

Semi-Annual report as at 28<sup>th</sup> February 2017

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## **KBC Select Immo**

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:**

2 March 1995

**LIFE:**

Unlimited.

**BOARD OF DIRECTORS OF THE BEVEK:**

Wouter Vanden Eynde, Representative KBC Asset Management NV

Luc Vanbriel, Head Management Structured Products & Money Market Funds KBC Asset Management NV

Jozef Walravens, Independent Manager

Jean-Louis Claessens, Independent Manager

Carine Vansteenkiste, Zeteldirecteur KBC Private Banking -Zetel West KBC Bank NV, Havenlaan 2, B-1080 Brussel, Niet-uitvoerend Bestuurder

Chairman:

Jean-Francois Gillard, 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 Management Structured Products & 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. Gijsens

*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

S. Van Riet, Non-Executive Director

C. Sterckx, Managing Director

K. Vandewalle, 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  
 K. Vandewalle, Managing Director  
 L. Demunter, Managing Director  
 These persons may also be directors of various beveks.

**AUDITOR OF THE MANAGEMENT COMPANY:**

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

**STATUS OF THE BEVEK:**

Public Bevek with various sub-funds that has opted for investments complying with the conditions of Directive 2009/65/EC and which, as far as its operations and investments are concerned, is governed by the 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:**

Regarding the delegation of the management of the investment portfolio, please see the information concerning the sub-funds.

**FINANCIAL-SERVICES PROVIDERS:**

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

**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), Gateway Building, Luchthaven Nationaal 1J, B-1930 Zaventem, represented by partner Maurice Vrolix, company auditor and recognized auditor.

**DISTRIBUTOR:**

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

**PROMOTER:**

KBC

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

**LIST OF SUB-FUNDS OF KBC SELECT IMMO**

1. Belgium Plus
2. Europe Plus
3. World Plus

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

## 1.2 MANAGEMENT REPORT

### 1.2.1 INFORMATION FOR THE SHAREHOLDERS

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

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

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

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

Bevek	Country	Year	Amount	Currency
KBC Select Immo-Europe Plus	Sweden	2012	177,568.10	SEK
KBC Select Immo-World Plus	Sweden	2012	126,270.90	SEK
KBC Select Immo-Europe Plus	Sweden	2013-2014-2015	486,905.45	SEK
KBC Select Immo-World Plus	Sweden	2013-2014-2015	346,244.55	SEK

### 1.2.2 GENERAL MARKET OVERVIEW

*1 September 2016 – 28 February 2017*

#### **Stock markets higher**

The world stock index ended 2016 in style (11.7% higher in euros), but it was a year with two faces. The year started out tempestuously, with global stock markets dropping 15% on average. The central banks held onto their accommodative policy or even intensified it. When fears of a recession in China and the US eased, the markets recovered. This recovery was momentarily interrupted by the surprising decision by the UK to leave the European Union (Brexit). This weighed in particular on European markets, which subsequently proved unable to close the gap again on the other markets.

After the surprising victory of Trump in the US presidential elections, the US stock market made a strong final sprint. Improved economic prospects, the recovery of earnings from the third quarter onwards and the hope of stimulatory policies from Trump drove up share prices. This also led to a sharp rise in the 10-year yields in the US by 100 basis points and appreciation of the dollar by 5%.

At the beginning of 2017, things are looking good for shares. Growth is clearly picking up, especially in the traditional Western countries, and we are experiencing rising inflation. The market is however no longer focusing solely on the positive aspects of the expected policy by President Trump: fears are creeping in concerning his protectionist agenda. Even so 2017 got off to a positive start with a global stock market rise averaging 4%.

In the case of the most traditional markets the returns in euros over the past three calendar months (up to 16 February) were not far apart and were close to the return of the broad world index (+7%). The widest differences were to be observed in the Pacific region. Hong Kong lagged sharply behind (+1,5%), whereas thanks to the high commodity prices Australia was able to make gains of 12%. Most of the emerging markets did fairly well, finishing 9% up on average. Higher oil and commodity prices and a stronger economy buoyed the markets in Brazil (+20% in euros), South Africa (+13%) and Russia (+12%). The winners, however, were located in Central Europe, where shares rose on average by 22% thanks to good growth figures and a moderation of business-unfriendly policies. Fears of protectionism held back the rise of markets in Asia and Mexico.

The improvement in economic growth and higher price of commodities were excellent news for the cyclical sectors that are more sensitive to fluctuations in the different stages of the economic cycle. The best-performing sectors with a return of around 8% are materials, the financial sectors headed up by the banks, technology and media. The defensive sectors lagged behind the broad market index. They are less inclined to exhibit fluctuations during the different stages of the economic cycle. Weaker sectors with a return of less than 5% were food distribution, real estate and telecommunications. However, the energy sector brought up the rear with a return of barely 0.5%. The fact that the oil price has scarcely changed since the beginning of December is a key factor here.

#### **Bond yields take a turn for the better**

2016 will enter the historybooks as the year in which interest rates on long-term bonds dipped below zero for the very first time. 2017 will probably go down as the year of negative returns on traditional government bonds. Since the final quarter of 2016 the downward trend in interest rates has come to an end, and that has been coupled with losses on the bond markets. Bond yields are creeping up worldwide, The interest rate on German government bonds is now 0.35%, while the US rate moved towards 2.44% in the past month.

Inflationary expectations lie behind the rising bond yields. The low price of oil exerted downward pressure on general inflation during the past two or three years. In recent months we have seen the initially negative oil price effect turn around and contribute positively towards the inflation figures. Investors who were convinced that inflation would stay low forever were taken by surprise and adjusted their inflation forecasts. The prospect of inflation further eroding purchasing power in the near future means that investors are looking to receive additional compensation for the money they make available.

In addition to the disappearance of the negative oil price effect, there has also been a gradual increase in the price pressure on producers. Price pressure is increasing not only in China due to the disappearance of surplus capacity; in the US and the euro area too the annual change in producer prices recently turned positive. In the future, this too could also translate into rising consumer prices.

Shortly after Trump's election as the next president of the US, inflationary expectations in the US were pushed up further. The markets expect Trump and his Republican supporters to launch a large-scale investment programme for infrastructure and other projects. Going for budgetary expansion means that inflation could increase further, with additional tightening measures being taken by the Fed as a result.

In recent months it has become clear that investors were expecting rather too much of Trump's ambitions, whereupon US rates stabilised again to some extent. Republicans, furthermore, do not like budget deficits and mounting public debt. It remains to be seen if, and how far, Trump will ultimately push through his spending plans.

Despite the sudden rise, interest rates remain low and bonds expensive. Central banks continue, at the end of the day, to pursue an extremely loose monetary policy. In December 2016, the US Federal Reserve (Fed) increased its key interest rate, which currently still remains low, for the first time in over a year. The European Central Bank (ECB), in turn, in the same month announced it would be extending its asset purchase programme. Instead of March 2017, the programme will continue until December 2017, and 60 billion euros per month will be spent on government and corporate bonds from April to December, as core inflation in the euro area lingers well below the 2% target and is likely to stay like this for some time to come.

As the global economy picks up investors are looking for risk again and are finding their way to the emerging markets. We are however anticipating growing nervousness if Trump's plans to curb free world trade start to take shape. For the time being we regard that likelihood as small, but the least rumour could spark off the necessary interest rate movements. We continue to keep emerging markets in the portfolio on account of the extra return, but we are reducing the duration somewhat.

### **Good prospects for shares**

The markets did not get off to a good start in 2016 as a result of the unjustified recessionary fears in the US and China. And when they were recovering from this, the European shares were wrong-footed by the decision in the UK referendum to leave the European Union. In addition to this, there was the unexpected victory of Donald Trump in the US presidential elections. However, the latter did not weigh on the market. Quite the contrary, it was the start of a strong end of year period, especially as we saw an acceleration in growth in the autumn, in particular in the traditional Western countries, and a renewed growth in corporate earnings in the second half of the year, after four quarters of earnings contracting.

Economic growth prospects are good and the earnings outlook adjusted to the positive. As they sprinted for the finish in 2016, the markets only had eyes for the positive aspects of a future Trump policy, lower taxes and higher investments, which will boost domestic demand. They ignored potential negative consequences, such as a trade war with China or Mexico. On top of that, there is also the uncertainty about the impact of the Brexit negotiations that are set to start in March. And there is also a series of elections in store in the core euro area countries, with all the uncertainty that this entails. Shares, estimated by price/earnings ratio, are certainly not cheap. These are all reasons to hold off from investing all of your assets in shares.

However, this does not alter the fact that the outlook for shares is not bad in the medium term. The monetary policy remains supportive. The Bank of Japan continues to create money at a pace. The European Central Bank (ECB) likewise expects inflation to remain low in the somewhat longer term and will continue its flexible policy after March 2017. Although it has reduced the amount of its purchases to 60 billion euros per month, it is extending them for at least nine more months and has scrapped the interest-rate floor beneath its purchases. The US Federal Reserve (Fed) did increase its key rate to 0.75% in December and signalled its intention to do so three more times in 2017. It anticipates higher inflation and a policy that will stimulate domestic growth, which in its opinion is not necessary. A key rate of 1.50% by the end of next year is, however, still far below normal levels. The markets calculate that Trump's policy will be fairly inflationary and have pushed up bond yields. Support for interest rates in the US and further divergence in central bank policy also caused the European single currency to weaken to below 1.05 dollars to the euro. This will have a positive impact on growth in Europe, which is the open economy par excellence.

Corporate earnings growth started to recover from the third quarter of 2016, and this looks to be continuing in 2017. Profit growth is an important prerequisite for higher stock prices. Earnings are expected to grow by more than 10% in 2017, which means the bar has been set quite high. It is nevertheless a positive sign that an end has come to analysts' downgrades of annual profit forecasts.

It looks like the US will again emerge as the engine of growth, thanks to consumers' wallets. The unemployment rate is low, pay is rising by more than 2.5% on an annual basis, consumer confidence is rising and household purchasing power is improving. However, Wall Street is more expensive than the average. Anticipated economic growth in autumn and in 2017 is higher than in Europe and we can expect a limited appreciation of the dollar, but the market has already priced in a significant portion of this.

The euro area is cheaper than the US and is pretty fairly valued. The ECB is conducting a very pronounced accommodative monetary policy which has meanwhile led to increased lending. The accelerating world economy and higher interest rates are traditionally to Europe's benefit. We are seeing a widespread acceleration of nominal growth, especially in the euro area. This creates the right conditions for a long-overdue recovery in profit margins and a substantial earnings growth. Political risks, with a series of elections in the key countries in the euro area, are real and are keeping us from fully favouring the euro area. The Brexit decision will weigh not just on the UK, but also on the rest of the European Union and hence on the euro area. We expect this to come to the fore once more as of spring 2017, but for the time being it should not cause any serious negative consequences on growth.

Within the euro area, we favour Germany. The country remains the engine of the euro area and we also see, in addition to an improvement in confidence indicators and orders, an acceleration of hard growth figures (GDP, industrial production and exports). The German stock market is cheaper than the euro area's average and the discount relative to US shares is twice as high as the historical average. The German stock market is quite cyclical and can benefit from the upturn in growth in Europe and, thanks to the cheap euro, also from global growth acceleration. German growth stands on strong legs thanks to the strong labour market which supports consumption, and, as the government budget shows a surplus, there is no need to fear a tightening of budgetary policy.

The Japanese stock market remains in the grip of the vagaries of the exchange rate. A strong yen is so negative for internationally oriented companies that stock market prices fall more than the yen appreciates. The recent strengthening of the US dollar was, therefore, good news. We expect the yen to continue to depreciate towards 125 Japanese yen to the dollar – its level in mid-2015. Along with stronger global growth and better indicators of the domestic economy, this should translate into increased earnings growth from the spring of 2017.

Growth in the emerging countries slowed down in recent years, but made a comeback in 2016. Economic growth in China is slowing structurally, but remained on the desired level in the fourth quarter (6.7%). The Chinese government not only took additional measures, including easing its monetary policy and allowing the Chinese currency to weaken, but also invested further. The Chinese real estate market has therefore recovered spectacularly, which benefits global commodity markets. The Chinese government seems committed to achieve solid growth and stability in financial markets by any means necessary.

Commodity producers such as Brazil and Russia have been doing excellent since early 2016 due to rising oil and commodity prices. We expect these markets to lose some momentum as they remain in the grip of recession, though the worst – especially in the case of Russia – is behind them. We fear that, in Brazil in particular, the market has gone a little too far in its anticipation of economic recovery. While Latin America – albeit mainly Mexico – responded with trepidation to Trump's election because of his anti-globalism, Russia is benefiting from the hope that sanctions will be lifted.

Emerging Asia remains the region with the highest structural growth and is trading at a very attractive valuation. Many countries are emerging from a period of a clear slowdown in growth, weak business confidence and contracting industrial production and exports. We are waiting for confirmation of the first signs of improvement before we go flat out for this region. For them, too, the trade policy of the US president-elect is a clear risk.

In Central Europe we are seeing solid growth with confidence indicators in the green. Economic growth will also be boosted by the improving economic situation in Western Europe. Stock markets suffered long under a populist, euro-sceptical and less business-friendly policy in Poland and Hungary, however, these measures are being downplayed recently. Turkey is gradually being sucked into the quagmire of conflicts in Syria and with its own Kurdish population. The president is solely concerned about strengthening his own position at the expense of sound governance. A failed coup was seized on as an opportunity to further repress any potential opposition. Turkey's growth narrative is thus being squeezed and GDP growth was negative in the third quarter, for the first time since the great crisis. Its stock market is cheap, but the risks keep piling up.

#### **Difficult for bond investors**

The current yield on government bonds of the core countries in the euro area is extremely low or even negative, and in addition the upward pressure on these interest rates will increase in the coming months as a result of rising inflation figures. This constitutes an asymmetrical risk, although the anticipated rate hike will remain limited for the time being because the US Federal Reserve (Fed) is prioritising a very gradual normalisation of its policy. The European Central Bank (ECB) is extending its purchase programme until the end of 2017 and as such continues to exert downward pressure on interest rates.

Inflation-linked bonds are attractive because we see inflation picking up faster than the current market expectations. Bonds from countries with higher interest rate levels, also found partly in the emerging countries, offer opportunities too. Volatility could rise here, not in the least because of the uncertainty regarding the potential consequences Trump's policy. In any event, their higher volatility means that these bonds deserve a place in a well-diversified portfolio.

Certain segments of the corporate bond market also remain attractive, particularly subordinated bonds of non-financial companies continue to charm us. Returns are a little higher there, offsetting the higher risk. Companies from the euro area are generally healthier than ever and often have substantial cash positions and a strong financial structure. Effective diversification within this theme also reduces the negative impact that individual companies can have. Moreover, the ECB provides additional support for this theme by purchasing corporate bonds, thereby supporting the overall economic climate.

*Edited to 14 March 2017.*

### 1.3 AGGREGATED BALANCE SHEET (IN EUR)

<b>Balance sheet layout</b>	<b>28/02/2017</b> (in the currency of the bevek)	<b>29/02/2016</b> (in the currency of the bevek)
<b>TOTAL NET ASSETS</b>	418.039.962,50	300.661.090,39
<b>II. Securities, money market instruments, UCIs and derivatives</b>		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds		7.158.347,07
C. Shares and similar instruments		
a) Shares	377.739.885,56	272.586.760,72
Of which securities lent	-3.144.475,89	6.648.587,31
b) Closed-end undertakings for collective investment	7.190.349,19	19.850,64
D. Other securities	31.176.201,15	30.110.246,87
<b>IV. Receivables and payables within one year</b>		
A. Receivables		
a) Accounts receivable	1.119.625,26	600.338,42
b) Tax assets		16.809,19
B. Payables		
a) Accounts payable (-)	-1.143.256,79	-2.192.456,81
c) Borrowings (-)	-2.659.527,59	-591.240,99
d) Collateral (-)		-7.158.347,07
<b>V. Deposits and cash at bank and in hand</b>		
A. Demand balances at banks	4.348.747,23	193.951,86
<b>VI. Accruals and deferrals</b>		
A. Expense to be carried forward	275.554,90	196.956,37
B. Accrued income	663.371,57	199.911,00
C. Accrued expense (-)	-670.987,98	-478.290,88
<b>TOTAL SHAREHOLDERS' EQUITY</b>	418.039.962,50	300.661.090,39
A. Capital	429.372.924,06	304.784.654,86
B. Income equalization	172.734,15	-209.741,58
D. Result for the period	-11.505.695,71	-3.913.822,89

#### Off-balance-sheet headings

<b>I Collateral (+/-)</b>		
<b>I.A Collateral (+/-)</b>		
I.A. Securities/market instruments		7.158.347,07
A		
<b>IX Financial instruments lent</b>	-3.144.475,89	6.648.587,31

## 1.4 AGGREGATED PROFIT AND LOSS ACCOUNT (IN EUR)

<b>Income Statement</b>	<b>28/02/2017</b> (in the currency of the bevek)	<b>29/02/2016</b> (in the currency of the bevek)
<b>I. Net gains(losses) on investments</b>		
C. Shares and similar instruments		
a) Shares	-14.772.324,06	-1.805.023,99
b) Closed-end undertakings for collective investment	-169.215,31	1.801,89
D. Other securities	-323.624,61	-4.388.329,15
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts		147,42
b) Other foreign exchange positions and transactions	4.187.846,58	-1.292.858,93
<b>Det.section I gains and losses on investments</b>		
Realised gains on investments	16.113.056,61	15.016.561,12
Unrealised gains on investments	-19.916.077,31	-15.868.894,98
Realised losses on investments	-6.125.852,46	-2.216.376,91
Unrealised losses on investments	-1.148.444,24	-4.415.551,99
<b>II. Investment income and expenses</b>		
A. Dividends	2.965.137,73	1.267.118,88
B. Interests		
a) Securities and money market instruments	3.562,51	15.058,09
b) Cash at bank and in hand and deposits	1.903,58	945,13
C. Interest on borrowings (-)	-3.031,07	-858,10
F. Other investment income	566.300,86	5.300.386,87
<b>IV. Operating expenses</b>		
A. Investment transaction and delivery costs (-)	-352.690,24	-234.111,33
B. Financial expenses (-)	-3.355,42	-1.336,78
C. Custodian's fee (-)	-121.900,60	-131.711,41
D. Manager's fee (-)		
a) Financial management	-3.023.381,14	-2.277.079,72
b) Administration and accounting management	-201.558,85	-151.805,56
E. Administrative expenses (-)	0,30	-3.785,06
F. Formation and organisation expenses (-)	-23.845,08	-29.100,60
H. Services and sundry goods (-)	-14.234,67	-24.271,76
J. Taxes	-191.398,24	-155.832,83
K. Other expenses (-)	-29.887,98	-3.175,95
<b>Income and expenditure for the period</b>		
Subtotal II + III + IV	-428.378,24	3.570.439,87
<b>V. Profit (loss) on ordinary activities before tax</b>	-11.505.695,71	-3.913.822,89
<b>VII. Result for the period</b>	-11.505.695,71	-3.913.822,89

## 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%

## 1.5.2 EXCHANGE RATES

1 EUR =	28/02/2017		29/02/2016	
		1,3821	AUD	1,52125
	1,4074	CAD	1,47185	CAD
	1,06415	CHF	1,0822	CHF
	0,8539	GBP	0,7797	GBP
	8,24835	HKD	8,44915	HKD
	118,889	JPY	122,644	JPY
	8,8805	NOK	9,47225	NOK
	1,4692	NZD	1,64795	NZD
	9,57	SEK	9,33225	SEK
	1,4861	SGD	1,5283	SGD
	3,8547	TRY	3,21055	TRY
	1,0626	USD	1,08655	USD

## **EXISTENCE OF COMMISSION SHARING AGREEMENTS**

### What the Commission Sharing Agreement entails

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

### **N.B.:**

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

Goods and services eligible for a Commission Sharing Agreement:

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

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

Broker	Commission gross in EUR paid during the period: 1-09-16 - 28-02-17	CSA Credits in EUR accrued during the period: 1-09-16 - 28-02-17	Percentage
CARNEGIE	904	151	16,67%
CITI	5.079	1.244	24,50%
CSFBSAS	14.400	3.133	21,76%
DEUTSCHE	5.215	1.049	20,12%
EQ CSA GOLDMAN SACHS INTERNATIONAL	3.455	864	25,00%
HSBC	15.460	3.465	22,41%
INSTINET	15.983	3.483	21,79%
MACQUARIE	7.509	1.792	23,87%
MERRILL	2.690	644	23,93%
MORGAN STANLEY	5.175	1.105	21,36%
SOCGEN	1.225	204	16,67%
UBSWDR	4.500	988	21,95%

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## 2 INFORMATION ON KBC SELECT IMMO WORLD PLUS

### 2.1 MANAGEMENT REPORT

#### 2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launched date: 6 March 1998  
 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. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in real estate certificates, shares in real estate companies and UCIs that invest in real estate.

##### **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 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 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.

### **SELECTED STRATEGY**

The assets are invested primarily in an internationally diversified portfolio of real estate certificates, shares in real estate companies and real estate funds. Investments are also made in other securities linked to the real estate sector.

### **RISK CONCENTRATION**

Real Estate.

### **VOLATILITY OF THE NET ASSET VALUE**

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

### **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.
- short term 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., 4, Rue du Fort Wallis, L-2714 Luxembourg.

**2.1.6 INDEX AND BENCHMARK**

See 'Sub-fund's investment policy'.

### 2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The recent period was exceptionally difficult for the real-estate sector, particularly compared with preceding years. The headwinds experienced by the sector related chiefly to developments in the broad stock markets, combined with macroeconomic developments and the election of President Trump in the United States, which took centre stage.

The central banks played an important role too. Although the ECB is keeping its key rate low, it hinted that it is preparing to allow its stimulus policy to systematically taper in the future. Rate hikes have already begun to occur in the United States, prompting rapid revision of forecasts in Europe. The rhetoric of the new President of the United States, Donald Trump, stoked the equity markets around the world, including US real-estate stocks. The expectation of higher interest rates led to accelerated rotation from relatively defensive sectors, which benefit from low or falling interest rates, to more cyclical sectors, which are favoured by rising interest rates. Real-estate shares are therefore balancing more than before between the prospects for economic growth and the consequences of rising interest rates.

In operational terms, we note that property companies are still generally doing well, with rising cash flows and dividends as a result. All the same, sector rotation is gradually taking its toll. The relatively cheap sectors were relatively attractive to investors for whom more expensive ones like the real-estate sector have fallen from grace. This effect put pressure on the real-estate sector and eroded the premium. In regional terms, we note that increasing uncertainty continues to have its effect. It is striking how the repercussions of higher interest rates have been greatest for European real estate, where higher rates are running ahead of economic improvement. In the United States, by contrast, we find that real-estate stocks are performing better than European stocks, despite the fact that key rates in the US have already been hiked. A great deal of this naturally reflects expectations concerning future interest-rate movements. Negative European rates will not last, and the market will have to adapt to this.

The potential consequences of the Brexit vote in the UK continue to generate considerable uncertainty, in both Britain and beyond. There is avid speculation as to whether certain banking and other services will have to be located on the continent, which clearly has implications for the office market in both the UK and mainland Europe. Frankfurt, Paris and Dublin stand to benefit most, but Madrid and Amsterdam also crop up repeatedly on the list of candidates that might see a shift in jobs. Prospects for the US office market will improve if employment is boosted by President Trump's administration.

The retail property market is holding up relatively well, but there are several important points to take into account. Significant bankruptcies have occurred in recent quarters among a number of major retail chains, while intensifying pressure from e-commerce means that landlords of retail properties need to be constantly on their guard and must act to keep their portfolio healthy. Retail chains are rationalising the number of stores and the necessary retail space. The French retail property stocks Klépierre and Unibail-Rodamco suffered from their liquid character and performed weakly in November and December. A similar pattern is found among US retail real-estate players like Simpson Property and General Growth, to mention just a few examples.

The same applied to German residential real-estate stocks, which have the drawback of being viewed as an alternative to German government bonds. Fear of rising interest rates meant that this segment was hit especially hard by sector rotation.

The long-term prospects for the logistical real-estate market are good. We detect growing demand in these segments, due to the strong growth of e-commerce. Logistical real-estate stocks are trading at substantial valuations in all the continents.

### **2.1.8 FUTURE POLICY**

The real-estate market promises to develop in an interesting way at any rate, in that it has to adapt to a new equilibrium in an environment of rising interest rates combined with elections. The central banks are likely to play a key role once again. Management teams seem to have been rather cautious when reporting their annual results in terms of formulating their forecasts for 2017 and beyond.

The consequences of Brexit will become steadily clearer, and although British real estate has held up well so far, it is fair to say that the prospects for the UK property sector are not particularly rosy. Nor is the extent to which continental real-estate markets will be able to benefit from Brexit cut and dried. Temporary imbalances in the property market could provide opportunities.

Contrary to perception, real-estate businesses are still managing to keep the average cost of their debt finance low, and capital values are generally assessed fairly conservatively by property appraisers. We therefore anticipate a further decoupling between the underlying real-estate market and the performance of the stock market, in which individual elements will provide differentiation. In this context, we expect that companies will still be in a position to grow their cash flows and dividends.

It is expected that real-estate companies will be able to turn to the capital market once more to help fund the upcoming acquisitions. We do not expect, however, that real-estate firms in general will be tempted to raise their debt levels significantly. It is notable too that the number of IPOs is beginning to rise once more.

### **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

<b>Balance sheet layout</b>	<b>28/02/2017</b> (in the currency of the sub-fund)	<b>29/02/2016</b> (in the currency of the sub-fund)
<b>TOTAL NET ASSETS</b>	164.981.157,55	52.674.404,17
<b>II. Securities, money market instruments, UCIs and derivatives</b>		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds		1.220.723,78
C. Shares and similar instruments		
a) Shares	165.841.474,43	52.381.777,29
Of which securities lent		1.143.498,39
D. Other securities	136.319,71	121.509,30
<b>IV. Receivables and payables within one year</b>		
A. Receivables		
a) Accounts receivable	202.048,73	64.748,81
b) Tax assets		3.297,87
B. Payables		
a) Accounts payable (-)	-362.342,71	-918,37
c) Borrowings (-)	-1.849.035,46	-100.409,75
d) Collateral (-)		-1.220.723,78
<b>V. Deposits and cash at bank and in hand</b>		
A. Demand balances at banks	769.579,75	164.072,46
<b>VI. Accruals and deferrals</b>		
A. Expense to be carried forward	120.147,01	35.392,16
B. Accrued income	388.966,17	75.399,48
C. Accrued expense (-)	-266.000,08	-70.465,08
<b>TOTAL SHAREHOLDERS' EQUITY</b>	164.981.157,55	52.674.404,17
A. Capital	162.290.102,64	52.011.801,53
B. Income equalization	27.410,23	90.816,23
D. Result for the period	2.663.644,68	571.786,41

### Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/market instruments		1.220.723,78
IX Financial instruments lent		1.143.498,39

## 2.3 PROFIT AND LOSS ACCOUNT

<b>Income Statement</b>	<b>28/02/2017</b> (in the currency of the sub-fund)	<b>29/02/2016</b> (in the currency of the sub-fund)
<b>I. Net gains(losses) on investments</b>		
C. Shares and similar instruments		
a) Shares	-2.192.795,54	-530.075,03
D. Other securities	1.759,65	5.368,27
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts		147,42
b) Other foreign exchange positions and transactions	4.227.052,09	1.059.441,91
<b>Det.section I gains and losses on investments</b>		
Realised gains on investments	1.574.846,12	716.657,10
Unrealised gains on investments	3.191.016,06	1.208.829,35
Realised losses on investments	-1.546.544,83	-564.578,86
Unrealised losses on investments	-1.183.301,15	-826.025,02
<b>II. Investment income and expenses</b>		
A. Dividends	2.117.290,87	499.451,27
B. Interests		
a) Securities and money market instruments	-101,82	3.315,67
b) Cash at bank and in hand and deposits	1.812,83	751,10
C. Interest on borrowings (-)	-926,16	-63,53
F. Other investment income	3.690,86	3.256,63
<b>IV. Operating expenses</b>		
A. Investment transaction and delivery costs (-)	-82.207,50	-31.410,53
B. Financial expenses (-)	-1.509,51	-195,28
C. Custodian's fee (-)	-32.344,18	-16.106,44
D. Manager's fee (-)		
a) Financial management	-1.173.844,60	-349.261,05
b) Administration and accounting management	-78.256,38	-23.284,14
E. Administrative expenses (-)	-0,39	-1.804,23
F. Formation and organisation expenses (-)	-9.751,79	-8.677,38
H. Services and sundry goods (-)	-5.255,93	-4.522,90
J. Taxes	-81.258,85	-25.657,47
K. Other expenses (-)	-29.708,97	-8.887,88
<b>Income and expenditure for the period</b>		
Subtotal II + III + IV	627.628,52	36.903,84
<b>V. Profit (loss) on ordinary activities before tax</b>	2.663.644,68	571.786,41
<b>VII. Result for the period</b>	2.663.644,68	571.786,41

## 2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

### 2.4.1 COMPOSITIONS OF THE ASSETS OF KBC SELECT IMMO WORLD PLUS

Name	Quantity on 28/02/2017	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Australia</u>							
CHARTER HALL RETAIL REIT -	215.672,00	AUD	4,290	669.439,90		0,40	0,41
DEXUS PROPERTY GROUP -	94.802,00	AUD	9,440	647.515,29		0,39	0,39
GOODMAN GROUP -	124.504,00	AUD	7,550	680.128,21		0,41	0,41
GPT GROUP -	41.494,00	AUD	4,930	148.010,58		0,09	0,09
MIRVAC GROUP -	1.019.652,00	AUD	2,150	1.586.174,52		0,96	0,96
SCENTRE GROUP -	905.678,00	AUD	4,360	2.857.069,73		1,72	1,73
STOCKLAND -	585.481,00	AUD	4,720	1.999.472,05		1,21	1,21
VICINITY CENTRES -	469.848,00	AUD	2,890	982.461,99		0,59	0,60
WESTFIELD CORP -	1.197,00	AUD	8,800	7.621,45		0,01	0,01
<u>Austria</u>							
BUWOG - BAUEN UND WOHNEN GMBH -	13.059,00	EUR	23,570	307.800,63		0,19	0,19
CA IMMOBILIEN ANLAGEN AG -	11.001,00	EUR	18,500	203.518,50		0,12	0,12
<u>Belgium</u>							
AEDIFICA -	2.330,00	EUR	72,080	167.946,40		0,10	0,10
INTERVEST -	4.173,00	EUR	23,600	98.482,80		0,06	0,06
RETAIL ESTATES -	6.750,00	EUR	73,660	497.205,00		0,30	0,30
WAREHOUSE DISTR. DE PAUW -	4.324,00	EUR	87,790	379.603,96		0,23	0,23
<u>Bermuda</u>							
BROOKFIELD BUSINESS PARTNERS L -	106,00	CAD	33,610	2.531,38		0,00	0,00
<u>Canada</u>							
ALLIED PROPERTIES REAL ESTATE -	3.105,00	CAD	35,020	77.260,98		0,05	0,05
ARTIS REAL ESTATE INVESTMENT -	2.471,00	CAD	12,990	22.806,80		0,01	0,01
BOARDWALK REAL ESTATE INVESTMENTS -	1.579,00	CAD	44,470	49.892,09		0,03	0,03
BROOKFIELD ASSET MANAGEMENT -	23.331,00	CAD	47,840	793.061,70		0,48	0,48
CANADIAN APARTMENT PROPERTIES -	4.913,00	CAD	32,160	112.265,23		0,07	0,07
CANADIAN REAL ESTATE INVESTMENT -	3.068,00	CAD	49,800	108.559,33		0,07	0,07
CHARTWELL RETIREMENT RESIDENCES -	4.537,00	CAD	15,670	50.514,99		0,03	0,03
DREAM GLOBAL REAL ESTATE INVESTM -	4.736,00	CAD	9,870	33.213,24		0,02	0,02
DREAM OFFICE REALESTATE INVES -	1.787,00	CAD	18,730	23.781,80		0,01	0,01
FIRST CAPITAL REALTY INC -	3.878,00	CAD	20,920	57.643,71		0,04	0,04
GRANITE REAL ESTATE INC -	1.042,00	CAD	46,000	34.057,13		0,02	0,02
H&R REAL ESTATE INV. TRUST -	35.877,00	CAD	23,600	601.603,81		0,36	0,37
PURE INDUSTRIAL REAL ESTATE TR -	69.697,00	CAD	5,980	296.140,44		0,18	0,18
RIOCAN REALESTATE INV. TRUST -	20.970,00	CAD	26,680	397.527,07		0,24	0,24
<u>Cayman Islands</u>							
SHIMAO PROPERTY HOLDINGS LTD -	10.281,00	HKD	11,140	13.885,24		0,01	0,01
<u>China</u>							
LONGFOR PROPERTIES CO LTD -	229.500,00	HKD	12,420	345.570,93		0,21	0,21

<u>Cyprus</u>							
AROUNDTOWN PROPERTY HOLD PLC -	255.892,00	EUR	4,320	1.105.453,44		0,67	0,67
<u>Finland</u>							
CITYCON OYJ (HEL)	950,00	EUR	2,240	2.128,00		0,00	0,00
SPONDA OYJ (HEL)	113.418,00	EUR	3,954	448.454,77		0,27	0,27
TECHNOPOLIS OYJ -	11.952,00	EUR	3,040	36.334,08		0,02	0,02
<u>France</u>							
FONCIERE DES REGIONS -	1.038,00	EUR	77,710	80.662,98		0,05	0,05
GECINA REG	1.961,00	EUR	120,100	235.516,10		0,14	0,14
ICADE EMGP -	14.940,00	EUR	67,300	1.005.462,00		0,61	0,61
KLEPIERRE (CIE FONCIERE) -	36.335,00	EUR	35,065	1.274.086,78		0,77	0,77
MERCIALYS SA -	1.877,00	EUR	17,050	32.002,85		0,02	0,02
UNIBAIL-RODAMCO SE -	17.336,00	EUR	215,350	3.733.307,60		2,25	2,26
<u>Germany</u>							
ADLER REAL ESTATE AG -	5.762,00	EUR	15,195	87.553,59		0,05	0,05
ADO PROPERTIES SA -	68.287,00	EUR	34,855	2.380.143,39		1,43	1,44
ALSTRIA OFFICE AG -	51.244,00	EUR	11,435	585.975,14		0,35	0,36
DEUTSCHE EUROSHOP AG -	925,00	EUR	39,115	36.181,38		0,02	0,02
DEUTSCHE WOHNEN AG -	89.178,00	EUR	32,425	2.891.596,65		1,74	1,75
DO DEUTSCHE OFFICE AG -	37.682,00	EUR	0,000	0,00			
LEG IMMOBILIEN AG -	8.375,00	EUR	77,790	651.491,25		0,39	0,40
PATRIZIA IMMOBILIEN AG -	5.850,00	EUR	17,675	103.398,75		0,06	0,06
TLG IMMOBILIEN AG -	46.676,00	EUR	18,215	850.203,34		0,51	0,52
VONOVIA SE -	42.865,00	EUR	32,890	1.409.829,85		0,85	0,86
<u>Hong Kong</u>							
CHEUNG KONG PROPERTY HOLDINGS -	302.526,00	HKD	52,800	1.936.553,71		1,17	1,17
CHINA OVERSEAS LAND & INVEST LTD -	33.081,00	HKD	23,900	95.853,83		0,06	0,06
CHINA OVERSEAS PROPERTY HOLDIN -	3.693,00	HKD	1,400	626,82			
CHINA RESOURCES BEIJING LAND -	456.171,00	HKD	21,200	1.172.455,73		0,71	0,71
HANG LUNG PROPERTIES LTD -	38.787,00	HKD	19,600	92.166,94		0,06	0,06
HENDERSON LAND -	24.988,00	HKD	45,100	136.628,39		0,08	0,08
HONG KONG LAND HOLDINGS -	126.007,00	USD	6,830	809.926,42		0,49	0,49
HYSAN DEVELOPMENT CO LTD -	17.540,00	HKD	36,200	76.978,79		0,05	0,05
KERRY PROPERTIES LTD -	490,00	HKD	23,800	1.413,86		0,00	0,00
NEW WORLD DEV -	1.462.000,00	HKD	10,160	1.800.835,32		1,09	1,09
SINO LAND CO. -	100.000,00	HKD	13,520	163.911,57		0,10	0,10
SUN HUNG KAI PROPS -	195.744,00	HKD	113,500	2.693.501,61		1,62	1,63
SWIRE PROPERTIES LTD -	108.400,00	HKD	23,350	306.866,22		0,19	0,19
THE LINK REIT -	119.961,00	HKD	53,550	778.811,71		0,47	0,47
WHARF (HOLDINGS) LTD. -	14.021,00	HKD	61,550	104.626,08		0,06	0,06
<u>Ireland</u>							
GREEN REIT PLC -	836.250,00	EUR	1,350	1.128.937,50		0,68	0,68
HIBERNIA REIT PLC -	749.640,00	EUR	1,210	907.064,40		0,55	0,55
IRISH RESIDENTIAL PROPERTIES R -	498.562,00	EUR	1,200	598.274,40		0,36	0,36
<u>Italy</u>							
BENI STABILI SPA -	78.812,00	EUR	0,590	46.499,08		0,03	0,03
<u>Japan</u>							
AEON MALL CO LTD -	12.600,00	JPY	1.725,000	182.817,59		0,11	0,11
DAIWA HOUSE REIT INVESTMENT CO -	132,00	JPY	292.000,000	324.201,57		0,20	0,20
FRONTIER REAL ESTATE INVESTMENT -	14,00	JPY	512.000,000	60.291,53		0,04	0,04
HULIC CO LTD -	6.142,00	JPY	1.069,000	55.226,29		0,03	0,03
INVINCIBLE INVESTMENT CORP -	1.589,00	JPY	48.250,000	644.880,94		0,39	0,39
JAPAN EXCHANGE GROUP IN -	42,00	JPY	145.700,000	51.471,54		0,03	0,03

JAPAN HOTEL REIT INVESTMENT CO -	330,00	JPY	80.600,000	223.721,29	0,14	0,14
JAPAN LOGISTICS FUND INC -	20,00	JPY	242.400,000	40.777,53	0,03	0,03
JAPAN PRIME REALTY INC CORP -	23,00	JPY	446.000,000	86.282,16	0,05	0,05
JAPAN REAL ESTATE INV CORP -	42,00	JPY	619.000,000	218.674,56	0,13	0,13
JAPAN RETAIL FD INV CORP -	92,00	JPY	226.000,000	174.885,82	0,11	0,11
KENEDIX OFFICE INVESTMENT CORP -	43,00	JPY	668.000,000	241.603,51	0,15	0,15
MITSUBISHI ESTATE -	187.856,00	JPY	2.195,000	3.468.310,10	2,09	2,10
MITSUMI FUDOSAN -	150.412,00	JPY	2.543,000	3.217.267,50	1,94	1,95
MORI HILLS REIT INVESTMENT COR -	247,00	JPY	154.300,000	320.568,77	0,19	0,19
NIPPON BUILDING FUND INC -	55,00	JPY	628.000,000	290.523,09	0,18	0,18
NIPPON PROLOGIS REIT INC -	95,00	JPY	241.500,000	192.974,12	0,12	0,12
NOMURA REAL ESTATE HOLD INC -	28.700,00	JPY	1.906,000	460.111,53	0,28	0,28
NOMURA REAL ESTATE MASTER FUND -	135,00	JPY	168.300,000	191.106,83	0,12	0,12
ORIX JREIT INC -	256,00	JPY	176.900,000	380.913,29	0,23	0,23
SUMITOMO REALTY & DEV. -	36.158,00	JPY	3.101,000	943.114,65	0,57	0,57
TOKYO TATEMONO CO LTD -	73.449,00	JPY	1.585,000	979.204,68	0,59	0,59
TOKYU FUDOSAN HOLDINGS CORP -	7.260,00	JPY	640,000	39.081,83	0,02	0,02
UNITED URBAN INVESTMENT CORP -	211,00	JPY	174.600,000	309.873,92	0,19	0,19
<u>Luxembourg</u>						
GRAND CITY PROPERTIES SA -	18.835,00	EUR	17,985	338.747,48	0,20	0,21
<u>Malta</u>						
BGP HOLDINGS PLC -	606.000,00	EUR	0,000	0,00		
<u>Netherlands</u>						
EUROCOMMERCIAL PROPERTIES NV CERT.	4.057,00	EUR	33,420	135.584,94	0,08	0,08
VASTNED-RETAIL -	5.354,00	EUR	33,600	179.894,40	0,11	0,11
WERELDHAVE NV (AMS)	4.161,00	EUR	41,230	171.558,03	0,10	0,10
<u>Norway</u>						
ENTRA ASA -	1.292,00	NOK	95,500	13.894,04	0,01	0,01
<u>Singapore</u>						
ASCENDAS REAL ESTATE INVESTM. TR. -	338,00	SGD	2,500	568,60		
CAPITALAND LTD -	156.900,00	SGD	3,640	384.305,23	0,23	0,23
CAPITAMALL TRUST -	34.466,00	SGD	1,970	45.688,73	0,03	0,03
CITY DEVELOPMENTS LTD -	373,00	SGD	9,470	2.376,90	0,00	0,00
GLOBAL LOGISTIC PROPERTIES LTD -	1.288.000,00	SGD	2,660	2.305.416,86	1,39	1,40
K-REIT ASIA -	101.400,00	SGD	1,035	70.620,42	0,04	0,04
MAPLE TREE COMMERCIAL TRUST -	138.294,00	SGD	1,500	139.587,51	0,08	0,09
MAPLE TREE INDUSTRIAL TRUST -	34.000,00	SGD	1,665	38.093,00	0,02	0,02
SUNTEC REIT -	99.055,00	SGD	1,730	115.311,99	0,07	0,07
UOL GROUP LTD -	14.000,00	SGD	6,590	62.081,96	0,04	0,04
WING TAI HOLDINGS LTD -	203.183,00	SGD	1,790	244.732,90	0,15	0,15
<u>Spain</u>						
AXIA REAL ESTATE SOCIMI SA -	3.570,00	EUR	13,685	48.855,45	0,03	0,03
HISPANIA ACTIVOS INMOBILIARIOS -	5.915,00	EUR	12,265	72.547,48	0,04	0,04
INMOBILIARIA COLONIAL SA -	49.823,00	EUR	6,899	343.728,88	0,21	0,21
LAR ESPANA REAL ESTATE SOCIMI -	17.469,00	EUR	7,350	128.397,15	0,08	0,08
MERLIN PROPERTIES SOCIMI SA -	28.084,00	EUR	10,715	300.920,06	0,18	0,18
<u>Sweden</u>						
CASTELLUM AB -	112.277,00	SEK	122,300	1.434.846,09	0,86	0,87
D CARNEGIE & CO AB -	183.871,00	SEK	109,500	2.103.853,13	1,27	1,28
FABEGE AB -	105.465,00	SEK	152,300	1.678.403,29	1,01	1,02
FASTIGHETS AB BALDER -B-	10.211,00	SEK	197,400	210.621,88	0,13	0,13
HUFVUDSTADEN AB "A"	20.066,00	SEK	140,100	293.756,18	0,18	0,18
PANDOX AB -	17.637,00	SEK	142,400	262.435,61	0,16	0,16

WALLENSTAM AB -B-	14.554,00	SEK	73,850	112.310,65		0,07	0,07
WHLBORGS FASTIGHETER -	34.044,00	SEK	179,500	638.547,34		0,39	0,39
<u>Switzerland</u>							
PSP SWISS PROPERTY AG -	4.533,00	CHF	93,600	398.711,46		0,24	0,24
SWISS PRIME SITE -	4.943,00	CHF	87,200	405.045,91		0,24	0,25
<u>U.K.</u>							
ASSURA PLC -	804.184,00	GBP	0,585	550.939,97		0,33	0,33
BIG YELLOW GROUP PLC -	12.121,00	GBP	7,310	103.764,50		0,06	0,06
BRITISHLAND CO PLC -	35.270,00	GBP	6,175	255.055,92		0,15	0,16
CAPITAL & COUNTIES PROPERTIES -	22.370,00	GBP	2,939	76.994,30		0,05	0,05
DERWENT LONDON PLC -	6.207,00	GBP	28,200	204.985,83		0,12	0,12
EMPIRIC STUDENT PROPERTY PLC -	73.624,00	GBP	1,105	95.274,06		0,06	0,06
GREAT PORTLAND ESTATES -	25.159,00	GBP	6,480	190.924,37		0,12	0,12
HAMMERSON PLC -	229.290,00	GBP	5,885	1.580.245,52		0,95	0,96
HELICAL PLC -	7.732,00	GBP	3,223	29.179,49		0,02	0,02
INTU PROPERTIES PLC -	47.653,00	GBP	2,869	160.108,28		0,10	0,10
LAND SECURITIES GROUP PLC -	31.452,00	GBP	10,660	392.643,54		0,24	0,24
LONDON METRIC PROPERTY PLC -	189.881,00	GBP	1,550	344.672,15		0,21	0,21
SAFESTORE HOLDINGS PLC -	178.788,00	GBP	3,840	804.012,09		0,48	0,49
SEGRO PLC -	274.129,00	GBP	4,938	1.585.254,72		0,96	0,96
SHAFTESBURY PLC -	38.251,00	GBP	9,155	410.104,12		0,25	0,25
ST MODWEN PROPERTIES PLC -	6.361,00	GBP	3,425	25.514,02		0,02	0,02
TRITAX BIG BOX REIT PLC -	25.812,00	GBP	1,459	44.103,18		0,03	0,03
UNITE GROUP PLC -	132.279,00	GBP	6,250	968.197,39		0,58	0,59
WORKSPACE GROUP PLC -	9.016,00	GBP	7,940	83.835,39		0,05	0,05
<u>U.S.A.</u>							
ALEXANDRIA REAL ESTATE EQUITIES INC -	8.075,00	USD	119,310	906.670,67		0,55	0,55
AMERICAN CAMPUS COMMUNITIES INC -	36.681,00	USD	51,100	1.763.974,31		1,06	1,07
AMERICAN NATIONAL INSURANCE -	8.320,00	USD	44,000	344.513,46		0,21	0,21
AMERICAN NATIONAL INSURANCE -	78.676,00	USD	23,770	1.759.955,32		1,06	1,07
AMERICAN TOWER CORP CL A	13.410,00	USD	114,790	1.448.648,50		0,87	0,88
APARTMENT INVT & MGMT CIE -	19.584,00	USD	46,530	857.560,25		0,52	0,52
AVALONBAY COMMUNITIES INC -	19.798,00	USD	183,780	3.424.126,14		2,06	2,08
BOSTON PROPERTIES INC -	28.611,00	USD	139,030	3.743.447,52		2,26	2,27
BRIXMOR PROPERTY GROUP INC -	20.394,00	USD	23,340	447.954,04		0,27	0,27
CAMDEN PROPERTY TRUST -	8.560,00	USD	84,650	681.916,05		0,41	0,41
CARE CAPITAL PROPERTIES -	1.957,00	USD	26,290	48.418,53		0,03	0,03
CB RICHARD ELLIS GROUP INC -	16.629,00	USD	35,620	557.429,87		0,34	0,34
CBL & ASSOCIATES PROP. INC. -	157.078,00	USD	10,030	1.482.676,77		0,89	0,90
CHESAPEAKE LODGING TRUST -	1.315,00	USD	24,160	29.898,74		0,02	0,02
COLONY STARWOOD HOMES -	20.607,00	USD	32,900	638.029,64		0,38	0,39
CORPORATE OFFICE PROPERTIES TR -	14.033,00	USD	34,090	450.202,31		0,27	0,27
COUSINS PROPERTIES INC -	56.125,00	USD	8,550	451.598,67		0,27	0,27
CROWN CASTLE INTL CORP -	1.375,00	USD	93,530	121.027,43		0,07	0,07
CUBESMART -	50.337,00	USD	27,250	1.290.874,51		0,78	0,78
CYRUSONE INC -	38.399,00	USD	50,900	1.839.364,86		1,11	1,12
DCT INDUSTRIAL TRUST INC -	19.098,00	USD	47,840	859.823,38		0,52	0,52
DDR CORP -	8.366,00	USD	14,460	113.845,62		0,07	0,07
DIAMONDROCK HOSPITALITY CO -	4.473,00	USD	10,870	45.757,11		0,03	0,03
DIGITAL INSIGHT -	35.417,00	USD	108,000	3.599.695,09		2,17	2,18
DOUGLAS EMMET INC -	8.518,00	USD	40,340	323.372,97		0,20	0,20
DUKE REALTY CORP -	123.719,00	USD	25,640	2.985.276,83		1,80	1,81
DUPONT FABROS TECHNOLOGY INC -	25.558,00	USD	51,490	1.238.454,19		0,75	0,75
EAST GROUP PROPERTIES INC -	15.127,00	USD	74,340	1.058.292,09		0,64	0,64
EDUCATION REALTY TRUST INC -	10.049,00	USD	42,150	398.612,22		0,24	0,24
EMPIRE STATE REALTY TRUST INC -	1.063,00	USD	21,810	21.818,21		0,01	0,01

EPR PROPERTIES -	1.419,00	USD	76,960	102.772,67		0,06	0,06
EQUINIX INC -	3.378,00	USD	376,070	1.195.524,62		0,72	0,73
EQUITY LIFESTYLE PROPERTIES INC -	14.612,00	USD	79,620	1.094.868,66		0,66	0,66
EQUITY RESIDENTIAL -	27.529,00	USD	63,070	1.633.967,65		0,98	0,99
ESSEX PROPERTY TRUST INC -	5.696,00	USD	234,700	1.258.094,49		0,76	0,76
EXTRA SPACE STORAGE INC -	11.329,00	USD	79,190	844.290,90		0,51	0,51
FED REALTY INVS. -	1.805,00	USD	140,730	239.052,94		0,14	0,15
FIRST INDUSTRIAL REALTY TRUST -	7.481,00	USD	26,900	189.383,49		0,11	0,12
FIRST POTOMAC REALTY TRUST -	1.415,00	USD	9,990	13.303,08		0,01	0,01
FOREST CITY ENTERPRISES INC -	13.014,00	USD	22,850	279.851,21		0,17	0,17
GAMING AND LEISURE PROPERTIES -	4.197,00	USD	32,000	126.391,87		0,08	0,08
GGP INC. -	118.902,00	USD	24,860	2.781.765,22		1,68	1,69
HCP INC -	10.507,00	USD	32,790	324.227,87		0,20	0,20
HIGHWOODS PROPERTIES INC -	10.812,00	USD	52,490	534.087,97		0,32	0,32
HOST HOTELS & RESORTS INC -	153.699,00	USD	17,990	2.602.150,40		1,57	1,58
HUDSON PACIFIC PROPERTIES INC -	69.208,00	USD	36,580	2.382.485,07		1,44	1,44
IRON MOUNTAIN INC -	19.828,00	USD	36,350	678.287,03		0,41	0,41
KILROY REALTY CORP -	33.794,00	USD	77,150	2.453.611,05		1,48	1,49
KIMCO REALTY -	26.872,00	USD	24,250	613.256,16		0,37	0,37
KITE REALTY GROUP TRUST -	12.623,00	USD	22,650	269.067,33		0,16	0,16
LASALLE HOTEL PROPERTIES -	16.713,00	USD	28,900	454.550,82		0,27	0,28
LEXINGTON REALTY TRUST -	4.968,00	USD	11,160	52.176,62		0,03	0,03
LIBERTY PROPERTY TRUST -	42.313,00	USD	39,440	1.570.510,75		0,95	0,95
LIFE STORAGE INC -	4.577,00	USD	88,630	381.761,26		0,23	0,23
MACK-CALI REALTY CORP -	1.377,00	USD	29,150	37.774,84		0,02	0,02
MEDICAL PROPERTIES TRUST INC -	29.012,00	USD	13,420	366.404,14		0,22	0,22
MID AMERICA APARTMENT COMMUNITIES -	4.795,00	USD	102,730	463.570,82		0,28	0,28
PARKWAY INC PARKWAY INC	7.015,00	USD	20,980	138.504,33		0,08	0,08
PEBBLEBROOK HOTEL TRUST -	8.423,00	USD	28,750	227.895,02		0,14	0,14
PHYSICIANS REALTY TRUST -	34.500,00	USD	19,920	646.753,25		0,39	0,39
PROLOGIS TRUST -	77.590,00	USD	51,050	3.727.620,46		2,25	2,26
PUBLIC STORAGE INC -	11.195,00	USD	227,460	2.396.400,06		1,44	1,45
QTS REALTY TRUST INC -	3.815,00	USD	52,600	188.847,17		0,11	0,11
QUALITY CARE PROPERTIES INC -	11.743,00	USD	18,980	209.751,68		0,13	0,13
REALITY INCOME CORP. -	8.210,00	USD	61,280	473.469,60		0,29	0,29
REGENCY CENTERS CORP -	12.647,00	USD	70,350	837.301,38		0,50	0,51
RETAIL PROPERTIES OF AMERICA I -	2.677,00	USD	15,410	38.822,29		0,02	0,02
REXFORD INDUSTRIAL REALTY INC -	12.708,00	USD	22,980	274.825,75		0,17	0,17
RLJ LODGING TRUST -	2.209,00	USD	22,760	47.314,93		0,03	0,03
RYMAN HOSPITALITY PROPERTIES -	12.693,00	USD	64,470	770.108,89		0,46	0,47
SABRA HEALTHCARE RET INC -	7.587,00	USD	27,200	194.208,92		0,12	0,12
SENIOR HOUSING PROPERTIES TRUST -	18.841,00	USD	20,500	363.486,26		0,22	0,22
SILVER BAY REALTY TRUST CORP -	2.336,00	USD	21,530	47.331,15		0,03	0,03
SIMON PROPERTY GROUP INC -	46.233,00	USD	184,400	8.023.118,01		4,84	4,87
SL GREEN REALTY CORP -	28.056,00	USD	112,680	2.975.108,30		1,79	1,80
SPIRIT REALTY CAPITAL INC -	6.757,00	USD	10,990	69.884,65		0,04	0,04
STAG INDUSTRIAL INC -	27.926,00	USD	25,830	678.833,60		0,41	0,41
STORE CAPITAL CORP -	745,00	USD	24,910	17.464,66		0,01	0,01
SUMMIT HOTEL PROPERTIES INC -	58.229,00	USD	15,390	843.350,56		0,51	0,51
SUN COMMUNITIES INC. -	951,00	USD	82,830	74.130,75		0,05	0,05
SUNSTONE HOTEL INVESTORS INC -	1.198,00	USD	14,750	16.629,49		0,01	0,01
TANGER FACTORY OUTLET CENTERS -	19.254,00	USD	33,870	613.714,46		0,37	0,37
TAUBMAN CENTERS INC -	5.169,00	USD	69,760	339.346,36		0,20	0,21
THE MACERICH CO -	10.240,00	USD	67,380	649.323,55		0,39	0,39
URBAN EDGE PROPERTIES -	1.954,00	USD	27,730	50.992,30		0,03	0,03
VENTAS INC -	21.623,00	USD	65,050	1.323.711,79		0,80	0,80
VEREIT INC -	54.336,00	USD	9,070	463.794,01		0,28	0,28
VORNADO REALTY TRUST -	22.520,00	USD	109,870	2.328.507,81		1,40	1,41

WASHINGTON POST INC -	3.493,00	USD	9,270	30.472,53		0,02	0,02
WEINGARTEN REALITY INVESTORS -	10.954,00	USD	35,470	365.648,77		0,22	0,22
WELLTOWER INC -	22.314,00	USD	70,380	1.477.940,26		0,89	0,90
WEYERHAEUSER COMPANY -	40.992,00	USD	33,720	1.300.818,97		0,78	0,79
Total shares				165.841.474,43		99,92	100,52
<b>Real estate certificates</b>							
<u>Singapore</u>							
CAPITACOMMERCIAL TRUST -	129.862,00	SGD	1,560	136.319,71		0,08	0,08
Total real estate certificates				136.319,71		0,08	0,08
TOTAL SECURITIES PORTFOLIO				165.977.794,14		100,00	100,60
CASH ATBANK AND IN HAND							
<b>Demand accounts</b>							
<u>Belgium</u>							
KBC GROUP AUD	169.102,51	AUD	1,000	122.351,86			0,07
KBC GROUP CAD	186.148,92	CAD	1,000	132.264,40			0,08
KBC GROUP CHF	10.695,36	CHF	1,000	10.050,61			0,01
KBC GROUP EURO	-1.825.186,09	EUR	1,000	-1.825.186,09			-1,11
KBC GROUP GBP	50.819,16	GBP	1,000	59.514,18			0,04
KBC GROUP HKD	-196.717,98	HKD	1,000	-23.849,37			-0,01
KBC GROUP JPY	14.372.517,00	JPY	1,000	120.890,22			0,07
KBC GROUP NOK	501.340,35	NOK	1,000	56.454,07			0,03
KBC GROUP NZD	645,35	NZD	1,000	439,25			
KBC GROUP SEK	358.165,01	SEK	1,000	37.425,81			0,02
KBC GROUP SGD	75.796,81	SGD	1,000	51.003,84			0,03
KBC GROUP TRY	24.659,50	TRY	1,000	6.397,26			0,00
KBC GROUP USD	183.604,79	USD	1,000	172.788,25			0,11
Total demand accounts				-1.079.455,71			-0,65
TOTAL CASH AT BANK AND IN HAND				-1.079.455,71			-0,65
OTHER RECEIVABLES AND PAYABLES							
<b>Receivables</b>							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	201.623,28	EUR	1,000	201.623,28			0,12
KBC GROUP JPY RECEIVABLE	50.220,00	JPY	1,000	422,41			
KBC GROUP SGD TE ONTVANGEN	4,52	SGD	1,000	3,04			
Total receivables				202.048,73			0,12
<b>Payables</b>							
<u>Belgium</u>							
KBC GROUP EUR PAYABLE	-362.342,71	EUR	1,000	-362.342,71			-0,22
Payables				-362.342,71			-0,22
TOTAL RECEIVABLES AND PAYABLES				-160.293,98			-0,10
OTHER							
Interest receivable		EUR		388.966,17			0,24
Expenses payable		EUR		-266.000,08			-0,16
Expenses to be carried forward		EUR		120.147,01			0,07
TOTAL OTHER				243.113,10			0,15
<b>TOTAL NET ASSETS</b>				<b>164.981.157,55</b>			<b>100,00</b>

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

	31/08/2015	29/02/2016	31/08/2016	28/02/2017
Australia	3,57	4,15	7,47	5,77
Austria	0,00	0,00	0,40	0,31
Belgium	0,19	0,56	0,77	0,69
Canada	2,48	1,51	1,48	1,60
Switzerland	0,00	0,62	0,44	0,48
China	0,00	0,44	0,00	0,21
Cayman Islands	0,04	0,02	0,01	0,01
Cyprus	0,00	0,00	0,00	0,67
Germany	4,15	5,83	5,30	5,42
Spain	0,46	0,84	0,66	0,54
Finland	0,15	0,22	0,11	0,29
France	3,83	5,42	3,91	3,83
U.K.	10,24	6,13	6,71	4,76
Hong Kong	4,65	4,64	5,17	6,13
Ireland	0,00	0,12	2,25	1,59
Italy	0,16	0,09	0,11	0,03
Japan	12,53	10,57	7,76	7,89
Luxembourg	0,22	0,59	0,42	0,20
Netherlands	0,88	1,06	0,42	0,29
Norway	0,19	0,10	0,05	0,01
Singapore	2,09	1,68	1,30	2,14
Sweden	0,97	2,56	3,07	4,06
U.S.A.	53,20	52,85	52,19	53,08
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

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

	31/08/2015	29/02/2016	31/08/2016	28/02/2017
Cyclicals	0,24	0,41	0,75	0,00
Consum(cycl)	0,12	0,10	0,04	0,00
Pharma	0,16	0,09	0,04	0,03
Financials	3,27	1,91	3,90	0,48
Technology	0,92	2,52	3,74	0,00
Telecomm.	0,30	0,21	0,09	0,00
Real est.	94,53	94,35	90,93	99,49
Unit trusts	0,00	0,41	0,51	0,00
Various	0,46	0,00	0,00	0,00
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

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

	<b>31/08/2015</b>	<b>29/02/2016</b>	<b>31/08/2016</b>	<b>28/02/2017</b>
AUD	3,56	4,20	7,43	5,89
CAD	2,53	1,60	1,52	1,70
CHF	0,00	0,61	0,45	0,49
EUR	9,84	14,63	14,86	12,76
GBP	10,36	6,12	6,64	4,84
HKD	3,68	4,30	4,37	5,89
JPY	12,41	10,56	7,71	8,02
NOK	0,19	0,10	0,05	0,04
SEK	1,08	2,54	3,04	4,11
SGD	2,08	1,70	1,31	2,18
TRY	0,02	0,01	0,01	0,00
USD	54,25	53,63	52,61	54,08
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

#### 2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC SELECT IMMO WORLD PLUS (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
<b>Purchases</b>	56.858.204,62	56.858.204,62
<b>Sales</b>	20.978.174,52	20.978.174,52
<b>Total 1</b>	77.836.379,14	77.836.379,14
<b>Subscriptions</b>	72.243.399,64	72.243.399,64
<b>Redemptions</b>	37.263.449,17	37.263.449,17
<b>Total 2</b>	109.506.848,81	109.506.848,81
<b>Monthly average of total assets</b>	157.218.952,03	157.218.952,03
<b>Turnover rate</b>	-20,14 %	-20,14 %

	1st half of year	Year
<b>Purchases</b>	56.858.204,62	56.858.204,62
<b>Sales</b>	20.978.174,52	20.978.174,52
<b>Total 1</b>	77.836.379,14	77.836.379,14
<b>Subscriptions</b>	72.243.399,64	72.243.399,64
<b>Redemptions</b>	37.263.449,17	37.263.449,17
<b>Total 2</b>	109.506.848,81	109.506.848,81
<b>Monthly average of total assets</b>	154.936.009,35	154.936.009,35
<b>Corrected turnover rate</b>	-20,44 %	-20,44 %

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

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

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

Active asset management may result in high turnover rates (monthly percentage >50%), reason: The fund is frequently rebalanced to reflect the most up-to-date analyst views and expectations.

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

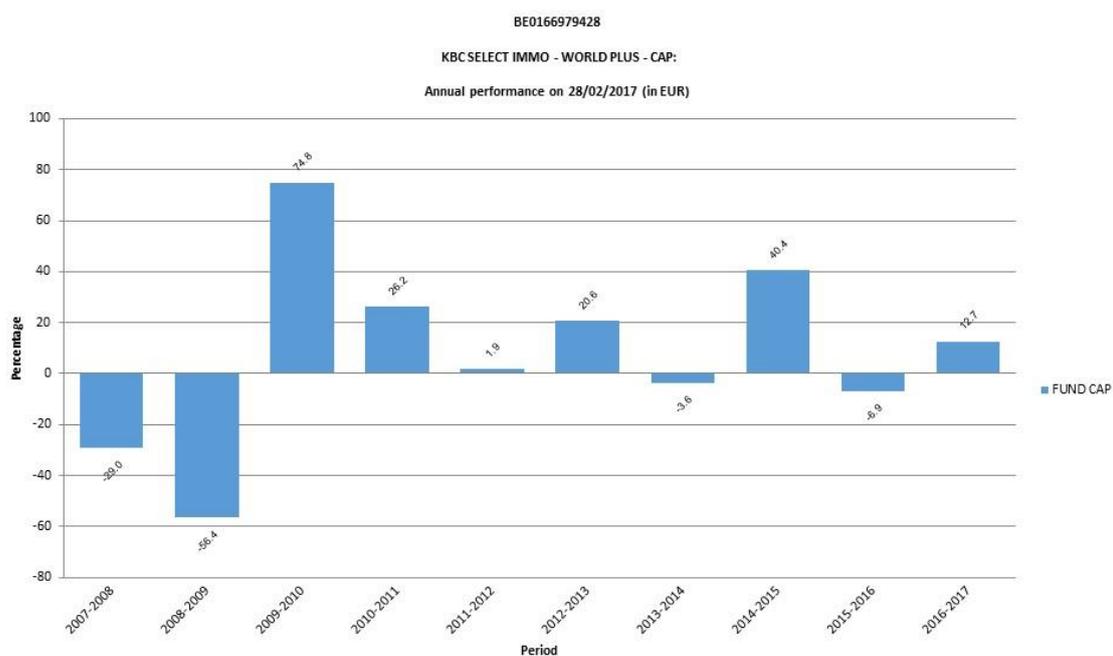
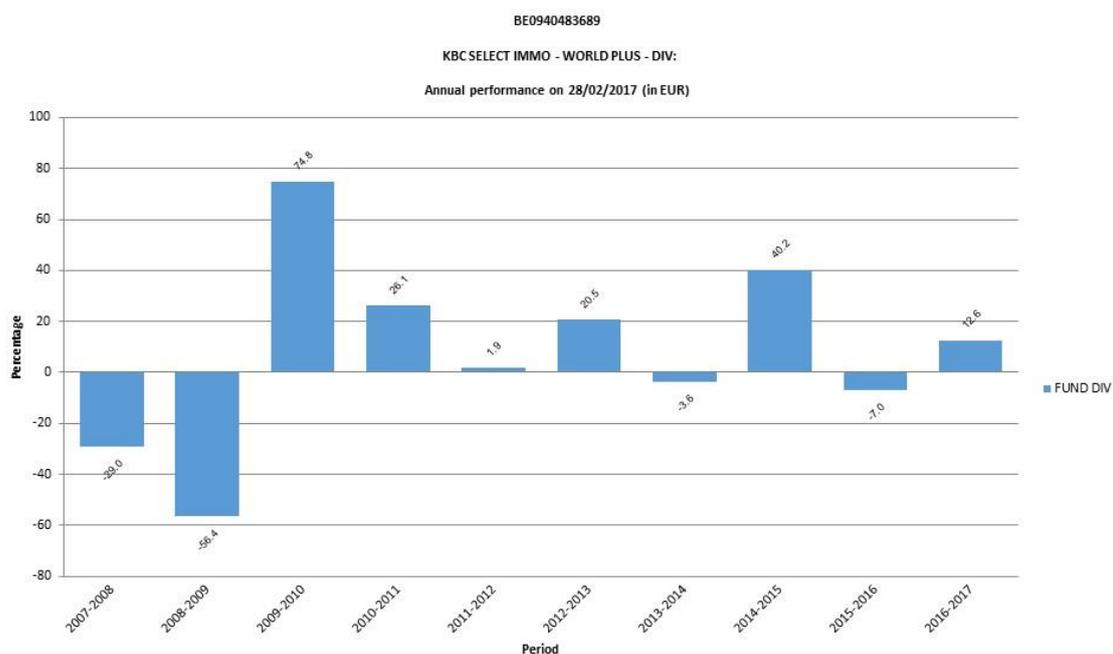
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2015 - 08*	5.093,34	9.928,42	6.092,89	5.177,22	17.506,79	12.955,81	30.462,60
2016 - 08*	36.991,45	36.242,69	2.715,15	1.091,83	51.783,09	48.106,66	99.889,76
2017 - 02*	31.815,10	25.931,48	21.980,62	5.313,29	61.617,57	68.724,85	130.342,42

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2015 - 08*	6.973.553,77	9.525.166,01	8.482.551,81	5.231.131,94
2016 - 08*	54.944.716,17	35.911.640,13	3.949.938,06	1.059.568,48
2017 - 02*	46.929.541,11	25.614.158,20	32.368.608,69	5.253.455,11

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2015 - 08*	35.481.573,48	1.340,41	927,41
2016 - 08*	129.221.164,06	1.534,32	1.034,56
2017 - 02*	164.981.157,55	1.547,28	1.013,34

\* 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	Launch Date	Share classes						
CAP	BE0166979428	EUR	12.65%		13.78%		11.36%		1.78%		06/03/1998	
DIV	BE0940483689	EUR	12.60%		13.66%		11.28%		1.73%		06/03/1998	6.22%

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. 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  $n^{\text{th}}$  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: 1.870%

Capitalization: 1.824%

\* 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.

Broker	Commission gross in EUR paid during the period: 1-09-16 - 28-02-17	CSA Credits in EUR accrued during the period: 1-09-16 - 28-02-17	Percentage
CITI	2.066	512	24,77%
CSFBSAS	3.225	522	16,20%
CSFBSAS	6.071	1.511	24,89%
DEUTSCHE	191	32	16,67%
EQ CSA GOLDMAN SACHS INTERNATIONAL	1.038	260	25,00%
HSBC	4.840	1.446	29,88%
INSTINET	655	82	12,50%
INSTINET	2.540	544	21,41%
MACQUARIE	340	85	25,00%
MACQUARIE	5.528	1.382	25,00%
MERRILL	2.344	586	25,00%
MORGAN STANLEY	602	151	25,00%
SOCGEN	279	46	16,67%

### 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

Pursuant to the Royal Decree of 7 March 2006 on securities lending, the collective investment undertaking has entered into securities lending arrangements, whereby the title to the securities that have been lent has been transferred, without recognition of that transfer of ownership in the accounts. The securities lending system can be managed by either a principal or an agent.

For the period from 1 September 2016 to 28 February 2017, the fee for securities lent from stock lending comes to 163.24 EUR and from bond lending to 0.00 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.

**Transparency of securities financing transactions and of reuse**Global data:

1) The amount of securities and commodities on loan as a proportion of total lendable assets defined as excluding cash and cash equivalents;	0,00	%
2) The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) and as a proportion of the collective investment undertaking's assets under management (AUM).		
The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency)	0,00	EUR
proportion of the collective investment undertaking's assets under management (AUM)	0,00	%

Concentration data:

1) Ten largest collateral issuers across all SFTs and total return swaps (break down of volumes of the collateral securities and commodities received per issuer's name);

<u>name collateral issuer</u>	<u>Market value on a settled basis</u>	<u>currency</u>
Nil	Nil	Nil

2) Top 10 counterparties of each type of SFTs and total return swaps separately (Name of counterparty and gross volume of outstanding transactions).

<u>type SFT (lending program)</u>	<u>name counterparty</u>	<u>Country of counterparty</u>	<u>Market value on a settled basis</u>	<u>currency</u>
Nil	Nil	Nil	Nil	Nil

Aggregate transaction data for each type of SFTs and total return swaps separately to be broken down according to the below categories:

1) Type and quality of collateral;	<u>equity (Goldman Sachs)</u>	<u>equity (KBC Bank)</u>	<u>bonds (Société Générale)</u>
type	Nil	Nil	Nil
quality – investment grade bonds (at least BBB- rating by Standard & Poor's): see table below			
2) Maturity tenor of the collateral broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open maturity;	Nil	Nil	Nil
3) Currency of the collateral: see table below			
4) Maturity tenor of the SFTs and total return swaps broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open transactions;	Nil	Nil	Nil
5) Country in which the counterparties are established: see table above			
6) Settlement and clearing (e.g., tri-party, Central Counterparty, bilateral).	Nil	Nil	Nil

<u>collateral</u>	<u>quality</u>	<u>Currency</u>
Nil	Nil	Nil

Data on reuse of collateral:

1) Share of collateral received that is reused, compared to the maximum amount specified in the prospectus or in the disclosure to investors;	Nil
2) Cash collateral reinvestment returns to the collective investment undertaking. (EUR)	Nil

Safekeeping of collateral received by the collective investment undertaking as part of SFTs and total return swaps:

1) Number and names of custodians and the amount of collateral assets safe-kept by each of the custodians.

<u>number</u>	<u>Name collateral custodian</u>	<u>Market value on a settled basis</u>	<u>currency</u>
Nil	Nil	Nil	Nil

Safekeeping of collateral granted by the collective investment undertaking as part of SFTs and total return swaps:

1) The proportion of collateral held in segregated accounts or in pooled accounts, or in any other accounts.

Nil

Data on return and cost for each type of SFTs and total return swaps:

1) Data on return and cost for each type of SFTs and total return swaps broken down between the collective investment undertaking, the manager of the collective investment undertaking and third parties (e.g. agent lender) in absolute terms and as a percentage of overall returns generated by that type of SFTs and total return swaps.

<u>Lending program: equity (Goldman Sachs)</u>	<u>collective investment undertaking</u>	<u>manager of the collective investment undertaking</u>	<u>agent lender</u>
return (EUR)	163,24	42,44	14,69
percentage of overall returns	100,00%	26,00%	9,00%
cost (EUR)	57,13		
percentage of overall returns	35,00 %		

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## 2 INFORMATION ON KBC SELECT IMMO BELGIUM PLUS

### 2.1 MANAGEMENT REPORT

#### 2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launched date: 24 March 1995  
 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. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in real estate certificates, shares in real estate companies and UCIs that invest in real estate.

##### **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. 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 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.

#### **SELECTED STRATEGY**

The assets are invested primarily in Belgian real estate certificates and in shares issued by companies whose activities are directly or indirectly linked to the Belgian real estate market. In addition, investments are made in securities issued by companies whose activities are directly or indirectly linked to the European real estate market.

#### **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.
- short term 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., 4, Rue du Fort Wallis, L-2714 Luxembourg.

#### **2.1.6 INDEX AND BENCHMARK**

See 'Sub-fund's investment policy'.

### 2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The recent period was exceptionally difficult for the real-estate sector, particularly compared with preceding years. The headwinds experienced by the sector related chiefly to developments in the broad stock markets, combined with macroeconomic developments and the election of President Trump in the United States, which took centre stage.

The central banks played an important role too. Although the ECB is keeping its key rate low, it hinted that it is preparing to allow its stimulus policy to systematically taper in the future. Rate hikes have already begun to occur in the United States, prompting rapid revision of forecasts in Europe.

The expectation of higher interest rates led to accelerated rotation from relatively defensive sectors, which benefit from low or falling interest rates, to more cyclical sectors, which are favoured by rising interest rates.

In operational terms, we note that property companies are still generally doing well, with rising cash flows and dividends as a result. All the same, sector rotation is gradually taking its toll. The relatively cheap sectors were relatively attractive to investors for whom more expensive ones like the real-estate sector have fallen from grace. This effect put pressure on the real-estate sector and eroded the premium. In regional terms, we note that increasing uncertainty continues to have its effect.

The potential consequences of the Brexit vote in the UK continue to generate considerable uncertainty, in both Britain and beyond. There is avid speculation as to whether certain banking and other services will have to be located on the continent, which clearly has implications for the office market in both the UK and mainland Europe. Frankfurt, Paris and Dublin stand to benefit most, but Madrid and Amsterdam also crop up repeatedly on the list of candidates that might see a shift in jobs. The Brussels office market is not, incidentally, one of the more obvious cities in which companies wish to base themselves. The Belgian office market continues to struggle with an adequate supply and lacklustre demand for office space. Strong rental growth above the rate of inflation is proving elusive, despite the fact that buildings of the highest quality readily find tenants.

The retail property market is holding up relatively well, but there are several important points to take into account. Significant bankruptcies have occurred in recent quarters among a number of major retail chains, while intensifying pressure from e-commerce means that landlords of retail properties need to be constantly on their guard and must act to keep their portfolio healthy. Retail chains are rationalising the number of stores and the necessary retail space. QRF City Retail, for instance, sold non-strategic properties, while investing in buildings that are better suited to the business strategy, which is geared towards shops situated at prime down-town locations. Retail Estates, the strip mall specialist, announced that several stores belonging to the Blokker chain would be closed. The company invested selectively in the province of Hainaut, and is still hard at work integrating a large oversold portfolio of strip mall stores. The French retail property stocks Klépierre and Unibail-Rodamco suffered from their liquid character and performed weakly in November and December. The same applied to German residential real-estate stocks, which have the drawback of being viewed as an alternative to German government bonds. Fear of rising interest rates meant that this segment was hit especially hard by sector rotation.

The long-term prospects for the logistical real-estate market are good. We detect growing demand in these segments, due to the strong growth of e-commerce. Real-estate companies like Warehouses De Pauw and Montea are increasingly active in neighbouring countries, as the returns and strategic conditions look better there than those in Belgium. In Montea's case, buildings were sold in France to recycle the capital for new projects in Benelux. It was notable that VGP proved able to establish a collaboration with Allianz for the next ten years. In addition to Central Europe and Germany, VGP has been active for some time in the Spanish logistical real-estate market too.

There still appears to be considerable demand within the residential segment for niche segments like retirement homes, service flats and student accommodation. We note that in this area too, businesses continue to look to neighbouring countries for opportunities, although there is considerable activity in Belgium as well. Aedifica, Cofinimmo and Xior were all particularly active in the foreign market.

It is important to note with respect to the Belgian real-estate portfolio that the number of certificates has declined in recent quarters, as certificates have been wound up following the sale of their assets. It is noticeable that the assets were generally sold to foreign parties, which are often prepared to stump up more than local real-estate firms are. The weighting of Belgian real-estate stocks has therefore increased in the Belgian property portfolio at the expense of European stocks and Belgian real-estate certificates.

### 2.1.8 FUTURE POLICY

The real-estate market promises to develop in an interesting way at any rate, in that it has to adapt to a new equilibrium in an environment of rising interest rates combined with elections.

The central banks are likely to play a key role once again.

The consequences of Brexit will become steadily clearer, and although British real estate has held up well so far, it is fair to say that the prospects for the UK property sector are not particularly rosy. Nor is the extent to which continental real-estate markets will be able to benefit from Brexit cut and dried. Temporary imbalances in the property market could provide opportunities.

Contrary to perception, real-estate businesses are still managing to keep the average cost price of their debt finance low, and the capital values are generally determined fairly conservatively. We therefore anticipate a further decoupling between the underlying real-estate market and the performance of the stock market, in which individual elements will provide differentiation. In this context, we expect that companies will still be in a position to grow their cash flows and dividends. It is expected that real-estate companies will be able to turn to the capital market once more to help fund the upcoming acquisitions. We do not expect, however, that real-estate firms in general will be tempted to raise their debt levels significantly.

We anticipate that more and more certificates will actually be wound up in the future, due to the sale of their assets to larger groups. The weighting of certificates in the portfolio will more than likely continue to decline therefore, and will be replaced by exposure to more liquid real-estate firms in Belgium and, by extension, Europe.

### 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

<b>Balance sheet layout</b>	<b>28/02/2017</b> <small>(in the currency of the sub-fund)</small>	<b>29/02/2016</b> <small>(in the currency of the sub-fund)</small>
<b>TOTAL NET ASSETS</b>	172.080.536,93	126.420.946,27
<b>II. Securities, money market instruments, UCIs and derivatives</b>		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds		835.702,38
C. Shares and similar instruments		
a) Shares	130.543.533,99	96.554.739,74
Of which securities lent		779.720,00
b) Closed-end undertakings for collective investment	7.190.349,19	
D. Other securities	31.039.881,44	29.963.477,09
<b>IV. Receivables and payables within one year</b>		
A. Receivables		
a) Accounts receivable	81.517,72	53.571,61
b) Tax assets		13.511,32
B. Payables		
a) Accounts payable (-)	-13.766,74	-50,36
c) Borrowings (-)	-10.480,59	-164.756,11
d) Collateral (-)		-835.702,38
<b>V. Deposits and cash at bank and in hand</b>		
A. Demand balances at banks	3.166.408,03	5.168,96
<b>VI. Accruals and deferrals</b>		
A. Expense to be carried forward	96.958,71	72.153,88
B. Accrued income	253.651,30	118.278,34
C. Accrued expense (-)	-267.516,12	-195.148,20
<b>TOTAL SHAREHOLDERS' EQUITY</b>	172.080.536,93	126.420.946,27
<b>A. Capital</b>	180.228.499,35	122.584.790,71
<b>B. Income equalization</b>	27.748,10	-312.486,36
<b>D. Result for the period</b>	-8.175.710,52	4.148.641,92

### Off-balance-sheet headings

<b>I Collateral (+/-)</b>		
<b>I.A Collateral (+/-)</b>		
<b>I.A.A Securities/market instruments</b>		835.702,38
<b>IX Financial instruments lent</b>	-2.213.280,00	779.720,00

## 2.3 PROFIT AND LOSS ACCOUNT

<b>Income Statement</b>	<b>28/02/2017</b> <small>(in the currency of the sub-fund)</small>	<b>29/02/2016</b> <small>(in the currency of the sub-fund)</small>
<b>I. Net gains(losses) on investments</b>		
C. Shares and similar instruments		
a) Shares	-7.269.050,98	4.062.074,96
b) Closed-end undertakings for collective investment	-169.215,31	
D. Other securities	-325.384,26	-4.393.702,41
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	24.122,75	105.561,92
<b>Det.section I gains and losses on investments</b>		
Realised gains on investments	10.180.545,16	4.642.385,79
Unrealised gains on investments	-16.591.307,14	-2.541.844,03
Realised losses on investments	-1.544.589,84	-91.361,45
Unrealised losses on investments	215.824,02	-2.235.245,84
<b>II. Investment income and expenses</b>		
A. Dividends	500.128,78	271.966,86
B. Interests		
a) Securities and money market instruments	3.044,50	4.177,40
b) Cash at bank and in hand and deposits		6,88
C. Interest on borrowings (-)	-1.278,35	-123,37
F. Other investment income	562.610,00	5.297.130,24
<b>IV. Operating expenses</b>		
A. Investment transaction and delivery costs (-)	-31.665,10	-23.809,38
B. Financial expenses (-)	-560,44	-576,40
C. Custodian's fee (-)	-44.068,21	-46.798,33
D. Manager's fee (-)		
a) Financial management	-1.249.237,42	-972.104,44
b) Administration and accounting management	-83.282,59	-64.807,04
F. Formation and organisation expenses (-)	-7.024,18	-8.798,70
H. Services and sundry goods (-)	-5.309,88	-10.095,06
J. Taxes	-71.980,78	-65.813,30
K. Other expenses (-)	-7.559,05	-5.647,91
<b>Income and expenditure for the period</b>		
Subtotal II + III + IV	-436.182,72	4.374.707,45
<b>V. Profit (loss) on ordinary activities before tax</b>	-8.175.710,52	4.148.641,92
<b>VII. Result for the period</b>	-8.175.710,52	4.148.641,92

## 2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

### 2.4.1 COMPOSITIONS OF THE ASSETS OF KBC SELECT IMMO BELGIUM PLUS

Name	Quantity on 28/02/2017	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Investment funds</b>							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
LEASINVEST REAL ESTATE -	16.515,00	EUR	106,450	1.758.021,75		1,04	1,02
VASTNEDRETAIL BELGIUM NV -	60.958,00	EUR	52,280	3.186.884,24		1,89	1,85
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
WAREHOUSES ESTATES BELGIUM -	36.452,00	EUR	61,600	2.245.443,20		1,33	1,31
Total investment funds				7.190.349,19		4,26	4,18
<b>Shares</b>							
Exchange-listed shares							
<u>Belgium</u>							
AEDIFICA -	113.199,00	EUR	72,080	8.159.383,92		4,84	4,74
ASCENCIO -	56.679,00	EUR	59,200	3.355.396,80		1,99	1,95
ATENOR GROUP (BRU)	76.200,00	EUR	48,405	3.688.461,00		2,19	2,14
BANIMMO SA/NV -	53.469,00	EUR	3,985	213.073,97		0,13	0,12
BEFIMMO -	108.753,00	EUR	52,120	5.668.206,36		3,36	3,29
CARE PROPERTIES INVEST -	170.356,00	EUR	20,345	3.465.892,82		2,05	2,01
CIE IMMOBILIERE DE BELGIQUE SA (BRU)	46.200,00	EUR	55,620	2.569.644,00		1,52	1,49
COFINIMMO -	74.544,00	EUR	104,800	7.812.211,20		4,63	4,54
HOME INVEST BELGIUM -	18.278,00	EUR	96,010	1.754.870,78		1,04	1,02
IMMO MECHELEN CITY CENTER NV -	1.000,00	EUR	999,990	999.990,00		0,59	0,58
INTERVEST -	138.951,00	EUR	23,600	3.279.243,60		1,94	1,91
MONTEA SCAM	132.389,00	EUR	46,400	6.142.849,60		3,64	3,57
QRF COMM VA -	198.227,00	EUR	24,800	4.916.029,60		2,91	2,86
QRF COMM VA NOMINATIEF 3	43.226,00	EUR	24,800	1.072.004,80		0,64	0,62
RETAIL ESTATES -	110.956,00	EUR	73,660	8.173.018,96		4,84	4,75
VGP NV -	33.200,00	EUR	84,490	2.805.068,00		1,66	1,63
WAREHOUSE DISTR. DE PAUW -	94.262,00	EUR	87,790	8.275.260,98		4,90	4,81
WERELDHAVE BELGIUM -	39.954,00	EUR	104,750	4.185.181,50		2,48	2,43
XIOR STUDENT HOUSING NV -	142.816,00	EUR	36,245	5.176.365,92		3,07	3,01
<u>Finland</u>							
CITYCON OYJ (HEL)	335.588,00	EUR	2,240	751.717,12		0,45	0,44
SPONDA OYJ (HEL)	249.286,00	EUR	3,954	985.676,84		0,58	0,57
TECHNOPOLIS OYJ -	195.265,00	EUR	3,040	593.605,60		0,35	0,35
<u>France</u>							
FONCIERE DES REGIONS -	13.742,00	EUR	77,710	1.067.890,82		0,63	0,62
GECINA REG	18.901,00	EUR	120,100	2.270.010,10		1,35	1,32

ICADE EMGP -	46.786,00	EUR	67,300	3.148.697,80		1,87	1,83
KLEPIERRE (CIE FONCIERE) -	179.127,00	EUR	35,065	6.281.088,26		3,72	3,65
UNIBAIL-RODAMCO SE -	29.219,00	EUR	215,350	6.292.311,65		3,73	3,66
<u>Germany</u>							
ADO PROPERTIES SA -	36.949,00	EUR	34,855	1.287.857,40		0,76	0,75
ALSTRIA OFFICE AG -	234.165,00	EUR	11,435	2.677.676,78		1,59	1,56
DEUTSCHE WOHNEN AG -	193.155,00	EUR	32,425	6.263.050,88		3,71	3,64
LEG IMMOBILIEN AG -	32.398,00	EUR	77,790	2.520.240,42		1,49	1,47
TLG IMMOBILIEN AG -	63.028,00	EUR	18,215	1.148.055,02		0,68	0,67
<u>Netherlands</u>							
EUROCOMMERCIAL PROPERTIES NV CERT.	6.743,00	EUR	33,420	225.351,06		0,13	0,13
VASTNED-RETAIL -	45.407,00	EUR	33,600	1.525.675,20		0,90	0,89
WERELDHAVE NV (AMS)	50.773,00	EUR	41,230	2.093.370,79		1,24	1,22
<u>Spain</u>							
INMOBILIARIA COLONIAL SA -	266.135,00	EUR	6,899	1.836.065,37		1,09	1,07
<u>Sweden</u>							
D CARNEGIE & CO AB -	141.684,00	SEK	109,500	1.621.149,22		0,96	0,94
FABEGE AB -	156.383,00	SEK	152,300	2.488.728,41		1,48	1,45
HUFVUDSTADEN AB "A"	23.105,00	SEK	140,100	338.245,61		0,20	0,20
KLOVERN AB -	1.592,00	SEK	288,500	47.992,89		0,03	0,03
PANDOX AB -	6.000,00	SEK	142,400	89.279,00		0,05	0,05
<u>Switzerland</u>							
PSP SWISS PROPERTY AG -	17.466,00	CHF	93,600	1.536.266,13		0,91	0,89
SWISS PRIME SITE -	21.251,00	CHF	87,200	1.741.377,81		1,03	1,01
Total shares				130.543.533,99		77,35	75,86
<b>Real estate certificates</b>							
<u>Belgium</u>							
BRUSSELS NORTH DISTRIBUTION OP NAAM	2,00	EUR	113.888,890	227.777,78		0,14	0,13
DIEGEM KENNEDY DIEGEM KENNEDY (TOONDER)	8.239,00	EUR	118,000	972.202,00		0,58	0,57
IMMO ANTARES ANTARES (OP NAAM)	9.339,00	EUR	69,990	653.636,61		0,39	0,38
IMMO ANTARES ANTARES (TOONDER)	19.212,00	EUR	69,990	1.344.647,88		0,80	0,78
IMMO BASILIX BASILIX (TOONDER)	18.178,00	EUR	0,000	0,00			
IMMO BEAULIEU BEAULIEULAAN (TOONDER)	51.292,00	EUR	131,510	6.745.410,92		4,00	3,92
IMMO GENK ZUID GENK LOGISTICS (TOONDER)	19.901,00	EUR	145,500	2.895.595,50		1,72	1,68
IMMO ZENOBE GRAMME ZENOBE GRAMME	2.285,00	EUR	150,100	342.978,50		0,20	0,20
KORTRIJK SHOPPING KORTRIJK SHOPPING (TOONDER)	8.393,00	EUR	25,000	209.825,00		0,12	0,12
STE-GOEDELEPLEIN ST GOEDELEPLEIN	2.412,00	EUR	180,000	434.160,00		0,26	0,25
WOLUWE SHOPPING CENTER WOLUWE SHOPP.CENTER (TOONDER)	4.523,00	EUR	2.020,000	9.136.460,00		5,42	5,31
WOLUWE UITBREIDING WOLUWE UITBREIDING (TOONDER)	8.798,00	EUR	650,000	5.718.700,00		3,39	3,32
<u>Luxembourg</u>							
IMMO LUX-AIRPORT LUX AIRPORT	13.708,00	EUR	170,000	2.330.360,00		1,38	1,35
Total real estate certificates				31.011.754,19		18,38	18,02
<b>Rights</b>							
<u>Belgium</u>							
XIOR STUDENT HOUSING NV CP 18/01/2017	112.509,00	EUR	0,250	28.127,25		0,02	0,02
Total rights				28.127,25		0,02	0,02
TOTAL SECURITIES PORTFOLIO				168.773.764,62		100,00	98,08

CASH AT BANK AND IN HAND						
<b>Demand accounts</b>						
<u>Belgium</u>						
KBC GROUP CHF	-11.151,41	CHF	1,000	-10.479,17		-0,01
KBC GROUP EURO	3.152.417,97	EUR	1,000	3.152.417,97		1,83
KBC GROUP GBP	-1,21	GBP	1,000	-1,42		
KBC GROUP SEK	133.884,87	SEK	1,000	13.990,06		0,01
Total demand accounts				3.155.927,44		1,83
<b>TOTAL CASH AT BANK AND IN HAND</b>				<b>3.155.927,44</b>		<b>1,83</b>
<b>OTHER RECEIVABLES AND PAYABLES</b>						
<b>Receivables</b>						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	81.517,72	EUR	1,000	81.517,72		0,05
Total receivables				81.517,72		0,05
<b>Payables</b>						
<u>Belgium</u>						
KBC GROUP EUR PAYABLE	-13.766,74	EUR	1,000	-13.766,74		-0,01
Payables				-13.766,74		-0,01
<b>TOTAL RECEIVABLES AND PAYABLES</b>				<b>67.750,98</b>		<b>0,04</b>
<b>OTHER</b>						
Interest receivable		EUR		253.651,30		0,15
Ex penses payable		EUR		-267.516,12		-0,16
Ex penses to be carried forward		EUR		96.958,71		0,06
<b>TOTAL OTHER</b>				<b>83.093,89</b>		<b>0,05</b>
<b>TOTAL NET ASSETS</b>				<b>172.080.536,93</b>		<b>100,00</b>

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

	<b>31/08/2015</b>	<b>29/02/2016</b>	<b>31/08/2016</b>	<b>28/02/2017</b>
Austria	0,34	0,00	0,00	0,00
Belgium	43,74	53,32	52,89	69,69
Switzerland	3,78	0,00	1,91	1,94
Germany	16,35	16,04	16,46	8,23
Spain	0,00	0,00	1,06	1,09
Finland	1,69	1,68	1,47	1,38
France	21,92	16,79	14,41	11,29
Italy	0,83	0,00	0,09	0,00
Luxembourg	1,54	2,04	1,99	1,38
Netherlands	3,26	4,12	3,52	2,28
Sweden	6,55	6,01	6,20	2,72
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

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

	<b>31/08/2015</b>	<b>29/02/2016</b>	<b>31/08/2016</b>	<b>28/02/2017</b>
Consum(cycl)	0,24	0,89	0,67	0,60
Financials	0,52	1,31	1,23	0,00
Real est.	95,08	90,38	90,16	99,40
Unit trusts	4,16	7,42	7,94	0,00
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

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

	<b>31/08/2015</b>	<b>29/02/2016</b>	<b>31/08/2016</b>	<b>28/02/2017</b>
CHF	3,76	0,00	1,82	1,90
EUR	89,73	93,98	92,24	95,43
SEK	6,51	6,02	5,94	2,67
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

#### 2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC SELECT IMMO BELGIUM PLUS (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
<b>Purchases</b>	31.902.848,52	31.902.848,52
<b>Sales</b>	22.115.496,89	22.115.496,89
<b>Total 1</b>	54.018.345,41	54.018.345,41
<b>Subscriptions</b>	24.822.868,41	24.822.868,41
<b>Redemptions</b>	18.456.116,61	18.456.116,61
<b>Total 2</b>	43.278.985,02	43.278.985,02
<b>Monthly average of total assets</b>	167.770.291,71	167.770.291,71
<b>Turnover rate</b>	6,40 %	6,40 %

	1st half of year	Year
<b>Purchases</b>	31.902.848,52	31.902.848,52
<b>Sales</b>	22.115.496,89	22.115.496,89
<b>Total 1</b>	54.018.345,41	54.018.345,41
<b>Subscriptions</b>	24.822.868,41	24.822.868,41
<b>Redemptions</b>	18.456.116,61	18.456.116,61
<b>Total 2</b>	43.278.985,02	43.278.985,02
<b>Monthly average of total assets</b>	152.721.279,68	152.721.279,68
<b>Corrected turnover rate</b>	7,03 %	7,03 %

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

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

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

Active asset management may result in high turnover rates (monthly percentage >50%), reason: The fund is frequently rebalanced to reflect the most up-to-date analyst views and expectations.

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

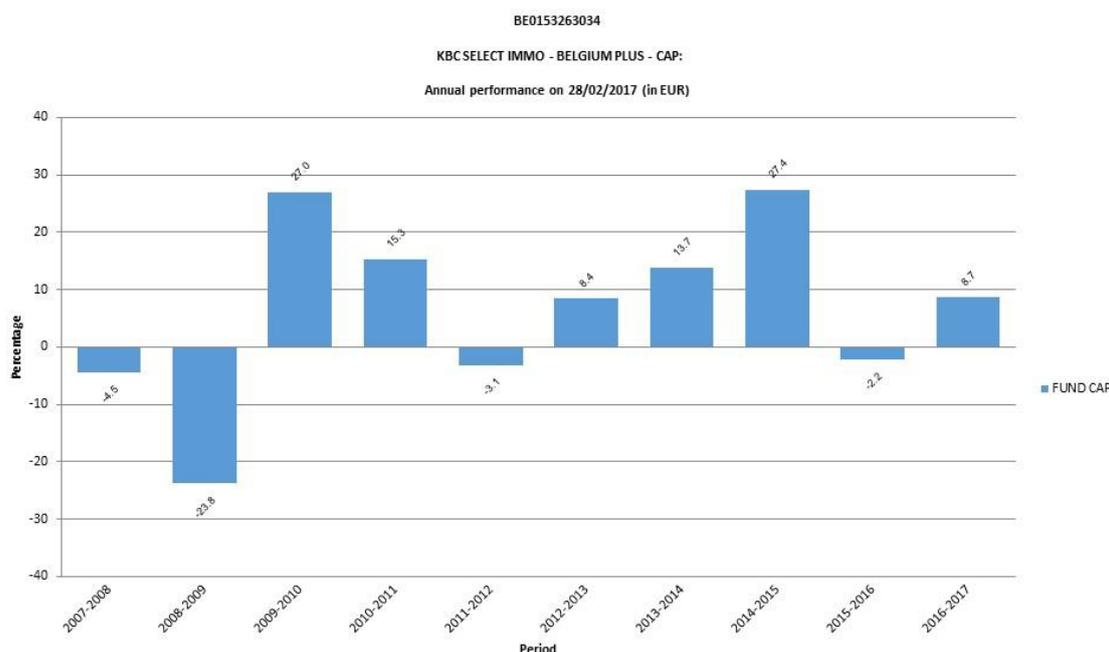
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2015 - 08*	10.278,40		12.723,97		61.226,33		61.226,33
2016 - 08*	22.372,20		11.493,98		72.104,56		72.104,56
2017 - 02*	10.718,60		7.956,66		74.866,50		74.866,50

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2015 - 08*	20.438.552,72		24.725.362,77	
2016 - 08*	49.942.689,20		24.601.752,06	
2017 - 02*	24.873.453,70		18.490.052,75	

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2015 - 08*	125.342.188,34	2.047,19	
2016 - 08*	173.872.575,50	2.411,40	
2017 - 02*	172.080.536,93	2.298,50	

\* 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	Launch Date	Share classes						
CAP	BE0153263034	EUR	8.67%		10.64%		10.80%		5.60%		24/03/1995	7.24%

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:  
$$\left[ \frac{\text{NAV}(D)}{\text{NAV}(Y)} \right]^{1/X} - 1$$
where Y = D-X  
Return on date D since the start date S of the unit:  
$$\left[ \frac{\text{NAV}(D)}{\text{NAV}(S)} \right]^{1/F} - 1$$
where F = 1 if the unit has existed for less than one year on date D  
where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the  $n^{\text{th}}$  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: 1.794%

\* 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.

Broker	Commission gross in EUR paid during the period: 1-09-16 - 28-02-17	CSA Credits in EUR accrued during the period: 1-09-16 - 28-02-17	Percentage
DEUTSCHE	1.371	228	16,67%
HSBC	1.397	271	19,36%
INSTINET	1.069	178	16,67%
MACQUARIE	147	24	16,67%
MORGAN STANLEY	213	53	25,00%
UBSWDR	1.616	269	16,67%

### 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.

Name	Maximum management fee
KBC Select Immo-Belgium Plus	1,50

### Securities lending

Pursuant to the Royal Decree of 7 March 2006 on securities lending, the collective investment undertaking has entered into securities lending arrangements, whereby the title to the securities that have been lent has been transferred, without recognition of that transfer of ownership in the accounts. The securities lending system can be managed by either a principal or an agent.

For the period from 1 September 2016 to 28 February 2017, the fee for securities lent from stock lending comes to 3,315.50 EUR and from bond lending to 0.00 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.

**Transparency of securities financing transactions and of reuse**Global data:

1) The amount of securities and commodities on loan as a proportion of total lendable assets defined as excluding cash and cash equivalents;	0,00	%
2) The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) and as a proportion of the collective investment undertaking's assets under management (AUM).		
The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency)	0,00	EUR
proportion of the collective investment undertaking's assets under management (AUM)	0,00	%

Concentration data:

1) Ten largest collateral issuers across all SFTs and total return swaps (break down of volumes of the collateral securities and commodities received per issuer's name);

<u>name collateral issuer</u>	<u>Market value on a settled basis</u>	<u>currency</u>
Nil	Nil	Nil

2) Top 10 counterparties of each type of SFTs and total return swaps separately (Name of counterparty and gross volume of outstanding transactions).

<u>type SFT (lending program)</u>	<u>name counterparty</u>	<u>Country of counterparty</u>	<u>Market value on a settled basis</u>	<u>currency</u>
Nil	Nil	Nil	Nil	Nil

Aggregate transaction data for each type of SFTs and total return swaps separately to be broken down according to the below categories:

1) Type and quality of collateral;	<u>equity (Goldman Sachs)</u>	<u>equity (KBC Bank)</u>	<u>bonds (Société Générale)</u>
type	Nil	Nil	Nil
quality – investment grade bonds (at least BBB- rating by Standard & Poor's): see table below			
2) Maturity tenor of the collateral broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open maturity;	Nil	Nil	Nil
3) Currency of the collateral: see table below			
4) Maturity tenor of the SFTs and total return swaps broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open transactions;	Nil	Nil	Nil
5) Country in which the counterparties are established: see table above			
6) Settlement and clearing (e.g., tri-party, Central Counterparty, bilateral).	Nil	Nil	Nil

<u>collateral</u>	<u>quality</u>	<u>Currency</u>
Nil	Nil	Nil

Data on reuse of collateral:

1) Share of collateral received that is reused, compared to the maximum amount specified in the prospectus or in the disclosure to investors;	Nil
2) Cash collateral reinvestment returns to the collective investment undertaking. (EUR)	Nil

Safekeeping of collateral received by the collective investment undertaking as part of SFTs and total return swaps:

1) Number and names of custodians and the amount of collateral assets safe-kept by each of the custodians.

<u>number</u>	<u>Name collateral custodian</u>	<u>Market value on a settled basis</u>	<u>currency</u>
Nil	Nil	Nil	Nil

Safekeeping of collateral granted by the collective investment undertaking as part of SFTs and total return swaps:

1) The proportion of collateral held in segregated accounts or in pooled accounts, or in any other accounts.

Nil

Data on return and cost for each type of SFTs and total return swaps:

1) Data on return and cost for each type of SFTs and total return swaps broken down between the collective investment undertaking, the manager of the collective investment undertaking and third parties (e.g. agent lender) in absolute terms and as a percentage of overall returns generated by that type of SFTs and total return swaps.

<u>Lending program: equity (Goldman Sachs)</u>	<u>collective investment undertaking</u>	<u>manager of the collective investment undertaking</u>	<u>agent lender</u>
return (EUR)	3.315,50	862,03	298,40
percentage of overall returns	100,00%	26,00%	9,00%
cost (EUR)	1.160,43		
percentage of overall returns	35,00 %		

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## 2 INFORMATION ON KBC SELECT IMMO EUROPE PLUS

### 2.1 MANAGEMENT REPORT

#### 2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launched date: 6 March 1998  
 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. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in real estate certificates, shares in real estate companies and UCIs that invest in real estate.

##### **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 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 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.

### **SELECTED STRATEGY**

The assets are invested primarily in real estate certificates, shares in real estate companies and real estate funds of European origin. Investments are also made in other securities linked to the European real estate sector.

### **RISK CONCENTRATION**

Real Estate.

### **VOLATILITY OF THE NET ASSET VALUE**

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

### **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.
- short term 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., 4, Rue du Fort Wallis, L-2714 Luxembourg.

**2.1.6 INDEX AND BENCHMARK**

See 'Sub-fund's investment policy'.

### 2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The recent period was exceptionally difficult for the real-estate sector, particularly compared with preceding years. The headwinds experienced by the sector related chiefly to developments in the broad stock markets, combined with macroeconomic developments and the election of President Trump in the United States, which took centre stage.

The central banks played an important role too. Although the ECB is keeping its key rate low, it hinted that it is preparing to allow its stimulus policy to systematically taper in the future. Rate hikes have already begun to occur in the United States, prompting rapid revision of forecasts in Europe.

The expectation of higher interest rates led to accelerated rotation from relatively defensive sectors, which benefit from low or falling interest rates, to more cyclical sectors, which are favoured by rising interest rates.

In operational terms, we note that property companies are still generally doing well, with rising cash flows and dividends as a result. All the same, sector rotation is gradually taking its toll. The relatively cheap sectors were relatively attractive to investors for whom more expensive ones like the real-estate sector have fallen from grace. This effect put pressure on the real-estate sector and eroded the premium. In regional terms, we note that increasing uncertainty continues to have its effect.

It is striking how the repercussions of higher interest rates have been greatest for European real estate, where higher rates are running ahead of economic improvement. In the United States, by contrast, we find that real-estate stocks are performing better than European stocks, despite the fact that key rates in the US have already been hiked. A great deal of this naturally reflects expectations concerning future interest-rate movements. Negative European rates will not last, and the market will have to adapt to this.

The potential consequences of the Brexit vote in the UK continue to generate considerable uncertainty, in both Britain and beyond. There is avid speculation as to whether certain banking and other services will have to be located on the continent, which clearly has implications for the office market in both the UK and mainland Europe. Frankfurt, Paris and Dublin stand to benefit most, but Madrid and Amsterdam also crop up repeatedly on the list of candidates that might see a shift in jobs.

The retail property market is holding up relatively well, but there are several important points to take into account. Significant bankruptcies have occurred in recent quarters among a number of major retail chains, while intensifying pressure from e-commerce means that landlords of retail properties need to be constantly on their guard and must act to keep their portfolio healthy. Retail chains are rationalising the number of stores and the necessary retail space. The French retail property stocks Klépierre and Unibail-Rodamco suffered from their liquid character and performed weakly in November and December.

The same applied to German residential real-estate stocks, which have the drawback of being viewed as an alternative to German government bonds. Fear of rising interest rates meant that this segment was hit especially hard by sector rotation.

The long-term prospects for the logistical real-estate market are good. We detect growing demand in these segments, due to the strong growth of e-commerce. Logistical real-estate stocks are trading at substantial valuations.

### 2.1.8 FUTURE POLICY

The real-estate market promises to develop in an interesting way at any rate, in that it has to adapt to a new equilibrium in an environment of rising interest rates combined with elections. The central banks are likely to play a key role once again. Management teams seem to have been rather cautious when reporting their annual results in terms of formulating their forecasts for 2017 and beyond.

The consequences of Brexit will become steadily clearer, and although British real estate has held up well so far, it is fair to say that the prospects for the UK property sector are not particularly rosy. Nor is the extent to which continental real-estate markets will be able to benefit from Brexit cut and dried. Temporary imbalances in the property market could provide opportunities.

Contrary to perception, real-estate businesses are still managing to keep the average cost of their debt finance low, and capital values are generally assessed fairly conservatively by property appraisers. We therefore anticipate a further decoupling between the underlying real-estate market and the performance of the stock market, in which individual elements will provide differentiation. In this context, we expect that companies will still be in a position to grow their cash flows and dividends.

It is expected that real-estate companies will be able to turn to the capital market once more to help fund the upcoming acquisitions. We do not expect, however, that real-estate firms in general will be tempted to raise their debt levels significantly. It is notable too that the number of IPOs is beginning to rise once more.

### **2.1.9 SYNTHETIC RISK AND REWARD INDICATOR**

6 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

<b>Balance sheet layout</b>	<b>28/02/2017</b> (in the currency of the sub-fund)	<b>29/02/2016</b> (in the currency of the sub-fund)
<b>TOTAL NET ASSETS</b>	80.978.268,02	121.565.739,95
<b>II. Securities, money market instruments, UCIs and derivatives</b>		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds		5.101.920,91
C. Shares and similar instruments		
a) Shares	81.354.877,14	123.650.243,69
Of which securities lent		4.725.368,92
b) Closed-end undertakings for collective investment		19.850,64
D. Other securities		25.260,48
<b>IV. Receivables and payables within one year</b>		
A. Receivables		
a) Accounts receivable	836.058,81	482.018,00
B. Payables		
a) Accounts payable (-)	-767.147,34	-2.191.488,08
c) Borrowings (-)	-800.011,54	-327.821,13
d) Collateral (-)		-5.101.920,91
<b>V. Deposits and cash at bank and in hand</b>		
A. Demand balances at banks	412.759,45	24.710,44
<b>VI. Accruals and deferrals</b>		
A. Expense to be carried forward	58.449,18	89.410,33
B. Accrued income	20.754,10	6.233,18
C. Accrued expense (-)	-137.471,78	-212.677,60
<b>TOTAL SHAREHOLDERS' EQUITY</b>	80.978.268,02	121.565.739,95
A. Capital	86.854.322,07	130.188.062,62
B. Income equalization	117.575,82	11.928,55
D. Result for the period	-5.993.629,87	-8.634.251,22

### Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/market instruments		5.101.920,91
IX Financial instruments lent		4.725.368,92

## 2.3 PROFIT AND LOSS ACCOUNT

<b>Income Statement</b>	<b>28/02/2017</b> (in the currency of the sub-fund)	<b>29/02/2016</b> (in the currency of the sub-fund)
<b>I. Net gains(losses) on investments</b>		
C. Shares and similar instruments		
a) Shares	-5.310.477,54	-5.337.023,92
b) Closed-end undertakings for collective investment		1.801,89
D. Other securities		4,99
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-63.328,26	-2.457.862,76
<b>Det.section I gains and losses on investments</b>		
Realised gains on investments	4.357.665,33	9.657.518,23
Unrealised gains on investments	-6.515.786,23	-14.535.880,30
Realised losses on investments	-3.034.717,79	-1.560.436,60
Unrealised losses on investments	-180.967,11	-1.354.281,13
<b>II. Investment income and expenses</b>		
A. Dividends	347.718,08	495.700,75
B. Interests		
a) Securities and money market instruments	619,83	7.565,02
b) Cash at bank and in hand and deposits	90,75	187,15
C. Interest on borrowings (-)	-826,56	-671,20
<b>IV. Operating expenses</b>		
A. Investment transaction and delivery costs (-)	-238.817,64	-178.891,42
B. Financial expenses (-)	-1.285,47	-565,10
C. Custodian's fee (-)	-45.488,21	-68.806,64
D. Manager's fee (-)		
a) Financial management	-600.299,12	-955.714,23
b) Administration and accounting management	-40.019,88	-63.714,38
E. Administrative expenses (-)	0,69	-1.980,83
F. Formation and organisation expenses (-)	-7.069,11	-11.624,52
H. Services and sundry goods (-)	-3.668,86	-9.653,80
J. Taxes	-38.158,61	-64.362,06
K. Other expenses (-)	7.380,04	11.359,84
<b>Income and expenditure for the period</b>		
Subtotal II + III + IV	-619.824,04	-841.171,42
<b>V. Profit (loss) on ordinary activities before tax</b>	-5.993.629,87	-8.634.251,22
<b>VII. Result for the period</b>	-5.993.629,87	-8.634.251,22

## 2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

### 2.4.1 COMPOSITIONS OF THE ASSETS OF KBC SELECT IMMO EUROPE PLUS

Name	Quantity on 28/02/2017	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Austria</u>							
BUWOG - BAUEN UND WOHNEN GMBH -	8.693,00	EUR	23,570	204.894,01		0,25	0,25
CA IMMOBILIEN ANLAGEN AG -	63.597,00	EUR	18,500	1.176.544,50		1,45	1,45
CONWERT IMMOBILIEN INV AG -	43.623,00	EUR	16,400	715.417,20		0,88	0,88
<u>Belgium</u>							
AEDIFICA -	4.560,00	EUR	72,080	328.684,80		0,40	0,41
COFINIMMO -	2.033,00	EUR	104,800	213.058,40		0,26	0,26
MONTEA SCAM	6.456,00	EUR	46,400	299.558,40		0,37	0,37
QRF COMM VA -	20.650,00	EUR	24,800	512.120,00		0,63	0,63
RETAIL ESTATES -	10.887,00	EUR	73,660	801.936,42		0,99	0,99
WAREHOUSE DISTR. DE PAUW -	4.832,00	EUR	87,790	424.201,28		0,52	0,52
<u>Cyprus</u>							
AROUNDTOWN PROPERTY HOLD PLC -	88.517,00	EUR	4,320	382.393,44		0,47	0,47
<u>Finland</u>							
SPONDA OYJ (HEL)	98.351,00	EUR	3,954	388.879,85		0,48	0,48
<u>France</u>							
FONCIERE DES REGIONS-	5.151,00	EUR	77,710	400.284,21		0,49	0,49
GECINA REG	6.115,00	EUR	120,100	734.411,50		0,90	0,91
ICADE EMGP -	47.312,00	EUR	67,300	3.184.097,60		3,91	3,93
KLEPIERRE (CIE FONCIERE) -	111.899,00	EUR	35,065	3.923.738,44		4,82	4,85
UNIBAIL-RODAMCO SE -	28.960,00	EUR	215,350	6.236.536,00		7,67	7,70
<u>Germany</u>							
ADO PROPERTIES SA -	83.666,00	EUR	34,855	2.916.178,43		3,59	3,60
ALSTRIA OFFICE AG -	22.990,00	EUR	11,435	262.890,65		0,32	0,33
DEUTSCHE WOHNEN AG -	151.895,00	EUR	32,425	4.925.195,38		6,05	6,08
DO DEUTSCHE OFFICE AG -	246.871,00	EUR	0,000	0,00			
GSW IMMOBILIEN AG -	2,00	EUR	77,003	154,01			
LEG IMMOBILIEN AG -	55.997,00	EUR	77,790	4.356.006,63		5,35	5,38
TLG IMMOBILIEN AG -	52.311,00	EUR	18,215	952.844,87		1,17	1,18
VIB VERMOEGENAG -	33.000,00	EUR	20,000	660.000,00		0,81	0,82
VONOVIA SE -	104.470,00	EUR	32,890	3.436.018,30		4,22	4,24
<u>Guernsey The Channel Islands</u>							
MEDICX FUND LTD -	39.503,00	GBP	0,883	40.826,09		0,05	0,05
<u>Ireland</u>							
GREEN REIT PLC -	344.127,00	EUR	1,350	464.571,45		0,57	0,57
HIBERNIA REIT PLC -	262.496,00	EUR	1,210	317.620,16		0,39	0,39
IRISH RESIDENTIAL PROPERTIES R -	1.514.051,00	EUR	1,200	1.816.861,20		2,23	2,24

<u>Italy</u>							
BENI STABILI SPA -	3.508.705,00	EUR	0,590	2.070.135,95		2,55	2,56
COIMA RES SPA -	12.786,00	EUR	7,050	90.141,30		0,11	0,11
<u>Netherlands</u>							
VASTNED-RETAIL -	819,00	EUR	33,600	27.518,40		0,03	0,03
WERELDHAVE NV (AMS)	21.712,00	EUR	41,230	895.185,76		1,10	1,11
<u>Norway</u>							
ENTRA ASA -	159.852,00	NOK	95,500	1.719.032,26		2,11	2,12
VEIDEKKE ASA -	14.485,00	NOK	120,000	195.732,22		0,24	0,24
<u>Spain</u>							
AXIA REAL ESTATE SOCIMI SA -	6.861,00	EUR	13,685	93.892,79		0,12	0,12
HISPANIA ACTIVOS INMOBILIARIOS -	20.424,00	EUR	12,265	250.500,36		0,31	0,31
INMOBILIARIA COLONIAL SA -	338.930,00	EUR	6,899	2.338.278,07		2,87	2,89
LAR ESPANA REAL ESTATE SOCIMI -	44.036,00	EUR	7,350	323.664,60		0,40	0,40
MERLIN PROPERTIES SOCIMI SA -	263.785,00	EUR	10,715	2.826.456,28		3,47	3,49
<u>Sweden</u>							
CASTELLUM AB -	18.228,00	SEK	122,300	232.945,08		0,29	0,29
D CARNEGIE & CO AB -	216.269,00	SEK	109,500	2.474.551,25		3,04	3,06
FABEGE AB -	80.682,00	SEK	152,300	1.283.998,81		1,58	1,59
FASTIGHETS AB BALDER -B-	10.451,00	SEK	197,400	215.572,35		0,27	0,27
HEMFOSA FASTIGHETER AB -	1.323,00	SEK	83,900	11.598,71		0,01	0,01
HEMFOSA FASTIGHETER AB AB - PREF	19.400,00	SEK	159,700	323.738,77		0,40	0,40
HUFVUDSTADEN AB "A"	16.163,00	SEK	140,100	236.618,21		0,29	0,29
KLOVERN AB -	1.060,00	SEK	288,500	31.955,07		0,04	0,04
KLOVERN AB -	34.750,00	SEK	9,250	33.588,04		0,04	0,04
PANDOX AB -	104.705,00	SEK	142,400	1.557.992,89		1,92	1,92
WALLENSTAM AB -B-	43.232,00	SEK	73,850	333.613,71		0,41	0,41
WIHLBORGS FASTIGHETER -	10.862,00	SEK	179,500	203.733,44		0,25	0,25
<u>Switzerland</u>							
PSP SWISS PROPERTY AG -	8.146,00	CHF	93,600	716.502,00		0,88	0,89
SWISS PRIME SITE -	19.225,00	CHF	87,200	1.575.360,62		1,94	1,95
<u>U.K.</u>							
ASSURA PLC -	153.789,00	GBP	0,585	105.359,60		0,13	0,13
BIG YELLOW GROUP PLC -	4.606,00	GBP	7,310	39.430,68		0,05	0,05
BRITISHLAND CO PLC -	60.682,00	GBP	6,175	438.823,46		0,54	0,54
CAPITAL & REGIONAL PLC -	2.251.105,00	GBP	0,590	1.555.395,19		1,91	1,92
DAEJAN HOLDINGS PLC -	395,00	GBP	67,900	31.409,42		0,04	0,04
DERWENT LONDON PLC -	36.008,00	GBP	28,200	1.189.162,20		1,46	1,47
EMPIRIC STUDENT PROPERTY PLC -	834.279,00	GBP	1,105	1.079.609,20		1,33	1,33
GREAT PORTLAND ESTATES -	49.640,00	GBP	6,480	376.703,60		0,46	0,47
HAMMERSON PLC -	626.683,00	GBP	5,885	4.319.041,40		5,31	5,33
LAND SECURITIES GROUP PLC -	300.102,00	GBP	10,660	3.746.442,58		4,61	4,63
LONDON METRIC PROPERTY PLC -	984.421,00	GBP	1,550	1.786.921,83		2,20	2,21
SAFESTORE HOLDINGS PLC -	135.905,00	GBP	3,840	611.166,65		0,75	0,76
SEGRO PLC -	746.938,00	GBP	4,938	4.319.451,74		5,31	5,33
SHAFTESBURY PLC -	9.583,00	GBP	9,155	102.743,14		0,13	0,13
TRITAX BIG BOX REIT PLC -	547.081,00	GBP	1,459	934.759,55		1,15	1,15
UNITE GROUP PLC -	14.903,00	GBP	6,250	109.080,40		0,13	0,14
WORKSPACE GROUP PLC -	50.669,00	GBP	7,940	471.146,34		0,58	0,58
Total shares				81.354.877,14		100,00	100,47
TOTAL SECURITIES PORTFOLIO				81.354.877,14		100,00	100,47

CASH AT BANK AND IN HAND						
<b>Demand accounts</b>						
<u>Belgium</u>						
KBC GROUP AUD	4.131,10	AUD	1,000	2.989,00		0,00
KBC GROUP CHF	10.555,98	CHF	1,000	9.919,64		0,01
KBC GROUP EURO	-799.631,37	EUR	1,000	-799.631,37		-0,99
KBC GROUP GBP	27.056,00	GBP	1,000	31.685,21		0,04
KBC GROUP HKD	1.712,15	HKD	1,000	207,57		
KBC GROUP JPY	195.703,00	JPY	1,000	1.646,10		0,00
KBC GROUP NOK	-3.376,08	NOK	1,000	-380,17		
KBC GROUP SEK	3.311.609,35	SEK	1,000	346.040,68		0,43
KBC GROUP SGD	22.362,13	SGD	1,000	15.047,53		0,02
KBC GROUP TRY	972,81	TRY	1,000	252,37		
KBC GROUP USD	5.282,56	USD	1,000	4.971,35		0,01
Total demand accounts				-387.252,09		-0,48
<b>TOTAL CASH AT BANK AND IN HAND</b>				<b>-387.252,09</b>		<b>-0,48</b>
<b>OTHER RECEIVABLES AND PAYABLES</b>						
<b>Receivables</b>						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	720.265,63	EUR	1,000	720.265,63		0,89
KBC GROUP GBP RECEIVABLE	98.875,80	GBP	1,000	115.793,18		0,14
Total receivables				836.058,81		1,03
<b>Payables</b>						
<u>Belgium</u>						
KBC GROUP EUR PAYABLE	-38.344,76	EUR	1,000	-38.344,76		-0,05
KBC GROUP GBP PAYABLE	-327.876,24	GBP	1,000	-383.974,99		-0,47
KBC GROUP SEK PAYABLE	-3.300.000,00	SEK	1,000	-344.827,59		-0,43
Payables				-767.147,34		-0,95
<b>TOTAL RECEIVABLES AND PAYABLES</b>				<b>68.911,47</b>		<b>0,09</b>
<b>OTHER</b>						
Interest receivable		EUR		20.754,10		0,03
Expenses payable		EUR		-137.471,78		-0,17
Expenses to be carried forward		EUR		58.449,18		0,07
<b>TOTAL OTHER</b>				<b>-58.268,50</b>		<b>-0,07</b>
<b>TOTAL NET ASSETS</b>				<b>80.978.268,02</b>		<b>100,00</b>

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

	31/08/2015	29/02/2016	31/08/2016	28/02/2017
Austria	0,45	2,16	1,36	2,58
Belgium	1,76	2,70	4,47	3,17
Switzerland	1,58	5,08	4,26	2,82
Cyprus	0,00	0,00	0,00	0,47
Germany	19,34	22,19	22,51	21,52
Spain	3,62	4,53	5,13	7,17
Finland	0,77	0,00	0,00	0,48
France	17,16	22,29	23,23	17,80
U.K.	43,74	30,01	27,50	26,08
Ireland	0,00	0,00	0,82	3,19
Italy	1,04	0,14	0,00	2,66
Luxembourg	0,57	1,42	1,42	0,00
Netherlands	3,52	2,58	0,04	1,13
Norway	0,04	0,00	0,00	2,35
Sweden	6,38	6,87	9,21	8,53
Guernsey The Channel Islands	0,03	0,03	0,05	0,05
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

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

	31/08/2015	29/02/2016	31/08/2016	28/02/2017
Cyclicals	0,00	0,00	0,00	0,26
Consum(cycl)	0,32	0,00	0,00	0,00
Financials	1,66	1,96	4,81	0,05
Real est.	97,81	97,66	94,07	99,69
Unit trusts	0,21	0,38	1,12	0,00
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

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

	31/08/2015	29/02/2016	31/08/2016	28/02/2017
CHF	1,62	5,12	4,41	2,84
EUR	47,51	58,77	56,79	60,26
GBP	44,36	29,14	29,05	25,94
NOK	0,04	0,00	0,00	2,36
SEK	6,46	6,96	9,72	8,57
SGD	0,01	0,01	0,02	0,02
USD	0,00	0,00	0,01	0,01
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

#### 2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC SELECT IMMO EUROPE PLUS (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
<b>Purchases</b>	66.144.133,89	66.144.133,89
<b>Sales</b>	62.886.193,41	62.886.193,41
<b>Total 1</b>	129.030.327,30	129.030.327,30
<b>Subscriptions</b>	22.176.991,27	22.176.991,27
<b>Redemptions</b>	16.049.851,37	16.049.851,37
<b>Total 2</b>	38.226.842,64	38.226.842,64
<b>Monthly average of total assets</b>	80.557.090,34	80.557.090,34
<b>Turnover rate</b>	112,72 %	112,72 %

	1st half of year	Year
<b>Purchases</b>	66.144.133,89	66.144.133,89
<b>Sales</b>	62.886.193,41	62.886.193,41
<b>Total 1</b>	129.030.327,30	129.030.327,30
<b>Subscriptions</b>	22.176.991,27	22.176.991,27
<b>Redemptions</b>	16.049.851,37	16.049.851,37
<b>Total 2</b>	38.226.842,64	38.226.842,64
<b>Monthly average of total assets</b>	81.091.192,53	81.091.192,53
<b>Corrected turnover rate</b>	111,98 %	111,98 %

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

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

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

Active asset management may result in high turnover rates (monthly percentage >50%), reason: The fund is frequently rebalanced to reflect the most up-to-date analyst views and expectations.

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

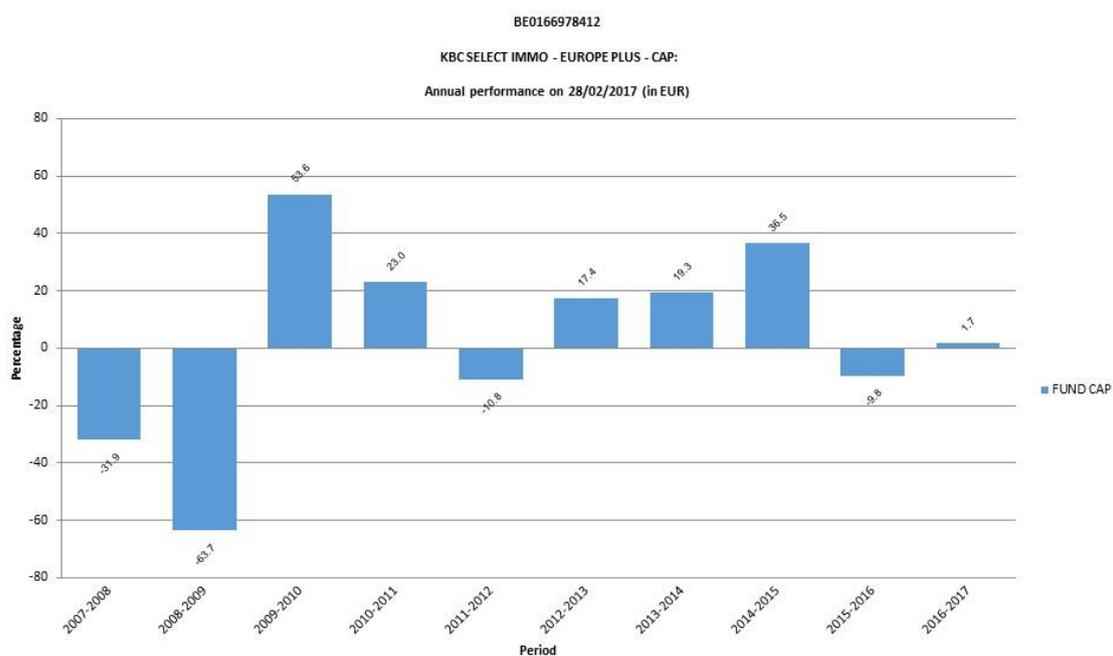
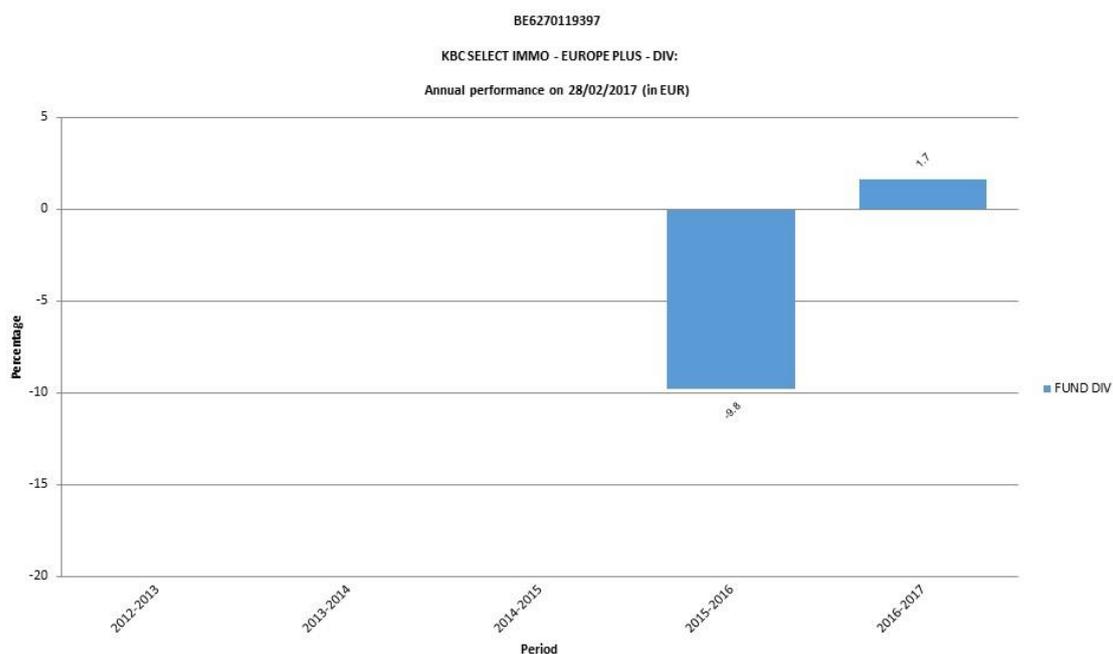
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2015 - 08*	59.051,01	19.041,11	104.762,85	5.806,73	86.457,33	13.234,38	99.691,71
2016 - 08*	29.294,61	9.045,11	69.405,02	5.798,47	46.346,92	16.481,03	62.827,95
2017 - 02*	17.184,35	1.508,00	10.024,70	3.599,86	53.506,56	14.389,18	67.895,74

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2015 - 08*	67.843.124,48	21.226.745,64	131.857.844,17	7.408.477,37
2016 - 08*	37.138.208,31	11.154.944,18	87.582.305,52	7.050.194,12
2017 - 02*	20.673.399,14	1.672.204,15	12.025.684,33	4.085.243,40

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2015 - 08*	126.189.132,56	1.267,30	1.255,93
2016 - 08*	81.293.133,90	1.305,55	1.261,15
2017 - 02*	80.978.268,02	1.209,14	1.131,49

\* 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	Launch Date	Share classes						
CAP	BE0166978412	EUR	1.65%		7.80%		11.89%		-3.10%		06/03/1998	4.81%
DIV	BE6270119397	EUR	1.65%								01/09/2014	7.51%

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. 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  $n^{\text{th}}$  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: 1.816%

Capitalization: 1.814%

\* 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.

Broker	Commission gross in EUR paid during the period: 1-09-16 - 28-02-17	CSA Credits in EUR accrued during the period: 1-09-16 - 28-02-17	Percentage
CARNEGIE	904	151	16,67%
CITI	1.390	348	25,00%
CITI	1.623	385	23,73%
CSFBSAS	3.328	714	21,46%
CSFBSAS	1.775	385	21,71%
DEUTSCHE	199	33	16,67%
DEUTSCHE	3.454	756	21,88%
EQ CSA GOLDMAN SACHS INTERNATIONAL	2.417	604	25,00%
HSBC	2.883	578	20,04%
HSBC	6.340	1.170	18,45%
INSTINET	1.216	217	17,85%
INSTINET	10.504	2.462	23,44%
MACQUARIE	1.023	183	17,90%
MACQUARIE	471	118	25,00%
MERRILL	345	58	16,67%
MORGAN STANLEY	266	54	20,44%
MORGAN STANLEY	4.094	847	20,70%
SOCGEN	946	158	16,67%
UBSWDR	2.883	718	24,92%

**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

Pursuant to the Royal Decree of 7 March 2006 on securities lending, the collective investment undertaking has entered into securities lending arrangements, whereby the title to the securities that have been lent has been transferred, without recognition of that transfer of ownership in the accounts. The securities lending system can be managed by either a principal or an agent.

For the period from 1 September 2016 to 28 February 2017, the fee for securities lent from stock lending comes to 797.02 EUR and from bond lending to 0.00 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.

**Transparency of securities financing transactions and of reuse**Global data:

1) The amount of securities and commodities on loan as a proportion of total lendable assets defined as excluding cash and cash equivalents;	0,00	%
2) The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) and as a proportion of the collective investment undertaking's assets under management (AUM).		
The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency)	0,00	EUR
proportion of the collective investment undertaking's assets under management (AUM)	0,00	%

Concentration data:

1) Ten largest collateral issuers across all SFTs and total return swaps (break down of volumes of the collateral securities and commodities received per issuer's name);

<u>name collateral issuer</u>	<u>Market value on a settled basis</u>	<u>currency</u>
Nil	Nil	Nil

2) Top 10 counterparties of each type of SFTs and total return swaps separately (Name of counterparty and gross volume of outstanding transactions).

<u>type SFT (lending program)</u>	<u>name counterparty</u>	<u>Country of counterparty</u>	<u>Market value on a settled basis</u>	<u>currency</u>
Nil	Nil	Nil	Nil	Nil

Aggregate transaction data for each type of SFTs and total return swaps separately to be broken down according to the below categories:

1) Type and quality of collateral;	<u>equity (Goldman Sachs)</u>	<u>equity (KBC Bank)</u>	<u>bonds (Société Générale)</u>
type	Nil	Nil	Nil
quality – investment grade bonds (at least BBB- rating by Standard & Poor's): see table below			
2) Maturity tenor of the collateral broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open maturity;	Nil	Nil	Nil
3) Currency of the collateral: see table below			
4) Maturity tenor of the SFTs and total return swaps broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open transactions;	Nil	Nil	Nil
5) Country in which the counterparties are established: see table above			
6) Settlement and clearing (e.g., tri-party, Central Counterparty, bilateral).	Nil	Nil	Nil

<u>collateral</u>	<u>quality</u>	<u>Currency</u>
Nil	Nil	Nil

Data on reuse of collateral:

1) Share of collateral received that is reused, compared to the maximum amount specified in the prospectus or in the disclosure to investors;	Nil
2) Cash collateral reinvestment returns to the collective investment undertaking. (EUR)	Nil

Safekeeping of collateral received by the collective investment undertaking as part of SFTs and total return swaps:

1) Number and names of custodians and the amount of collateral assets safe-kept by each of the custodians.

<u>number</u>	<u>Name collateral custodian</u>	<u>Market value on a settled basis</u>	<u>currency</u>
Nil	Nil	Nil	Nil

Safekeeping of collateral granted by the collective investment undertaking as part of SFTs and total return swaps:

1) The proportion of collateral held in segregated accounts or in pooled accounts, or in any other accounts.

Nil

Data on return and cost for each type of SFTs and total return swaps:

1) Data on return and cost for each type of SFTs and total return swaps broken down between the collective investment undertaking, the manager of the collective investment undertaking and third parties (e.g. agent lender) in absolute terms and as a percentage of overall returns generated by that type of SFTs and total return swaps.

<u>Lending program: equity (Goldman Sachs)</u>	<u>collective investment undertaking</u>	<u>manager of the collective investment undertaking</u>	<u>agent lender</u>
return (EUR)	797,02	207,23	71,73
percentage of overall returns	100,00%	26,00%	9,00%
cost (EUR)	278,96		
percentage of overall returns	35,00 %		