.1 SUMMARY OF 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 mid-prices are used to measure debt instruments, as provided for in the Notes to the aforementioned Royal Decree. The method to correct these mid-prices 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:
 - 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.
 - 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.
 - 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 arising from securities lending is recognised as other income (Profit and loss account III.B) and is included on an accruals basis in the profit and loss account 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 capital guarantee: 0.50%
- equity funds: 1%
- other funds (real estate funds, etc.): 0.50%

Errors were detected in the net asset values calculated for the KBC Master Fund – Medium sub-fund on 20 November 2014 which led to the tolerance limit being exceeded once. The material deviation is 1.21% (undervaluation). KBC Asset Management NV will pay 26 euros to the fund to compensate for investors who bought into the fund at a price that was too low. The fund will pay 1 595 euros in compensation to investors who sold their units at a price that was too low.

Errors were detected in the net asset values calculated for the KBC Master Fund – Low sub-fund on 20 November 2014 which led to the tolerance limit being exceeded once. The material deviation is 0.71% (undervaluation). KBC Asset Management NV will pay 344 euros to the fund to compensate for investors who bought into the fund at a price that was too low. The fund will pay 217 euros in compensation to investors who sold their units at a price that was too low.

Errors were detected in the net asset values calculated for the KBC Master Fund – High sub-fund on 20 November 2014 which led to the tolerance limit being exceeded once. The material deviation is 1.61% (undervaluation). KBC Asset Management NV will pay 2 euros to the fund to compensate for investors who bought into the fund at a price that was too low. The fund will pay 419 euros in compensation to investors who sold their units at a price that was too low.

Errors were detected in the net asset values calculated for the KBC Master Fund – CSOB Balanced sub-fund on 20 November 2014 which led to the tolerance limit being exceeded once. The material deviation is 0.65% (undervaluation). KBC Asset Management NV will pay 1 842 euros to the fund to compensate for investors who bought into the fund at a price that was too low. The fund will pay 194 euros in compensation to investors who sold their units at a price that was too low.

Errors were detected in the net asset values calculated for the KBC Master Fund – CSOB Conservative sub-fund on 20 November 2014. These errors did not lead to the tolerance limit being exceeded. Although the deviation is 0.22% (undervaluation), it was decided to treat this in the same way as the other sub-funds. KBC Asset Management NV will pay 1 279 euros to the fund to compensate for investors who bought into the fund at a price that was too low. The fund will pay 221 euros in compensation to investors who sold their units at a price that was too low.

Errors were detected in the net asset values calculated for the KBC Master Fund – CSOB Dynamic sub-fund on 20 November 2014 which led to the tolerance limit being exceeded once. The material deviation is 1.59% (undervaluation). KBC Asset Management NV will pay 269 euros to the fund to compensate for investors who bought into the fund at a price that was too low. No investors sold their units on this date.

Errors were detected in the net asset values calculated for the KBC Master Fund – CSOB Growth sub-fund on 20 November 2014 which led to the tolerance limit being exceeded once. The material deviation is 1.07% (undervaluation). KBC Asset Management NV will pay 180 euros to the fund to compensate for investors who bought into the fund at a price that was too low. The fund will pay 3 euros in compensation to investors who sold their units at a price that was too low.

Errors were detected in the net asset values calculated for the KBC Master Fund – CSOB PP Pro Sprpen 95 sub-fund on 20 November 2014 which led to the tolerance limit being exceeded once. The material deviation is 0.43% (undervaluation). KBC Asset Management NV will pay 319 euros to the fund to compensate for investors who bought into the fund at a price that was too low. The fund will pay 105 euros in compensation to investors who sold their units at a price that was too low.

Errors were detected in the net asset values calculated for the KBC Master Fund – CSOB PP Pro Spen 90 sub-fund on 20 November 2014 which led to the tolerance limit being exceeded once. The material deviation is 0.85% (undervaluation). KBC Asset Management NV will pay 181 euros to the fund to compensate for investors who bought into the fund at a price that was too low. No investors sold their units on this date.

Errors were detected in the net asset values calculated for the KBC Master Fund – CSOB PP Pro Listopad 90 sub-fund on 20 November 2014 which led to the tolerance limit being exceeded once. The material deviation is 0.85% (undervaluation). KBC Asset Management NV will pay 1 276 euros to the fund to compensate for investors who bought into the fund at a price that was too low. The fund will pay 15 euros in compensation to investors who sold their units at a price that was too low.

Errors were detected in the net asset values calculated for the KBC Master Fund – CSOB Portf Pro Unor 95 sub-fund on 20 November 2014 which led to the tolerance limit being exceeded once. The material deviation is 0.64% (undervaluation). KBC Asset Management NV will pay 504 euros to the fund to compensate for investors who bought into the fund at a price that was too low. The fund will pay 80 euros in compensation to investors who sold their units at a price that was too low.

Errors were detected in the net asset values calculated for the KBC Master Fund – CSOB Multi Invest sub-fund on 20 November 2014 which led to the tolerance limit being exceeded once. The material deviation is 0.35% (undervaluation). KBC Asset Management NV will pay 70 euros to the fund to compensate for investors who bought into the fund at a price that was too low. The fund will pay 214 euros in compensation to investors who sold their units at a price that was too low.

Errors were detected in the net asset values calculated for the KBC Master Fund – CSOB Port. Pro Kvet 90 sub-fund on 20 November 2014 which led to the tolerance limit being exceeded once. The material deviation is 1.06% (undervaluation). KBC Asset Management NV will pay 20 euros to the fund to compensate for investors who bought into the fund at a price that was too low. The fund will pay 39 euros in compensation to investors who sold their units at a price that was too low.

1.5.2 EXCHANGE RATES

	28/02/2015		28/02/2014	
	1 EUR =	1,43295	AUD	1,54345
1,40055		CAD	1,52885	CAD
1,06335		CHF	1,21655	CHF
2.797,60		COP	2.827,84	COP
27,4875		CZK	27,325	CZK
7,4623		DKK	7,4625	DKK
1,00		EUR	1,00	EUR
0,7258		GBP	0,82415	GBP
8,6989		HKD	10,7192	HKD
303,03		HUF	310,05	HUF
14.497,30		IDR	16.033,77	IDR
4,4727		ILS	4,8171	ILS
134,088		JPY	140,97	JPY
1.231,07		KRW	1.474,38	KRW
16,771		MXN	18,2923	MXN
4,04245		MYR	4,5253	MYR
8,55845		NOK	8,2745	NOK
1,4822		NZD	1,6438	NZD
4,15025		PLN	4,1718	PLN
9,3554		SEK	8,8471	SEK
1,52555	SGD	1,7495	SGD	
36,263	THB	45,06	THB	
2,82095	TRY	3,046	TRY	
35,2254	TWD	41,8461	TWD	
1,12165	USD	1,3812	USD	
13,0706	ZAR	14,836	ZAR	

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2 INFORMATION ON KBC MASTER FUND CSOB DYNAMIC

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 30 June 2000
 Initial subscription price: 1000 CZK
 Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

The investment policy aims to track the strategy recommended for an investor with a specific risk profile.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

The UCI may conclude contracts that relate to credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. It relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCI holds directly.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where credit derivatives are used, they are permitted only in order to achieve the investment objectives and within the existing risk profile and may not result in a shift to less creditworthy debtors. Consequently there is no increase in the credit risk. Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors..

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

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STRATEGY SELECTED

The assets are allocated in line with the investment strategy recommended by the KBC group for highly dynamic investors on the Czech market.

RISK CONCENTRATION

Czech market.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

Some of the assets are invested in bonds and debt instruments issued by companies and government bodies.

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
 - o Moody's (Moody's Investors Service);
 - o S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
 - o Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

- In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets
- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
 - in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

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

INVESTMENTS IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The sub-fund will invest primarily in permitted assets other than securities or money market instruments.

Lending financial instruments:

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

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

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

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

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

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

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

Volatility of the net asset value:

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

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

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

During the period under review confidence in the permanence of the economic recovery worldwide began to grow. The US took an ambitious austerity programme in its stride. The labour market picked up. The Bank of England managed successfully to detach the UK economy from its liquidity drip. Japan broke out of its negative deflationary spiral. Even in the euro area the economic skies appear to be clearing. The stock markets responded warmly to the economic optimism. The bond markets were mesmerised by the prospect of the European Central bank (ECB) following the US example and starting to purchase government paper on a large scale.

Economic growth in 2014 was more than satisfactory. However, the regional differences are (very) wide. Overall, the emerging markets recorded slightly slower growth. Growth accelerated in the West, thanks to the US, but the euro area fell behind.

The US economy is in its seventh year of expansion. During the course of 2014, sentiment changed from economic scepticism to optimism. The driver for this was the recovery in the labour market. This is in sharp contrast to the euro area, where the economy has been stuck in the doldrums for a long time and has only begun showing signs of improvement very recently. The cautious recovery in 2013 was interrupted in 2014. The sanctions by and against Russia did nothing for business confidence, especially in Germany. The tide did not turn until late in 2014. The IFO barometer of business confidence in Germany began climbing again in November. December and January saw an increase in consumer confidence and retail sales throughout the euro area (with the exception of Portugal). It will be clear that the benefits of a weak euro and the low oil prices are at last percolating through to the real economy.

In Japan, 'Abenomics' (the Abe government's large-scale monetary and budgetary stimulation programme) is not having the desired result. More than that, raising the general VAT rate by in April 2014 proved to be disastrous.

Intense economic doubts, realisation that inflation is as good as dead, and central bank intervention are keeping bond yields historically low. Traditionally, bond rates in Germany – the benchmark in the euro area – closely shadow developments in the US market. In this reporting period the reverse applied. In 2014 the call for a European variant of QE became ever louder, driving not just German but also US 10-year rates ever lower. On 2 February the interest on a US 10-year government bond fell to a low. In this regard the fact that the Fed – admittedly choosing its words cautiously – began to hold out the prospect of the first rise in interest rates in seven years had little if any influence. At the end of the reporting period the yield on German bonds of less than seven years date had turned negative.

The further easing of the euro crisis caused a further narrowing of interest rate spreads between the EMU partners, almost without hiccups – except in the case of Greece. Belgian-German spreads also narrowed further to 25 basis points at the end of February 2015.

The S&P 500 set one record after another in the period under review, reaching an all-time high on 24 February 2015.

Of the traditional markets, the US recorded the strongest performance, which was not entirely due to the strengthening of the dollar. The S&P 500 surged from one record to another, with the rally being interrupted only between 18 September and 15 October. Doubts about the economy (fears that the US would be dragged into a downward spiral when it transpired that the German economic engine was stuttering and China also began emitting negative signals) led to a correction, but the sombre mood passed quickly.

Western Europe was unable to sustain the catching-up exercise which began in 2012. Fears that the EMU's problems harboured a systemic risk disappeared completely. Neither the debacle of Banco Espírito Santo nor the threat of a 'Grexit' (February), for example, caused any turmoil. Instead these fears were replaced by fears of deflation. Europe's cheaper valuation (compared with the US) provided little support, as corporate earnings in Europe had already lagged behind considerably for two years, relative to both forecasts and to the pattern of earnings in the United States.

Japan performed more or less in line with the world index. Stock market sentiment fluctuated between hope that 'Abenomics' would break through the deflation spiral and fear that the VAT hikes would prove disastrous for consumer confidence.

2.1.8 FUTURE POLICY

People living in continental Europe might not realise it, but the world economy has reached cruising speed. In the US, growth optimism is on the up: the first swallows heralding an economic spring are reaching the euro area. The main reasons for this were greater consumer purchasing power and an easing of austerity measures. Emerging Asia is likely to follow, although not everyone appears convinced of this.

Bond yields seem to have bottomed out. It would be logical for yields to increase again from the current record lows, on the back of an improved economic environment. As a result, the market might, in the months ahead, start to anticipate tighter monetary policy in 2015 (US) or later (EMU). No significant increase in interest rates is likely in the coming months, however. Fearful of the negative consequences for growth, the central banks will avoid any such hike at any price.

The money market rate won't increase rapidly and bond yields are at historical lows. Everything seems to point to shares being the most attractive investment option for the months ahead. The lack of alternatives is not, of course, sufficient reason to increase the market valuation. For that investors must retain their risk-appetite. Shares are no longer as cheap as they were a while ago: based on forecast earnings for the coming 12 months, the price/earnings ratio is 18.4 for the S&P 500 index and 16.6 for the MSCI Europe. These figures are already on the expensive side. Equities are, however, still dirt-cheap compared with bonds.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fundt)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	469.404.711,92	420.576.666,20
II. Securities, money market instruments, UCIs and derivatives		
E. Open-end undertakings for collective investment	469.328.965,19	418.373.496,64
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-2.357.648,08	4.914.610,95
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	606.092,48	410.665,42
B. Payables		
a) Accounts payable (-)	-209.101,80	-915.790,54
c) Borrowings (-)	-124.055,69	-2.662.010,18
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	2.244.233,75	534.480,09
VI. Accruals and deferrals		
C. Accrued expense (-)	-83.773,93	-78.786,18
TOTAL SHAREHOLDERS' EQUITY	469.404.711,92	420.576.666,20
A. Capital	433.860.668,28	373.920.724,12
B. Income equalization	-3.707,74	-5.542,53
D. Result for the period	35.547.751,38	46.661.484,61

Off-balance-sheet headings

III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	359.863.494,00	286.478.410,15
III.B Written futures and forward contracts	-56.600.235,16	-15.855.749,45

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 <small>(in the currency of the sub-fund)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
I. Net gains(losses) on investments		
E. Open-end undertakings for collective investment	54.560.971,18	41.839.901,18
F. Derivative financial instruments		
I) Financial indices		
Futures and forward contracts		157.911,12
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	2.647.177,68	4.828.776,63
b) Other foreign exchange positions and transactions	-20.750.714,67	741.914,17
Det.section I gains and losses on investments		
Realised gains on investments	51.320.697,40	
Unrealised gains on investments	85.984.283,07	
Realised losses on investments	-35.810.726,58	
Unrealised losses on investments	-65.036.819,70	
II. Investment income and expenses		
B. Interests		
b) Cash at bank and in hand and deposits	3.993,82	327,94
C. Interest on borrowings (-)	-1.362,99	-1.464,93
III. Other income		
B. Other		6.220,80
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-581.457,59	-622.918,20
B. Financial expenses (-)	-2.579,57	-4.738,04
C. Custodian's fee (-)		-962,82
D. Manager's fee (-)		
a) Financial management	-20.305,59	-15.724,28
b) Administration and accounting management	-219.396,18	-198.015,58
F. Formation and organisation expenses (-)	-8.166,02	-4.409,02
H. Services and sundry goods (-)	-58.107,05	-29.501,19
J. Taxes	-0,14	
K. Other expenses (-)	-22.301,50	-35.833,17
Income and expenditure for the period		
Subtotal II + III + IV	-909.682,81	-907.018,49
V. Profit (loss) on ordinary activities before tax	35.547.751,38	46.661.484,61
VII. Result for the period	35.547.751,38	46.661.484,61

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND CSOB DYNAMIC

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC EQUITY FUND AMERICA IS B KAP	198,00	USD	2.285,790	11.091.222,28	0,09	2,38	2,36
KBC EQUITY FUND EUROPE IS	288,00	EUR	1.684,360	13.334.067,80	0,08	2,86	2,84
KBC EQUITY FUND FAMILY ENTERPRISES IS B CAP	199,00	EUR	1.197,980	6.552.965,72	0,18	1,40	1,40
KBC PARTICIPATION LOCAL EMERGING MARKET BONDS KAP IS B	89,00	EUR	1.033,950	2.529.442,41	0,01	0,54	0,54
KBC PARTICIPATION PRIV BANK ACTIVE SELECTION KAP	59,00	EUR	1.113,940	1.806.546,16	0,01	0,39	0,39
OPTIMUM FUND PRIV BANKING KRATKODOBYCH - KAP	27.089,00	CZK	105,420	2.855.722,38	0,13	0,61	0,61
<u>Luxembourg</u>							
KBC BONDS CORPORATES EURO IS B KAP	105,00	EUR	872,960	2.519.526,30	0,01	0,54	0,54
KBC BONDS HIGH INTEREST IS B KAP	42,00	EUR	2.200,680	2.540.630,10	0,01	0,54	0,54
KBC RENTA CZECHRENTA IS B KAP	392,00	CZK	41.093,920	16.108.816,64	0,52	3,45	3,43
KBC RENTA STRATEGIC ACCENTS 1 IS B KAP	103,00	EUR	1.282,550	3.631.171,67	0,01	0,78	0,77
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
HORIZON CSOB KOMODITNI FOND KAP	26.839,00	CZK	347,550	9.327.894,45	1,45	2,00	1,99
KBC EQUITY FUND BUYBACK AMERICA IS B KAP	383,00	USD	1.615,960	15.167.264,87	0,07	3,25	3,23
KBC EQUITY FUND CENTRAL EUROPE IS B KAP	63,00	EUR	1.062,840	1.840.533,35	0,17	0,39	0,39
KBC EQUITY FUND CONSUMER DURABLES IS B KAP	984,00	EUR	586,120	15.853.198,28	0,42	3,40	3,38
KBC EQUITY FUND EUROZONE IS B KAP	1.648,00	EUR	504,680	22.861.701,70	0,06	4,90	4,87
KBC EQUITY FUND GLOBAL LEADERS IS B KAP	1.476,00	EUR	384,690	15.607.469,92	0,28	3,34	3,33
KBC EQUITY FUND HIGH DIVIDEND EUROZONE IS B KAP	1.042,00	EUR	520,200	14.899.555,73	0,14	3,19	3,17
KBC EQUITY FUND HIGH DIVIDEND IS B KAP	400,00	EUR	1.347,960	14.820.820,53	0,07	3,17	3,16
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	417,00	EUR	527,450	6.045.783,68	0,09	1,30	1,29
KBC EQUITY FUND JAPAN IS B KAP	618,00	JPY	59.831,000	7.579.860,27	0,10	1,62	1,62
KBC EQUITY FUND NEW ASIA IS B KAP	378,00	EUR	721,040	7.491.804,05	0,06	1,60	1,60
KBC EQUITY FUND QUANT EMU IS B KAP	1.065,00	EUR	777,350	22.756.290,16	0,11	4,87	4,85
KBC EQUITY FUND SATELLITES IS B KAP	237,00	EUR	1.430,200	9.317.091,74	0,09	2,00	1,99
KBC EQUITY FUND STRATEGIC CYCLICALS IS KAP	1.964,00	EUR	901,360	48.660.326,29	0,10	10,93	10,37
KBC EQUITY FUND STRATEGIC FINANCE IS B KAP	3.415,00	EUR	446,390	41.902.546,53	0,10	8,97	8,93
KBC EQUITY FUND STRATEGIC NON CYCLICALS IS B KAP	2.010,00	EUR	383,280	21.176.172,56	0,10	4,54	4,51
KBC EQUITY FUND STRATEGIC TEL & TECHNOLOGY IS B KAP	6.383,00	EUR	168,000	29.476.056,35	0,10	6,31	6,28
KBC EQUITY FUND TURKEY IS B KAP	122,00	TRY	1.480,620	1.760.124,13	0,08	0,38	0,38
KBC EQUITY FUND US SMALL CAPS IS B KAP	244,00	USD	1.555,000	9.298.183,45	0,10	1,99	1,98
KBC MASTER FUND MINIMUM VARIANCE GLOBAL IS B KAP	467,00	EUR	1.460,370	18.746.277,23	0,30	4,01	3,99

KBC MULTI INTEREST CSOB CZK MEDIUM IS B KAP	19.589,00	CZK	1.002,170	19.631.508,13	0,20	4,20	4,18
KBC MULTI INTEREST CSOB KRATKODOBY KAP	74.716,00	CZK	128,990	9.637.616,84	0,31	2,06	2,05
KBC OBLI INTERNATIONAL KAP	116,00	EUR	340,230	1.084.840,39	0,31	0,23	0,23
KBC PARTICIPATION EUROPE FIN BOND OPP KAP	52,00	EUR	979,690	1.400.319,93	0,09	0,30	0,30
KBC SELECT IMMO EUROPE PLUS KAP	455,00	EUR	1.317,950	16.483.353,90	0,32	3,53	3,51
<u>Luxembourg</u>							
KBC BONDS CAPITAL FUND KAP	251,00	EUR	947,500	6.537.146,11	0,51	1,40	1,39
UCI registered with FSMA							
<u>Belgium</u>							
KBC MULTI TRACK GERMANY KAP	1.991,00	EUR	310,540	16.995.113,16	0,22	3,64	3,62
Total investment funds				469.328.965,19		100,51	99,98
Forward contracts		CZK		-2.357.648,08			-0,50
TOTAL SECURITIES PORTFOLIO				466.971.317,11		100,00	99,48
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	884,49	CAD	1,000	17.359,19			0,00
KBC GROUP CHF	215,18	CHF	1,000	5.562,38			0,00
KBC GROUP CZK	1.359.812,25	CZK	1,000	1.359.812,25			0,29
KBC GROUP DKK	343,75	DKK	1,000	1.266,21			
KBC GROUP EURO	11.354,59	EUR	1,000	312.109,30			0,07
KBC GROUP GBP	628,39	GBP	1,000	23.798,39			0,01
KBC GROUP JPY	-605.160,00	JPY	1,000	-124.055,69			-0,03
KBC GROUP PLN	4.890,63	PLN	1,000	32.391,11			0,01
KBC GROUP TRY	5.605,00	TRY	1,000	54.615,44			0,01
KBC GROUP USD	17.845,18	USD	1,000	437.319,48			0,09
Total demand accounts				2.120.178,06			0,45
TOTAL CASH AT BANK AND IN HAND				2.120.178,06			0,45
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP CZK RECEIVABLE	606.092,48	CZK	1,000	606.092,48			0,13
Total receivables				606.092,48			0,13
Payables							
<u>Belgium</u>							
KBC GROUP CZK PAYABLE	-209.101,80	CZK	1,000	-209.101,80			-0,05
Payables				-209.101,80			-0,05
TOTAL RECEIVABLES AND PAYABLES				396.990,68			0,09
OTHER							
Expenses payable		CZK		-83.773,93			-0,02
TOTAL OTHER				-83.773,93			-0,02
TOTAL NET ASSETS				469.404.711,92			100,00

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
United Arab Emirates	0,01	0,02	0,02	0,02
Australia	0,95	0,96	1,04	1,08
Austria	0,73	0,66	0,64	0,65
Belgium	3,84	3,55	1,26	1,88
Bulgaria	0,00	0,00	0,04	0,04
Bermuda	0,32	0,23	0,16	0,08
Brazil	0,54	0,40	0,37	0,30
Canada	1,18	1,69	2,20	1,85
Switzerland	2,27	1,97	1,62	1,46
Chile	0,08	0,04	0,04	0,01
China	1,57	1,47	2,19	1,48
Colombia	0,05	0,05	0,07	0,04
Czech Republic	5,26	5,80	4,66	5,36
Cayman Islands	0,34	0,34	0,32	0,24
Germany	10,42	11,39	9,26	12,43
Denmark	0,37	0,50	0,47	0,65
Egypt	0,01	0,01	0,01	0,02
Spain	3,13	3,08	3,63	3,16
Finland	0,65	1,16	0,96	0,91
France	11,69	11,61	10,84	10,67
U.K.	5,80	5,65	5,80	6,14
Greece	0,05	0,07	0,12	0,06
Hong Kong	1,11	0,96	1,01	0,73
Hungary	0,03	0,08	0,05	0,09
India	0,53	0,44	1,02	0,77
Indonesia	0,31	0,24	0,41	0,15
Ireland	1,70	3,13	2,20	2,48
Israel	0,06	0,06	0,14	0,17
Italy	3,15	3,01	3,33	3,05
Jersey/The Channel Islands	0,19	0,19	0,33	0,18
Japan	4,27	4,08	2,58	4,86
South Korea	1,64	1,64	2,33	1,31
Croatia	0,01	0,01	0,01	0,01
Luxembourg	0,67	0,67	0,86	0,86
Mexico	0,32	0,25	0,22	0,24
Malaysia	0,43	0,43	0,56	0,30
Netherlands	4,81	4,33	4,50	4,09
Norway	0,24	0,25	0,33	0,28
New Zealand	0,03	0,01	0,02	0,03
Peru	0,03	0,05	0,01	0,00
Philippines	0,15	0,10	0,17	0,13
Papua New Guinea	0,01	0,01	0,03	0,02
Poland	0,23	1,04	0,65	0,79
Portugal	0,45	0,28	0,42	0,32
Romania	0,02	0,11	0,15	0,12
Russia	0,19	0,19	0,06	0,07
Saudi Arabia	0,00	0,00	0,00	0,01
Singapore	0,14	0,14	0,13	0,12
Slovenia	0,13	0,11	0,08	0,07
International Organization	0,00	0,01	0,00	0,00
Slovakia	0,12	0,10	0,14	0,14
Sweden	1,02	1,25	1,00	0,84

Thailand	0,41	0,31	0,31	0,20
Turkey	0,12	0,22	0,30	0,69
Taiwan	1,15	1,18	1,74	1,06
U.S.A.	26,67	24,21	28,94	26,92
Outside BLEU territory-(belgo-Lux ec	0,01	0,01	0,03	0,03
EU institutions outside BLEU terr.	0,12	0,11	0,08	0,13
Guernsey The Channel Islands	0,01	0,00	0,00	0,00
South Africa	0,26	0,14	0,14	0,21
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	17,27	18,17	19,91	17,36
Consum(cycl)	13,81	12,95	12,29	15,36
Cons.goods	9,92	7,01	6,36	7,46
Pharma	8,84	7,31	7,21	6,32
Financials	25,57	27,27	23,83	24,25
Technology	8,51	10,44	12,51	10,48
Telecomm.	2,78	3,10	3,09	3,59
Utilities	2,59	1,71	2,09	2,58
Real est.	3,01	3,70	4,91	5,20
Governm.	7,56	7,88	7,59	7,89
Unit trusts	-0,01	0,01	0,00	0,00
Various	0,15	0,45	0,21	-0,49
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
AUD	0,72	0,73	0,50	0,49
BRL	0,55	0,44	0,34	0,31
CAD	1,14	1,70	2,03	1,84
CHF	2,25	1,94	1,49	1,47
CNY	0,04	0,03	0,03	0,04
COP	0,04	0,04	0,07	0,04
CZK	92,62	84,09	82,93	83,49
DKK	0,36	0,38	0,41	0,55
EUR	-0,30	-0,41	1,70	-1,73
GBP	4,96	5,51	5,47	5,61
HKD	2,86	2,59	3,20	2,22
HUF	0,03	0,07	0,04	0,08
IDR	0,35	0,30	0,43	0,20
ILS	0,05	0,04	0,04	0,17
INR	0,45	0,41	0,85	0,69
JPY	-2,10	-0,56	-1,54	2,07
KRW	1,55	1,55	2,35	1,22
MXN	0,31	0,24	0,20	0,22
MYR	0,43	0,44	0,58	0,31
NGN	0,01	0,00	0,00	0,00
NOK	0,21	0,23	0,25	0,20
NZD	0,03	0,02	0,02	0,03
PEN	0,02	0,04	0,01	0,00
PHP	0,15	0,11	0,16	0,12
PLN	0,11	1,00	0,65	0,50
RON	0,01	0,10	0,07	0,04
RUB	0,04	0,07	0,02	0,02
SEK	0,70	0,91	0,73	0,67
SGD	0,14	0,14	0,12	0,11
THB	0,41	0,33	0,34	0,20
TRY	0,09	0,10	0,14	0,54
TWD	1,11	1,13	1,57	1,07
USD	-9,62	-3,86	-5,36	-3,03
ZAR	0,28	0,15	0,16	0,24
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND CSOB DYNAMIC (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	214.861.159,20	214.861.159,20
Sales	245.368.504,64	245.368.504,64
Total 1	460.229.663,84	460.229.663,84
Subscriptions	31.986.862,57	31.986.862,57
Redemptions	40.874.650,31	40.874.650,31
Total 2	72.861.512,88	72.861.512,88
Monthly average of total assets	439.890.950,01	439.890.950,01
Turnover rate	88,06 %	88,06 %

	1st half of year	Year
Purchases	214.861.159,20	214.861.159,20
Sales	245.368.504,64	245.368.504,64
Total 1	460.229.663,84	460.229.663,84
Subscriptions	31.986.862,57	31.986.862,57
Redemptions	40.874.650,31	40.874.650,31
Total 2	72.861.512,88	72.861.512,88
Monthly average of total assets	437.185.430,80	437.185.430,80
Corrected turnover rate	88,60 %	88,60 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 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-EUR 150325-150226 27.43255	CZK	219.460.400,00	219.460.400,00	N/A	24.02.2015
KBC AK-VK CZK-USD 150325-150226 24.20743	CZK	140.403.094,00	140.403.094,00	N/A	24.02.2015
KBC VK-AK CZK-EUR 150325-150302 27.55628	CZK	-43.070.465,64	-43.070.465,64	N/A	26.02.2015
KBC VK-AK JPY-CZK 150325-150226 4.936854	JPY	-66.000.000,00	-13.529.769,52	N/A	24.02.2015

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

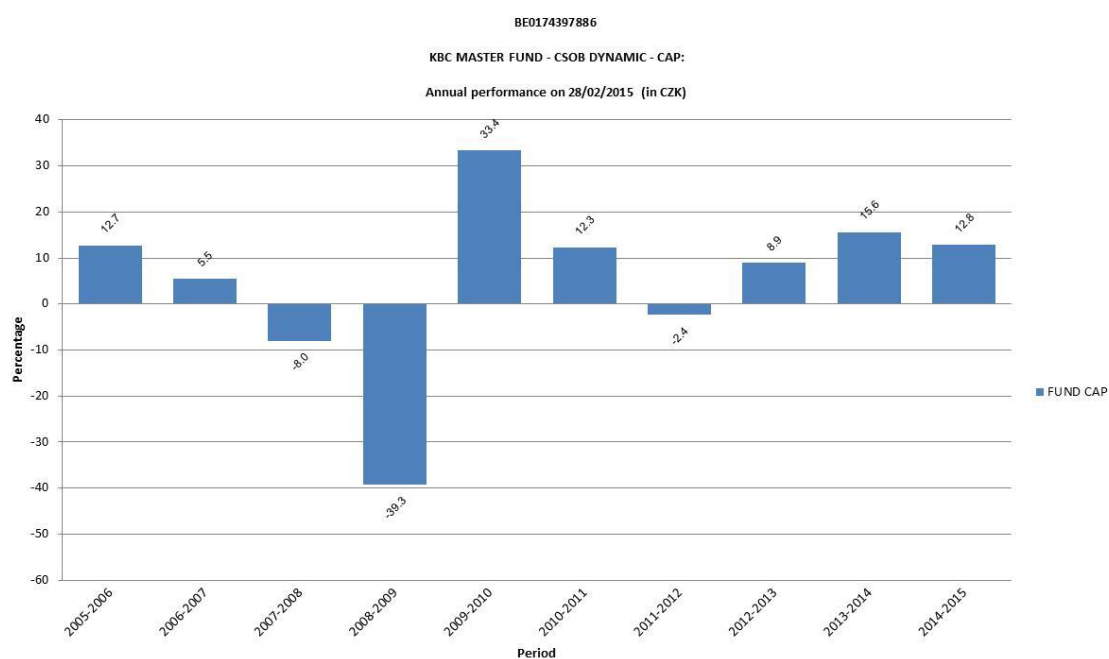
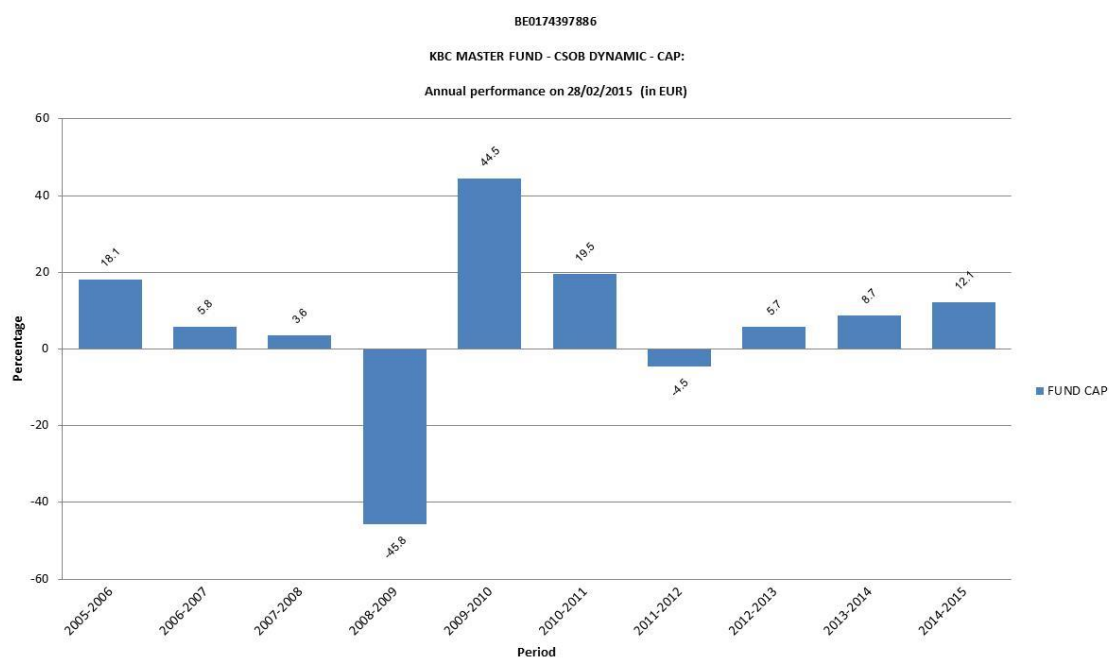
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	60.027,06		64.254,63		485.351,45		485.351,45
2014 - 02*	100.039,36		70.253,49		515.137,32		515.137,32
2015 - 02*	85.185,26		90.621,86		509.700,72		509.700,72

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	39.577.705,66		41.687.564,49	
2014 - 02*	75.970.311,00		53.481.502,71	
2015 - 02*	71.638.399,28		76.365.014,49	

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2013 - 02*	342.726.993,01	706,14	
2014 - 02*	420.576.666,20	816,44	
2015 - 02*	469.404.711,92	920,94	

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

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur- rency	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	Launch Date	Share classes
CAP	BE0174397886	EUR	12.13%		8.83%		8.01%		4.07%		30/06/2000	2.28%
CAP	BE0174397886	CZK	12.80%		12.43%		9.27%		3.27%		30/06/2000	-0.56%

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.
- 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
where Y = D-X
Return on date D since the start date S of the unit:
$$[\text{NAV}(D) / \text{NAV}(S)]^{1 / F} - 1$$
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 n^{th} 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 capitalization shares.

2.4.6 COSTS

Ongoing charges: *
Capitalization: 1.957%

* 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.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1% 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 administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Name	Maximum management fee
KBC Equity Fund-America-Institutional B Shares	1,50
KBC Equity Fund-Europe-Institutional B Shares	1,50
KBC Equity Fund-Family Enterprises-Institutional B Shares	1,60
KBC Participation-Local Emerging Market Bonds-Institutional B Shares	1,20
KBC Participation-Private Banking Active Bond Selection	1,25
Optimum Fund-CSOB Kratkodobych Dluhopisu	0,70
KBC Bonds-Corporates Euro-Institutional B Shares capitalisation	1,10
KBC Bonds-High Interest-Institutional B Shares capitalisation	1,10
KBC Renta-Czechrenta-Institutional B Shares Capitalisation	1,60
KBC Renta-Strategic Accents 1-Institutional B Shares Capitalisation	1,57
Horizon-CSOB Komoditni Fond	2,00
KBC Equity Fund-Buyback America-Institutional B Shares	1,50
KBC Equity Fund-Central Europe-Institutional B Shares	1,60
KBC Equity Fund-Consumer Durables-Institutional B Shares	1,50
KBC Equity Fund-Eurozone-Institutional B Shares	1,50
KBC Equity Fund-Global Leaders-Institutional B Shares	1,50
KBC Equity Fund-High Dividend Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend-Institutional B Shares	1,50
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50
KBC Equity Fund-Japan-Institutional B Shares	1,50
KBC Equity Fund-New Asia-Institutional B Shares	1,60
KBC Equity Fund-Quant EMU-Institutional B Shares	1,50
KBC Equity Fund-Satellites-Institutional B Shares	1,50
KBC Equity Fund-Strategic Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Finance-Institutional B Shares	1,50
KBC Equity Fund-Strategic Non Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Telecom & Technology-Institutional B Shares	1,50
KBC Equity Fund-Turkey-Institutional B Shares	1,60
KBC Equity Fund-US Small Caps-Institutional B Shares	1,50
KBC Master Fund-Minimum Variance Global-Institutional B Shares	1,50
KBC Multi Interest-CSOB CZK Medium-Institutional B Shares Capitalisation	0,60
KBC Multi Interest-CSOB Kratkodoby	1,00
KBC Obli-International	1,10
KBC Participation-Europe Financial Bond Opportunities-Classic Shares	1,00
KBC Select Immo-Europe Plus	1,50
KBC Bonds-Capital Fund-Capitalisation	0,70
KBC Multi Track-Germany-Classic Shares	0,70
KBC Master Fund-CSOB Dynamic	1,00

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2 INFORMATION ON KBC MASTER FUND MINIMUM VARIANCE GLOBAL

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 19 November 2010

Initial subscription price: 1000 EUR

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 945.38 EUR

Currency: EUR

Institutional Shares :

Launch date: 19 November 2010

Initial subscription price: 1000 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

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

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect 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 effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

At least 75% of the assets are invested directly or indirectly in a selection of shares from a diversified global universe, the goal being to minimise the fluctuation in the value of the sub-fund while achieving a high return.

The manager has a high level of autonomy in the stock picking. The stock picking is based on a quantitative model, the aim of which is to set up an equities portfolio with the lowest possible expected fluctuation in value. The most important parameters in the model are past data regarding the fluctuation in the value of individual stocks, and how they compare with the market in general and with each other. As a result, the sub-fund's investments may be concentrated, to a greater or lesser degree, in one or more themes, sectors or regions.

Lending financial instruments:

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

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

- **The choice of principal, agent and every counterparty is subject to strict selection criteria.**
- **The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.**
- **The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.**

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

- **Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.**
- **money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.**
- **government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.**

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

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database. In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

Economic growth in 2014 was more than satisfactory. Global GDP climbed by around 3% in real terms. That is comparable with the growth rate in 2013. However, the regional differences are (very) wide. Overall, the emerging markets recorded slightly slower growth. Growth accelerated in the West, thanks to the US, but the euro area fell behind.

The US economy is in its seventh year of expansion. During the course of 2014, sentiment changed from economic scepticism to optimism. The driver for this was the recovery of the labour market. Jobs growth is accelerating; employment is growing on average by 268 000 new jobs a month. This trend alone is enough to boost the purchasing power of US consumers by an annual 2.5%. This in turn ensures that the basis for the economic recovery is more solid than in previous years. The unemployment rate fell further to 5.7% in January 2015. This fall was accompanied by ever stronger signals of a squeeze in some segments of the labour market. Terms such as 'boom' and 'Goldilocks' are coming into favour to describe this phase of the cycle. The recovery of the housing market remains vulnerable, however. Although house prices are rising, and relatively strongly at that, sales of new homes remain sluggish.

This is in sharp contrast to the euro area, where the economy has been stuck in the doldrums for a long time and has only begun showing signs of improvement very recently. The cautious recovery in 2013 was interrupted in 2014. The sanctions by and against Russia did nothing for business confidence, especially in Germany. The tide did not turn until late in 2014. The IFO barometer of business confidence in Germany began climbing again in November. December and January saw an increase in consumer confidence and retail sales throughout the euro area (with the exception of Portugal). It will be clear that the benefits of a weak euro and the low oil prices are at last percolating through to the real economy.

In Japan, 'Abenomics' (the Abe government's large-scale monetary and budgetary stimulation programme of 2013) is not having the desired result. More than that, raising the general VAT rate by 5% in April 2014 proved to be disastrous. GDP in the third quarter of 2014 was 0.4% lower in real terms than in the same period in the previous year.

2.1.8 FUTURE POLICY

People living in continental Europe might not realise it, but the world economy has reached cruising speed. The growth figure for 2014 (currently estimated at 3%) is reasonable but not exceptional. In the US, growth optimism is on the up. The first swallows heralding an economic spring are reaching the euro area. The main reasons for this were greater consumer purchasing power and an easing of austerity measures. Emerging Asia is likely to follow, although not everyone appears convinced of this.

US growth indicators are spiking. The labour market reports for the last few months are particularly promising. Unemployment is falling fairly sharply and 3 207 000 new jobs were created in the past 12 months, which translates into 2.3% employment growth year-on-year. Although the unemployment rate (5.7% in January) can still be seen as relatively high, the average conceals major differences between states and sectors. There are even reports of tightness here and there. As a result one might normally expect accelerating pay increases. The word 'boom' is gradually being employed in order to describe the current phase of the economic cycle.

The contrast with the euro area is substantial: the cautious economic recovery that began in 2013 has already faltered in 2014. German producer confidence fell sharply when the EU announced sanctions against Russia and again when Russia introduced counter-sanctions. It will not take much to push the European economy into a third recession in six years. Fortunately a number of parameters changed towards the end of the year. The overvaluation of the euro was reversed. The fall in oil prices created a breathing space for consumers, who became more confident about the future and so increased their spending. The faster pay increases in Germany will provide further support for the recovery. They are keeping the German engine ticking over, while the competitiveness of other countries is automatically improving as a result without the need for any extra efforts to be made for wage restraint. In brief, if the European banks now also begin applying less strict credit standards, growth should also pick up in Europe. We do not, however, expect real growth of much more than 1-1.5% in 2015 and 1.5-2% in 2016 in the euro area.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 4 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 4 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional Shares: 4 on a scale of 1 (lowest risk) to 7 (highest risk).

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fundt)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	230.781.933,98	91.228.138,19
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	7.604.165,21	14.521.531,32
C. Shares and similar instruments		
a) Shares	230.305.017,88	92.446.826,43
Of which securities lent	8.859.649,25	13.736.756,61
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	4.925.039,38	24.564,96
b) Tax assets		190.983,40
B. Payables		
a) Accounts payable (-)	-1.974.523,26	-25.815,83
c) Borrowings (-)	-3.462.898,73	-1.573.585,56
d) Collateral (-)	-7.604.165,21	-14.521.531,32
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	852.609,02	97.248,67
VI. Accruals and deferrals		
A. Expense to be carried forward	69.923,32	64.243,79
B. Accrued income	193.844,42	169.989,38
C. Accrued expense (-)	-127.078,05	-166.317,05
TOTAL SHAREHOLDERS' EQUITY	230.781.933,98	91.228.138,19
A. Capital	208.606.196,30	84.982.415,23
B. Income equalization	886.085,00	-241.505,37
D. Result for the period	21.289.652,68	6.487.228,33

Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/market instruments	7.604.165,21	14.521.531,32
IX Financial instruments lent	8.859.649,25	13.736.756,61

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 <small>(in the currency of the sub-fund)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	13.655.194,53	8.056.693,57
D. Other securities	-1,03	-2.478,13
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	6.994.608,18	-2.377.908,77
Det.section I gains and losses on investments		
Realised gains on investments	6.287.078,48	
Unrealised gains on investments	15.333.562,23	
Realised losses on investments	-2.239.926,30	
Unrealised losses on investments	1.269.087,27	
II. Investment income and expenses		
A. Dividends	872.468,87	1.255.579,20
B. Interests		
a) Securities and money market instruments	34.309,99	163.522,32
b) Cash at bank and in hand and deposits	1.782,37	6.717,09
C. Interest on borrowings (-)	-1.389,75	-6.976,42
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	285.636,10	40.882,90
B. Other		7.446,15
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-112.830,48	-47.510,55
B. Financial expenses (-)	-595,69	-66,83
C. Custodian's fee (-)	-41.807,77	-203.201,97
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-79.358,61	-78.605,31
Institutional Shares	-150.059,23	-169.659,07
Institutional B Shares	-50.807,20	-14.757,66
b) Administration and accounting management	-51.551,82	-54.698,22
E. Administrative expenses (-)	-187,80	-446,51
F. Formation and organisation expenses (-)	-2.973,24	-2.751,58
H. Services and sundry goods (-)	-2.312,28	-1.450,19
J. Taxes		
Classic Shares	-4.936,70	-8.398,30
Institutional Shares	-4.793,11	-1.492,16
Institutional B Shares	-2.400,31	-88,97
K. Other expenses (-)	-48.342,34	-73.122,26
Income and expenditure for the period		
Subtotal II + III + IV	639.851,00	810.921,66
V. Profit (loss) on ordinary activities before tax	21.289.652,68	6.487.228,33
VII. Result for the period	21.289.652,68	6.487.228,33

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND MINIMUM VARIANCE GLOBAL

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Belgium</u>							
BELGACOM -	65.012,00	EUR	33,615	2.185.378,38		0,95	0,95
<u>Canada</u>							
AGNICO EAGLE MINES -	70.071,00	CAD	40,170	2.009.747,65		0,87	0,87
BLACKBERRY LTD -	7.091,00	CAD	13,540	68.553,17		0,03	0,03
BOMBARDIER INC "B"	582.181,00	CAD	2,600	1.080.768,70		0,47	0,47
DOLLARAMA INC -	37.181,00	CAD	62,520	1.659.745,19		0,72	0,72
ELDORADO GOLD CORP -	410.690,00	CAD	7,210	2.114.222,91		0,92	0,92
EMPIRE CO LTD -	11.212,00	CAD	92,340	739.221,08		0,32	0,32
FRANCO-NEVADA CORP -	553,00	CAD	65,960	26.043,97		0,01	0,01
GOLDCORP INC -	82.629,00	CAD	27,530	1.624.202,18		0,71	0,70
INTACT FINANCIAL CORP -	47.578,00	CAD	89,950	3.055.686,05		1,33	1,32
KINROSS GOLD -	112.596,00	CAD	3,520	282.987,34		0,12	0,12
OPEN TEXT CORP. -	21.714,00	CAD	72,820	1.128.994,67		0,49	0,49
SILVER WHEATON CORP -	19.969,00	CAD	27,000	384.965,19		0,17	0,17
YAMANA GOLD INC -	326.509,00	CAD	5,310	1.237.915,67		0,54	0,54
<u>China</u>							
ANTA SPORTS PRODUCTS LTD -	467.000,00	HKD	15,600	837.485,20		0,36	0,36
CHINA COAL ENERGY CO -	375.000,00	HKD	4,180	180.195,20		0,08	0,08
CHINA MEDICAL SYSTEM HOLDINGS -	467.000,00	HKD	12,840	689.314,74		0,30	0,30
CITIC SECURITIES CO LTD -	237.761,00	HKD	27,500	751.638,43		0,33	0,33
GEELY AUTOMOBILE HOLDINGS LTD -	405.000,00	HKD	3,470	161.554,91		0,07	0,07
INTIME RETAIL CROUP CO LTD -	767.500,00	HKD	4,260	375.857,87		0,16	0,16
SHANDONG WEIGAO GP MEDICAL-H -	625.314,00	HKD	6,390	459.340,43		0,20	0,20
SHANGAI ELECTRIC GROUP CO LTD -	424.000,00	HKD	4,610	224.699,67		0,10	0,10
SIHUAN PHARMACEUTICAL HOLDINGS -	4.145.000,00	HKD	4,620	2.201.416,27		0,96	0,95
SUN ART RETAIL GROUP LTD -	1.146.500,00	HKD	6,960	917.315,98		0,40	0,40
<u>Colombia</u>							
ISAGEN SA ESP -	215.932,00	COP	2.920,000	225.379,41		0,10	0,10
<u>Czech Republic</u>							
KOMERCNI BANKA -	4.698,00	CZK	5.304,000	906.528,13		0,39	0,39
O2 CZECH REPUBLIC AS -	111.531,00	CZK	208,000	843.963,55		0,37	0,37
<u>Denmark</u>							
COLOPLAST A/S "B"	10.495,00	DKK	532,500	748.909,52		0,33	0,33
TRYG A/S -	15.478,00	DKK	829,500	1.720.515,26		0,75	0,75
WILLIAM DEMANT HOLDING -	10.799,00	DKK	547,000	791.586,11		0,34	0,34
<u>Egypt</u>							
COMMERCIAL INTERNATIONAL BANK -	117.345,00	USD	6,690	699.895,73		0,30	0,30

<u>Finland</u>							
FORTUM CORPORATION -	159.947,00	EUR	20,360	3.256.520,92		1,41	1,41
<u>France</u>							
ADP -	5.085,00	EUR	108,900	553.756,50		0,24	0,24
BIC (PAR)	19.724,00	EUR	133,700	2.637.098,80		1,15	1,14
BUREAU VERITAS SA -	84.101,00	EUR	21,060	1.771.167,06		0,77	0,77
DANONE -	35.340,00	EUR	62,330	2.202.742,20		0,96	0,95
DASSAULT SYSTEMES -	9.336,00	EUR	62,530	583.780,08		0,25	0,25
EUTELSAT -	110.148,00	EUR	30,535	3.363.369,18		1,46	1,46
ILIAD SA -	9.122,00	EUR	232,050	2.116.760,10		0,92	0,92
REMY COINTREAU SA -	25.848,00	EUR	65,630	1.696.404,24		0,74	0,74
<u>Germany</u>							
AXEL SPRINGER SE -	11.401,00	EUR	57,650	657.267,65		0,29	0,29
CELESIO AG (FRA)	57.599,00	EUR	27,595	1.589.444,41		0,69	0,69
COMMERZBANK AG -	4.123,00	EUR	12,055	49.702,77		0,02	0,02
DEUTSCHE BOERSE AG -	11.413,00	EUR	72,900	832.007,70		0,36	0,36
FRESENIUS MEDICAL CARE AG & CO -	62.203,00	EUR	73,170	4.551.393,51		1,98	1,97
FRESENIUS SE & CO KGAA (FRA)	83.742,00	EUR	51,180	4.285.915,56		1,86	1,86
KABEL DEUTSCHLAND HOLDING AG -	8.442,00	EUR	124,000	1.046.808,00		0,46	0,45
MAN AG -	26.206,00	EUR	95,800	2.510.534,80		1,09	1,09
MERCK KGAA -	27.129,00	EUR	92,200	2.501.293,80		1,09	1,08
SUDZUCKER AG (FRA)	75.376,00	EUR	13,625	1.026.998,00		0,45	0,45
SYMRISE AG -	35.491,00	EUR	56,840	2.017.308,44		0,88	0,87
TELEFONICA DEUTSCHLAND HOLDING -	460.862,00	EUR	4,910	2.262.832,42		0,98	0,98
<u>Hong Kong</u>							
ALIBABA PICTURES GROUP LTD -	1.030.000,00	HKD	1,800	213.130,40		0,09	0,09
CHINA PHARMACEUTICAL_GROUP LTD -	622.000,00	HKD	6,340	453.330,88		0,20	0,20
HAIER ELECTRONICS GROUP CO LTD -	288.000,00	HKD	20,450	677.051,12		0,29	0,29
HANERGY THIN FILM POWER GROUP -	6.344.000,00	HKD	4,520	3.296.380,00		1,43	1,43
SINO BIOPHARMACEUTICAL -	1.552.000,00	HKD	7,370	1.314.906,48		0,57	0,57
<u>Hungary</u>							
GEDEON RICHTER -	117.292,00	HUF	3.930,000	1.521.161,47		0,66	0,66
MAGYAR OLAJ-ES GAZIPARI RT. -	15.307,00	HUF	11.990,000	605.652,67		0,26	0,26
<u>Indonesia</u>							
ASTRA AGRO LESTARI TBK PT -	137.000,00	IDR	24.650,000	232.943,38		0,10	0,10
<u>Ireland</u>							
ENDO INTERNATIONAL PLC -	8.600,00	USD	85,600	656.318,82		0,29	0,28
RYANAIR HOLDINGS PLC (DUB)	210.983,00	EUR	10,125	2.136.202,88		0,93	0,93
<u>Israel</u>							
BEZEQ ISRAELI TELECOMMUNICATIO -	2.198.564,00	ILS	6,388	3.140.033,28		1,36	1,36
ISRAEL CHEMICALS LTD -	21.470,00	ILS	27,850	133.686,48		0,06	0,06
<u>Italy</u>							
ENEL GREEN POWER SPA -	278.809,00	EUR	1,838	512.450,94		0,22	0,22
SNAM RETE GAS S.P.A. -	326.752,00	EUR	4,522	1.477.572,54		0,64	0,64
<u>Japan</u>							
BENESSE -	43.900,00	JPY	3.810,000	1.247.382,32		0,54	0,54
ELECTRIC POWER DEV. -	63.409,00	JPY	3.995,000	1.889.199,29		0,82	0,82
JAPAN PRIME REALTY INC CORP -	266,00	JPY	429.500,000	852.030,01		0,37	0,37
KAKAKU.COM INC -	26.900,00	JPY	1.984,000	398.019,21		0,17	0,17
LAWSON INC -	26.268,00	JPY	7.820,000	1.531.947,38		0,67	0,66
MCDONALDS JAPAN -	152.663,00	JPY	2.639,000	3.004.576,52		1,31	1,30
NITORI HOLDINGS CO LTD -	24.500,00	JPY	7.920,000	1.447.109,36		0,63	0,63

NOMURA RESEARCH INSTITUTE LTD -	6.900,00	JPY	4.185,000	215.354,84		0,09	0,09
OTSUKA CORP -	36.800,00	JPY	4.740,000	1.300.877,04		0,57	0,56
PARK24 CO LTD -	24.900,00	JPY	2.256,000	418.936,82		0,18	0,18
SUNTORY BEVERAGE & FOOD LTD -	66.200,00	JPY	4.490,000	2.216.738,26		0,96	0,96
<u>Luxembourg</u>							
ALTICE SA -	21.899,00	EUR	89,100	1.951.200,90		0,85	0,85
RTL GROUP -	34.038,00	EUR	88,500	3.012.363,00		1,31	1,31
SES GLOBAL -	110.530,00	EUR	30,800	3.404.324,00		1,48	1,48
<u>Malaysia</u>							
BUMI ARMADA BHD -	44,00	MYR	1,140	12,41			
MALAYSIA AIRPORTS HLDS BHD -	3,00	MYR	7,350	5,45			
MISC BERHAD LOCAL	266.900,00	MYR	8,420	555.924,75		0,24	0,24
RHB CAPITAL BHD -	362.970,00	MYR	7,960	714.725,28		0,31	0,31
TELEKOM MALAYSIA SYARIKAT -	600.400,00	MYR	7,120	1.057.489,39		0,46	0,46
TENAGA NASIONAL (BHD) -	46.900,00	MYR	14,720	170.779,60		0,07	0,07
<u>Netherlands</u>							
KONINKLIJKE KPN NV -	338.031,00	EUR	3,052	1.031.670,61		0,45	0,45
OCI NV -	26.738,00	EUR	37,950	1.014.707,10		0,44	0,44
<u>New Zealand</u>							
MERIDIAN ENERGY LTD -	197.067,00	NZD	2,170	288.513,96		0,13	0,13
SPARK NEW ZEALAND LTD NZL REGD	246.216,00	NZD	3,270	543.196,82		0,24	0,24
<u>Poland</u>							
ALIOR BANK SA -	18.503,00	PLN	82,790	369.101,47		0,16	0,16
BANK ZACHODNI -	25.344,00	PLN	335,000	2.045.717,73		0,89	0,89
ENERGA SA -	46.896,00	PLN	22,500	254.240,11		0,11	0,11
GRUPA LOTOS SA -	28.141,00	PLN	26,040	176.565,66		0,08	0,08
ORANGE POLSKA -	342.234,00	PLN	9,870	813.890,63		0,35	0,35
POLSKA GRUPA ENERGETYCZNA SA -	288.734,00	PLN	20,720	1.441.495,93		0,63	0,63
POWOSZECHNA KASA OSZCZEDNOSCI BANK -	388.135,00	PLN	32,600	3.048.780,43		1,32	1,32
<u>Portugal</u>							
JERONIMO MARTINS -	38.214,00	EUR	10,565	403.730,91		0,18	0,18
<u>Singapore</u>							
STARHUB LTD -	267.599,00	SGD	4,290	752.515,30		0,33	0,33
<u>South Africa</u>							
GOLD FIELDS LTD -	101.797,00	ZAR	54,260	422.590,03		0,18	0,18
<u>South Korea</u>							
DONGBU INSURANCE CO LTD -	8.978,00	KRW	53.000,000	386.520,67		0,17	0,17
HYUNDAI MERCHANT MARINE CO -	122.272,00	KRW	9.040,000	897.868,42		0,39	0,39
KIA MOTORS CORP. -	19.289,00	KRW	45.500,000	712.916,00		0,31	0,31
KOREA ELECTRIC POWER (KEPCO) CORP -	112.657,00	KRW	44.700,000	4.090.561,79		1,78	1,77
<u>Spain</u>							
BANKIA SA -	403.902,00	EUR	1,298	524.264,80		0,23	0,23
<u>Sweden</u>							
ICA GRUPPEN AB -	70.612,00	SEK	297,500	2.245.448,62		0,98	0,97
<u>Switzerland</u>							
BARRY CALLEBAUT -	3.154,00	CHF	988,500	2.931.987,59		1,27	1,27
LINDT & SPRUENGLI AG -	36,00	CHF	62.120,000	2.103.089,29		0,91	0,91
LINDT & SPRUENGLI AG -	136,00	CHF	5.245,000	670.823,34		0,29	0,29
NESTLE AG REG	1.951,00	CHF	74,400	136.506,70		0,06	0,06
PARTNERS GROUP AG -	15.611,00	CHF	292,750	4.297.851,37		1,87	1,86

SGS SA (REG)	1.261,00	CHF	1.929,000	2.287.552,55		0,99	0,99
SWISS PRIME SITE -	27.439,00	CHF	86,800	2.239.813,04		0,97	0,97
SWISSCOM AG -	4.047,00	CHF	546,500	2.079.922,42		0,90	0,90
ZURICH INSURANCE GROUP AG -	84,00	CHF	304,800	24.077,87		0,01	0,01
<u>Taiwan</u>							
ASIA PACIFIC TELECOM CO LTD -	769.000,00	TWD	15,300	334.011,82		0,15	0,15
ASUSTEK COMPUTER INC -	17.000,00	TWD	326,500	157.570,96		0,07	0,07
ECLAT TEXTILE CO LTD -	116.600,00	TWD	360,000	1.191.639,15		0,52	0,52
FAR EASTONE TELECOMMUNICATIONS -	541.000,00	TWD	77,600	1.191.799,10		0,52	0,52
HTC CORPORATION -	964.000,00	TWD	153,000	4.187.092,27		1,82	1,81
SCINOPHARM TAIWAN LTD -	332.243,00	TWD	48,300	455.561,52		0,20	0,20
SYNNEC TECHNOLOGY INTERNATIONA -	845.000,00	TWD	45,850	1.099.866,86		0,48	0,48
<u>Thailand</u>							
CHAROEN POKHAND FOODS PCL -	302.700,00	THB	23,900	199.501,70		0,09	0,09
<u>Turkey</u>							
ULKER GIDA SANAYI -	27.952,00	TRY	19,450	192.724,58		0,08	0,08
<u>U.K.</u>							
FRESNILLO PLC -	33.686,00	GBP	8,210	381.044,45		0,17	0,17
GROUP 4 SECURICOR PLC -	491.441,00	GBP	2,980	2.017.765,47		0,88	0,87
NAT. GRID PLC -	63.682,00	GBP	8,866	777.906,60		0,34	0,34
ROYAL MAIL PLC -	382.312,00	GBP	4,204	2.214.438,75		0,96	0,96
SCOTTISH & SOUTHERN ENERGY -	147.677,00	GBP	15,730	3.200.550,03		1,39	1,39
<u>U.S.A.</u>							
ADVANCE AUTO PARTS INC -	6.764,00	USD	154,930	934.290,13		0,41	0,41
AMERICAN WATER WORKS INC. -	64.849,00	USD	54,080	3.126.674,02		1,36	1,36
BRISTOL-MYERS SQUIBB CO -	24.260,00	USD	60,920	1.317.629,56		0,57	0,57
CABOT OIL & GAS CORP -	39.529,00	USD	29,000	1.022.013,11		0,44	0,44
CARE FUSION CORP -	37.905,00	USD	60,080	2.030.341,37		0,88	0,88
CLOROX COMPANY -	41.667,00	USD	108,640	4.035.753,47		1,75	1,75
CONSOLIDATED EDISON -	72.423,00	USD	63,140	4.076.840,57		1,77	1,77
DUKE ENERGY HOLDING CORP -	58.658,00	USD	78,550	4.107.864,22		1,78	1,78
EDISON INTL -	36.638,00	USD	64,250	2.098.686,31		0,91	0,91
EDWARDS LIFESCIENCES CORP. -	1.811,00	USD	133,020	214.772,18		0,09	0,09
ENTERGY CORPORATION -	58.206,00	USD	79,510	4.126.027,78		1,79	1,79
EVERSOURCE ENERGY -	5.584,00	USD	51,750	257.631,17		0,11	0,11
EXELON CORP -	80.664,00	USD	33,920	2.439.373,14		1,06	1,06
FACEBOOK INC -	57.788,00	USD	78,970	4.068.576,08		1,77	1,76
FAMILY DOLLAR STORES -	26.735,00	USD	78,740	1.876.801,05		0,82	0,81
GENERAL MILLS IN -	46.268,00	USD	53,790	2.218.834,50		0,96	0,96
HERSHEY CORP -	23.340,00	USD	103,780	2.159.519,64		0,94	0,94
KIMBERLEY-CLARK CORP -	40.778,00	USD	109,660	3.986.729,80		1,73	1,73
MEAD JOHNSON NUTRITION CO -	19.249,00	USD	104,760	1.797.820,39		0,78	0,78
NEWMONT MINING CORP HOLDING CO -	100.770,00	USD	26,330	2.365.509,83		1,03	1,03
PEPCO HOLDING INC -	12.595,00	USD	27,140	304.754,87		0,13	0,13
PEPSICO -	13.548,00	USD	98,980	1.195.543,21		0,52	0,52
PG & E CORP -	2.530,00	USD	53,730	121.193,69		0,05	0,05
PROCTER & GAMBLE -	54.400,00	USD	85,130	4.128.803,10		1,79	1,79
SIGMA-ALDRICH CORPORATION -	7.023,00	USD	138,060	864.436,66		0,38	0,38
SOUTHERN COMPANY -	100.064,00	USD	45,790	4.084.991,36		1,77	1,77
STAPLES INC -	17.464,00	USD	16,765	261.029,70		0,11	0,11
TWITTER INC -	38.218,00	USD	48,080	1.638.230,68		0,71	0,71
Total shares				230.305.017,88		100,00	99,79
TOTAL SECURITIES PORTFOLIO				230.305.017,88		100,00	99,79

COLLATERAL RECEIVED						
<u>Belgium</u>						
KBC GROUP COLLATERAL EUR	7.604.165,21	EUR	1,000	7.604.165,21		3,30
TOTAL RECEIVED COLLATERAL				7.604.165,21		3,30
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CAD	844,65	CAD	1,000	603,08		
KBC GROUP CHF	-359.891,00	CHF	1,000	-338.450,18		-0,15
KBC GROUP CZK	-29.846,85	CZK	1,000	-1.085,83		
KBC GROUP DKK	-10.194,75	DKK	1,000	-1.366,17		0,00
KBC GROUP EURO	-2.380.711,59	EUR	1,000	-2.380.711,59		-1,03
KBC GROUP GBP	-45.763,15	GBP	1,000	-63.052,01		-0,03
KBC GROUP HKD	686,27	HKD	1,000	78,89		
KBC GROUP HUF	841.383,20	HUF	1,000	2.776,57		0,00
KBC GROUP ILS	178,72	ILS	1,000	39,96		
KBC GROUP JPY	89,00	JPY	1,000	0,66		
KBC GROUP MXN	-33.507,94	MXN	1,000	-1.997,97		0,00
KBC GROUP NOK	-13.336,14	NOK	1,000	-1.558,24		0,00
KBC GROUP NZD	1.202.089,59	NZD	1,000	811.017,13		0,35
KBC GROUP PLN	-4.956,46	PLN	1,000	-1.194,26		0,00
KBC GROUP SEK	-294.099,91	SEK	1,000	-31.436,38		-0,01
KBC GROUP SGD	25.157,80	SGD	1,000	16.490,97		0,01
KBC GROUP THB	783.344,79	THB	1,000	21.601,76		0,01
KBC GROUP TRY	-20.616,62	TRY	1,000	-7.308,40		0,00
KBC GROUP USD	-709.450,79	USD	1,000	-632.506,39		-0,27
KBC GROUP ZAR	-29.164,59	ZAR	1,000	-2.231,31		0,00
Total demand accounts				-2.610.289,71		-1,13
TOTAL CASH AT BANK AND IN HAND				-2.610.289,71		-1,13
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP CHF RECEIVABLE	408.887,00	CHF	1,000	384.527,20		0,17
KBC GROUP EUR RECEIVABLE	3.983.297,36	EUR	1,000	3.983.297,36		1,73
KBC GROUP USD RECEIVABLE	625.000,00	USD	1,000	557.214,82		0,24
Total receivables				4.925.039,38		2,13
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-7.604.165,21	EUR	1,000	-7.604.165,21		-3,30
KBC GROUP EUR PAYABLE	-1.163.566,57	EUR	1,000	-1.163.566,57		-0,50
KBC GROUP NZD TE BETALEN	-1.202.000,00	NZD	1,000	-810.956,69		-0,35
Payables				-9.578.688,47		-4,15
TOTAL RECEIVABLES AND PAYABLES				-4.653.649,09		-2,02
OTHER						
Interest receivable		EUR		184.762,95		0,08
Accrued interest		EUR		9.081,47		0,00
Expenses payable		EUR		-127.078,05		-0,06

Expenses to be carried forward		EUR		69.923,32			0,03
TOTAL OTHER				136.689,69			0,06
TOTAL NET ASSETS				230.781.933,98			100,00

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Austria	0,46	0,82	0,00	0,00
Belgium	2,80	2,16	2,17	0,95
Canada	3,50	3,65	4,52	6,69
Switzerland	7,92	9,25	9,00	7,28
China	3,17	2,41	0,97	2,95
Colombia	0,00	0,00	0,00	0,10
Czech Republic	1,14	1,15	1,05	0,76
Cayman Islands	0,78	0,39	0,62	0,00
Germany	11,14	9,35	10,88	10,13
Denmark	6,48	6,18	3,62	1,42
Egypt	0,00	0,00	0,25	0,30
Spain	0,00	0,00	0,00	0,23
Finland	1,01	1,59	1,67	1,41
France	5,11	7,28	8,21	6,48
U.K.	6,69	3,35	3,31	3,73
Hong Kong	0,33	0,63	0,81	2,59
Hungary	1,15	1,37	0,55	0,92
Indonesia	0,00	0,00	0,23	0,10
Ireland	2,68	2,28	1,81	0,93
Israel	2,95	1,64	1,90	1,42
Italy	2,92	4,44	3,11	0,86
Japan	10,11	9,40	9,06	6,31
South Korea	2,45	2,01	0,55	2,64
Luxembourg	0,89	2,94	3,18	3,63
Mexico	0,05	0,00	0,00	0,00
Malaysia	0,83	1,11	1,32	1,09
Netherlands	0,22	1,11	1,25	0,89
New Zealand	0,00	0,00	0,00	0,36
Poland	4,48	3,08	2,62	3,54
Portugal	0,00	0,00	0,40	0,18
Singapore	0,49	0,65	0,65	0,33
Sweden	0,00	0,00	0,00	0,97
Thailand	0,01	0,02	0,00	0,09
Turkey	0,00	0,00	0,22	0,08
Taiwan	1,63	2,03	6,01	3,74
U.S.A.	18,45	19,56	19,49	26,72
South Africa	0,16	0,15	0,57	0,18
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	13,22	11,78	11,57	9,33
Consum(cycl)	12,83	12,05	12,13	18,42
Cons.goods	22,45	20,35	23,66	16,31
Pharma	8,66	10,39	7,16	11,02
Financials	13,09	11,89	7,89	8,63
Technology	3,25	3,98	6,51	8,34
Telecomm.	14,43	15,27	14,15	7,54
Utilities	9,53	11,02	12,46	18,08
Real est.	2,54	2,77	2,61	1,35
Various	0,00	0,50	1,86	0,98
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
CAD	3,54	3,70	4,58	6,68
CHF	8,01	9,40	9,09	7,29
COP	0,00	0,00	0,00	0,10
CZK	1,16	1,16	1,06	0,76
DKK	6,55	6,27	3,65	1,41
EUR	26,07	30,90	31,90	25,84
GBP	7,12	3,40	3,37	3,70
HKD	4,34	3,48	2,42	5,53
HUF	1,16	1,39	0,56	0,92
IDR	0,00	0,00	0,23	0,10
ILS	2,98	1,67	1,92	1,42
JPY	10,23	9,53	9,15	6,30
KRW	2,64	2,04	0,56	2,64
MXN	0,05	0,00	0,00	0,00
MYR	0,84	1,13	1,34	1,08
NZD	0,00	0,00	0,00	0,36
PLN	4,52	3,12	2,64	3,53
SEK	0,00	0,00	0,00	0,96
SGD	0,51	0,69	0,66	0,33
THB	0,02	0,04	0,02	0,10
TRY	0,01	0,01	0,21	0,08
TWD	1,64	2,06	6,08	3,74
USD	18,45	19,85	19,98	26,95
ZAR	0,16	0,16	0,58	0,18
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND MINIMUM VARIANCE GLOBAL (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	143.883.144,11	143.883.144,11
Sales	32.044.947,85	32.044.947,85
Total 1	175.928.091,95	175.928.091,95
Subscriptions	134.246.863,91	134.246.863,91
Redemptions	22.633.538,92	22.633.538,92
Total 2	156.880.402,83	156.880.402,83
Monthly average of total assets	104.513.562,79	104.513.562,79
Turnover rate	18,23 %	18,23 %

	1st half of year	Year
Purchases	143.883.144,11	143.883.144,11
Sales	32.044.947,85	32.044.947,85
Total 1	175.928.091,95	175.928.091,95
Subscriptions	134.246.863,91	134.246.863,91
Redemptions	22.633.538,92	22.633.538,92
Total 2	156.880.402,83	156.880.402,83
Monthly average of total assets	102.588.943,42	102.588.943,42
Corrected turnover rate	18,57 %	18,57 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 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 COLLATERAL EUR	EUR	7.604.165,21	7.604.165,21	N/A	27.02.2015

2.4.4 CHANGES OF 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		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	11.630,92	4.248,00	4.404,00	136,95	10.182,92	4.111,05	14.293,96
2014 - 02*	14.206,18	13.955,00	16.562,99	16.546,05	7.826,10	1.520,00	9.346,10
2015 - 02*	178,49	1.146,00	1.042,99	1.065,00	6.961,59	1.601,00	8.562,59

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	12.525.183,44	4.539.630,37	4.684.744,05	146.422,86
2014 - 02*	15.719.915,31	15.673.064,24	18.097.448,54	18.234.875,31
2015 - 02*	208.488,17	1.513.298,21	1.341.930,25	1.284.918,00

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class	Of one share		
		Capitalization	Distribution	
2013 - 02*	15.529.191,40	1.087,14	1.084,63	
2014 - 02*	10.764.479,96	1.157,82	1.120,56	
2015 - 02*	12.217.245,09	1.446,38	1.341,74	

* 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		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	25.208,00		4,00		99.204,00		99.204,00
2014 - 02*	6.253,00		39.816,00		65.641,00		65.641,00
2015 - 02*	4.559,00		6.404,00		63.796,00		63.796,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	27.272.922,93		4.296,76	
2014 - 02*	6.878.382,44		45.997.044,46	
2015 - 02*	6.439.704,80		8.998.055,14	

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class	Of one share		
		Capitalization	Distribution	
2013 - 02*	110.024.783,46	1.109,08		
2014 - 02*	78.523.914,16	1.196,26		
2015 - 02*	96.515.855,57	1.512,88		

* 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		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	439.129,00		124.290,00		451.972,00		451.972,00
2014 - 02*	220.748,00		671.062,00		1.658,00		1.658,00
2015 - 02*	98.606,15		16.690,30		83.573,84		83.573,84

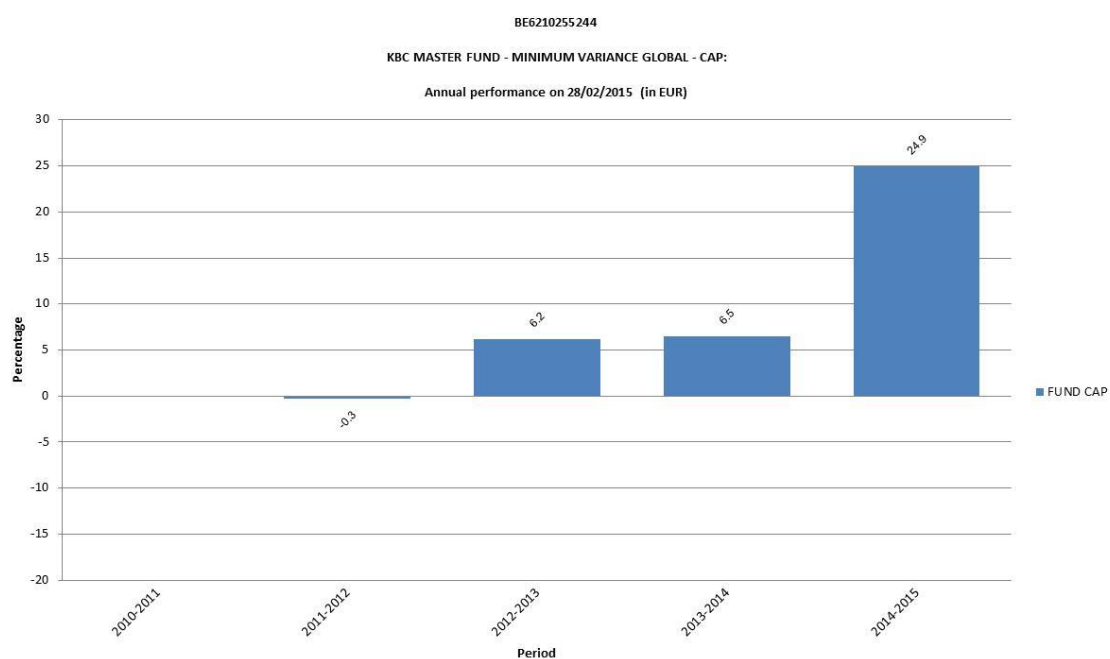
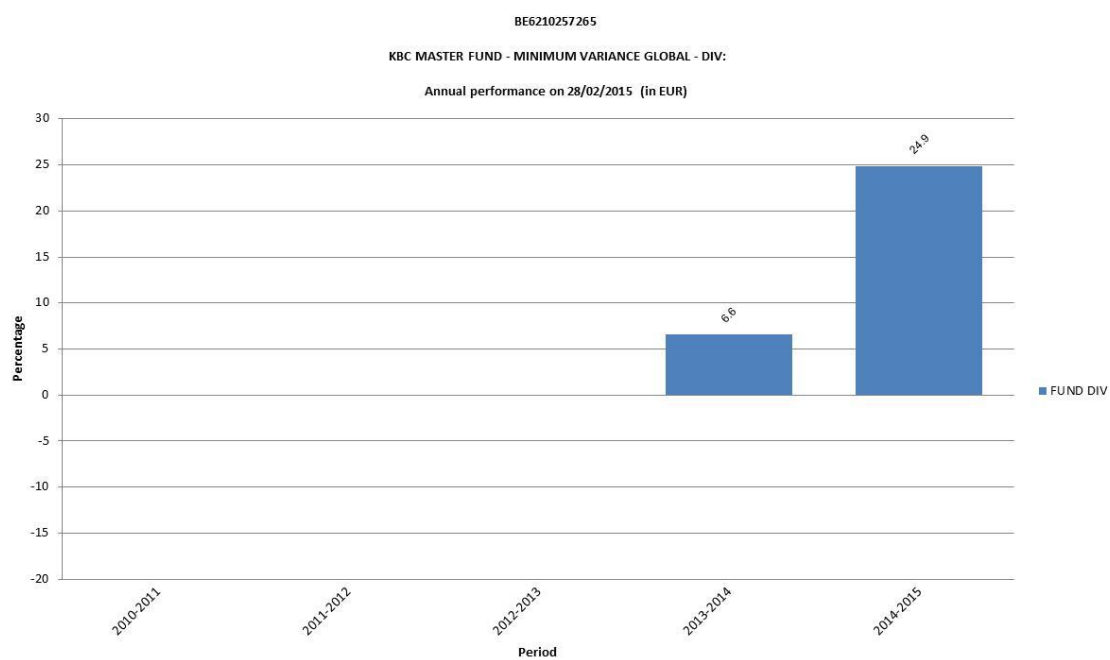
Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	475.176.889,04		131.271.147,64	
2014 - 02*	247.235.097,80		738.180.452,72	
2015 - 02*	138.089.867,12		21.436.934,32	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2013 - 02*	494.151.277,18	1.093,32	
2014 - 02*	1.939.744,07	1.169,93	
2015 - 02*	122.048.833,32	1.460,37	

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

2.4.5 PERFORMANCE FIGURES

Classic Shares

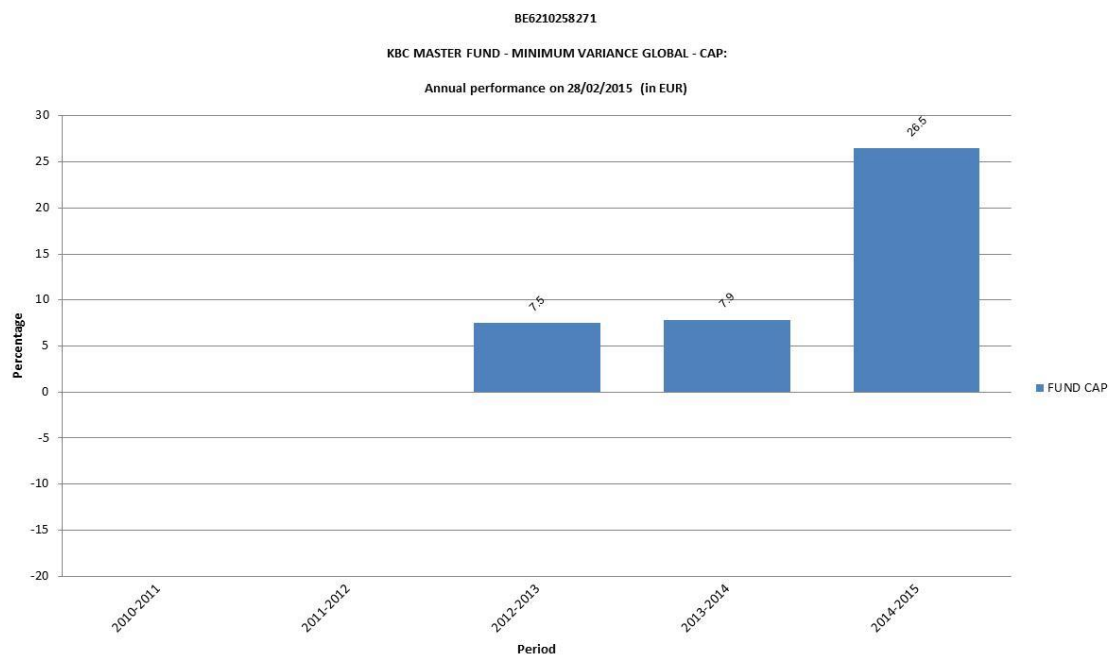


Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE6210255244	EUR	24.92%		12.23%						19/11/2010	9.01%
DIV	BE6210257265	EUR	24.88%								19/11/2010	

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

* Return on annual basis.

Institutional Shares

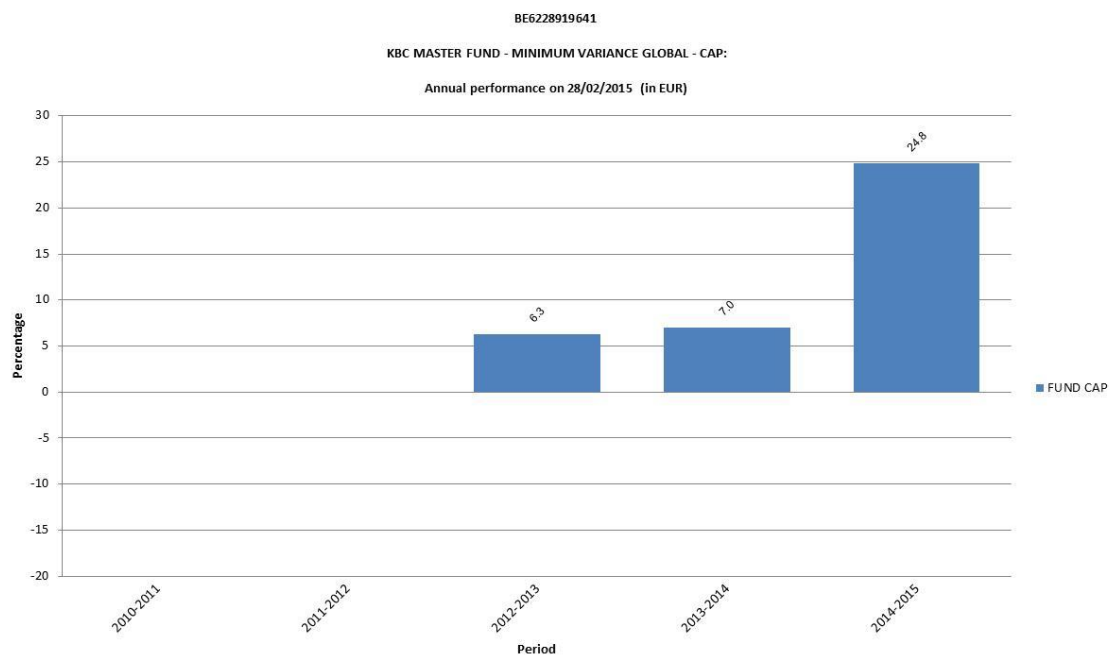


Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE6210258271	EUR	26.47%		13.63%						19/11/2011	14.81%

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

* Return on annual basis.

Institutional B Shares



Cap Div	ISIN code	Cur-rency	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	Launch Date	Share classes
CAP	BE6228919641	EUR	24.83%		12.41%						24/11/2011	14.25%

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:

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

$i = 1 \dots N$

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

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} 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.

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:

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

where $Y = D - X$

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

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

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

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

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} 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 capitalization shares.

Institutional B Shares

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

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

$$[\text{NIW}(D) / \text{NIW}(S)]^{1 / F} - 1$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 - If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} 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 capitalization shares.

2.4.6 COSTS

Ongoing Charges: *

Classic Shares Distribution: 1.864%
 Classic Shares Capitalization: 1.809%
 Institutional B Shares Capitalization: 2.464%
 Institutional Shares Capitalization: 0.580%

* 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.

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.

For more information, please see the 'General' section of the annual report.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% 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 administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 September 2014 to 28 February 2015, the fee for securities lent comes to 21,016.52 EUR. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 28/02/2015

Name	Currency	Quantity	Price	Value in currency of the portfolio
BANK ZACHODNI	PLN	18.469	335,000	1.490.781,28
CELESIO AG	EUR	851	27,595	23.483,34
CHINA PHARMACEUTICAL	HKD	38.504	6,340	28.062,78
FRESNILLO PLC	GBP	33.685	8,210	381.033,14
G4S PLC	GBP	179.232	2,980	735.893,30
GEDEON RICHTER	HUF	117.291	3.930,000	1.521.148,50
GOLDCORP INC	CAD	20.350	27,530	400.011,07
HANERGY THIN FILM POWER GROU	HKD	2.233.000	4,520	1.160.280,04
JERONIMO MARTINS (LI	EUR	10.389	10,565	109.759,78
MAGYAR OLAJ-ES (BUD)	HUF	14.460	11.990,000	572.139,39
SHANDONG WEIGAO GP	HKD	593.313	6,390	435.833,27
STARHUB LTD	SGD	39.900	4,290	112.202,81
SUEDZUCKER AG	EUR	75.375	13,625	1.026.984,38
TRYG A/S	DKK	7.755	829,500	862.036,17
			Total	8.859.649,25

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
FLEMISH COMMUNITY 2010 3,1155% 18/08/2020	EUR	3.300.000	EUR	3.866.540,37
BUNDESREPUB.DTL. AN 2005 3 1/4% 04/07/15	EUR	197.000	EUR	203.540,20
GERMANY 2010 3,25% 04/07/2042	EUR	51.000	EUR	81.163,13
FRANCE 2000 5,75% 25/10/32	EUR	200.000	EUR	356.872,80
FRANCE 2006 3.75% 25/04/2017	EUR	632.000	EUR	704.997,26
FRANCE 2009 2,5% 25/10/2020	EUR	521.000	EUR	597.465,61
FRANCE 2011 2,25% 25/10/2022	EUR	967.000	EUR	1.119.766,66
NEDERLAND 1998 5.50% 15/01/28	EUR	236.000	EUR	381.743,45
NETHERLANDS 2013 1,25% 15/01/2019	EUR	277.000	EUR	292.075,73
			Total	7.604.165,21

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

Semi-Annual report as at 28th February 2015

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2 INFORMATION ON KBC MASTER FUND BONDS

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 1 March 2002
Initial subscription price: 500 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

RESTRICTIONS OF THE INVESTMENT POLICY:

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

The UCI may conclude contracts that relate to credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. It relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCI holds directly.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where credit derivatives are used, they are permitted only in order to achieve the investment objectives and within the existing risk profile and may not result in a shift to less creditworthy debtors. Consequently there is no increase in the credit risk. Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors..

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STRATEGY SELECTED

The assets are allocated in line with the asset allocation recommended by KBC Asset Management SA.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The assets are invested directly or indirectly in bonds and debt instruments issued by both companies and government bodies. The subfund invests directly and/or indirectly at least 75% of its assets in bonds and debt instruments that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings).

In addition, the subfund can invest up to 25% of the in bonds and debt instruments invested assets in securities that have a lower rating or for which no credit rating of any of the above mentioned agencies is available.

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

INVESTMENTS IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The sub-fund will invest primarily in permitted assets other than securities or money market instruments.

Lending financial instruments:

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

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

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

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

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

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

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

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

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

Intense economic doubts, realisation that inflation is as good as dead, and central bank intervention are keeping bond yields historically low. Traditionally, bond rates in Germany – the benchmark in the euro area – closely shadow developments in the US market. In this reporting period the reverse applied. In 2014 the call for a European variant of QE became ever louder, driving not just German but also US 10-year rates ever lower. On 2 February the interest on a US 10-year government bond fell to a low of 1.67%. In this regard the fact that the Fed – admittedly choosing its words cautiously – began to hold out the prospect of the first rise in interest rates in seven years had little if any influence. At the end of the reporting period the yield on German bonds maturing in no more than seven years had turned negative.

The continued easing of the euro crisis caused a further narrowing of interest rate spreads between the EMU partners, almost without hiccups – except in the case of Greece. Belgian-German spreads also narrowed further to 25 basis points at the end of February 2015.

2.1.8 FUTURE POLICY

The Fed believes the time has come to adjust its extremely flexible monetary policy. The unparalleled liquidity injections in the form of the purchasing programme for government bonds and other debt paper have come to an end. The US central bank considers that the economic recovery is sufficiently sustainable for it to gradually move toward a more neutral monetary policy. The first of a series of interest rate hikes will therefore be implemented in the course of 2015. The precise timing will depend on the unemployment trend. The Fed has suggested a date of around mid-2015. That strikes us as highly likely, even though the market appears to be anticipating a later date (October-November). So as not to ride roughshod over the market, these interest-rate hikes will be made with great circumspection, i.e. in small steps. All the same, the gap between a growth-neutral rate and the present rate is so large that, conducted in this way, it will be a long time before monetary policy ceases to be loose and growth-supporting. Either way, the Fed will keep long-term rates low and banish any fears of deflation.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fundt)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	32.699.082,51	39.613.126,55
II. Securities, money market instruments, UCIs and derivatives		
E. Open-end undertakings for collective investment	32.686.874,80	39.529.594,47
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	72.318,79	683,58
B. Payables		
a) Accounts payable (-)	-59.726,25	-11.546,34
c) Borrowings (-)	-5.074,66	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	9.013,41	122.578,05
VI. Accruals and deferrals		
C. Accrued expense (-)	-4.323,58	-28.183,21
TOTAL SHAREHOLDERS' EQUITY	32.699.082,51	39.613.126,55
A. Capital	31.876.512,91	38.509.616,07
B. Income equalization	-24.157,98	9.396,51
D. Result for the period	846.727,58	1.094.113,97

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 <small>(in the currency of the sub-fund)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
I. Net gains(losses) on investments		
E. Open-end undertakings for collective investment	874.353,28	1.085.449,44
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	1.169,16	-365,45
Det.section I gains and losses on investments		
Realised gains on investments	583.689,91	
Unrealised gains on investments	265.981,89	
Realised losses on investments	-1.711,08	
Unrealised losses on investments	27.561,72	
II. Investment income and expenses		
B. Interests		
b) Cash at bank and in hand and deposits	24,61	73,65
C. Interest on borrowings (-)	-37,32	-21,49
III. Other income		
B. Other		45.051,41
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-9.233,66	-7.803,01
B. Financial expenses (-)	-193,86	-463,12
D. Manager's fee (-)		
a) Financial management	-197,76	-737,52
b) Administration and accounting management	-17.484,44	-20.279,30
E. Administrative expenses (-)	-211,76	-1.533,97
F. Formation and organisation expenses (-)	-2.487,42	-2.073,57
H. Services and sundry goods (-)	-2.137,71	-1.194,30
J. Taxes	-20,17	-229,73
K. Other expenses (-)	3.184,63	-1.759,07
Income and expenditure for the period		
Subtotal II + III + IV	-28.794,86	9.029,98
V. Profit (loss) on ordinary activities before tax	846.727,58	1.094.113,97
VII. Result for the period	846.727,58	1.094.113,97

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND BONDS

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC PARTICIPATION LOCAL EMERGING MARKET BONDS KAP IS B	1.131,00	EUR	1.033,950	1.169.397,45	0,17	3,58	3,58
<u>Luxembourg</u>							
KBC BONDS CORPORATES EURO IS B KAP	6.583,00	EUR	872,960	5.746.695,68	0,61	17,58	17,57
KBC BONDS EMU SHORT MEDIUM IS B KAP	2.033,61	EUR	1.184,910	2.409.649,56	11,94	7,37	7,37
KBC BONDS EMU SHORTIS B KAP	3.934,88	EUR	1.071,860	4.217.636,19	0,33	12,90	12,90
KBC BONDS HIGH INTEREST IS B KAP	874,00	EUR	2.200,680	1.923.394,32	0,15	5,88	5,88
KBC INTEREST FUND EURO MEDIUM IS B_KAP	529,00	EUR	4.179,550	2.210.981,95	0,13	6,76	6,76
KBC RENTA EMURENTA IS B KAP	682,00	EUR	647,680	441.717,76	0,09	1,35	1,35
KBC RENTA EURORENTA IS B KAP	152,00	EUR	2.906,540	441.794,08	0,07	1,35	1,35
KBC RENTA MEDIUM EUR IS B KAP	1.653,00	EUR	1.132,140	1.871.427,42	5,87	5,73	5,72
KBC RENTA SHORT EUR IS B KAP	1.370,00	EUR	726,570	995.400,90	1,02	3,05	3,04
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
KBC INSTITUTIONAL FUND SRI EURO BONDS KAP	2.639,33	EUR	947,100	2.499.706,60	2,51	7,65	7,65
KBC MULTI INTEREST EURO MEDIUM IS B KAP	54.824,00	EUR	47,640	2.611.815,36	2,82	7,99	7,99
KBC PARTICIPATION SRI CORPORATE BONDS IS B KAP	4.883,00	EUR	1.258,910	6.147.257,53	0,59	18,81	18,80
Total investment funds				32.686.874,80		100,00	99,96
TOTAL SECURITIES PORTFOLIO				32.686.874,80		100,00	99,96
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	670,15	AUD	1,000	467,67			0,00
KBC GROUP CAD	486,13	CAD	1,000	347,10			0,00
KBC GROUP CZK	4.350,00	CZK	1,000	158,25			
KBC GROUP EURO	-5.074,66	EUR	1,000	-5.074,66			-0,02
KBC GROUP GBP	65,72	GBP	1,000	90,55			
KBC GROUP HUF	247,48	HUF	1,000	0,82			
KBC GROUP JPY	9.622,00	JPY	1,000	71,76			
KBC GROUP NOK	306,14	NOK	1,000	35,77			
KBC GROUP SEK	141,83	SEK	1,000	15,16			
KBC GROUP USD	8.778,40	USD	1,000	7.826,33			0,02
Total demand accounts				3.938,75			0,01
TOTAL CASH AT BANK AND IN HAND				3.938,75			0,01

OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	72.318,79	EUR	1,000	72.318,79			0,22
Total receivables				72.318,79			0,22
Payables							
<u>Belgium</u>							
KBC GROUP EUR PAYABLE	-59.726,25	EUR	1,000	-59.726,25			-0,18
Payables				-59.726,25			-0,18
TOTAL RECEIVABLES AND PAYABLES				12.592,54			0,04
OTHER							
Expenses payable		EUR		-4.323,58			-0,01
TOTAL OTHER				-4.323,58			-0,01
TOTAL NET ASSETS				32.699.082,51			100,00

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
United Arab Emirates	0,09	0,10	0,05	0,18
Australia	0,68	0,77	1,03	1,22
Austria	2,50	1,57	1,84	1,92
Belgium	5,50	4,03	3,94	4,36
Brazil	0,30	0,46	0,75	0,64
Canada	0,20	0,24	0,17	0,41
Switzerland	0,97	1,01	1,05	0,78
Chile	0,02	0,01	0,00	0,00
China	0,07	0,14	0,23	0,36
Ivory Coast	0,00	0,00	0,00	0,02
Colombia	0,29	0,30	0,42	0,18
Czech Republic	0,08	0,03	0,02	0,03
Cayman Islands	0,51	0,45	0,68	0,34
Germany	8,65	8,76	8,78	8,45
Denmark	0,54	0,67	0,90	0,90
Spain	8,14	9,26	9,86	10,11
Finland	1,16	1,22	1,04	0,47
France	16,21	15,93	16,72	15,78
Gabon	0,00	0,05	0,05	0,03
U.K.	5,68	6,39	4,15	4,37
Hong Kong	0,08	0,14	0,07	0,34
Hungary	0,12	0,17	0,12	0,17
Indonesia	0,05	0,05	0,04	0,05
Ireland	3,44	3,56	1,09	3,19
Israel	0,16	0,05	0,02	0,02
Italy	11,58	12,35	13,45	13,57
Jersey/The Channel Islands	0,65	0,22	0,18	0,13
South Korea	1,44	1,18	0,83	0,97
Luxembourg	2,21	2,53	3,70	3,01
Mexico	0,96	1,71	1,60	1,69
Malaysia	0,74	0,96	1,33	0,88
Netherlands	12,33	11,90	12,50	10,84
Norway	1,56	1,15	0,85	1,12
Peru	0,44	0,40	0,16	0,00
Philippines	0,19	0,25	0,38	0,53
Poland	1,15	1,70	0,87	0,97
Romania	0,08	0,07	0,02	0,10
Russia	0,13	0,09	0,05	0,03
Saudi Arabia	0,00	0,09	0,15	0,29
Slovenia	0,00	0,02	0,02	0,04
International Organization	0,04	0,06	0,00	0,00
Slovakia	0,10	0,17	0,08	0,09
Sweden	1,90	1,77	1,69	1,57
Thailand	0,56	0,53	0,20	0,24
Turkey	0,23	0,29	0,30	0,37
U.S.A.	6,09	5,13	6,97	7,41
Outside BLEU territory-(belgo-Lux ec	0,13	0,10	0,22	0,17
EU institutions outside BLEU terr.	1,87	1,79	1,27	1,43
South Africa	0,18	0,18	0,16	0,23
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	3,31	3,07	4,28	4,30
Consum(cycl)	5,08	4,85	5,10	4,39
Cons.goods	2,29	1,48	2,04	2,44
Pharma	0,98	1,07	1,12	2,05
Financials	29,45	29,27	24,84	25,75
Technology	0,00	0,31	0,63	0,78
Telecomm.	3,55	3,43	3,20	3,31
Utilities	5,59	5,92	4,64	4,12
Governm.	49,12	49,89	53,65	52,19
Unit trusts	0,04	0,04	0,00	0,00
Various	0,59	0,67	0,50	0,67
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
BRL	1,12	0,95	0,74	0,46
CAD	0,00	0,00	0,12	0,38
CLP	0,03	0,01	0,02	0,00
CNY	0,24	0,22	0,39	0,52
COP	0,45	0,42	0,45	0,18
CZK	0,16	0,11	0,15	0,16
DKK	0,16	0,00	0,00	0,00
EUR	88,43	88,43	88,53	89,05
GBP	0,55	0,95	0,74	0,73
HKD	0,00	0,00	0,22	0,28
HUF	0,13	0,11	0,04	0,12
IDR	0,23	0,26	0,28	0,31
ILS	0,18	0,17	0,02	0,22
INR	0,03	0,26	0,22	0,60
KRW	1,33	1,07	0,75	0,85
MXN	1,23	1,43	1,36	1,33
MYR	0,76	0,98	1,42	0,96
NGN	0,06	0,02	0,00	0,00
NOK	0,79	0,65	0,72	0,67
PEN	0,44	0,40	0,16	0,00
PHP	0,22	0,28	0,34	0,51
PLN	0,80	1,37	0,90	0,97
RON	0,06	0,05	0,02	0,10
RUB	0,58	0,70	0,21	0,13
SKK	0,02	0,02	0,02	0,02
THB	0,56	0,53	0,21	0,24
TRY	0,09	0,39	0,50	0,61
USD	1,05	-0,06	1,01	0,02
ZAR	0,30	0,28	0,46	0,58
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND BONDS (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	563.359,68	563.359,68
Sales	6.607.100,05	6.607.100,05
Total 1	7.170.459,73	7.170.459,73
Subscriptions	227.743,56	227.743,56
Redemptions	6.105.148,75	6.105.148,75
Total 2	6.332.892,31	6.332.892,31
Monthly average of total assets	35.027.716,18	35.027.716,18
Turnover rate	2,39 %	2,39 %

	1st half of year	Year
Purchases	563.359,68	563.359,68
Sales	6.607.100,05	6.607.100,05
Total 1	7.170.459,73	7.170.459,73
Subscriptions	227.743,56	227.743,56
Redemptions	6.105.148,75	6.105.148,75
Total 2	6.332.892,31	6.332.892,31
Monthly average of total assets	34.927.748,96	34.927.748,96
Corrected turnover rate	2,40 %	2,40 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

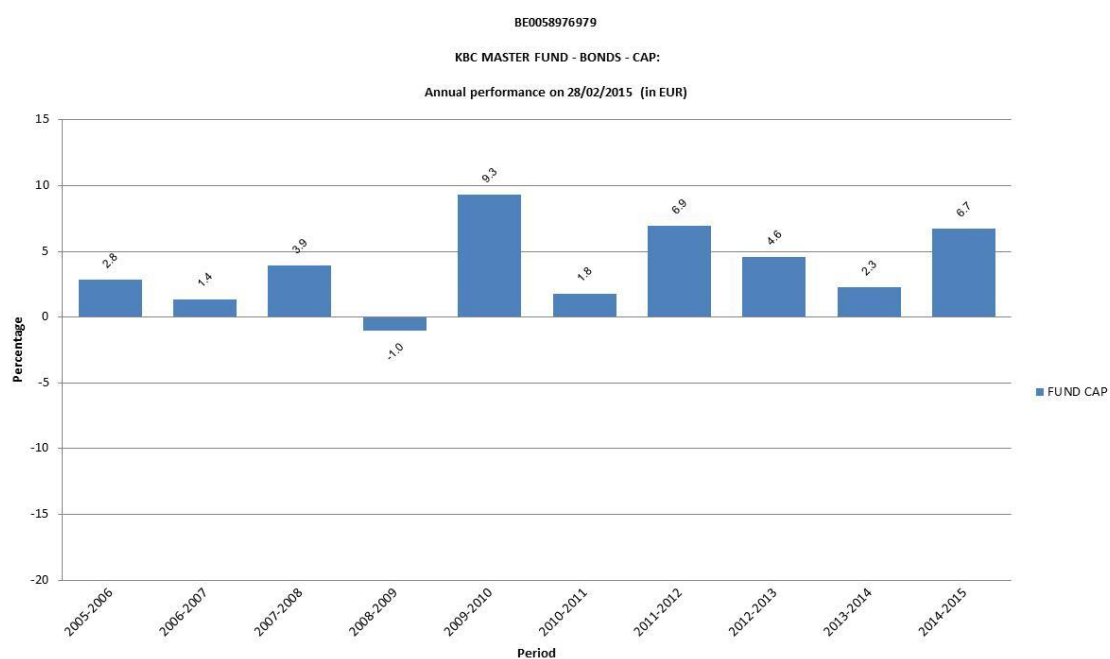
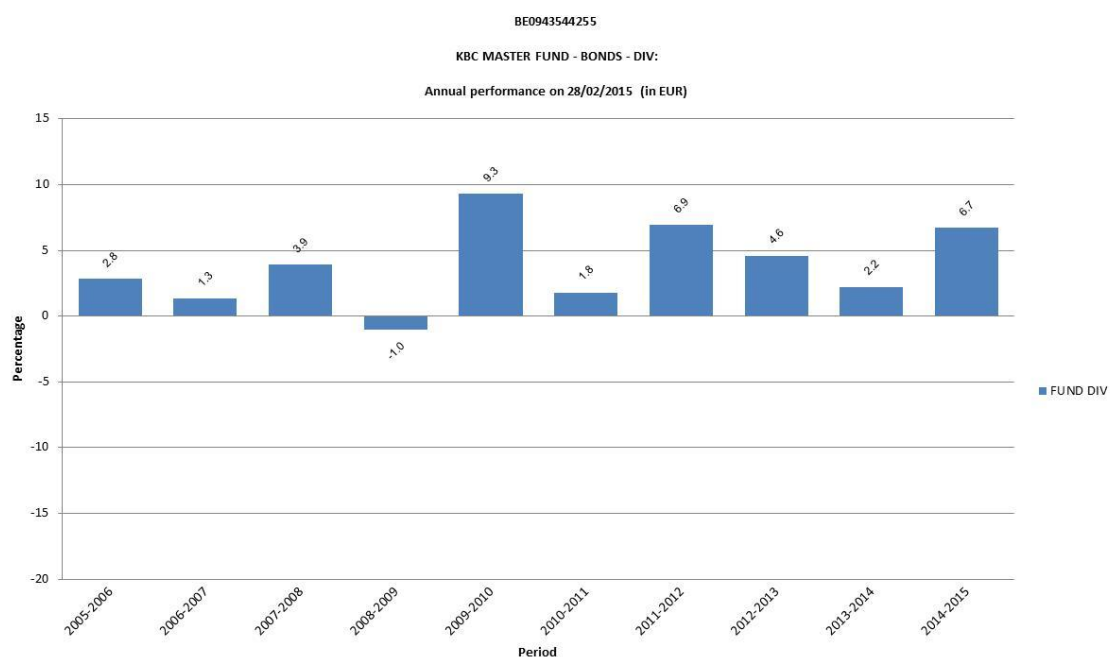
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	174.715,69	2.036,00	157.527,52	10.264,00	151.778,22	24.431,03	176.209,25
2014 - 02*	1.515,62	1.356,00	119.667,94	6.858,00	33.625,90	18.929,03	52.554,93
2015 - 02*	1.003,51	340,10	8.406,76	4.797,00	26.222,65	14.472,13	40.694,78

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	132.937.299,41	1.383.114,75	118.482.234,44	6.957.328,98
2014 - 02*	1.185.975,97	932.571,85	92.903.195,44	4.734.070,87
2015 - 02*	810.989,42	239.277,93	6.900.338,69	3.409.485,27

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2013 - 02*	134.502.572,58	775,05	690,38
2014 - 02*	39.613.126,55	792,68	684,58
2015 - 02*	32.699.082,51	845,86	726,80

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

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur-rency	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	Launch Date	Share classes
CAP	BE0058976979	EUR	6.71%		4.50%		4.43%		3.82%		01/03/2002	4.13%
DIV	BE0943544255	EUR	6.71%		4.50%		4.44%		3.82%		22/07/2004	3.90%

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 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:

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

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

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

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

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

$$i = 1 \dots N$$
 from which $C = C_0 * \dots * C_N$.
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} 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: *

Distribution: 1.054%

Capitalization: 1.053%

* 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.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1% 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 administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Name	Maximum management fee
KBC Participation-Local Emerging Market Bonds-Institutional B Shares	1,20
KBC Bonds-Corporates Euro-Institutional B Shares capitalisation	1,10
KBC Bonds-EMU Shortmedium	1,10
KBC Bonds-EMU Short	1,17
KBC Bonds-High Interest-Institutional B Shares capitalisation	1,10
KBC Interest fund-EURO MEDIUM-Institutional B Shares Capitalisation	0,50
KBC Renta-Emurenta-Institutional B Shares Capitalisation	1,10
KBC Renta-Eurorenta-Institutional B Shares Capitalisation	1,10
KBC Renta-Medium EUR-Institutional B Shares Capitalisation	1,10
KBC Renta-Short EUR-Institutional B Shares Capitalisation	1,10
KBC Institutional Fund-SRI Euro Bonds-Classic Shares	0,55
KBC Multi Interest-EURO Medium-Institutional B Shares	0,40
KBC Participation-SRI Corporate Bonds-Institutional B Shares	1,25
KBC Master Fund-Bonds	1,00

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2 INFORMATION ON KBC MASTER FUND CSOB BALANCED

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 30 June 2000
 Initial subscription price: 1000 CZK
 Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

The investment policy aims to track the strategy recommended for an investor with a specific risk profile.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

The UCI may conclude contracts that relate to credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. It relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCI holds directly.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where credit derivatives are used, they are permitted only in order to achieve the investment objectives and within the existing risk profile and may not result in a shift to less creditworthy debtors. Consequently there is no increase in the credit risk. Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors..

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STRATEGY SELECTED

The assets are allocated in line with the investment strategy recommended by the KBC group for defensive investors on the Czech market.

RISK CONCENTRATION

Czech market.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

Some of the assets are invested in bonds and debt instruments issued by companies and government bodies.

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
 - o Moody's (Moody's Investors Service);
 - o S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
 - o Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

- In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets
- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
 - in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

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

INVESTMENTS IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The sub-fund will invest primarily in permitted assets other than securities or money market instruments.

Lending financial instruments:

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

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

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

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

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

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

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

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

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

During the period under review confidence in the permanence of the economic recovery worldwide began to grow. The US took an ambitious austerity programme in its stride. The labour market picked up. The Bank of England managed successfully to detach the UK economy from its liquidity drip. Japan broke out of its negative deflationary spiral. Even in the euro area the economic skies appear to be clearing. The stock markets responded warmly to the economic optimism. The bond markets were mesmerised by the prospect of the European Central bank (ECB) following the US example and starting to purchase government paper on a large scale.

Economic growth in 2014 was more than satisfactory. However, the regional differences are (very) wide. Overall, the emerging markets recorded slightly slower growth. Growth accelerated in the West, thanks to the US, but the euro area fell behind.

The US economy is in its seventh year of expansion. During the course of 2014, sentiment changed from economic scepticism to optimism. The driver for this was the recovery in the labour market. This is in sharp contrast to the euro area, where the economy has been stuck in the doldrums for a long time and has only begun showing signs of improvement very recently. The cautious recovery in 2013 was interrupted in 2014. The sanctions by and against Russia did nothing for business confidence, especially in Germany. The tide did not turn until late in 2014. The IFO barometer of business confidence in Germany began climbing again in November. December and January saw an increase in consumer confidence and retail sales throughout the euro area (with the exception of Portugal). It will be clear that the benefits of a weak euro and the low oil prices are at last percolating through to the real economy.

In Japan, 'Abenomics' (the Abe government's large-scale monetary and budgetary stimulation programme) is not having the desired result. More than that, raising the general VAT rate by in April 2014 proved to be disastrous.

Intense economic doubts, realisation that inflation is as good as dead, and central bank intervention are keeping bond yields historically low. Traditionally, bond rates in Germany – the benchmark in the euro area – closely shadow developments in the US market. In this reporting period the reverse applied. In 2014 the call for a European variant of QE became ever louder, driving not just German but also US 10-year rates ever lower. On 2 February the interest on a US 10-year government bond fell to a low. In this regard the fact that the Fed – admittedly choosing its words cautiously – began to hold out the prospect of the first rise in interest rates in seven years had little if any influence. At the end of the reporting period the yield on German bonds of less than seven years date had turned negative.

The further easing of the euro crisis caused a further narrowing of interest rate spreads between the EMU partners, almost without hiccups – except in the case of Greece. Belgian-German spreads also narrowed further to 25 basis points at the end of February 2015.

The S&P 500 set one record after another in the period under review, reaching an all-time high on 24 February 2015.

Of the traditional markets, the US recorded the strongest performance, which was not entirely due to the strengthening of the dollar. The S&P 500 surged from one record to another, with the rally being interrupted only between 18 September and 15 October. Doubts about the economy (fears that the US would be dragged into a downward spiral when it transpired that the German economic engine was stuttering and China also began emitting negative signals) led to a correction, but the sombre mood passed quickly.

Western Europe was unable to sustain the catching-up exercise which began in 2012. Fears that the EMU's problems harboured a systemic risk disappeared completely. Neither the debacle of Banco Espírito Santo nor the threat of a 'Grexit' (February), for example, caused any turmoil. Instead these fears were replaced by fears of deflation. Europe's cheaper valuation (compared with the US) provided little support, as corporate earnings in Europe had already lagged behind considerably for two years, relative to both forecasts and to the pattern of earnings in the United States.

Japan performed more or less in line with the world index. Stock market sentiment fluctuated between hope that 'Abenomics' would break through the deflation spiral and fear that the VAT hikes would prove disastrous for consumer confidence.

2.1.8 FUTURE POLICY

People living in continental Europe might not realise it, but the world economy has reached cruising speed. In the US, growth optimism is on the up: the first swallows heralding an economic spring are reaching the euro area. The main reasons for this were greater consumer purchasing power and an easing of austerity measures. Emerging Asia is likely to follow, although not everyone appears convinced of this.

Bond yields seem to have bottomed out. It would be logical for yields to increase again from the current record lows, on the back of an improved economic environment. As a result, the market might, in the months ahead, start to anticipate tighter monetary policy in 2015 (US) or later (EMU). No significant increase in interest rates is likely in the coming months, however. Fearful of the negative consequences for growth, the central banks will avoid any such hike at any price.

The money market rate won't increase rapidly and bond yields are at historical lows. Everything seems to point to shares being the most attractive investment option for the months ahead. The lack of alternatives is not, of course, sufficient reason to increase the market valuation. For that investors must retain their risk-appetite. Shares are no longer as cheap as they were a while ago: based on forecast earnings for the coming 12 months, the price/earnings ratio is 18.4 for the S&P 500 index and 16.6 for the MSCI Europe. These figures are already on the expensive side. Equities are, however, still dirt-cheap compared with bonds.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fundt)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	2.520.886.039,44	1.177.303.305,40
II. Securities, money market instruments, UCIs and derivatives		
E. Open-end undertakings for collective investment	2.476.840.196,62	1.143.664.817,13
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-7.727.536,81	7.258.043,34
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	30.375.794,17	10.152.601,20
B. Payables		
a) Accounts payable (-)	-8.508.055,80	-14.206.412,55
c) Borrowings (-)	-8.141.723,83	-116.919,58
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	38.916.679,69	31.034.176,14
VI. Accruals and deferrals		
C. Accrued expense (-)	-869.314,60	-483.000,28
TOTAL SHAREHOLDERS' EQUITY	2.520.886.039,44	1.177.303.305,40
A. Capital	2.420.925.251,84	1.123.333.731,52
B. Income equalization	979.032,55	-363.097,07
D. Result for the period	98.981.755,05	54.332.670,95

Off-balance-sheet headings

III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	1.077.396.904,00	477.671.306,70
III.B Written futures and forward contracts	-120.911.019,96	-25.276.158,05

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 (in the currency of the sub-fund)	28/02/2014 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
E. Open-end undertakings for collective investment	138.935.912,85	47.074.931,09
F. Derivative financial instruments		
I) Financial indices		
Futures and forward contracts	921.218,23	167.212,50
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	999.764,36	6.983.798,04
b) Other foreign exchange positions and transactions	-37.485.458,77	2.628.357,63
Det.section I gains and losses on investments		
Realised gains on investments	92.182.444,58	
Unrealised gains on investments	627.082.356,61	
Realised losses on investments	-67.417.101,62	
Unrealised losses on investments	-548.476.262,90	
II. Investment income and expenses		
B. Interests		
b) Cash at bank and in hand and deposits	7.276,02	2.124,35
C. Interest on borrowings (-)	-1.417,40	-3.598,92
III. Other income		
B. Other		7.234,02
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-2.402.598,58	-1.618.144,38
B. Financial expenses (-)	-9.890,99	-10.269,66
C. Custodian's fee (-)		-382,99
D. Manager's fee (-)		
a) Financial management	-535.802,64	-130.044,02
b) Administration and accounting management	-971.462,30	-471.420,12
F. Formation and organisation expenses (-)	-19.113,90	-11.242,70
H. Services and sundry goods (-)	-62.107,81	-31.898,38
J. Taxes	-1.386,70	
K. Other expenses (-)	-393.177,32	-253.985,51
Income and expenditure for the period		
Subtotal II + III + IV	-4.389.681,62	-2.521.628,31
V. Profit (loss) on ordinary activities before tax	98.981.755,05	54.332.670,95
VII. Result for the period	98.981.755,05	54.332.670,95

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND CSOB BALANCED

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC EQUITY FUND AMERICA IS B KAP	427,00	USD	2.285,790	23.918.949,06	0,19	0,97	0,95
KBC EQUITY FUND EUROPE IS	620,00	EUR	1.684,360	28.705.284,85	0,18	1,16	1,14
KBC EQUITY FUND FAMILY ENTERPRISES IS B CAP	430,00	EUR	1.197,980	14.159.674,67	0,38	0,57	0,56
KBC PARTICIPATION LOCAL EMERGING MARKET BONDS KAP IS B	1.951,00	EUR	1.033,950	55.448.788,15	0,30	2,25	2,20
KBC PARTICIPATION PRIV BANK ACTIVE SELECTION KAP	1.293,00	EUR	1.113,940	39.590.918,37	0,30	1,60	1,57
OPTIMUM FUND PRIV BANKING KRATKODOBYCH - KAP	1.039.007,00	CZK	105,420	109.532.117,94	5,04	4,44	4,35
<u>Czech Republic</u>							
CSOB INVESTICNI SPOLECNOST BOND MIX	11.836.320,00	CZK	1,524	18.043.286,21	2,83	0,73	0,72
<u>Luxembourg</u>							
KBC BONDS CORPORATES EURO IS B KAP	2.298,00	EUR	872,960	55.141.632,65	0,21	2,23	2,19
KBC BONDS HIGH INTEREST IS B KAP	921,00	EUR	2.200,680	55.712.388,61	0,16	2,26	2,21
KBC RENTA CZECHRENTA IS B KAP	8.231,00	CZK	41.093,920	338.244.055,52	10,95	13,70	13,42
KBC RENTA STRATEGIC ACCENTS 1 IS B KAP	2.262,00	EUR	1.282,550	79.744.760,42	0,18	3,23	3,16
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
HORIZON CSOB KOMODITNI FOND KAP	142.307,00	CZK	347,550	49.458.797,85	7,69	2,00	1,96
KBC EQUITY FUND BUYBACK AMERICA IS B KAP	827,00	USD	1.615,960	32.750.203,77	0,14	1,33	1,30
KBC EQUITY FUND CENTRAL EUROPE IS B KAP	137,00	EUR	1.062,840	4.002.429,68	0,37	0,16	0,16
KBC EQUITY FUND CONSUMER DURABLES IS B KAP	2.123,00	EUR	586,120	34.203.597,50	0,90	1,39	1,36
KBC EQUITY FUND EUROZONE IS B KAP	3.556,00	EUR	504,680	49.330.225,27	0,13	2,00	1,96
KBC EQUITY FUND GLOBAL LEADERS IS B KAP	3.187,00	EUR	384,690	33.699.868,98	0,60	1,37	1,34
KBC EQUITY FUND HIGH DIVIDEND EUROZONE IS B KAP	2.249,00	EUR	520,200	32.158.446,09	0,30	1,30	1,28
KBC EQUITY FUND HIGH DIVIDEND IS B KAP	863,00	EUR	1.347,960	31.975.920,29	0,15	1,30	1,27
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	901,00	EUR	527,450	13.062.952,26	0,19	0,53	0,52
KBC EQUITY FUND JAPAN IS B KAP	1.335,00	JPY	59.831,000	16.373.969,99	0,22	0,66	0,65
KBC EQUITY FUND NEW ASIA IS B KAP	817,00	EUR	721,040	16.192.602,94	0,13	0,66	0,64
KBC EQUITY FUND QUANT EMU IS B KAP	2.298,00	EUR	777,350	49.102.304,96	0,23	1,99	1,95
KBC EQUITY FUND SATELLITES IS B KAP	512,00	EUR	1.430,200	20.128.063,17	0,19	0,82	0,80
KBC EQUITY FUND STRATEGIC CYCLICALS IS KAP	4.238,00	EUR	901,360	105.001.253,98	0,22	4,25	4,17
KBC EQUITY FUND STRATEGIC FINANCE IS B KAP	7.372,00	EUR	446,390	90.455.511,87	0,22	3,66	3,59
KBC EQUITY FUND STRATEGIC NON CYCLICALS IS B KAP	4.340,00	EUR	383,280	45.723.676,07	0,22	1,85	1,81
KBC EQUITY FUND STRATEGIC TEL & TECHNOLOGY IS B KAP	13.778,00	EUR	168,000	63.625.427,61	0,22	2,58	2,52
KBC EQUITY FUND TURKEY IS B KAP	263,00	TRY	1.480,620	3.794.365,96	0,17	0,15	0,15

KBC EQUITY FUND US SMALL CAPS IS B KAP	525,00	USD	1.555,000	20.006.337,33	0,21	0,81	0,79
KBC MASTER FUND MINIMUM VARIANCE GLOBAL IS B KAP	1.008,00	EUR	1.460,370	40.463.056,63	0,64	1,64	1,61
KBC MULTI INTEREST CSOB CZK MEDIUM IS B KAP	471.585,00	CZK	1.002,170	472.608.339,45	4,80	19,45	18,75
KBC MULTI INTEREST CSOB KRATKODOBY KAP	1.902.490,00	CZK	128,990	245.402.185,10	7,82	9,94	9,74
KBC OBLI INTERNATIONAL KAP	1.701,00	EUR	340,230	15.907.875,04	4,57	0,64	0,63
KBC PARTICIPATION EUROPE FIN BOND OPP KAP	1.176,00	EUR	979,690	31.668.773,86	2,10	1,28	1,26
KBC SELECT IMMO EUROPE PLUS KAP	2.454,00	EUR	1.317,950	88.901.429,60	1,71	3,60	3,53
<u>Luxembourg</u>							
KBC BONDS CAPITAL FUND KAP	611,00	EUR	947,500	15.913.132,57	1,24	0,64	0,63
UCI registered with FSMA							
<u>Belgium</u>							
KBC MULTI TRACK GERMANY KAP	4.298,00	EUR	310,540	36.687.592,35	0,46	1,49	1,46
Total investment funds				2.476.840.196,62		100,31	98,25
Forward contracts		CZK		-7.727.536,81			-0,31
TOTAL SECURITIES PORTFOLIO				2.469.112.659,81		100,00	97,95
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	2.991,95	CAD	1,000	58.720,66			0,00
KBC GROUP CHF	12,03	CHF	1,000	310,97			
KBC GROUP CZK	36.207.395,83	CZK	1,000	36.207.395,83			1,44
KBC GROUP DKK	83,27	DKK	1,000	306,73			
KBC GROUP EURO	-243.751,53	EUR	1,000	-6.700.120,33			-0,27
KBC GROUP GBP	98,81	GBP	1,000	3.742,13			
KBC GROUP JPY	-946.708,00	JPY	1,000	-194.071,83			-0,01
KBC GROUP PLN	24.680,81	PLN	1,000	163.463,35			0,01
KBC GROUP TRY	-9.671,29	TRY	1,000	-94.237,61			0,00
KBC GROUP USD	-47.061,11	USD	1,000	-1.153.294,06			-0,05
Total demand accounts				28.292.215,84			1,12
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP EURO FUT REK	49.455,75	EUR	1,000	1.359.414,96			0,05
KBC GROUP USD FUT REK	45.838,20	USD	1,000	1.123.325,06			0,05
Total managed futures accounts				2.482.740,02			0,10
TOTAL CASH AT BANK AND IN HAND				30.774.955,86			1,22
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP CZK RECEIVABLE	30.375.794,17	CZK	1,000	30.375.794,17			1,21
Total receivables				30.375.794,17			1,21
Payables							
<u>Belgium</u>							
KBC GROUP CZK PAYABLE	-7.420.023,01	CZK	1,000	-7.420.023,01			-0,29
KBC GROUP EUR PAYABLE	-39.582,82	EUR	1,000	-1.088.032,79			-0,04
Payables				-8.508.055,80			-0,34
TOTAL RECEIVABLES AND PAYABLES				21.867.738,37			0,87

OTHER							
Expenses payable		CZK		-869.314,60			-0,03
TOTAL OTHER				-869.314,60			-0,03
TOTAL NET ASSETS				2.520.886.039,44			100,00

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
United Arab Emirates	0,11	0,09	0,06	0,08
Australia	0,74	0,66	1,61	1,65
Austria	1,84	1,22	1,40	2,04
Belgium	5,84	4,42	3,95	2,77
Bulgaria	0,00	0,00	0,22	0,18
Bahrain	0,00	0,00	0,00	0,01
Bermuda	0,14	0,11	0,07	0,03
Brazil	0,36	0,36	0,34	0,29
Canada	0,55	0,82	0,96	0,88
Switzerland	1,10	0,99	1,13	1,14
Chile	0,04	0,02	0,02	0,01
China	0,72	1,10	1,41	1,29
Ivory Coast	0,00	0,00	0,00	0,01
Colombia	0,10	0,13	0,15	0,10
Czech Republic	24,99	21,12	22,81	24,22
Cayman Islands	0,26	0,27	0,20	0,17
Germany	6,10	6,80	4,97	6,94
Denmark	0,20	0,24	0,28	0,72
Egypt	0,03	0,03	0,03	0,04
Spain	2,37	2,28	2,31	1,84
Finland	0,32	0,56	0,44	0,41
France	9,76	9,70	9,01	8,07
Gabon	0,00	0,02	0,02	0,02
U.K.	4,97	5,66	5,32	5,55
Greece	0,02	0,03	0,05	0,03
Hong Kong	0,50	0,88	0,97	0,36
Hungary	0,05	0,09	0,08	0,14
India	0,24	0,20	0,83	0,86
Indonesia	0,15	0,13	0,21	0,11
Ireland	1,62	2,55	2,47	2,60
Iceland	0,02	0,02	0,02	0,02
Israel	0,08	0,04	0,07	0,08
Italy	2,61	3,08	3,03	2,82
Jersey/The Channel Islands	0,16	0,17	0,35	0,22
Japan	1,97	2,42	1,11	2,07
South Korea	1,35	1,45	1,67	1,27
Croatia	0,02	0,02	0,02	0,03
Luxembourg	1,93	1,62	1,77	1,39
Mexico	0,45	0,83	0,60	0,73
Malaysia	0,37	0,62	0,68	0,43
Netherlands	6,13	6,06	6,84	6,18
Norway	0,41	0,36	0,79	0,79
New Zealand	0,01	0,01	0,01	0,01
Peru	0,12	0,23	0,05	0,00
Philippines	0,12	0,13	0,18	0,28
Papua New Guinea	0,00	0,00	0,01	0,01
Poland	0,73	2,08	0,95	2,05
Portugal	0,21	0,13	0,18	0,16
Romania	0,06	0,10	0,44	0,49
Russia	0,18	0,12	0,04	0,04
Saudi Arabia	0,00	0,01	0,02	0,03
Singapore	0,06	0,06	0,05	0,05

Slovenia	0,50	0,33	0,33	0,30
International Organization	0,01	0,02	0,00	0,00
Slovakia	0,50	0,65	0,63	0,66
Sweden	1,54	1,56	1,83	1,36
Thailand	0,32	0,36	0,19	0,17
Turkey	0,16	0,54	1,00	1,33
Taiwan	0,52	0,54	0,73	0,44
U.S.A.	15,80	15,17	14,68	13,24
Outside BLEU territory-(belgo-Lux ec	0,05	0,10	0,09	0,11
EU institutions outside BLEU terr.	0,30	0,57	0,21	0,48
Guernsey The Channel Islands	0,01	0,00	0,00	0,00
South Africa	0,18	0,12	0,11	0,20
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	8,66	9,14	10,22	8,77
Consum(cycl)	7,13	7,02	5,84	7,23
Cons.goods	4,61	3,32	2,84	3,34
Pharma	4,03	3,40	3,14	2,81
Financials	40,24	36,16	36,85	35,57
Technology	3,86	4,85	5,43	4,57
Telecomm.	1,84	1,89	1,86	1,88
Utilities	1,81	1,09	1,33	1,53
Real est.	2,16	2,95	4,13	4,41
Governm.	25,41	29,32	27,54	29,90
Unit trusts	0,01	0,02	0,00	0,00
Various	0,24	0,84	0,82	-0,01
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
AUD	0,32	0,33	0,21	0,20
BRL	0,53	0,56	0,35	0,32
CAD	0,51	0,76	0,87	0,86
CHF	1,06	0,92	0,69	0,65
CLP	0,01	0,01	0,01	0,00
CNY	0,10	0,14	0,11	0,16
COP	0,13	0,18	0,16	0,10
CZK	93,11	89,74	91,72	94,30
DKK	0,19	0,17	0,17	0,23
EUR	-1,52	-3,16	-2,45	-4,61
GBP	2,69	3,71	3,33	3,45
HKD	1,27	1,15	1,38	0,99
HUF	0,05	0,07	0,03	0,09
IDR	0,22	0,21	0,26	0,23
ILS	0,08	0,07	0,02	0,17
INR	0,21	0,29	0,41	0,55
JPY	-0,54	-0,10	-0,50	0,73
KRW	1,02	1,13	1,17	0,79
MXN	0,44	0,75	0,50	0,63
MYR	0,36	0,61	0,69	0,47
NGN	0,02	0,01	0,00	0,00
NLG	0,00	0,00	0,00	0,01
NOK	0,24	0,41	0,35	0,33
NZD	0,01	0,01	0,01	0,01
PEN	0,09	0,20	0,05	0,00
PHP	0,13	0,15	0,16	0,26
PLN	0,24	1,53	0,94	0,53
RON	0,02	0,06	0,04	0,06
RUB	0,17	0,32	0,07	0,07
SEK	0,37	0,50	0,47	0,45
SGD	0,06	0,06	0,05	0,05
SKK	0,00	0,01	0,00	0,01
THB	0,31	0,36	0,20	0,17
TRY	0,09	0,20	0,20	0,44
TWD	0,50	0,50	0,65	0,44
USD	-2,70	-2,01	-2,51	-3,47
ZAR	0,21	0,15	0,19	0,33
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND CSOB BALANCED (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	1.529.315.146,91	1.529.315.146,91
Sales	816.468.287,50	816.468.287,50
Total 1	2.345.783.434,41	2.345.783.434,41
Subscriptions	887.411.428,74	887.411.428,74
Redemptions	135.398.906,68	135.398.906,68
Total 2	1.022.810.335,42	1.022.810.335,42
Monthly average of total assets	1.948.808.183,69	1.948.808.183,69
Turnover rate	67,89 %	67,89 %

	1st half of year	Year
Purchases	1.529.315.146,91	1.529.315.146,91
Sales	816.468.287,50	816.468.287,50
Total 1	2.345.783.434,41	2.345.783.434,41
Subscriptions	887.411.428,74	887.411.428,74
Redemptions	135.398.906,68	135.398.906,68
Total 2	1.022.810.335,42	1.022.810.335,42
Monthly average of total assets	1.878.956.254,78	1.878.956.254,78
Corrected turnover rate	70,41 %	70,41 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 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-USD 150325-150226 24.17644	CZK	365.064.244,00	365.064.244,00	N/A	24.02.2015
KBC AK-VK CZK-EUR 150325-150226 27.39741	CZK	712.332.660,00	712.332.660,00	N/A	25.02.2015
KBC VK-AK CZK-EUR 150325-150302 27.55628	CZK	-86.471.606,64	-86.471.606,64	N/A	26.02.2015
KBC VK-AK JPY-CZK 150325-150226 4.936854	JPY	-168.000.000,00	-34.439.413,32	N/A	24.02.2015

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

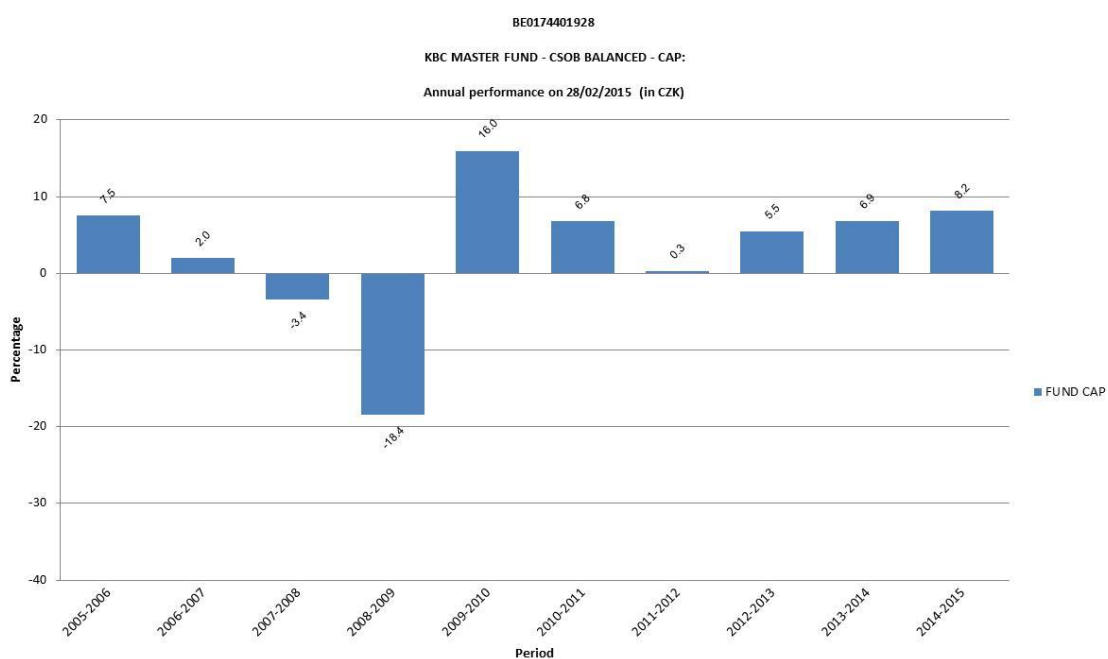
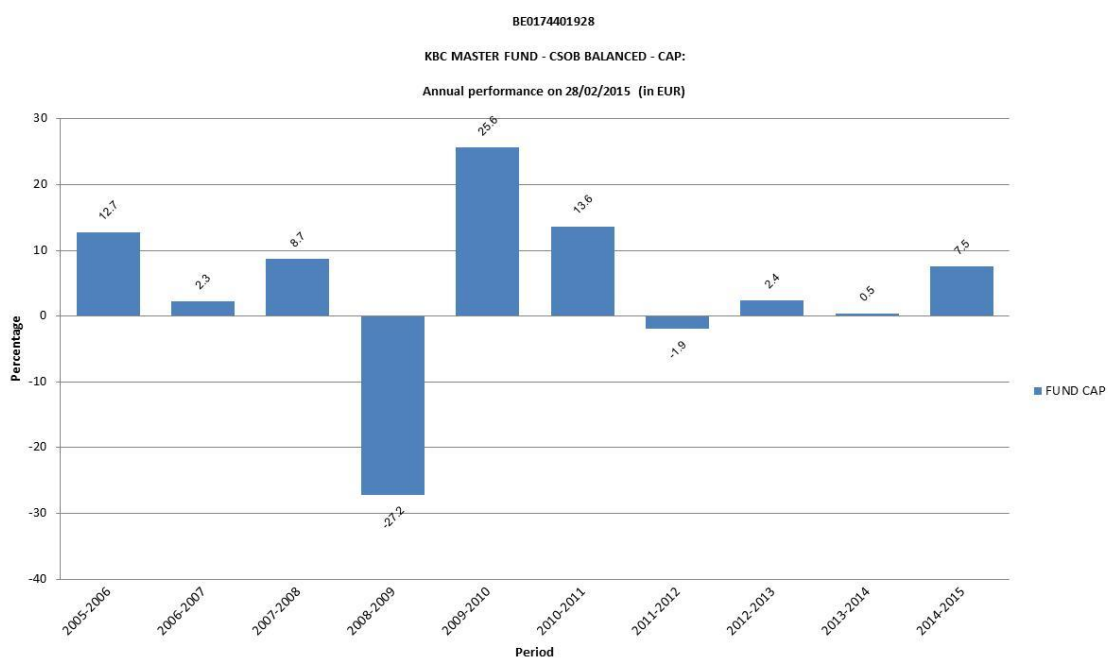
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	171.539,74		86.765,39		394.238,13		394.238,13
2014 - 02*	714.733,51		82.597,28		1.026.374,36		1.026.374,36
2015 - 02*	1.217.260,12		211.774,54		2.031.859,93		2.031.859,93

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	181.070.425,43		89.448.064,40	
2014 - 02*	792.697.590,86		91.818.420,41	
2015 - 02*	1.445.900.560,30		250.000.057,00	

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2013 - 02*	423.200.794,13	1.073,46	
2014 - 02*	1.177.303.305,40	1.147,05	
2015 - 02*	2.520.886.039,44	1.240,68	

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

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur- rency	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	Launch Date	Share classes
CAP	BE0174401928	EUR	7.52%		3.42%		4.28%		3.52%		30/06/2000	3.29%
CAP	BE0174401928	CZK	8.16%		6.85%		5.50%		2.73%		30/06/2000	1.48%

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

* Return on annual basis.

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in CZK and in EUR.
- the return is calculated as the change in the net asset value between two dates expressed as a percentage.
- 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
where Y = D-X
Return on date D since the start date S of the unit:
$$[\text{NAV}(D) / \text{NAV}(S)]^{1 / F} - 1$$
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 n^{th} 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 capitalization shares.

2.4.6 COSTS

Ongoing charges: *
Capitalization: 1.594%

* 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.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1% 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 administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Name	Maximum management fee
KBC Equity Fund-America-Institutional B Shares	1,50
KBC Equity Fund-Europe-Institutional B Shares	1,50
KBC Equity Fund-Family Enterprises-Institutional B Shares	1,60
KBC Participation-Local Emerging Market Bonds-Institutional B Shares	1,20
KBC Participation-Private Banking Active Bond Selection	1,25
Optimum Fund-CSOB Kratkodobych Dluhopisu	0,70
KBC Bonds-Corporates Euro-Institutional B Shares capitalisation	1,10
KBC Bonds-High Interest-Institutional B Shares capitalisation	1,10
KBC Renta-Czechrenta-Institutional B Shares Capitalisation	1,60
KBC Renta-Strategic Accents 1-Institutional B Shares Capitalisation	1,57
Horizon-CSOB Komoditni Fond	2,00
KBC Equity Fund-Buyback America-Institutional B Shares	1,50
KBC Equity Fund-Central Europe-Institutional B Shares	1,60
KBC Equity Fund-Consumer Durables-Institutional B Shares	1,50
KBC Equity Fund-Eurozone-Institutional B Shares	1,50
KBC Equity Fund-Global Leaders-Institutional B Shares	1,50
KBC Equity Fund-High Dividend Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend-Institutional B Shares	1,50
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50
KBC Equity Fund-Japan-Institutional B Shares	1,50
KBC Equity Fund-New Asia-Institutional B Shares	1,60
KBC Equity Fund-Quant EMU-Institutional B Shares	1,50
KBC Equity Fund-Satellites-Institutional B Shares	1,50
KBC Equity Fund-Strategic Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Finance-Institutional B Shares	1,50
KBC Equity Fund-Strategic Non Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Telecom & Technology-Institutional B Shares	1,50
KBC Equity Fund-Turkey-Institutional B Shares	1,60
KBC Equity Fund-US Small Caps-Institutional B Shares	1,50
KBC Master Fund-Minimum Variance Global-Institutional B Shares	1,50
KBC Multi Interest-CSOB CZK Medium-Institutional B Shares Capitalisation	0,60
KBC Multi Interest-CSOB Kratkodoby	1,00
KBC Obli-International	1,10
KBC Participation-Europe Financial Bond Opportunities-Classic Shares	1,00
KBC Select Immo-Europe Plus	1,50
KBC Bonds-Capital Fund-Capitalisation	0,70
KBC Multi Track-Germany-Classic Shares	0,70
KBC Master Fund-CSOB Balanced	1,00

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2 INFORMATION ON KBC MASTER FUND CSOB CONSERVATIVE

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 30 June 2000

Initial subscription price: 1000 CZK

Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

The investment policy aims to track the strategy recommended for an investor with a specific risk profile.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

The UCI may conclude contracts that relate to credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. It relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCI holds directly.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where credit derivatives are used, they are permitted only in order to achieve the investment objectives and within the existing risk profile and may not result in a shift to less creditworthy debtors. Consequently there is no increase in the credit risk. Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors..

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STRATEGY SELECTED

The assets are allocated in line with the investment strategy recommended by the KBC group for highly defensive investors on the Czech market.

RISK CONCENTRATION

Czech market.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

Some of the assets are invested in bonds and debt instruments, without any restriction as to maturity, issued by companies and government bodies.

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
 - o Moody's (Moody's Investors Service);
 - o S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
 - o Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

- In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets
- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
 - in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

INVESTMENTS IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The sub-fund will invest primarily in permitted assets other than securities or money market instruments.

Lending financial instruments:

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

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

- **The choice of principal, agent and every counterparty is subject to strict selection criteria.**
- **The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.**
- **The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.**

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

- **Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.**
- **money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.**
- **government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.**

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

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

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

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

During the period under review confidence in the permanence of the economic recovery worldwide began to grow. The US took an ambitious austerity programme in its stride. The labour market picked up. The Bank of England managed successfully to detach the UK economy from its liquidity drip. Japan broke out of its negative deflationary spiral. Even in the euro area the economic skies appear to be clearing. The stock markets responded warmly to the economic optimism. The bond markets were mesmerised by the prospect of the European Central bank (ECB) following the US example and starting to purchase government paper on a large scale.

Economic growth in 2014 was more than satisfactory. However, the regional differences are (very) wide. Overall, the emerging markets recorded slightly slower growth. Growth accelerated in the West, thanks to the US, but the euro area fell behind.

The US economy is in its seventh year of expansion. During the course of 2014, sentiment changed from economic scepticism to optimism. The driver for this was the recovery in the labour market. This is in sharp contrast to the euro area, where the economy has been stuck in the doldrums for a long time and has only begun showing signs of improvement very recently. The cautious recovery in 2013 was interrupted in 2014. The sanctions by and against Russia did nothing for business confidence, especially in Germany. The tide did not turn until late in 2014. The IFO barometer of business confidence in Germany began climbing again in November. December and January saw an increase in consumer confidence and retail sales throughout the euro area (with the exception of Portugal). It will be clear that the benefits of a weak euro and the low oil prices are at last percolating through to the real economy.

In Japan, 'Abenomics' (the Abe government's large-scale monetary and budgetary stimulation programme) is not having the desired result. More than that, raising the general VAT rate by in April 2014 proved to be disastrous.

Intense economic doubts, realisation that inflation is as good as dead, and central bank intervention are keeping bond yields historically low. Traditionally, bond rates in Germany – the benchmark in the euro area – closely shadow developments in the US market. In this reporting period the reverse applied. In 2014 the call for a European variant of QE became ever louder, driving not just German but also US 10-year rates ever lower. On 2 February the interest on a US 10-year government bond fell to a low. In this regard the fact that the Fed – admittedly choosing its words cautiously – began to hold out the prospect of the first rise in interest rates in seven years had little if any influence. At the end of the reporting period the yield on German bonds of less than seven years date had turned negative.

The further easing of the euro crisis caused a further narrowing of interest rate spreads between the EMU partners, almost without hiccups – except in the case of Greece. Belgian-German spreads also narrowed further to 25 basis points at the end of February 2015.

The S&P 500 set one record after another in the period under review, reaching an all-time high on 24 February 2015.

Of the traditional markets, the US recorded the strongest performance, which was not entirely due to the strengthening of the dollar. The S&P 500 surged from one record to another, with the rally being interrupted only between 18 September and 15 October. Doubts about the economy (fears that the US would be dragged into a downward spiral when it transpired that the German economic engine was stuttering and China also began emitting negative signals) led to a correction, but the sombre mood passed quickly.

Western Europe was unable to sustain the catching-up exercise which began in 2012. Fears that the EMU's problems harboured a systemic risk disappeared completely. Neither the debacle of Banco Espírito Santo nor the threat of a 'Grexit' (February), for example, caused any turmoil. Instead these fears were replaced by fears of deflation. Europe's cheaper valuation (compared with the US) provided little support, as corporate earnings in Europe had already lagged behind considerably for two years, relative to both forecasts and to the pattern of earnings in the United States.

Japan performed more or less in line with the world index. Stock market sentiment fluctuated between hope that 'Abenomics' would break through the deflation spiral and fear that the VAT hikes would prove disastrous for consumer confidence.

2.1.8 FUTURE POLICY

People living in continental Europe might not realise it, but the world economy has reached cruising speed. In the US, growth optimism is on the up: the first swallows heralding an economic spring are reaching the euro area. The main reasons for this were greater consumer purchasing power and an easing of austerity measures. Emerging Asia is likely to follow, although not everyone appears convinced of this.

Bond yields seem to have bottomed out. It would be logical for yields to increase again from the current record lows, on the back of an improved economic environment. As a result, the market might, in the months ahead, start to anticipate tighter monetary policy in 2015 (US) or later (EMU). No significant increase in interest rates is likely in the coming months, however. Fearful of the negative consequences for growth, the central banks will avoid any such hike at any price.

The money market rate won't increase rapidly and bond yields are at historical lows. Everything seems to point to shares being the most attractive investment option for the months ahead. The lack of alternatives is not, of course, sufficient reason to increase the market valuation. For that investors must retain their risk-appetite. Shares are no longer as cheap as they were a while ago: based on forecast earnings for the coming 12 months, the price/earnings ratio is 18.4 for the S&P 500 index and 16.6 for the MSCI Europe. These figures are already on the expensive side. Equities are, however, still dirt-cheap compared with bonds.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fundt)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	8.257.707.648,78	5.813.855.728,00
II. Securities, money market instruments, UCIs and derivatives		
E. Open-end undertakings for collective investment	8.006.335.711,40	5.674.821.156,56
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-15.087.539,19	30.868.522,04
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	76.704.648,26	11.372.756,93
B. Payables		
a) Accounts payable (-)	-14.677.745,37	-17.684.469,39
c) Borrowings (-)	-4.467.670,47	-397.018,04
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	211.197.708,71	117.461.659,34
VI. Accruals and deferrals		
C. Accrued expense (-)	-2.297.464,56	-2.586.879,44
TOTAL SHAREHOLDERS' EQUITY	8.257.707.648,78	5.813.855.728,00
A. Capital	8.085.093.573,46	5.651.921.428,96
B. Income equalization	3.685.233,06	154.532,35
D. Result for the period	168.928.842,26	161.779.766,69

Off-balance-sheet headings

III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	2.922.759.488,00	2.338.638.238,20
III.B Written futures and forward contracts	-86.508.526,33	-292.179.658,77

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 (in the currency of the sub-fund)	28/02/2014 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
E. Open-end undertakings for collective investment	237.065.551,58	142.211.955,17
F. Derivative financial instruments		
I) Financial indices		
Futures and forward contracts	1.675.150,15	411.794,94
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	11.276.483,14	22.457.092,77
b) Other foreign exchange positions and transactions	-70.293.102,95	4.258.878,27
Det.section I gains and losses on investments		
Realised gains on investments	208.324.092,84	
Unrealised gains on investments	441.378.106,51	
Realised losses on investments	-130.038.248,72	
Unrealised losses on investments	-339.939.868,71	
II. Investment income and expenses		
B. Interests		
b) Cash at bank and in hand and deposits	10.270,28	2.050,91
C. Interest on borrowings (-)	-5.598,08	-5.180,59
III. Other income		
B. Other		29.986,41
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-3.616.812,07	-3.360.832,38
B. Financial expenses (-)	-32.942,73	-64.815,24
C. Custodian's fee (-)		-1.322,14
D. Manager's fee (-)		
a) Financial management	-2.528.544,21	-618.523,62
b) Administration and accounting management	-3.433.083,99	-2.944.561,75
F. Formation and organisation expenses (-)	-55.280,95	-69.659,84
H. Services and sundry goods (-)	-75.223,74	-52.728,57
J. Taxes	-1.244,27	-780,60
K. Other expenses (-)	-1.056.779,90	-473.587,05
Income and expenditure for the period		
Subtotal II + III + IV	-10.795.239,66	-7.559.954,46
V. Profit (loss) on ordinary activities before tax	168.928.842,26	161.779.766,69
VII. Result for the period	168.928.842,26	161.779.766,69

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND CSOB CONSERVATIVE

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC EQUITY FUND AMERICA IS B KAP	484,00	USD	2.285,790	27.111.876,69	0,22	0,34	0,33
KBC EQUITY FUND EUROPE IS	704,00	EUR	1.684,360	32.594.387,95	0,20	0,41	0,40
KBC EQUITY FUND FAMILY ENTERPRISES IS B CAP	488,00	EUR	1.197,980	16.069.584,28	0,43	0,20	0,20
KBC PARTICIPATION LOCAL EMERGING MARKET BONDS KAP IS B	5.138,00	EUR	1.033,950	146.025.563,05	0,79	1,83	1,77
KBC PARTICIPATION PRIV BANK ACTIVE SELECTION KAP	2.384,00	EUR	1.113,940	72.996.712,60	0,55	0,91	0,88
OPTIMUM FUND PRIV BANKING KRATKODOBYCH - KAP	4.781.610,00	CZK	105,420	504.077.326,20	23,19	6,31	6,10
<u>Czech Republic</u>							
CSOB INVESTICNI SPOLECNOST BOND MIX	5.872.107,00	CZK	1,524	8.951.439,91	1,41	0,11	0,11
<u>Luxembourg</u>							
KBC BONDS CORPORATES EURO IS B KAP	4.538,00	EUR	872,960	108.891.526,96	0,42	1,36	1,32
KBC BONDS HIGH INTEREST IS B KAP	1.818,00	EUR	2.200,680	109.972.988,58	0,32	1,38	1,33
KBC RENTA CZECHRENTA IS B KAP	35.142,00	CZK	41.093,920	1.444.122.536,64	46,74	18,07	17,49
KBC RENTA SHORT EUR IS B KAP	18.130,00	EUR	726,570	362.084.986,84	13,55	4,53	4,39
KBC RENTA STRATEGIC ACCENTS 1 IS B KAP	2.084,00	EUR	1.282,550	73.469.531,70	0,16	0,92	0,89
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
KBC EQUITY FUND BUYBACK AMERICA IS B KAP	939,00	USD	1.615,960	37.185.539,71	0,16	0,47	0,45
KBC EQUITY FUND CENTRAL EUROPE IS B KAP	155,00	EUR	1.062,840	4.528.296,35	0,42	0,06	0,06
KBC EQUITY FUND CONSUMER DURABLES IS B KAP	2.408,00	EUR	586,120	38.795.225,05	1,02	0,49	0,47
KBC EQUITY FUND EUROZONE IS B KAP	4.035,00	EUR	504,680	55.975.100,94	0,15	0,70	0,68
KBC EQUITY FUND GLOBAL LEADERS IS B KAP	3.616,00	EUR	384,690	38.236.186,46	0,68	0,48	0,46
KBC EQUITY FUND HIGH DIVIDEND EUROZONE IS B KAP	2.552,00	EUR	520,200	36.491.042,43	0,34	0,46	0,44
KBC EQUITY FUND HIGH DIVIDEND IS B KAP	979,00	EUR	1.347,960	36.273.958,24	0,17	0,45	0,44
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	1.022,00	EUR	527,450	14.817.244,40	0,21	0,19	0,18
KBC EQUITY FUND JAPAN IS B KAP	1.515,00	JPY	59.831,000	18.581.696,29	0,25	0,23	0,23
KBC EQUITY FUND NEW ASIA IS B KAP	926,00	EUR	721,040	18.352.937,97	0,15	0,23	0,22
KBC EQUITY FUND QUANT EMU IS B KAP	2.607,00	EUR	777,350	55.704.834,22	0,26	0,70	0,68
KBC EQUITY FUND SATELLITES IS B KAP	581,00	EUR	1.430,200	22.840.634,18	0,22	0,29	0,28
KBC EQUITY FUND STRATEGIC CYCLICALS IS KAP	4.808,00	EUR	901,360	119.123.650,10	0,25	1,49	1,44
KBC EQUITY FUND STRATEGIC FINANCE IS B KAP	8.364,00	EUR	446,390	102.627.496,10	0,25	1,28	1,24
KBC EQUITY FUND STRATEGIC NON CYCLICALS IS B KAP	4.924,00	EUR	383,280	51.876.355,07	0,25	0,65	0,63
KBC EQUITY FUND STRATEGIC TEL & TECHNOLOGY IS B KAP	15.633,00	EUR	168,000	72.191.632,30	0,24	0,90	0,87
KBC EQUITY FUND TURKEY IS B KAP	298,00	TRY	1.480,620	4.299.319,61	0,19	0,05	0,05

KBC EQUITY FUND US SMALL CAPS IS B KAP	596,00	USD	1.555,000	22.711.956,28	0,24	0,28	0,28
KBC MASTER FUND MINIMUM VARIANCE GLOBAL IS B KAP	1.144,00	EUR	1.460,370	45.922.357,93	0,72	0,58	0,56
KBC MULTI INTEREST CSOB CZK MEDIUM IS B KAP	1.480.874,00	CZK	1.002,170	1.484.087.496,58	15,07	18,57	17,97
KBC MULTI INTEREST CSOB KRATKODOBY KAP	11.959.705,00	CZK	128,990	1.542.682.347,95	49,14	19,49	18,68
KBC OBLI INTERNATIONAL KAP	19.598,00	EUR	340,230	183.281.913,57	52,64	2,29	2,22
KBC PARTICIPATION EUROPE FIN BOND OPP KAP	2.709,00	EUR	979,690	72.951.282,64	4,83	0,91	0,88
<u>Luxembourg</u>							
KBC BONDS CAPITAL FUND KAP	7.039,00	EUR	947,500	183.326.579,65	14,24	2,29	2,22
UCI registered with FSMA							
<u>Belgium</u>							
KBC MULTI TRACK GERMANY KAP	4.877,00	EUR	310,540	41.629.918,08	0,53	0,52	0,50
<u>Luxembourg</u>							
KBC INTEREST FUND CASH EURO KAP	4.824,00	EUR	5.999,050	795.472.247,90	20,61	9,95	9,63
Total investment funds				8.006.335.711,40		100,19	96,96
Forward contracts		CZK		-15.087.539,19			-0,18
TOTAL SECURITIES PORTFOLIO				7.991.248.172,21		100,00	96,77
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	659,72	CAD	1,000	12.947,81			
KBC GROUP CHF	100,00	CHF	1,000	2.584,99			
KBC GROUP CZK	206.102.465,05	CZK	1,000	206.102.465,05			2,50
KBC GROUP EURO	-83.790,31	EUR	1,000	-2.303.186,20			-0,03
KBC GROUP GBP	256,99	GBP	1,000	9.732,73			
KBC GROUP HUF	91,75	HUF	1,000	8,32			
KBC GROUP JPY	-1.022.334,00	JPY	1,000	-209.574,90			0,00
KBC GROUP PLN	37.429,19	PLN	1,000	247.897,08			0,00
KBC GROUP TRY	41.087,47	TRY	1,000	400.358,69			0,01
KBC GROUP USD	-79.771,68	USD	1,000	-1.954.909,37			-0,02
Total demand accounts				202.308.324,20			2,45
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP EURO FUT REK	79.129,20	EUR	1,000	2.175.063,93			0,03
KBC GROUP USD FUT REK	91.676,40	USD	1,000	2.246.650,11			0,03
Total managed futures accounts				4.421.714,04			0,05
TOTAL CASH AT BANK AND IN HAND				206.730.038,24			2,50
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP CZK RECEIVABLE	76.704.648,26	CZK	1,000	76.704.648,26			0,93
Total receivables				76.704.648,26			0,93
Payables							
<u>Belgium</u>							
KBC GROUP CZK PAYABLE	-14.677.745,37	CZK	1,000	-14.677.745,37			-0,18
Payables				-14.677.745,37			-0,18
TOTAL RECEIVABLES AND PAYABLES				62.026.902,89			0,75

OTHER							
Expenses payable		CZK		-2.297.464,56			-0,03
TOTAL OTHER				-2.297.464,56			-0,03
TOTAL NET ASSETS				8.257.707.648,78			100,00

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
United Arab Emirates	0,92	1,14	0,45	0,04
Australia	1,40	1,59	2,50	2,32
Austria	2,77	1,65	1,82	2,45
Belgium	11,42	10,16	9,12	6,71
Bulgaria	0,00	0,00	0,22	0,17
Bahrain	0,00	0,00	0,00	0,01
Bermuda	0,06	0,04	0,02	0,01
Brazil	0,16	0,18	0,17	0,17
Canada	0,21	0,35	0,34	0,33
Switzerland	0,39	0,39	0,60	0,84
Chile	0,02	0,01	0,01	0,00
China	0,28	0,88	0,96	1,86
Colombia	0,05	0,07	0,09	0,08
Czech Republic	29,95	25,46	28,64	30,98
Cayman Islands	0,12	0,13	0,09	0,08
Germany	5,56	4,94	4,15	5,06
Denmark	0,43	0,33	0,20	0,65
Egypt	0,02	0,02	0,02	0,02
Spain	1,99	1,72	2,40	2,81
Finland	0,14	0,22	0,18	0,14
France	9,54	10,32	10,09	7,16
Gabon	0,00	0,01	0,01	0,01
U.K.	3,91	4,42	3,65	4,81
Greece	0,01	0,01	0,02	0,01
Hong Kong	0,20	0,82	0,85	0,14
Hungary	0,03	0,05	0,04	0,10
India	0,09	0,08	0,57	0,88
Indonesia	0,06	0,06	0,08	0,06
Ireland	0,64	0,79	0,88	1,17
Iceland	0,03	0,03	0,03	0,03
Israel	0,04	0,02	0,02	0,03
Italy	2,44	2,89	3,75	3,66
Jersey/The Channel Islands	0,06	0,05	0,12	0,10
Japan	0,94	2,06	0,79	1,08
South Korea	0,79	0,91	0,99	0,84
Croatia	0,01	0,01	0,01	0,01
Luxembourg	2,61	1,53	2,24	1,16
Mexico	0,23	0,47	0,35	0,47
Malaysia	0,17	0,33	0,36	0,27
Netherlands	6,96	7,81	7,68	6,91
Norway	0,37	0,38	0,95	0,92
New Zealand	0,01	0,00	0,00	0,00
Peru	0,07	0,13	0,03	0,00
Philippines	0,06	0,07	0,09	0,20
Poland	0,68	2,01	0,95	2,17
Portugal	0,08	0,05	0,06	0,06
Romania	0,03	0,05	0,41	0,49
Russia	0,09	0,05	0,02	0,02
Saudi Arabia	0,00	0,01	0,01	0,02
Singapore	0,02	0,03	0,02	0,02
Slovenia	0,51	0,40	0,35	0,30
International Organization	0,01	0,01	0,00	0,00

Slovakia	0,87	0,87	0,89	1,06
Sweden	1,61	1,41	1,56	1,10
Thailand	0,15	0,19	0,08	0,09
Turkey	0,08	0,58	0,98	1,27
Taiwan	0,20	0,23	0,25	0,15
U.S.A.	10,14	10,94	8,46	7,82
Outside BLEU territory-(belgo-Lux ec	0,06	0,11	0,12	0,15
EU institutions outside BLEU terr.	0,23	0,47	0,21	0,41
South Africa	0,08	0,06	0,05	0,12
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	3,83	4,34	4,75	6,31
Consum(cycl)	3,39	4,00	2,89	3,65
Cons.goods	1,80	1,47	1,06	1,56
Pharma	1,56	1,43	1,08	1,00
Financials	49,63	43,69	43,16	37,41
Technology	1,49	2,05	2,07	1,60
Telecomm.	1,07	1,29	0,94	0,95
Utilities	1,67	0,51	1,22	1,52
Real est.	0,68	2,46	0,47	0,43
Governm.	34,78	37,96	41,53	44,88
Unit trusts	0,01	0,01	0,00	0,00
Various	0,09	0,79	0,83	0,69
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
AUD	0,12	0,14	0,07	0,07
BRL	0,26	0,30	0,18	0,20
CAD	0,19	0,32	0,30	0,32
CHF	0,37	0,37	0,20	0,21
CLP	0,01	0,00	0,00	0,00
CNY	0,06	0,08	0,07	0,10
COP	0,07	0,10	0,09	0,07
CZK	98,52	97,57	98,58	100,28
DKK	0,08	0,07	0,06	0,08
EUR	-1,73	-3,30	-3,35	-4,62
GBP	0,89	1,51	0,90	0,92
HKD	0,49	0,49	0,49	0,36
HUF	0,03	0,03	0,01	0,06
IDR	0,09	0,10	0,11	0,15
ILS	0,04	0,04	0,01	0,11
INR	0,08	0,14	0,16	0,28
JPY	-0,35	-0,45	-0,06	0,24
KRW	0,46	0,55	0,46	0,37
MXN	0,23	0,42	0,30	0,41
MYR	0,17	0,33	0,37	0,29
NGN	0,01	0,00	0,00	0,00
NLG	0,00	0,00	0,00	0,01
NOK	0,12	0,22	0,19	0,18
NZD	0,01	0,00	0,00	0,00
PEN	0,05	0,11	0,03	0,00
PHP	0,06	0,08	0,08	0,19
PLN	0,13	1,30	0,95	0,30
RON	0,01	0,03	0,01	0,04
RUB	0,09	0,18	0,04	0,05
SEK	0,10	0,14	0,06	0,06
SGD	0,02	0,03	0,02	0,02
SKK	0,00	0,01	0,00	0,00
THB	0,15	0,19	0,08	0,09
TRY	0,04	0,11	0,11	0,26
TWD	0,19	0,21	0,22	0,15
USD	-1,16	-1,50	-0,84	-1,47
ZAR	0,10	0,08	0,10	0,22
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND CSOB CONSERVATIVE (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	3.853.683.765,50	3.853.683.765,50
Sales	1.918.220.103,38	1.918.220.103,38
Total 1	5.771.903.868,88	5.771.903.868,88
Subscriptions	2.563.908.784,53	2.563.908.784,53
Redemptions	516.308.837,91	516.308.837,91
Total 2	3.080.217.622,44	3.080.217.622,44
Monthly average of total assets	6.888.211.899,77	6.888.211.899,77
Turnover rate	39,08 %	39,08 %

	1st half of year	Year
Purchases	3.853.683.765,50	3.853.683.765,50
Sales	1.918.220.103,38	1.918.220.103,38
Total 1	5.771.903.868,88	5.771.903.868,88
Subscriptions	2.563.908.784,53	2.563.908.784,53
Redemptions	516.308.837,91	516.308.837,91
Total 2	3.080.217.622,44	3.080.217.622,44
Monthly average of total assets	6.428.675.057,17	6.428.675.057,17
Corrected turnover rate	41,87 %	41,87 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 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-USD 150325-150226 24.17644	CZK	543.969.900,00	543.969.900,00	N/A	24.02.2015
KBC AK-VK CZK-EUR 150325-150226 27.40541	CZK	2.378.789.588,00	2.378.789.588,00	N/A	25.02.2015
KBC VK-AK JPY-CZK 150325-150226 4.936854	JPY	-422.000.000,00	-86.508.526,33	N/A	24.02.2015

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

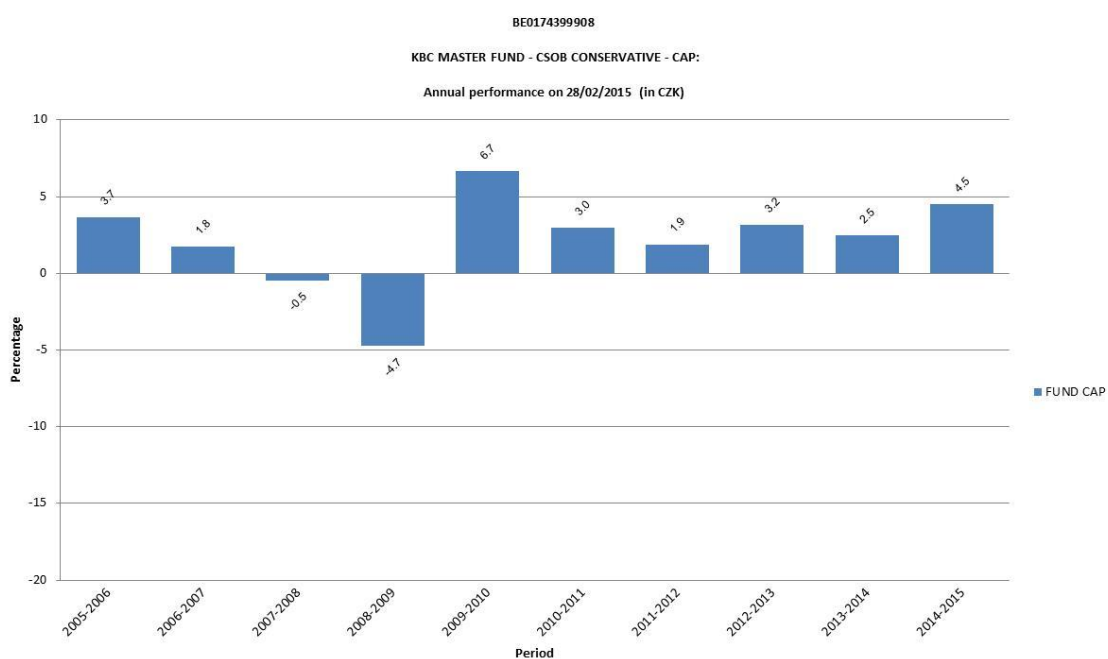
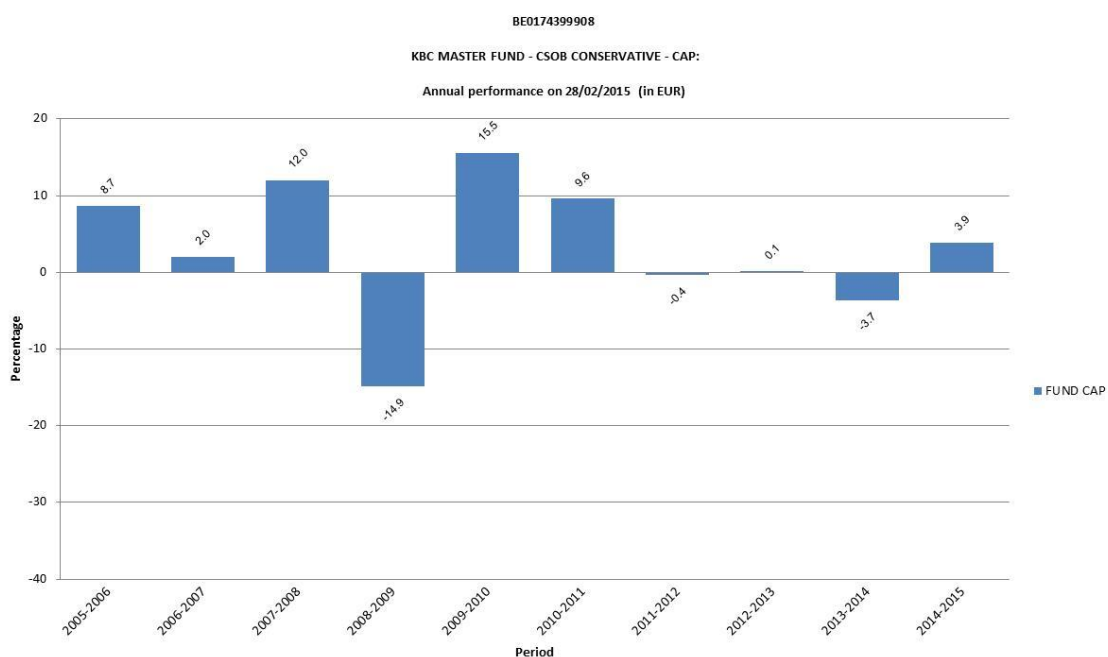
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	2.855.295,40		660.460,01		3.219.169,63		3.219.169,63
2014 - 02*	1.890.805,77		1.014.980,26		4.094.995,14		4.094.995,14
2015 - 02*	2.397.231,38		927.019,20		5.565.207,32		5.565.207,32

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	3.277.449.373,29		902.097.581,08	
2014 - 02*	2.639.357.349,50		1.421.905.538,32	
2015 - 02*	3.488.058.004,76		1.336.080.661,86	

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2013 - 02*	4.459.861.305,28	1.385,41	
2014 - 02*	5.813.855.728,01	1.419,75	
2015 - 02*	8.257.707.648,78	1.483,81	

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

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur- rency	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	Launch Date	Share classes
CAP	BE0174399908	EUR	3.89%		0.08%		1.82%		2.94%		30/06/2000	4.57%
CAP	BE0174399908	CZK	4.51%		3.39%		3.01%		2.15%		30/06/2000	2.73%

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.
- 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
where Y = D-X
Return on date D since the start date S of the unit:
$$[\text{NAV}(D) / \text{NAV}(S)]^{1 / F} - 1$$
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 n^{th} 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 capitalization shares.

2.4.6 COSTS

Ongoing charges: *
Capitalization: 1.156%

* 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.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1% 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 administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Name	Maximum management fee
KBC Equity Fund-America-Institutional B Shares	1,50
KBC Equity Fund-Europe-Institutional B Shares	1,50
KBC Equity Fund-Family Enterprises-Institutional B Shares	1,60
KBC Participation-Local Emerging Market Bonds-Institutional B Shares	1,20
KBC Participation-Private Banking Active Bond Selection	1,25
Optimum Fund-CSOB Kratkodobych Dluhopisu	0,70
KBC Bonds-Corporates Euro-Institutional B Shares capitalisation	1,10
KBC Bonds-High Interest-Institutional B Shares capitalisation	1,10
KBC Renta-Czechrenta-Institutional B Shares Capitalisation	1,60
KBC Renta-Short EUR-Institutional B Shares Capitalisation	1,10
KBC Renta-Strategic Accents 1-Institutional B Shares Capitalisation	1,57
KBC Equity Fund-Buyback America-Institutional B Shares	1,50
KBC Equity Fund-Central Europe-Institutional B Shares	1,60
KBC Equity Fund-Consumer Durables-Institutional B Shares	1,50
KBC Equity Fund-Eurozone-Institutional B Shares	1,50
KBC Equity Fund-Global Leaders-Institutional B Shares	1,50
KBC Equity Fund-High Dividend Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend-Institutional B Shares	1,50
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50
KBC Equity Fund-Japan-Institutional B Shares	1,50
KBC Equity Fund-New Asia-Institutional B Shares	1,60
KBC Equity Fund-Quant EMU-Institutional B Shares	1,50
KBC Equity Fund-Satellites-Institutional B Shares	1,50
KBC Equity Fund-Strategic Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Finance-Institutional B Shares	1,50
KBC Equity Fund-Strategic Non Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Telecom & Technology-Institutional B Shares	1,50
KBC Equity Fund-Turkey-Institutional B Shares	1,60
KBC Equity Fund-US Small Caps-Institutional B Shares	1,50
KBC Master Fund-Minimum Variance Global-Institutional B Shares	1,50
KBC Multi Interest-CSOB CZK Medium-Institutional B Shares Capitalisation	0,60
KBC Multi Interest-CSOB Kratkodoby	1,00
KBC Obli-International	1,10
KBC Participation-Europe Financial Bond Opportunities-Classic Shares	1,00
KBC Bonds-Capital Fund-Capitalisation	0,70
KBC Multi Track-Germany-Classic Shares	0,70
KBC Interest fund-CASH EURO-Capitalisation	0,50
KBC Master Fund-CSOB Conservative	1,00

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2 INFORMATION ON KBC MASTER FUND MEDIUM

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 24 December 1993
Initial subscription price: 20000 BEF
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

The investment policy aims to track the strategy recommended for an investor with a specific risk profile.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

The UCI may conclude contracts that relate to credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. It relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCI holds directly.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where credit derivatives are used, they are permitted only in order to achieve the investment objectives and within the existing risk profile and may not result in a shift to less creditworthy debtors. Consequently there is no increase in the credit risk. Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors..

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STRATEGY SELECTED

The sub-fund primarily invests its assets, directly or indirectly via financial instruments with a similar evolution, in international equities and bonds. A target range is allocated to these assets. The target range is 55 % equities or equity-related investments, 45 % bonds or bond-related investments, and 0 % in each of the other asset classes.

Depending on the expectations regarding the development of these assets, it is decided which assets will be overweighted or underweighted with respect to the above target ranges. This will be decided in line with the monthly investment strategy of KBC Asset Management NV, as reflected on www.kbcam.be/assetclasses. The fund will typically invest as much in equities as in bonds.

The equity component will invest in a global selection of stocks, all regions, sectors and themes can be taken into account.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

Some of the assets are invested directly or indirectly in bonds and debt instruments issued by both companies and government bodies.

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
 - o Moody's (Moody's Investors Service);
 - o S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
 - o Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

- In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets
- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
 - in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

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

INVESTMENTS IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The sub-fund will invest primarily in permitted assets other than securities or money market instruments.

Lending financial instruments:

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

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

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

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

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

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

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

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

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

During the period under review confidence in the permanence of the economic recovery worldwide began to grow. The US took an ambitious austerity programme in its stride. The labour market picked up. The Bank of England managed successfully to detach the UK economy from its liquidity drip. Japan broke out of its negative deflationary spiral. Even in the euro area the economic skies appear to be clearing. The stock markets responded warmly to the economic optimism. The bond markets were mesmerised by the prospect of the European Central bank (ECB) following the US example and starting to purchase government paper on a large scale.

Economic growth in 2014 was more than satisfactory. However, the regional differences are (very) wide. Overall, the emerging markets recorded slightly slower growth. Growth accelerated in the West, thanks to the US, but the euro area fell behind.

The US economy is in its seventh year of expansion. During the course of 2014, sentiment changed from economic scepticism to optimism. The driver for this was the recovery in the labour market. This is in sharp contrast to the euro area, where the economy has been stuck in the doldrums for a long time and has only begun showing signs of improvement very recently. The cautious recovery in 2013 was interrupted in 2014. The sanctions by and against Russia did nothing for business confidence, especially in Germany. The tide did not turn until late in 2014. The IFO barometer of business confidence in Germany began climbing again in November. December and January saw an increase in consumer confidence and retail sales throughout the euro area (with the exception of Portugal). It will be clear that the benefits of a weak euro and the low oil prices are at last percolating through to the real economy.

In Japan, 'Abenomics' (the Abe government's large-scale monetary and budgetary stimulation programme) is not having the desired result. More than that, raising the general VAT rate by in April 2014 proved to be disastrous.

Intense economic doubts, realisation that inflation is as good as dead, and central bank intervention are keeping bond yields historically low. Traditionally, bond rates in Germany – the benchmark in the euro area – closely shadow developments in the US market. In this reporting period the reverse applied. In 2014 the call for a European variant of QE became ever louder, driving not just German but also US 10-year rates ever lower. On 2 February the interest on a US 10-year government bond fell to a low. In this regard the fact that the Fed – admittedly choosing its words cautiously – began to hold out the prospect of the first rise in interest rates in seven years had little if any influence. At the end of the reporting period the yield on German bonds of less than seven years date had turned negative.

The further easing of the euro crisis caused a further narrowing of interest rate spreads between the EMU partners, almost without hiccups – except in the case of Greece. Belgian-German spreads also narrowed further to 25 basis points at the end of February 2015.

The S&P 500 set one record after another in the period under review, reaching an all-time high on 24 February 2015.

Of the traditional markets, the US recorded the strongest performance, which was not entirely due to the strengthening of the dollar. The S&P 500 surged from one record to another, with the rally being interrupted only between 18 September and 15 October. Doubts about the economy (fears that the US would be dragged into a downward spiral when it transpired that the German economic engine was stuttering and China also began emitting negative signals) led to a correction, but the sombre mood passed quickly.

Western Europe was unable to sustain the catching-up exercise which began in 2012. Fears that the EMU's problems harboured a systemic risk disappeared completely. Neither the debacle of Banco Espírito Santo nor the threat of a 'Grexit' (February), for example, caused any turmoil. Instead these fears were replaced by fears of deflation. Europe's cheaper valuation (compared with the US) provided little support, as corporate earnings in Europe had already lagged behind considerably for two years, relative to both forecasts and to the pattern of earnings in the United States.

Japan performed more or less in line with the world index. Stock market sentiment fluctuated between hope that 'Abenomics' would break through the deflation spiral and fear that the VAT hikes would prove disastrous for consumer confidence.

2.1.8 FUTURE POLICY

People living in continental Europe might not realise it, but the world economy has reached cruising speed. In the US, growth optimism is on the up: the first swallows heralding an economic spring are reaching the euro area. The main reasons for this were greater consumer purchasing power and an easing of austerity measures. Emerging Asia is likely to follow, although not everyone appears convinced of this.

Bond yields seem to have bottomed out. It would be logical for yields to increase again from the current record lows, on the back of an improved economic environment. As a result, the market might, in the months ahead, start to anticipate tighter monetary policy in 2015 (US) or later (EMU). No significant increase in interest rates is likely in the coming months, however. Fearful of the negative consequences for growth, the central banks will avoid any such hike at any price.

The money market rate won't increase rapidly and bond yields are at historical lows. Everything seems to point to shares being the most attractive investment option for the months ahead. The lack of alternatives is not, of course, sufficient reason to increase the market valuation. For that investors must retain their risk-appetite. Shares are no longer as cheap as they were a while ago: based on forecast earnings for the coming 12 months, the price/earnings ratio is 18.4 for the S&P 500 index and 16.6 for the MSCI Europe. These figures are already on the expensive side. Equities are, however, still dirt-cheap compared with bonds.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fundt)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	132.872.402,48	120.751.527,17
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		6.365.416,44
E. Open-end undertakings for collective investment	130.489.061,62	115.137.070,11
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	53.585,01	-28.798,71
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	39.602,41	3.501,02
B. Payables		
a) Accounts payable (-)	-269.299,43	-42.651,71
c) Borrowings (-)	-58.631,15	-878.435,48
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	2.643.304,99	194.467,13
VI. Accruals and deferrals		
A. Expense to be carried forward		4.410,07
B. Accrued income		24.672,25
C. Accrued expense (-)	-25.220,97	-28.123,95
TOTAL SHAREHOLDERS' EQUITY	132.872.402,48	120.751.527,17
A. Capital	117.544.611,48	111.158.766,06
B. Income equalization	-9.345,01	6.006,60
D. Result for the period	15.337.136,01	9.586.754,51

Off-balance-sheet headings

III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	5.311.281,15	6.406.747,76

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 (in the currency of the sub-fund)	28/02/2014 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds		406.780,01
E. Open-end undertakings for collective investment	12.903.591,41	9.852.750,15
F. Derivative financial instruments		
a) Bonds		
Futures and forward contracts		980,00
l) Financial indices		
Futures and forward contracts	-103.902,40	87.102,01
G. Receivables, deposits, cash at bank and in hand and payables		0,01
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-73.309,82	-99.540,37
b) Other foreign exchange positions and transactions	2.892.674,65	-603.989,29
Det.section I gains and losses on investments		
Realised gains on investments	8.155.995,35	
Unrealised gains on investments	3.469.474,46	
Realised losses on investments	-392.347,73	
Unrealised losses on investments	4.385.931,76	
II. Investment income and expenses		
B. Interests		
a) Securities and money market instruments		261.807,46
b) Cash at bank and in hand and deposits	2.135,64	166,45
C. Interest on borrowings (-)	-1.477,64	-592,85
III. Other income		
B. Other		4.180,13
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-110.255,97	-123.630,88
B. Financial expenses (-)	-726,95	-1.331,39
C. Custodian's fee (-)	-1.909,47	-2.491,79
D. Manager's fee (-)		
a) Financial management	-99.381,74	-122.358,65
b) Administration and accounting management	-62.044,73	-60.813,70
F. Formation and organisation expenses (-)	-1.080,65	-1.395,32
H. Services and sundry goods (-)	-2.364,25	-1.530,48
J. Taxes	-849,93	-4.239,30
K. Other expenses (-)	-3.962,14	-5.097,69
Income and expenditure for the period		
Subtotal II + III + IV	-281.917,83	-57.328,01
V. Profit (loss) on ordinary activities before tax	15.337.136,01	9.586.754,51
VII. Result for the period	15.337.136,01	9.586.754,51

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND MEDIUM

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC EQUITY FUND AMERICA IS B KAP	1.123,00	USD	2.285,790	2.288.541,14	0,50	1,75	1,72
KBC EQUITY FUND EUROPE IS	1.633,00	EUR	1.684,360	2.750.559,88	0,47	2,11	2,07
KBC EQUITY FUND FAMILY ENTERPRISES IS B CAP	1.132,00	EUR	1.197,980	1.356.113,36	1,00	1,04	1,02
KBC PARTICIPATION LOCAL EMERGING MARKET BONDS KAP IS B	3.202,90	EUR	1.033,950	3.311.642,59	0,49	2,54	2,49
<u>Luxembourg</u>							
KBC BONDS CORPOR USD IS B KAP	1.489,56	USD	1.051,950	1.396.998,79	0,45	1,07	1,05
KBC BONDS CORPORATES EURO IS B KAP	4.504,39	EUR	872,960	3.932.149,68	0,42	3,01	2,96
KBC BONDS EMU SHORTIS B KAP	3.977,70	EUR	1.071,860	4.263.538,59	0,33	3,27	3,21
KBC BONDS HIGH INTEREST IS B KAP	1.880,66	EUR	2.200,680	4.138.728,65	0,33	3,17	3,12
KBC INTEREST FUND EURO MEDIUM IS B_KAP	1.349,49	EUR	4.179,550	5.640.273,47	0,33	4,32	4,25
KBC RENTA EMURENTA IS B KAP	2.646,43	EUR	647,680	1.714.037,19	0,34	1,31	1,29
KBC RENTA EURORENTA IS B KAP	589,79	EUR	2.906,540	1.714.236,60	0,27	1,31	1,29
KBC RENTA MEDIUM EUR IS B KAP	0,65	EUR	1.132,140	740,42	0,00	0,00	0,00
KBC RENTA STRATEGIC ACCENTS 1 IS B KAP	6.227,36	EUR	1.282,550	7.986.901,85	0,49	6,12	6,01
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
CELEST CURRENCY STRATEGY LACERTA IS B	954,00	EUR	1.024,570	977.439,78	0,60	0,75	0,74
CELEST VOLATILITY STRATEGY ANDROMEDA IS B	887,00	EUR	969,070	859.565,09	0,50	0,66	0,65
KBC EQUITY FUND BUYBACK AMERICA IS B KAP	2.177,00	USD	1.615,960	3.136.401,66	0,38	2,40	2,36
KBC EQUITY FUND CENTRAL EUROPE IS B KAP	360,00	EUR	1.062,840	382.622,40	0,98	0,29	0,29
KBC EQUITY FUND CONSUMER DURABLES IS B KAP	5.586,00	EUR	586,120	3.274.066,32	2,35	2,51	2,46
KBC EQUITY FUND EUROZONE IS B KAP	9.360,00	EUR	504,680	4.723.804,80	0,34	3,62	3,56
KBC EQUITY FUND GLOBAL LEADERS IS B KAP	8.389,00	EUR	384,690	3.227.164,41	1,57	2,47	2,43
KBC EQUITY FUND HIGH DIVIDEND EUROZONE IS B KAP	5.920,00	EUR	520,200	3.079.584,00	0,79	2,36	2,32
KBC EQUITY FUND HIGH DIVIDEND IS B KAP	2.272,00	EUR	1.347,960	3.062.565,12	0,39	2,35	2,31
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	2.371,00	EUR	527,450	1.250.583,95	0,49	0,96	0,94
KBC EQUITY FUND JAPAN IS B KAP	3.514,00	JPY	59.831,000	1.567.971,29	0,57	1,20	1,18
KBC EQUITY FUND NEW ASIA IS B KAP	2.149,00	EUR	721,040	1.549.514,96	0,34	1,19	1,17
KBC EQUITY FUND QUANT EMU IS B KAP	6.048,00	EUR	777,350	4.701.412,80	0,61	3,60	3,54
KBC EQUITY FUND SATELLITES IS B KAP	1.347,00	EUR	1.430,200	1.926.479,40	0,50	1,48	1,45
KBC EQUITY FUND STRATEGIC CYCLICALS IS KAP	11.154,00	EUR	901,360	10.053.769,44	0,58	7,74	7,57
KBC EQUITY FUND STRATEGIC FINANCE IS B KAP	19.403,00	EUR	446,390	8.661.305,17	0,57	6,64	6,52
KBC EQUITY FUND STRATEGIC NON CYCLICALS IS B KAP	11.422,00	EUR	383,280	4.377.824,16	0,58	3,35	3,30
KBC EQUITY FUND STRATEGIC TEL & TECHNOLOGY IS B KAP	36.265,00	EUR	168,000	6.092.520,00	0,57	4,67	4,59
KBC EQUITY FUND TURKEY IS B KAP	692,00	TRY	1.480,620	363.207,09	0,45	0,28	0,27

KBC EQUITY FUND US SMALL CAPS IS B KAP	1.382,00	USD	1.555,000	1.915.936,34	0,55	1,47	1,44
KBC MASTER FUND MINIMUM VARIANCE GLOBAL IS B KAP	2.653,00	EUR	1.460,370	3.874.361,61	1,68	2,97	2,92
KBC MULTI INTEREST CURRENCIES IS KAP	3.081,00	EUR	1.051,950	3.241.057,95	0,56	2,48	2,44
KBC PARTICIPATION COMMODITIES IS B	2.065,00	EUR	809,310	1.671.225,15	0,53	1,28	1,26
KBC PARTICIPATION SRI CORPORATE BONDS IS B KAP	3.149,35	EUR	1.258,910	3.964.749,47	0,38	3,04	2,98
PRIVILEGED PORTFOLIO REAL ESTATE IS B KAP	4.567,00	EUR	580,020	2.648.951,34	0,59	2,03	1,99
UCI registered with FSMA							
<u>Belgium</u>							
KBC MULTI TRACK GERMANY KAP	11.314,00	EUR	310,540	3.513.449,56	1,22	2,69	2,64
<u>Luxembourg</u>							
KBC INTEREST FUND CASH EURO KAP	983,00	EUR	5.999,050	5.897.066,15	4,20	4,52	4,44
Total investment funds				130.489.061,62		99,96	98,21
Forward contracts		EUR		53.585,01			0,04
TOTAL SECURITIES PORTFOLIO				130.542.646,63		100,00	98,25
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	363,15	AUD	1,000	253,43			
KBC GROUP CAD	666,91	CAD	1,000	476,18			
KBC GROUP CHF	493,24	CHF	1,000	463,85			
KBC GROUP CZK	6.581,46	CZK	1,000	239,43			
KBC GROUP DKK	2.005,64	DKK	1,000	268,77			
KBC GROUP EURO	2.380.711,88	EUR	1,000	2.380.711,88			1,79
KBC GROUP GBP	1.198,95	GBP	1,000	1.651,90			0,00
KBC GROUP HUF	7.757,82	HUF	1,000	25,60			
KBC GROUP JPY	-4.368.752,00	JPY	1,000	-32.581,23			-0,03
KBC GROUP NOK	977,72	NOK	1,000	114,24			
KBC GROUP NZD	0,24	NZD	1,000	0,16			
KBC GROUP PLN	3.741,82	PLN	1,000	901,59			0,00
KBC GROUP SEK	2.057,24	SEK	1,000	219,90			
KBC GROUP TRY	87.127,92	TRY	1,000	30.886,02			0,02
KBC GROUP USD	-29.218,89	USD	1,000	-26.049,92			-0,02
Total demand accounts				2.357.581,80			1,77
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP EURO FUT REK	146.189,80	EUR	1,000	146.189,80			0,11
KBC GROUP USD FUT REK	90.744,00	USD	1,000	80.902,24			0,06
Total managed futures accounts				227.092,04			0,17
TOTAL CASH AT BANK AND IN HAND				2.584.673,84			1,95
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	6.788,14	EUR	1,000	6.788,14			0,01
KBC GROUP JPY RECEIVABLE	4.400.000,00	JPY	1,000	32.814,27			0,03
Total receivables				39.602,41			0,03

Payables							
<u>Belgium</u>							
KBC GROUP EUR PAYABLE	-269.299,43	EUR	1,000	-269.299,43			-0,20
Payables				-269.299,43			-0,20
TOTAL RECEIVABLES AND PAYABLES				-229.697,02			-0,17
OTHER							
Expenses payable		EUR		-25.220,97			-0,02
TOTAL OTHER				-25.220,97			-0,02
TOTAL NET ASSETS				132.872.402,48			100,00

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
United Arab Emirates	0,03	0,06	0,36	0,04
Argentina	0,01	0,02	0,00	0,00
Australia	0,87	0,83	1,64	1,34
Austria	1,06	0,82	0,78	0,42
Belgium	3,43	2,99	5,02	4,06
Bahrain	0,00	0,02	0,01	0,00
Bermuda	0,24	0,18	0,13	0,07
Brazil	0,68	0,61	0,55	0,49
Canada	1,01	1,36	1,93	1,92
Switzerland	1,79	1,57	1,31	1,20
Chile	0,07	0,04	0,04	0,02
China	1,21	1,05	1,71	1,68
Ivory Coast	0,00	0,00	0,00	0,01
Colombia	0,21	0,20	0,24	0,13
Czech Republic	0,05	0,10	0,10	0,09
Cayman Islands	0,37	0,33	0,37	0,25
Germany	9,57	10,82	9,15	11,19
Denmark	0,30	0,39	0,47	0,52
Egypt	0,01	0,01	0,01	0,01
Spain	4,61	5,34	4,70	4,70
Finland	0,55	0,93	0,87	0,75
France	12,09	12,21	11,95	10,70
Gabon	0,00	0,06	0,04	0,02
U.K.	4,69	4,43	4,72	5,61
Greece	0,04	0,05	0,09	0,05
Hong Kong	0,98	0,75	0,85	0,74
Hungary	0,11	0,19	0,15	0,32
India	0,40	0,33	0,76	0,53
Indonesia	0,33	0,34	0,41	0,20
Ireland	7,28	8,51	1,44	3,78
Iceland	0,01	0,01	0,01	0,00
Israel	0,13	0,07	0,12	0,15
Italy	6,25	6,53	4,90	4,81
Jersey/The Channel Islands	0,25	0,16	0,20	0,14
Japan	3,20	2,98	2,08	3,98
Kazakhstan	0,01	0,03	0,00	0,00
South Korea	1,69	1,50	2,12	1,45
Croatia	0,02	0,04	0,04	0,00
Luxembourg	1,18	0,91	1,80	1,39
Mexico	0,69	0,77	0,76	0,83
Malaysia	0,61	0,60	0,98	0,77
North America	0,01	0,01	0,00	0,00
Nigeria	0,01	0,00	0,00	0,00
Netherlands	5,33	4,97	5,37	4,69
Norway	0,37	0,28	0,26	0,62
New Zealand	0,03	0,01	0,02	0,14
Ukraine	0,03	0,02	0,02	0,00
Panama	0,02	0,02	0,01	0,00
Peru	0,17	0,17	0,09	0,00
Philippines	0,24	0,23	0,29	0,37
Papua New Guinea	0,01	0,01	0,02	0,01
Poland	0,50	1,59	1,24	1,10

Portugal	0,34	0,20	0,33	0,25
Romania	0,05	0,12	0,07	0,35
Russia	0,33	0,31	0,16	0,07
Saudi Arabia	0,00	0,02	0,02	0,05
Singapore	0,17	0,14	0,19	0,15
Slovenia	0,01	0,04	0,03	0,03
International Organization	0,02	0,02	0,00	0,00
Slovakia	0,03	0,05	0,04	0,04
Sweden	0,82	0,90	0,77	0,63
Thailand	0,51	0,40	0,33	0,46
Turkey	0,34	0,43	0,32	0,74
Taiwan	0,88	0,88	1,39	0,86
U.S.A.	22,81	20,28	25,55	24,09
Venezuela	0,11	0,11	0,06	0,00
British Virgin Islands	0,00	0,01	0,01	0,00
Outside BLEU territory-(belgo-Lux ec	0,06	0,03	0,10	0,10
EU institutions outside BLEU terr.	0,44	0,37	0,26	0,51
South Africa	0,33	0,24	0,24	0,38
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	13,72	14,07	16,52	16,18
Consum(cycl)	11,32	10,38	10,90	13,60
Cons.goods	7,97	5,48	5,45	6,67
Pharma	6,89	5,62	5,94	5,50
Financials	27,25	27,78	27,10	23,92
Technology	6,49	7,84	10,30	8,75
Telecomm.	2,66	2,86	2,98	3,49
Utilities	2,83	2,16	2,72	3,01
Real est.	2,67	2,55	3,63	3,71
Governm.	18,05	20,91	14,20	15,13
Unit trusts	0,06	0,07	0,03	0,00
Various	0,09	0,28	0,23	0,04
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
AUD	0,65	0,61	0,98	0,69
BRL	0,83	0,65	0,56	0,53
CAD	0,92	1,30	2,14	1,84
CHF	1,62	1,39	1,12	0,97
CLP	0,02	0,01	0,01	0,00
CNH	0,00	0,00	0,00	0,07
CNY	0,11	0,08	0,18	0,39
COP	0,22	0,17	0,24	0,13
CZK	0,13	0,15	0,16	0,17
DKK	0,32	0,28	0,33	0,44
EUR	49,92	51,94	43,01	45,84
GBP	3,42	3,71	3,72	4,07
HKD	2,30	1,99	2,78	1,99
HUF	0,09	0,10	1,05	0,39
IDR	0,36	0,33	0,46	0,38
ILS	0,13	0,10	0,04	0,24
INR	0,36	0,38	0,77	0,80
JPY	2,42	2,34	2,00	4,16
KRW	1,65	1,47	2,17	1,35
MXN	0,66	0,60	0,69	0,76
MYR	0,60	0,60	1,01	0,83
NGN	0,04	0,01	0,00	0,00
NOK	0,36	0,32	0,93	0,69
NZD	0,03	0,01	0,45	0,23
PEN	0,14	0,13	0,08	0,00
PHP	0,21	0,19	0,27	0,35
PLN	0,40	1,54	1,24	1,08
RON	0,04	0,09	0,07	0,34
RUB	0,27	0,26	0,10	0,08
SEK	0,47	0,59	0,40	0,29
SGD	0,16	0,14	0,17	0,14
SKK	0,01	0,01	0,01	0,01
THB	0,52	0,41	0,35	0,45
TRY	0,14	0,21	0,31	0,87
TWD	0,84	0,83	1,26	0,85
USD	29,28	26,83	30,63	28,02
ZAR	0,36	0,23	0,31	0,56
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND MEDIUM (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	41.396.190,11	41.396.190,11
Sales	44.712.653,44	44.712.653,44
Total 1	86.108.843,55	86.108.843,55
Subscriptions	2.367.541,23	2.367.541,23
Redemptions	9.132.538,42	9.132.538,42
Total 2	11.500.079,65	11.500.079,65
Monthly average of total assets	124.395.053,87	124.395.053,87
Turnover rate	59,98 %	59,98 %

	1st half of year	Year
Purchases	41.396.190,11	41.396.190,11
Sales	44.712.653,44	44.712.653,44
Total 1	86.108.843,55	86.108.843,55
Subscriptions	2.367.541,23	2.367.541,23
Redemptions	9.132.538,42	9.132.538,42
Total 2	11.500.079,65	11.500.079,65
Monthly average of total assets	121.885.845,75	121.885.845,75
Corrected turnover rate	61,21 %	61,21 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 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 USD-EUR 150325-150225 1.133305	USD	5.957.398,50	5.311.281,15	N/A	24.02.2015

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

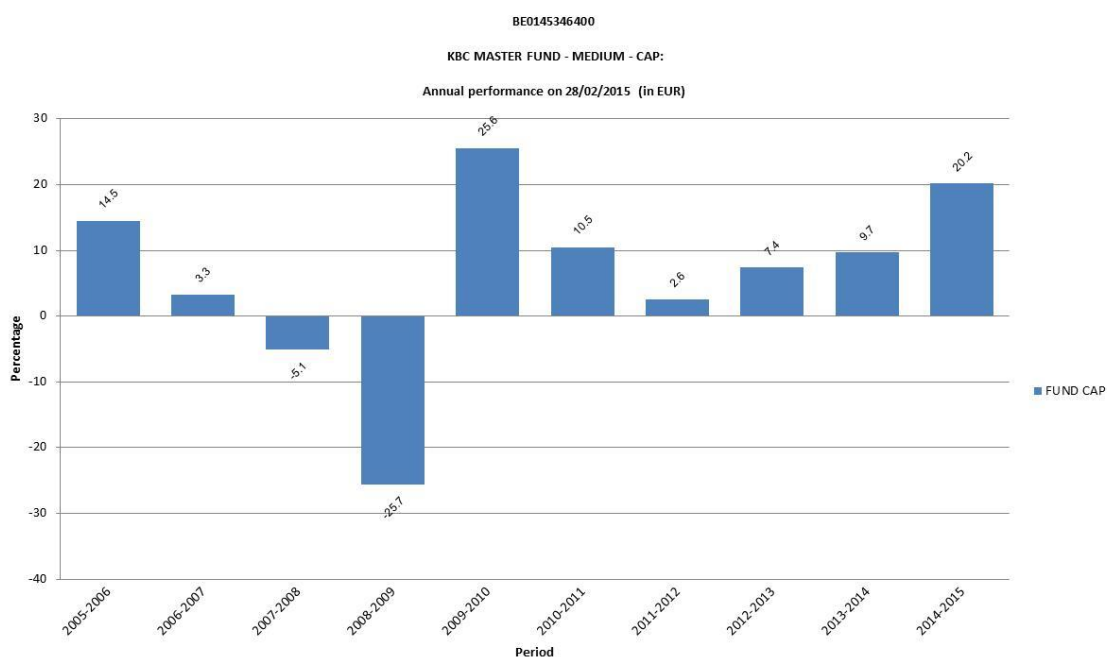
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	1.684,17		143.953,64		125.152,44		125.152,44
2014 - 02*	2.161,73		19.644,09		107.670,07		107.670,07
2015 - 02*	4.646,00		13.716,34		98.599,74		98.599,74

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	1.636.037,59		139.022.196,31	
2014 - 02*	2.311.792,94		20.955.066,44	
2015 - 02*	5.472.657,41		16.310.553,49	

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2013 - 02*	127.989.200,38	1.022,67	
2014 - 02*	120.751.527,17	1.121,50	
2015 - 02*	132.872.402,48	1.347,59	

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

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur-rency	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	Launch Date	Share classes
CAP	BE0145346400	EUR	20.16%		12.28%		9.92%		5.33%		24/12/1993	4.83%

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 EUR (ex BEF).
- the return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:
Capitalisation units (CAP)
Return on date D over a period of X years:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
where Y = D-X
Return on date D since the start date S of the unit:
$$[\text{NAV}(D) / \text{NAV}(S)]^{1 / F} - 1$$
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 n^{th} 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 capitalization shares.

2.4.6 COSTS

Ongoing charges: *
Capitalization: 1.828%

* 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.

Fee for managing the investment portfolio

The management fee amounts to 6,314.78 EUR. An additional fee of 93,066.96 EUR was charged regarding commissions and charges for allocating the assets.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1% 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.

In addition: fees and charges for allocating the assets: 0.15% per year, calculated on the basis of the average total net assets of the sub-fund.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Name	Maximum management fee
KBC Equity Fund-America-Institutional B Shares	1,50
KBC Equity Fund-Europe-Institutional B Shares	1,50
KBC Equity Fund-Family Enterprises-Institutional B Shares	1,60
KBC Participation-Local Emerging Market Bonds-Institutional B Shares	1,20
KBC Bonds-Corporates USD-Institutional B Shares capitalisation	1,10
KBC Bonds-Corporates Euro-Institutional B Shares capitalisation	1,10
KBC Bonds-EMU Short	1,17
KBC Bonds-High Interest-Institutional B Shares capitalisation	1,10
KBC Interest fund-EURO MEDIUM-Institutional B Shares Capitalisation	0,50
KBC Renta-Emurenta-Institutional B Shares Capitalisation	1,10
KBC Renta-Eurorenta-Institutional B Shares Capitalisation	1,10
KBC Renta-Medium EUR-Institutional B Shares Capitalisation	1,10
KBC Renta-Strategic Accents 1-Institutional B Shares Capitalisation	1,57
Celest-Currency Strategy - Lacerta-Institutional B Shares	1,10
Celest-Volatility Strategy - Andromeda-Institutional B Shares	1,50
KBC Equity Fund-Buyback America-Institutional B Shares	1,50
KBC Equity Fund-Central Europe-Institutional B Shares	1,60
KBC Equity Fund-Consumer Durables-Institutional B Shares	1,50
KBC Equity Fund-Eurozone-Institutional B Shares	1,50
KBC Equity Fund-Global Leaders-Institutional B Shares	1,50
KBC Equity Fund-High Dividend Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend-Institutional B Shares	1,50
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50
KBC Equity Fund-Japan-Institutional B Shares	1,50
KBC Equity Fund-New Asia-Institutional B Shares	1,60
KBC Equity Fund-Quant EMU-Institutional B Shares	1,50
KBC Equity Fund-Satellites-Institutional B Shares	1,50
KBC Equity Fund-Strategic Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Finance-Institutional B Shares	1,50
KBC Equity Fund-Strategic Non Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Telecom & Technology-Institutional B Shares	1,50
KBC Equity Fund-Turkey-Institutional B Shares	1,60
KBC Equity Fund-US Small Caps-Institutional B Shares	1,50
KBC Master Fund-Minimum Variance Global-Institutional B Shares	1,50
KBC Multi Interest-Currencies-Institutional B Shares	0,50
KBC Participation-Commodities-Institutional B Shares	1,10
KBC Participation-SRI Corporate Bonds-Institutional B Shares	1,25
Privileged Portfolio Fund-Privileged Portfolio Real Estate-Institutional B Shares	0,93
KBC Multi Track-Germany-Classic Shares	0,70
KBC Interest fund-CASH EURO-Capitalisation	0,50
KBC Master Fund-Medium	1,00

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2 INFORMATION ON KBC MASTER FUND LOW

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 1 July 1994
Initial subscription price: 20000 BEF
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

The investment policy aims to track the strategy recommended for an investor with a specific risk profile.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

The UCI may conclude contracts that relate to credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. It relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCI holds directly.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where credit derivatives are used, they are permitted only in order to achieve the investment objectives and within the existing risk profile and may not result in a shift to less creditworthy debtors. Consequently there is no increase in the credit risk. Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors..

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STRATEGY SELECTED

The sub-fund primarily invests its assets, directly or indirectly via financial instruments with a similar evolution, in international equities and bonds. A target range is allocated to these assets. The target range is 30 % equities or equity-related investments, 70 % bonds or bond-related investments, and 0 % in each of the other asset classes.

Depending on the expectations regarding the development of these assets, it is decided which assets will be overweighted or underweighted with respect to the above target ranges. This will be decided in line with the monthly investment strategy of KBC Asset Management NV, as reflected on www.kbcam.be/assetclasses. The fund will always invest less in equities than in bonds.

The equity component will invest in a global selection of stocks, all regions, sectors and themes can be taken into account.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

Some of the assets are invested directly or indirectly in bonds and debt instruments issued by both companies and government bodies.

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
 - o Moody's (Moody's Investors Service);
 - o S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
 - o Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

- In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets
- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
 - in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

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

INVESTMENTS IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The sub-fund will invest primarily in permitted assets other than securities or money market instruments.

Lending financial instruments:

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

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

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

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

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

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

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

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

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

During the period under review confidence in the permanence of the economic recovery worldwide began to grow. The US took an ambitious austerity programme in its stride. The labour market picked up. The Bank of England managed successfully to detach the UK economy from its liquidity drip. Japan broke out of its negative deflationary spiral. Even in the euro area the economic skies appear to be clearing. The stock markets responded warmly to the economic optimism. The bond markets were mesmerised by the prospect of the European Central bank (ECB) following the US example and starting to purchase government paper on a large scale.

Economic growth in 2014 was more than satisfactory. However, the regional differences are (very) wide. Overall, the emerging markets recorded slightly slower growth. Growth accelerated in the West, thanks to the US, but the euro area fell behind.

The US economy is in its seventh year of expansion. During the course of 2014, sentiment changed from economic scepticism to optimism. The driver for this was the recovery in the labour market. This is in sharp contrast to the euro area, where the economy has been stuck in the doldrums for a long time and has only begun showing signs of improvement very recently. The cautious recovery in 2013 was interrupted in 2014. The sanctions by and against Russia did nothing for business confidence, especially in Germany. The tide did not turn until late in 2014. The IFO barometer of business confidence in Germany began climbing again in November. December and January saw an increase in consumer confidence and retail sales throughout the euro area (with the exception of Portugal). It will be clear that the benefits of a weak euro and the low oil prices are at last percolating through to the real economy.

In Japan, 'Abenomics' (the Abe government's large-scale monetary and budgetary stimulation programme) is not having the desired result. More than that, raising the general VAT rate by in April 2014 proved to be disastrous.

Intense economic doubts, realisation that inflation is as good as dead, and central bank intervention are keeping bond yields historically low. Traditionally, bond rates in Germany – the benchmark in the euro area – closely shadow developments in the US market. In this reporting period the reverse applied. In 2014 the call for a European variant of QE became ever louder, driving not just German but also US 10-year rates ever lower. On 2 February the interest on a US 10-year government bond fell to a low. In this regard the fact that the Fed – admittedly choosing its words cautiously – began to hold out the prospect of the first rise in interest rates in seven years had little if any influence. At the end of the reporting period the yield on German bonds of less than seven years date had turned negative.

The further easing of the euro crisis caused a further narrowing of interest rate spreads between the EMU partners, almost without hiccups – except in the case of Greece. Belgian-German spreads also narrowed further to 25 basis points at the end of February 2015.

The S&P 500 set one record after another in the period under review, reaching an all-time high on 24 February 2015.

Of the traditional markets, the US recorded the strongest performance, which was not entirely due to the strengthening of the dollar. The S&P 500 surged from one record to another, with the rally being interrupted only between 18 September and 15 October. Doubts about the economy (fears that the US would be dragged into a downward spiral when it transpired that the German economic engine was stuttering and China also began emitting negative signals) led to a correction, but the sombre mood passed quickly.

Western Europe was unable to sustain the catching-up exercise which began in 2012. Fears that the EMU's problems harboured a systemic risk disappeared completely. Neither the debacle of Banco Espírito Santo nor the threat of a 'Grexit' (February), for example, caused any turmoil. Instead these fears were replaced by fears of deflation. Europe's cheaper valuation (compared with the US) provided little support, as corporate earnings in Europe had already lagged behind considerably for two years, relative to both forecasts and to the pattern of earnings in the United States.

Japan performed more or less in line with the world index. Stock market sentiment fluctuated between hope that 'Abenomics' would break through the deflation spiral and fear that the VAT hikes would prove disastrous for consumer confidence.

2.1.8 FUTURE POLICY

People living in continental Europe might not realise it, but the world economy has reached cruising speed. In the US, growth optimism is on the up: the first swallows heralding an economic spring are reaching the euro area. The main reasons for this were greater consumer purchasing power and an easing of austerity measures. Emerging Asia is likely to follow, although not everyone appears convinced of this.

Bond yields seem to have bottomed out. It would be logical for yields to increase again from the current record lows, on the back of an improved economic environment. As a result, the market might, in the months ahead, start to anticipate tighter monetary policy in 2015 (US) or later (EMU). No significant increase in interest rates is likely in the coming months, however. Fearful of the negative consequences for growth, the central banks will avoid any such hike at any price.

The money market rate won't increase rapidly and bond yields are at historical lows. Everything seems to point to shares being the most attractive investment option for the months ahead. The lack of alternatives is not, of course, sufficient reason to increase the market valuation. For that investors must retain their risk-appetite. Shares are no longer as cheap as they were a while ago: based on forecast earnings for the coming 12 months, the price/earnings ratio is 18.4 for the S&P 500 index and 16.6 for the MSCI Europe. These figures are already on the expensive side. Equities are, however, still dirt-cheap compared with bonds.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fundt)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	61.355.117,63	43.677.136,73
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		1.949.540,93
E. Open-end undertakings for collective investment	59.043.097,93	41.648.120,76
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	22.782,82	-9.975,26
m) Financial indices		
Futures and forward contracts (+/-)	187,22	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	116.936,79	47.152,72
c) Collateral	51.413,40	
B. Payables		
a) Accounts payable (-)	-81.420,21	-70.395,03
c) Borrowings (-)	-31.049,31	-9.133,73
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	2.251.305,15	125.913,47
VI. Accruals and deferrals		
A. Expense to be carried forward		1.346,67
B. Accrued income		8.923,06
C. Accrued expense (-)	-18.136,16	-14.356,86
TOTAL SHAREHOLDERS' EQUITY	61.355.117,63	43.677.136,73
A. Capital	56.463.788,76	41.178.871,44
B. Income equalization	18.029,79	7.749,13
D. Result for the period	4.873.299,08	2.490.516,16

Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.B Cash at bank and in hand/deposits	51.413,40	
III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	3.376.150,06	2.208.224,73

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 (in the currency of the sub-fund)	28/02/2014 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds		148.742,50
E. Open-end undertakings for collective investment	4.066.008,69	2.536.275,47
F. Derivative financial instruments		
a) Bonds		
Futures and forward contracts	1.440,00	
l) Financial indices		
Futures and forward contracts	-36.533,36	16.120,00
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-23.822,15	-34.381,90
b) Other foreign exchange positions and transactions	967.122,40	-190.302,44
Det.section I gains and losses on investments		
Realised gains on investments	2.415.830,17	
Unrealised gains on investments	2.442.409,30	
Realised losses on investments	-121.228,99	
Unrealised losses on investments	237.205,10	
II. Investment income and expenses		
B. Interests		
a) Securities and money market instruments		94.823,31
b) Cash at bank and in hand and deposits	1.111,66	314,63
C. Interest on borrowings (-)	-841,34	-23,42
III. Other income		
B. Other		1.253,85
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-48.373,62	-31.464,57
B. Financial expenses (-)	-261,37	-481,24
C. Custodian's fee (-)	-582,60	-709,66
D. Manager's fee (-)		
a) Financial management	-16.630,60	-22.111,05
b) Administration and accounting management	-26.613,16	-21.436,95
F. Formation and organisation expenses (-)	-565,29	-492,44
H. Services and sundry goods (-)	-2.189,96	-1.205,33
J. Taxes	-540,68	-1.075,54
K. Other expenses (-)	-5.429,54	-3.329,06
Income and expenditure for the period		
Subtotal II + III + IV	-100.916,50	14.062,53
V. Profit (loss) on ordinary activities before tax	4.873.299,08	2.490.516,16
VII. Result for the period	4.873.299,08	2.490.516,16

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND LOW

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC EQUITY FUND AMERICA IS B KAP	293,00	USD	2.285,790	597.099,34	0,13	1,01	0,97
KBC EQUITY FUND EUROPE IS	425,00	EUR	1.684,360	715.853,00	0,12	1,21	1,17
KBC EQUITY FUND FAMILY ENTERPRISES IS B CAP	295,00	EUR	1.197,980	353.404,10	0,26	0,60	0,58
KBC PARTICIPATION LOCAL EMERGING MARKET BONDS KAP IS B	2.224,00	EUR	1.033,950	2.299.504,80	0,34	3,89	3,75
<u>Luxembourg</u>							
KBC BONDS CORPOR USD IS B KAP	984,00	USD	1.051,950	922.853,65	0,30	1,56	1,50
KBC BONDS CORPORATES EURO IS B KAP	4.579,00	EUR	872,960	3.997.283,84	0,42	6,77	6,52
KBC BONDS EMU SHORTIS B KAP	5.771,00	EUR	1.071,860	6.185.704,06	0,48	10,51	10,08
KBC BONDS HIGH INTEREST IS B KAP	1.247,00	EUR	2.200,680	2.744.247,96	0,22	4,65	4,47
KBC INTEREST FUND EURO MEDIUM IS B_KAP	1.332,00	EUR	4.179,550	5.567.160,60	0,32	9,43	9,07
KBC RENTA MEDIUM EUR IS B KAP	1.074,00	EUR	1.132,140	1.215.918,36	3,82	2,06	1,98
KBC RENTA STRATEGIC ACCENTS 1 IS B KAP	4.537,00	EUR	1.282,550	5.818.929,35	0,36	9,85	9,48
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
CELEST CURRENCY STRATEGY LACERTA IS B	435,00	EUR	1.024,570	445.687,95	0,28	0,76	0,73
CELEST VOLATILITY STRATEGY ANDROMEDA IS B	394,00	EUR	969,070	381.813,58	0,22	0,65	0,62
KBC EQUITY FUND BUYBACK AMERICA IS B KAP	567,00	USD	1.615,960	816.876,32	0,10	1,38	1,33
KBC EQUITY FUND CENTRAL EUROPE IS B KAP	94,00	EUR	1.062,840	99.906,96	0,26	0,17	0,16
KBC EQUITY FUND CONSUMER DURABLES IS B KAP	1.456,00	EUR	586,120	853.390,72	0,61	1,45	1,39
KBC EQUITY FUND EUROZONE IS B KAP	2.439,00	EUR	504,680	1.230.914,52	0,09	2,08	2,01
KBC EQUITY FUND GLOBAL LEADERS IS B KAP	2.186,00	EUR	384,690	840.932,34	0,41	1,42	1,37
KBC EQUITY FUND HIGH DIVIDEND EUROZONE IS B KAP	1.543,00	EUR	520,200	802.668,60	0,21	1,36	1,31
KBC EQUITY FUND HIGH DIVIDEND IS B KAP	592,00	EUR	1.347,960	797.992,32	0,10	1,35	1,30
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	618,00	EUR	527,450	325.964,10	0,13	0,55	0,53
KBC EQUITY FUND JAPAN IS B KAP	916,00	JPY	59.831,000	408.725,58	0,15	0,69	0,67
KBC EQUITY FUND NEW ASIA IS B KAP	560,00	EUR	721,040	403.782,40	0,09	0,68	0,66
KBC EQUITY FUND QUANT EMU IS B KAP	1.576,00	EUR	777,350	1.225.103,60	0,16	2,07	2,00
KBC EQUITY FUND SATELLITES IS B KAP	116,00	EUR	1.430,200	165.903,20	0,04	0,28	0,27
KBC EQUITY FUND STRATEGIC CYCLICALS IS KAP	1.949,00	EUR	901,360	1.756.750,64	0,10	2,97	2,86
KBC EQUITY FUND STRATEGIC FINANCE IS B KAP	5.057,00	EUR	446,390	2.257.394,23	0,15	3,82	3,68
KBC EQUITY FUND STRATEGIC NON CYCLICALS IS B KAP	2.977,00	EUR	383,280	1.141.024,56	0,15	1,93	1,86
KBC EQUITY FUND STRATEGIC TEL & TECHNOLOGY IS B KAP	9.451,00	EUR	168,000	1.587.768,00	0,15	2,69	2,59
KBC EQUITY FUND TURKEY IS B KAP	180,00	TRY	1.480,620	94.475,83	0,12	0,16	0,15
KBC EQUITY FUND US SMALL CAPS IS B KAP	360,00	USD	1.555,000	499.086,17	0,14	0,85	0,81
KBC MASTER FUND MINIMUM VARIANCE GLOBAL IS	692,00	EUR	1.460,370	1.010.576,04	0,44	1,71	1,65

B KAP								
KBC MULTI INTEREST CURRENCIES IS KAP	1.454,00	EUR	1.051,950	1.529.535,30	0,27	2,59	2,49	
KBC PARTICIPATION COMMODITIES IS B	947,00	EUR	809,310	766.416,57	0,24	1,30	1,25	
KBC PARTICIPATION SRI CORPORATE BONDS IS B KAP	3.171,00	EUR	1.258,910	3.992.003,61	0,38	6,76	6,51	
PRIVILEGED PORTFOLIO REAL ESTATE IS B KAP	2.076,00	EUR	580,020	1.204.121,52	0,27	2,04	1,96	
UCI registered with FSMA								
<u>Belgium</u>								
KBC MULTI TRACK GERMANY KAP	2.949,00	EUR	310,540	915.782,46	0,32	1,55	1,49	
<u>Luxembourg</u>								
KBC INTEREST FUND CASH EURO KAP	511,84	EUR	5.999,050	3.070.541,75	2,19	5,20	5,01	
Total investment funds				59.043.097,93		99,96	96,23	
Options and futures								
Exchange-listed futures								
<u>Germany</u>								
EURO - STOXX 50 MAR 15	13,00	EUR	3.590,000	466.700,00		0,79	0,76	
<u>U.K.</u>								
FTSE 100 ID X FUT MAR 15	3,00	GBP	6.920,000	286.029,21		0,48	0,47	
<u>U.S.A.</u>								
STAND & POORS EMINI MAR 15	4,00	USD	2.102,800	374.947,62		0,64	0,61	
Suspense accounts (futures)								
<u>Germany</u>								
EURO - STOXX 50 MAR 15	-466.700,00	EUR	1,000	-466.700,00		-0,79	-0,76	
<u>U.K.</u>								
FTSE 100 ID X FUT MAR 15	-207.600,00	GBP	1,000	-286.029,21		-0,48	-0,47	
<u>U.S.A.</u>								
STAND & POORS EMINI MAR 15	-420.350,00	USD	1,000	-374.760,40		-0,63	-0,61	
Total options and futures				187,22				
Forward contracts		EUR		22.782,82			0,04	
TOTAL SECURITIES PORTFOLIO				59.066.067,97		100,00	96,27	
CASH AT BANK AND IN HAND								
Demand accounts								
<u>Belgium</u>								
KBC GROUP AUD	223,12	AUD	1,000	155,71				
KBC GROUP CAD	380,77	CAD	1,000	271,87				
KBC GROUP CHF	173,93	CHF	1,000	163,57				
KBC GROUP CZK	5.565,21	CZK	1,000	202,46				
KBC GROUP DKK	1.912,96	DKK	1,000	256,35				
KBC GROUP EURO	2.150.790,20	EUR	1,000	2.150.790,20			3,51	
KBC GROUP GBP	2.939,40	GBP	1,000	4.049,88			0,01	
KBC GROUP HUF	35.125,47	HUF	1,000	115,91				
KBC GROUP JPY	-1.138.810,00	JPY	1,000	-8.493,00			-0,01	
KBC GROUP NOK	268,75	NOK	1,000	31,40				
KBC GROUP PLN	4.848,64	PLN	1,000	1.168,28			0,00	
KBC GROUP SEK	3.431,49	SEK	1,000	366,79			0,00	
KBC GROUP TRY	36.349,77	TRY	1,000	12.885,65			0,02	
KBC GROUP USD	-25.300,29	USD	1,000	-22.556,31			-0,04	
Total demand accounts				2.139.408,76			3,49	

Managed futures accounts						
<u>Belgium</u>						
KBC GROUP EURO FUT REK	51.555,45	EUR	1,000	51.555,45		0,08
KBC GROUP USD FUT REK	32.854,96	USD	1,000	29.291,63		0,05
Total managed futures accounts				80.847,08		0,13
TOTAL CASH AT BANK AND IN HAND				2.220.255,84		3,62
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	116.936,79	EUR	1,000	116.936,79		0,19
<u>Netherlands</u>						
KBC CLEARING NV DEKKING EUR	35.009,00	EUR	1,000	35.009,00		0,06
KBC CLEARING NV DEKKING USD	18.400,00	USD	1,000	16.404,40		0,03
Total receivables				168.350,19		0,27
Payables						
<u>Belgium</u>						
KBC GROUP EUR PAYABLE	-81.420,21	EUR	1,000	-81.420,21		-0,13
Payables				-81.420,21		-0,13
TOTAL RECEIVABLES AND PAYABLES				86.929,98		0,14
OTHER						
Expenses payable		EUR		-18.136,16		-0,03
TOTAL OTHER				-18.136,16		-0,03
TOTAL NET ASSETS				61.355.117,63		100,00

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
United Arab Emirates	0,06	0,11	0,49	0,09
Argentina	0,02	0,04	0,00	0,00
Australia	0,91	0,84	1,88	1,46
Austria	0,96	0,76	0,90	0,56
Belgium	3,16	2,11	5,76	4,69
Bahrain	0,00	0,03	0,02	0,00
Bermuda	0,18	0,13	0,09	0,05
Brazil	0,86	0,85	0,74	0,62
Canada	0,85	1,07	1,39	1,50
Switzerland	1,62	1,40	1,14	0,99
Chile	0,06	0,05	0,03	0,02
China	0,92	0,79	1,19	1,53
Ivory Coast	0,00	0,00	0,00	0,02
Colombia	0,38	0,37	0,37	0,21
Czech Republic	0,07	0,08	0,07	0,07
Cayman Islands	0,49	0,40	0,45	0,27
Germany	7,35	8,79	7,80	9,41
Denmark	0,26	0,31	0,45	0,46
Egypt	0,02	0,03	0,01	0,01
Spain	4,20	5,62	5,49	6,20
Finland	0,50	0,81	0,68	0,51
France	11,32	11,70	12,46	10,93
Gabon	0,00	0,11	0,07	0,04
U.K.	5,41	5,31	4,90	5,64
Greece	0,03	0,03	0,06	0,03
Hong Kong	0,82	0,62	0,64	0,63
Hungary	0,20	0,31	0,24	0,41
India	0,30	0,24	0,49	0,31
Indonesia	0,35	0,43	0,39	0,19
Ireland	8,82	9,86	1,67	4,69
Iceland	0,02	0,02	0,01	0,00
Israel	0,22	0,08	0,09	0,11
Italy	5,74	6,68	6,37	6,82
Jersey/The Channel Islands	0,41	0,19	0,20	0,14
Japan	2,50	2,16	1,46	2,57
Kazakhstan	0,02	0,05	0,00	0,00
South Korea	2,03	1,61	1,77	1,47
Croatia	0,04	0,07	0,07	0,00
Luxembourg	1,47	1,54	3,06	2,10
Mexico	1,17	1,45	1,26	1,41
Malaysia	0,87	0,88	1,28	1,07
North America	0,01	0,01	0,00	0,00
Nigeria	0,01	0,00	0,00	0,00
Netherlands	7,25	6,49	7,13	6,20
Norway	0,73	0,51	0,37	0,89
New Zealand	0,02	0,01	0,01	0,15
Ukraine	0,06	0,04	0,04	0,00
Panama	0,03	0,04	0,02	0,00
Peru	0,35	0,34	0,15	0,00
Philippines	0,35	0,36	0,37	0,58
Papua New Guinea	0,00	0,00	0,02	0,01
Poland	0,97	2,44	1,68	1,38

Portugal	0,25	0,14	0,21	0,16
Romania	0,09	0,15	0,06	0,44
Russia	0,49	0,43	0,23	0,06
Saudi Arabia	0,00	0,04	0,06	0,11
Singapore	0,16	0,12	0,16	0,12
Slovenia	0,03	0,06	0,06	0,05
International Organization	0,04	0,05	0,00	0,00
Slovakia	0,07	0,10	0,07	0,07
Sweden	1,18	1,16	1,05	0,89
Thailand	0,69	0,54	0,31	0,53
Turkey	0,57	0,74	0,48	0,80
Taiwan	0,66	0,61	0,89	0,53
U.S.A.	19,71	16,33	20,14	18,29
Venezuela	0,20	0,20	0,12	0,00
British Virgin Islands	0,00	0,01	0,01	0,01
Outside BLEU territory-(belgo-Lux ec	0,13	0,07	0,17	0,17
EU institutions outside BLEU terr.	0,91	0,73	0,44	0,87
South Africa	0,43	0,35	0,31	0,46
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	11,47	10,98	12,14	11,79
Consum(cycl)	10,09	8,77	8,80	9,85
Cons.goods	6,69	4,33	4,17	5,09
Pharma	5,43	4,26	4,19	4,20
Financials	32,03	31,69	30,65	26,64
Technology	4,85	5,61	7,03	5,97
Telecomm.	3,16	3,15	3,01	3,34
Utilities	3,88	3,29	3,33	3,38
Real est.	2,82	2,62	3,59	3,57
Governm.	19,22	24,79	22,79	26,05
Unit trusts	0,12	0,14	0,05	0,00
Various	0,24	0,37	0,25	0,12
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
AUD	0,53	0,45	0,91	0,56
BRL	1,22	0,94	0,72	0,63
CAD	0,71	0,91	1,67	1,37
CHF	1,18	0,98	0,75	0,52
CLP	0,04	0,01	0,01	0,00
CNH	0,00	0,00	0,00	0,08
CNY	0,20	0,15	0,30	0,57
COP	0,43	0,32	0,37	0,20
CZK	0,21	0,17	0,18	0,21
DKK	0,30	0,19	0,21	0,25
EUR	50,48	54,38	50,56	56,06
GBP	2,76	3,14	2,94	3,00
HKD	1,75	1,40	1,97	1,42
HUF	0,16	0,14	1,17	0,47
IDR	0,41	0,39	0,44	0,47
ILS	0,23	0,17	0,04	0,29
INR	0,29	0,39	0,60	0,79
JPY	1,87	1,67	1,40	2,65
KRW	1,91	1,52	1,76	1,28
MXN	1,13	1,11	1,09	1,19
MYR	0,84	0,86	1,34	1,12
NGN	0,07	0,02	0,00	0,00
NOK	0,58	0,50	1,14	0,88
NZD	0,02	0,01	0,50	0,25
PEN	0,30	0,26	0,12	0,00
PHP	0,29	0,28	0,34	0,53
PLN	0,74	2,30	1,71	1,32
RON	0,07	0,09	0,05	0,42
RUB	0,55	0,52	0,17	0,14
SEK	0,35	0,44	0,29	0,17
SGD	0,15	0,12	0,15	0,11
SKK	0,01	0,01	0,01	0,01
THB	0,68	0,54	0,33	0,51
TRY	0,20	0,36	0,44	0,97
TWD	0,61	0,57	0,82	0,51
USD	28,25	24,37	25,08	20,31
ZAR	0,48	0,32	0,42	0,74
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND LOW (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	20.085.800,55	20.085.800,55
Sales	16.061.680,40	16.061.680,40
Total 1	36.147.480,95	36.147.480,95
Subscriptions	10.288.404,47	10.288.404,47
Redemptions	3.533.722,79	3.533.722,79
Total 2	13.822.127,26	13.822.127,26
Monthly average of total assets	53.351.428,10	53.351.428,10
Turnover rate	41,84 %	41,84 %

	1st half of year	Year
Purchases	20.085.800,55	20.085.800,55
Sales	16.061.680,40	16.061.680,40
Total 1	36.147.480,95	36.147.480,95
Subscriptions	10.288.404,47	10.288.404,47
Redemptions	3.533.722,79	3.533.722,79
Total 2	13.822.127,26	13.822.127,26
Monthly average of total assets	50.202.050,08	50.202.050,08
Corrected turnover rate	44,47 %	44,47 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 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
KBCCLEAR DEKKING EUR	EUR	35.009,00	35.009,00	N/A	27.02.2015
KBCCLEAR DEKKING USD	USD	18.400,00	16.404,40	N/A	27.02.2015
EUROSTOX 15/03/2015	EUR	466.700,00	466.700,00	10,00	27.02.2015
FTSE 15/03/2015	GBP	207.600,00	286.029,21	10,00	27.02.2015
STPOORS EMINI MAR 15	USD	420.560,00	374.947,62	50,00	27.02.2015
KBC AK-VK USD-EUR 150325-150225 1.133355	USD	2.522.000,00	2.248.473,23	N/A	24.02.2015

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

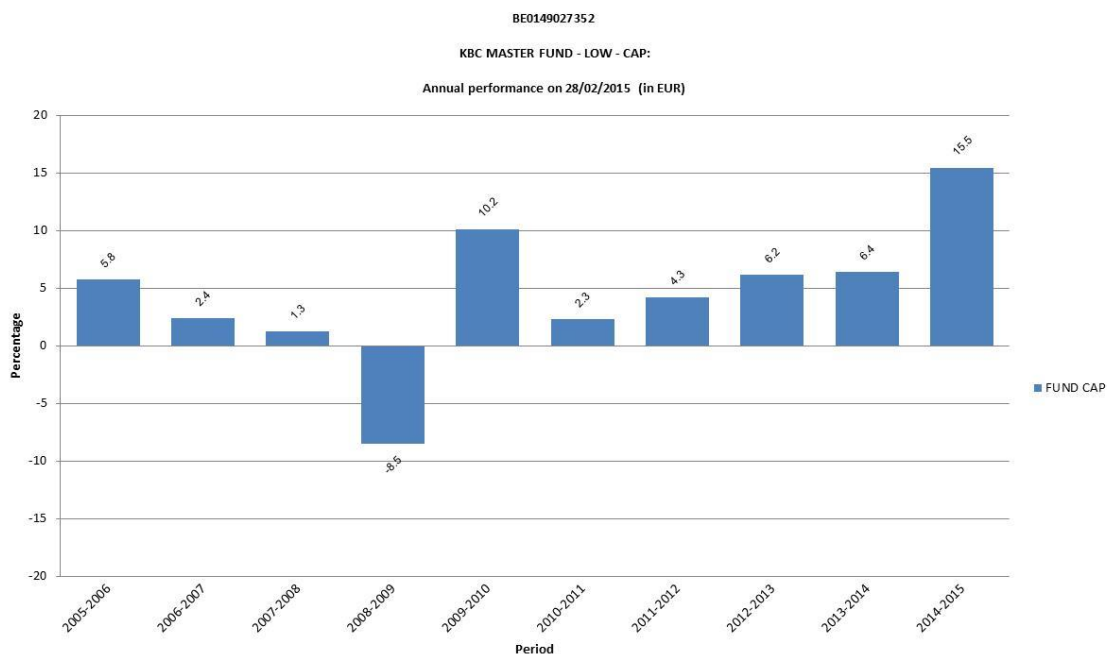
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	4.266,04		14.602,93		44.259,38		44.259,38
2014 - 02*	8.301,50		10.208,77		42.352,10		42.352,10
2015 - 02*	15.216,71		6.056,25		51.512,56		51.512,56

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	3.999.736,99		13.534.332,76	
2014 - 02*	8.269.747,62		10.171.794,56	
2015 - 02*	16.743.943,74		6.586.081,33	

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2013 - 02*	42.880.734,44	968,85	
2014 - 02*	43.677.136,73	1.031,29	
2015 - 02*	61.355.117,63	1.191,07	

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

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur-rency	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	Launch Date	Share classes
CAP	BE0149027352	EUR	15.49%		9.31%		6.85%		4.42%		01/07/1994	4.34%

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 EUR (ex BEF).
- the return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:
Capitalisation units (CAP)
Return on date D over a period of X years:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
where Y = D-X
Return on date D since the start date S of the unit:
$$[\text{NAV}(D) / \text{NAV}(S)]^{1 / F} - 1$$
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 n^{th} 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 capitalization shares.

2.4.6 COSTS

Ongoing charges: *
Capitalization: 1.508%

* 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.

Fee for managing the investment portfolio

The management fee amounts to 3,324.09 EUR. An additional fee of 13,306.51 EUR was charged regarding commissions and charges for allocating the assets.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1% 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.

In addition: fees and charges for allocating the assets: 0.05% per year, calculated on the basis of the average total net assets of the sub-fund.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Financial derivatives on financial indices

The following financial indices were used as the underlying for financial derivatives:

The **Euro Stoxx 50** is a weighted equity index computed by Stoxx Ltd. The dividend is not reinvested. The main purpose of this index is to provide a continuous indication of market trends on the European stock markets. The base value of the index is 1000, calculated on the basis of the underlying prices recorded on 31 December 1991.

The Euro Stoxx 50 consists solely of shares from countries participating in the Economic and Monetary Union, with the exception of Luxembourg. On 10 April 1998, the following stock exchanges were included in the index: Austria (Vienna), Belgium (Brussels), Finland (Helsinki), France (Paris), Germany (Frankfurt), Italy (Milan), Ireland (Dublin), the Netherlands (Amsterdam), Portugal (Lisbon) and Spain (Madrid).

The index consists of the 50 largest European shares in terms of shares that are freely negotiable, and the shares are accordingly weighted on the basis of this criterion.

The Euro Stoxx 50 is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Stoxx Limited has all proprietary rights with respect to the index. In no way Stoxx Limited endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Stoxx Limited disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

The **FTSE 100** is an equity index computed by the Financial Times Ltd. The dividend is not reinvested. It comprises 100 shares. The FTSE 100 serves primarily as a continuous indicator of market trends on the UK stock market. The value of the FTSE 100 is based on the market value of the shares of 100 companies listed on the London Stock Exchange. These are the companies with the biggest market capitalisation, and the shares are weighted accordingly. The base value of the index is 1000, calculated on the basis of the underlying prices recorded on 3 January 1984.

The FTSE 100 is published daily in the leading financial newspapers, i.e. The Financial Times and The Wall Street Journal Europe. In Belgium, the index is published in De Tijd and L'Echo.

Financial Times Ltd has all proprietary rights with respect to the index. In no way Financial Times Ltd endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Financial Times Ltd disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

The **S&P 500** is an equity index computed by Standard & Poor's that is made up of 500 shares. The dividend is not reinvested. The S&P 500 serves primarily as a continuous indicator of market trends on the US stock markets. The value of the S&P 500 index is calculated on the basis of the market value of the shares of 500 companies at a given point in time, compared to the market value of the shares of 500 similar companies during the reference period from 1941 to 1943. The index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Standard & Poor's has all proprietary rights with respect to the index. In no way Standard & Poor's endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Standard & Poor's disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

The value and, if available for distribution, the composition of the aforementioned financial indices may be obtained from the branches providing the financial service.

Name	Maximum management fee
KBC Equity Fund-America-Institutional B Shares	1,50
KBC Equity Fund-Europe-Institutional B Shares	1,50
KBC Equity Fund-Family Enterprises-Institutional B Shares	1,60
KBC Participation-Local Emerging Market Bonds-Institutional B Shares	1,20
KBC Bonds-Corporates USD-Institutional B Shares capitalisation	1,10
KBC Bonds-Corporates Euro-Institutional B Shares capitalisation	1,10
KBC Bonds-EMU Short	1,17
KBC Bonds-High Interest-Institutional B Shares capitalisation	1,10
KBC Interest fund-EURO MEDIUM-Institutional B Shares Capitalisation	0,50
KBC Renta-Medium EUR-Institutional B Shares Capitalisation	1,10
KBC Renta-Strategic Accents 1-Institutional B Shares Capitalisation	1,57
Celest-Currency Strategy - Lacerta-Institutional B Shares	1,10
Celest-Volatility Strategy - Andromeda-Institutional B Shares	1,50
KBC Equity Fund-Buyback America-Institutional B Shares	1,50
KBC Equity Fund-Central Europe-Institutional B Shares	1,60
KBC Equity Fund-Consumer Durables-Institutional B Shares	1,50
KBC Equity Fund-Eurozone-Institutional B Shares	1,50
KBC Equity Fund-Global Leaders-Institutional B Shares	1,50
KBC Equity Fund-High Dividend Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend-Institutional B Shares	1,50
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50
KBC Equity Fund-Japan-Institutional B Shares	1,50
KBC Equity Fund-New Asia-Institutional B Shares	1,60
KBC Equity Fund-Quant EMU-Institutional B Shares	1,50
KBC Equity Fund-Satellites-Institutional B Shares	1,50
KBC Equity Fund-Strategic Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Finance-Institutional B Shares	1,50
KBC Equity Fund-Strategic Non Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Telecom & Technology-Institutional B Shares	1,50
KBC Equity Fund-Turkey-Institutional B Shares	1,60
KBC Equity Fund-US Small Caps-Institutional B Shares	1,50
KBC Master Fund-Minimum Variance Global-Institutional B Shares	1,50
KBC Multi Interest-Currencies-Institutional B Shares	0,50
KBC Participation-Commodities-Institutional B Shares	1,10
KBC Participation-SRI Corporate Bonds-Institutional B Shares	1,25
Privileged Portfolio Fund-Privileged Portfolio Real Estate-Institutional B Shares	0,93
KBC Multi Track-Germany-Classic Shares	0,70
KBC Interest fund-CASH EURO-Capitalisation	0,50
KBC Master Fund-Low	1,00

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2 INFORMATION ON KBC MASTER FUND HIGH

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 1 July 1994
 Initial subscription price: 20000 BEF
 Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

The investment policy aims to track the strategy recommended for an investor with a specific risk profile.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

The UCI may conclude contracts that relate to credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. It relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCI holds directly.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where credit derivatives are used, they are permitted only in order to achieve the investment objectives and within the existing risk profile and may not result in a shift to less creditworthy debtors. Consequently there is no increase in the credit risk. Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors..

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STRATEGY SELECTED

The sub-fund primarily invests its assets, directly or indirectly via financial instruments with a similar evolution, in international equities and bonds. A target range is allocated to these assets. The target range is 70 % equities or equity-related investments, 30 % bonds or bond-related investments, and 0 % in each of the other asset classes.

Depending on the expectations regarding the development of these assets, it is decided which assets will be overweighted or underweighted with respect to the above target ranges. This will be decided in line with the monthly investment strategy of KBC Asset Management NV, as reflected on www.kbcam.be/assetclasses. The fund will typically invest more in equities than in bonds.

The equity component will invest in a global selection of stocks, all regions, sectors and themes can be taken into account.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

Some of the assets are invested in bonds and debt instruments issued by companies and public institutions.

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
 - o Moody's (Moody's Investors Service);
 - o S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
 - o Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

- In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets
- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
 - in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

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

INVESTMENTS IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The sub-fund will invest primarily in permitted assets other than securities or money market instruments.

Lending financial instruments:

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

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

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

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

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

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

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

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

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

During the period under review confidence in the permanence of the economic recovery worldwide began to grow. The US took an ambitious austerity programme in its stride. The labour market picked up. The Bank of England managed successfully to detach the UK economy from its liquidity drip. Japan broke out of its negative deflationary spiral. Even in the euro area the economic skies appear to be clearing. The stock markets responded warmly to the economic optimism. The bond markets were mesmerised by the prospect of the European Central bank (ECB) following the US example and starting to purchase government paper on a large scale.

Economic growth in 2014 was more than satisfactory. However, the regional differences are (very) wide. Overall, the emerging markets recorded slightly slower growth. Growth accelerated in the West, thanks to the US, but the euro area fell behind.

The US economy is in its seventh year of expansion. During the course of 2014, sentiment changed from economic scepticism to optimism. The driver for this was the recovery in the labour market. This is in sharp contrast to the euro area, where the economy has been stuck in the doldrums for a long time and has only begun showing signs of improvement very recently. The cautious recovery in 2013 was interrupted in 2014. The sanctions by and against Russia did nothing for business confidence, especially in Germany. The tide did not turn until late in 2014. The IFO barometer of business confidence in Germany began climbing again in November. December and January saw an increase in consumer confidence and retail sales throughout the euro area (with the exception of Portugal). It will be clear that the benefits of a weak euro and the low oil prices are at last percolating through to the real economy.

In Japan, 'Abenomics' (the Abe government's large-scale monetary and budgetary stimulation programme) is not having the desired result. More than that, raising the general VAT rate by in April 2014 proved to be disastrous.

Intense economic doubts, realisation that inflation is as good as dead, and central bank intervention are keeping bond yields historically low. Traditionally, bond rates in Germany – the benchmark in the euro area – closely shadow developments in the US market. In this reporting period the reverse applied. In 2014 the call for a European variant of QE became ever louder, driving not just German but also US 10-year rates ever lower. On 2 February the interest on a US 10-year government bond fell to a low. In this regard the fact that the Fed – admittedly choosing its words cautiously – began to hold out the prospect of the first rise in interest rates in seven years had little if any influence. At the end of the reporting period the yield on German bonds of less than seven years date had turned negative.

The further easing of the euro crisis caused a further narrowing of interest rate spreads between the EMU partners, almost without hiccups – except in the case of Greece. Belgian-German spreads also narrowed further to 25 basis points at the end of February 2015.

The S&P 500 set one record after another in the period under review, reaching an all-time high on 24 February 2015.

Of the traditional markets, the US recorded the strongest performance, which was not entirely due to the strengthening of the dollar. The S&P 500 surged from one record to another, with the rally being interrupted only between 18 September and 15 October. Doubts about the economy (fears that the US would be dragged into a downward spiral when it transpired that the German economic engine was stuttering and China also began emitting negative signals) led to a correction, but the sombre mood passed quickly.

Western Europe was unable to sustain the catching-up exercise which began in 2012. Fears that the EMU's problems harboured a systemic risk disappeared completely. Neither the debacle of Banco Espírito Santo nor the threat of a 'Grexit' (February), for example, caused any turmoil. Instead these fears were replaced by fears of deflation. Europe's cheaper valuation (compared with the US) provided little support, as corporate earnings in Europe had already lagged behind considerably for two years, relative to both forecasts and to the pattern of earnings in the United States.

Japan performed more or less in line with the world index. Stock market sentiment fluctuated between hope that 'Abenomics' would break through the deflation spiral and fear that the VAT hikes would prove disastrous for consumer confidence.

2.1.8 FUTURE POLICY

People living in continental Europe might not realise it, but the world economy has reached cruising speed. In the US, growth optimism is on the up: the first swallows heralding an economic spring are reaching the euro area. The main reasons for this were greater consumer purchasing power and an easing of austerity measures. Emerging Asia is likely to follow, although not everyone appears convinced of this.

Bond yields seem to have bottomed out. It would be logical for yields to increase again from the current record lows, on the back of an improved economic environment. As a result, the market might, in the months ahead, start to anticipate tighter monetary policy in 2015 (US) or later (EMU). No significant increase in interest rates is likely in the coming months, however. Fearful of the negative consequences for growth, the central banks will avoid any such hike at any price.

The money market rate won't increase rapidly and bond yields are at historical lows. Everything seems to point to shares being the most attractive investment option for the months ahead. The lack of alternatives is not, of course, sufficient reason to increase the market valuation. For that investors must retain their risk-appetite. Shares are no longer as cheap as they were a while ago: based on forecast earnings for the coming 12 months, the price/earnings ratio is 18.4 for the S&P 500 index and 16.6 for the MSCI Europe. These figures are already on the expensive side. Equities are, however, still dirt-cheap compared with bonds.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fundt)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	24.755.138,70	22.683.521,75
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		595.883,85
E. Open-end undertakings for collective investment	24.698.661,49	21.898.289,93
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	9.638,88	-5.232,52
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	8.592,15	358,40
B. Payables		
a) Accounts payable (-)	-38.521,67	-0,58
c) Borrowings (-)	-12.404,93	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	95.803,82	196.415,76
VI. Accruals and deferrals		
A. Expense to be carried forward		418,43
B. Accrued income		5.086,15
C. Accrued expense (-)	-6.631,04	-7.697,67
TOTAL SHAREHOLDERS' EQUITY	24.755.138,70	22.683.521,75
A. Capital	21.379.014,82	20.613.880,15
B. Income equalization	-883,13	76,34
D. Result for the period	3.377.007,01	2.069.565,26

Off-balance-sheet headings

III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	951.277,14	1.158.412,97

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 <small>(in the currency of the sub-fund)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds		4.031,54
E. Open-end undertakings for collective investment	2.843.737,53	2.228.652,30
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts	-16.510,80	14.380,00
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-13.378,33	-18.023,42
b) Other foreign exchange positions and transactions	609.067,91	-116.035,62
Det.section I gains and losses on investments		
Realised gains on investments	1.988.067,43	
Unrealised gains on investments	671.922,49	
Realised losses on investments	-66.458,34	
Unrealised losses on investments	829.384,73	
II. Investment income and expenses		
B. Interests		
a) Securities and money market instruments		12.247,26
b) Cash at bank and in hand and deposits	174,96	235,10
C. Interest on borrowings (-)	-83,32	-4,65
III. Other income		
B. Other		507,32
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-24.416,70	-31.325,15
B. Financial expenses (-)	-197,56	-259,25
C. Custodian's fee (-)	-181,54	-296,27
D. Manager's fee (-)		
a) Financial management	-6.442,97	-9.949,90
b) Administration and accounting management	-11.519,05	-11.191,24
F. Formation and organisation expenses (-)	-351,15	-257,32
H. Services and sundry goods (-)	-2.113,47	-1.121,69
J. Taxes	-108,53	-638,49
K. Other expenses (-)	-669,97	-1.385,26
Income and expenditure for the period		
Subtotal II + III + IV	-45.909,30	-43.439,54
V. Profit (loss) on ordinary activities before tax	3.377.007,01	2.069.565,26
VII. Result for the period	3.377.007,01	2.069.565,26

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND HIGH

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC EQUITY FUND AMERICA IS B KAP	280,00	USD	2.285,790	570.606,87	0,13	2,31	2,31
KBC EQUITY FUND EUROPE IS	408,00	EUR	1.684,360	687.218,88	0,12	2,78	2,78
KBC EQUITY FUND FAMILY ENTERPRISES IS B CAP	283,00	EUR	1.197,980	339.028,34	0,25	1,37	1,37
KBC PARTICIPATION LOCAL EMERGING MARKET BONDS KAP IS B	173,00	EUR	1.033,950	178.873,35	0,03	0,72	0,72
<u>Luxembourg</u>							
KBC BONDS CORPOR USD IS B KAP	88,00	USD	1.051,950	82.531,63	0,03	0,33	0,33
KBC BONDS CORPORATES EURO IS B KAP	245,00	EUR	872,960	213.875,20	0,02	0,87	0,86
KBC BONDS EMU SHORTIS B KAP	214,00	EUR	1.071,860	229.378,04	0,02	0,93	0,93
KBC BONDS HIGH INTEREST IS B KAP	102,00	EUR	2.200,680	224.469,36	0,02	0,91	0,91
KBC INTEREST FUND EURO MEDIUM IS B_KAP	73,00	EUR	4.179,550	305.107,15	0,02	1,24	1,23
KBC RENTA EMURENTA IS B KAP	152,00	EUR	647,680	98.447,36	0,02	0,40	0,40
KBC RENTA EURORENTA IS B KAP	33,00	EUR	2.906,540	95.915,82	0,02	0,39	0,39
KBC RENTA STRATEGIC ACCENTS 1 IS B KAP	341,00	EUR	1.282,550	437.349,55	0,03	1,77	1,77
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
CELEST CURRENCY STRATEGY LACERTA IS B	175,00	EUR	1.024,570	179.299,75	0,11	0,73	0,72
CELEST VOLATILITY STRATEGY ANDROMEDA IS B	165,00	EUR	969,070	159.896,55	0,09	0,65	0,65
KBC EQUITY FUND BUYBACK AMERICA IS B KAP	544,00	USD	1.615,960	783.740,24	0,10	3,17	3,17
KBC EQUITY FUND CENTRAL EUROPE IS B KAP	90,00	EUR	1.062,840	95.655,60	0,25	0,39	0,39
KBC EQUITY FUND CONSUMER DURABLES IS B KAP	1.395,00	EUR	586,120	817.637,40	0,59	3,31	3,30
KBC EQUITY FUND EUROZONE IS B KAP	2.337,00	EUR	504,680	1.179.437,16	0,08	4,77	4,76
KBC EQUITY FUND GLOBAL LEADERS IS B KAP	2.095,00	EUR	384,690	805.925,55	0,39	3,26	3,26
KBC EQUITY FUND HIGH DIVIDEND EUROZONE IS B KAP	1.478,00	EUR	520,200	768.855,60	0,20	3,11	3,11
KBC EQUITY FUND HIGH DIVIDEND IS B KAP	567,00	EUR	1.347,960	764.293,32	0,10	3,09	3,09
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	592,00	EUR	527,450	312.250,40	0,12	1,26	1,26
KBC EQUITY FUND JAPAN IS B KAP	878,00	JPY	59.831,000	391.769,72	0,14	1,59	1,58
KBC EQUITY FUND NEW ASIA IS B KAP	537,00	EUR	721,040	387.198,48	0,09	1,57	1,56
KBC EQUITY FUND QUANT EMU IS B KAP	1.510,00	EUR	777,350	1.173.798,50	0,15	4,75	4,74
KBC EQUITY FUND SATELLITES IS B KAP	336,00	EUR	1.430,200	480.547,20	0,13	1,95	1,94
KBC EQUITY FUND STRATEGIC CYCLICALS IS KAP	2.785,00	EUR	901,360	2.510.287,60	0,15	10,20	10,14
KBC EQUITY FUND STRATEGIC FINANCE IS B KAP	4.845,00	EUR	446,390	2.162.759,55	0,14	8,75	8,74
KBC EQUITY FUND STRATEGIC NON CYCLICALS IS B KAP	2.852,00	EUR	383,280	1.093.114,56	0,14	4,42	4,42
KBC EQUITY FUND STRATEGIC TEL & TECHNOLOGY IS B KAP	9.056,00	EUR	168,000	1.521.408,00	0,14	6,16	6,15
KBC EQUITY FUND TURKEY IS B KAP	173,00	TRY	1.480,620	90.801,77	0,11	0,37	0,37
KBC EQUITY FUND US SMALL CAPS IS B KAP	345,00	USD	1.555,000	478.290,91	0,14	1,94	1,93

KBC MASTER FUND MINIMUM VARIANCE GLOBAL IS B KAP	663,00	EUR	1.460,370	968.225,31	0,42	3,92	3,91
KBC MULTI INTEREST CURRENCIES IS KAP	578,00	EUR	1.051,950	608.027,10	0,11	2,46	2,46
KBC PARTICIPATION COMMODITIES IS B	378,00	EUR	809,310	305.919,18	0,10	1,24	1,24
KBC PARTICIPATION SRI CORPORATE BONDS IS B KAP	188,00	EUR	1.258,910	236.675,08	0,02	0,96	0,96
PRIVILEGED PORTFOLIO REAL ESTATE IS B KAP	838,00	EUR	580,020	486.056,76	0,11	1,97	1,96
UCI registered with FSMA							
<u>Belgium</u>							
KBC MULTI TRACK GERMANY KAP	2.825,00	EUR	310,540	877.275,50	0,31	3,55	3,54
<u>Luxembourg</u>							
KBC INTEREST FUND CASH EURO KAP	266,16	EUR	5.999,050	1.596.713,15	1,14	6,46	6,45
Total investment funds				24.698.661,49		99,96	99,77
Forward contracts		EUR		9.638,88			0,04
TOTAL SECURITIES PORTFOLIO				24.708.300,37		100,00	99,81
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	4.776,88	AUD	1,000	3.333,60			0,01
KBC GROUP CAD	1.649,40	CAD	1,000	1.177,68			0,01
KBC GROUP CHF	2.424,02	CHF	1,000	2.279,61			0,01
KBC GROUP CZK	8.046,63	CZK	1,000	292,74			0,00
KBC GROUP DKK	304,04	DKK	1,000	40,74			
KBC GROUP EURO	31.550,40	EUR	1,000	31.550,40			0,13
KBC GROUP GBP	2.516,58	GBP	1,000	3.467,32			0,01
KBC GROUP HUF	1.795,30	HUF	1,000	5,92			
KBC GROUP JPY	-1.091.566,00	JPY	1,000	-8.140,67			-0,03
KBC GROUP NOK	1.155,11	NOK	1,000	134,97			0,00
KBC GROUP NZD	624,35	NZD	1,000	421,23			0,00
KBC GROUP PLN	1.852,76	PLN	1,000	446,42			0,00
KBC GROUP SEK	892,87	SEK	1,000	95,44			
KBC GROUP TRY	7.881,12	TRY	1,000	2.793,78			0,01
KBC GROUP USD	-4.783,01	USD	1,000	-4.264,26			-0,02
Total demand accounts				33.634,92			0,14
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP EURO FUT REK	32.408,60	EUR	1,000	32.408,60			0,13
KBC GROUP USD FUT REK	19.466,65	USD	1,000	17.355,37			0,07
Total managed futures accounts				49.763,97			0,20
TOTAL CASH AT BANK AND IN HAND				83.398,89			0,34
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	388,58	EUR	1,000	388,58			0,00
KBC GROUP JPY RECEIVABLE	1.100.000,00	JPY	1,000	8.203,57			0,03
Total receivables				8.592,15			0,04

Payables							
<u>Belgium</u>							
KBC GROUP EUR PAYABLE	-38.521,67	EUR	1,000	-38.521,67			-0,16
Payables				-38.521,67			-0,16
TOTAL RECEIVABLES AND PAYABLES				-29.929,52			-0,12
OTHER							
Expenses payable		EUR		-6.631,04			-0,03
TOTAL OTHER				-6.631,04			-0,03
TOTAL NET ASSETS				24.755.138,70			100,00

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
United Arab Emirates	0,08	0,15	0,38	0,01
Argentina	0,00	0,01	0,00	0,00
Australia	1,08	1,11	1,71	1,42
Austria	0,62	0,59	0,65	0,32
Belgium	3,81	3,30	5,08	4,45
Bahrain	0,00	0,01	0,00	0,00
Bermuda	0,33	0,24	0,16	0,08
Brazil	0,61	0,48	0,40	0,37
Canada	1,30	1,80	2,28	2,08
Switzerland	2,29	2,01	1,47	1,34
Chile	0,08	0,05	0,04	0,02
China	1,63	1,43	2,08	1,98
Colombia	0,08	0,08	0,10	0,05
Czech Republic	0,05	0,13	0,11	0,10
Cayman Islands	0,37	0,35	0,34	0,24
Germany	10,94	12,13	9,61	12,28
Denmark	0,43	0,55	0,52	0,56
Egypt	0,00	0,00	0,00	0,01
Spain	3,54	3,98	3,86	3,88
Finland	0,67	1,19	0,96	0,89
France	11,87	12,32	11,79	10,71
Gabon	0,00	0,02	0,01	0,01
U.K.	5,19	4,79	4,78	5,84
Greece	0,05	0,07	0,11	0,06
Hong Kong	1,28	0,97	1,00	0,83
Hungary	0,05	0,11	0,07	0,24
India	0,55	0,46	0,93	0,65
Indonesia	0,34	0,30	0,42	0,20
Ireland	4,53	5,63	1,31	3,19
Israel	0,08	0,07	0,14	0,17
Italy	3,84	4,05	3,47	3,22
Jersey/The Channel Islands	0,20	0,16	0,21	0,14
Japan	4,31	4,08	2,51	4,81
Kazakhstan	0,00	0,01	0,00	0,00
South Korea	1,67	1,63	2,27	1,28
Croatia	0,01	0,02	0,01	0,00
Luxembourg	0,47	0,42	1,24	0,88
Mexico	0,38	0,32	0,28	0,28
Malaysia	0,49	0,46	0,61	0,45
Netherlands	4,63	4,34	4,55	4,04
Norway	0,22	0,21	0,21	0,44
New Zealand	0,03	0,01	0,02	0,14
Ukraine	0,01	0,01	0,01	0,00
Panama	0,01	0,01	0,00	0,00
Peru	0,05	0,06	0,03	0,00
Philippines	0,18	0,14	0,19	0,15
Papua New Guinea	0,01	0,01	0,03	0,02
Poland	0,18	1,09	0,74	0,79
Portugal	0,47	0,29	0,41	0,31
Romania	0,01	0,11	0,07	0,29
Russia	0,23	0,25	0,09	0,07
Saudi Arabia	0,00	0,01	0,01	0,01

Singapore	0,21	0,18	0,20	0,17
Slovenia	0,00	0,02	0,02	0,01
International Organization	0,01	0,01	0,00	0,00
Slovakia	0,05	0,01	0,01	0,01
Sweden	0,78	0,93	0,67	0,51
Thailand	0,45	0,34	0,32	0,38
Turkey	0,16	0,19	0,17	0,64
Taiwan	1,19	1,22	1,72	1,06
U.S.A.	27,43	24,74	29,32	27,46
Venezuela	0,03	0,03	0,02	0,00
Outside BLEU territory-(belgo-Lux ec	0,02	0,01	0,03	0,03
EU institutions outside BLEU terr.	0,12	0,12	0,08	0,13
South Africa	0,30	0,18	0,17	0,30
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	17,92	18,78	19,62	18,74
Consum(cycl)	14,46	13,53	12,63	15,88
Cons.goods	10,40	7,30	6,41	7,77
Pharma	9,23	7,59	7,16	6,38
Financials	25,21	26,63	27,57	24,23
Technology	8,86	10,78	12,57	10,50
Telecomm.	2,89	3,30	3,10	3,75
Utilities	2,83	1,99	2,64	3,16
Real est.	3,16	3,11	3,72	3,82
Governm.	5,01	6,75	4,38	5,76
Unit trusts	0,01	0,02	0,01	0,00
Various	0,02	0,22	0,19	0,01
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
AUD	0,86	0,82	1,07	0,78
BRL	0,61	0,49	0,38	0,38
CAD	1,24	1,77	2,50	2,06
CHF	2,22	1,90	1,41	1,27
CLP	0,01	0,00	0,00	0,00
CNH	0,00	0,00	0,00	0,06
CNY	0,04	0,02	0,06	0,21
COP	0,06	0,05	0,10	0,05
CZK	0,07	0,14	0,13	0,12
DKK	0,38	0,38	0,41	0,55
EUR	42,46	44,98	38,16	42,04
GBP	4,47	4,65	4,26	4,59
HKD	3,09	2,70	3,37	2,33
HUF	0,04	0,08	0,99	0,33
IDR	0,37	0,32	0,45	0,27
ILS	0,06	0,05	0,04	0,17
INR	0,47	0,42	0,88	0,70
JPY	3,22	3,17	2,47	5,09
KRW	1,64	1,60	2,42	1,26
MXN	0,36	0,26	0,26	0,26
MYR	0,48	0,46	0,65	0,49
NGN	0,01	0,00	0,00	0,00
NOK	0,23	0,23	0,71	0,47
NZD	0,04	0,02	0,43	0,22
PEN	0,04	0,04	0,02	0,00
PHP	0,17	0,12	0,18	0,15
PLN	0,16	1,06	0,72	0,79
RON	0,01	0,10	0,07	0,29
RUB	0,07	0,08	0,03	0,02
SEK	0,63	0,79	0,49	0,38
SGD	0,20	0,18	0,19	0,15
THB	0,45	0,35	0,35	0,38
TRY	0,11	0,12	0,17	0,69
TWD	1,15	1,15	1,59	1,07
USD	34,28	31,33	34,85	32,03
ZAR	0,30	0,17	0,19	0,35
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND HIGH (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	8.893.432,12	8.893.432,12
Sales	10.825.809,29	10.825.809,29
Total 1	19.719.241,42	19.719.241,42
Subscriptions	439.466,66	439.466,66
Redemptions	2.473.620,88	2.473.620,88
Total 2	2.913.087,54	2.913.087,54
Monthly average of total assets	23.101.775,27	23.101.775,27
Turnover rate	72,75 %	72,75 %

	1st half of year	Year
Purchases	8.893.432,12	8.893.432,12
Sales	10.825.809,29	10.825.809,29
Total 1	19.719.241,42	19.719.241,42
Subscriptions	439.466,66	439.466,66
Redemptions	2.473.620,88	2.473.620,88
Total 2	2.913.087,54	2.913.087,54
Monthly average of total assets	23.050.547,08	23.050.547,08
Corrected turnover rate	72,91 %	72,91 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 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 USD-EUR 150325-150225 1.133355	USD	1.067.000,00	951.277,14	N/A	24.02.2015

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

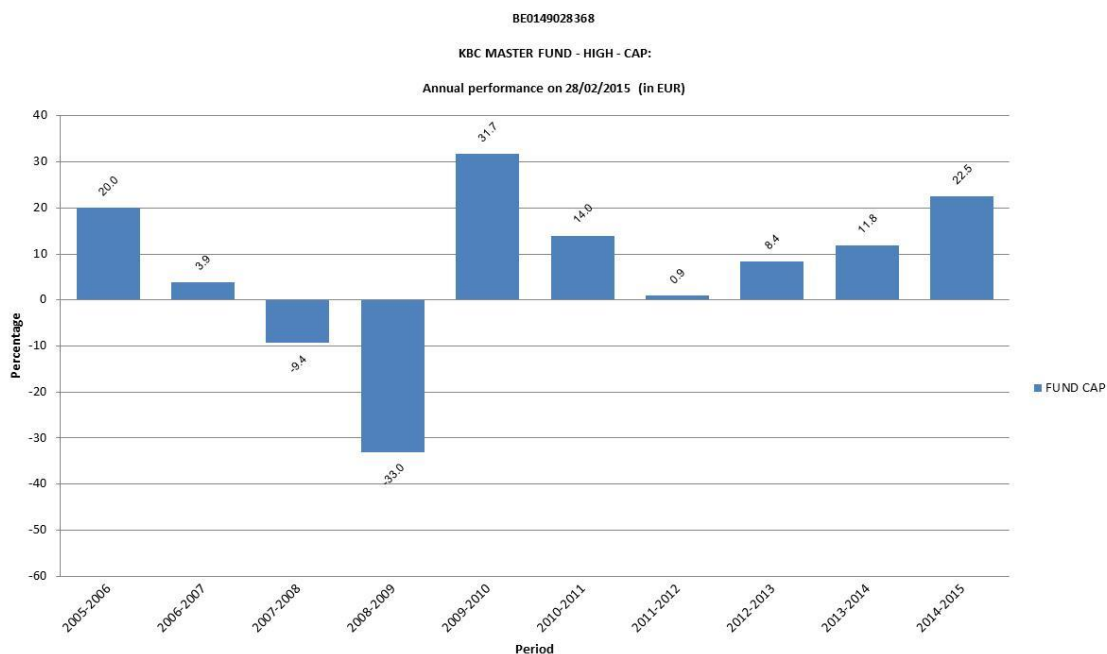
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	1.135,97		9.743,61		22.594,14		22.594,14
2014 - 02*	1.795,83		3.788,15		20.601,82		20.601,82
2015 - 02*	877,36		3.130,26		18.348,92		18.348,92

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	1.075.259,93		8.928.051,54	
2014 - 02*	1.882.093,64		3.945.636,28	
2015 - 02*	1.007.907,17		3.654.972,63	

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2013 - 02*	22.258.463,22	985,14	
2014 - 02*	22.683.521,75	1.101,04	
2015 - 02*	24.755.138,70	1.349,13	

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

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur-rency	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	Launch Date	Share classes
CAP	BE0149028368	EUR	22.53%		14.10%		11.31%		5.47%		01/07/1994	4.97%

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 EUR (ex BEF).
- the return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:
Capitalisation units (CAP)
Return on date D over a period of X years:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
where Y = D-X
Return on date D since the start date S of the unit:
$$[\text{NAV}(D) / \text{NAV}(S)]^{1 / F} - 1$$
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 n^{th} 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 capitalization shares.

2.4.6 COSTS

Ongoing charges: *
Capitalization: 1.882%

* 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.

Fee for managing the investment portfolio

The management fee amounts to 683.54 EUR. An additional fee of 5,759.43 EUR was charged regarding commissions and charges for allocating the assets.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1% 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.

In addition: fees and charges for allocating the assets: 0.05% per year, calculated on the basis of the average total net assets of the sub-fund.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Name	Maximum management fee
KBC Equity Fund-America-Institutional B Shares	1,50
KBC Equity Fund-Europe-Institutional B Shares	1,50
KBC Equity Fund-Family Enterprises-Institutional B Shares	1,60
KBC Participation-Local Emerging Market Bonds-Institutional B Shares	1,20
KBC Bonds-Corporates USD-Institutional B Shares capitalisation	1,10
KBC Bonds-Corporates Euro-Institutional B Shares capitalisation	1,10
KBC Bonds-EMU Short	1,17
KBC Bonds-High Interest-Institutional B Shares capitalisation	1,10
KBC Interest fund-EURO MEDIUM-Institutional B Shares Capitalisation	0,50
KBC Renta-Emurenta-Institutional B Shares Capitalisation	1,10
KBC Renta-Eurorenta-Institutional B Shares Capitalisation	1,10
KBC Renta-Strategic Accents 1-Institutional B Shares Capitalisation	1,57
Celest-Currency Strategy - Lacerta-Institutional B Shares	1,10
Celest-Volatility Strategy - Andromeda-Institutional B Shares	1,50
KBC Equity Fund-Buyback America-Institutional B Shares	1,50
KBC Equity Fund-Central Europe-Institutional B Shares	1,60
KBC Equity Fund-Consumer Durables-Institutional B Shares	1,50
KBC Equity Fund-Eurozone-Institutional B Shares	1,50
KBC Equity Fund-Global Leaders-Institutional B Shares	1,50
KBC Equity Fund-High Dividend Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend-Institutional B Shares	1,50
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50
KBC Equity Fund-Japan-Institutional B Shares	1,50
KBC Equity Fund-New Asia-Institutional B Shares	1,60
KBC Equity Fund-Quant EMU-Institutional B Shares	1,50
KBC Equity Fund-Satellites-Institutional B Shares	1,50
KBC Equity Fund-Strategic Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Finance-Institutional B Shares	1,50
KBC Equity Fund-Strategic Non Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Telecom & Technology-Institutional B Shares	1,50
KBC Equity Fund-Turkey-Institutional B Shares	1,60
KBC Equity Fund-US Small Caps-Institutional B Shares	1,50
KBC Master Fund-Minimum Variance Global-Institutional B Shares	1,50
KBC Multi Interest-Currencies-Institutional B Shares	0,50
KBC Participation-Commodities-Institutional B Shares	1,10
KBC Participation-SRI Corporate Bonds-Institutional B Shares	1,25
Privileged Portfolio Fund-Privileged Portfolio Real Estate-Institutional B Shares	0,93
KBC Multi Track-Germany-Classic Shares	0,70
KBC Interest fund-CASH EURO-Capitalisation	0,50
KBC Master Fund-High	1,00

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2 INFORMATION ON KBC MASTER FUND CSOB GROWTH

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 30 June 2000
 Initial subscription price: 1000 CZK
 Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

The investment policy aims to track the strategy recommended for an investor with a specific risk profile.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

The UCI may conclude contracts that relate to credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. It relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCI holds directly.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where credit derivatives are used, they are permitted only in order to achieve the investment objectives and within the existing risk profile and may not result in a shift to less creditworthy debtors. Consequently there is no increase in the credit risk. Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors..

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STRATEGY SELECTED

The assets are allocated in line with the investment strategy recommended by the KBC group for dynamic investors on the Czech market.

RISK CONCENTRATION

Czech market.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

Some of the assets are invested in bonds and debt instruments issued by companies and government bodies.

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
 - o Moody's (Moody's Investors Service);
 - o S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
 - o Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

- In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets
- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
 - in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

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

INVESTMENTS IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The sub-fund will invest primarily in permitted assets other than securities or money market instruments.

Lending financial instruments:

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

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

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

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

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

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

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

Volatility of the net asset value:

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

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

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

During the period under review confidence in the permanence of the economic recovery worldwide began to grow. The US took an ambitious austerity programme in its stride. The labour market picked up. The Bank of England managed successfully to detach the UK economy from its liquidity drip. Japan broke out of its negative deflationary spiral. Even in the euro area the economic skies appear to be clearing. The stock markets responded warmly to the economic optimism. The bond markets were mesmerised by the prospect of the European Central bank (ECB) following the US example and starting to purchase government paper on a large scale.

Economic growth in 2014 was more than satisfactory. However, the regional differences are (very) wide. Overall, the emerging markets recorded slightly slower growth. Growth accelerated in the West, thanks to the US, but the euro area fell behind.

The US economy is in its seventh year of expansion. During the course of 2014, sentiment changed from economic scepticism to optimism. The driver for this was the recovery in the labour market. This is in sharp contrast to the euro area, where the economy has been stuck in the doldrums for a long time and has only begun showing signs of improvement very recently. The cautious recovery in 2013 was interrupted in 2014. The sanctions by and against Russia did nothing for business confidence, especially in Germany. The tide did not turn until late in 2014. The IFO barometer of business confidence in Germany began climbing again in November. December and January saw an increase in consumer confidence and retail sales throughout the euro area (with the exception of Portugal). It will be clear that the benefits of a weak euro and the low oil prices are at last percolating through to the real economy.

In Japan, 'Abenomics' (the Abe government's large-scale monetary and budgetary stimulation programme) is not having the desired result. More than that, raising the general VAT rate by in April 2014 proved to be disastrous.

Intense economic doubts, realisation that inflation is as good as dead, and central bank intervention are keeping bond yields historically low. Traditionally, bond rates in Germany – the benchmark in the euro area – closely shadow developments in the US market. In this reporting period the reverse applied. In 2014 the call for a European variant of QE became ever louder, driving not just German but also US 10-year rates ever lower. On 2 February the interest on a US 10-year government bond fell to a low. In this regard the fact that the Fed – admittedly choosing its words cautiously – began to hold out the prospect of the first rise in interest rates in seven years had little if any influence. At the end of the reporting period the yield on German bonds of less than seven years date had turned negative.

The further easing of the euro crisis caused a further narrowing of interest rate spreads between the EMU partners, almost without hiccups – except in the case of Greece. Belgian-German spreads also narrowed further to 25 basis points at the end of February 2015.

The S&P 500 set one record after another in the period under review, reaching an all-time high on 24 February 2015.

Of the traditional markets, the US recorded the strongest performance, which was not entirely due to the strengthening of the dollar. The S&P 500 surged from one record to another, with the rally being interrupted only between 18 September and 15 October. Doubts about the economy (fears that the US would be dragged into a downward spiral when it transpired that the German economic engine was stuttering and China also began emitting negative signals) led to a correction, but the sombre mood passed quickly.

Western Europe was unable to sustain the catching-up exercise which began in 2012. Fears that the EMU's problems harboured a systemic risk disappeared completely. Neither the debacle of Banco Espírito Santo nor the threat of a 'Grexit' (February), for example, caused any turmoil. Instead these fears were replaced by fears of deflation. Europe's cheaper valuation (compared with the US) provided little support, as corporate earnings in Europe had already lagged behind considerably for two years, relative to both forecasts and to the pattern of earnings in the United States.

Japan performed more or less in line with the world index. Stock market sentiment fluctuated between hope that 'Abenomics' would break through the deflation spiral and fear that the VAT hikes would prove disastrous for consumer confidence.

2.1.8 FUTURE POLICY

People living in continental Europe might not realise it, but the world economy has reached cruising speed. In the US, growth optimism is on the up: the first swallows heralding an economic spring are reaching the euro area. The main reasons for this were greater consumer purchasing power and an easing of austerity measures. Emerging Asia is likely to follow, although not everyone appears convinced of this.

Bond yields seem to have bottomed out. It would be logical for yields to increase again from the current record lows, on the back of an improved economic environment. As a result, the market might, in the months ahead, start to anticipate tighter monetary policy in 2015 (US) or later (EMU). No significant increase in interest rates is likely in the coming months, however. Fearful of the negative consequences for growth, the central banks will avoid any such hike at any price.

The money market rate won't increase rapidly and bond yields are at historical lows. Everything seems to point to shares being the most attractive investment option for the months ahead. The lack of alternatives is not, of course, sufficient reason to increase the market valuation. For that investors must retain their risk-appetite. Shares are no longer as cheap as they were a while ago: based on forecast earnings for the coming 12 months, the price/earnings ratio is 18.4 for the S&P 500 index and 16.6 for the MSCI Europe. These figures are already on the expensive side. Equities are, however, still dirt-cheap compared with bonds.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fundt)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	430.389.290,14	326.115.566,73
II. Securities, money market instruments, UCIs and derivatives		
E. Open-end undertakings for collective investment	426.285.868,02	317.956.911,32
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-1.662.561,91	3.152.585,06
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	2.471.456,62	1.221.279,33
B. Payables		
a) Accounts payable (-)	-412.726,45	-112.197,14
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	3.808.219,64	3.976.389,88
VI. Accruals and deferrals		
C. Accrued expense (-)	-100.965,78	-79.401,72
TOTAL SHAREHOLDERS' EQUITY	430.389.290,14	326.115.566,73
A. Capital	405.524.644,70	300.169.710,79
B. Income equalization	44.299,45	-55.946,08
D. Result for the period	24.820.345,99	26.001.802,02

Off-balance-sheet headings

III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	261.425.020,00	184.252.659,45
III.B Written futures and forward contracts	-38.877.449,13	-13.587.873,31

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 <small>(in the currency of the sub-fund)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
I. Net gains(losses) on investments		
E. Open-end undertakings for collective investment	37.601.420,77	22.983.698,27
F. Derivative financial instruments		
I) Financial indices		
Futures and forward contracts		78.955,56
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	1.545.267,30	3.171.837,72
b) Other foreign exchange positions and transactions	-13.523.925,66	423.770,42
Det.section I gains and losses on investments		
Realised gains on investments	32.073.966,79	
Unrealised gains on investments	77.405.509,21	
Realised losses on investments	-23.135.348,93	
Unrealised losses on investments	-60.721.364,66	
II. Investment income and expenses		
B. Interests		
b) Cash at bank and in hand and deposits	5.081,77	1.661,79
C. Interest on borrowings (-)	-448,49	-628,17
III. Other income		
B. Other		5.099,38
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-454.722,95	-416.460,69
B. Financial expenses (-)	-2.263,00	-3.653,25
C. Custodian's fee (-)		-476,41
D. Manager's fee (-)		
a) Financial management	-56.428,44	-24.882,09
b) Administration and accounting management	-190.447,06	-149.704,51
F. Formation and organisation expenses (-)	-7.771,29	-3.158,52
H. Services and sundry goods (-)	-57.977,20	-29.095,89
J. Taxes	-27,20	
K. Other expenses (-)	-37.412,56	-35.161,59
Income and expenditure for the period		
Subtotal II + III + IV	-802.416,42	-656.459,95
V. Profit (loss) on ordinary activities before tax	24.820.345,99	26.001.802,02
VII. Result for the period	24.820.345,99	26.001.802,02

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND CSOB GROWTH

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC EQUITY FUND AMERICA IS B KAP	122,00	USD	2.285,790	6.833.985,45	0,05	1,61	1,59
KBC EQUITY FUND EUROPE IS	177,00	EUR	1.684,360	8.194.895,84	0,05	1,93	1,90
KBC EQUITY FUND FAMILY ENTERPRISES IS B CAP	122,00	EUR	1.197,980	4.017.396,07	0,11	0,95	0,93
KBC PARTICIPATION LOCAL EMERGING MARKET BONDS KAP IS B	219,00	EUR	1.033,950	6.224.133,57	0,03	1,47	1,45
KBC PARTICIPATION PRIV BANK ACTIVE SELECTION KAP	145,00	EUR	1.113,940	4.439.816,83	0,03	1,05	1,03
OPTIMUM FUND PRIV BANKING KRATKODOBYCH - KAP	66.503,00	CZK	105,420	7.010.746,26	0,32	1,65	1,63
<u>Luxembourg</u>							
KBC BONDS CORPORATES EURO IS B KAP	257,00	EUR	872,960	6.166.840,55	0,02	1,45	1,43
KBC BONDS HIGH INTEREST IS B KAP	103,00	EUR	2.200,680	6.230.592,86	0,02	1,47	1,45
KBC RENTA CZECHRENTA IS B KAP	962,00	CZK	41.093,920	39.532.351,04	1,28	9,31	9,19
KBC RENTA STRATEGIC ACCENTS 1 IS B KAP	253,00	EUR	1.282,550	8.919.285,76	0,02	2,10	2,07
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
HORIZON CSOB KOMODITNI FOND KAP	24.001,00	CZK	347,550	8.341.547,55	1,30	1,96	1,94
KBC EQUITY FUND BUYBACK AMERICA IS B KAP	236,00	USD	1.615,960	9.345.886,44	0,04	2,20	2,17
KBC EQUITY FUND CENTRAL EUROPE IS B KAP	39,00	EUR	1.062,840	1.139.377,79	0,11	0,27	0,27
KBC EQUITY FUND CONSUMER DURABLES IS B KAP	606,00	EUR	586,120	9.763.250,16	0,26	2,30	2,27
KBC EQUITY FUND EUROZONE IS B KAP	1.015,00	EUR	504,680	14.080.477,68	0,04	3,32	3,27
KBC EQUITY FUND GLOBAL LEADERS IS B KAP	910,00	EUR	384,690	9.622.491,61	0,17	2,27	2,24
KBC EQUITY FUND HIGH DIVIDEND EUROZONE IS B KAP	641,00	EUR	520,200	9.165.657,60	0,09	2,16	2,13
KBC EQUITY FUND HIGH DIVIDEND IS B KAP	246,00	EUR	1.347,960	9.114.804,62	0,04	2,15	2,12
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	257,00	EUR	527,450	3.726.058,52	0,05	0,88	0,87
KBC EQUITY FUND JAPAN IS B KAP	381,00	JPY	59.831,000	4.673.020,65	0,06	1,10	1,09
KBC EQUITY FUND NEW ASIA IS B KAP	232,00	EUR	721,040	4.598.144,29	0,04	1,08	1,07
KBC EQUITY FUND QUANT EMU IS B KAP	656,00	EUR	777,350	14.017.020,04	0,07	3,30	3,26
KBC EQUITY FUND SATELLITES IS B KAP	146,00	EUR	1.430,200	5.739.643,01	0,06	1,35	1,33
KBC EQUITY FUND STRATEGIC CYCLICALS IS KAP	1.209,00	EUR	901,360	29.954.345,46	0,06	7,05	6,96
KBC EQUITY FUND STRATEGIC FINANCE IS B KAP	2.103,00	EUR	446,390	25.804.115,77	0,06	6,08	6,00
KBC EQUITY FUND STRATEGIC NON CYCLICALS IS B KAP	1.238,00	EUR	383,280	13.042.836,63	0,06	3,07	3,03
KBC EQUITY FUND STRATEGIC TEL & TECHNOLOGY IS B KAP	3.931,00	EUR	168,000	18.152.965,30	0,06	4,28	4,22
KBC EQUITY FUND TURKEY IS B KAP	75,00	TRY	1.480,620	1.082.043,53	0,05	0,26	0,25
KBC EQUITY FUND US SMALL CAPS IS B KAP	150,00	USD	1.555,000	5.716.096,38	0,06	1,35	1,33
KBC MASTER FUND MINIMUM VARIANCE GLOBAL IS B KAP	287,00	EUR	1.460,370	11.520.731,40	0,18	2,71	2,68

KBC MULTI INTEREST CSOB CZK MEDIUM IS B KAP	48.094,00	CZK	1.002,170	48.198.363,98	0,49	11,74	11,20
KBC MULTI INTEREST CSOB KRATKODOBY KAP	183.533,00	CZK	128,990	23.673.921,67	0,75	5,58	5,50
KBC OBLI INTERNATIONAL KAP	286,00	EUR	340,230	2.674.692,69	0,77	0,63	0,62
KBC PARTICIPATION EUROPE FIN BOND OPP KAP	132,00	EUR	979,690	3.554.658,29	0,24	0,84	0,83
KBC SELECT IMMO EUROPE PLUS KAP	428,00	EUR	1.317,950	15.505.220,81	0,30	3,65	3,60
<u>Luxembourg</u>							
KBC BONDS CAPITAL FUND KAP	616,00	EUR	947,500	16.043.354,61	1,25	3,78	3,73
UCI registered with FSMA							
<u>Belgium</u>							
KBC MULTI TRACK GERMANY KAP	1.226,00	EUR	310,540	10.465.097,31	0,13	2,47	2,43
Total investment funds				426.285.868,02		100,39	99,05
Forward contracts		CZK		-1.662.561,91			-0,39
TOTAL SECURITIES PORTFOLIO				424.623.306,11		100,00	98,66
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	4.663,12	CAD	1,000	91.519,41			0,02
KBC GROUP CHF	177,30	CHF	1,000	4.583,19			0,00
KBC GROUP CZK	2.615.045,12	CZK	1,000	2.615.045,12			0,61
KBC GROUP DKK	304,24	DKK	1,000	1.120,67			
KBC GROUP EURO	14.868,13	EUR	1,000	408.687,73			0,10
KBC GROUP GBP	299,53	GBP	1,000	11.343,80			0,00
KBC GROUP JPY	321.974,00	JPY	1,000	66.003,55			0,02
KBC GROUP PLN	8.274,44	PLN	1,000	54.802,40			0,01
KBC GROUP TRY	28.125,33	TRY	1,000	274.054,84			0,06
KBC GROUP USD	11.468,84	USD	1,000	281.058,93			0,07
Total demand accounts				3.808.219,64			0,89
TOTAL CASH AT BANK AND IN HAND				3.808.219,64			0,89
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP CZK RECEIVABLE	2.471.456,62	CZK	1,000	2.471.456,62			0,57
Total receivables				2.471.456,62			0,57
Payables							
<u>Belgium</u>							
KBC GROUP CZK PAYABLE	-412.726,45	CZK	1,000	-412.726,45			-0,10
Payables				-412.726,45			-0,10
TOTAL RECEIVABLES AND PAYABLES				2.058.730,17			0,48
OTHER							
Expenses payable		CZK		-100.965,78			-0,02
TOTAL OTHER				-100.965,78			-0,02
TOTAL NET ASSETS				430.389.290,14			100,00

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
United Arab Emirates	0,03	0,05	0,04	0,05
Australia	0,80	0,73	1,26	1,28
Austria	1,34	0,79	0,98	1,23
Belgium	5,05	4,36	2,53	2,26
Bulgaria	0,00	0,00	0,11	0,11
Bahrain	0,00	0,00	0,00	0,01
Bermuda	0,22	0,16	0,11	0,05
Brazil	0,44	0,38	0,36	0,29
Canada	0,82	1,21	1,53	1,33
Switzerland	1,63	1,45	1,33	1,27
Chile	0,06	0,03	0,03	0,01
China	1,09	1,20	1,73	1,32
Colombia	0,08	0,09	0,12	0,08
Czech Republic	12,34	12,49	12,64	14,46
Cayman Islands	0,29	0,29	0,26	0,20
Germany	8,58	9,31	7,15	9,57
Denmark	0,26	0,36	0,37	0,66
Egypt	0,02	0,02	0,02	0,03
Spain	2,96	2,85	3,23	2,68
Finland	0,46	0,84	0,68	0,64
France	10,94	10,61	10,09	9,49
Gabon	0,00	0,01	0,01	0,01
U.K.	5,55	5,60	5,66	5,90
Greece	0,03	0,05	0,08	0,04
Hong Kong	0,77	0,84	0,95	0,53
Hungary	0,04	0,08	0,07	0,12
India	0,37	0,31	0,87	0,78
Indonesia	0,22	0,18	0,30	0,13
Ireland	1,82	2,91	2,30	2,47
Iceland	0,01	0,01	0,01	0,01
Israel	0,07	0,05	0,10	0,12
Italy	3,41	3,30	3,61	3,25
Jersey/The Channel Islands	0,17	0,17	0,34	0,20
Japan	3,93	4,13	2,28	3,75
South Korea	1,44	1,42	1,92	1,26
Croatia	0,02	0,02	0,02	0,02
Luxembourg	1,22	1,21	1,37	1,18
Mexico	0,39	0,52	0,44	0,50
Malaysia	0,39	0,50	0,63	0,37
Netherlands	5,22	4,80	5,58	5,07
Norway	0,30	0,20	0,54	0,50
New Zealand	0,02	0,01	0,01	0,02
Peru	0,08	0,13	0,03	0,00
Philippines	0,13	0,12	0,18	0,21
Papua New Guinea	0,01	0,01	0,02	0,01
Poland	0,57	1,59	0,85	1,35
Portugal	0,31	0,20	0,29	0,24
Romania	0,04	0,10	0,26	0,28
Russia	0,19	0,15	0,05	0,06
Saudi Arabia	0,00	0,00	0,01	0,02
Singapore	0,10	0,10	0,09	0,09
Slovenia	0,28	0,13	0,19	0,17

International Organization	0,01	0,01	0,00	0,00
Slovakia	0,24	0,40	0,40	0,37
Sweden	1,19	1,08	1,31	1,07
Thailand	0,35	0,32	0,24	0,18
Turkey	0,14	0,27	0,59	0,96
Taiwan	0,79	0,83	1,19	0,73
U.S.A.	22,16	20,39	22,23	20,38
Outside BLEU territory-(belgo-Lux ec	0,04	0,07	0,09	0,08
EU institutions outside BLEU terr.	0,35	0,43	0,20	0,34
Guernsey The Channel Islands	0,01	0,00	0,00	0,00
South Africa	0,21	0,13	0,12	0,21
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	12,33	13,14	14,50	12,68
Consum(cycl)	9,98	9,76	8,82	11,04
Cons.goods	6,94	5,01	4,46	5,25
Pharma	6,15	5,19	5,01	4,44
Financials	31,41	28,28	28,50	28,17
Technology	5,90	7,42	8,68	7,32
Telecomm.	2,20	2,35	2,39	2,65
Utilities	2,21	1,37	1,68	2,01
Real est.	2,52	3,35	4,47	4,85
Governm.	20,16	23,67	21,03	21,84
Unit trusts	0,00	0,01	0,00	0,00
Various	0,20	0,45	0,46	-0,25
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
AUD	0,50	0,51	0,34	0,33
BRL	0,53	0,48	0,35	0,31
CAD	0,81	1,20	1,42	1,33
CHF	1,60	1,40	1,07	1,04
CLP	0,01	0,00	0,00	0,00
CNY	0,08	0,08	0,08	0,10
COP	0,09	0,11	0,12	0,07
CZK	93,97	87,44	86,90	88,66
DKK	0,26	0,26	0,28	0,37
EUR	-0,87	-1,68	-0,77	-2,76
GBP	3,92	4,74	4,52	4,63
HKD	1,96	1,79	2,22	1,55
HUF	0,04	0,07	0,03	0,08
IDR	0,27	0,25	0,34	0,22
ILS	0,06	0,06	0,03	0,17
INR	0,32	0,33	0,62	0,61
JPY	-1,42	-0,80	-0,38	1,37
KRW	1,24	1,28	1,72	0,98
MXN	0,38	0,47	0,38	0,44
MYR	0,39	0,49	0,65	0,39
NGN	0,01	0,01	0,00	0,00
NLG	0,00	0,00	0,00	0,01
NOK	0,23	0,29	0,31	0,27
NZD	0,02	0,01	0,01	0,02
PEN	0,06	0,11	0,03	0,00
PHP	0,13	0,13	0,17	0,20
PLN	0,18	1,25	0,85	0,52
RON	0,01	0,08	0,05	0,05
RUB	0,11	0,18	0,05	0,04
SEK	0,51	0,69	0,58	0,56
SGD	0,09	0,10	0,08	0,07
SKK	0,00	0,01	0,00	0,00
THB	0,35	0,33	0,26	0,18
TRY	0,10	0,15	0,18	0,55
TWD	0,77	0,78	1,07	0,73
USD	-6,95	-2,75	-3,74	-3,38
ZAR	0,24	0,15	0,18	0,29
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND CSOB GROWTH (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	216.594.264,46	216.594.264,46
Sales	192.364.315,97	192.364.315,97
Total 1	408.958.580,43	408.958.580,43
Subscriptions	71.353.444,93	71.353.444,93
Redemptions	32.747.469,61	32.747.469,61
Total 2	104.100.914,54	104.100.914,54
Monthly average of total assets	381.813.466,42	381.813.466,42
Turnover rate	79,84 %	79,84 %

	1st half of year	Year
Purchases	216.594.264,46	216.594.264,46
Sales	192.364.315,97	192.364.315,97
Total 1	408.958.580,43	408.958.580,43
Subscriptions	71.353.444,93	71.353.444,93
Redemptions	32.747.469,61	32.747.469,61
Total 2	104.100.914,54	104.100.914,54
Monthly average of total assets	374.983.291,17	374.983.291,17
Corrected turnover rate	81,30 %	81,30 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 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-EUR 150325-150226 27.43255	CZK	164.595.300,00	164.595.300,00	N/A	24.02.2015
KBC AK-VK CZK-USD 150325-150226 24.20743	CZK	96.829.720,00	96.829.720,00	N/A	24.02.2015
KBC VK-AK CZK-EUR 150325-150302 27.55628	CZK	-28.217.630,72	-28.217.630,72	N/A	26.02.2015
KBC VK-AK JPY-CZK 150325-150226 4.936854	JPY	-52.000.000,00	-10.659.818,41	N/A	24.02.2015

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

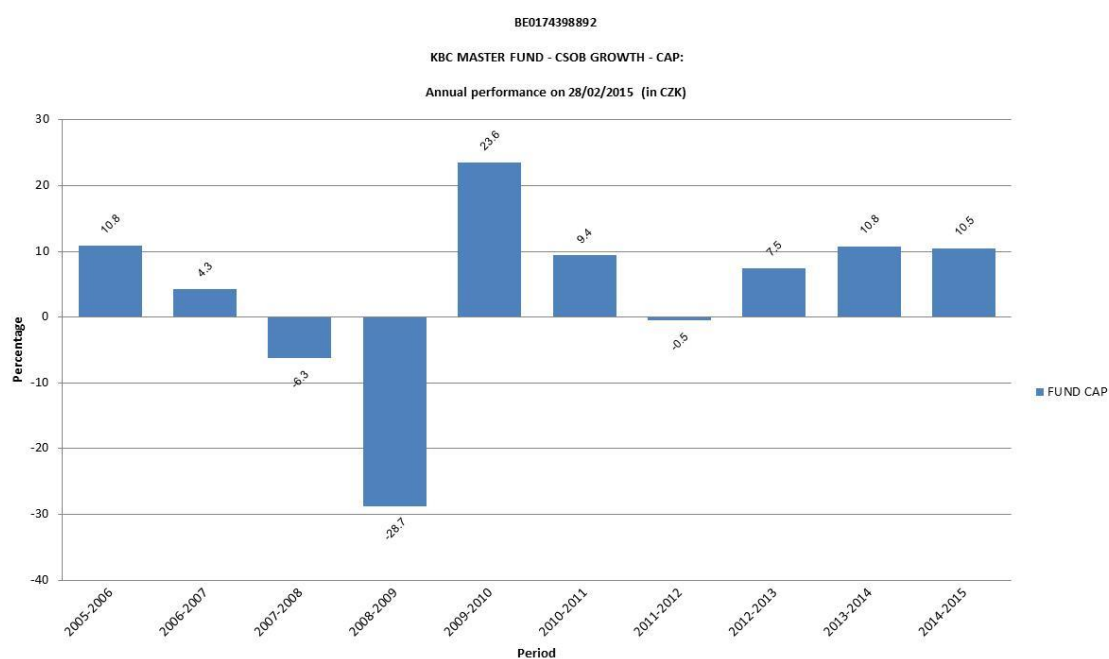
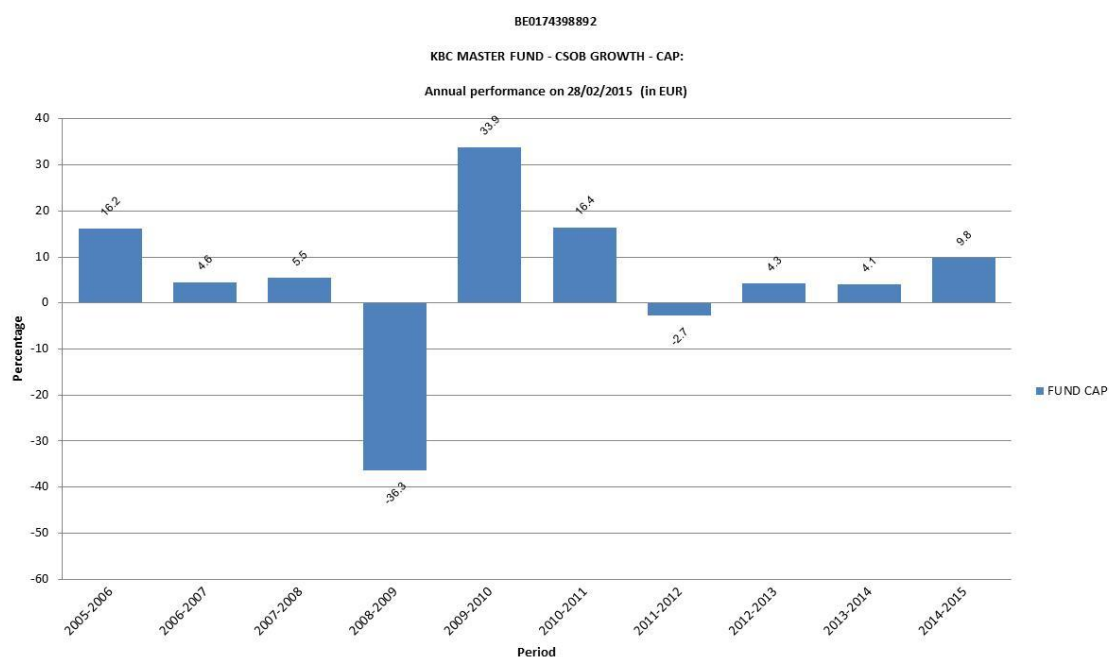
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	33.930,29		55.758,60		282.084,16		282.084,16
2014 - 02*	102.143,79		60.816,99		323.410,96		323.410,96
2015 - 02*	118.387,03		55.500,19		386.297,80		386.297,80

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	29.847.696,16		47.535.955,61	
2014 - 02*	97.744.653,63		57.787.286,23	
2015 - 02*	123.756.083,31		57.796.483,88	

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2013 - 02*	256.818.383,47	910,43	
2014 - 02*	326.115.566,73	1.008,36	
2015 - 02*	430.389.290,14	1.114,14	

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

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur- rency	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	Launch Date	Share classes
CAP	BE0174398892	EUR	9.84%		6.06%		6.20%		3.96%		30/06/2000	2.54%
CAP	BE0174398892	CZK	10.49%		9.57%		7.43%		3.16%		30/06/2000	0.74%

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.
- 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
where Y = D-X
Return on date D since the start date S of the unit:
$$[\text{NAV}(D) / \text{NAV}(S)]^{1 / F} - 1$$
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 n^{th} 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 capitalization shares.

2.4.6 COSTS

Ongoing charges: *
Capitalization: 1.747%

* 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.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1% 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 administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Name	Maximum management fee
KBC Equity Fund-America-Institutional B Shares	1,50
KBC Equity Fund-Europe-Institutional B Shares	1,50
KBC Equity Fund-Family Enterprises-Institutional B Shares	1,60
KBC Participation-Local Emerging Market Bonds-Institutional B Shares	1,20
KBC Participation-Private Banking Active Bond Selection	1,25
Optimum Fund-CSOB Kratkodobych Dluhopisu	0,70
KBC Bonds-Corporates Euro-Institutional B Shares capitalisation	1,10
KBC Bonds-High Interest-Institutional B Shares capitalisation	1,10
KBC Renta-Czechrenta-Institutional B Shares Capitalisation	1,60
KBC Renta-Strategic Accents 1-Institutional B Shares Capitalisation	1,57
Horizon-CSOB Komoditni Fond	2,00
KBC Equity Fund-Buyback America-Institutional B Shares	1,50
KBC Equity Fund-Central Europe-Institutional B Shares	1,60
KBC Equity Fund-Consumer Durables-Institutional B Shares	1,50
KBC Equity Fund-Eurozone-Institutional B Shares	1,50
KBC Equity Fund-Global Leaders-Institutional B Shares	1,50
KBC Equity Fund-High Dividend Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend-Institutional B Shares	1,50
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50
KBC Equity Fund-Japan-Institutional B Shares	1,50
KBC Equity Fund-New Asia-Institutional B Shares	1,60
KBC Equity Fund-Quant EMU-Institutional B Shares	1,50
KBC Equity Fund-Satellites-Institutional B Shares	1,50
KBC Equity Fund-Strategic Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Finance-Institutional B Shares	1,50
KBC Equity Fund-Strategic Non Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Telecom & Technology-Institutional B Shares	1,50
KBC Equity Fund-Turkey-Institutional B Shares	1,60
KBC Equity Fund-US Small Caps-Institutional B Shares	1,50
KBC Master Fund-Minimum Variance Global-Institutional B Shares	1,50
KBC Multi Interest-CSOB CZK Medium-Institutional B Shares Capitalisation	0,60
KBC Multi Interest-CSOB Kratkodoby	1,00
KBC Obli-International	1,10
KBC Participation-Europe Financial Bond Opportunities-Classic Shares	1,00
KBC Select Immo-Europe Plus	1,50
KBC Bonds-Capital Fund-Capitalisation	0,70
KBC Multi Track-Germany-Classic Shares	0,70
KBC Master Fund-CSOB Growth	1,00

Semi-Annual report as at 28th February 2015

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2 INFORMATION ON KBC MASTER FUND DYNAMIC MIXED FUND

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 15 June 2007
Initial subscription price: 1000 CZK
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

RESTRICTIONS OF THE INVESTMENT POLICY:

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

The UCI may conclude contracts that relate to credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. It relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCI holds directly.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where credit derivatives are used, they are permitted only in order to achieve the investment objectives and within the existing risk profile and may not result in a shift to less creditworthy debtors. Consequently there is no increase in the credit risk. Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors..

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STRATEGY SELECTED

The assets are allocated in line with a dynamic investment strategy that is set at launch at 65% in a global selection of equities and 35% in a global selection of bonds, which may be adjusted in line with market conditions. To this end, the sub-fund will make balanced investments in the various asset classes, in accordance with the allocation set for the risk profile concerned.

The equities component may never be higher than 75%.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

Some of the assets are invested in bonds and debt instruments issued by companies and government bodies.

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
 - o Moody's (Moody's Investors Service);
 - o S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
 - o Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

- In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets
- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
 - in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

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

INVESTMENTS IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The sub-fund will invest primarily in units in Undertakings for Collective Investment.

Lending financial instruments:

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

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

- **The choice of principal, agent and every counterparty is subject to strict selection criteria.**
- **The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.**
- **The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.**

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

- **Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.**
- **money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.**
- **government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.**

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

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

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

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to CSOB Asset Management a.s., Radlicka 333/150 , 150 57 Praha 5, CZECH REPUBLIC..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The KBC Master Fund CMSS Mixed fund (the "Fund") is a Czech Koruna ("CZK") denominated fund of funds. The Fund was launched on 7 December 2004.

The Fund's neutral asset allocation is set at 65% of equity funds and 35% of fixed income funds. The equity exposure was overweight during the last six months. It was decreased in February 2015 and now stands at slightly overweight. The fixed income exposure was at slightly underweight or close to neutral level for whole period due to the expectation of yield increase.

From 31st August 2014 till 28th February 2015, equity markets measured by MSCI World index rose by 1.2% with Europe outperforming USA. The equity markets decreased till the mid October. After that, the markets turnaround and rose till the end of the year 2014. At the last months of 2014 US equity market reached its all time high on the back of solid data from the US labour market and gradual improvement of macroeconomic environment. In the first two months of 2015 the performances of equity markets were different. European equities rose by double digit, supported by announcement of QE in Europe. US equity was flat, when the expected rate hikes and lower oil price weight the markets. The core part of the fixed-income dedicated assets is mostly invested in CZK exposed bond funds. Yields on short term government bonds approaching zero, which was reach in January, and stayed around this level. Most of the bond part consists of corporate bonds. Other fixed income investments that cover European corporate sector and also government bonds of the new EU members also experienced significant price appreciation until the end of august of 2014. The next performance driver was the decrease of corporate credit margins. Most of the Fund's currency exposure is hedged into Czech koruna, namely USD, EUR, and JPY exposures are hedged systematically at 100%.

2.1.8 FUTURE POLICY

During the last couple of months, we witnessed a gradual improvement of developed markets' economies, particularly in the USA. The labour market in the USA performs well and the EU economy has stabilized. For the EU the main risk is the development in Greece. Our main scenario for the next six months is continuing improvement of global economy. Our present view on equities is slightly positive and we expect to keep the equity allocation above the benchmark neutral level in the following months with preference of developed markets.

On the fixed-income side, we expect the Czech National Bank to keep its official interest rate at the present level of 0.05% for the rest of 2015. As for the long term yields, we expect no change or only small yields' rise during the rest of 2015 especially at the shorter end of the yield curve as a response to the low inflation and loose monetary policy. We intend to keep the modified duration at or slightly below the benchmark-neutral level during the next six months.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fundt)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	114.300.189,32	119.757.288,28
II. Securities, money market instruments, UCIs and derivatives		
E. Open-end undertakings for collective investment	110.374.489,28	117.526.787,70
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-555.741,77	473.638,90
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	2.285.246,23	14.239.673,16
B. Payables		
a) Accounts payable (-)	-2.162.360,21	-11.870.927,71
c) Borrowings (-)	-3.148.654,16	-2.195.172,75
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	7.522.614,65	1.603.910,18
VI. Accruals and deferrals		
C. Accrued expense (-)	-15.404,70	-20.621,20
TOTAL SHAREHOLDERS' EQUITY	114.300.189,32	119.757.288,28
A. Capital	105.745.736,44	107.441.052,65
B. Income equalization	-7.096,88	-864,84
D. Result for the period	8.561.549,76	12.317.100,47

Off-balance-sheet headings

III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	67.464.102,80	73.589.045,00
III.B Written futures and forward contracts	-3.074.947,62	-5.233.560,33

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 <small>(in the currency of the sub-fund)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
I. Net gains(losses) on investments		
E. Open-end undertakings for collective investment	11.325.311,68	11.533.033,16
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-700.809,72	1.052.267,86
b) Other foreign exchange positions and transactions	-1.786.245,53	71.362,12
Det.section I gains and losses on investments		
Realised gains on investments	13.475.305,24	
Unrealised gains on investments	-2.335.607,19	
Realised losses on investments	-5.848.631,24	
Unrealised losses on investments	3.547.189,62	
II. Investment income and expenses		
B. Interests		
b) Cash at bank and in hand and deposits	506,67	832,12
C. Interest on borrowings (-)	-56,95	
III. Other income		
B. Other		7.018,65
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-143.803,22	-235.810,28
B. Financial expenses (-)	-801,99	-1.845,19
D. Manager's fee (-)		
a) Financial management	-9.546,12	-10.371,32
b) Administration and accounting management	-55.026,15	-63.667,96
F. Formation and organisation expenses (-)	-5.411,09	-582,86
H. Services and sundry goods (-)	-57.243,32	-28.268,36
J. Taxes	-0,29	
K. Other expenses (-)	-5.324,21	-6.867,47
Income and expenditure for the period		
Subtotal II + III + IV	-276.706,67	-339.562,67
V. Profit (loss) on ordinary activities before tax	8.561.549,76	12.317.100,47
VII. Result for the period	8.561.549,76	12.317.100,47

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND DYNAMIC MIXED FUND

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC EQUITY FUND AMERICA IS B KAP	40,49	USD	2.285,790	2.268.266,98	0,02	2,07	1,98
KBC EQUITY FUND EUROPE IS	58,91	EUR	1.684,360	2.727.326,14	0,02	2,48	2,39
KBC EQUITY FUND FAMILY ENTERPRISES IS B CAP	40,43	EUR	1.197,980	1.331.338,70	0,04	1,21	1,17
KBC PARTICIPATION LOCAL EMERGING MARKET BONDS KAP IS B	43,42	EUR	1.033,950	1.233.970,00	0,01	1,12	1,08
KBC PARTICIPATION PRIV BANK ACTIVE SELECTION KAP	28,09	EUR	1.113,940	859.977,19	0,01	0,78	0,75
OPTIMUM FUND PRIV BANKING KRATKODOBYCH - KAP	23.155,83	CZK	105,420	2.441.088,02	0,11	2,22	2,14
<u>Luxembourg</u>							
KBC BONDS CORPORATES EURO IS B KAP	50,55	EUR	872,960	1.212.851,96	0,01	1,10	1,06
KBC BONDS HIGH INTEREST IS B KAP	20,57	EUR	2.200,680	1.244.001,38	0,00	1,13	1,09
KBC INTEREST FUND CZK OMEGA KAP	0,77	CZK	11.049,580	8.475,03	0,00	0,01	0,01
KBC RENTA CZECHRENTA IS B KAP	183,56	CZK	41.093,920	7.542.994,49	0,24	6,87	6,60
KBC RENTA STRATEGIC ACCENTS 1 IS B KAP	50,43	EUR	1.282,550	1.777.758,17	0,00	1,62	1,56
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
KBC EQUITY FUND BUYBACK AMERICA IS B KAP	78,38	USD	1.615,960	3.103.824,31	0,01	2,83	2,72
KBC EQUITY FUND CENTRAL EUROPE IS B KAP	13,25	EUR	1.062,840	387.154,71	0,04	0,35	0,34
KBC EQUITY FUND CONSUMER DURABLES IS B KAP	201,00	EUR	586,120	3.238.305,75	0,09	2,95	2,83
KBC EQUITY FUND EUROZONE IS B KAP	337,98	EUR	504,680	4.688.590,97	0,01	4,27	4,10
KBC EQUITY FUND GLOBAL LEADERS IS B KAP	304,21	EUR	384,690	3.216.777,78	0,06	2,93	2,81
KBC EQUITY FUND HIGH DIVIDEND EUROZONE IS B KAP	214,76	EUR	520,200	3.070.867,06	0,03	2,80	2,69
KBC EQUITY FUND HIGH DIVIDEND IS B KAP	82,17	EUR	1.347,960	3.044.567,05	0,01	2,77	2,66
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	86,17	EUR	527,450	1.249.345,96	0,02	1,14	1,09
KBC EQUITY FUND JAPAN IS B KAP	126,00	JPY	59.831,000	1.545.408,40	0,02	1,41	1,35
KBC EQUITY FUND NEW ASIA IS B KAP	77,99	EUR	721,040	1.545.709,79	0,01	1,41	1,35
KBC EQUITY FUND QUANT EMU IS B KAP	218,27	EUR	777,350	4.663.928,36	0,02	4,25	4,08
KBC EQUITY FUND SATELLITES IS B KAP	48,84	EUR	1.430,200	1.920.146,45	0,02	1,75	1,68
KBC EQUITY FUND STRATEGIC CYCLICALS IS KAP	403,25	EUR	901,360	9.991.025,39	0,02	9,10	8,74
KBC EQUITY FUND STRATEGIC FINANCE IS B KAP	701,63	EUR	446,390	8.609.102,10	0,02	7,84	7,53
KBC EQUITY FUND STRATEGIC NON CYCLICALS IS B KAP	409,76	EUR	383,280	4.317.020,88	0,02	3,93	3,78
KBC EQUITY FUND STRATEGIC TEL & TECHNOLOGY IS B KAP	1.309,62	EUR	168,000	6.047.671,24	0,02	5,51	5,29
KBC EQUITY FUND TECHNOLOGY IS B KAP	0,55	USD	213,400	2.897,21		0,00	0,00
KBC EQUITY FUND TURKEY IS B KAP	26,00	TRY	1.480,620	375.108,42	0,02	0,34	0,33
KBC EQUITY FUND US SMALL CAPS IS B KAP	49,95	USD	1.555,000	1.903.421,99	0,02	1,73	1,67
KBC MASTER FUND MINIMUM VARIANCE GLOBAL IS	95,00	EUR	1.460,370	3.813.482,52	0,06	3,47	3,34

B KAP								
KBC MULTI INTEREST CSOB CZK MEDIUM IS B KAP	10.510,29	CZK	1.002,170	10.533.096,33	0,11	10,10	9,22	
KBC MULTI INTEREST CSOB KRATKODOBY KAP	43.257,98	CZK	128,990	5.579.847,10	0,18	5,08	4,88	
KBC OBLI INTERNATIONAL KAP	37,34	EUR	340,230	349.159,62	0,10	0,32	0,31	
KBC PARTICIPATION EUROPE FIN BOND OPP KAP	26,53	EUR	979,690	714.486,31	0,05	0,65	0,63	
<u>Luxembourg</u>								
KBC BONDS CAPITAL FUND KAP	13,11	EUR	947,500	341.416,12	0,03	0,31	0,30	
UCI registered with FSMA								
<u>Belgium</u>								
KBC MULTI TRACK GERMANY KAP	406,99	EUR	310,540	3.474.079,40	0,04	3,16	3,04	
Total investment funds				110.374.489,28		100,51	96,57	
Forward contracts		CZK		-555.741,77			-0,49	
TOTAL SECURITIES PORTFOLIO				109.818.747,51		100,00	96,08	
CASH AT BANK AND IN HAND								
Demand accounts								
<u>Belgium</u>								
KBC GROUP CZK	1.391.698,81	CZK	1,000	1.391.698,81			1,22	
KBC GROUP EURO	-114.548,58	EUR	1,000	-3.148.654,16			-2,76	
KBC GROUP JPY	99.473,00	JPY	1,000	20.391,62			0,02	
KBC GROUP PLN	812,72	PLN	1,000	5.382,72			0,01	
KBC GROUP TRY	8.097,66	TRY	1,000	78.904,07			0,07	
KBC GROUP USD	245.905,56	USD	1,000	6.026.237,43			5,27	
Total demand accounts				4.373.960,49			3,83	
TOTAL CASH AT BANK AND IN HAND				4.373.960,49			3,83	
OTHER RECEIVABLES AND PAYABLES								
Receivables								
<u>Belgium</u>								
KBC GROUP CZK RECEIVABLE	33.721,14	CZK	1,000	33.721,14			0,03	
KBC GROUP EUR RECEIVABLE	81.910,87	EUR	1,000	2.251.525,09			1,97	
Total receivables				2.285.246,23			2,00	
Payables								
<u>Belgium</u>								
KBC GROUP CZK PAYABLE	-487.899,84	CZK	1,000	-487.899,84			-0,43	
KBC GROUP EUR PAYABLE	-4.166,61	EUR	1,000	-114.529,69			-0,10	
KBC GROUP JPY PAYABLE	-7.537.668,00	JPY	1,000	-1.545.195,62			-1,35	
KBC GROUP TRY PAYABLE	-1.512,21	TRY	1,000	-14.735,06			-0,01	
Payables				-2.162.360,21			-1,89	
TOTAL RECEIVABLES AND PAYABLES				122.886,02			0,11	
OTHER								
Expenses payable		CZK		-15.404,70			-0,01	
TOTAL OTHER				-15.404,70			-0,01	
TOTAL NET ASSETS				114.300.189,32			100,00	

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
United Arab Emirates	0,01	0,05	0,03	0,04
Australia	0,85	0,78	1,03	1,37
Austria	1,21	0,70	0,67	1,16
Belgium	3,91	3,85	2,88	2,22
Bulgaria	0,00	0,00	0,04	0,09
Bahrain	0,00	0,00	0,00	0,01
Bermuda	0,26	0,19	0,15	0,07
Brazil	0,47	0,47	0,37	0,32
Canada	1,00	1,40	1,83	1,66
Switzerland	1,80	1,56	1,39	1,38
Chile	0,07	0,06	0,03	0,01
China	1,51	1,44	1,55	1,54
Colombia	0,07	0,10	0,10	0,07
Czech Republic	11,15	9,91	10,73	11,67
Cayman Islands	0,28	0,32	0,27	0,23
Germany	9,29	10,11	7,94	10,81
Denmark	0,31	0,41	0,43	0,72
Egypt	0,00	0,02	0,02	0,03
Spain	3,09	3,12	3,73	2,76
Finland	0,52	0,91	0,73	0,78
France	10,96	11,16	9,97	9,66
Gabon	0,00	0,01	0,01	0,01
U.K.	5,07	4,72	4,23	4,74
Greece	0,04	0,05	0,12	0,05
Hong Kong	0,89	0,91	1,03	0,66
Hungary	0,03	0,09	0,07	0,12
India	0,46	0,36	0,67	0,86
Indonesia	0,26	0,21	0,29	0,15
Ireland	0,65	1,77	0,53	0,68
Iceland	0,01	0,01	0,01	0,01
Israel	0,06	0,06	0,12	0,15
Italy	3,39	3,50	4,04	3,02
Jersey/The Channel Islands	0,12	0,13	0,21	0,16
Japan	3,63	4,59	3,50	4,14
South Korea	1,53	1,53	1,65	1,40
Croatia	0,00	0,02	0,02	0,02
Luxembourg	1,09	0,81	0,96	0,86
Mexico	0,33	0,51	0,37	0,41
Malaysia	0,41	0,52	0,60	0,36
Netherlands	5,28	4,75	4,60	5,00
Norway	0,29	0,21	0,37	0,47
New Zealand	0,03	0,01	0,02	0,03
Peru	0,06	0,11	0,03	0,00
Philippines	0,14	0,12	0,15	0,18
Papua New Guinea	0,01	0,01	0,02	0,01
Poland	0,38	1,24	0,65	1,29
Portugal	0,37	0,23	0,34	0,29
Romania	0,01	0,11	0,14	0,26
Russia	0,16	0,20	0,05	0,07
Saudi Arabia	0,00	0,00	0,01	0,01
Singapore	0,11	0,12	0,15	0,11
Slovenia	0,21	0,11	0,08	0,15

International Organization	0,00	0,01	0,00	0,00
Slovakia	0,22	0,34	0,28	0,33
Sweden	1,05	0,91	0,64	0,78
Thailand	0,38	0,34	0,24	0,20
Turkey	0,10	0,25	0,32	0,98
Taiwan	0,99	1,00	1,07	0,94
U.S.A.	24,64	22,90	28,13	23,99
Outside BLEU territory-(belgo-Lux ec	0,16	0,07	0,07	0,05
EU institutions outside BLEU terr.	0,42	0,41	0,19	0,24
South Africa	0,26	0,19	0,13	0,22
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	14,56	15,22	16,15	15,80
Consum(cycl)	11,07	11,22	12,09	13,74
Cons.goods	8,12	5,83	5,81	6,63
Pharma	7,30	6,02	6,09	5,61
Financials	27,93	26,72	23,90	26,63
Technology	7,06	8,64	9,89	9,30
Telecomm.	2,45	2,67	2,56	3,29
Utilities	2,32	1,53	1,76	2,41
Real est.	1,37	1,12	1,27	1,64
Governm.	17,78	20,66	20,18	14,47
Unit trusts	0,00	0,01	0,00	0,00
Various	0,04	0,36	0,30	0,48
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
AUD	0,59	0,59	0,45	0,42
BRL	0,54	0,55	0,36	0,32
CAD	0,93	1,36	1,71	1,59
CHF	1,73	1,49	1,28	1,17
CNY	0,20	0,15	0,07	0,08
COP	0,06	0,10	0,11	0,06
CZK	98,67	87,47	85,66	86,53
DKK	0,31	0,30	0,36	0,46
EUR	-10,74	-4,06	-7,45	-5,66
GBP	3,78	4,00	3,64	3,54
HKD	2,33	2,11	2,50	1,91
HUF	0,03	0,08	0,04	0,09
IDR	0,30	0,28	0,32	0,22
ILS	0,05	0,06	0,04	0,17
INR	0,38	0,37	0,57	0,67
JPY	-1,03	-0,61	-1,27	0,04
KRW	1,36	1,42	1,62	1,13
MXN	0,35	0,47	0,33	0,35
MYR	0,40	0,51	0,64	0,37
NGN	0,01	0,01	0,00	0,00
NLG	0,00	0,00	0,00	0,01
NOK	0,24	0,28	0,30	0,24
NZD	0,03	0,01	0,02	0,02
PEN	0,06	0,09	0,03	0,00
PHP	0,14	0,13	0,14	0,17
PLN	0,15	0,93	0,66	0,52
RON	0,01	0,09	0,08	0,05
RUB	0,07	0,16	0,04	0,03
SEK	0,50	0,59	0,32	0,34
SGD	0,10	0,11	0,14	0,09
SKK	0,00	0,01	0,00	0,00
THB	0,38	0,35	0,27	0,19
TRY	0,08	0,15	0,17	0,59
TWD	0,95	0,94	0,98	0,91
USD	-3,22	-0,70	5,69	3,10
ZAR	0,26	0,21	0,18	0,28
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND DYNAMIC MIXED FUND (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	62.038.460,52	62.038.460,52
Sales	76.820.680,86	76.820.680,86
Total 1	138.859.141,38	138.859.141,38
Subscriptions	3.140.454,30	3.140.454,30
Redemptions	11.075.290,15	11.075.290,15
Total 2	14.215.744,45	14.215.744,45
Monthly average of total assets	110.342.782,02	110.342.782,02
Turnover rate	112,96 %	112,96 %

	1st half of year	Year
Purchases	62.038.460,52	62.038.460,52
Sales	76.820.680,86	76.820.680,86
Total 1	138.859.141,38	138.859.141,38
Subscriptions	3.140.454,30	3.140.454,30
Redemptions	11.075.290,15	11.075.290,15
Total 2	14.215.744,45	14.215.744,45
Monthly average of total assets	105.545.024,71	105.545.024,71
Corrected turnover rate	118,10 %	118,10 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 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-USD 150327-150227 24.13753	CZK	27.999.534,80	27.999.534,80	N/A	25.02.2015
KBC AK-VK CZK-EUR 150327-150227 27.40595	CZK	39.464.568,00	39.464.568,00	N/A	25.02.2015
KBC VK-AK JPY-CZK 150327-150227 4.920958	JPY	- 15.000.000,00	-3.074.947,62	N/A	25.02.2015

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

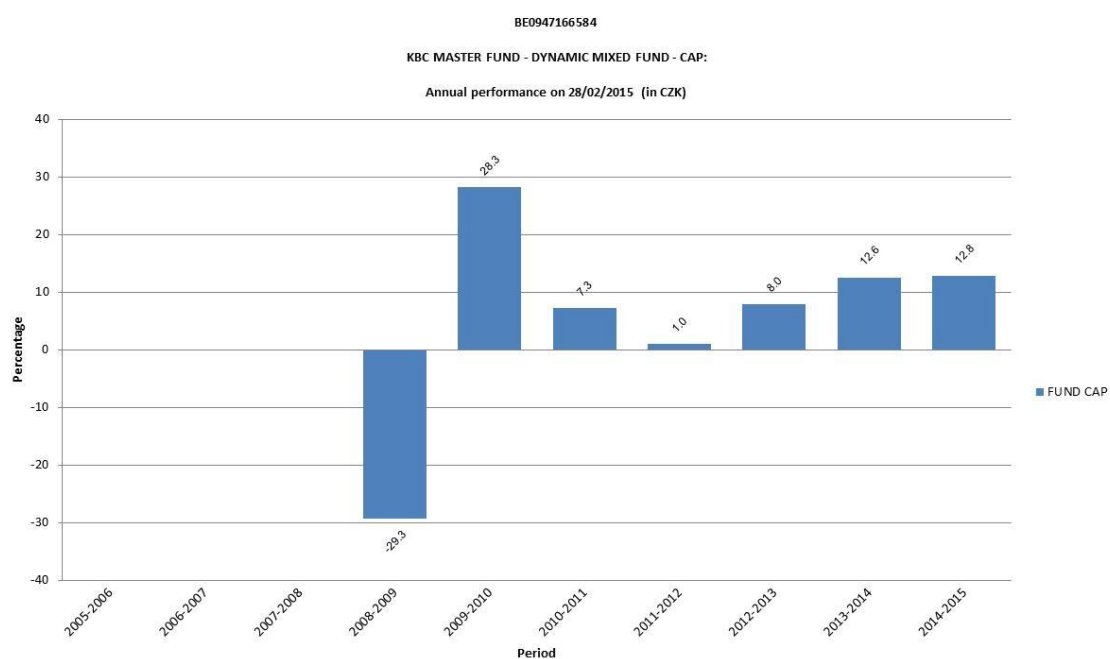
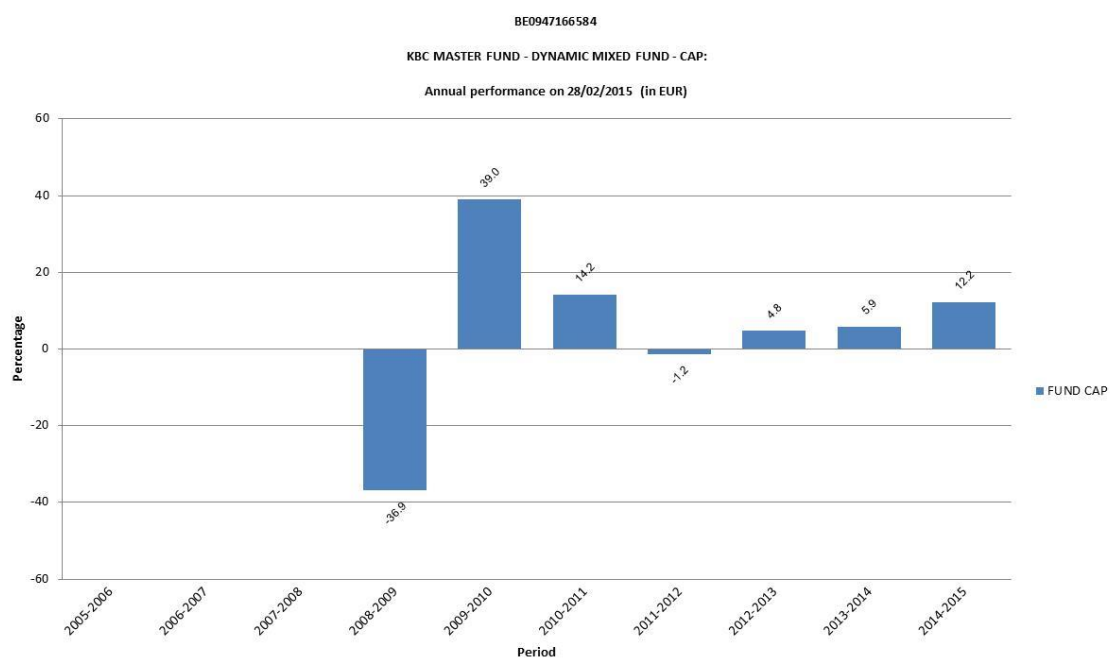
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	13.658,85		56.541,57		149.325,46		149.325,46
2014 - 02*	15.645,23		52.224,34		112.746,34		112.746,34
2015 - 02*	5.822,52		23.200,90		95.367,97		95.367,97

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	12.067.759,44		49.809.110,49	
2014 - 02*	15.567.957,72		52.619.063,15	
2015 - 02*	6.383.403,06		25.319.126,04	

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2013 - 02*	140.847.935,56	943,23	
2014 - 02*	119.757.288,18	1.062,18	
2015 - 02*	114.300.189,32	1.198,52	

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

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur- rency	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	Launch Date	Share classes
CAP	BE0947166584	EUR	12.17%		7.59%		7.02%				15/06/2007	2.90%
CAP	BE0947166584	CZK	12.84%		11.15%		8.27%				15/06/2007	2.38%

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.
- 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
where Y = D-X
Return on date D since the start date S of the unit:
$$[\text{NAV}(D) / \text{NAV}(S)]^{1 / F} - 1$$
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 n^{th} 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 capitalization shares.

2.4.6 COSTS

Ongoing charges: *
Capitalization: 1.788%

* 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.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: max. 1% 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.

CSOB Asset Management a.s. receives a fee from the management company of max. 1% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Name	Maximum management fee
KBC Equity Fund-America-Institutional B Shares	1,50
KBC Equity Fund-Europe-Institutional B Shares	1,50
KBC Equity Fund-Family Enterprises-Institutional B Shares	1,60
KBC Participation-Local Emerging Market Bonds-Institutional B Shares	1,20
KBC Participation-Private Banking Active Bond Selection	1,25
Optimum Fund-CSOB Kratkodobych Dluhopisu	0,70
KBC Bonds-Corporates Euro-Institutional B Shares capitalisation	1,10
KBC Bonds-High Interest-Institutional B Shares capitalisation	1,10
KBC Interest fund-CZK Omega-Capitalisation	0,70
KBC Renta-Czechrenta-Institutional B Shares Capitalisation	1,60
KBC Renta-Strategic Accents 1-Institutional B Shares Capitalisation	1,57
KBC Equity Fund-Buyback America-Institutional B Shares	1,50
KBC Equity Fund-Central Europe-Institutional B Shares	1,60
KBC Equity Fund-Consumer Durables-Institutional B Shares	1,50
KBC Equity Fund-Eurozone-Institutional B Shares	1,50
KBC Equity Fund-Global Leaders-Institutional B Shares	1,50
KBC Equity Fund-High Dividend Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend-Institutional B Shares	1,50
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50
KBC Equity Fund-Japan-Institutional B Shares	1,50
KBC Equity Fund-New Asia-Institutional B Shares	1,60
KBC Equity Fund-Quant EMU-Institutional B Shares	1,50
KBC Equity Fund-Satellites-Institutional B Shares	1,50
KBC Equity Fund-Strategic Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Finance-Institutional B Shares	1,50
KBC Equity Fund-Strategic Non Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Telecom & Technology-Institutional B Shares	1,50
KBC Equity Fund-Technology-Institutional B Shares	1,50
KBC Equity Fund-Turkey-Institutional B Shares	1,60
KBC Equity Fund-US Small Caps-Institutional B Shares	1,50
KBC Master Fund-Minimum Variance Global-Institutional B Shares	1,50
KBC Multi Interest-CSOB CZK Medium-Institutional B Shares Capitalisation	0,60
KBC Multi Interest-CSOB Kratkodoby	1,00
KBC Obli-International	1,10
KBC Participation-Europe Financial Bond Opportunities-Classic Shares	1,00
KBC Bonds-Capital Fund-Capitalisation	0,70
KBC Multi Track-Germany-Classic Shares	0,70
KBC Master Fund-Dynamic Mixed Fund	1,00

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2 INFORMATION ON KBC MASTER FUND CSOB PORTFOLIO PRO KVETEN 90

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 29 April 2011
Initial subscription price: 1000 CZK
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

The sub-fund also aims to set an annual floor for the net asset value.

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 sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

The UCI may conclude contracts that relate to credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. It relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCI holds directly.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where credit derivatives are used, they are permitted only in order to achieve the investment objectives and within the existing risk profile and may not result in a shift to less creditworthy debtors. Consequently there is no increase in the credit risk. Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors..

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STRATEGY SELECTED

The sub-fund invests directly or indirectly in bonds and/or money market instruments and/or equities and/or associated financial instruments, depending on the market potential of these asset classes. The return is contingent on market trends.

All sectors, regions and currencies may be considered. As a result, the sub-fund's investments may not always be diversified in terms of sectors, regions and currencies. The sub-fund's investments may therefore be concentrated in a particular sector and/or region and/or currency. Investors can find more details in this respect in the annual or half-yearly report.

The euro (EUR), yen (JPY) and all dollar-zone currencies (USD, HKD, AUD, CAD, SGD) will be systematically hedged.

The sub-fund also has the objective of setting an annual floor for the net asset value. The floor is valid for one year and is always equivalent to 90% of the net asset value on the last banking day of the month April of the previous year (the floor for the first year is set on the basis of the initial net asset value).

However, this objective does not constitute a guarantee regarding

- the return or
- the redemption price, which may be lower than the floor as defined above.

The sub-fund is not capital protected or capital guarantee, nor a guaranteed return.

Each time the floor is set, the sub-fund invests at least 20% of its assets in bonds (and/or bond funds) and/or money market instruments and at least 20% in equities (and/or equity funds) and/or associated financial instruments, depending on the manager's assessment of the market potential. For bonds, the manager's assessment of the market potential is based on the expected interest-rate trend in the Czech Republic or on other markets. The sub-fund will invest proportionally less in bonds if medium-term and long-term rates are expected to rise and proportionally less in bonds if interest rates are expected to fall or remain stable. The absolute level of interest rates is also a determining factor, with a relatively high rate resulting in a higher bond weighting (and investment). For equities, the manager's assessment of the market potential is based on factors such as corporate earnings forecasts and the global macroeconomic environment. The sub-fund will invest proportionally more in equities if earnings forecasts are positive and/or the global macroeconomic environment suggests satisfactory growth forecasts and will invest proportionally less in equities if earnings forecasts are negative and/or there is an expectation of weak growth. The return potential of the two asset classes (bonds and equities) is based on the risk premium for equities (= the sum of discounted future dividends less the risk-free rate). The sub-fund will invest more in the asset class that is considered to have the higher return potential (due allowance being made for the risk premium). If the return potential of the two asset classes is identical, the sub-fund may make a balanced investment between the two classes.

If the net asset value falls close to the floor, the manager will act by replacing investments in riskier assets (e.g. equities and/or equity funds) with investments in less risky assets (e.g. bonds, bond funds and/or money market instruments). If the net asset value reaches the floor, the manager will opt to invest entirely in money market instruments.

Conversely, if the net asset value increases in relation to the floor, the manager will act by gradually adjusting the asset allocation so as to replace the less risky assets referred to with the riskier assets referred to if the increase in the net asset value is significant enough.

If the stock-market trend is positive and the net asset value is high enough in relation to the floor, the sub-fund may temporarily deviate from the allocation set when the floor is fixed by replacing the less risky assets referred to with the riskier assets referred to, so long as these conditions apply. As a result, the percentage of the riskier assets will increase in relation to the percentage set when the floor is fixed. This adjustment will be made judiciously, depending on factors such as the historical market volatility (which should be low enough to increase the weighting of risky assets) and the difference between the net asset value and the floor.

In addition to monitoring the floor, the objective is also to record the maximum return.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

Some of the assets are invested in bonds and debt instruments issued by companies and government bodies.

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
 - o Moody's (Moody's Investors Service);
 - o S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
 - o Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
- in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

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

INVESTMENT IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The sub-fund will invest primarily in units in Undertakings for Collective Investment.

Lending financial instruments:

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

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

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

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

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

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

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

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

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management (including the assignment of the assets),, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street , Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The investment objective of each sub-fund is to generate the highest possible return while aiming to maintain the NAV above a Floor value. The allocation is determined by a dynamic portfolio insurance algorithm and is a function of volatility and distance from Floor. As such there is a dynamic allocation between more risky assets and less risky assets. The more risky assets are invested according to the KBC AM NV strategy.

At the start of the reporting period economic indicators covering the early spring months showed a notable improvement in economic activity, confirming that the slowdown in momentum during the winter months were largely weather related rather than a broader slowdown in momentum. The European Central Bank (ECB) opted not to ease policy at its April meeting but President Draghi once again made it clear that many options were on the table and indicated that the decision to leave policy unchanged was not unanimous. Global markets advanced in May with record highs. US markets were spurred on by an upbeat economic outlook from the Federal Reserve (Fed), while anticipation of ECB monetary action bolstered European markets. Towards the end of June, Equity markets continued, in the main, to make gains and subsequently produced strong returns for the second quarter. Markets were aided by supportive comments from Federal Reserve Chair Janet Yellen indicating no immediate change to policy, while ECB President Draghi unleashed a number of measures designed to counteract the threat of deflation and boost growth. Into August and US employment posted another strong improvement while the ECB held its policy stance unchanged at its August meeting where President Draghi laid out in clear language why he felt fundamentals supported further declines in EUR/USD. September saw European markets continued to post gains after the ECB continued to implement stimulus measures, cutting its key interest rate by 10 basis points and announcing it would purchase securitized loans and euro-denominated bonds. Elsewhere, US and emerging markets were down with a raft of poor Chinese data being the main driver.

Into the second half of the reporting period and despite the Fed announcing an end to its quantitative easing program at the end of October, markets performed strongly into November due to a number of positive themes including a satisfactory conclusion from the US corporate earnings season, increased quantitative easing from Japan and an unexpected policy rate cut from China to boost growth. As the year drew to a close, the Euro area weakness and fresh political uncertainty in Greece once again resulted in investor uncertainty, leading to a large dip in market values to see one of the worst weeks for returns in 2014. This risk aversion was short lived as global equity markets rebounded sharply leading into year end, with the S&P 500 posting a new all-time high record on 29th December. Global equity markets were mixed in January dragged down by US equities. In Europe, the dominant factors throughout the month were the ECB announcement on quantitative easing and the uncertain aftermath following the Greek political elections, while the removal of the Swiss franc from its euro peg took markets by surprise. As the reporting period drew to a close and as markets predicted, the Greek and Euro-zone authorities agreed a late deal to extend the country's bailout funds for four months. February proved a very strong month for equity markets with large gains across all regions.

The Kveten 90 fund recorded a positive return for the year ending February 28th 2015.

2.1.8 FUTURE POLICY

Future investment and the participation level in risky assets will be determined by the dynamic portfolio insurance algorithm while ensuring that the floor is protected.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fundt)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	1.482.371.021,21	398.503.197,18
II. Securities, money market instruments, UCIs and derivatives		
E. Open-end undertakings for collective investment	1.450.840.354,64	393.525.310,21
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-5.248.931,27	5.290.754,81
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	3.228.246,69	3.632.421,81
B. Payables		
a) Accounts payable (-)	-3.363.565,33	-5.838.565,72
c) Borrowings (-)	-1.302.752,43	-232.311,69
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	38.950.476,81	2.302.745,01
VI. Accruals and deferrals		
C. Accrued expense (-)	-732.807,90	-177.157,25
TOTAL SHAREHOLDERS' EQUITY	1.482.371.021,21	398.503.197,18
A. Capital	1.424.373.706,46	366.691.132,27
B. Income equalization	-9.631,92	-218.267,18
D. Result for the period	58.006.946,67	32.030.332,09

Off-balance-sheet headings

III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	1.086.303.114,07	326.465.860,79
III.B Written futures and forward contracts	-50.224.144,43	-37.340.319,85

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 (in the currency of the sub-fund)	28/02/2014 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
E. Open-end undertakings for collective investment	106.033.547,45	29.649.688,20
F. Derivative financial instruments		
I) Financial indices		
Futures and forward contracts		102.102,84
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-213.244,78	3.422.647,88
b) Other foreign exchange positions and transactions	-41.036.887,46	470.442,74
Det.section I gains and losses on investments		
Realised gains on investments	94.295.099,94	
Unrealised gains on investments	119.069.775,79	
Realised losses on investments	-111.813.374,96	
Unrealised losses on investments	-36.768.085,56	
II. Investment income and expenses		
B. Interests		
b) Cash at bank and in hand and deposits	1.236,54	435,21
C. Interest on borrowings (-)	-1.848,40	-7.441,84
III. Other income		
B. Other		2.973,28
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-2.268.213,48	-662.038,57
B. Financial expenses (-)	-7.244,11	240.172,88
C. Custodian's fee (-)		-515,65
D. Manager's fee (-)		
a) Financial management	-3.657.981,64	-942.598,23
b) Administration and accounting management	-706.861,18	-183.419,82
F. Formation and organisation expenses (-)	-15.189,26	-4.078,29
H. Services and sundry goods (-)	-60.477,57	-29.373,32
J. Taxes	-185,19	
K. Other expenses (-)	-59.704,25	-28.665,22
Income and expenditure for the period		
Subtotal II + III + IV	-6.776.468,54	-1.614.549,57
V. Profit (loss) on ordinary activities before tax	58.006.946,67	32.030.332,09
VII. Result for the period	58.006.946,67	32.030.332,09

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND CSOB PORTFOLIO PRO KVETEN 90

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC EQUITY FUND AMERICA IS B KAP	516,00	USD	2.285,790	28.904.397,46	0,23	2,00	1,95
KBC EQUITY FUND EUROPE IS	856,00	EUR	1.684,360	39.631.812,63	0,25	2,74	2,67
KBC EQUITY FUND STRATEGIC	7.774,00	EUR	812,950	173.717.521,18	0,30	12,38	11,72
KBC PARTICIPATION LOCAL EMERGING MARKET BONDS KAP IS B	825,00	EUR	1.033,950	23.447.078,53	0,13	1,62	1,58
PRIVILEGED PORTFOLIO LIQUIDITY IS B KAP	3.186,00	EUR	281,660	24.666.424,34	1,47	1,71	1,66
<u>Luxembourg</u>							
KBC BONDS CORPOR USD IS B KAP	302,00	USD	1.051,950	7.785.382,09	0,09	0,54	0,53
KBC BONDS CORPORATES EURO IS B KAP	1.130,00	EUR	872,960	27.114.902,04	0,10	1,88	1,83
KBC BONDS EMU SHORTIS B KAP	835,00	EUR	1.071,860	24.601.398,26	0,07	1,70	1,66
KBC BONDS HIGH INTEREST IS B KAP	465,00	EUR	2.200,680	28.128.404,67	0,08	1,95	1,90
KBC INTEREST FUND EURO MEDIUM IS B_KAP	284,00	EUR	4.179,550	32.627.448,82	0,07	2,26	2,20
KBC RENTA CZECHRENTA IS B KAP	765,00	CZK	41.093,920	31.436.848,80	1,02	2,18	2,12
KBC RENTA EMURENTA IS B KAP	557,00	EUR	647,680	9.916.329,15	0,07	0,69	0,67
KBC RENTA EURORENTA IS B KAP	290,00	EUR	2.906,540	23.169.120,81	0,13	1,60	1,56
KBC RENTA SHORT EUR IS B KAP	217,00	EUR	726,570	4.333.835,75	0,16	0,30	0,29
KBC RENTA STRATEGIC ACCENTS 1 IS B KAP	1.557,00	EUR	1.282,550	54.890.624,21	0,12	3,80	3,70
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
HORIZON CSOB KOMODITNI FOND KAP	81.467,00	CZK	347,550	28.313.855,85	4,40	1,96	1,91
KBC EQUITY FUND BUYBACK AMERICA IS B KAP	992,00	USD	1.615,960	39.284.404,04	0,17	2,72	2,65
KBC EQUITY FUND EUROZONE IS B KAP	6.979,00	EUR	504,680	96.815.422,42	0,25	6,70	6,53
KBC EQUITY FUND HIGH DIVIDEND EUROZONE IS B KAP	1.368,00	EUR	520,200	19.561.029,01	0,18	1,35	1,32
KBC EQUITY FUND HIGH DIVIDEND IS B KAP	1.032,00	EUR	1.347,960	38.237.716,96	0,18	2,65	2,58
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	1.082,00	EUR	527,450	15.687.141,34	0,23	1,09	1,06
KBC EQUITY FUND JAPAN IS B KAP	1.618,00	JPY	59.831,000	19.845.006,33	0,26	1,37	1,34
KBC EQUITY FUND NEW ASIA IS B KAP	988,00	EUR	721,040	19.581.752,39	0,16	1,36	1,32
KBC EQUITY FUND QUANT EMU IS B KAP	2.789,00	EUR	777,350	59.593.702,58	0,28	4,12	4,02
KBC EQUITY FUND SATELLITES IS B KAP	622,00	EUR	1.430,200	24.452.451,74	0,23	1,69	1,65
KBC EQUITY FUND STRATEGIC CYCLICALS IS KAP	5.092,00	EUR	901,360	126.160.072,03	0,27	8,73	8,51
KBC EQUITY FUND STRATEGIC FINANCE IS B KAP	8.834,00	EUR	446,390	108.394.464,44	0,26	7,50	7,31
KBC EQUITY FUND STRATEGIC NON CYCLICALS IS B KAP	5.245,00	EUR	383,280	55.258.221,43	0,26	3,82	3,73
KBC EQUITY FUND STRATEGIC TEL & TECHNOLOGY IS B KAP	16.543,00	EUR	168,000	76.393.921,39	0,26	5,29	5,15
KBC EQUITY FUND TURKEY IS B KAP	320,00	TRY	1.480,620	4.616.719,04	0,21	0,32	0,31
KBC EQUITY FUND US SMALL CAPS IS B KAP	630,00	USD	1.555,000	24.007.604,80	0,25	1,66	1,62

KBC MULTI INTEREST CSOB CZK MEDIUM IS B KAP	37.622,00	CZK	1.002,170	37.703.639,74	0,38	2,61	2,54
KBC MULTI INTEREST 3 MONTH DURATION - INST SH B KAP	872,00	EUR	998,740	23.938.899,46	1,69	1,66	1,62
KBC MULTI INTEREST 5 MONTH DURATION IS B	871,00	EUR	1.000,190	23.946.161,94	1,72	1,66	1,62
KBC PARTICIPATION SRI CORPORATE BONDS IS B KAP	662,00	EUR	1.258,910	22.908.039,58	0,08	1,59	1,55
KBC SELECT IMMO EUROPE PLUS KAP	1.429,00	EUR	1.317,950	51.768.599,39	1,00	3,58	3,49
Total investment funds				1.450.840.354,64		100,36	97,87
Forward contracts		CZK		-5.248.931,27			-0,35
TOTAL SECURITIES PORTFOLIO				1.445.591.423,37		100,00	97,52
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	1.725,10	CAD	1,000	33.857,19			0,00
KBC GROUP CZK	38.751.263,61	CZK	1,000	38.751.263,61			2,61
KBC GROUP EURO	-37.714,98	EUR	1,000	-1.036.690,54			-0,07
KBC GROUP JPY	-1.297.885,00	JPY	1,000	-266.061,89			-0,02
KBC GROUP PLN	3.381,31	PLN	1,000	22.394,74			0,00
KBC GROUP TRY	4.386,19	TRY	1,000	42.739,29			0,00
KBC GROUP USD	4.089,64	USD	1,000	100.221,98			0,01
Total demand accounts				37.647.724,38			2,54
TOTAL CASH AT BANK AND IN HAND				37.647.724,38			2,54
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP CZK RECEIVABLE	1.773.728,65	CZK	1,000	1.773.728,65			0,12
KBC GROUP EUR RECEIVABLE	38.000,00	EUR	1,000	1.044.525,02			0,07
KBC GROUP JPY RECEIVABLE	2.000.000,00	JPY	1,000	409.993,02			0,03
Total receivables				3.228.246,69			0,22
Payables							
<u>Belgium</u>							
KBC GROUP CZK PAYABLE	-3.363.565,33	CZK	1,000	-3.363.565,33			-0,23
Payables				-3.363.565,33			-0,23
TOTAL RECEIVABLES AND PAYABLES				-135.318,64			-0,01
OTHER							
Expenses payable		CZK		-732.807,90			-0,05
TOTAL OTHER				-732.807,90			-0,05
TOTAL NET ASSETS				1.482.371.021,21			100,00

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
United Arab Emirates	0,11	0,00	0,28	0,02
Australia	1,39	0,87	1,38	1,11
Austria	1,22	0,53	0,61	0,56
Belgium	13,71	4,93	6,82	2,94
Bulgaria	0,00	0,00	0,04	0,03
Bahrain	0,00	0,00	0,01	0,00
Bermuda	0,18	0,23	0,14	0,09
Brazil	0,28	0,35	0,43	0,34
Canada	0,65	1,68	1,64	1,59
Switzerland	1,30	2,07	1,32	1,17
Chile	0,04	0,04	0,03	0,02
China	0,87	1,32	1,84	1,61
Ivory Coast	0,00	0,00	0,00	0,01
Colombia	0,02	0,02	0,16	0,08
Czech Republic	8,25	3,40	3,43	2,85
Cayman Islands	0,17	0,29	0,34	0,24
Germany	8,91	12,37	8,93	11,78
Denmark	0,51	0,57	0,56	0,64
Spain	4,83	4,22	4,51	4,23
Europe	0,17	0,00	0,00	0,00
Finland	0,48	1,18	0,76	0,80
France	13,81	12,89	12,71	11,70
Gabon	0,00	0,00	0,03	0,01
U.K.	3,73	5,42	5,64	6,13
Greece	0,03	0,09	0,08	0,04
Hong Kong	0,61	0,84	0,74	0,64
Hungary	0,01	0,01	0,08	0,07
India	0,29	0,43	0,78	0,67
Indonesia	0,17	0,25	0,35	0,18
Ireland	3,84	4,08	2,57	3,31
Iceland	0,01	0,00	0,01	0,00
Israel	0,03	0,06	0,11	0,11
Italy	6,63	4,66	4,99	4,12
Jersey/The Channel Islands	0,12	0,19	0,29	0,19
Japan	2,19	3,81	1,67	4,20
South Korea	0,84	1,42	1,96	1,46
Croatia	0,00	0,00	0,02	0,00
Luxembourg	1,84	0,34	1,03	1,27
Mexico	0,13	0,09	0,50	0,52
Malaysia	0,21	0,34	0,74	0,58
Netherlands	4,20	4,16	5,02	4,46
Norway	0,12	0,19	0,27	0,30
New Zealand	0,02	0,01	0,01	0,01
Ukraine	0,00	0,00	0,01	0,00
Panama	0,00	0,00	0,01	0,00
Peru	0,00	0,00	0,05	0,00
Philippines	0,07	0,08	0,18	0,30
Papua New Guinea	0,00	0,01	0,02	0,01
Poland	0,03	0,03	0,55	0,49
Portugal	0,25	0,29	0,27	0,26
Romania	0,00	0,00	0,08	0,09
Russia	0,09	0,19	0,11	0,07

Saudi Arabia	0,00	0,00	0,02	0,03
Singapore	0,08	0,14	0,11	0,10
Slovenia	0,05	0,02	0,07	0,05
Slovakia	0,10	0,03	0,06	0,05
Sweden	0,57	1,06	0,96	0,83
Thailand	0,20	0,29	0,23	0,25
Turkey	0,05	0,09	0,34	0,63
Taiwan	0,64	1,15	1,26	1,02
U.S.A.	14,48	23,10	21,42	24,76
Venezuela	0,00	0,00	0,04	0,00
Outside BLEU territory-(belgo-Lux ec	0,00	0,00	0,07	0,06
EU institutions outside BLEU terr.	1,32	0,04	1,13	0,66
Guernsey The Channel Islands	0,01	0,00	0,00	0,00
South Africa	0,14	0,13	0,18	0,26
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	9,49	18,02	14,72	16,13
Consum(cycl)	7,56	12,90	9,56	13,52
Cons.goods	5,48	7,04	4,75	6,64
Pharma	4,89	7,28	5,19	5,57
Financials	25,54	24,80	25,42	24,92
Technology	4,72	10,35	9,14	10,13
Telecomm.	1,50	3,02	2,52	3,22
Utilities	1,35	1,53	1,95	2,67
Real est.	2,41	3,55	4,71	5,25
Governm.	36,95	11,22	21,82	12,53
Unit trusts	0,00	0,00	0,02	0,00
Various	0,11	0,29	0,20	-0,58
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
AUD	0,40	0,73	0,37	0,41
BRL	0,25	0,35	0,42	0,37
CAD	0,63	1,69	1,49	1,53
CHF	1,27	2,03	1,14	1,15
CNY	0,01	0,00	0,11	0,14
COP	0,00	0,00	0,16	0,08
CZK	92,95	85,34	92,96	90,43
DKK	0,19	0,49	0,30	0,45
EUR	-1,07	-0,86	-7,37	-3,90
GBP	2,91	5,68	4,75	5,17
HKD	1,57	2,47	2,49	2,09
HUF	0,01	0,01	0,02	0,05
IDR	0,18	0,29	0,37	0,33
ILS	0,02	0,04	0,04	0,15
INR	0,25	0,37	0,63	1,03
JPY	0,08	0,17	-0,38	0,48
KRW	0,79	1,40	1,84	1,35
MXN	0,12	0,09	0,45	0,48
MYR	0,21	0,34	0,75	0,59
NOK	0,10	0,19	0,35	0,31
NZD	0,02	0,02	0,01	0,01
PEN	0,00	0,00	0,05	0,00
PHP	0,07	0,08	0,17	0,28
PLN	0,03	0,03	0,56	0,35
RON	0,00	0,00	0,01	0,04
RUB	0,00	0,00	0,06	0,05
SEK	0,43	0,96	0,61	0,50
SGD	0,07	0,13	0,10	0,09
THB	0,20	0,29	0,24	0,24
TRY	0,04	0,06	0,22	0,60
TWD	0,61	1,06	0,96	1,02
USD	-2,48	-3,57	-4,10	-6,23
ZAR	0,14	0,12	0,22	0,36
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND CSOB PORTFOLIO PRO KVETEN 90 (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	1.040.461.332,32	1.040.461.332,32
Sales	1.105.815.685,66	1.105.815.685,66
Total 1	2.146.277.017,97	2.146.277.017,97
Subscriptions	57.184.513,97	57.184.513,97
Redemptions	48.220.155,82	48.220.155,82
Total 2	105.404.669,79	105.404.669,79
Monthly average of total assets	1.416.627.900,45	1.416.627.900,45
Turnover rate	144,06 %	144,06 %

	1st half of year	Year
Purchases	1.040.461.332,32	1.040.461.332,32
Sales	1.105.815.685,66	1.105.815.685,66
Total 1	2.146.277.017,97	2.146.277.017,97
Subscriptions	57.184.513,97	57.184.513,97
Redemptions	48.220.155,82	48.220.155,82
Total 2	105.404.669,79	105.404.669,79
Monthly average of total assets	1.379.713.593,96	1.379.713.593,96
Corrected turnover rate	147,92 %	147,92 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 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-USD 150327-150224 24.25265	CZK	423.815.058,75	423.815.058,75	N/A	24.02.2015
KBC AK-VK CZK-EUR 150327-150224 27.46406	CZK	662.488.055,32	662.488.055,32	N/A	24.02.2015
KBC VK-AK JPY-CZK 150327-150224 4.927988	JPY	-245.000.000,00	-50.224.144,43	N/A	24.02.2015

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

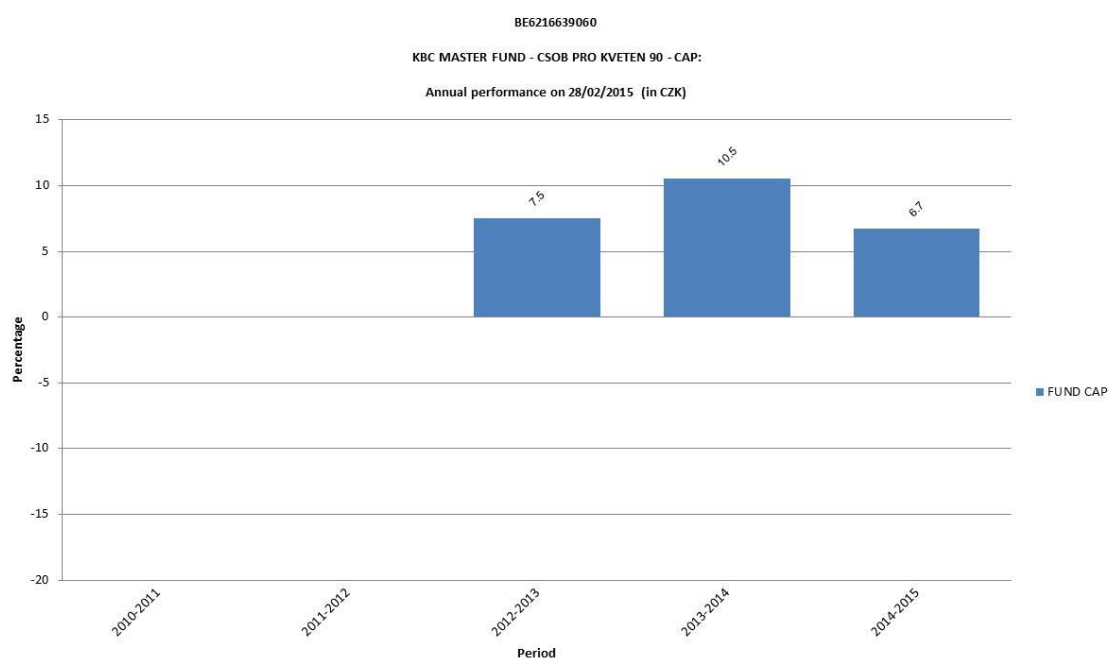
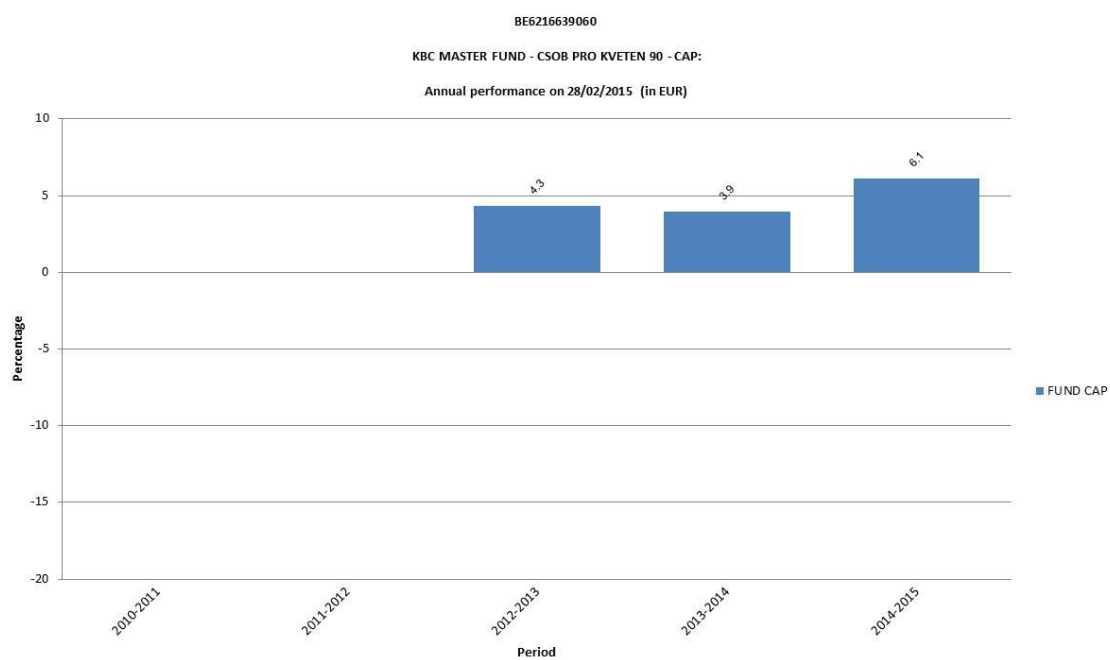
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	38.622,79		48.179,43		162.102,29		162.102,29
2014 - 02*	212.757,56		26.847,10		348.012,76		348.012,76
2015 - 02*	927.055,31		62.120,17		1.212.947,89		1.212.947,89

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	37.986.818,86		46.803.357,90	
2014 - 02*	227.709.397,77		29.007.632,35	
2015 - 02*	1.067.285.606,39		72.580.205,61	

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2013 - 02*	167.962.185,97	1.036,15	
2014 - 02*	398.503.197,18	1.145,08	
2015 - 02*	1.482.371.021,21	1.222,12	

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

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur- rency	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	Launch Date	Share classes
CAP	BE6216639060	EUR	6.10%		4.78%						29/04/2011	1.83%
CAP	BE6216639060	CZK	6.73%		8.25%						29/04/2011	5.37%

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.
- 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
where Y = D-X
Return on date D since the start date S of the unit:
$$[\text{NAV}(D) / \text{NAV}(S)]^{1 / F} - 1$$
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 n^{th} 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 capitalization shares.

2.4.6 COSTS

Ongoing charges: *
Capitalization: 2.564%

* 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.

Fee for managing the investment portfolio

The management fee amounts to 123,680.60 CZK. An additional fee of 3,534,301.04 CZK was charged regarding commissions and charges for allocating the assets.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: max. 1% 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.

KBC Fund Management Limited receives a fee from the management company of max. 1% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

In addition: fees and charges for allocating the assets: max. 0.5% per year, calculated on the basis of the average total net assets of the sub-fund.

KBC Fund Management Limited receives a fee from the management company of max. 0.5% per year calculated on that part of the portfolio that it manages, without the total fees and charges for allocating the assets received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Name	Maximum management fee
KBC Equity Fund-America-Institutional B Shares	1,50
KBC Equity Fund-Europe-Institutional B Shares	1,50
KBC Equity Fund-Strategic Satellites-Institutional B Shares	1,50
KBC Participation-Local Emerging Market Bonds-Institutional B Shares	1,20
Privileged Portfolio Fund-Privileged Portfolio Liquidity-Institutional B Shares	0,40
KBC Bonds-Corporates USD-Institutional B Shares capitalisation	1,10
KBC Bonds-Corporates Euro-Institutional B Shares capitalisation	1,10
KBC Bonds-EMU Short	1,17
KBC Bonds-High Interest-Institutional B Shares capitalisation	1,10
KBC Interest fund-EURO MEDIUM-Institutional B Shares Capitalisation	0,50
KBC Renta-Czechrenta-Institutional B Shares Capitalisation	1,60
KBC Renta-Emurenta-Institutional B Shares Capitalisation	1,10
KBC Renta-Eurorenta-Institutional B Shares Capitalisation	1,10
KBC Renta-Short EUR-Institutional B Shares Capitalisation	1,10
KBC Renta-Strategic Accents 1-Institutional B Shares Capitalisation	1,57
Horizon-CSOB Komoditni Fond	2,00
KBC Equity Fund-Buyback America-Institutional B Shares	1,50
KBC Equity Fund-Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend-Institutional B Shares	1,50
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50
KBC Equity Fund-Japan-Institutional B Shares	1,50
KBC Equity Fund-New Asia-Institutional B Shares	1,60
KBC Equity Fund-Quant EMU-Institutional B Shares	1,50
KBC Equity Fund-Satellites-Institutional B Shares	1,50
KBC Equity Fund-Strategic Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Finance-Institutional B Shares	1,50
KBC Equity Fund-Strategic Non Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Telecom & Technology-Institutional B Shares	1,50
KBC Equity Fund-Turkey-Institutional B Shares	1,60
KBC Equity Fund-US Small Caps-Institutional B Shares	1,50
KBC Multi Interest-CSOB CZK Medium-Institutional B Shares Capitalisation	0,60
KBC Multi Interest-Cash 3 Month Duration-Institutional B Shares	0,40
KBC Multi Interest-Cash 5 Month Duration-Institutional B Shares	0,40
KBC Participation-SRI Corporate Bonds-Institutional B Shares	1,25
KBC Select Immo-Europe Plus	1,50
KBC Master Fund-CSOB Portfolio Pro Kveten 90	1,00

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2 INFORMATION ON KBC MASTER FUND MIXED FUND

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 30 November 2004
 Initial subscription price: 1000 CZK
 Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

RESTRICTIONS OF THE INVESTMENT POLICY:

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

The UCI may conclude contracts that relate to credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. It relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCI holds directly.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where credit derivatives are used, they are permitted only in order to achieve the investment objectives and within the existing risk profile and may not result in a shift to less creditworthy debtors. Consequently there is no increase in the credit risk. Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors..

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STRATEGY SELECTED

The assets are broadly allocated in line with the following investment strategy: 60% in a global selection of bonds and 40% in a global selection of equities. The equities component may never be higher than 50%.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

Some of the assets are invested in bonds and debt instruments issued by companies and government bodies.

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
 - o Moody's (Moody's Investors Service);
 - o S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
 - o Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

- In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets
- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
 - in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

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

INVESTMENTS IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The sub-fund will invest primarily in permitted assets other than securities or money market instruments.

Lending financial instruments:

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

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

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

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

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

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

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

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

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to CSOB Asset Management a.s., Radlicka 333/150 , 150 57 Praha 5, CZECH REPUBLIC..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The KBC Master Fund CMSS Mixed fund (the "Fund") is a Czech Koruna ("CZK") denominated fund of funds. The Fund was launched on 7 December 2004.

The Fund's neutral asset allocation is set at 40% of equity funds and 60% of fixed income funds. The equity exposure was overweight during the last six months. It was decreased in February 2015 and now stands at slightly overweight. The fixed income exposure was at slightly underweight or close to neutral level for whole period due to the expectation of yield increase.

From 31st August 2014 till 28th February 2015, equity markets measured by MSCI World index rose by 1.2% with Europe outperforming USA. The equity markets decreased till the mid October. After that, the markets turnaround and rose till the end of the year 2014. At the last months of 2014 US equity market reached its all time high on the back of solid data from the US labour market and gradual improvement of macroeconomic environment. In the first two months of 2015 the performances of equity markets were different. European equities rose by double digit, supported by announcement of QE in Europe. US equity was flat, when the expected rate hikes and lower oil price weight the markets. The core part of the fixed-income dedicated assets is mostly invested in CZK exposed bond funds. Yields on short term government bonds approaching zero, which was reach in January, and stayed around this level. Most of the bond part consists of corporate bonds. Other fixed income investments that cover European corporate sector and also government bonds of the new EU members also experienced significant price appreciation until the end of august of 2014. The next performance driver was the decrease of corporate credit margins. Most of the Fund's currency exposure is hedged into Czech koruna, namely USD, EUR, and JPY exposures are hedged systematically at 100%.

2.1.8 FUTURE POLICY

During the last couple of months, we witnessed a gradual improvement of developed markets' economies, particularly in the USA. The labour market in the USA performs well and the EU economy has stabilized. For the EU the main risk is the development in Greece. Our main scenario for the next six months is continuing improvement of global economy. Our present view on equities is slightly positive and we expect to keep the equity allocation above the benchmark neutral level in the following months with preference of developed markets.

On the fixed-income side, we expect the Czech National Bank to keep its official interest rate at the present level of 0.05% for the rest of 2015. As for the long term yields, we expect no change or only small yields' rise during the rest of 2015 especially at the shorter end of the yield curve as a response to the low inflation and loose monetary policy. We intend to keep the modified duration at or slightly below the benchmark-neutral level during the next six months.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fundt)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	256.749.777,33	259.953.494,48
II. Securities, money market instruments, UCIs and derivatives		
E. Open-end undertakings for collective investment	251.155.925,43	255.609.224,85
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-875.444,19	717.274,68
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	24.040.056,00	17.316.034,16
B. Payables		
a) Accounts payable (-)	-25.562.709,52	-13.390.094,81
c) Borrowings (-)	-3.488,18	-3.890.490,09
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	8.026.837,11	3.625.176,06
VI. Accruals and deferrals		
C. Accrued expense (-)	-31.399,32	-33.630,37
TOTAL SHAREHOLDERS' EQUITY	256.749.777,33	259.953.494,48
A. Capital	242.544.383,65	243.762.461,52
B. Income equalization	-13.282,53	-35.237,39
D. Result for the period	14.218.676,21	16.226.270,35

Off-balance-sheet headings

III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	123.264.951,00	135.188.265,00
III.B Written futures and forward contracts	-5.124.912,70	-6.590.409,31

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 <small>(in the currency of the sub-fund)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
I. Net gains(losses) on investments		
E. Open-end undertakings for collective investment	18.193.127,48	16.929.166,12
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-1.318.854,68	1.580.495,24
b) Other foreign exchange positions and transactions	-2.165.542,81	-1.686.011,73
Det.section I gains and losses on investments		
Realised gains on investments	22.174.707,80	
Unrealised gains on investments	-9.463.406,85	
Realised losses on investments	-8.546.562,12	
Unrealised losses on investments	10.543.991,16	
II. Investment income and expenses		
B. Interests		
b) Cash at bank and in hand and deposits	753,56	1.560,96
C. Interest on borrowings (-)		-16,50
III. Other income		
B. Other		14.757,06
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-250.248,10	-412.452,12
B. Financial expenses (-)	-1.715,95	-3.614,02
D. Manager's fee (-)		
a) Financial management	-40.294,06	-15.821,36
b) Administration and accounting management	-124.652,59	-140.856,67
F. Formation and organisation expenses (-)	-6.866,94	-2.904,60
H. Services and sundry goods (-)	-57.518,25	-28.978,51
K. Other expenses (-)	-9.511,45	-9.053,52
Income and expenditure for the period		
Subtotal II + III + IV	-490.053,78	-597.379,28
V. Profit (loss) on ordinary activities before tax	14.218.676,21	16.226.270,35
VII. Result for the period	14.218.676,21	16.226.270,35

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND MIXED FUND

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC EQUITY FUND AMERICA IS B KAP	57,00	USD	2.285,790	3.193.151,69	0,03	1,28	1,24
KBC EQUITY FUND EUROPE IS	83,38	EUR	1.684,360	3.860.397,80	0,02	1,54	1,50
KBC EQUITY FUND FAMILY ENTERPRISES IS B CAP	58,25	EUR	1.197,980	1.918.207,81	0,05	0,77	0,75
KBC PARTICIPATION LOCAL EMERGING MARKET BONDS KAP IS B	179,84	EUR	1.033,950	5.111.150,49	0,03	2,04	1,99
KBC PARTICIPATION PRIV BANK ACTIVE SELECTION KAP	118,77	EUR	1.113,940	3.636.791,74	0,03	1,45	1,42
OPTIMUM FUND PRIV BANKING KRATKODOBYCH - KAP	95.790,52	CZK	105,420	10.098.236,20	0,47	4,04	3,93
<u>Luxembourg</u>							
KBC BONDS CORPORATES EURO IS B KAP	211,35	EUR	872,960	5.071.374,51	0,02	2,03	1,98
KBC BONDS HIGH INTEREST IS B KAP	84,96	EUR	2.200,680	5.139.331,72	0,02	2,05	2,00
KBC RENTA CZECHRENTA IS B KAP	759,02	CZK	41.093,920	31.191.066,06	1,01	12,46	12,15
KBC RENTA STRATEGIC ACCENTS 1 IS B KAP	206,91	EUR	1.282,550	7.294.354,05	0,02	2,91	2,84
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
KBC EQUITY FUND BUYBACK AMERICA IS B KAP	111,15	USD	1.615,960	4.401.793,69	0,02	1,76	1,71
KBC EQUITY FUND CENTRAL EUROPE IS B KAP	18,61	EUR	1.062,840	543.629,26	0,05	0,22	0,21
KBC EQUITY FUND CONSUMER DURABLES IS B KAP	285,00	EUR	586,120	4.591.627,55	0,12	1,84	1,79
KBC EQUITY FUND EUROZONE IS B KAP	475,46	EUR	504,680	6.595.753,53	0,02	2,64	2,57
KBC EQUITY FUND GLOBAL LEADERS IS B KAP	428,60	EUR	384,690	4.532.077,23	0,08	1,81	1,77
KBC EQUITY FUND HIGH DIVIDEND EUROZONE IS B KAP	300,04	EUR	520,200	4.290.285,60	0,04	1,71	1,67
KBC EQUITY FUND HIGH DIVIDEND IS B KAP	115,49	EUR	1.347,960	4.279.030,24	0,02	1,71	1,67
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	120,58	EUR	527,450	1.748.173,87	0,03	0,70	0,68
KBC EQUITY FUND JAPAN IS B KAP	177,00	JPY	59.831,000	2.170.930,85	0,03	0,87	0,85
KBC EQUITY FUND NEW ASIA IS B KAP	272,54	EUR	721,040	5.401.689,80	0,04	2,16	2,10
KBC EQUITY FUND QUANT EMU IS B KAP	307,73	EUR	777,350	6.575.456,74	0,03	2,63	2,56
KBC EQUITY FUND SATELLITES IS B KAP	68,36	EUR	1.430,200	2.687.489,55	0,03	1,07	1,05
KBC EQUITY FUND STRATEGIC CYCLICALS IS KAP	568,87	EUR	901,360	14.094.473,41	0,03	5,63	5,49
KBC EQUITY FUND STRATEGIC FINANCE IS B KAP	991,22	EUR	446,390	12.162.364,43	0,03	4,86	4,74
KBC EQUITY FUND STRATEGIC NON CYCLICALS IS B KAP	578,18	EUR	383,280	6.091.352,37	0,03	2,43	2,37
KBC EQUITY FUND STRATEGIC TEL & TECHNOLOGY IS B KAP	1.848,86	EUR	168,000	8.537.827,69	0,03	3,41	3,33
KBC EQUITY FUND TECHNOLOGY IS B KAP	0,11	USD	213,400	559,55			
KBC EQUITY FUND TURKEY IS B KAP	34,00	TRY	1.480,620	490.526,40	0,02	0,20	0,19
KBC EQUITY FUND US SMALL CAPS IS B KAP	70,56	USD	1.555,000	2.688.966,06	0,03	1,07	1,05
KBC MASTER FUND MINIMUM VARIANCE GLOBAL IS B KAP	135,00	EUR	1.460,370	5.419.159,37	0,09	2,17	2,11

KBC MULTI INTEREST CSOB CZK MEDIUM IS B KAP	43.454,01	CZK	1.002,170	43.548.309,21	0,44	17,74	16,96
KBC MULTI INTEREST CSOB KRATKODOBY KAP	178.809,02	CZK	128,990	23.064.574,97	0,74	9,22	8,98
KBC OBLI INTERNATIONAL KAP	156,62	EUR	340,230	1.464.702,86	0,42	0,59	0,57
KBC PARTICIPATION EUROPE FIN BOND OPP KAP	107,93	EUR	979,690	2.906.337,08	0,19	1,16	1,13
<u>Luxembourg</u>							
KBC BONDS CAPITAL FUND KAP	56,05	EUR	947,500	1.459.658,77	0,11	0,58	0,57
UCI registered with FSMA							
<u>Belgium</u>							
KBC MULTI TRACK GERMANY KAP	573,47	EUR	310,540	4.895.113,28	0,06	1,96	1,91
Total investment funds				251.155.925,43		100,35	97,82
Forward contracts		CZK		-875.444,19			-0,34
TOTAL SECURITIES PORTFOLIO				250.280.481,24		100,00	97,48
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	2.418.739,32	CZK	1,000	2.418.739,32			0,94
KBC GROUP EURO	145.413,37	EUR	1,000	3.997.050,10			1,56
KBC GROUP JPY	1.069.529,00	JPY	1,000	219.249,71			0,09
KBC GROUP PLN	1.045,13	PLN	1,000	6.922,00			0,00
KBC GROUP TRY	-357,98	TRY	1,000	-3.488,18			0,00
KBC GROUP USD	56.511,00	USD	1,000	1.384.875,98			0,54
Total demand accounts				8.023.348,93			3,13
TOTAL CASH AT BANK AND IN HAND				8.023.348,93			3,13
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP CZK RECEIVABLE	6.223.258,95	CZK	1,000	6.223.258,95			2,42
KBC GROUP EUR RECEIVABLE	352.995,45	EUR	1,000	9.702.962,65			3,78
KBC GROUP TRY RECEIVABLE	4.432,98	TRY	1,000	43.195,21			0,02
KBC GROUP USD RECEIVABLE	329.329,05	USD	1,000	8.070.639,19			3,14
Total receivables				24.040.056,00			9,36
Payables							
<u>Belgium</u>							
KBC GROUP CZK PAYABLE	-7.405.499,17	CZK	1,000	-7.405.499,17			-2,88
KBC GROUP EUR PAYABLE	-566.151,06	EUR	1,000	-15.562.077,61			-6,06
KBC GROUP JPY PAYABLE	-10.600.677,00	JPY	1,000	-2.173.101,77			-0,85
KBC GROUP USD PAYABLE	-17.221,32	USD	1,000	-422.030,97			-0,16
Payables				-25.562.709,52			-9,96
TOTAL RECEIVABLES AND PAYABLES				-1.522.653,52			-0,59
OTHER							
Expenses payable		CZK		-31.399,32			-0,01
TOTAL OTHER				-31.399,32			-0,01
TOTAL NET ASSETS				256.749.777,33			100,00

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
United Arab Emirates	0,02	0,08	0,06	0,07
Australia	0,81	0,73	1,34	1,64
Austria	2,03	1,21	1,10	1,87
Belgium	5,50	3,80	4,12	2,70
Bulgaria	0,00	0,00	0,14	0,17
Bahrain	0,00	0,00	0,00	0,01
Bermuda	0,16	0,12	0,10	0,04
Brazil	0,30	0,40	0,36	0,30
Canada	0,60	0,89	1,18	1,12
Switzerland	1,10	0,97	1,15	1,18
Chile	0,04	0,03	0,02	0,01
China	0,87	1,22	1,27	1,68
Ivory Coast	0,00	0,00	0,00	0,01
Colombia	0,07	0,13	0,15	0,10
Czech Republic	22,11	23,25	21,36	21,35
Cayman Islands	0,19	0,28	0,22	0,24
Germany	6,90	6,87	5,68	7,71
Denmark	0,19	0,26	0,35	0,74
Egypt	0,00	0,03	0,03	0,03
Spain	2,60	2,30	2,93	2,06
Finland	0,32	0,57	0,48	0,50
France	9,99	9,78	9,01	8,17
Gabon	0,00	0,02	0,02	0,02
U.K.	4,65	4,57	4,04	4,36
Greece	0,02	0,03	0,08	0,03
Hong Kong	0,56	0,92	0,98	0,55
Hungary	0,03	0,10	0,09	0,14
India	0,24	0,21	0,66	1,04
Indonesia	0,14	0,13	0,21	0,18
Ireland	0,55	1,21	0,61	0,70
Iceland	0,02	0,02	0,02	0,01
Israel	0,06	0,05	0,08	0,10
Italy	3,12	3,09	3,69	2,95
Jersey/The Channel Islands	0,08	0,12	0,23	0,18
Japan	2,61	2,54	2,27	2,67
South Korea	1,20	1,45	1,48	1,66
Croatia	0,00	0,03	0,02	0,03
Luxembourg	1,75	1,60	1,35	1,14
Mexico	0,31	0,77	0,59	0,67
Malaysia	0,33	0,57	0,69	0,49
Netherlands	6,09	6,19	6,02	6,06
Norway	0,40	0,39	0,62	0,74
New Zealand	0,02	0,01	0,01	0,02
Peru	0,09	0,20	0,05	0,00
Philippines	0,10	0,14	0,17	0,29
Papua New Guinea	0,00	0,00	0,02	0,01
Poland	0,70	1,44	0,58	1,94
Portugal	0,23	0,14	0,22	0,20
Romania	0,02	0,11	0,31	0,45
Russia	0,11	0,13	0,04	0,05
Saudi Arabia	0,00	0,01	0,01	0,03
Singapore	0,08	0,07	0,10	0,07

Slovenia	0,41	0,36	0,23	0,27
International Organization	0,01	0,02	0,00	0,00
Slovakia	0,42	0,65	0,54	0,61
Sweden	1,32	1,45	1,17	1,04
Thailand	0,28	0,35	0,19	0,21
Turkey	0,09	0,58	0,74	1,28
Taiwan	0,52	0,57	0,68	0,87
U.S.A.	18,74	16,13	19,64	16,49
Outside BLEU territory-(belgo-Lux ec	0,20	0,08	0,12	0,10
EU institutions outside BLEU terr.	0,54	0,50	0,27	0,44
South Africa	0,16	0,13	0,11	0,21
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	9,17	9,97	11,50	11,15
Consum(cycl)	7,45	7,55	8,17	9,28
Cons.goods	5,06	3,67	3,86	4,37
Pharma	4,44	3,76	3,99	3,68
Financials	36,23	34,09	30,59	32,05
Technology	4,20	5,35	6,41	6,35
Telecomm.	1,81	2,01	1,99	2,43
Utilities	1,82	1,11	1,41	1,85
Real est.	0,84	0,70	0,83	1,09
Governm.	28,95	30,93	30,59	27,00
Unit trusts	0,00	0,02	0,00	0,00
Various	0,03	0,84	0,66	0,75
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
AUD	0,45	0,36	0,28	0,26
BRL	0,45	0,56	0,38	0,33
CAD	0,56	0,84	1,11	1,08
CHF	1,06	0,92	0,86	0,75
CLP	0,01	0,01	0,01	0,00
CNY	0,18	0,22	0,11	0,15
COP	0,09	0,17	0,16	0,09
CZK	110,41	102,28	98,28	94,76
DKK	0,21	0,19	0,24	0,30
EUR	-18,50	-15,42	-15,46	-10,75
GBP	2,50	2,70	2,64	2,43
HKD	1,36	1,25	1,63	1,67
HUF	0,03	0,07	0,03	0,09
IDR	0,19	0,23	0,26	0,30
ILS	0,05	0,08	0,03	0,17
INR	0,20	0,28	0,41	0,74
JPY	-0,44	-0,43	-0,36	-0,10
KRW	0,93	1,13	1,17	1,22
MXN	0,36	0,70	0,51	0,58
MYR	0,33	0,57	0,73	0,52
NGN	0,01	0,01	0,00	0,00
NLG	0,00	0,00	0,00	0,01
NOK	0,24	0,36	0,37	0,32
NZD	0,02	0,01	0,01	0,02
PEN	0,09	0,17	0,05	0,00
PHP	0,10	0,15	0,16	0,28
PLN	0,19	0,96	0,59	0,54
RON	0,01	0,06	0,05	0,06
RUB	0,12	0,29	0,07	0,06
SEK	0,30	0,36	0,22	0,22
SGD	0,08	0,07	0,09	0,06
SKK	0,00	0,01	0,00	0,01
THB	0,28	0,35	0,21	0,21
TRY	0,06	0,19	0,20	0,49
TWD	0,50	0,53	0,62	0,88
USD	-2,61	-0,40	4,14	1,92
ZAR	0,18	0,17	0,20	0,33
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND MIXED FUND (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	148.444.665,74	148.444.665,74
Sales	167.881.937,31	167.881.937,31
Total 1	316.326.603,05	316.326.603,05
Subscriptions	4.031.589,20	4.031.589,20
Redemptions	14.823.627,68	14.823.627,68
Total 2	18.855.216,88	18.855.216,88
Monthly average of total assets	249.923.384,73	249.923.384,73
Turnover rate	119,02 %	119,02 %

	1st half of year	Year
Purchases	148.444.665,74	148.444.665,74
Sales	167.881.937,31	167.881.937,31
Total 1	316.326.603,05	316.326.603,05
Subscriptions	4.031.589,20	4.031.589,20
Redemptions	14.823.627,68	14.823.627,68
Total 2	18.855.216,88	18.855.216,88
Monthly average of total assets	243.238.851,78	243.238.851,78
Corrected turnover rate	122,30 %	122,30 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 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-USD 150327-150227 24.13653	CZK	41.032.101,00	41.032.101,00	N/A	25.02.2015
KBC AK-VK CZK-EUR 150327-150227 27.41095	CZK	82.232.850,00	82.232.850,00	N/A	25.02.2015
KBC VK-AK JPY-CZK 150327-150227 4.920858	JPY	-25.000.000,00	-5.124.912,70	N/A	25.02.2015

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

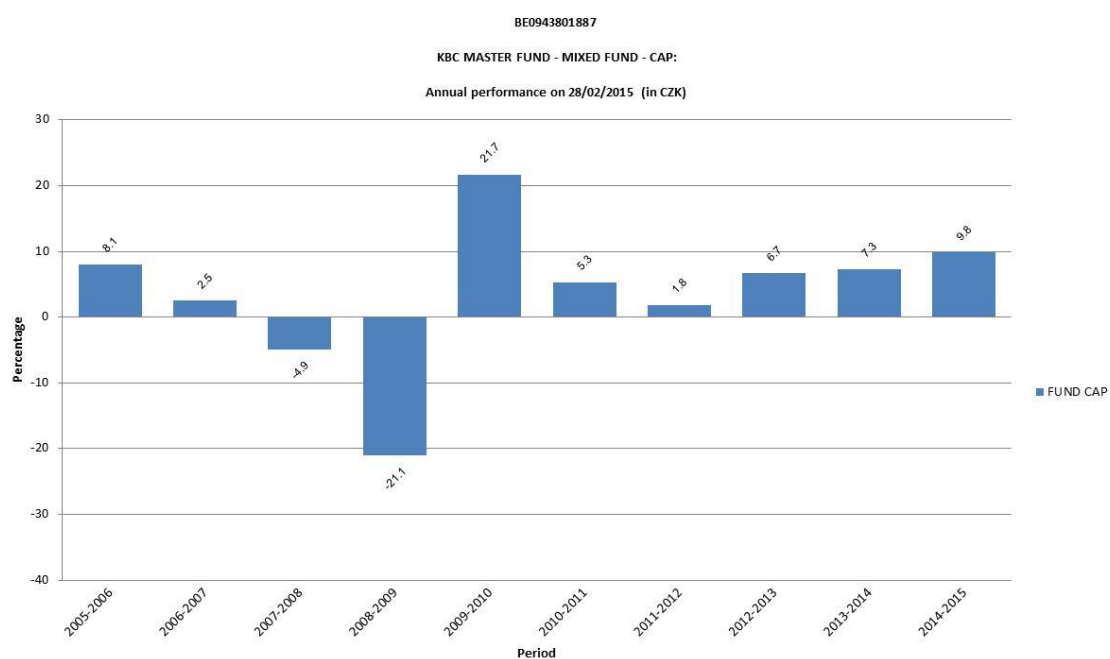
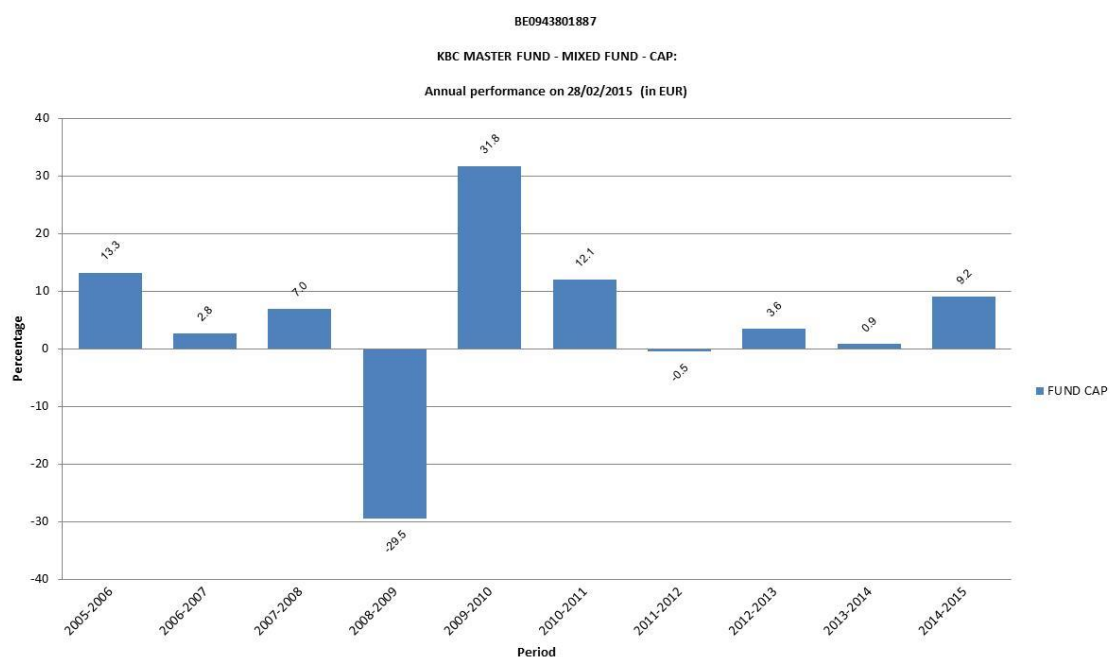
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	8.709,48		165.148,49		296.565,93		296.565,93
2014 - 02*	8.731,78		98.038,83		207.258,88		207.258,88
2015 - 02*	6.779,58		27.643,46		186.395,00		186.395,00

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	9.719.823,14		183.147.343,73	
2014 - 02*	10.530.804,44		118.989.437,69	
2015 - 02*	8.719.752,48		35.541.927,25	

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2013 - 02*	346.680.297,06	1.168,98	
2014 - 02*	259.953.494,48	1.254,25	
2015 - 02*	256.749.777,33	1.377,45	

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

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur- rency	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	Launch Date	Share classes
CAP	BE0943801887	EUR	9.17%		4.48%		4.94%		3.96%		30/11/2004	4.39%
CAP	BE0943801887	CZK	9.82%		7.94%		6.16%		3.16%		30/11/2004	3.18%

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.
- 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
where Y = D-X
Return on date D since the start date S of the unit:
$$[\text{NAV}(D) / \text{NAV}(S)]^{1 / F} - 1$$
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 n^{th} 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 capitalization shares.

2.4.6 COSTS

Ongoing charges: *
Capitalization: 1.541%

* 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.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: max. 1% 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.

CSOB Asset Management a.s. receives a fee from the management company of max. 1% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Name	Maximum management fee
KBC Equity Fund-America-Institutional B Shares	1,50
KBC Equity Fund-Europe-Institutional B Shares	1,50
KBC Equity Fund-Family Enterprises-Institutional B Shares	1,60
KBC Participation-Local Emerging Market Bonds-Institutional B Shares	1,20
KBC Participation-Private Banking Active Bond Selection	1,25
Optimum Fund-CSOB Kratkodobych Dluhopisu	0,70
KBC Bonds-Corporates Euro-Institutional B Shares capitalisation	1,10
KBC Bonds-High Interest-Institutional B Shares capitalisation	1,10
KBC Renta-Czechrenta-Institutional B Shares Capitalisation	1,60
KBC Renta-Strategic Accents 1-Institutional B Shares Capitalisation	1,57
KBC Equity Fund-Buyback America-Institutional B Shares	1,50
KBC Equity Fund-Central Europe-Institutional B Shares	1,60
KBC Equity Fund-Consumer Durables-Institutional B Shares	1,50
KBC Equity Fund-Eurozone-Institutional B Shares	1,50
KBC Equity Fund-Global Leaders-Institutional B Shares	1,50
KBC Equity Fund-High Dividend Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend-Institutional B Shares	1,50
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50
KBC Equity Fund-Japan-Institutional B Shares	1,50
KBC Equity Fund-New Asia-Institutional B Shares	1,60
KBC Equity Fund-Quant EMU-Institutional B Shares	1,50
KBC Equity Fund-Satellites-Institutional B Shares	1,50
KBC Equity Fund-Strategic Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Finance-Institutional B Shares	1,50
KBC Equity Fund-Strategic Non Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Telecom & Technology-Institutional B Shares	1,50
KBC Equity Fund-Technology-Institutional B Shares	1,50
KBC Equity Fund-Turkey-Institutional B Shares	1,60
KBC Equity Fund-US Small Caps-Institutional B Shares	1,50
KBC Master Fund-Minimum Variance Global-Institutional B Shares	1,50
KBC Multi Interest-CSOB CZK Medium-Institutional B Shares Capitalisation	0,60
KBC Multi Interest-CSOB Kratkodoby	1,00
KBC Obli-International	1,10
KBC Participation-Europe Financial Bond Opportunities-Classic Shares	1,00
KBC Bonds-Capital Fund-Capitalisation	0,70
KBC Multi Track-Germany-Classic Shares	0,70
KBC Master Fund-Mixed Fund	1,00

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2 INFORMATION ON KBC MASTER FUND CSOB PORTFOLIO PRO SRPEN 95

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 29 June 2007

Initial subscription price: 1000 CZK

Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

The investment policy aims to track the strategy recommended for an investor with a specific risk profile. The sub-fund also aims to set an annual floor for the net asset value.

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 sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

The UCI may conclude contracts that relate to credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. It relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCI holds directly.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where credit derivatives are used, they are permitted only in order to achieve the investment objectives and within the existing risk profile and may not result in a shift to less creditworthy debtors. Consequently there is no increase in the credit risk. Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors..

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STRATEGY SELECTED

The sub-fund invests directly or indirectly in bonds and/or money market instruments and/or equities and/or associated financial instruments, depending on the market potential of these asset classes. The return is contingent on market trends.

All sectors, regions and currencies may be considered. As a result, the sub-fund's investments may not always be diversified in terms of sectors, regions and currencies. The sub-fund's investments may therefore be concentrated in a particular sector and/or region and/or currency. Investors can find more details in this respect in the annual or half-yearly report.

The euro (EUR), yen (JPY) and all dollar-zone currencies (USD, HKD, AUD, CAD, SGD) will be systematically hedged.

The sub-fund also has the objective of setting an annual floor for the net asset value. The floor is valid for one year and is always equivalent to 95% of the net asset value on the last banking day of the month July of the previous year (the floor for the first year is set on the basis of the initial net asset value).

However, this objective does not constitute a guarantee regarding

- the return or
- the redemption price, which may be lower than the floor as defined above.

The sub-fund is not capital protected or capital guarantee, nor a guaranteed return.

Each time the floor is set, the sub-fund invests primarily in bonds (and/or bond funds) and/or money market instruments. The manager's assessment of the bond market potential is based on the expected interest-rate trend in the Czech Republic or on other markets. The sub-fund will invest proportionally less in bonds and more in money market instruments if medium-term and long-term rates are expected to rise and proportionally more in bonds and less in money market instruments if interest rates are expected to fall or remain stable. The absolute level of interest rates is also a determining factor, with a relatively high rate resulting in a higher bond weighting (and investment).

Each time the floor is set, the sub-fund may also invest in equities. The manager's assessment of the equities market potential is based on factors such as corporate earnings forecasts and the global macroeconomic environment. The sub-fund will invest proportionally more in equities if earnings forecasts are positive and/or the global macroeconomic environment suggests satisfactory growth forecasts and will invest proportionally less in equities if earnings forecasts are negative and/or there is an expectation of weak growth.

If the net asset value falls close to the floor, the manager will act by replacing investments in riskier assets (e.g. equities and/or equity funds) with investments in less risky assets (e.g. bonds, bond funds and/or money market instruments). If the net asset value reaches the floor, the manager will opt to invest entirely in money market instruments.

Conversely, if the net asset value increases in relation to the floor, the manager will act by gradually adjusting the asset allocation so as to replace the less risky assets referred to with the riskier assets referred to if the increase in the net asset value is significant enough.

If the stock-market trend is positive and the net asset value is high enough in relation to the floor, the sub-fund may temporarily deviate from the allocation set when the floor is fixed by replacing the less risky assets referred to with the riskier assets referred to, so long as these conditions apply. As a result, the percentage of the riskier assets will increase in relation to the percentage set when the floor is fixed. This adjustment will be made judiciously, depending on factors such as the historical market volatility (which should be low enough to increase the weighting of risky assets) and the difference between the net asset value and the floor.

In addition to monitoring the floor, the objective is also to achieve a maximum return.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

Some of the assets are invested in bonds and debt instruments issued by companies and government bodies.

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
 - o Moody's (Moody's Investors Service);
 - o S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
 - o Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
- in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

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

INVESTMENT IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The sub-fund will invest primarily in units in Undertakings for Collective Investment.

Lending financial instruments:

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

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

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

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

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

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

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

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

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management (including the assignment of the assets),, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street , Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The investment objective of each sub-fund is to generate the highest possible return while aiming to maintain the NAV above a Floor value. The allocation is determined by a dynamic portfolio insurance algorithm and is a function of volatility and distance from Floor. As such there is a dynamic allocation between more risky assets and less risky assets. The more risky assets are invested according to the KBC AM NV strategy.

At the start of the reporting period economic indicators covering the early spring months showed a notable improvement in economic activity, confirming that the slowdown in momentum during the winter months were largely weather related rather than a broader slowdown in momentum. The European Central Bank (ECB) opted not to ease policy at its April meeting but President Draghi once again made it clear that many options were on the table and indicated that the decision to leave policy unchanged was not unanimous. Global markets advanced in May with record highs. US markets were spurred on by an upbeat economic outlook from the Federal Reserve (Fed), while anticipation of ECB monetary action bolstered European markets. Towards the end of June, Equity markets continued, in the main, to make gains and subsequently produced strong returns for the second quarter. Markets were aided by supportive comments from Federal Reserve Chair Janet Yellen indicating no immediate change to policy, while ECB President Draghi unleashed a number of measures designed to counteract the threat of deflation and boost growth. Into August and US employment posted another strong improvement while the ECB held its policy stance unchanged at its August meeting where President Draghi laid out in clear language why he felt fundamentals supported further declines in EUR/USD. September saw European markets continued to post gains after the ECB continued to implement stimulus measures, cutting its key interest rate by 10 basis points and announcing it would purchase securitized loans and euro-denominated bonds. Elsewhere, US and emerging markets were down with a raft of poor Chinese data being the main driver.

Into the second half of the reporting period and despite the Fed announcing an end to its quantitative easing program at the end of October, markets performed strongly into November due to a number of positive themes including a satisfactory conclusion from the US corporate earnings season, increased quantitative easing from Japan and an unexpected policy rate cut from China to boost growth. As the year drew to a close, the Euro area weakness and fresh political uncertainty in Greece once again resulted in investor uncertainty, leading to a large dip in market values to see one of the worst weeks for returns in 2014. This risk aversion was short lived as global equity markets rebounded sharply leading into year end, with the S&P 500 posting a new all-time high record on 29th December. Global equity markets were mixed in January dragged down by US equities. In Europe, the dominant factors throughout the month were the ECB announcement on quantitative easing and the uncertain aftermath following the Greek political elections, while the removal of the Swiss franc from its euro peg took markets by surprise. As the reporting period drew to a close and as markets predicted, the Greek and Euro-zone authorities agreed a late deal to extend the country's bailout funds for four months. February proved a very strong month for equity markets with large gains across all regions.

While both funds recorded positive returns for the year ending February 28th 2015, it was the more dynamic Srpen 90 tranche which performed the better due to its higher participation in risky assets over the period.

2.1.8 FUTURE POLICY

Future investment and the participation level in risky assets will be determined by the dynamic portfolio insurance algorithm while ensuring that the floor is protected.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fundt)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	2.855.238.999,85	987.430.150,07
II. Securities, money market instruments, UCIs and derivatives		
E. Open-end undertakings for collective investment	2.776.415.853,18	974.353.596,19
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-6.751.488,19	9.414.847,68
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	4.016.289,50	795.162,21
B. Payables		
a) Accounts payable (-)	-6.954.279,40	-3.261.860,37
c) Borrowings (-)	-2.960.159,76	-234.422,54
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	92.821.638,97	6.902.208,26
VI. Accruals and deferrals		
C. Accrued expense (-)	-1.348.854,45	-539.381,36
TOTAL SHAREHOLDERS' EQUITY	2.855.238.999,85	987.430.150,07
A. Capital	2.779.173.704,96	940.699.430,15
B. Income equalization	-15.321,00	389.362,85
D. Result for the period	76.080.615,89	46.341.357,07

Off-balance-sheet headings

III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	2.112.343.524,95	783.564.876,34
III.B Written futures and forward contracts	-46.739.203,80	-52.951.135,99

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 <small>(in the currency of the sub-fund)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
I. Net gains(losses) on investments		
E. Open-end undertakings for collective investment	132.306.576,83	45.926.759,10
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts		119.119,98
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-3.453.884,21	6.712.083,23
b) Other foreign exchange positions and transactions	-40.338.598,18	-1.978.107,07
Det.section I gains and losses on investments		
Realised gains on investments	154.705.258,63	
Unrealised gains on investments	429.606.011,07	
Realised losses on investments	-164.079.971,53	
Unrealised losses on investments	-331.717.203,73	
II. Investment income and expenses		
B. Interests		
b) Cash at bank and in hand and deposits	4.719,87	1.375,32
C. Interest on borrowings (-)	-1.238,79	-13.059,26
III. Other income		
B. Other		18.767,41
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-3.601.882,52	-1.314.339,61
B. Financial expenses (-)	-13.001,46	-11.184,75
C. Custodian's fee (-)		-67,39
D. Manager's fee (-)		
a) Financial management	-7.112.823,43	-2.525.030,82
b) Administration and accounting management	-1.356.329,86	-490.426,37
F. Formation and organisation expenses (-)	-24.352,28	-11.323,97
H. Services and sundry goods (-)	-63.789,66	-31.899,42
J. Taxes	-224,13	
K. Other expenses (-)	-264.556,29	-61.309,31
Income and expenditure for the period		
Subtotal II + III + IV	-12.433.478,55	-4.438.498,17
V. Profit (loss) on ordinary activities before tax	76.080.615,89	46.341.357,07
VII. Result for the period	76.080.615,89	46.341.357,07

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND CSOB PORTFOLIO PRO SRPEN 95

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC EQUITY FUND AMERICA IS B KAP	480,00	USD	2.285,790	26.887.811,59	0,21	0,97	0,94
KBC EQUITY FUND EUROPE IS	797,00	EUR	1.684,360	36.900.180,68	0,23	1,33	1,29
KBC EQUITY FUND STRATEGIC	7.240,00	EUR	812,950	161.784.776,61	0,28	5,84	5,67
KBC PARTICIPATION LOCAL EMERGING MARKET BONDS KAP IS B	3.172,00	EUR	1.033,950	90.150.464,38	0,49	3,26	3,16
PRIVILEGED PORTFOLIO LIQUIDITY IS B KAP	20.205,44	EUR	281,660	156.433.123,74	9,34	5,65	5,48
<u>Luxembourg</u>							
KBC BONDS CORPOR USD IS B KAP	1.160,00	USD	1.051,950	29.904.116,62	0,35	1,08	1,05
KBC BONDS CORPORATES EURO IS B KAP	4.338,00	EUR	872,960	104.092.429,25	0,40	3,76	3,65
KBC BONDS EMU SHORTIS B KAP	3.206,00	EUR	1.071,860	94.457.584,20	0,26	3,41	3,31
KBC BONDS HIGH INTEREST IS B KAP	1.786,00	EUR	2.200,680	108.037.270,41	0,31	3,90	3,78
KBC INTEREST FUND EURO MEDIUM IS B_KAP	1.089,00	EUR	4.179,550	125.110.182,27	0,27	4,52	4,38
KBC RENTA CZECHRENTA IS B KAP	2.939,00	CZK	41.093,920	120.775.030,88	3,91	4,36	4,23
KBC RENTA EMURENTA IS B KAP	2.131,00	EUR	647,680	37.938.415,46	0,27	1,37	1,33
KBC RENTA EURORENTA IS B KAP	1.111,00	EUR	2.906,540	88.761.700,74	0,51	3,21	3,11
KBC RENTA SHORT EUR IS B KAP	834,00	EUR	726,570	16.656.308,83	0,62	0,60	0,58
KBC RENTA STRATEGIC ACCENTS 1 IS B KAP	5.978,00	EUR	1.282,550	210.748.973,37	0,47	7,85	7,38
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
HORIZON CSOB KOMODITNI FOND KAP	156.971,00	CZK	347,550	54.555.271,05	8,48	1,97	1,91
KBC EQUITY FUND BUYBACK AMERICA IS B KAP	924,00	USD	1.615,960	36.591.521,50	0,16	1,32	1,28
KBC EQUITY FUND EUROZONE IS B KAP	6.499,00	EUR	504,680	90.156.674,36	0,23	3,26	3,16
KBC EQUITY FUND HIGH DIVIDEND EUROZONE IS B KAP	1.267,00	EUR	520,200	18.116.830,23	0,17	0,65	0,64
KBC EQUITY FUND HIGH DIVIDEND IS B KAP	959,00	EUR	1.347,960	35.532.917,22	0,16	1,28	1,24
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	1.008,00	EUR	527,450	14.614.268,45	0,21	0,53	0,51
KBC EQUITY FUND JAPAN IS B KAP	1.508,00	JPY	59.831,000	18.495.840,26	0,24	0,67	0,65
KBC EQUITY FUND NEW ASIA IS B KAP	921,00	EUR	721,040	18.253.840,03	0,15	0,66	0,64
KBC EQUITY FUND QUANT EMU IS B KAP	2.597,00	EUR	777,350	55.491.160,13	0,26	2,00	1,94
KBC EQUITY FUND SATELLITES IS B KAP	579,00	EUR	1.430,200	22.762.008,93	0,22	0,82	0,80
KBC EQUITY FUND STRATEGIC CYCLICALS IS KAP	4.742,00	EUR	901,360	117.488.425,29	0,25	4,24	4,12
KBC EQUITY FUND STRATEGIC FINANCE IS B KAP	8.227,00	EUR	446,390	100.946.486,18	0,24	3,65	3,54
KBC EQUITY FUND STRATEGIC NON CYCLICALS IS B KAP	4.883,00	EUR	383,280	51.444.403,29	0,25	1,86	1,80
KBC EQUITY FUND STRATEGIC TEL & TECHNOLOGY IS B KAP	15.411,00	EUR	168,000	71.166.458,48	0,24	2,57	2,49
KBC EQUITY FUND TURKEY IS B KAP	298,00	TRY	1.480,620	4.299.319,61	0,19	0,16	0,15
KBC EQUITY FUND US SMALL CAPS IS B KAP	586,00	USD	1.555,000	22.330.883,19	0,23	0,81	0,78
KBC MULTI INTEREST CSOB CZK MEDIUM IS B KAP	144.621,00	CZK	1.002,170	144.934.827,57	1,47	5,23	5,08

KBC MULTI INTEREST 3 MONTH DURATION - INST SH B KAP	5.530,48	EUR	998,740	151.827.638,14	10,73	5,48	5,32
KBC MULTI INTEREST 5 MONTH DURATION IS B	5.522,57	EUR	1.000,190	151.830.406,05	10,92	5,48	5,32
KBC PARTICIPATION SRI CORPORATE BONDS IS B KAP	2.541,00	EUR	1.258,910	87.929.499,34	0,31	3,18	3,08
KBC SELECT IMMO EUROPE PLUS KAP	2.733,00	EUR	1.317,950	99.008.804,85	1,91	3,58	3,47
Total investment funds				2.776.415.853,18		100,24	97,24
Forward contracts		CZK		-6.751.488,19			-0,24
TOTAL SECURITIES PORTFOLIO				2.769.664.364,99		100,00	97,00
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	3.090,72	CAD	1,000	60.659,15			0,00
KBC GROUP CZK	92.468.618,02	CZK	1,000	92.468.618,02			3,24
KBC GROUP EURO	-99.156,07	EUR	1,000	-2.725.552,53			-0,10
KBC GROUP JPY	-1.144.445,00	JPY	1,000	-234.607,23			-0,01
KBC GROUP PLN	28.746,64	PLN	1,000	190.391,73			0,01
KBC GROUP TRY	1.858,39	TRY	1,000	18.108,26			0,00
KBC GROUP USD	3.422,05	USD	1,000	83.861,81			0,00
Total demand accounts				89.861.479,21			3,15
TOTAL CASH AT BANK AND IN HAND				89.861.479,21			3,15
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP CZK RECEIVABLE	857.546,42	CZK	1,000	857.546,42			0,03
KBC GROUP EUR RECEIVABLE	100.000,00	EUR	1,000	2.748.750,06			0,10
KBC GROUP JPY RECEIVABLE	2.000.000,00	JPY	1,000	409.993,02			0,01
Total receivables				4.016.289,50			0,14
Payables							
<u>Belgium</u>							
KBC GROUP CZK PAYABLE	-6.954.279,40	CZK	1,000	-6.954.279,40			-0,24
Payables				-6.954.279,40			-0,24
TOTAL RECEIVABLES AND PAYABLES				-2.937.989,90			-0,10
OTHER							
Expenses payable		CZK		-1.348.854,45			-0,05
TOTAL OTHER				-1.348.854,45			-0,05
TOTAL NET ASSETS				2.855.238.999,85			100,00

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
United Arab Emirates	0,19	0,02	0,74	0,05
Australia	1,80	0,56	2,21	1,55
Austria	1,45	1,57	0,85	1,08
Belgium	19,97	10,86	15,95	6,12
Bulgaria	0,00	0,00	0,06	0,05
Bahrain	0,00	0,00	0,01	0,00
Bermuda	0,10	0,13	0,06	0,05
Brazil	0,15	0,20	0,42	0,38
Canada	0,35	0,96	0,77	1,02
Switzerland	0,70	1,24	0,77	0,82
Chile	0,02	0,02	0,02	0,01
China	0,47	0,79	1,48	1,59
Ivory Coast	0,00	0,00	0,00	0,01
Colombia	0,01	0,01	0,23	0,15
Czech Republic	10,62	9,25	5,66	6,04
Cayman Islands	0,09	0,17	0,24	0,18
Germany	7,61	9,84	6,93	8,39
Denmark	0,63	0,56	0,71	0,76
Egypt	0,00	0,00	0,01	0,00
Spain	5,14	5,27	4,50	5,66
Europe	0,28	0,00	0,00	0,00
Finland	0,34	0,78	0,50	0,45
France	14,60	15,11	14,56	12,54
Gabon	0,00	0,00	0,04	0,03
U.K.	2,62	3,89	4,51	5,80
Greece	0,01	0,05	0,03	0,02
Hong Kong	0,33	0,52	0,40	0,38
Hungary	0,01	0,01	0,13	0,14
India	0,16	0,25	0,42	0,43
Indonesia	0,09	0,14	0,23	0,12
Ireland	4,10	4,75	1,56	4,85
Iceland	0,01	0,01	0,01	0,00
Israel	0,01	0,03	0,06	0,07
Italy	7,56	7,14	5,86	5,22
Jersey/The Channel Islands	0,06	0,13	0,16	0,14
Japan	1,19	2,26	0,72	2,63
South Korea	0,48	0,84	1,23	1,33
Croatia	0,00	0,00	0,04	0,00
Luxembourg	2,52	0,59	1,26	2,40
Mexico	0,07	0,05	0,76	1,01
Malaysia	0,12	0,19	0,81	0,76
Netherlands	4,02	4,84	5,87	5,48
Norway	0,10	0,15	0,27	0,46
New Zealand	0,01	0,01	0,01	0,01
Ukraine	0,00	0,00	0,02	0,00
Panama	0,00	0,00	0,01	0,00
Peru	0,00	0,00	0,09	0,00
Philippines	0,04	0,05	0,22	0,46
Papua New Guinea	0,00	0,00	0,01	0,01
Poland	0,02	0,01	0,90	0,95
Portugal	0,14	0,17	0,12	0,13
Romania	0,00	0,00	0,13	0,18

Russia	0,05	0,11	0,13	0,05
Saudi Arabia	0,00	0,00	0,03	0,06
Singapore	0,04	0,08	0,05	0,05
Slovenia	0,07	0,04	0,11	0,11
Slovakia	0,14	0,08	0,11	0,10
Sweden	0,40	1,00	0,85	1,21
Thailand	0,11	0,16	0,17	0,25
Turkey	0,03	0,09	0,48	0,70
Taiwan	0,35	0,66	0,54	0,53
U.S.A.	8,32	13,73	11,74	14,71
Venezuela	0,00	0,00	0,06	0,00
British Virgin Islands	0,00	0,00	0,01	0,00
Outside BLEU territory-(belgo-Lux ec	0,00	0,00	0,11	0,13
EU institutions outside BLEU terr.	2,23	0,56	2,87	1,91
South Africa	0,07	0,07	0,18	0,28
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	5,22	10,41	7,16	9,85
Consum(cycl)	4,12	7,81	5,13	8,23
Cons.goods	2,98	4,20	2,29	3,81
Pharma	2,66	4,20	2,36	3,20
Financials	27,83	25,83	30,69	31,77
Technology	2,57	5,96	4,62	5,43
Telecomm.	0,86	1,76	1,60	2,17
Utilities	0,75	0,88	1,59	1,96
Real est.	1,45	3,10	2,60	4,75
Governm.	51,51	35,24	41,56	29,35
Unit trusts	0,00	0,00	0,03	0,00
Various	0,05	0,61	0,37	-0,52
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
AUD	0,21	0,42	0,16	0,21
BRL	0,14	0,20	0,45	0,45
CAD	0,34	0,97	0,68	0,95
CHF	0,68	1,21	0,49	0,63
CLP	0,00	0,00	0,01	0,00
CNY	0,01	0,00	0,19	0,30
COP	0,00	0,00	0,23	0,15
CZK	95,83	91,68	99,82	100,38
DKK	0,10	0,28	0,13	0,23
EUR	-0,36	-0,86	-11,33	-10,03
GBP	1,54	3,75	2,43	3,79
HKD	0,85	1,41	1,13	1,20
HUF	0,01	0,01	0,02	0,10
IDR	0,10	0,16	0,26	0,35
ILS	0,01	0,02	0,03	0,21
INR	0,13	0,21	0,35	0,83
JPY	0,31	-0,13	0,68	0,25
KRW	0,43	0,80	1,05	1,11
MXN	0,06	0,05	0,69	0,91
MYR	0,11	0,19	0,83	0,79
NOK	0,05	0,11	0,41	0,45
NZD	0,01	0,01	0,01	0,01
PEN	0,00	0,00	0,08	0,00
PHP	0,04	0,05	0,19	0,43
PLN	0,02	0,01	0,91	0,65
RON	0,00	0,00	0,01	0,08
RUB	0,00	0,00	0,10	0,10
SEK	0,23	0,63	0,29	0,41
SGD	0,04	0,07	0,04	0,05
SKK	0,00	0,00	0,01	0,01
THB	0,11	0,17	0,18	0,24
TRY	0,02	0,04	0,27	0,63
TWD	0,33	0,61	0,41	0,52
USD	-1,42	-2,14	-1,47	-6,89
ZAR	0,07	0,07	0,26	0,50
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND CSOB PORTFOLIO PRO SRPEN 95 (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	2.273.754.577,33	2.273.754.577,33
Sales	1.953.274.452,28	1.953.274.452,28
Total 1	4.227.029.029,61	4.227.029.029,61
Subscriptions	504.927.482,11	504.927.482,11
Redemptions	86.791.497,41	86.791.497,41
Total 2	591.718.979,52	591.718.979,52
Monthly average of total assets	2.718.379.441,43	2.718.379.441,43
Turnover rate	133,73 %	133,73 %

	1st half of year	Year
Purchases	2.273.754.577,33	2.273.754.577,33
Sales	1.953.274.452,28	1.953.274.452,28
Total 1	4.227.029.029,61	4.227.029.029,61
Subscriptions	504.927.482,11	504.927.482,11
Redemptions	86.791.497,41	86.791.497,41
Total 2	591.718.979,52	591.718.979,52
Monthly average of total assets	2.624.109.466,99	2.624.109.466,99
Corrected turnover rate	138,54 %	138,54 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 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-USD 150327-150224 24.25265	CZK	510.639.545,75	510.639.545,75	N/A	24.02.2015
KBC AK-VK CZK-EUR 150327-150224 27.46406	CZK	1.601.703.979,20	1.601.703.979,20	N/A	24.02.2015
KBC VK-AK JPY-CZK 150327-150224 4.927988	JPY	-228.000.000,00	-46.739.203,80	N/A	24.02.2015

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

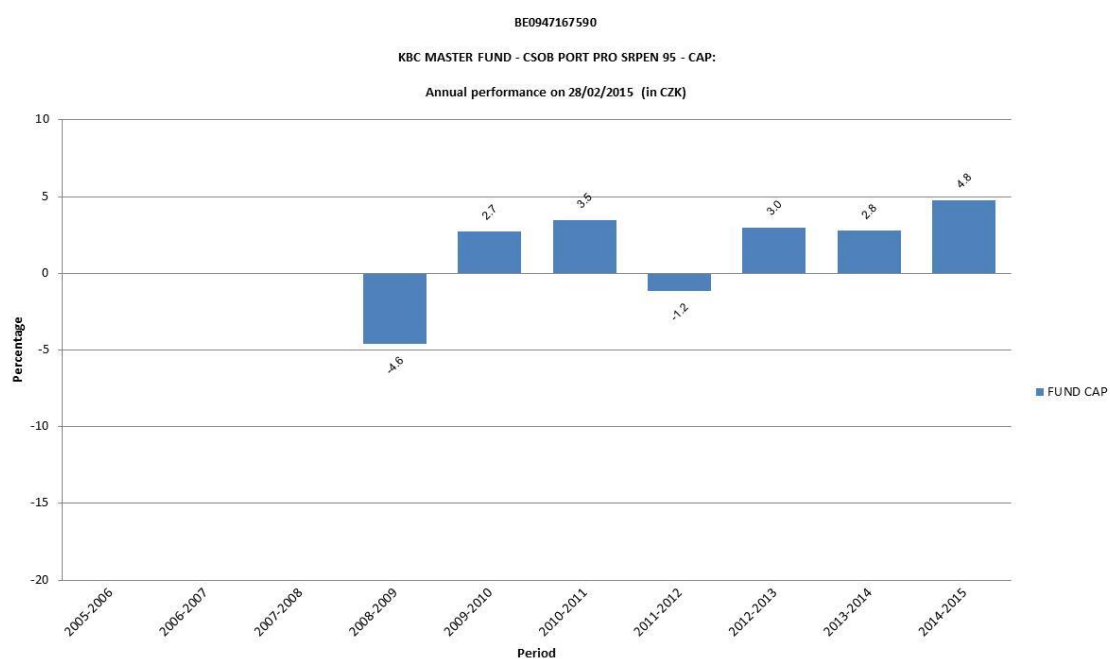
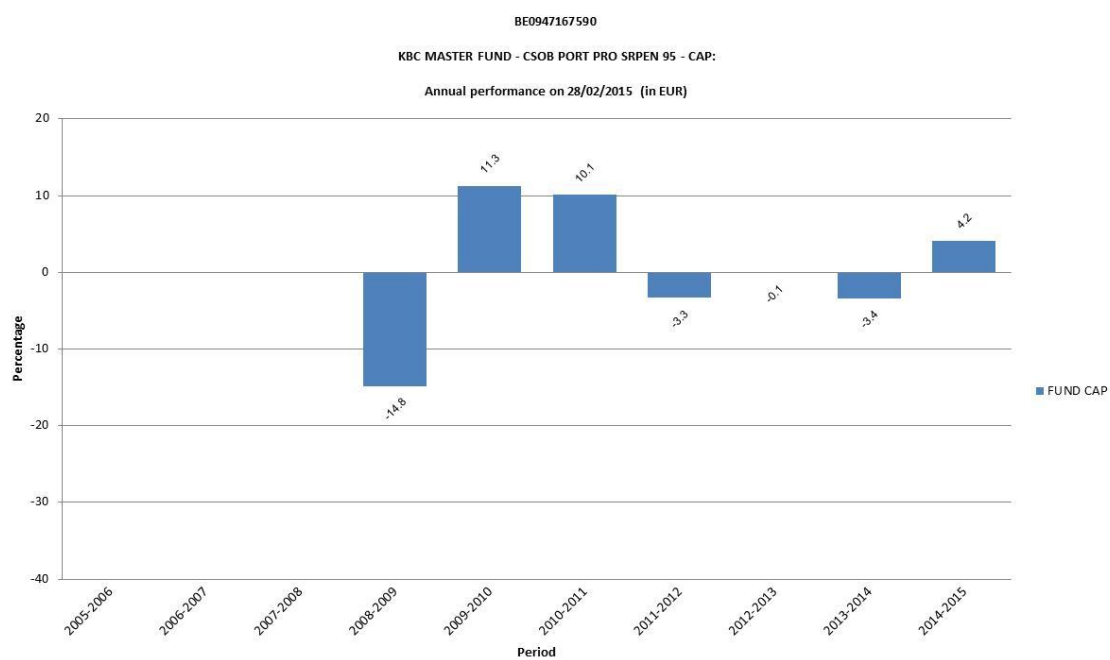
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	4.158,11		80.902,74		168.489,44		168.489,44
2014 - 02*	837.744,05		56.745,75		949.487,74		949.487,74
2015 - 02*	1.796.279,42		125.170,55		2.620.596,61		2.620.596,61

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	4.100.340,27		80.118.395,03	
2014 - 02*	840.448.657,82		57.996.711,49	
2015 - 02*	1.895.246.456,62		132.391.068,53	

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2013 - 02*	170.521.563,38	1.012,06	
2014 - 02*	987.430.150,07	1.039,96	
2015 - 02*	2.855.238.999,85	1.089,54	

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

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur- rency	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	Launch Date	Share classes
CAP	BE0947167590	EUR	4.15%		0.19%		1.37%				29/06/2007	1.68%
CAP	BE0947167590	CZK	4.77%		3.51%		2.55%				29/06/2007	1.12%

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.
- 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
where Y = D-X
Return on date D since the start date S of the unit:
$$[\text{NAV}(D) / \text{NAV}(S)]^{1 / F} - 1$$
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 n^{th} 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 capitalization shares.

2.4.6 COSTS

Ongoing charges: *
Capitalization: 2.225%

* 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.

Fee for managing the investment portfolio

The management fee amounts to 331,186.11 CZK. An additional fee of 6,781,637.32 CZK was charged regarding commissions and charges for allocating the assets.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: max. 1% 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.

KBC Fund Management Limited receives a fee from the management company of max. 1% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

In addition: fees and charges for allocating the assets: max. 0.5% per year, calculated on the basis of the average total net assets of the sub-fund.

KBC Fund Management Limited receives a fee from the management company of max. 0.5% per year calculated on that part of the portfolio that it manages, without the total fees and charges for allocating the assets received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Name	Maximum management fee
KBC Equity Fund-America-Institutional B Shares	1,50
KBC Equity Fund-Europe-Institutional B Shares	1,50
KBC Equity Fund-Strategic Satellites-Institutional B Shares	1,50
KBC Participation-Local Emerging Market Bonds-Institutional B Shares	1,20
Privileged Portfolio Fund-Privileged Portfolio Liquidity-Institutional B Shares	0,40
KBC Bonds-Corporates USD-Institutional B Shares capitalisation	1,10
KBC Bonds-Corporates Euro-Institutional B Shares capitalisation	1,10
KBC Bonds-EMU Short	1,17
KBC Bonds-High Interest-Institutional B Shares capitalisation	1,10
KBC Interest fund-EURO MEDIUM-Institutional B Shares Capitalisation	0,50
KBC Renta-Czechrenta-Institutional B Shares Capitalisation	1,60
KBC Renta-Emurenta-Institutional B Shares Capitalisation	1,10
KBC Renta-Eurorenta-Institutional B Shares Capitalisation	1,10
KBC Renta-Short EUR-Institutional B Shares Capitalisation	1,10
KBC Renta-Strategic Accents 1-Institutional B Shares Capitalisation	1,57
Horizon-CSOB Komoditni Fond	2,00
KBC Equity Fund-Buyback America-Institutional B Shares	1,50
KBC Equity Fund-Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend-Institutional B Shares	1,50
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50
KBC Equity Fund-Japan-Institutional B Shares	1,50
KBC Equity Fund-New Asia-Institutional B Shares	1,60
KBC Equity Fund-Quant EMU-Institutional B Shares	1,50
KBC Equity Fund-Satellites-Institutional B Shares	1,50
KBC Equity Fund-Strategic Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Finance-Institutional B Shares	1,50
KBC Equity Fund-Strategic Non Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Telecom & Technology-Institutional B Shares	1,50
KBC Equity Fund-Turkey-Institutional B Shares	1,60
KBC Equity Fund-US Small Caps-Institutional B Shares	1,50
KBC Multi Interest-CSOB CZK Medium-Institutional B Shares Capitalisation	0,60
KBC Multi Interest-Cash 3 Month Duration-Institutional B Shares	0,40
KBC Multi Interest-Cash 5 Month Duration-Institutional B Shares	0,40
KBC Participation-SRI Corporate Bonds-Institutional B Shares	1,25
KBC Select Immo-Europe Plus	1,50
KBC Master Fund-CSOB Portfolio Pro Srpen 95	1,00

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2 INFORMATION ON KBC MASTER FUND CSOB PORTFOLIO PRO SRPEN 90

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 29 June 2007

Initial subscription price: 1000 CZK

Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

The investment policy aims to track the strategy recommended for an investor with a specific risk profile. The sub-fund also aims to set an annual floor for the net asset value.

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 sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

The UCI may conclude contracts that relate to credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. It relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCI holds directly.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where credit derivatives are used, they are permitted only in order to achieve the investment objectives and within the existing risk profile and may not result in a shift to less creditworthy debtors. Consequently there is no increase in the credit risk. Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors..

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Strategy selected

The sub-fund invests directly or indirectly in bonds and/or money market instruments and/or equities and/or associated financial instruments, depending on the market potential of these asset classes. The return is contingent on market trends.

All sectors, regions and currencies may be considered. As a result, the sub-fund's investments may not always be diversified in terms of sectors, regions and currencies. The sub-fund's investments may therefore be concentrated in a particular sector and/or region and/or currency. Investors can find more details of the above in the annual or half-yearly report.

The euro (EUR), yen (JPY) and all dollar-zone currencies (USD, HKD, AUD, CAD, SGD) will be systematically hedged.

The sub-fund also has the objective of setting an annual floor for the net asset value. The floor is valid for one year and is always equivalent to 90% of the net asset value on the last banking day of the month July of the previous year (the floor for the first year is set on the basis of the initial net asset value).

However, this objective does not constitute a guarantee regarding

- the return or
- the redemption price, which may be lower than the floor as defined above.

The sub-fund is not capital protected or capital guarantee, nor a guaranteed return.

Each time the floor is set, the sub-fund invests at least 20% of its assets in bonds (and/or bond funds) and/or money market instruments and at least 20% in equities (and/or equity funds) and/or associated financial instruments, depending on the manager's assessment of the market potential. For bonds, the manager's assessment of the market potential is based on the expected interest-rate trend in the Czech Republic or on other markets. The sub-fund will invest proportionally less in bonds if medium-term and long-term rates are expected to rise and proportionally less in equities if interest rates are expected to fall or remain stable. The absolute level of interest rates is also a determining factor, with a relatively high rate resulting in a higher bond weighting (and investment). For equities, the manager's assessment of the market potential is based on factors such as corporate earnings forecasts and the global macroeconomic environment. The sub-fund will invest proportionally more in equities if earnings forecasts are positive and/or the global macroeconomic environment suggests satisfactory growth forecasts and will invest proportionally less in equities if earnings forecasts are negative and/or there is an expectation of weak growth. The return potential of the two asset classes (bonds and equities) is based on the risk premium for equities (= the sum of discounted future dividends less the risk-free rate). The sub-fund will invest more in the asset class that is considered to have the higher return potential (due allowance being made for the risk premium). If the return potential of the two asset classes is identical, the sub-fund may make a balanced investment between the two classes.

If the net asset value falls close to the floor, the manager will act by replacing investments in riskier assets (e.g. equities and/or equity funds) with investments in less risky assets (e.g. bonds, bond funds and/or money market instruments). If the net asset value reaches the floor, the manager will opt to invest entirely in money market instruments.

Conversely, if the net asset value increases in relation to the floor, the manager will act by gradually adjusting the asset allocation so as to replace the less risky assets referred to with the riskier assets referred to if the increase in the net asset value is significant enough.

If the stock-market trend is positive and the net asset value is high enough in relation to the floor, the sub-fund may temporarily deviate from the allocation set when the floor is fixed by replacing the less risky assets referred to with the riskier assets referred to, so long as these conditions apply. As a result, the percentage of the riskier assets will increase in relation to the percentage set when the floor is fixed. This adjustment will be made judiciously, depending on factors such as the historical market volatility (which should be low enough to increase the weighting of risky assets) and the difference between the net asset value and the floor.

In addition to monitoring the floor, the objective is also to record the maximum return.

Characteristics of the bonds and debt instruments

Some of the assets are invested in bonds and debt instruments issued by companies and government bodies.

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
 - o Moody's (Moody's Investors Service);
 - o S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
 - o Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
- in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

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

Investment in assets other than securities or money market instruments

The sub-fund will invest primarily in units in Undertakings for Collective Investment.

Lending financial instruments:

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

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

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

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

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

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

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

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

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management (including the assignment of the assets), to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The investment objective of each sub-fund is to generate the highest possible return while aiming to maintain the NAV above a Floor value. The allocation is determined by a dynamic portfolio insurance algorithm and is a function of volatility and distance from Floor. As such there is a dynamic allocation between more risky assets and less risky assets. The more risky assets are invested according to the KBC AM NV strategy.

At the start of the reporting period economic indicators covering the early spring months showed a notable improvement in economic activity, confirming that the slowdown in momentum during the winter months were largely weather related rather than a broader slowdown in momentum. The European Central Bank (ECB) opted not to ease policy at its April meeting but President Draghi once again made it clear that many options were on the table and indicated that the decision to leave policy unchanged was not unanimous. Global markets advanced in May with record highs. US markets were spurred on by an upbeat economic outlook from the Federal Reserve (Fed), while anticipation of ECB monetary action bolstered European markets. Towards the end of June, Equity markets continued, in the main, to make gains and subsequently produced strong returns for the second quarter. Markets were aided by supportive comments from Federal Reserve Chair Janet Yellen indicating no immediate change to policy, while ECB President Draghi unleashed a number of measures designed to counteract the threat of deflation and boost growth. Into August and US employment posted another strong improvement while the ECB held its policy stance unchanged at its August meeting where President Draghi laid out in clear language why he felt fundamentals supported further declines in EUR/USD. September saw European markets continued to post gains after the ECB continued to implement stimulus measures, cutting its key interest rate by 10 basis points and announcing it would purchase securitized loans and euro-denominated bonds. Elsewhere, US and emerging markets were down with a raft of poor Chinese data being the main driver.

Into the second half of the reporting period and despite the Fed announcing an end to its quantitative easing program at the end of October, markets performed strongly into November due to a number of positive themes including a satisfactory conclusion from the US corporate earnings season, increased quantitative easing from Japan and an unexpected policy rate cut from China to boost growth. As the year drew to a close, the Euro area weakness and fresh political uncertainty in Greece once again resulted in investor uncertainty, leading to a large dip in market values to see one of the worst weeks for returns in 2014. This risk aversion was short lived as global equity markets rebounded sharply leading into year end, with the S&P 500 posting a new all-time high record on 29th December. Global equity markets were mixed in January dragged down by US equities. In Europe, the dominant factors throughout the month were the ECB announcement on quantitative easing and the uncertain aftermath following the Greek political elections, while the removal of the Swiss franc from its euro peg took markets by surprise. As the reporting period drew to a close and as markets predicted, the Greek and Euro-zone authorities agreed a late deal to extend the country's bailout funds for four months. February proved a very strong month for equity markets with large gains across all regions.

While both funds recorded positive returns for the year ending February 28th 2015, it was the more dynamic Srpen 90 tranche which performed the better due to its higher participation in risky assets over the period.

2.1.8 FUTURE POLICY

Future investment and the participation level in risky assets will be determined by the dynamic portfolio insurance algorithm while ensuring that the floor is protected.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fundt)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	1.725.685.957,68	523.194.658,69
II. Securities, money market instruments, UCIs and derivatives		
E. Open-end undertakings for collective investment	1.691.769.329,58	514.406.799,24
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-6.119.837,82	7.222.120,19
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	2.103.293,51	1.332.811,72
B. Payables		
a) Accounts payable (-)	-4.579.687,72	-936.764,87
c) Borrowings (-)	-1.607.383,71	-215.964,51
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	44.954.279,71	1.606.453,03
VI. Accruals and deferrals		
C. Accrued expense (-)	-834.035,87	-220.796,11
TOTAL SHAREHOLDERS' EQUITY	1.725.685.957,68	523.194.658,69
A. Capital	1.654.345.046,77	476.114.929,07
B. Income equalization	-3.991,80	44.050,13
D. Result for the period	71.344.902,71	47.035.679,49

Off-balance-sheet headings

III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	1.266.640.766,38	435.569.510,12
III.B Written futures and forward contracts	-58.424.004,75	-47.917.406,65

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 <small>(in the currency of the sub-fund)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
I. Net gains(losses) on investments		
E. Open-end undertakings for collective investment	126.437.736,36	43.786.172,74
F. Derivative financial instruments		
I) Financial indices		
Futures and forward contracts		136.137,12
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-1.713.803,94	6.218.106,59
b) Other foreign exchange positions and transactions	-45.023.066,86	-598.000,01
Det.section I gains and losses on investments		
Realised gains on investments	106.708.799,96	
Unrealised gains on investments	4.053.025,98	
Realised losses on investments	-130.926.335,98	
Unrealised losses on investments	99.865.375,60	
II. Investment income and expenses		
B. Interests		
b) Cash at bank and in hand and deposits	6.402,86	1.274,94
C. Interest on borrowings (-)	-2.924,00	-3.806,62
III. Other income		
B. Other		18.311,64
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-3.094.198,24	-883.322,23
B. Financial expenses (-)	-8.059,20	-5.919,36
C. Custodian's fee (-)		-290,71
D. Manager's fee (-)		
a) Financial management	-4.229.449,45	-1.310.738,87
b) Administration and accounting management	-815.712,22	-254.929,31
F. Formation and organisation expenses (-)	-16.688,30	-5.741,04
H. Services and sundry goods (-)	-61.077,37	-29.965,43
J. Taxes	-137,78	
K. Other expenses (-)	-134.119,15	-31.609,96
Income and expenditure for the period		
Subtotal II + III + IV	-8.355.962,85	-2.506.736,95
V. Profit (loss) on ordinary activities before tax	71.344.902,71	47.035.679,49
VII. Result for the period	71.344.902,71	47.035.679,49

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND CSOB PORTFOLIO PRO SRPEN 90

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC EQUITY FUND AMERICA IS B KAP	602,00	USD	2.285,790	33.721.797,04	0,27	2,00	1,95
KBC EQUITY FUND EUROPE IS	998,00	EUR	1.684,360	46.206.248,83	0,29	2,74	2,68
KBC EQUITY FUND STRATEGIC	9.065,03	EUR	812,950	202.566.808,23	0,35	12,38	11,74
KBC PARTICIPATION LOCAL EMERGING MARKET BONDS KAP IS B	962,00	EUR	1.033,950	27.340.714,61	0,15	1,62	1,58
PRIVILEGED PORTFOLIO LIQUIDITY IS B KAP	3.715,00	EUR	281,660	28.762.010,80	1,72	1,71	1,67
<u>Luxembourg</u>							
KBC BONDS CORPOR USD IS B KAP	352,00	USD	1.051,950	9.074.352,63	0,11	0,54	0,53
KBC BONDS CORPORATES EURO IS B KAP	1.318,00	EUR	872,960	31.626.053,88	0,12	1,88	1,83
KBC BONDS EMU SHORTIS B KAP	974,00	EUR	1.071,860	28.696.720,84	0,08	1,70	1,66
KBC BONDS HIGH INTEREST IS B KAP	542,00	EUR	2.200,680	32.786.226,52	0,09	1,95	1,90
KBC INTEREST FUND EURO MEDIUM IS B_KAP	331,00	EUR	4.179,550	38.027.061,83	0,08	2,26	2,20
KBC RENTA CZECHRENTA IS B KAP	892,21	CZK	41.093,920	36.664.529,64	1,19	2,18	2,13
KBC RENTA EMURENTA IS B KAP	649,00	EUR	647,680	11.554.214,75	0,08	0,69	0,67
KBC RENTA EURORENTA IS B KAP	337,10	EUR	2.906,540	26.932.105,60	0,15	1,60	1,56
KBC RENTA SHORT EUR IS B KAP	253,74	EUR	726,570	5.067.512,19	0,19	0,30	0,29
KBC RENTA STRATEGIC ACCENTS 1 IS B KAP	1.816,00	EUR	1.282,550	64.021.434,53	0,14	3,80	3,71
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
HORIZON CSOB KOMODITNI FOND KAP	94.999,38	CZK	347,550	33.017.034,17	5,13	1,96	1,91
KBC EQUITY FUND BUYBACK AMERICA IS B KAP	1.157,00	USD	1.615,960	45.818.604,31	0,20	2,72	2,66
KBC EQUITY FUND EUROZONE IS B KAP	8.139,00	EUR	504,680	112.907.396,92	0,29	6,70	6,54
KBC EQUITY FUND HIGH DIVIDEND EUROZONE IS B KAP	1.594,64	EUR	520,200	22.801.696,68	0,21	1,35	1,32
KBC EQUITY FUND HIGH DIVIDEND IS B KAP	1.204,00	EUR	1.347,960	44.610.669,79	0,21	2,65	2,59
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	1.262,00	EUR	527,450	18.296.832,13	0,26	1,09	1,06
KBC EQUITY FUND JAPAN IS B KAP	1.886,00	JPY	59.831,000	23.132.065,48	0,31	1,37	1,34
KBC EQUITY FUND NEW ASIA IS B KAP	1.152,00	EUR	721,040	22.832.164,73	0,18	1,36	1,32
KBC EQUITY FUND QUANT EMU IS B KAP	3.252,00	EUR	777,350	69.486.812,76	0,33	4,12	4,03
KBC EQUITY FUND SATELLITES IS B KAP	726,00	EUR	1.430,200	28.540.964,57	0,27	1,69	1,65
KBC EQUITY FUND STRATEGIC CYCLICALS IS KAP	5.937,80	EUR	901,360	147.115.601,90	0,31	8,73	8,53
KBC EQUITY FUND STRATEGIC FINANCE IS B KAP	10.300,99	EUR	446,390	126.394.608,19	0,30	7,50	7,32
KBC EQUITY FUND STRATEGIC NON CYCLICALS IS B KAP	6.117,53	EUR	383,280	64.450.703,09	0,31	3,82	3,74
KBC EQUITY FUND STRATEGIC TEL & TECHNOLOGY IS B KAP	19.291,09	EUR	168,000	89.084.335,72	0,30	5,29	5,16
KBC EQUITY FUND TURKEY IS B KAP	373,00	TRY	1.480,620	5.381.363,13	0,24	0,32	0,31
KBC EQUITY FUND US SMALL CAPS IS B KAP	734,00	USD	1.555,000	27.970.764,95	0,29	1,66	1,62
KBC MULTI INTEREST CSOB CZK MEDIUM IS B KAP	43.869,00	CZK	1.002,170	43.964.195,73	0,45	2,61	2,55

KBC MULTI INTEREST 3 MONTH DURATION - INST SH B KAP	1.017,00	EUR	998,740	27.919.565,09	1,97	1,66	1,62
KBC MULTI INTEREST 5 MONTH DURATION IS B	1.015,00	EUR	1.000,190	27.905.114,08	2,01	1,66	1,62
KBC PARTICIPATION SRI CORPORATE BONDS IS B KAP	772,00	EUR	1.258,910	26.714.511,41	0,09	1,59	1,55
KBC SELECT IMMO EUROPE PLUS KAP	1.666,61	EUR	1.317,950	60.376.532,83	1,16	3,58	3,50
Total investment funds				1.691.769.329,58		100,36	98,04
Forward contracts		CZK		-6.119.837,82			-0,36
TOTAL SECURITIES PORTFOLIO				1.685.649.491,76		100,00	97,68
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	4.013,23	CAD	1,000	78.764,53			0,01
KBC GROUP CZK	44.690.026,28	CZK	1,000	44.690.026,28			2,59
KBC GROUP EURO	-42.476,75	EUR	1,000	-1.167.579,69			-0,07
KBC GROUP JPY	-2.145.422,00	JPY	1,000	-439.804,02			-0,03
KBC GROUP PLN	13.656,33	PLN	1,000	90.447,17			0,01
KBC GROUP TRY	455,28	TRY	1,000	4.436,27			
KBC GROUP USD	3.697,23	USD	1,000	90.605,46			0,01
Total demand accounts				43.346.896,00			2,51
TOTAL CASH AT BANK AND IN HAND				43.346.896,00			2,51
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP CZK RECEIVABLE	306.341,46	CZK	1,000	306.341,46			0,02
KBC GROUP EUR RECEIVABLE	43.000,00	EUR	1,000	1.181.962,53			0,07
KBC GROUP JPY RECEIVABLE	3.000.000,00	JPY	1,000	614.989,52			0,04
Total receivables				2.103.293,51			0,12
Payables							
<u>Belgium</u>							
KBC GROUP CZK PAYABLE	-4.579.687,72	CZK	1,000	-4.579.687,72			-0,27
Payables				-4.579.687,72			-0,27
TOTAL RECEIVABLES AND PAYABLES				-2.476.394,21			-0,14
OTHER							
Expenses payable		CZK		-834.035,87			-0,05
TOTAL OTHER				-834.035,87			-0,05
TOTAL NET ASSETS				1.725.685.957,68			100,00

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
United Arab Emirates	0,10	0,00	0,28	0,02
Australia	1,35	0,86	1,38	1,11
Austria	1,04	0,53	0,60	0,56
Belgium	11,85	4,99	6,87	2,94
Bulgaria	0,00	0,00	0,04	0,03
Bahrain	0,00	0,00	0,01	0,00
Bermuda	0,22	0,23	0,14	0,09
Brazil	0,34	0,35	0,42	0,34
Canada	0,80	1,68	1,64	1,59
Switzerland	1,57	2,07	1,32	1,17
Chile	0,05	0,04	0,03	0,02
China	1,06	1,32	1,84	1,61
Ivory Coast	0,00	0,00	0,00	0,01
Colombia	0,02	0,02	0,16	0,08
Czech Republic	6,51	3,43	3,41	2,85
Cayman Islands	0,21	0,29	0,34	0,24
Germany	9,45	12,34	8,93	11,78
Denmark	0,51	0,57	0,56	0,64
Spain	4,46	4,22	4,49	4,23
Europe	0,14	0,00	0,00	0,00
Finland	0,53	1,17	0,76	0,80
France	13,51	12,88	12,70	11,70
Gabon	0,00	0,00	0,03	0,01
U.K.	4,20	5,41	5,65	6,13
Greece	0,03	0,09	0,08	0,04
Hong Kong	0,75	0,84	0,74	0,64
Hungary	0,01	0,01	0,08	0,07
India	0,36	0,43	0,78	0,67
Indonesia	0,21	0,25	0,35	0,18
Ireland	3,41	4,08	2,57	3,31
Iceland	0,00	0,00	0,01	0,00
Israel	0,03	0,06	0,11	0,11
Italy	5,83	4,67	4,97	4,12
Jersey/The Channel Islands	0,14	0,19	0,29	0,19
Japan	2,68	3,80	1,67	4,20
South Korea	1,01	1,41	1,96	1,46
Croatia	0,00	0,00	0,02	0,00
Luxembourg	1,51	0,34	1,03	1,27
Mexico	0,15	0,09	0,49	0,52
Malaysia	0,26	0,34	0,74	0,58
Netherlands	4,23	4,15	5,02	4,46
Norway	0,13	0,19	0,27	0,30
New Zealand	0,02	0,01	0,01	0,01
Ukraine	0,00	0,00	0,01	0,00
Panama	0,00	0,00	0,01	0,00
Peru	0,00	0,00	0,05	0,00
Philippines	0,09	0,08	0,18	0,30
Papua New Guinea	0,01	0,01	0,02	0,01
Poland	0,04	0,03	0,54	0,49
Portugal	0,31	0,29	0,27	0,26
Romania	0,00	0,00	0,08	0,09
Russia	0,11	0,19	0,11	0,07

Saudi Arabia	0,00	0,00	0,02	0,03
Singapore	0,10	0,14	0,11	0,10
Slovenia	0,04	0,02	0,07	0,05
Slovakia	0,08	0,03	0,06	0,05
Sweden	0,62	1,06	0,96	0,83
Thailand	0,25	0,29	0,23	0,25
Turkey	0,06	0,09	0,34	0,63
Taiwan	0,78	1,15	1,26	1,02
U.S.A.	17,54	23,10	21,48	24,76
Venezuela	0,00	0,00	0,04	0,00
Outside BLEU territory-(belgo-Lux ec	0,00	0,00	0,07	0,06
EU institutions outside BLEU terr.	1,11	0,04	1,12	0,66
Guernsey The Channel Islands	0,01	0,00	0,00	0,00
South Africa	0,17	0,13	0,18	0,26
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	11,63	17,98	14,75	16,13
Consum(cycl)	9,28	12,87	9,57	13,52
Cons.goods	6,73	7,03	4,76	6,65
Pharma	6,01	7,27	5,20	5,57
Financials	24,83	24,82	25,50	24,92
Technology	5,80	10,33	9,15	10,13
Telecomm.	1,81	3,01	2,52	3,22
Utilities	1,65	1,53	1,95	2,67
Real est.	2,60	3,54	4,72	5,25
Governm.	29,56	11,33	21,66	12,52
Unit trusts	-0,01	0,00	0,02	0,00
Various	0,11	0,29	0,20	-0,58
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
AUD	0,48	0,72	0,37	0,41
BRL	0,31	0,35	0,42	0,37
CAD	0,77	1,69	1,50	1,53
CHF	1,53	2,02	1,14	1,15
CNY	0,01	0,00	0,11	0,14
COP	0,00	0,00	0,16	0,08
CZK	91,30	86,19	93,06	90,40
DKK	0,23	0,49	0,30	0,45
EUR	-1,04	-0,90	-7,01	-3,90
GBP	3,42	5,65	4,76	5,18
HKD	1,91	2,46	2,49	2,10
HUF	0,01	0,01	0,02	0,05
IDR	0,22	0,29	0,37	0,33
ILS	0,02	0,04	0,04	0,15
INR	0,30	0,37	0,63	1,03
JPY	0,19	0,08	-0,15	0,49
KRW	0,97	1,39	1,84	1,35
MXN	0,15	0,09	0,45	0,48
MYR	0,25	0,33	0,75	0,59
NOK	0,12	0,19	0,35	0,31
NZD	0,02	0,02	0,01	0,01
PEN	0,00	0,00	0,05	0,00
PHP	0,09	0,08	0,16	0,29
PLN	0,04	0,03	0,57	0,35
RON	0,00	0,00	0,01	0,04
RUB	0,00	0,00	0,06	0,05
SEK	0,50	0,95	0,61	0,50
SGD	0,09	0,13	0,10	0,09
THB	0,25	0,29	0,24	0,24
TRY	0,06	0,06	0,22	0,60
TWD	0,74	1,06	0,96	1,02
USD	-3,11	-4,20	-4,81	-6,24
ZAR	0,17	0,12	0,22	0,36
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND CSOB PORTFOLIO PRO SRPEN 90 (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	1.712.301.785,61	1.712.301.785,61
Sales	1.647.122.625,32	1.647.122.625,32
Total 1	3.359.424.410,93	3.359.424.410,93
Subscriptions	213.837.516,28	213.837.516,28
Redemptions	64.244.066,85	64.244.066,85
Total 2	278.081.583,13	278.081.583,13
Monthly average of total assets	1.634.667.890,76	1.634.667.890,76
Turnover rate	188,50 %	188,50 %

	1st half of year	Year
Purchases	1.712.301.785,61	1.712.301.785,61
Sales	1.647.122.625,32	1.647.122.625,32
Total 1	3.359.424.410,93	3.359.424.410,93
Subscriptions	213.837.516,28	213.837.516,28
Redemptions	64.244.066,85	64.244.066,85
Total 2	278.081.583,13	278.081.583,13
Monthly average of total assets	1.593.413.397,35	1.593.413.397,35
Corrected turnover rate	193,38 %	193,38 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 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-USD 150327-150224 24.25265	CZK	494.269.007,00	494.269.007,00	N/A	24.02.2015
KBC AK-VK CZK-EUR 150327-150224 27.46406	CZK	772.371.759,38	772.371.759,38	N/A	24.02.2015
KBC VK-AK JPY-CZK 150327-150224 4.927988	JPY	- 285.000.000,00	-58.424.004,75	N/A	24.02.2015

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

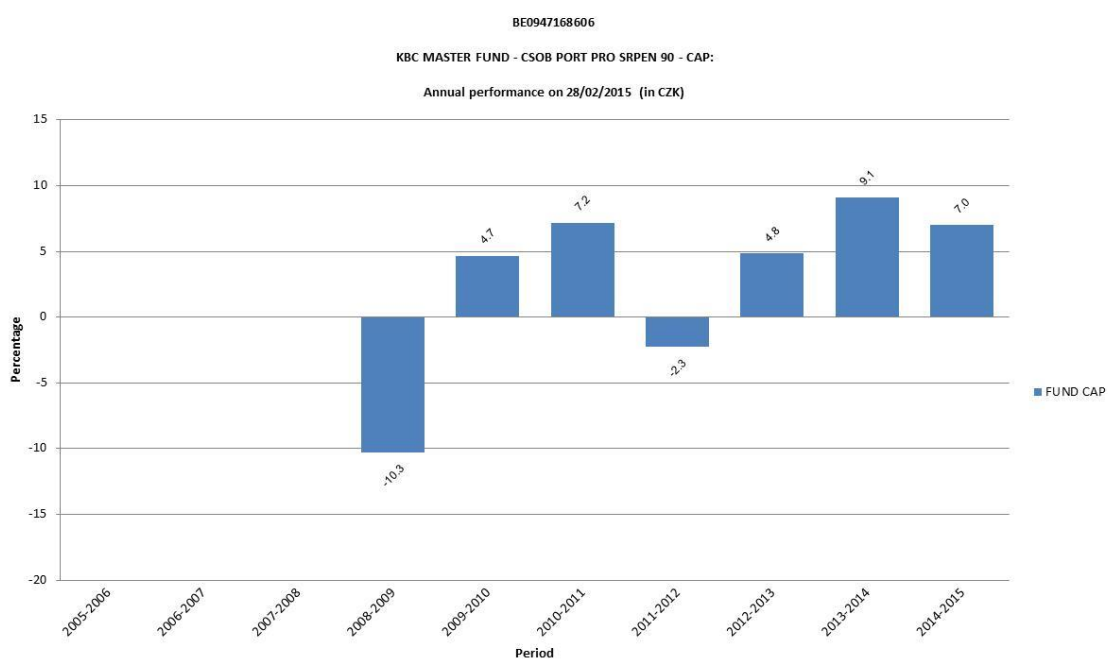
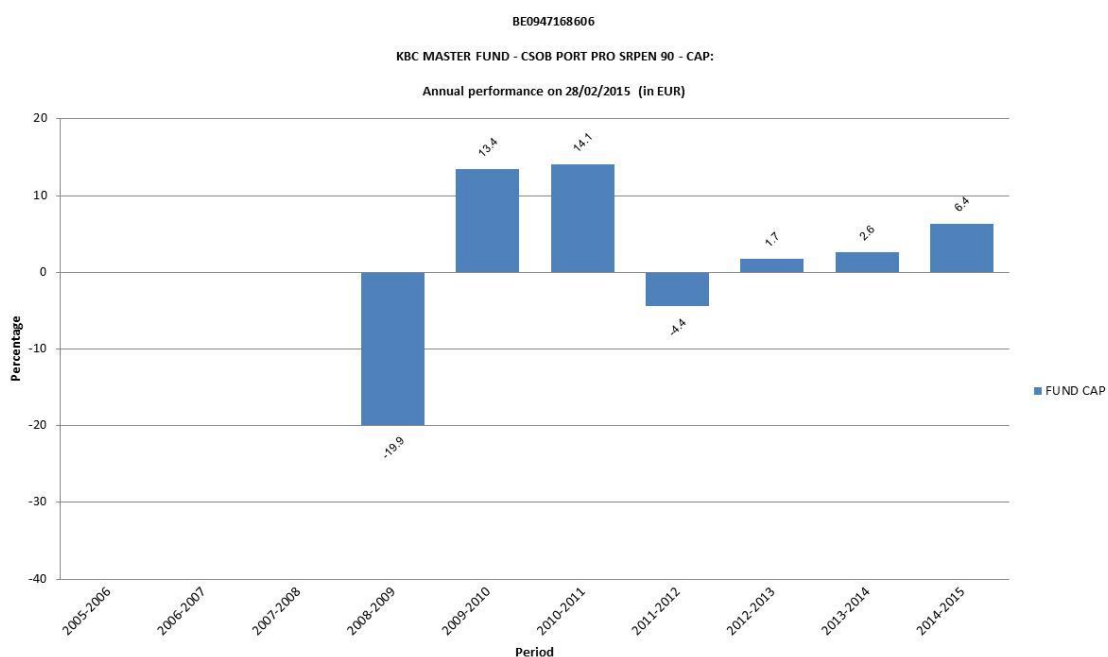
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	8.493,25		82.159,64		255.554,81		255.554,81
2014 - 02*	284.227,83		51.169,18		488.613,45		488.613,45
2015 - 02*	1.108.681,38		90.944,61		1.506.350,22		1.506.350,22

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	8.004.942,83		77.260.435,28	
2014 - 02*	282.478.509,83		52.001.178,64	
2015 - 02*	1.208.206.334,53		99.127.058,39	

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2013 - 02*	250.769.399,71	981,27	
2014 - 02*	523.194.658,55	1.070,77	
2015 - 02*	1.725.685.957,68	1.145,61	

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

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur- rency	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	Launch Date	Share classes
CAP	BE0947168606	EUR	6.36%		3.55%		3.89%				29/06/2007	2.35%
CAP	BE0947168606	CZK	6.99%		6.98%		5.10%				29/06/2007	1.79%

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.
- 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
where Y = D-X
Return on date D since the start date S of the unit:
$$[\text{NAV}(D) / \text{NAV}(S)]^{1 / F} - 1$$
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 n^{th} 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 capitalization shares.

2.4.6 COSTS

Ongoing charges: *
Capitalization: 2.648%

* 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.

Fee for managing the investment portfolio

The management fee amounts to 150,894.04 CZK. An additional fee of 4,078,555.41 CZK was charged regarding commissions and charges for allocating the assets.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: max. 1% 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.

KBC Fund Management Limited receives a fee from the management company of max. 1% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

In addition: fees and charges for allocating the assets: max. 0.5% per year, calculated on the basis of the average total net assets of the sub-fund.

KBC Fund Management Limited receives a fee from the management company of max. 0.5% per year calculated on that part of the portfolio that it manages, without the total fees and charges for allocating the assets received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Name	Maximum management fee
KBC Equity Fund-America-Institutional B Shares	1,50
KBC Equity Fund-Europe-Institutional B Shares	1,50
KBC Equity Fund-Strategic Satellites-Institutional B Shares	1,50
KBC Participation-Local Emerging Market Bonds-Institutional B Shares	1,20
Privileged Portfolio Fund-Privileged Portfolio Liquidity-Institutional B Shares	0,40
KBC Bonds-Corporates USD-Institutional B Shares capitalisation	1,10
KBC Bonds-Corporates Euro-Institutional B Shares capitalisation	1,10
KBC Bonds-EMU Short	1,17
KBC Bonds-High Interest-Institutional B Shares capitalisation	1,10
KBC Interest fund-EURO MEDIUM-Institutional B Shares Capitalisation	0,50
KBC Renta-Czechrenta-Institutional B Shares Capitalisation	1,60
KBC Renta-Emurenta-Institutional B Shares Capitalisation	1,10
KBC Renta-Eurorenta-Institutional B Shares Capitalisation	1,10
KBC Renta-Short EUR-Institutional B Shares Capitalisation	1,10
KBC Renta-Strategic Accents 1-Institutional B Shares Capitalisation	1,57
Horizon-CSOB Komoditni Fond	2,00
KBC Equity Fund-Buyback America-Institutional B Shares	1,50
KBC Equity Fund-Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend-Institutional B Shares	1,50
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50
KBC Equity Fund-Japan-Institutional B Shares	1,50
KBC Equity Fund-New Asia-Institutional B Shares	1,60
KBC Equity Fund-Quant EMU-Institutional B Shares	1,50
KBC Equity Fund-Satellites-Institutional B Shares	1,50
KBC Equity Fund-Strategic Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Finance-Institutional B Shares	1,50
KBC Equity Fund-Strategic Non Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Telecom & Technology-Institutional B Shares	1,50
KBC Equity Fund-Turkey-Institutional B Shares	1,60
KBC Equity Fund-US Small Caps-Institutional B Shares	1,50
KBC Multi Interest-CSOB CZK Medium-Institutional B Shares Capitalisation	0,60
KBC Multi Interest-Cash 3 Month Duration-Institutional B Shares	0,40
KBC Multi Interest-Cash 5 Month Duration-Institutional B Shares	0,40
KBC Participation-SRI Corporate Bonds-Institutional B Shares	1,25
KBC Select Immo-Europe Plus	1,50
KBC Master Fund-CSOB Portfolio Pro Srpen 90	1,00

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2 INFORMATION ON KBC MASTER FUND CSOB PORTFOLIO PRO LISTOPAD 90

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 3 November 2010
Initial subscription price: 1000 CZK
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

The sub-fund also aims to set an annual floor for the net asset value.

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 sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

The UCI may conclude contracts that relate to credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. It relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCI holds directly.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where credit derivatives are used, they are permitted only in order to achieve the investment objectives and within the existing risk profile and may not result in a shift to less creditworthy debtors. Consequently there is no increase in the credit risk. Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors..

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STRATEGY SELECTED

The sub-fund invests directly or indirectly in bonds and/or money market instruments and/or equities and/or associated financial instruments, depending on the market potential of these asset classes. The return is contingent on market trends.

All sectors, regions and currencies may be considered. As a result, the sub-fund's investments may not always be diversified in terms of sectors, regions and currencies. The sub-fund's investments may therefore be concentrated in a particular sector and/or region and/or currency. Investors can find more details of the above in the annual or half-yearly report.

The euro (EUR), yen (JPY) and all dollar-zone currencies (USD, HKD, AUD, CAD, SGD) will be systematically hedged.

The sub-fund also has the objective of setting an annual floor for the net asset value. The floor is valid for one year and is always equivalent to 90% of the net asset value on the last banking day of the month October of the previous year (the floor for the first year is set on the basis of the initial net asset value).

However, this objective does not constitute a guarantee regarding

- the return or
- the redemption price, which may be lower than the floor as defined above.

The sub-fund is not capital protected or capital guarantee, nor a guaranteed return.

Each time the floor is set, the sub-fund invests at least 20% of its assets in bonds (and/or bond funds) and/or money market instruments and at least 20% in equities (and/or equity funds) and/or associated financial instruments, depending on the manager's assessment of the market potential. For bonds, the manager's assessment of the market potential is based on the expected interest-rate trend in the Czech Republic or on other markets. The sub-fund will invest proportionally less in bonds if medium-term and long-term rates are expected to rise and proportionally less in bonds if interest rates are expected to fall or remain stable. The absolute level of interest rates is also a determining factor, with a relatively high rate resulting in a higher bond weighting (and investment). For equities, the manager's assessment of the market potential is based on factors such as corporate earnings forecasts and the global macroeconomic environment. The sub-fund will invest proportionally more in equities if earnings forecasts are positive and/or the global macroeconomic environment suggests satisfactory growth forecasts and will invest proportionally less in equities if earnings forecasts are negative and/or there is an expectation of weak growth. The return potential of the two asset classes (bonds and equities) is based on the risk premium for equities (= the sum of discounted future dividends less the risk-free rate). The sub-fund will invest more in the asset class that is considered to have the higher return potential (due allowance being made for the risk premium). If the return potential of the two asset classes is identical, the sub-fund may make a balanced investment between the two classes.

If the net asset value falls close to the floor, the manager will act by replacing investments in riskier assets (e.g. equities and/or equity funds) with investments in less risky assets (e.g. bonds, bond funds and/or money market instruments). If the net asset value reaches the floor, the manager will opt to invest entirely in money market instruments.

Conversely, if the net asset value increases in relation to the floor, the manager will act by gradually adjusting the asset allocation so as to replace the less risky assets referred to with the riskier assets referred to if the increase in the net asset value is significant enough.

If the stock-market trend is positive and the net asset value is high enough in relation to the floor, the sub-fund may temporarily deviate from the allocation set when the floor is fixed by replacing the less risky assets referred to with the riskier assets referred to, so long as these conditions apply. As a result, the percentage of the riskier assets will increase in relation to the percentage set when the floor is fixed. This adjustment will be made judiciously, depending on factors such as the historical market volatility (which should be low enough to increase the weighting of risky assets) and the difference between the net asset value and the floor.

In addition to monitoring the floor, the objective is also to record the maximum return.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

Some of the assets are invested in bonds and debt instruments issued by companies and government bodies.

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
 - o Moody's (Moody's Investors Service);
 - o S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
 - o Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
- in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

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

INVESTMENT IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The sub-fund will invest primarily in units in Undertakings for Collective Investment.

Lending financial instruments:

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

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

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

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

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

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

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

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

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management (including the assignment of the assets),, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street , Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The investment objective of each sub-fund is to generate the highest possible return while aiming to maintain the NAV above a Floor value. The allocation is determined by a dynamic portfolio insurance algorithm and is a function of volatility and distance from Floor. As such there is a dynamic allocation between more risky assets and less risky assets. The more risky assets are invested according to the KBC AM NV strategy.

At the start of the reporting period economic indicators covering the early spring months showed a notable improvement in economic activity, confirming that the slowdown in momentum during the winter months were largely weather related rather than a broader slowdown in momentum. The European Central Bank (ECB) opted not to ease policy at its April meeting but President Draghi once again made it clear that many options were on the table and indicated that the decision to leave policy unchanged was not unanimous. Global markets advanced in May with record highs. US markets were spurred on by an upbeat economic outlook from the Federal Reserve (Fed), while anticipation of ECB monetary action bolstered European markets. Towards the end of June, Equity markets continued, in the main, to make gains and subsequently produced strong returns for the second quarter. Markets were aided by supportive comments from Federal Reserve Chair Janet Yellen indicating no immediate change to policy, while ECB President Draghi unleashed a number of measures designed to counteract the threat of deflation and boost growth. Into August and US employment posted another strong improvement while the ECB held its policy stance unchanged at its August meeting where President Draghi laid out in clear language why he felt fundamentals supported further declines in EUR/USD. September saw European markets continued to post gains after the ECB continued to implement stimulus measures, cutting its key interest rate by 10 basis points and announcing it would purchase securitized loans and euro-denominated bonds. Elsewhere, US and emerging markets were down with a raft of poor Chinese data being the main driver.

Into the second half of the reporting period and despite the Fed announcing an end to its quantitative easing program at the end of October, markets performed strongly into November due to a number of positive themes including a satisfactory conclusion from the US corporate earnings season, increased quantitative easing from Japan and an unexpected policy rate cut from China to boost growth. As the year drew to a close, the Euro area weakness and fresh political uncertainty in Greece once again resulted in investor uncertainty, leading to a large dip in market values to see one of the worst weeks for returns in 2014. This risk aversion was short lived as global equity markets rebounded sharply leading into year end, with the S&P 500 posting a new all-time high record on 29th December. Global equity markets were mixed in January dragged down by US equities. In Europe, the dominant factors throughout the month were the ECB announcement on quantitative easing and the uncertain aftermath following the Greek political elections, while the removal of the Swiss franc from its euro peg took markets by surprise. As the reporting period drew to a close and as markets predicted, the Greek and Euro-zone authorities agreed a late deal to extend the country's bailout funds for four months. February proved a very strong month for equity markets with large gains across all regions.

The Listopad 90 fund recorded a positive return for the year ending February 28th 2015.

2.1.8 FUTURE POLICY

Future investment and the participation level in risky assets will be determined by the dynamic portfolio insurance algorithm while ensuring that the floor is protected.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fund)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	1.890.613.456,88	1.228.665.959,25
II. Securities, money market instruments, UCIs and derivatives		
E. Open-end undertakings for collective investment	1.850.879.883,75	1.204.520.935,42
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-6.695.421,93	14.135.307,26
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	2.564.579,61	2.737.950,82
B. Payables		
a) Accounts payable (-)	-3.404.381,73	-685.204,46
c) Borrowings (-)	-1.690.297,14	-335.774,13
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	49.627.808,58	8.908.499,59
VI. Accruals and deferrals		
C. Accrued expense (-)	-668.714,26	-615.755,25
TOTAL SHAREHOLDERS' EQUITY	1.890.613.456,88	1.228.665.959,25
A. Capital	1.815.876.206,58	1.181.984.590,90
B. Income equalization	246.435,61	-3.728.031,26
D. Result for the period	74.490.814,69	50.409.399,61

Off-balance-sheet headings

III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	1.385.781.957,95	971.001.278,67
III.B Written futures and forward contracts	-63.958.910,46	-70.931.066,30

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 <small>(in the currency of the sub-fund)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
I. Net gains(losses) on investments		
E. Open-end undertakings for collective investment	137.857.123,84	50.913.658,83
F. Derivative financial instruments		
a) Bonds		
Futures and forward contracts		-69.641,10
l) Financial indices		
Futures and forward contracts		-37.240,15
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-706.661,93	12.917.574,81
b) Other foreign exchange positions and transactions	-53.064.178,11	-7.492.156,50
Det.section I gains and losses on investments		
Realised gains on investments	128.521.984,10	
Unrealised gains on investments	304.133.371,62	
Realised losses on investments	-138.790.672,25	
Unrealised losses on investments	-209.778.399,67	
II. Investment income and expenses		
B. Interests		
b) Cash at bank and in hand and deposits	8.426,17	1.017,36
C. Interest on borrowings (-)	-5.713,80	-19.250,61
III. Other income		
B. Other		33.421,71
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-4.139.485,47	-2.719.074,08
B. Financial expenses (-)	-7.264,87	-8.489,52
C. Custodian's fee (-)		-726,72
D. Manager's fee (-)		
a) Financial management	-4.290.596,42	-2.191.376,65
b) Administration and accounting management	-823.771,01	-424.147,39
F. Formation and organisation expenses (-)	-17.061,09	-11.392,66
H. Services and sundry goods (-)	-61.457,48	-31.960,44
J. Taxes	-283,88	-77,62
K. Other expenses (-)	-258.261,26	-450.739,66
Income and expenditure for the period		
Subtotal II + III + IV	-9.595.469,11	-5.822.796,28
V. Profit (loss) on ordinary activities before tax	74.490.814,69	50.409.399,61
VII. Result for the period	74.490.814,69	50.409.399,61

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND CSOB PORTFOLIO PRO LISTOPAD 90

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC EQUITY FUND AMERICA IS B KAP	658,00	USD	2.285,790	36.858.708,39	0,29	2,00	1,95
KBC EQUITY FUND EUROPE IS	1.092,00	EUR	1.684,360	50.558.340,41	0,32	2,74	2,67
KBC EQUITY FUND STRATEGIC	9.917,56	EUR	812,950	221.617.457,28	0,38	12,38	11,72
KBC PARTICIPATION LOCAL EMERGING MARKET BONDS KAP IS B	1.053,00	EUR	1.033,950	29.926.998,42	0,16	1,62	1,58
PRIVILEGED PORTFOLIO LIQUIDITY IS B KAP	4.065,00	EUR	281,660	31.471.756,10	1,88	1,71	1,67
<u>Luxembourg</u>							
KBC BONDS CORPOR USD IS B KAP	386,00	USD	1.051,950	9.950.852,60	0,12	0,54	0,53
KBC BONDS CORPORATES EURO IS B KAP	1.441,00	EUR	872,960	34.577.498,97	0,13	1,88	1,83
KBC BONDS EMU SHORTIS B KAP	1.065,00	EUR	1.071,860	31.377.831,31	0,09	1,70	1,66
KBC BONDS HIGH INTEREST IS B KAP	594,00	EUR	2.200,680	35.931.768,55	0,10	1,95	1,90
KBC INTEREST FUND EURO MEDIUM IS B_KAP	362,00	EUR	4.179,550	41.588.508,71	0,09	2,26	2,20
KBC RENTA CZECHRENTA IS B KAP	975,67	CZK	41.093,920	40.093.940,55	1,30	2,17	2,12
KBC RENTA EMURENTA IS B KAP	710,00	EUR	647,680	12.640.204,12	0,09	0,69	0,67
KBC RENTA EURORENTA IS B KAP	369,44	EUR	2.906,540	29.516.181,59	0,17	1,60	1,56
KBC RENTA SHORT EUR IS B KAP	276,75	EUR	726,570	5.527.078,51	0,21	0,30	0,29
KBC RENTA STRATEGIC ACCENTS 1 IS B KAP	1.986,00	EUR	1.282,550	70.014.630,50	0,16	3,80	3,70
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
HORIZON CSOB KOMODITNI FOND KAP	103.939,39	CZK	347,550	36.124.133,60	5,62	1,96	1,91
KBC EQUITY FUND BUYBACK AMERICA IS B KAP	1.266,00	USD	1.615,960	50.135.136,61	0,22	2,72	2,65
KBC EQUITY FUND EUROZONE IS B KAP	8.904,00	EUR	504,680	123.519.776,65	0,32	6,70	6,53
KBC EQUITY FUND HIGH DIVIDEND EUROZONE IS B KAP	1.745,33	EUR	520,200	24.956.455,54	0,23	1,35	1,32
KBC EQUITY FUND HIGH DIVIDEND IS B KAP	1.317,00	EUR	1.347,960	48.797.551,59	0,23	2,65	2,58
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	1.381,00	EUR	527,450	20.022.127,71	0,29	1,09	1,06
KBC EQUITY FUND JAPAN IS B KAP	2.064,00	JPY	59.831,000	25.315.261,47	0,33	1,37	1,34
KBC EQUITY FUND NEW ASIA IS B KAP	1.260,00	EUR	721,040	24.972.680,17	0,20	1,35	1,32
KBC EQUITY FUND QUANT EMU IS B KAP	3.558,00	EUR	777,350	76.025.239,79	0,36	4,12	4,02
KBC EQUITY FUND SATELLITES IS B KAP	794,00	EUR	1.430,200	31.214.222,96	0,30	1,69	1,65
KBC EQUITY FUND STRATEGIC CYCLICALS IS KAP	6.496,97	EUR	901,360	160.969.821,14	0,34	8,73	8,51
KBC EQUITY FUND STRATEGIC FINANCE IS B KAP	11.269,64	EUR	446,390	138.280.109,09	0,33	7,50	7,31
KBC EQUITY FUND STRATEGIC NON CYCLICALS IS B KAP	6.691,63	EUR	383,280	70.499.081,53	0,34	3,82	3,73
KBC EQUITY FUND STRATEGIC TEL & TECHNOLOGY IS B KAP	21.105,84	EUR	168,000	97.464.674,55	0,33	5,29	5,16
KBC EQUITY FUND TURKEY IS B KAP	408,00	TRY	1.480,620	5.886.316,78	0,26	0,32	0,31
KBC EQUITY FUND US SMALL CAPS IS B KAP	803,00	USD	1.555,000	30.600.169,29	0,32	1,66	1,62

KBC MULTI INTEREST CSOB CZK MEDIUM IS B KAP	47.999,00	CZK	1.002,170	48.103.157,83	0,49	2,61	2,54
KBC MULTI INTEREST 3 MONTH DURATION - INST SH B KAP	1.113,00	EUR	998,740	30.555.040,26	2,16	1,66	1,62
KBC MULTI INTEREST 5 MONTH DURATION IS B	1.111,00	EUR	1.000,190	30.544.415,51	2,20	1,66	1,62
KBC PARTICIPATION SRI CORPORATE BONDS IS B KAP	844,00	EUR	1.258,910	29.206.020,25	0,10	1,58	1,55
KBC SELECT IMMO EUROPE PLUS KAP	1.822,85	EUR	1.317,950	66.036.735,42	1,27	3,58	3,49
Total investment funds				1.850.879.883,75		100,36	97,90
Forward contracts		CZK		-6.695.421,93			-0,35
TOTAL SECURITIES PORTFOLIO				1.844.184.461,82		100,00	97,54
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	3.221,64	CAD	1,000	63.228,61			0,00
KBC GROUP CZK	49.316.929,51	CZK	1,000	49.316.929,51			2,61
KBC GROUP EURO	-48.825,49	EUR	1,000	-1.342.090,69			-0,07
KBC GROUP GBP	2.789,50	GBP	1,000	105.643,95			0,01
KBC GROUP JPY	-1.698.597,00	JPY	1,000	-348.206,45			-0,02
KBC GROUP PLN	2.352,27	PLN	1,000	15.579,31			0,00
KBC GROUP TRY	2.681,96	TRY	1,000	26.133,17			0,00
KBC GROUP USD	4.092,58	USD	1,000	100.294,03			0,01
Total demand accounts				47.937.511,44			2,54
TOTAL CASH AT BANK AND IN HAND				47.937.511,44			2,54
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP CZK RECEIVABLE	807.699,06	CZK	1,000	807.699,06			0,04
KBC GROUP EUR RECEIVABLE	49.000,00	EUR	1,000	1.346.887,53			0,07
KBC GROUP JPY RECEIVABLE	2.000.000,00	JPY	1,000	409.993,02			0,02
Total receivables				2.564.579,61			0,14
Payables							
<u>Belgium</u>							
KBC GROUP CZK PAYABLE	-3.404.381,73	CZK	1,000	-3.404.381,73			-0,18
Payables				-3.404.381,73			-0,18
TOTAL RECEIVABLES AND PAYABLES				-839.802,12			-0,04
OTHER							
Expenses payable		CZK		-668.714,26			-0,04
TOTAL OTHER				-668.714,26			-0,04
TOTAL NET ASSETS				1.890.613.456,88			100,00

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
United Arab Emirates	0,03	0,01	0,13	0,02
Australia	1,10	0,76	1,14	1,11
Austria	0,67	0,91	0,50	0,56
Belgium	6,68	7,15	3,92	2,94
Bulgaria	0,00	0,00	0,03	0,03
Bermuda	0,31	0,20	0,17	0,09
Brazil	0,50	0,30	0,43	0,34
Canada	1,16	1,43	1,97	1,59
Switzerland	2,22	1,78	1,50	1,17
Chile	0,07	0,04	0,04	0,02
China	1,54	1,14	2,01	1,61
Ivory Coast	0,00	0,00	0,00	0,01
Colombia	0,03	0,02	0,13	0,08
Czech Republic	2,87	5,37	2,53	2,84
Cayman Islands	0,30	0,25	0,38	0,24
Germany	10,83	11,44	9,64	11,78
Denmark	0,45	0,57	0,53	0,64
Spain	3,78	4,55	4,49	4,23
Europe	0,05	0,00	0,00	0,00
Finland	0,67	1,03	0,86	0,80
France	12,64	13,72	12,10	11,70
Gabon	0,00	0,00	0,02	0,01
U.K.	5,26	4,88	5,80	6,13
Greece	0,05	0,08	0,09	0,04
Hong Kong	1,09	0,73	0,88	0,64
Hungary	0,02	0,01	0,06	0,07
India	0,52	0,37	0,92	0,67
Indonesia	0,30	0,21	0,40	0,18
Ireland	2,41	4,31	2,55	3,31
Israel	0,05	0,05	0,13	0,11
Italy	4,25	5,48	4,62	4,12
Jersey/The Channel Islands	0,18	0,17	0,31	0,19
Japan	3,88	3,26	2,04	4,20
South Korea	1,44	1,21	2,24	1,46
Croatia	0,00	0,00	0,02	0,00
Luxembourg	0,72	0,42	0,91	1,27
Mexico	0,22	0,07	0,39	0,52
Malaysia	0,38	0,29	0,71	0,58
Netherlands	4,34	4,40	4,70	4,46
Norway	0,16	0,17	0,26	0,30
New Zealand	0,03	0,01	0,02	0,01
Ukraine	0,00	0,00	0,01	0,00
Panama	0,00	0,00	0,01	0,00
Peru	0,00	0,00	0,04	0,00
Philippines	0,13	0,07	0,16	0,30
Papua New Guinea	0,01	0,01	0,03	0,01
Poland	0,05	0,02	0,41	0,49
Portugal	0,45	0,25	0,33	0,26
Romania	0,00	0,00	0,06	0,09
Russia	0,16	0,16	0,10	0,07
Saudi Arabia	0,00	0,00	0,01	0,03
Singapore	0,14	0,12	0,13	0,10

Slovenia	0,02	0,03	0,05	0,05
Slovakia	0,03	0,05	0,05	0,05
Sweden	0,76	1,04	0,93	0,83
Thailand	0,36	0,24	0,25	0,25
Turkey	0,08	0,09	0,29	0,63
Taiwan	1,13	0,98	1,54	1,02
U.S.A.	24,85	19,80	25,20	24,77
Venezuela	0,00	0,00	0,03	0,00
Outside BLEU territory-(belgo-Lux ec	0,00	0,00	0,05	0,06
EU institutions outside BLEU terr.	0,38	0,24	0,57	0,66
Guernsey The Channel Islands	0,01	0,00	0,00	0,00
South Africa	0,24	0,11	0,18	0,26
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	16,76	15,34	17,63	16,13
Consum(cycl)	13,41	11,12	11,27	13,52
Cons.goods	9,72	6,05	5,69	6,64
Pharma	8,68	6,20	6,28	5,57
Financials	23,00	25,24	23,59	24,92
Technology	8,37	8,81	10,91	10,13
Telecomm.	2,58	2,58	2,86	3,22
Utilities	2,38	1,30	2,09	2,67
Real est.	3,00	3,39	4,82	5,25
Governm.	11,99	19,56	14,69	12,53
Unit trusts	-0,01	0,00	0,01	0,00
Various	0,12	0,41	0,16	-0,58
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
AUD	0,70	0,61	0,46	0,41
BRL	0,45	0,30	0,41	0,37
CAD	1,12	1,42	1,81	1,53
CHF	2,16	1,73	1,35	1,15
CNY	0,02	0,00	0,08	0,14
COP	0,01	0,00	0,13	0,08
CZK	89,08	88,15	90,83	90,41
DKK	0,34	0,41	0,37	0,45
EUR	-2,28	-0,93	-5,81	-3,90
GBP	4,67	4,98	5,31	5,18
HKD	2,77	2,08	3,01	2,09
HUF	0,02	0,01	0,01	0,05
IDR	0,32	0,24	0,41	0,33
ILS	0,03	0,03	0,05	0,15
INR	0,43	0,32	0,74	1,03
JPY	0,11	-0,24	0,14	0,48
KRW	1,40	1,18	2,14	1,35
MXN	0,21	0,07	0,36	0,48
MYR	0,37	0,28	0,71	0,59
NOK	0,16	0,16	0,32	0,31
NZD	0,03	0,01	0,02	0,01
PEN	0,00	0,00	0,04	0,00
PHP	0,13	0,07	0,15	0,29
PLN	0,05	0,02	0,42	0,35
RON	0,00	0,00	0,01	0,04
RUB	0,00	0,00	0,05	0,05
SEK	0,68	0,83	0,67	0,50
SGD	0,13	0,11	0,12	0,09
THB	0,36	0,25	0,27	0,24
TRY	0,08	0,05	0,19	0,60
TWD	1,08	0,89	1,17	1,02
USD	-4,87	-3,14	-6,15	-6,23
ZAR	0,24	0,11	0,21	0,36
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND CSOB PORTFOLIO PRO LISTOPAD 90 (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	1.941.165.926,42	1.941.165.926,42
Sales	1.553.748.643,06	1.553.748.643,06
Total 1	3.494.914.569,48	3.494.914.569,48
Subscriptions	585.282.586,12	585.282.586,12
Redemptions	98.994.527,18	98.994.527,18
Total 2	684.277.113,30	684.277.113,30
Monthly average of total assets	1.648.032.504,67	1.648.032.504,67
Turnover rate	170,54 %	170,54 %

	1st half of year	Year
Purchases	1.941.165.926,42	1.941.165.926,42
Sales	1.553.748.643,06	1.553.748.643,06
Total 1	3.494.914.569,48	3.494.914.569,48
Subscriptions	585.282.586,12	585.282.586,12
Redemptions	98.994.527,18	98.994.527,18
Total 2	684.277.113,30	684.277.113,30
Monthly average of total assets	1.598.015.417,17	1.598.015.417,17
Corrected turnover rate	175,88 %	175,88 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 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-USD 150327-150224 24.25265	CZK	540.712.831,75	540.712.831,75	N/A	24.02.2015
KBC AK-VK CZK-EUR 150327-150224 27.46406	CZK	845.069.126,20	845.069.126,20	N/A	24.02.2015
KBC VK-AK JPY-CZK 150327-150224 4.927988	JPY	- 312.000.000,00	-63.958.910,46	N/A	24.02.2015

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

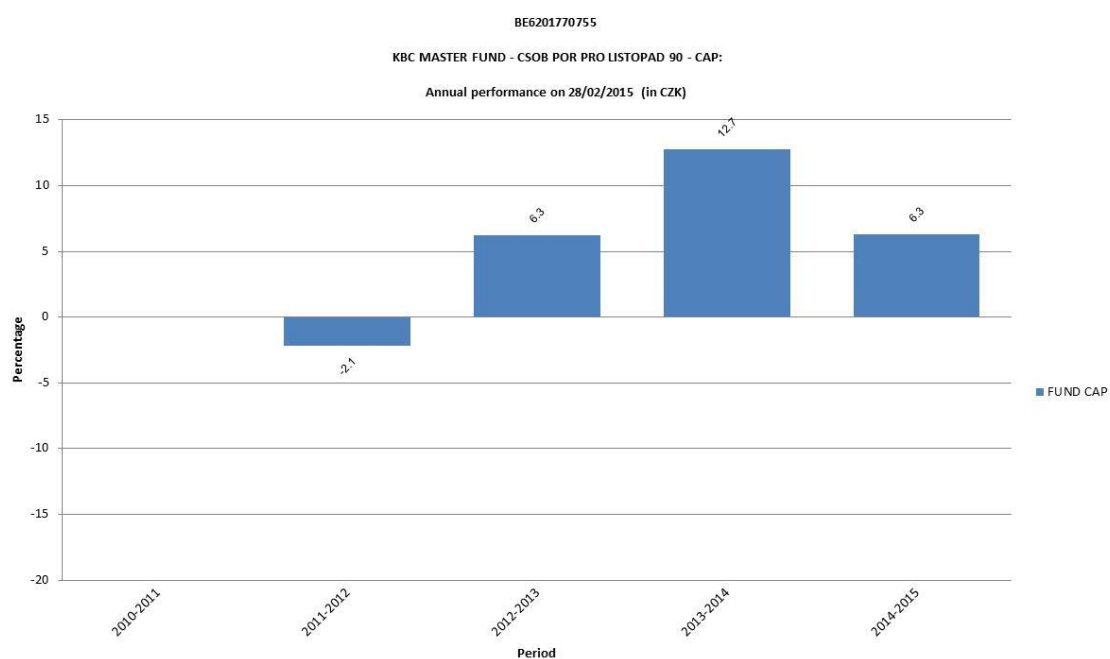
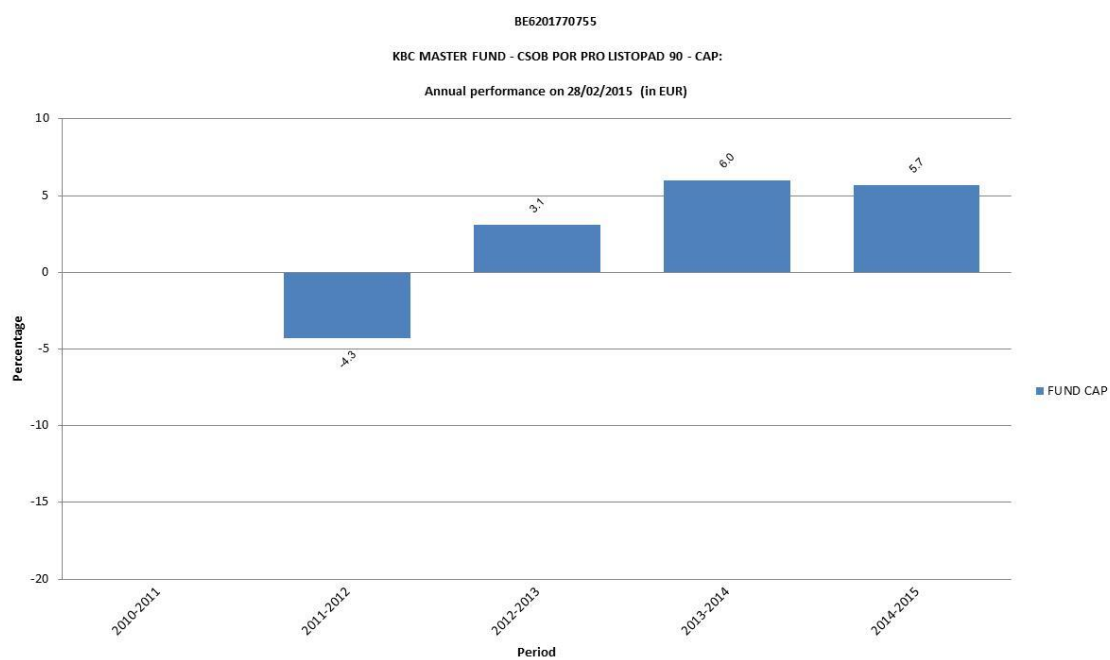
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	8.005,56		149.506,12		278.002,73		278.002,73
2014 - 02*	779.691,50		34.534,04		1.023.160,19		1.023.160,19
2015 - 02*	570.163,58		112.567,98		1.480.755,79		1.480.755,79

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	8.191.916,20		150.646.752,96	
2014 - 02*	913.255.518,48		39.131.270,38	
2015 - 02*	686.303.022,70		137.479.831,42	

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2013 - 02*	296.143.695,28	1.065,25	
2014 - 02*	1.228.665.959,25	1.200,85	
2015 - 02*	1.890.613.456,88	1.276,79	

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

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur- rency	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	Launch Date	Share classes
CAP	BE6201770755	EUR	5.70%		4.94%						03/11/2010	3.04%
CAP	BE6201770755	CZK	6.32%		8.41%						03/11/2010	5.82%

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.
- 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{[1 / X]} - 1$$
where Y = D-X
Return on date D since the start date S of the unit:
$$[\text{NAV}(D) / \text{NAV}(S)]^{[1 / F]} - 1$$
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 n^{th} 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 capitalization shares.

2.4.6 COSTS

Ongoing charges: *
Capitalization: 2.512%

* 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.

Fee for managing the investment portfolio

The management fee amounts to 171,745.41 CZK. An additional fee of 4,118,851.01 CZK was charged regarding commissions and charges for allocating the assets.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: max. 1% 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.

KBC Fund Management Limited receives a fee from the management company of max. 1% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

In addition: fees and charges for allocating the assets: max. 0.5% per year, calculated on the basis of the average total net assets of the sub-fund.

KBC Fund Management Limited receives a fee from the management company of max. 0.5% per year calculated on that part of the portfolio that it manages, without the total fees and charges for allocating the assets received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Name	Maximum management fee
KBC Equity Fund-America-Institutional B Shares	1,50
KBC Equity Fund-Europe-Institutional B Shares	1,50
KBC Equity Fund-Strategic Satellites-Institutional B Shares	1,50
KBC Participation-Local Emerging Market Bonds-Institutional B Shares	1,20
Privileged Portfolio Fund-Privileged Portfolio Liquidity-Institutional B Shares	0,40
KBC Bonds-Corporates USD-Institutional B Shares capitalisation	1,10
KBC Bonds-Corporates Euro-Institutional B Shares capitalisation	1,10
KBC Bonds-EMU Short	1,17
KBC Bonds-High Interest-Institutional B Shares capitalisation	1,10
KBC Interest fund-EURO MEDIUM-Institutional B Shares Capitalisation	0,50
KBC Renta-Czechrenta-Institutional B Shares Capitalisation	1,60
KBC Renta-Emurenta-Institutional B Shares Capitalisation	1,10
KBC Renta-Eurorenta-Institutional B Shares Capitalisation	1,10
KBC Renta-Short EUR-Institutional B Shares Capitalisation	1,10
KBC Renta-Strategic Accents 1-Institutional B Shares Capitalisation	1,57
Horizon-CSOB Komoditni Fond	2,00
KBC Equity Fund-Buyback America-Institutional B Shares	1,50
KBC Equity Fund-Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend-Institutional B Shares	1,50
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50
KBC Equity Fund-Japan-Institutional B Shares	1,50
KBC Equity Fund-New Asia-Institutional B Shares	1,60
KBC Equity Fund-Quant EMU-Institutional B Shares	1,50
KBC Equity Fund-Satellites-Institutional B Shares	1,50
KBC Equity Fund-Strategic Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Finance-Institutional B Shares	1,50
KBC Equity Fund-Strategic Non Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Telecom & Technology-Institutional B Shares	1,50
KBC Equity Fund-Turkey-Institutional B Shares	1,60
KBC Equity Fund-US Small Caps-Institutional B Shares	1,50
KBC Multi Interest-CSOB CZK Medium-Institutional B Shares Capitalisation	0,60
KBC Multi Interest-Cash 3 Month Duration-Institutional B Shares	0,40
KBC Multi Interest-Cash 5 Month Duration-Institutional B Shares	0,40
KBC Participation-SRI Corporate Bonds-Institutional B Shares	1,25
KBC Select Immo-Europe Plus	1,50
KBC Master Fund-CSOB Portfolio Pro Listopad 90	1,00

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2 INFORMATION ON KBC MASTER FUND CSOB PORTFOLIO PRO UNOR 95

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 2 February 2011
Initial subscription price: 1000 CZK
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

The sub-fund also aims to set an annual floor for the net asset value.

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 sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

The UCI may conclude contracts that relate to credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. It relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCI holds directly.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where credit derivatives are used, they are permitted only in order to achieve the investment objectives and within the existing risk profile and may not result in a shift to less creditworthy debtors. Consequently there is no increase in the credit risk. Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors..

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STRATEGY SELECTED

The sub-fund invests directly or indirectly in bonds and/or money market instruments and/or equities and/or associated financial instruments, depending on the market potential of these asset classes. The return is contingent on market trends.

All sectors, regions and currencies may be considered. As a result, the sub-fund's investments may not always be diversified in terms of sectors, regions and currencies. The sub-fund's investments may therefore be concentrated in a particular sector and/or region and/or currency. Investors can find more details in this respect in the annual or half-yearly report.

The euro (EUR), yen (JPY) and all dollar-zone currencies (USD, HKD, AUD, CAD, SGD) will be systematically hedged.

The sub-fund also has the objective of setting an annual floor for the net asset value. The floor is valid for one year and is always equivalent to 95% of the net asset value on the last banking day of the month January of the previous year (the floor for the first year is set on the basis of the initial net asset value).

However, this objective does not constitute a guarantee regarding

- the return or
- the redemption price, which may be lower than the floor as defined above.

The sub-fund is not capital protected or capital guarantee, nor a guaranteed return.

Each time the floor is set, the sub-fund invests primarily in bonds (and/or bond funds) and/or money market instruments. The manager's assessment of the bond market potential is based on the expected interest-rate trend in the Czech Republic or on other markets. The sub-fund will invest proportionally less in bonds and more in money market instruments if medium-term and long-term rates are expected to rise and proportionally more in bonds and less in money market instruments if interest rates are expected to fall or remain stable. The absolute level of interest rates is also a determining factor, with a relatively high rate resulting in a higher bond weighting (and investment).

Each time the floor is set, the sub-fund may also invest in equities. The manager's assessment of the equities market potential is based on factors such as corporate earnings forecasts and the global macroeconomic environment. The sub-fund will invest proportionally more in equities if earnings forecasts are positive and/or the global macroeconomic environment suggests satisfactory growth forecasts and will invest proportionally less in equities if earnings forecasts are negative and/or there is an expectation of weak growth.

If the net asset value falls close to the floor, the manager will act by replacing investments in riskier assets (e.g. equities and/or equity funds) with investments in less risky assets (e.g. bonds, bond funds and/or money market instruments). If the net asset value reaches the floor, the manager will opt to invest entirely in money market instruments.

Conversely, if the net asset value increases in relation to the floor, the manager will act by gradually adjusting the asset allocation so as to replace the less risky assets referred to with the riskier assets referred to if the increase in the net asset value is significant enough.

If the stock-market trend is positive and the net asset value is high enough in relation to the floor, the sub-fund may temporarily deviate from the allocation set when the floor is fixed by replacing the less risky assets referred to with the riskier assets referred to, so long as these conditions apply. As a result, the percentage of the riskier assets will increase in relation to the percentage set when the floor is fixed. This adjustment will be made judiciously, depending on factors such as the historical market volatility (which should be low enough to increase the weighting of risky assets) and the difference between the net asset value and the floor.

In addition to monitoring the floor, the objective is also to achieve a maximum return.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

Some of the assets are invested in bonds and debt instruments issued by companies and government bodies.

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
 - o Moody's (Moody's Investors Service);
 - o S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
 - o Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
- in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

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

INVESTMENT IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The sub-fund will invest primarily in units in Undertakings for Collective Investment.

Lending financial instruments:

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

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

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

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

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

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

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database. In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management (including the assignment of the assets),, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street , Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The investment objective of each sub-fund is to generate the highest possible return while aiming to maintain the NAV above a Floor value. The allocation is determined by a dynamic portfolio insurance algorithm and is a function of volatility and distance from Floor. As such there is a dynamic allocation between more risky assets and less risky assets. The more risky assets are invested according to the KBC AM NV strategy.

At the start of the reporting period economic indicators covering the early spring months showed a notable improvement in economic activity, confirming that the slowdown in momentum during the winter months were largely weather related rather than a broader slowdown in momentum. The European Central Bank (ECB) opted not to ease policy at its April meeting but President Draghi once again made it clear that many options were on the table and indicated that the decision to leave policy unchanged was not unanimous. Global markets advanced in May with record highs. US markets were spurred on by an upbeat economic outlook from the Federal Reserve (Fed), while anticipation of ECB monetary action bolstered European markets. Towards the end of June, Equity markets continued, in the main, to make gains and subsequently produced strong returns for the second quarter. Markets were aided by supportive comments from Federal Reserve Chair Janet Yellen indicating no immediate change to policy, while ECB President Draghi unleashed a number of measures designed to counteract the threat of deflation and boost growth. Into August and US employment posted another strong improvement while the ECB held its policy stance unchanged at its August meeting where President Draghi laid out in clear language why he felt fundamentals supported further declines in EUR/USD. September saw European markets continued to post gains after the ECB continued to implement stimulus measures, cutting its key interest rate by 10 basis points and announcing it would purchase securitized loans and euro-denominated bonds. Elsewhere, US and emerging markets were down with a raft of poor Chinese data being the main driver.

Into the second half of the reporting period and despite the Fed announcing an end to its quantitative easing program at the end of October, markets performed strongly into November due to a number of positive themes including a satisfactory conclusion from the US corporate earnings season, increased quantitative easing from Japan and an unexpected policy rate cut from China to boost growth. As the year drew to a close, the Euro area weakness and fresh political uncertainty in Greece once again resulted in investor uncertainty, leading to a large dip in market values to see one of the worst weeks for returns in 2014. This risk aversion was short lived as global equity markets rebounded sharply leading into year end, with the S&P 500 posting a new all-time high record on 29th December. Global equity markets were mixed in January dragged down by US equities. In Europe, the dominant factors throughout the month were the ECB announcement on quantitative easing and the uncertain aftermath following the Greek political elections, while the removal of the Swiss franc from its euro peg took markets by surprise. As the reporting period drew to a close and as markets predicted, the Greek and Euro-zone authorities agreed a late deal to extend the country's bailout funds for four months. February proved a very strong month for equity markets with large gains across all regions.

The Unor 95 fund recorded a positive return for the year ending February 28th 2015.

2.1.8 FUTURE POLICY

Future investment and the participation level in risky assets will be determined by the dynamic portfolio insurance algorithm while ensuring that the floor is protected.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fund)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	2.753.931.633,04	1.481.502.488,78
II. Securities, money market instruments, UCIs and derivatives		
E. Open-end undertakings for collective investment	2.685.166.328,29	1.454.352.569,55
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-5.353.754,88	9.821.153,77
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	67.505.848,27	53.247.237,09
B. Payables		
a) Accounts payable (-)	-47.910.627,78	-34.257.302,49
c) Borrowings (-)	-19.386.642,49	-15.730.000,49
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	75.264.115,69	14.828.501,37
VI. Accruals and deferrals		
C. Accrued expense (-)	-1.353.634,06	-759.670,02
TOTAL SHAREHOLDERS' EQUITY	2.753.931.633,04	1.481.502.488,78
A. Capital	2.713.183.503,65	1.473.945.667,39
B. Income equalization	2.162.385,12	-23.897.875,83
D. Result for the period	38.585.744,27	31.454.697,22

Off-balance-sheet headings

III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	2.138.168.894,81	1.146.723.295,67
III.B Written futures and forward contracts	-31.480.630,34	-40.557.608,06

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 (in the currency of the sub-fund)	28/02/2014 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
E. Open-end undertakings for collective investment	85.916.421,76	33.974.037,31
F. Derivative financial instruments		
I) Financial indices		
Futures and forward contracts		85.085,70
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-1.003.064,89	6.697.924,35
b) Other foreign exchange positions and transactions	-36.971.429,36	-5.201.257,57
Det.section I gains and losses on investments		
Realised gains on investments	142.773.249,20	
Unrealised gains on investments	696.779.602,35	
Realised losses on investments	-134.255.710,74	
Unrealised losses on investments	-657.355.213,30	
II. Investment income and expenses		
B. Interests		
b) Cash at bank and in hand and deposits	5.389,01	1.189,66
C. Interest on borrowings (-)	-2.897,95	-4.690,37
III. Other income		
B. Other		4.876,28
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-2.791.311,93	-1.489.780,67
B. Financial expenses (-)	71.739,57	-6.594,16
C. Custodian's fee (-)		-270,82
D. Manager's fee (-)		
a) Financial management	-5.159.451,30	-1.805.632,91
b) Administration and accounting management	-985.219,83	-346.754,91
F. Formation and organisation expenses (-)	-18.729,79	-7.107,07
H. Services and sundry goods (-)	-61.710,78	-30.537,43
J. Taxes	-162,74	
K. Other expenses (-)	-413.827,50	-415.790,17
Income and expenditure for the period		
Subtotal II + III + IV	-9.356.183,24	-4.101.092,57
V. Profit (loss) on ordinary activities before tax	38.585.744,27	31.454.697,22
VII. Result for the period	38.585.744,27	31.454.697,22

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND CSOB PORTFOLIO PRO UNOR 95

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC EQUITY FUND AMERICA IS B KAP	314,00	USD	2.285,790	17.589.110,08	0,14	0,66	0,64
KBC EQUITY FUND EUROPE IS	521,00	EUR	1.684,360	24.121.699,04	0,15	0,90	0,88
KBC EQUITY FUND STRATEGIC	4.729,00	EUR	812,950	105.674.061,96	0,18	3,94	3,84
KBC PARTICIPATION LOCAL EMERGING MARKET BONDS KAP IS B	3.244,00	EUR	1.033,950	92.196.754,87	0,50	3,44	3,35
PRIVILEGED PORTFOLIO LIQUIDITY IS B KAP	32.163,84	EUR	281,660	249.016.573,26	14,87	9,49	9,04
<u>Luxembourg</u>							
KBC BONDS CORPOR USD IS B KAP	1.186,00	USD	1.051,950	30.574.381,30	0,36	1,14	1,11
KBC BONDS CORPORATES EURO IS B KAP	4.431,00	EUR	872,960	106.324.009,68	0,41	3,97	3,86
KBC BONDS EMU SHORTIS B KAP	3.279,00	EUR	1.071,860	96.608.365,13	0,27	3,61	3,51
KBC BONDS HIGH INTEREST IS B KAP	1.827,00	EUR	2.200,680	110.517.409,32	0,32	4,12	4,01
KBC INTEREST FUND EURO MEDIUM IS B_KAP	1.114,00	EUR	4.179,550	127.982.316,85	0,27	4,78	4,65
KBC RENTA CZECHRENTA IS B KAP	3.007,00	CZK	41.093,920	123.569.417,44	4,00	4,61	4,49
KBC RENTA EMURENTA IS B KAP	2.179,00	EUR	647,680	38.792.964,48	0,28	1,45	1,41
KBC RENTA EUORENTA IS B KAP	1.136,00	EUR	2.906,540	90.759.038,74	0,52	3,39	3,30
KBC RENTA SHORT EUR IS B KAP	853,00	EUR	726,570	17.035.769,10	0,64	0,64	0,62
KBC RENTA STRATEGIC ACCENTS 1 IS B KAP	6.117,00	EUR	1.282,550	215.649.292,42	0,48	8,05	7,83
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
HORIZON CSOB KOMODITNI FOND KAP	75.847,00	CZK	347,550	26.360.624,85	4,10	0,98	0,96
KBC EQUITY FUND BUYBACK AMERICA IS B KAP	604,00	USD	1.615,960	23.919.133,10	0,11	0,89	0,87
KBC EQUITY FUND EUROZONE IS B KAP	4.247,00	EUR	504,680	58.916.048,01	0,15	2,20	2,14
KBC EQUITY FUND HIGH DIVIDEND EUROZONE IS B KAP	828,00	EUR	520,200	11.839.570,19	0,11	0,44	0,43
KBC EQUITY FUND HIGH DIVIDEND IS B KAP	626,00	EUR	1.347,960	23.194.584,13	0,11	0,87	0,84
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	655,00	EUR	527,450	9.496.374,84	0,14	0,35	0,35
KBC EQUITY FUND JAPAN IS B KAP	982,00	JPY	59.831,000	12.044.373,43	0,16	0,45	0,44
KBC EQUITY FUND NEW ASIA IS B KAP	592,00	EUR	721,040	11.733.195,76	0,09	0,44	0,43
KBC EQUITY FUND QUANT EMU IS B KAP	1.700,00	EUR	777,350	36.324.594,62	0,17	1,36	1,32
KBC EQUITY FUND SATELLITES IS B KAP	379,00	EUR	1.430,200	14.899.484,26	0,14	0,56	0,54
KBC EQUITY FUND STRATEGIC CYCLICALS IS KAP	3.100,00	EUR	901,360	76.806.014,00	0,16	2,87	2,79
KBC EQUITY FUND STRATEGIC FINANCE IS B KAP	5.370,00	EUR	446,390	65.890.680,78	0,16	2,46	2,39
KBC EQUITY FUND STRATEGIC NON CYCLICALS IS B KAP	3.195,00	EUR	383,280	33.660.632,50	0,16	1,26	1,22
KBC EQUITY FUND STRATEGIC TEL & TECHNOLOGY IS B KAP	10.061,00	EUR	168,000	46.460.692,93	0,16	1,73	1,69
KBC EQUITY FUND TURKEY IS B KAP	199,00	TRY	1.480,620	2.871.022,15	0,13	0,11	0,10
KBC EQUITY FUND US SMALL CAPS IS B KAP	383,00	USD	1.555,000	14.595.099,42	0,15	0,55	0,53
KBC MULTI INTEREST CSOB CZK MEDIUM IS B KAP	147.941,00	CZK	1.002,170	148.262.031,97	1,51	5,53	5,38

KBC MULTI INTEREST 3 MONTH DURATION - INST SH B KAP	8.802,92	EUR	998,740	241.665.468,68	17,08	9,02	8,78
KBC MULTI INTEREST 5 MONTH DURATION IS B	8.789,99	EUR	1.000,190	241.660.652,32	17,37	9,02	8,78
KBC PARTICIPATION SRI CORPORATE BONDS IS B KAP	2.599,00	EUR	1.258,910	89.936.548,13	0,31	3,36	3,27
KBC SELECT IMMO EUROPE PLUS KAP	1.331,00	EUR	1.317,950	48.218.338,55	0,93	1,80	1,75
Total investment funds				2.685.166.328,29		100,20	97,50
Forward contracts		CZK		-5.353.754,88			-0,19
TOTAL SECURITIES PORTFOLIO				2.679.812.573,41		100,00	97,31
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	4.772,35	CAD	1,000	93.663,18			0,00
KBC GROUP CZK	74.934.009,79	CZK	1,000	74.934.009,79			2,72
KBC GROUP EURO	-698.910,17	EUR	1,000	-19.211.293,72			-0,70
KBC GROUP JPY	-810.213,00	JPY	1,000	-166.090,84			-0,01
KBC GROUP PLN	6.720,06	PLN	1,000	44.507,60			0,00
KBC GROUP TRY	-950,11	TRY	1,000	-9.257,93			
KBC GROUP USD	7.832,07	USD	1,000	191.935,12			0,01
Total demand accounts				55.877.473,20			2,03
TOTAL CASH AT BANK AND IN HAND				55.877.473,20			2,03
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP CZK RECEIVABLE	37.196.358,21	CZK	1,000	37.196.358,21			1,35
KBC GROUP EUR RECEIVABLE	1.056.000,00	EUR	1,000	29.026.800,64			1,05
KBC GROUP JPY RECEIVABLE	1.000.000,00	JPY	1,000	204.996,51			0,01
KBC GROUP TRY RECEIVABLE	10.000,00	TRY	1,000	97.440,58			0,00
KBC GROUP USD RECEIVABLE	40.000,00	USD	1,000	980.252,33			0,04
Total receivables				67.505.848,27			2,45
Payables							
<u>Belgium</u>							
KBC GROUP CZK PAYABLE	-35.276.011,25	CZK	1,000	-35.276.011,25			-1,28
KBC GROUP EUR PAYABLE	-410.479,24	EUR	1,000	-11.283.048,36			-0,41
KBC GROUP JPY PAYABLE	-778.581,00	JPY	1,000	-159.606,39			-0,01
KBC GROUP TRY PAYABLE	-4.450,74	TRY	1,000	-43.368,27			0,00
KBC GROUP USD PAYABLE	-46.869,30	USD	1,000	-1.148.593,51			-0,04
Payables				-47.910.627,78			-1,74
TOTAL RECEIVABLES AND PAYABLES				19.595.220,49			0,71
OTHER							
Expenses payable		CZK		-1.353.634,06			-0,05
TOTAL OTHER				-1.353.634,06			-0,05
TOTAL NET ASSETS				2.753.931.633,04			100,00

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
United Arab Emirates	0,19	0,05	0,46	0,05
Australia	1,81	0,38	1,68	1,96
Austria	1,43	2,35	0,83	1,31
Belgium	20,46	16,51	10,35	8,97
Bulgaria	0,00	0,00	0,06	0,06
Bahrain	0,00	0,00	0,01	0,00
Bermuda	0,10	0,07	0,09	0,04
Brazil	0,15	0,11	0,45	0,36
Canada	0,35	0,55	1,08	0,80
Switzerland	0,70	0,69	1,03	0,63
Chile	0,02	0,01	0,02	0,01
China	0,47	0,47	1,49	1,84
Ivory Coast	0,00	0,00	0,00	0,02
Colombia	0,01	0,01	0,22	0,16
Czech Republic	10,51	11,78	5,31	6,42
Cayman Islands	0,09	0,10	0,28	0,15
Germany	7,56	7,91	7,94	6,75
Denmark	0,63	0,66	0,57	0,92
Egypt	0,00	0,00	0,01	0,00
Spain	5,09	5,54	4,78	6,44
Europe	0,29	0,00	0,00	0,00
Finland	0,34	0,51	0,63	0,32
France	14,56	17,17	13,51	13,44
Gabon	0,00	0,00	0,04	0,03
U.K.	2,61	2,46	5,36	5,01
Greece	0,01	0,03	0,05	0,02
Hong Kong	0,33	0,33	0,53	0,28
Hungary	0,01	0,00	0,12	0,15
India	0,16	0,14	0,56	0,33
Indonesia	0,09	0,08	0,28	0,10
Ireland	4,08	4,42	2,65	4,88
Iceland	0,01	0,01	0,01	0,00
Israel	0,01	0,02	0,08	0,06
Italy	7,49	8,03	5,96	5,11
Jersey/The Channel Islands	0,06	0,07	0,26	0,10
Japan	1,18	1,39	1,06	2,31
South Korea	0,48	0,50	1,53	1,19
Croatia	0,00	0,00	0,04	0,00
Luxembourg	2,51	0,69	1,32	2,89
Mexico	0,07	0,03	0,73	1,06
Malaysia	0,11	0,11	0,84	0,75
Netherlands	3,99	5,38	5,70	5,82
Norway	0,10	0,12	0,29	0,46
New Zealand	0,01	0,00	0,01	0,00
Ukraine	0,00	0,00	0,02	0,00
Panama	0,00	0,00	0,01	0,00
Peru	0,00	0,00	0,09	0,00
Philippines	0,04	0,03	0,22	0,47
Papua New Guinea	0,00	0,00	0,01	0,01
Poland	0,02	0,01	0,84	1,00
Portugal	0,14	0,09	0,17	0,09
Romania	0,00	0,00	0,12	0,20

Russia	0,05	0,06	0,13	0,05
Saudi Arabia	0,00	0,00	0,02	0,06
Singapore	0,04	0,05	0,07	0,04
Slovenia	0,07	0,06	0,10	0,12
Slovakia	0,14	0,11	0,10	0,11
Sweden	0,39	0,95	1,04	1,28
Thailand	0,11	0,09	0,20	0,24
Turkey	0,03	0,09	0,46	0,67
Taiwan	0,34	0,37	0,79	0,36
U.S.A.	8,24	8,28	15,20	10,92
Venezuela	0,00	0,00	0,06	0,00
British Virgin Islands	0,00	0,00	0,01	0,00
Outside BLEU territory-(belgo-Lux ec	0,00	0,00	0,10	0,14
EU institutions outside BLEU terr.	2,25	1,09	1,83	2,78
South Africa	0,07	0,04	0,19	0,26
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	5,17	5,93	9,93	7,62
Consum(cycl)	4,08	4,97	6,69	6,45
Cons.goods	2,96	2,58	3,19	2,77
Pharma	2,64	2,38	3,38	2,32
Financials	28,17	27,75	27,64	36,52
Technology	2,55	3,38	6,10	3,75
Telecomm.	0,85	1,02	1,98	1,72
Utilities	0,74	0,50	1,74	1,62
Real est.	1,44	1,70	4,55	2,57
Governm.	51,35	48,93	34,46	34,75
Unit trusts	0,00	0,00	0,03	0,00
Various	0,05	0,86	0,31	-0,09
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
AUD	0,21	0,23	0,23	0,14
BRL	0,14	0,11	0,47	0,44
CAD	0,35	0,55	0,97	0,73
CHF	0,68	0,67	0,77	0,42
CLP	0,00	0,00	0,01	0,00
CNY	0,01	0,00	0,18	0,32
COP	0,00	0,00	0,22	0,15
CZK	96,09	95,01	97,76	103,92
DKK	0,10	0,16	0,19	0,16
EUR	-0,53	-0,77	-10,74	-11,23
GBP	1,55	2,04	3,84	2,47
HKD	0,84	0,79	1,62	0,88
HUF	0,01	0,00	0,02	0,11
IDR	0,10	0,09	0,31	0,34
ILS	0,01	0,01	0,03	0,21
INR	0,13	0,12	0,46	0,71
JPY	0,04	-0,04	-0,24	0,18
KRW	0,43	0,45	1,36	0,96
MXN	0,06	0,03	0,66	0,96
MYR	0,11	0,11	0,86	0,78
NOK	0,05	0,06	0,42	0,46
NZD	0,01	0,01	0,01	0,00
PEN	0,00	0,00	0,07	0,00
PHP	0,04	0,03	0,20	0,44
PLN	0,02	0,01	0,86	0,68
RON	0,00	0,00	0,01	0,09
RUB	0,00	0,00	0,10	0,11
SEK	0,23	0,34	0,51	0,23
SGD	0,04	0,04	0,06	0,03
SKK	0,00	0,00	0,01	0,01
THB	0,11	0,09	0,21	0,23
TRY	0,02	0,02	0,27	0,60
TWD	0,33	0,34	0,60	0,35
USD	-1,25	-0,54	-2,58	-6,38
ZAR	0,07	0,04	0,27	0,50
Total	100,00	100,00	100,00	100,00

**2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND CSOB PORTFOLIO
PRO UNOR 95 (IN THE CURRENCY OF THE SUB-FUND)**

	1st half of year	Year
Purchases	1.872.532.767,85	1.872.532.767,85
Sales	1.125.009.325,73	1.125.009.325,73
Total 1	2.997.542.093,58	2.997.542.093,58
Subscriptions	917.451.063,77	917.451.063,77
Redemptions	74.570.413,97	74.570.413,97
Total 2	992.021.477,74	992.021.477,74
Monthly average of total assets	1.982.096.176,37	1.982.096.176,37
Turnover rate	101,18 %	101,18 %

	1st half of year	Year
Purchases	1.872.532.767,85	1.872.532.767,85
Sales	1.125.009.325,73	1.125.009.325,73
Total 1	2.997.542.093,58	2.997.542.093,58
Subscriptions	917.451.063,77	917.451.063,77
Redemptions	74.570.413,97	74.570.413,97
Total 2	992.021.477,74	992.021.477,74
Monthly average of total assets	1.903.421.107,63	1.903.421.107,63
Corrected turnover rate	105,36 %	105,36 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 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-USD 150327-150224 24.25265	CZK	384.647.029,00	384.647.029,00	N/A	24.02.2015
KBC AK-VK CZK-EUR 150327-150224 27.46406	CZK	1.724.852.824,24	1.724.852.824,24	N/A	24.02.2015
KBC AK-VK CZK-EUR 150327-150226 27.52809	CZK	28.464.045,06	28.464.045,06	N/A	26.02.2015
KBC AK-VK JPY-CZK 150304-150227 4.874734	JPY	1.000.000,00	204.996,51	N/A	27.02.2015
KBC VK-AK CZK-EUR 150304-150227 27.47232	CZK	-1.346.143,68	-1.346.143,68	N/A	27.02.2015
KBC VK-AK JPY-CZK 150327-150224 4.927988	JPY	-147.000.000,00	-30.134.486,66	N/A	24.02.2015

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

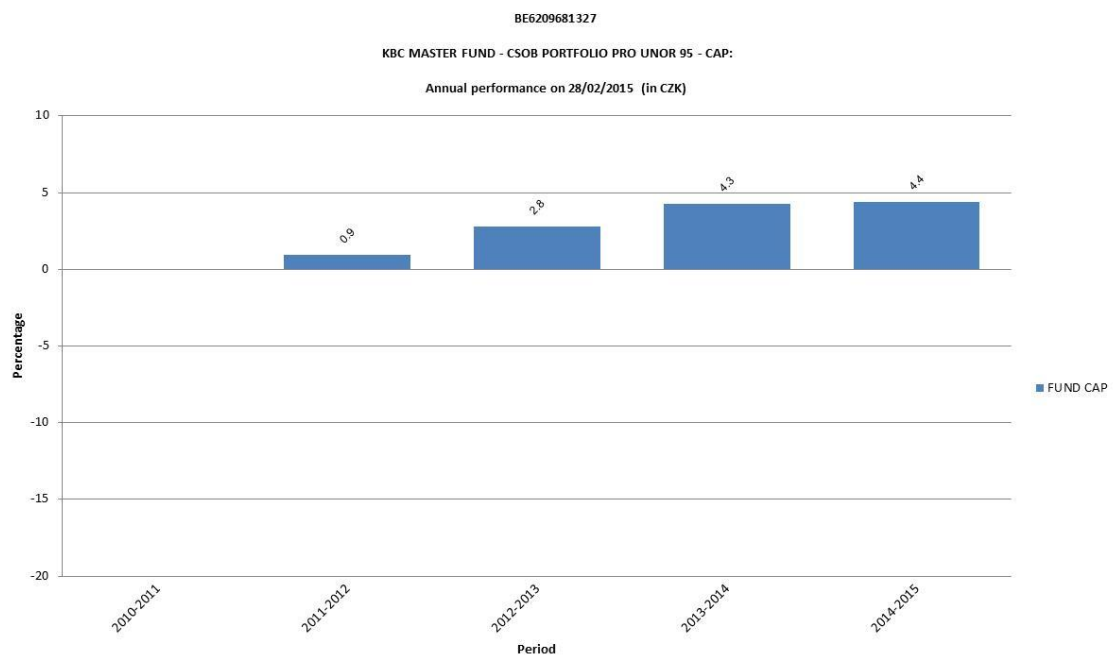
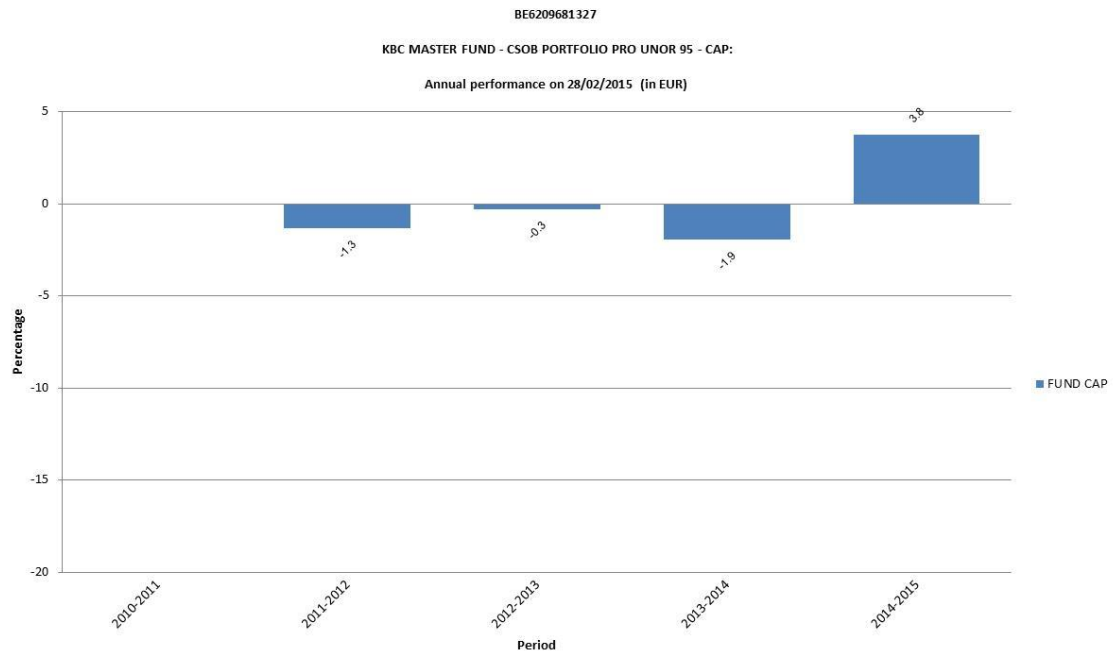
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	317.288,20		78.877,72		494.557,08		494.557,08
2014 - 02*	925.765,40		51.723,60		1.368.598,88		1.368.598,88
2015 - 02*	1.181.614,64		113.189,84		2.437.023,68		2.437.023,68

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	328.499.554,01		79.524.547,04	
2014 - 02*	992.338.359,52		54.836.262,01	
2015 - 02*	1.307.257.646,57		124.725.395,58	

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2013 - 02*	513.395.134,78	1.038,09	
2014 - 02*	1.481.502.488,78	1.082,50	
2015 - 02*	2.753.931.633,04	1.130,04	

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

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur- rency	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	Launch Date	Share classes
CAP	BE6209681327	EUR	3.77%		0.50%						02/02/2011	-0.27%
CAP	BE6209681327	CZK	4.39%		3.82%						02/02/2011	3.05%

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.
- 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
where Y = D-X
Return on date D since the start date S of the unit:
$$[\text{NAV}(D) / \text{NAV}(S)]^{1 / F} - 1$$
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 n^{th} 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 capitalization shares.

2.4.6 COSTS

Ongoing charges: *
Capitalization: 1.968%

* 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.

Fee for managing the investment portfolio

The management fee amounts to 233,359.38 CZK. An additional fee of 4,926,091.92 CZK was charged regarding commissions and charges for allocating the assets.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: max. 1% 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.

KBC Fund Management Limited receives a fee from the management company of max. 1% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

In addition: fees and charges for allocating the assets: max. 0.5% per year, calculated on the basis of the average total net assets of the sub-fund.

KBC Fund Management Limited receives a fee from the management company of max. 0.5% per year calculated on that part of the portfolio that it manages, without the total fees and charges for allocating the assets received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Name	Maximum management fee
KBC Equity Fund-America-Institutional B Shares	1,50
KBC Equity Fund-Europe-Institutional B Shares	1,50
KBC Equity Fund-Strategic Satellites-Institutional B Shares	1,50
KBC Participation-Local Emerging Market Bonds-Institutional B Shares	1,20
Privileged Portfolio Fund-Privileged Portfolio Liquidity-Institutional B Shares	0,40
KBC Bonds-Corporates USD-Institutional B Shares capitalisation	1,10
KBC Bonds-Corporates Euro-Institutional B Shares capitalisation	1,10
KBC Bonds-EMU Short	1,17
KBC Bonds-High Interest-Institutional B Shares capitalisation	1,10
KBC Interest fund-EURO MEDIUM-Institutional B Shares Capitalisation	0,50
KBC Renta-Czechrenta-Institutional B Shares Capitalisation	1,60
KBC Renta-Emurenta-Institutional B Shares Capitalisation	1,10
KBC Renta-Eurorenta-Institutional B Shares Capitalisation	1,10
KBC Renta-Short EUR-Institutional B Shares Capitalisation	1,10
KBC Renta-Strategic Accents 1-Institutional B Shares Capitalisation	1,57
Horizon-CSOB Komoditni Fond	2,00
KBC Equity Fund-Buyback America-Institutional B Shares	1,50
KBC Equity Fund-Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend-Institutional B Shares	1,50
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50
KBC Equity Fund-Japan-Institutional B Shares	1,50
KBC Equity Fund-New Asia-Institutional B Shares	1,60
KBC Equity Fund-Quant EMU-Institutional B Shares	1,50
KBC Equity Fund-Satellites-Institutional B Shares	1,50
KBC Equity Fund-Strategic Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Finance-Institutional B Shares	1,50
KBC Equity Fund-Strategic Non Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Telecom & Technology-Institutional B Shares	1,50
KBC Equity Fund-Turkey-Institutional B Shares	1,60
KBC Equity Fund-US Small Caps-Institutional B Shares	1,50
KBC Multi Interest-CSOB CZK Medium-Institutional B Shares Capitalisation	0,60
KBC Multi Interest-Cash 3 Month Duration-Institutional B Shares	0,40
KBC Multi Interest-Cash 5 Month Duration-Institutional B Shares	0,40
KBC Participation-SRI Corporate Bonds-Institutional B Shares	1,25
KBC Select Immo-Europe Plus	1,50
KBC Master Fund-CSOB Portfolio Pro Unor 95	1,00

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2 INFORMATION ON KBC MASTER FUND CSOB MULTI INVEST

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 28 February 2011
 Initial subscription price: 1000 CZK
 Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The investment policy aims to track the strategy recommended for an investor with a specific risk profile.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

RESTRICTIONS OF THE INVESTMENT POLICY:

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

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

The UCI may conclude contracts that relate to credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. It relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCI holds directly.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where credit derivatives are used, they are permitted only in order to achieve the investment objectives and within the existing risk profile and may not result in a shift to less creditworthy debtors. Consequently there is no increase in the credit risk. Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors..

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STRATEGY SELECTED

The assets are primarily invested 1) in money market instruments, liquid assets, deposits and money market funds and 2) in equities and bonds, directly or indirectly by means of financial instruments.

The composition of the sub-fund's equities component will be in line with KBC Asset Management NV's equities investment strategy. The composition of the sub-fund's bond component will be in line with KBC Asset Management NV's bond investment strategy.

According to the assessment of the various financial assets and the expected market trends, KBC Asset Management NV will from time to time set the composition of the equities component (in terms of sectors, regions, or themes, for instance) and of the bond component (in terms of exchange rate, maturity and credit risk, for instance).

When the initial net asset value is calculated and every year thereafter by the last banking day in February at the latest, at least 60% of the assets will be invested in money market instruments, liquid assets, deposits and money market funds. When the initial net asset value is calculated and every year thereafter by the last banking day in February at the latest, the remainder of the assets (i.e. a maximum 40%) will be allocated equally between equities and bonds.

During this time, the weighting of the assets is based on a management model, as described below, whereby the weighting of money market instruments, liquid assets, deposits and money market funds may be less than 60%.

On the one hand, the portion of the assets invested in money market instruments, liquid assets, deposits and money market funds will decrease insofar as the sub-fund offers, from the last banking day of the previous February, a higher return in relation to these money market instruments, liquid assets, deposits and money market funds.

Conversely, the portion of the assets invested in money market instruments, liquid assets, deposits and money market funds will increase insofar as the sub-fund offers, from the last banking day of the previous February, a lower return in relation to these money market instruments, liquid assets, deposits and money market funds.

On the other hand, the allocation of the remainder of the assets, particularly between equities and bonds, will depend primarily on the relative performance of equities compared with bonds since the last banking day of the previous February. In the allocation between equities and bonds, the weighting of equities compared with bonds will decrease if equities post a return lower than the return on bonds. Conversely, in the allocation between equities and bonds, the weighting of equities compared with bonds will increase if equities post a return higher than the return on bonds. However, the sub-fund may never include more than 25% equities.

The euro (EUR), yen (JPY) and all dollar-zone currencies (USD, HKD, AUD, CAD, SGD) will be systematically hedged.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

Some of the assets are invested in bonds and debt instruments issued by companies and public institutions.

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
 - o Moody's (Moody's Investors Service);
 - o S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
 - o Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
- in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

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

INVESTMENTS IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The sub-fund may invest primarily in units in Undertakings for Collective Investment.

Lending financial instruments:

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

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

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

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

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

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

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

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, the sub-fund may perform transactions relating to the sale 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, is recognised and 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, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

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

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The fund is driven by a mathematical model and is systematically invested primarily in cash. In addition, a certain percentage is allocated to equities and bonds within a basket of higher-risk assets. The respective percentages are largely determined by the correlation between equities and bonds, their volatility and the remaining term to maturity. We systematically reposition the fund at the end of the term.

The respective performance and the approaching annual repositioning were the most important factors determining our allocation between equities and bonds. In the beginning our position in equities was slightly greater than that in bonds. In line with the superior performance by equities in relation to bonds, the basket consisted almost entirely of equities. In addition, the cash position in the fund was systematically increased in response to the growing volatility in the financial markets.

The equity and bond component is geared toward the general strategy of KBC Asset Management.

2.1.8 FUTURE POLICY

This fund's policy is a reflection of the actual market movements we observe day-to-day and enter in the mathematical model. As soon as the bond and equity market climate changes, the policy of this fund shifts accordingly.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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 the sub-fund's potential return and the risk involved, calculated in the currency in which the 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.

2.2 BALANCE SHEET

Balance sheet layout	28/02/2015 <small>(in the currency of the sub-fundt)</small>	28/02/2014 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	1.068.517.678,38	936.586.096,83
II. Securities, money market instruments, UCIs and derivatives		
E. Open-end undertakings for collective investment	966.767.587,43	785.679.701,23
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-3.325.240,50	7.413.468,50
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	133.376.236,98	185.739.988,26
B. Payables		
a) Accounts payable (-)	-26.046.716,42	-128.418.772,10
c) Borrowings (-)	-23.208.377,69	-269.617,96
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	21.319.222,93	87.080.264,50
VI. Accruals and deferrals		
C. Accrued expense (-)	-365.034,35	-638.935,60
TOTAL SHAREHOLDERS' EQUITY	1.068.517.678,38	936.586.096,83
A. Capital	1.055.035.065,25	920.559.544,48
B. Income equalization	-30.452,59	1.836.165,43
D. Result for the period	13.513.065,72	14.190.386,92

Off-balance-sheet headings

III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	803.569.500,00	656.015.031,20
III.B Written futures and forward contracts	-9.347.840,76	-7.811.573,39

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	28/02/2015 (in the currency of the sub-fund)	28/02/2014 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
E. Open-end undertakings for collective investment	16.862.226,55	16.923.756,23
F. Derivative financial instruments		
a) Bonds		
Futures and forward contracts	-899.148,15	-133.380,04
l) Financial indices		
Futures and forward contracts	12.443.271,79	1.030.252,14
G. Receivables, deposits, cash at bank and in hand and payables	0,21	
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	4.578.721,07	6.495.437,84
b) Other foreign exchange positions and transactions	-15.732.938,97	-7.568.180,82
Det.section I gains and losses on investments		
Realised gains on investments	83.374.628,46	
Unrealised gains on investments	-24.331.017,34	
Realised losses on investments	-44.561.199,23	
Unrealised losses on investments	2.769.720,61	
II. Investment income and expenses		
B. Interests		
b) Cash at bank and in hand and deposits	33.668,96	4.624,87
C. Interest on borrowings (-)	-65.192,17	-3.246,28
III. Other income		
B. Other		22.473,26
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-1.686.296,02	-791.816,88
B. Financial expenses (-)	-10.126,06	-8.051,41
D. Manager's fee (-)		
a) Financial management	-1.350.339,28	-1.139.776,23
b) Administration and accounting management	-530.450,12	-371.526,53
F. Formation and organisation expenses (-)	-12.606,34	-8.926,54
H. Services and sundry goods (-)	-59.547,74	-31.112,51
J. Taxes	-268,82	
K. Other expenses (-)	-57.909,19	-230.140,18
Income and expenditure for the period		
Subtotal II + III + IV	-3.739.066,78	-2.557.498,43
V. Profit (loss) on ordinary activities before tax	13.513.065,72	14.190.386,92
VII. Result for the period	13.513.065,72	14.190.386,92

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC MASTER FUND CSOB MULTI INVEST

Name	Quantity on 28/02/2015	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC EQUITY FUND AMERICA IS B KAP	69,00	USD	2.285,790	3.865.122,92	0,03	0,40	0,36
KBC EQUITY FUND EUROPE IS	114,00	EUR	1.684,360	5.278.068,50	0,03	0,55	0,49
KBC EQUITY FUND STRATEGIC	1.041,00	EUR	812,950	23.262.148,13	0,04	2,41	2,18
PRIVILEGED PORTFOLIO LIQUIDITY IS B KAP	27.220,00	EUR	281,660	210.740.762,85	12,58	21,87	19,72
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
KBC EQUITY FUND BUYBACK AMERICA IS B KAP	133,00	USD	1.615,960	5.266.961,43	0,02	0,55	0,49
KBC EQUITY FUND EUROZONE IS B KAP	923,00	EUR	504,680	12.804.217,64	0,03	1,33	1,20
KBC EQUITY FUND HIGH DIVIDEND EUROZONE IS B KAP	181,00	EUR	520,200	2.588.118,60	0,02	0,27	0,24
KBC EQUITY FUND HIGH DIVIDEND IS B KAP	139,00	EUR	1.347,960	5.150.235,13	0,02	0,54	0,48
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	298,00	EUR	527,450	4.320.488,09	0,06	0,45	0,40
KBC EQUITY FUND JAPAN IS B KAP	441,00	JPY	59.831,000	5.408.929,41	0,07	0,56	0,51
KBC EQUITY FUND NEW ASIA IS B KAP	270,00	EUR	721,040	5.351.288,61	0,04	0,56	0,50
KBC EQUITY FUND QUANT EMU IS B KAP	369,00	EUR	777,350	7.884.573,77	0,04	0,82	0,74
KBC EQUITY FUND SATELLITES IS B KAP	82,00	EUR	1.430,200	3.223.635,12	0,03	0,34	0,30
KBC EQUITY FUND STRATEGIC CYCLICALS IS KAP	681,00	EUR	901,360	16.872.546,95	0,04	1,75	1,58
KBC EQUITY FUND STRATEGIC FINANCE IS B KAP	1.184,00	EUR	446,390	14.527.852,15	0,04	1,51	1,36
KBC EQUITY FUND STRATEGIC NON CYCLICALS IS B KAP	697,00	EUR	383,280	7.343.180,24	0,04	0,76	0,69
KBC EQUITY FUND STRATEGIC TEL & TECHNOLOGY IS B KAP	2.213,00	EUR	168,000	10.219.412,93	0,03	1,06	0,96
KBC EQUITY FUND TURKEY IS B KAP	87,00	TRY	1.480,620	1.255.170,49	0,06	0,13	0,12
KBC EQUITY FUND US SMALL CAPS IS B KAP	84,00	USD	1.555,000	3.201.013,97	0,03	0,33	0,30
KBC MULTI INTEREST CSOB CZK MEDIUM IS B KAP	14.959,00	CZK	1.002,170	14.991.461,03	0,15	1,56	1,40
KBC MULTI INTEREST CSOB KRATKODOBY KAP	1.645.056,00	CZK	128,990	212.195.773,44	6,76	22,37	19,86
KBC MULTI INTEREST INTEREST CASH EURO KAP	161.599,00	EUR	38,530	171.148.434,10	6,89	17,76	16,02
KBC PARTICIPATION SRI CORPORATE BONDS IS B KAP	259,00	EUR	1.258,910	8.962.510,95	0,03	0,93	0,84
UCI registered with FSMA							
<u>Luxembourg</u>							
KBC INTEREST FUND CASH EURO KAP	1.279,00	EUR	5.999,050	210.905.680,98	5,47	21,89	19,74
Total investment funds				966.767.587,43		100,35	90,48
Forward contracts		CZK		-3.325.240,50			-0,31
TOTAL SECURITIES PORTFOLIO				963.442.346,93		100,00	90,17

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CZK	-3.622.788,46	CZK	1,000	-3.622.788,46		-0,34
KBC GROUP EURO	-344.159,71	EUR	1,000	-9.460.090,24		-0,89
KBC GROUP JPY	-184.942,00	JPY	1,000	-37.912,46		0,00
KBC GROUP TRY	19.497,04	TRY	1,000	189.980,29		0,02
KBC GROUP USD	-411.632,24	USD	1,000	-10.087.586,53		-0,94
Total demand accounts				-23.018.397,40		-2,15
Managed futures accounts						
<u>Belgium</u>						
KBC GROUP EURO FUT REK	386.092,90	EUR	1,000	10.612.728,82		0,99
KBC GROUP USD FUT REK	429.134,97	USD	1,000	10.516.513,82		0,98
Total managed futures accounts				21.129.242,64		1,98
TOTAL CASH AT BANK AND IN HAND				-1.889.154,76		-0,18
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP CZK RECEIVABLE	5.253.102,40	CZK	1,000	5.253.102,40		0,49
KBC GROUP EUR RECEIVABLE	4.189.802,95	EUR	1,000	115.167.211,14		10,78
KBC GROUP USD RECEIVABLE	528.677,08	USD	1,000	12.955.923,44		1,21
Total receivables				133.376.236,98		12,48
Payables						
<u>Belgium</u>						
KBC GROUP CZK PAYABLE	-17.061.799,31	CZK	1,000	-17.061.799,31		-1,60
KBC GROUP EUR PAYABLE	-326.872,83	EUR	1,000	-8.984.917,11		-0,84
Payables				-26.046.716,42		-2,44
TOTAL RECEIVABLES AND PAYABLES				107.329.520,56		10,05
OTHER						
Expenses payable		CZK		-365.034,35		-0,03
TOTAL OTHER				-365.034,35		-0,03
TOTAL NET ASSETS				1.068.517.678,38		100,00

Geographic breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
United Arab Emirates	2,62	3,15	0,79	0,00
Australia	4,12	3,57	3,35	3,37
Austria	2,81	3,23	1,75	1,66
Belgium	30,61	26,91	17,67	20,20
Bulgaria	0,00	0,00	0,02	0,01
Bermuda	0,04	0,06	0,06	0,02
Brazil	0,18	0,28	0,10	0,07
Canada	0,20	0,43	0,68	0,28
Switzerland	0,15	0,50	0,47	1,06
Chile	0,06	0,09	0,01	0,00
China	0,36	1,03	1,16	4,36
Colombia	0,03	0,04	0,01	0,00
Czech Republic	8,89	7,41	11,97	8,76
Cayman Islands	0,09	0,08	0,11	0,05
Germany	7,30	6,21	6,91	5,36
Denmark	1,03	1,36	0,56	0,77
Spain	0,62	0,76	3,41	4,64
Finland	0,11	0,28	0,43	0,14
France	10,12	15,31	15,13	9,77
U.K.	3,75	3,06	3,84	7,64
Greece	0,00	0,02	0,03	0,01
Hong Kong	0,08	0,65	0,56	0,14
Hungary	0,05	0,01	0,00	0,00
India	0,11	0,24	0,34	0,72
Indonesia	0,04	0,11	0,13	0,05
Ireland	1,88	1,67	0,88	4,93
Iceland	0,02	0,02	0,02	0,02
Israel	0,00	0,01	0,04	0,02
Italy	0,78	0,74	4,39	0,54
Jersey/The Channel Islands	0,03	0,03	0,06	0,02
Japan	0,46	0,98	0,72	2,36
South Korea	0,30	0,67	0,74	0,34
Croatia	0,01	0,00	0,00	0,00
Lithuania	0,01	0,00	0,00	0,00
Luxembourg	1,37	0,09	2,03	1,86
Mexico	0,20	0,13	0,02	0,02
Malaysia	0,10	0,17	0,14	0,08
Netherlands	6,08	8,35	7,30	7,41
Norway	0,02	0,07	0,45	0,52
New Zealand	0,00	0,00	0,01	0,00
Peru	0,03	0,00	0,00	0,00
Philippines	0,03	0,03	0,03	0,03
Papua New Guinea	0,00	0,00	0,01	0,00
Poland	0,75	0,72	0,00	0,83
Portugal	0,17	0,07	0,12	0,05
Romania	0,02	0,00	0,03	0,03
Russia	0,08	0,15	0,02	0,02
Singapore	0,00	0,04	0,05	0,02
Slovenia	0,00	0,03	0,02	0,02
Slovakia	0,53	0,64	0,53	0,90
Sweden	1,18	0,89	0,67	0,92
Thailand	0,07	0,14	0,07	0,04

Turkey	0,10	0,08	0,08	0,41
Taiwan	0,32	0,65	0,54	0,29
U.S.A.	10,32	7,75	10,60	7,75
EU institutions outside BLEU terr.	1,58	0,87	0,90	1,44
South Africa	0,19	0,22	0,04	0,05
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
Cyclicals	4,63	5,44	7,14	10,19
Consum(cycl)	4,36	5,88	5,42	6,36
Cons.goods	2,24	2,11	2,37	2,70
Pharma	1,60	1,91	2,18	1,12
Financials	59,45	58,36	40,57	53,85
Technology	2,12	3,06	4,71	2,13
Telecomm.	0,66	1,69	0,92	1,32
Utilities	2,78	0,48	2,57	3,99
Real est.	1,55	4,59	1,08	1,39
Governm.	20,59	16,23	32,77	16,88
Various	0,02	0,25	0,27	0,07
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/08/2013	28/02/2014	31/08/2014	28/02/2015
AUD	0,04	0,16	0,16	0,07
BGN	0,01	0,00	0,00	0,00
BRL	0,18	0,24	0,09	0,06
CAD	0,13	0,37	0,63	0,25
CHF	0,12	0,42	0,43	0,19
CNY	0,01	0,00	0,00	0,00
COP	0,01	0,00	0,01	0,00
CZK	96,59	98,08	93,66	95,86
DKK	0,02	0,11	0,13	0,08
EUR	1,40	-5,26	2,21	5,05
GBP	0,25	0,98	1,27	0,60
HKD	0,37	0,93	1,05	0,48
HUF	0,03	0,01	0,00	0,00
IDR	0,04	0,10	0,12	0,05
ILS	0,00	0,01	0,02	0,01
INR	0,09	0,19	0,25	0,19
JPY	0,09	-0,18	-0,06	0,09
KRW	0,24	0,54	0,70	0,28
MXN	0,17	0,11	0,02	0,02
MYR	0,08	0,15	0,14	0,07
NOK	0,06	0,04	0,06	0,02
NZD	0,00	0,00	0,01	0,00
PEN	0,02	0,00	0,00	0,00
PHP	0,03	0,03	0,03	0,03
PLN	0,18	0,05	0,00	0,01
RUB	0,01	0,00	0,00	0,00
SEK	0,07	0,17	0,13	0,04
SGD	0,00	0,03	0,04	0,02
THB	0,06	0,12	0,08	0,04
TRY	0,07	0,04	0,03	0,15
TWD	0,26	0,53	0,42	0,27
USD	-0,79	1,85	-1,67	-3,98
ZAR	0,16	0,18	0,04	0,05
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC MASTER FUND CSOB MULTI INVEST (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	1.081.279.390,46	1.081.279.390,46
Sales	1.221.503.499,23	1.221.503.499,23
Total 1	2.302.782.889,68	2.302.782.889,68
Subscriptions	151.685.128,18	151.685.128,18
Redemptions	175.990.515,37	175.990.515,37
Total 2	327.675.643,55	327.675.643,55
Monthly average of total assets	1.063.328.782,98	1.063.328.782,98
Turnover rate	185,75 %	185,75 %

	1st half of year	Year
Purchases	1.081.279.390,46	1.081.279.390,46
Sales	1.221.503.499,23	1.221.503.499,23
Total 1	2.302.782.889,68	2.302.782.889,68
Subscriptions	151.685.128,18	151.685.128,18
Redemptions	175.990.515,37	175.990.515,37
Total 2	327.675.643,55	327.675.643,55
Monthly average of total assets	943.375.355,18	943.375.355,18
Corrected turnover rate	209,37 %	209,37 %

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 is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 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-USD 150325-150226 24.20743	CZK	99.250.463,00	99.250.463,00	N/A	24.02.2015
KBC AK-VK CZK-EUR 150325-150226 27.40541	CZK	704.319.037,00	704.319.037,00	N/A	25.02.2015
KBC VK-AK JPY-CZK 150325-150226 4.936854	JPY	-45.600.000,00	-9.347.840,76	N/A	24.02.2015

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

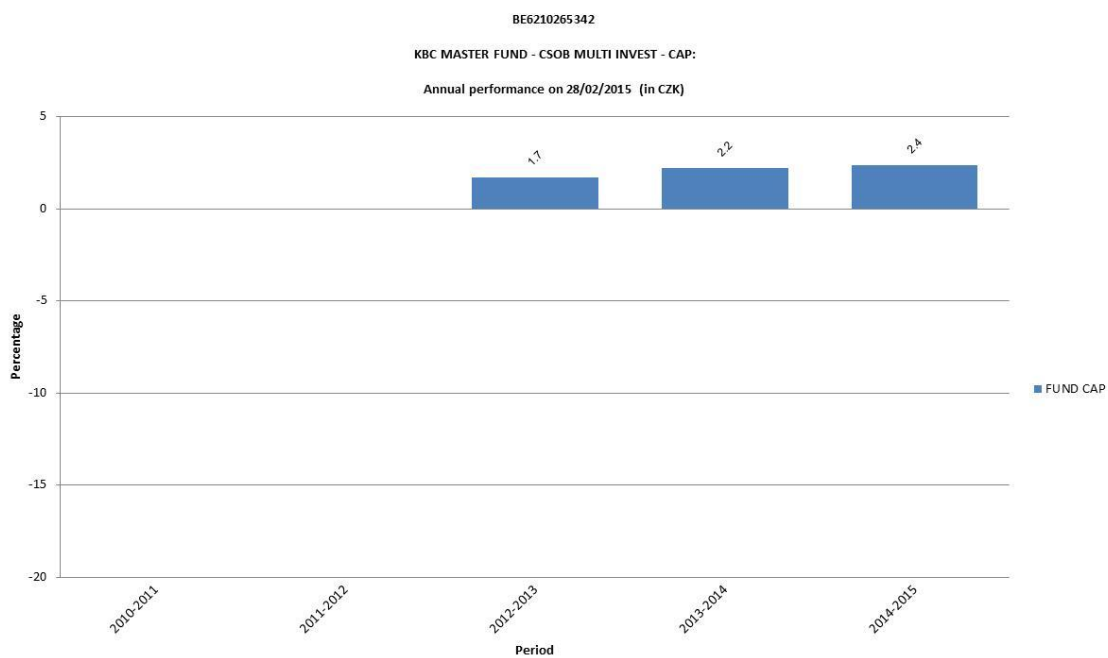
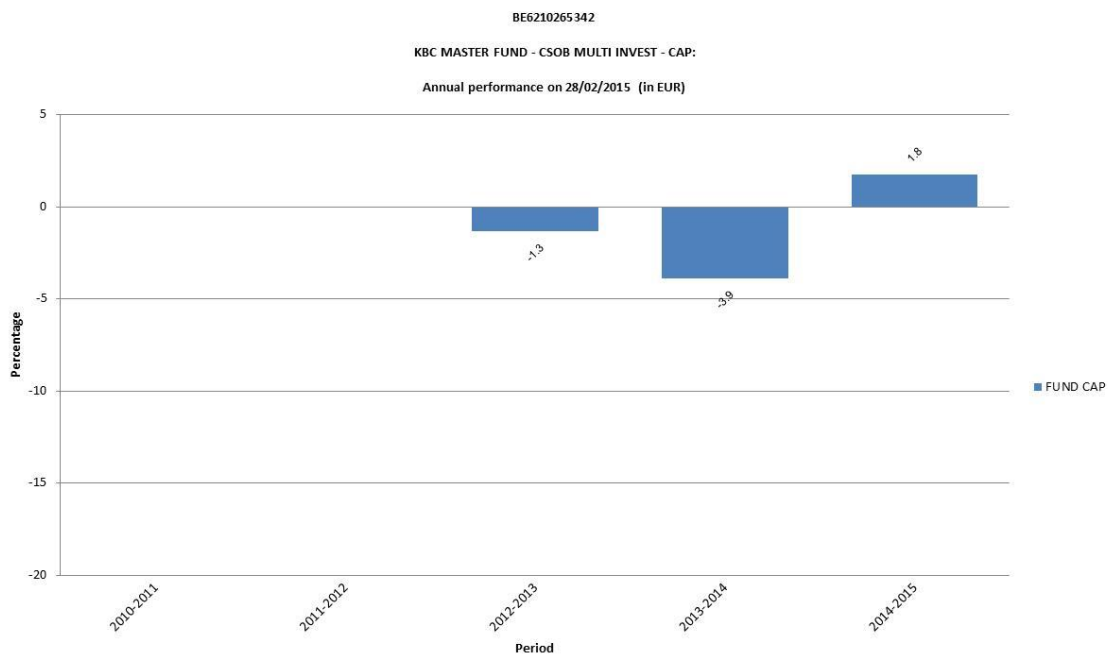
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2013 - 02*	52.187,82	0,00	668.807,42	0,00	505.461,70	0,00	505.461,70
2014 - 02*	595.905,04	0,00	185.719,53	0,00	915.647,21	0,00	915.647,21
2015 - 02*	381.001,99	0,00	276.233,51	0,00	1.020.415,69	0,00	1.020.415,69

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2013 - 02*	51.540.265,35	0,00	660.014.906,86	0,00
2014 - 02*	603.378.820,85	0,00	187.318.820,97	0,00
2015 - 02*	391.524.857,65	0,00	284.283.736,30	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
2013 - 02*	505.899.517,35	1.000,87	N/A
2014 - 02*	936.586.096,83	1.022,87	N/A
2015 - 02*	1.068.517.678,38	1.047,14	N/A

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

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur- rency	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	Launch Date	Share classes
CAP	BE6210265342	EUR	1.77%		-1.18%						28/02/2011	-1.75%
CAP	BE6210265342	CZK	2.37%		2.09%						28/02/2011	1.16%
DIV	BE6210266357	EUR									28/02/2011	
DIV	BE6210266357	CZK									28/02/2011	

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

* Return on annual basis.

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

Capitalisation units (CAP)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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:

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

where $Y = D - X$

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

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

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:

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

$i = 1 \dots N$

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

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} 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: *

Distribution: Not applicable

Capitalization: 1.329%

* 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.

Fee for managing the investment portfolio

The management fee amounts to 24,213.46 CZK. An additional fee of 1,326,125.82 CZK was charged regarding commissions and charges for allocating the assets.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

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

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

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

Fee-sharing does not affect the amount of the management fee paid by the 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 of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 0.5% 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.

In addition: fees and charges for allocating the assets: 0.25% per year, calculated on the basis of the average total net assets of the sub-fund.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

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.

Name	Maximum management fee
KBC Equity Fund-America-Institutional B Shares	1,50
KBC Equity Fund-Europe-Institutional B Shares	1,50
KBC Equity Fund-Strategic Satellites-Institutional B Shares	1,50
Privileged Portfolio Fund-Privileged Portfolio Liquidity-Institutional B Shares	0,40
KBC Equity Fund-Buyback America-Institutional B Shares	1,50
KBC Equity Fund-Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend Eurozone-Institutional B Shares	1,50
KBC Equity Fund-High Dividend-Institutional B Shares	1,50
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50
KBC Equity Fund-Japan-Institutional B Shares	1,50
KBC Equity Fund-New Asia-Institutional B Shares	1,60
KBC Equity Fund-Quant EMU-Institutional B Shares	1,50
KBC Equity Fund-Satellites-Institutional B Shares	1,50
KBC Equity Fund-Strategic Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Finance-Institutional B Shares	1,50
KBC Equity Fund-Strategic Non Cyclical-Institutional B Shares	1,50
KBC Equity Fund-Strategic Telecom & Technology-Institutional B Shares	1,50
KBC Equity Fund-Turkey-Institutional B Shares	1,60
KBC Equity Fund-US Small Caps-Institutional B Shares	1,50
KBC Multi Interest-CSOB CZK Medium-Institutional B Shares Capitalisation	0,60
KBC Multi Interest-CSOB Kratkodoby	1,00
KBC Multi Interest-Cash Euro	0,40
KBC Participation-SRI Corporate Bonds-Institutional B Shares	1,25
KBC Interest fund-CASH EURO-Capitalisation	0,50
KBC Master Fund-CSOB Multi Invest	0,50