

Audited annual report as at 31th August 2017

KBC Eco Fund

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

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

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1. GENERAL INFORMATION ON THE BEVEK

1.1 ORGANIZATION OF THE BEVEK

REGISTERED OFFICE :

2 Havenlaan - B-1080 Brussels, Belgium.

DATE OF INCORPORATION:

27 March 1992

LIFE:

Unlimited.

BOARD OF DIRECTORS OF THE BEVEK:

Luc Vanbriel, Head Management Structured Products & Money Market Funds KBC Asset Management NV (resigned 01/07/2017) replaced by Tom Mermuys, Head of Asset Allocation and Strategy Funds KBC Asset Management NV (appointed 01/07/2017)

Wouter Vanden Eynde, Representative KBC Asset Management NV(resigned 01/05/2017) replaced by Wilfried Kupers, General Manager Group Legal KBC Group NV (appointed 01/05/2017)

Jozef Walravens, Independent Director

Jean-Louis Claesens, Independent Director

Carine Vansteenkiste, General Manager KBC Private Banking - West Region KBC Bank NV, (appointed 29/11/2016)

Chairman:

Jean-François Gillard, Financial Manager CBC Banque SA

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

Luc Vanbriel, Head Management Structured Products & Money Market Funds KBC Asset Management NV (resigned 01/07/2017) replaced by Tom Mermuys, Head of Asset Allocation and Strategy Funds KBC Asset Management NV (appointed 01/07/2017)

Wouter Vanden Eynde, Representative KBC Asset Management NV(resigned 01/05/2017) replaced Tom Mermuys, Head of Asset Allocation and Strategy Funds KBC Asset Management NV

MANAGEMENT TYPE:

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

DATE OF INCORPORATION OF THE MANAGEMENT COMPANY:

30 December 1999.

NAMES AND POSITIONS OF THE DIRECTORS OF THE MANAGEMENT COMPANY:*Chairman:*

L. Gijssens, (resigned 05/05/2017) replaced by L. Popelier (appointed 05/05/2017)

Directors:

D. Mampaey, President of the Executive Committee (resigned 01/09/2017) replaced by J. Lema (appointed 01/09/2017)

J. Peeters, Independent Director (resigned 25/04/2017) replaced by A. Van Poeck, Independent Director (appointed 25/04/2017)

J. Daemen, Non-Executive Director

P. Konings, Non-Executive Director

J. Verschaeve, Managing Director (resigned 01/06/2017) replaced by T. Ergo, Managing Director (appointed 01/06/2017)

G. Rammeloo, Managing Director

O. Morel, Non-Executive Director (resigned 06/01/2017)

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 (resigned 01/09/2017) replaced by J. Lema, President of the Executive Committee (appointed 01/09/2017)

J. Verschaeve, Managing Director (resigned 01/06/2017) replaced by T. Ergo, Managing Director (appointed 01/06/2017)

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 N.V., 2 Havenlaan - B-1080 Brussels

CUSTODIAN:

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

Custodian's activities

The custodian:

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

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

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

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

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

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

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

Custody tasks delegated by the custodian

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

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

List of sub-custodians and sub-sub-custodians

The updated list of entities to which the custodian has delegated custody duties and, where applicable, the entities to which the delegated custody duties have been sub-delegated, can be consulted at <https://kbcam.kbc.be/en/custody>.

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

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

Conflicts of interest

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

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

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

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

ADMINISTRATION AND ACCOUNTING MANAGEMENT:

KBC Asset Management N.V., 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 1 J, 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.

REMUNERATION POLICY AND REMUNERATION PAID BY THE MANAGMENT COMPANY

General:

The KBC group has a specific management structure, under which KBC Group NV and the various group companies are brought together within one or more business units, for operational purposes. KBC Asset Management NV is part of the KBC Asset Management product factory within the KBC group's International Markets Business Unit.

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

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

REMUNERATION PAID BY THE MANAGMENT COMPANY FOR BOOK YEAR ENDING ON 31 AUGUST 2017

the total reward over the fiscal year, broken down into the fixed and variable pay that the manager pays to its staff, the number of recipients and any amount paid direct by the bevek/sicav, including all performance rewards and carried interest.	Fixed pay: 31.324.963EUR Variable pay: 5.096.074EUR Number of recipients: 334
the aggregate pay amount, broken down into the highest management and the manager's staff whose acts significantly affect the fund's risk profile.	Management rewards: 1.981.062EUR Reward for the manager's staff whose acts affect the risk profile: 548.358EUR

CHANGES IN 2016 AND EVALUATIOS:

The adjustments to the remuneration policy over 2016 were aimed in part at implementing the new UCITS V rules and implementation of the CRD IV remuneration requirements. The KBC Group Remuneration Policy is based on the 'EBA Guidelines on Sound Remuneration.'

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

LIST OF SUB-FUNDS OF KBC ECO FUND

1. Alternative Energy
2. Climate Change
3. CSOB Water
4. Impact Investing
5. Water
6. World

SHARE CLASSES

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

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

Alternative Energy
Climate Change
Water
World

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

Alternative Energy
Climate Change
Water
World

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

Pursuant to Article 96 of the Companies Code, information is supplied regarding the following:

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

Reclaims of foreign withholding taxes on dividends.

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

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

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

Fund	Country	Year	Amount	Currency
KBC Eco Fund-Alternative Energy	Norway	2012-2013-2014-2015	1,004.31	EUR
KBC Eco Fund-Alternative Energy	Spain	2007	13,249.07	EUR
KBC Eco Fund-Climate Change	Sweden	2010-2011-2012-2013-2014	1,981.31	SEK
KBC Eco Fund-Climate Change	Norway	2012-2013-2014-2015	758.85	EUR
KBC Eco Fund-Climate Change	Spain	2007	5,014.79	EUR
KBC Eco Fund-CSOB Water	Sweden	2010-2011-2012-2013-2014	10,399.41	SEK
KBC Eco Fund-CSOB Water	Spain	2007	1,354.89	EUR
KBC Eco Fund-Impact Investing	Sweden	2010-2011-2012-2013-2014	36,148.46	SEK
KBC Eco Fund-Impact Investing	Norway	2012-2013-2014-2015	7,058.41	EUR
KBC Eco Fund-Impact Investing	Spain	2007	14,263.05	EUR
KBC Eco Fund-Water	Sweden	2010-2011-2012-2013-2014	88,102.97	SEK
KBC Eco Fund-Water	Spain	2007	6,190.27	EUR
KBC Eco Fund-World	Sweden	2010-2011-2012-2013-2014	29,684.85	SEK
KBC Eco Fund-World	Norway	2012-2013-2014-2015	1,024.66	EUR
KBC Eco Fund-World	Spain	2007	18,062.84	EUR

1.2.2 GENERAL MARKET OVERVIEW

30 September 2016 – 31 August 2017

Share markets higher; dollar lower

Share markets rose sharply during the period under review. In euro terms, the world index closed by 9.7% higher. Improved economic prospects worldwide, the recovery in earnings growth and the hope of stimulatory policies from new US President Trump drove up share prices. The euro area (+14.5%) and the Asian emerging markets (+16.2%) topped the league, while Wall Street (+7.3%) clearly lagged behind, largely on account of the sharp depreciation of the US dollar versus the euro.

Among the best performing sectors were technology (+23.7%), financials (+18.3%), materials (+16.7%) and the industrials (+10%). The energy sector (-4.2%) and telecom shares (-4%) were at the bottom of the list.

After the election of the new president, the US dollar was unable to sustain its previous gains and ultimately closed the period under review more than 6% lower against the euro.

Bond rates take a turn for the better

Bond rates also failed to maintain the rise recorded after the US elections. After peaking at 2.6% in March, they ended the reporting period at 2.2% (as compared with 1.6% at the start of the period under review). In this regard, the bond markets broadly followed the inflation figure, which, in response to higher oil prices, initially rose before easing again. Despite the tight labour market, the underlying rate of inflation barely rose. Two interest-rate hikes by the US Federal Reserve were also unable to push up interest rates much.

In the euro area, bond rates were held back by the ECB's purchase programme. Even so, the German 10-year rate rose to around 0.4% at the end of August 2017, compared with just -0.1% at the start of the period under review. Interest-rate spreads between the euro countries themselves, which had widened in response primarily to the elections in France, managed to narrow again towards the end of the reporting period.

As the global economy picked up, investors became more interested in risk, taking them to the emerging markets, which recorded a fine performance.

Good prospects for shares

We have a clear preference for shares over bonds. Shares are not cheap, but the dividend yield far exceeds the level of interest rates. This has a lot to do with the fact that bonds are heavily overpriced on account of the low level of interest rates. Shares also benefit most from strong economic growth.

The economic outlook is good. Economic growth has picked up since the autumn of 2016, with confidence indicators in the euro area at their highest level since the financial crisis. Second-quarter growth in Japan was among the highest witnessed in recent years. Growth in the US is stable, even though the high expectations surrounding President Trump's policies, which included the promise of tax cuts, have yet to be borne out. Growth accelerated in the emerging markets thanks to Chinese stimulus measures at the end of last year. Although this effect seems to have worn off somewhat, we expect the Asian economies in particular to continue growing fairly solidly.

Monetary policy remains supportive. The European Central Bank (ECB) will maintain its expansive policy until at least the end of 2017. An interest rate hike is not expected before the end of 2018. The US central bank (Fed) raised its key rate to 1.25% in June, but this is still well below normal levels. The Bank of Japan continues to create money at a pace, which has weakened the currency and supports Japanese corporate earnings and the stock market.

Corporate earnings grew almost 10% in the US in the second quarter of 2017, 13% in Europe and over 20% in Japan. This was not as spectacular as in the first quarter, but still very solid. Global earnings forecasts for 2017 have been upgraded since the beginning of the year and currently stand at an average of 13%. The figure is slightly lower in the US and substantially higher in Europe and emerging markets. This growth in profits means that the price/earnings ratio can fall towards the long-term average without requiring any drop in share prices.

Regionally, we prefer the euro area and Asia's growth markets, where we are seeing a broadly-based acceleration of nominal growth, as well as economic indicators at a high level. Forecast earnings growth for this year is higher here than in the rest of the world. Both regions are cheaper on average than the US.

As far as sectors are concerned, the cyclical and growth-oriented ones ought, in particular, to benefit from the strong economy. We find these primarily among financial and technology firms. This was also reflected in the second-quarter results. The technology sector once again recorded unexpectedly robust earnings growth. Expectations in the sector are very high, however, especially in the case of software, which means hefty prices and severe punishment for disappointing performance. Defensive sectors like utilities and consumer staples are less well placed to benefit from robust economic growth. These sectors also perform less well in an environment of rising interest rates.

We have a preference for the health care sector. It has stable income flows because of the ageing population and new, complex medicines. These product lines are further supported by innovations in the biotechnology sub-sector. The sector is relatively cheap, especially biotechnology.

Difficult for bond investors

Owing to the extremely low level of interest rates, we are very cautious towards government bonds issued by core countries in the euro area, and are limiting the duration. The current yield on bonds of this type is extremely low or even negative and upward pressure on interest rates is now increasing as a result of improving economic growth, expected higher inflation figures and the fact that central banks have indicated that the 'money tap' will not be left on forever. This constitutes an asymmetrical risk, although the anticipated rate hike will remain limited for the time being because the US central bank (the Fed) is prioritising a very gradual normalisation of its policy. The European Central Bank (ECB) extended its purchasing programme until the end of 2017, thereby maintaining pressure on interest rates.

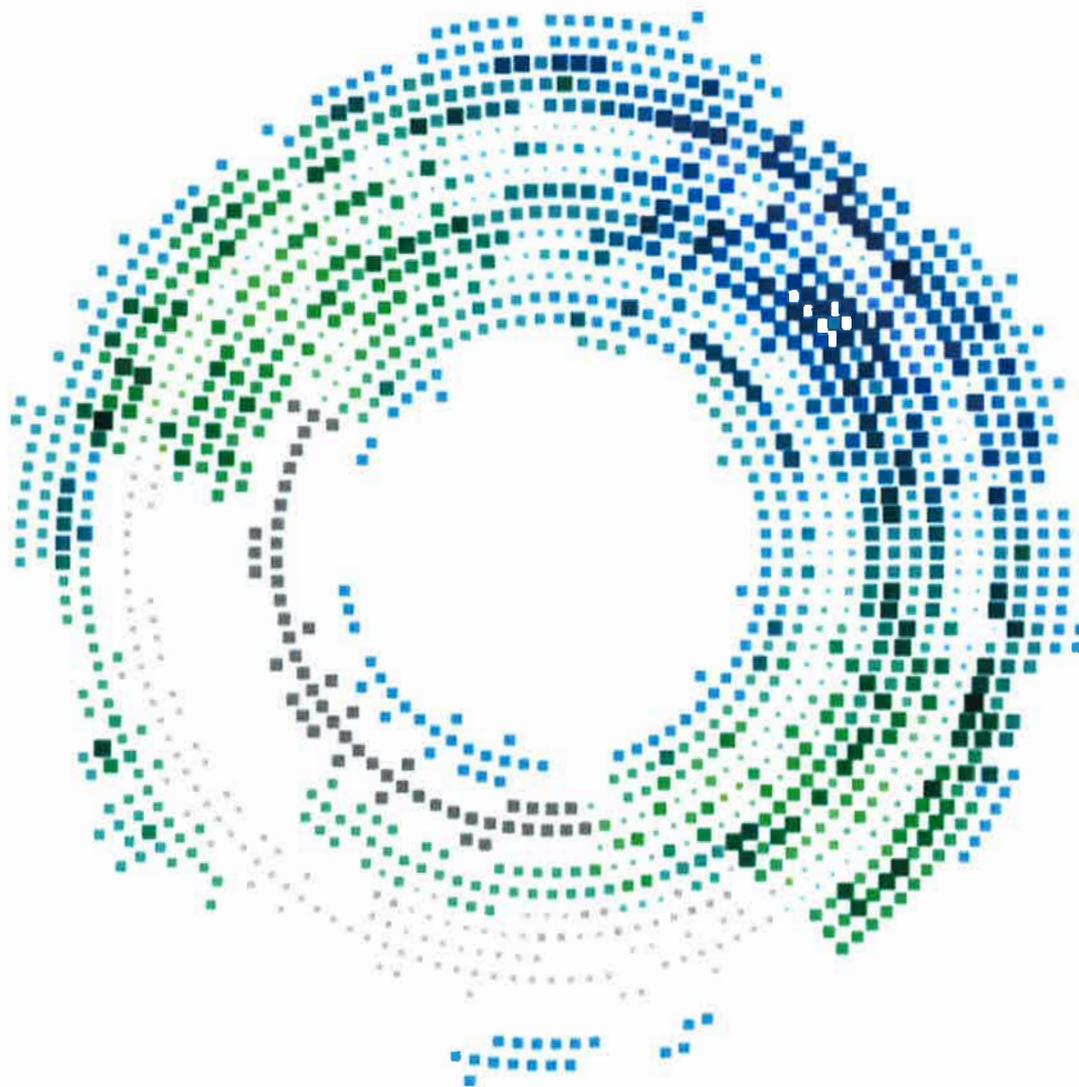
Within the government bonds segment, we are mainly seeking higher bond yields outside the euro area, as reflected in the positions held in Norway. The robust economy, our scenario in which we expect oil prices to increase gradually and the extra yield make Norwegian bonds an attractive investment.

Furthermore, we remain positive about high-interest bonds and are investing part of the portfolio in emerging market government bonds. The current yield is higher than on traditional bonds, but volatility can also run high. In an environment of rising interest rates and uncertainty regarding the potential consequences of Donald Trump's policy on the rest of the world, we are reducing the duration a little.

Certain segments of the corporate bond market also remain attractive, especially subordinated bonds of financial companies. The expected returns are a little higher, 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 is providing additional indirect support for this theme by purchasing corporate bonds, thereby supporting the overall economic climate.

Edited to 15 September 2017

1.3 AUDITOR'S REPORT



KBC Eco Fund NV/SA

Bevek/Sicav under Belgian law under Belgian law, category UCITS

Statutory auditor's report to the shareholders' meeting on the annual accounts for the year ended 31 August 2017

The original text of this report is in Dutch

Statutory auditor's report to the shareholders' meeting on the annual accounts for the year ended 31 August 2017

As required by law and the company's KBC Eco Fund NV/SA, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the annual accounts together with our report on other legal and regulatory requirements. These annual accounts comprise the balance sheet as at 31 August 2017 and the income statement for the year then ended, as well as the summary of accounting policies and other disclosures.

Report on the annual accounts – Unqualified opinion

We have audited the annual accounts of KBC Eco Fund NV/SA, prepared in accordance with the financial reporting framework applicable in Belgium, which show a total net asset value of 524 910 767,10 EUR and a profit for the year of 33 439 304,66 EUR. An overview of the total net asset value and result for each compartment is given in the following table:

Name compartment	Currency	Total net asset value	Result
KBC ECO FUND WORLD	EUR	139 987 068,82	9 375 943,20
KBC ECO FUND ALTERNATIVE ENERGY	EUR	27 856 453,79	2 497 350,86
KBC ECO FUND WATER	EUR	237 124 138,71	10 100 729,74
KBC ECO FUND IMPACT INVESTING	EUR	68 171 889,04	8 324 882,62
KBC ECO FUND CLIMATE CHANGE	EUR	22 028 743,44	1 309 048,00
KBC ECO FUND CSOB WATER	CZK	776 828 788,76	47 832 121,14

Responsibility of the Board of Directors for the preparation of the annual accounts

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

Statutory auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) as adopted in Belgium. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts. We have obtained from the company's officials and the board of directors the explanations and information necessary for performing our audit.

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

Unqualified opinion

In our opinion, the annual accounts of KBC Eco Fund NV/SA give a true and fair view of the company's net equity and financial position as of 31 August 2017 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Report on other legal and regulatory requirements

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

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statements, which do not modify the scope of our opinion on the annual accounts:

- The director's report, prepared in accordance with articles 95 and 96 of the Companies Code and to be filed in accordance with article 100 of the Companies Code, includes, both in form and in substance, the information required by law, is consistent with the annual accounts and is free from any material inconsistencies with the information that we became aware of during the performance of our mandate.
- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant requirements of the law and the company's articles of association.
- There are no transactions undertaken or decisions taken in violation of the company's articles of association or the companies code that we have to report to you.

Zaventem, 7 November 2017

The statutory auditor

DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Maurice Vrolix

1.4 AGGREGATE BALANCE SHEET (IN EUR)

Balance sheet layout	31/08/2017 (in the currency of the bevek)	31/08/2016 (in the currency of the bevek)
TOTAL NET ASSETS	524.910.767,10	424.968.011,63
II. Securities, money market instruments, UCIs and derivatives		
C. Shares and similar instruments		
a) Shares	521.521.309,17	423.511.199,49
D. Other securities	29.470,74	
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	279.470,19	-163.394,12
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	3.878.717,91	367.676,86
B. Payables		
a) Accounts payable (-)	-4.297.125,31	-98.665,81
c) Borrowings (-)	-1.626.069,03	-1.073.044,20
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	5.115.793,00	2.195.204,13
VI. Accruals and deferrals		
A. Expense to be carried forward		105.504,27
B. Accrued income	558.350,67	561.540,67
C. Accrued expense (-)	-549.150,25	-438.009,66
TOTAL SHAREHOLDERS' EQUITY	524.910.767,10	424.968.011,63
A. Capital	490.827.815,67	385.524.340,22
B. Income equalization	643.646,76	440.269,92
D. Result of the bookyear	33.439.304,66	39.003.401,51

Off-balance-sheet headings

III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	25.585.060,63	16.393.885,29
III.B Written futures and forward contracts	-5.222.082,44	-698.121,99

1.5 AGGREGATE PROFIT AND LOSS ACCOUNT (IN EUR)

Income Statement	31/08/2017 <small>(in the currency of the bevek)</small>	31/08/2016 <small>(in the currency of the bevek)</small>
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	56.449.537,31	39.713.974,74
D. Other securities	6.544,60	-21.725,04
G. Receivables, deposits, cash at bank and in hand and payables		0,03
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	448.563,33	-108.962,67
b) Other foreign exchange positions and transactions	-23.848.054,36	-1.074.311,68
Det.section I gains and losses on investments		
Realised gains on investments	43.131.039,08	27.543.928,06
Unrealised gains on investments	22.212.923,65	27.152.914,05
Realised losses on investments	-15.411.514,67	-24.455.694,25
Unrealised losses on investments	-16.875.857,12	8.267.827,53
II. Investment income and expenses		
A. Dividends	9.634.316,79	7.636.946,78
B. Interests		
a) Securities and money market instruments	8,30	17.500,02
b) Cash at bank and in hand and deposits	11.398,68	3.304,52
C. Interest on borrowings (-)	-21.189,10	-9.784,63
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	46.966,10	48.170,29
B. Other	32.065,59	

IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-447.200,02	-308.437,49
B. Financial expenses (-)	-6.946,39	-3.118,39
C. Custodian's fee (-)	-390.221,50	-287.312,55
D. Manager's fee (-)		
a) Financial management	-7.414.595,61	-5.703.718,37
b) Administration and accounting management	-485.824,24	-373.995,64
E. Administrative expenses (-)	-4,06	-3.563,19
F. Formation and organisation expenses (-)	-43.633,90	-47.359,62
G. Remuneration, social security charges and pension	-17.841,53	-15.612,93
H. Services and sundry goods (-)	-78.147,92	-99.914,35
J. Taxes	-348.628,90	-292.237,07
K. Other expenses (-)	-87.808,58	-66.441,26
Income and expenditure for the period		
Subtotal II + III + IV	382.713,66	494.426,14
V. Profit (loss) on ordinary activities before tax	33.439.304,60	39.003.401,51
VII. Result of the bookyear	33.439.304,60	39.003.401,51

Appropriation Account

	31/08/2017 (in the currency of the bevek)	31/08/2016 (in the currency of the bevek)
I. Profit to be appropriated	34.082.951,36	39.443.671,43
Profit for the period available for appropriation	33.439.304,60	39.003.401,51
Income on the creation of shares (income on the cancellation of shares)	643.646,76	440.269,92
II. (Appropriations to) Deductions from capital	-32.576.515,57	-38.366.900,89
IV. (Dividends to be paid out)	-1.506.435,79	-1.076.770,54

1.6 SUMMARY OF RECOGNITION AND VALUATION RULES

1.6.1 SUMMARY OF THE RULES

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

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

- When purchased or sold, securities, money market instruments, units in undertakings for collective investment and financial derivatives are recorded in the accounts at their acquisition price or sale price, respectively. Any additional expenses, such as trading and delivery costs, are charged directly to the profit and loss account.
- After initial recognition, securities, money market instruments and financial derivatives are measured at fair value on the basis of the following rules:
 - Securities that are traded on an active market without the involvement of third-party financial institutions are measured at fair value using the closing price;
 - Assets that have an active market which functions through third-party financial institutions that guarantee continuous bid and ask prices are measured using the current bid price set on that market. However, since most international benchmarks use mid-prices, and the data providers cannot supply bid prices (e.g., JP Morgan, iBoxx, MSCI, etc.), the 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:
 1. When measuring these securities at fair value, use is made of the current fair value of similar assets for which there is an active market, provided this fair value is adjusted to take account of the differences between the assets concerned.
 2. If no fair value for similar assets exists, the fair value is calculated on the basis of other valuation techniques which make maximum use of market data, which are consistent with generally accepted economic methods and which are verified and tested on a regular basis.
 3. If no organised or unofficial market exists for the assets being valued, account is also taken of the uncertain character of these assets, based on the risk that the counterparties involved might not meet their obligations.
 - Shares for which there is no organised or unofficial market, and whose fair value cannot be calculated reliably as set out above, are measured at cost. Impairment is applied to these shares if there are objective instructions to this end.
 - Units in undertakings for collective investment (for which there is no organised market) are measured at fair value using their last net asset value.

- Liquid assets, including assets on demand at credit institutions, obligations on current account vis-à-vis credit institutions, amounts payable and receivable in the short term that are not represented by negotiable securities or money market instruments (other than vis-à-vis credit institutions), tax assets and liabilities, are measured at nominal value.
Other amounts receivable in the longer term that are not represented by negotiable securities are measured at fair value.
Impairment is applied to assets, amounts to be received and receivables if there is uncertainty that they will be paid in full or in part at maturity, or if the realisation value of this asset is less than its acquisition value. Additional impairment is recorded on the assets, amounts to be received and receivables referred to in the previous paragraph to ensure that any change in their value, or risks inherent in the asset in question, are taken into account.
- The income generated by securities lending is recognised as other income (Income statement II.B.a.: Investment income and expenses – Interest – Securities and money market instruments) and is included on an accruals basis in the income statement over the term of the transaction.
- Securities issued in a currency other than that of the relevant sub-fund are converted into the currency of the sub-fund at the last known mid-market exchange rate.

DIFFERENCES

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

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

This tolerance limit is:

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

1.6.2 EXCHANGE RATES

	31/08/2017		31/08/2016	
	1 EUR =	1,499	AUD	1,4819
3,7408		BRL	3,60165	BRL
1,4906		CAD	1,4613	CAD
1,14255		CHF	1,09435	CHF
747,1523		CLP	756,103	CLP
26,1185		CZK	27,0295	CZK
7,4377		DKK	7,44275	DKK
1,00		EUR	1,00	EUR
0,92265		GBP	0,85035	GBP
9,30485		HKD	8,63905	HKD
4,2642		ILS	4,21315	ILS
76,0019		INR	74,5879	INR
130,85035		JPY	115,201	JPY
1.340,60365		KRW	1.241,83	KRW
21,18945		MXN	21,015	MXN
5,0772		MYR	4,5168	MYR
9,2495		NOK	9,2899	NOK
1,66		NZD	1,53515	NZD
60,836		PHP	51,8952	PHP
9,4605		SEK	9,5514	SEK
1,6145	SGD	1,5179	SGD	
39,4703	THB	38,5798	THB	
4,10475	TRY	3,2957	TRY	
35,87985	TWD	35,3399	TWD	
1,1889	USD	1,11375	USD	
15,45275	ZAR	16,3879	ZAR	

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	CSA Credits	Percentage
	in EUR paid during the period: 1-09-16 -	in EUR accrued during the period: 1-09-16 -	
	31-08-17	31-08-17	
CARNEGIE	2.674	843	31,51%
CITI	34.047	9.502	27,91%
CSFBASAS	55.213	21.018	38,07%
DEUTSCHE	4.601	1.351	29,35%
EQ CSA GOLDMAN SACHS INTERNATIONAL	10.825	2.936	27,12%
HSBC	17.431	5.137	29,47%
INSTINET	29.660	7.985	26,92%
MACQUARIE	49.470	17.074	34,51%
MERRILL	3.276	793	24,19%
MORGAN STANLEY	6.187	1.547	25,00%
SOCGEN	474	129	27,26%
UBSWDR	5.723	1.638	28,62%

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2 INFORMATION ON KBC ECO FUND WATER

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

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

Institutional B Shares :

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

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

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

At any time, at least 75% of the assets are invested, in the shares of companies that operate on a sustainable basis in the water sector. These companies have to realize a substantial proportion of their turnover in this sector.

The companies have to satisfy a number of basic criteria regarding the environment, human rights, the trade and manufacture of arms, and nuclear energy. The basic criteria are set out by KBC Asset Management in co-operation with the Independent Environmental Advisory Committee. They may also change the method used to perform the sustainability screening, based on new trends in society.

The shares are screened by KBC Asset Management's Sustainable and Socially Responsible Investment Department and the External Advisory Board for Sustainability Analysis.

SECURITIES FINANCING TRANSACTIONS (SFTs):

GENERAL

The sub-fund may lend financial instruments within the limits set by law and regulations. Lending financial instruments is a transaction where one a sub-fund transfers financial instruments to a counterparty subject to an undertaking on the part of that counterparty to supply the sub-fund with comparable financial instruments at some future date or on the sub-fund's request.

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.

The sub-fund uses the lending of financial instruments to generate additional income. This might consist of a fee paid by the principal or, in the event that the fund performs the securities lending through an agent, by the counterparty, as well as income generated through reinvestments. The sub-fund is not permitted to agree forms of SFTs other than lending financial instruments.

GENERAL INFORMATION ON THE SFTs USED

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

CRITERIA FOR THE SELECTION OF COUNTERPARTIES

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

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

Legal status	Minimum rating	Country of origin
<p>The counterparty must belong to one of the following categories:</p> <p>a) A credit institution; or b) An investment firm; or c) A settlement or clearing institution; or d) A central bank of a member state of the European Economic Area, the European Central Bank, the European Investment Bank or a public international financial institution in which one or more European Economic Area member states participate.</p>	<p>Only counterparties rated as investment grade may be considered.</p> <p>An investment-grade rating means: a rating equal to or higher than BBB- or Baa3 according to one or more of the following accredited rating agencies:</p> <ul style="list-style-type: none"> - Moody's (Moody's Investors Service); - S&P (Standard & Poor's, a division of the McGraw-Hill Companies); en - Fitch (Fitch Ratings). <p>If the counterparty does not have a rating, the rating of the counterparty's parent company may be taken into consideration.</p>	<p>All geographical regions may be considered when selecting counterparties.</p>

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

DESCRIPTION OF ACCEPTABLE FINANCIAL COLLATERAL AND ITS VALUATION

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

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

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

Where the lending of securities is agreed within the framework of a securities lending system, the financial collateral can also take the form of bonds eligible for trading on a regulated market and which have been rated as at least investment grade as described under 'Criteria for the selection of counterparties'.

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

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

REUSE OF FINANCIAL COLLATERAL

If 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 office is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- short term money market funds as 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(s). The management company may delegate implementation of the reinvestment policy to a third party, including the agent managing the securities lending system.

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

POLICY ON THE DIVERSIFICATION OF COLLATERAL AND THE CORRELATION POLICY

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

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

HOLDING OF THE FINANCIAL COLLATERAL

The financial collateral will be held in the following manner:

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

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

INFLUENCE OF SFTs ON A SUB-FUND'S RISK PROFILE

This lending does not affect 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. A 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, in case the principal or the counterparty (if the sub-fund uses an agent) does not return similar securities. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%. Furthermore, when calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times exceed the actual value of the loaned securities.
- The criteria met by the collateral are such as to limit the credit risk. A rating of at least investment grade is required in the case of collateral in the form of bonds and other debt instruments. In the case of collateral in the form of participation rights in monetary undertakings for collective investment, the inherent diversification of these undertakings limits the credit risk. In the case of cash that is reinvested, a rating of at least investment grade is required when reinvesting in either deposits or government bonds. In the case of reinvestment in short-term money-market funds, the inherent diversification of these funds limits the credit risk.

- The criteria met by these types of collateral are such as to limit the liquidity risk. It must be possible to value the financial collateral on a daily basis by market price or to withdraw it on demand (on reinvestment of cash in deposits).
- In the case of reinvestment of cash, there are additional criteria to limit the market risk associated with the initial values in cash. When reinvesting bonds, only bonds with a remaining term to maturity of no more than one year may be considered. The shortness of this remaining term results in a low sensitivity to interest rate movements. In the case of reinvestment in short-term money-market funds, the low duration of these funds limits the market risk with respect to the initial value in cash.
- The custody of financial collateral consisting of securities occurs by placing the securities in custody accounts which, in the event of the custodian's bankruptcy, are held outside its insolvent estate. The custody of financial collateral consisting of cash occurs by holding it in cash accounts, whether or not segregated. The extent to which the custody of financial collateral consisting of cash occurs in non-segregated accounts has no influence, however, on the sub-fund's risk profile.
- Operational risks are limited by operational controls, in the shape of daily control of the market values of loaned securities and collateral and reconciliation of internal and external data.

DISTRIBUTION POLICY FOR RETURNS ON THE UTILISED SFTs

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

General strategy for hedging the exchange rate risk:

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

Social, ethical and environmental aspects:

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

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, with the exception of the sustainability screening described in the prospectus, to KBC Fund Management Limited, Sandwith Street, D02 X489 Dublin 2, IRELAND

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

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

2.1.8 FUTURE POLICY

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

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

Institutional B Shares: 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.

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 2,311,817.10 EUR.

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

2.2 BALANCE SHEET

Balance sheet layout	31/08/2017 <small>(in the currency of the sub-fundt)</small>	31/08/2016 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	237.124.138,71	208.752.958,98
II. Securities, money market instruments, UCIs and derivatives		
C. Shares and similar instruments		
a) Shares	235.674.345,50	207.239.355,19
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	281.162,38	302.726,83
B. Payables		
a) Accounts payable (-)	-285.890,69	-26.323,80
c) Borrowings (-)	-477.643,75	-321.962,47
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	2.099.419,14	1.429.481,11
VI. Accruals and deferrals		
A. Expense to be carried forward		53.494,03
B. Accrued income	99.453,42	294.764,07
C. Accrued expense (-)	-266.707,30	-218.575,98
TOTAL SHAREHOLDERS' EQUITY	237.124.138,71	208.752.958,98
A. Capital	226.802.664,34	183.569.218,90
B. Income equalization	220.744,63	101.671,20
D. Result of the bookyear	10.100.729,74	25.082.068,90

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	31/08/2017 <small>(in the currency of the sub-fund)</small>	31/08/2016 <small>(in the currency of the sub-fund)</small>
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	21.631.766,66	26.025.057,97
D. Other securities		-26.279,16
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-0,05	
b) Other foreign exchange positions and transactions	-11.586.246,65	-1.269.739,60
Det.section I gains and losses on investments		
Realised gains on investments	11.925.668,00	10.888.890,26
Unrealised gains on investments	902.302,62	16.246.070,68
Realised losses on investments	-2.934.583,66	-9.368.384,78
Unrealised losses on investments	152.133,00	6.962.463,05
II. Investment income and expenses		
A. Dividends	4.295.041,81	3.878.908,41
B. Interests		
b) Cash at bank and in hand and deposits	8.201,21	1.416,17
C. Interest on borrowings (-)	-10.506,72	-6.316,37
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	3.349,71	2.014,90
B. Other	20.645,63	

IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-127.651,85	-101.306,80
B. Financial expenses (-)	-1.397,25	-1.628,70
C. Custodian's fee (-)	-188.400,13	-152.345,20
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-3.401.541,37	-2.793.490,15
Institutional B Shares	-27.416,81	-39.699,08
b) Administration and accounting management	-228.597,30	-188.879,35
E. Administrative expenses (-)	-2,34	-1.869,04
F. Formation and organisation expenses (-)	-15.075,00	-14.832,06
G. Remuneration, social security charges and pension	-8.364,31	-7.927,85
H. Services and sundry goods (-)	-22.651,10	-26.028,49
J. Taxes		
Classic Shares	-199.955,07	-167.175,39
Institutional B Shares	-280,65	-300,74
K. Other expenses (-)	-40.188,68	-27.510,57
Income and expenditure for the period		
Subtotal II + III + IV	55.209,78	353.029,69
V. Profit (loss) on ordinary activities before tax	10.100.729,74	25.082.068,90
VII. Result of the bookyear	10.100.729,74	25.082.068,90

Appropriation Account

	31/08/2017 <small>(in the currency of the sub-fundm)</small>	31/08/2016 <small>(in the currency of the sub-fund)</small>
I. Profit to be appropriated	10.321.474,37	25.183.740,10
Profit for the period available for appropriation	10.100.729,74	25.082.068,90
Income on the creation of shares (income on the cancellation of shares)	220.744,63	101.671,20
II. (Appropriations to) Deductions from capital	-9.506.514,75	-24.564.498,70
IV. (Dividends to be paid out)	-814.959,62	-619.241,40

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC ECO FUND WATER

Name	Quantity on 31/08/2017	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
G.U.D. HOLDINGS LTD -	326.670,00	AUD	11,660	2.541.008,81		1,08	1,07
<u>Bermuda</u>							
CONSOLIDATED WATER CO LTD -	50.554,00	USD	11,950	508.133,82		0,22	0,21
<u>Brazil</u>							
CIA DE SANEAMENTO DE MINAS GER -	258.000,00	BRL	43,110	2.973.262,40		1,26	1,25
CIA SANEAMENTO BASICO -	335.700,00	BRL	32,150	2.885.146,23		1,22	1,22
CIA SANEAMENTO BASICO -	337.476,00	USD	10,190	2.892.489,23		1,23	1,22
<u>Canada</u>							
ENERCARE INC -	247.864,00	CAD	20,950	3.483.664,83		1,48	1,47
PURE TECHNOLOGIES LTD -	42.697,00	CAD	5,370	153.819,19		0,07	0,07
<u>Cayman Islands</u>							
CT ENVIRONMENTAL GROUP LTD -	6.356.000,00	HKD	1,110	758.223,94		0,32	0,32
<u>Chile</u>							
AGUAS ANDINAS SA -	1.460.726,00	CLP	401,380	784.721,14		0,33	0,33
INVERSIONES AGUAS METROPOLITAN -	123.477,00	CLP	1.114,400	184.169,64		0,08	0,08
<u>China</u>							
TIANJIN CAPITAL ENVIRONMENTAL -	1.946.464,00	HKD	4,960	1.037.573,03		0,44	0,44
<u>Finland</u>							
KEMIRA (HEL)	236.508,00	EUR	10,390	2.457.318,12		1,04	1,04
UPONOR OYJ -	116.192,00	EUR	13,720	1.594.154,24		0,68	0,67
<u>France</u>							
SUEZ -	394.073,00	EUR	15,935	6.279.553,26		2,67	2,66
<u>Hong Kong</u>							
BEIJING ENTERPRISES WATER GROUP LTD -	6.472.000,00	HKD	6,650	4.625.415,78		1,96	1,95
CHINA EVERBRIGHT INTL -	3.183.000,00	HKD	10,340	3.537.103,77		1,50	1,49
CHINA LIANSU GROUP HOLDINGS LT -	1.068.000,00	HKD	5,620	645.057,15		0,27	0,27
CHINA WATER AFFAIRS GROUP LTD -	3.160.000,00	HKD	4,520	1.535.027,43		0,65	0,65
CHINA WATER AFFAIRS GROUP LTD -	2.676.000,00	HKD	1,640	471.650,81		0,20	0,20
<u>India</u>							
JAIN IRRIGATION SYSTEMS LTD -	2.161.132,00	INR	98,550	2.802.292,56		1,19	1,18
NCC LTD/INDIA -	436.214,00	INR	84,400	484.415,02		0,21	0,20
SPML INFRA LTD -	12.080,00	INR	160,300	25.478,63		0,01	0,01
THERMAX LTD -	80.702,00	INR	889,100	944.083,61		0,40	0,40
<u>Ireland</u>							
PENTAIR PLC -	63.177,00	USD	62,050	3.297.277,19		1,40	1,39

<u>Japan</u>							
EBARA CORP -	210.000,00	JPY	3.405,000	5.464.639,57		2,32	2,31
KUBOTA CORP -	359.900,00	JPY	1.904,000	5.236.895,43		2,22	2,21
KURITA WATER INDUSTR. -	178.900,00	JPY	3.165,000	4.327.221,90		1,84	1,83
NOMURA MICRO SCIENCE CO LTD -	21.878,00	JPY	964,000	161.179,48		0,07	0,07
ORGANO CORPORATION -	104.000,00	JPY	536,000	426.013,38		0,18	0,18
TSURUMI MANUFACTURING CO LTD -	18.000,00	JPY	1.973,000	271.409,29		0,12	0,11
<u>Jersey/The Channel Islands</u>							
FERGUSON PLC -	85.983,00	GBP	46,030	4.289.597,89		1,82	1,81
<u>Malaysia</u>							
SALCON BERHAD -	1.969.788,00	MYR	0,415	161.006,46		0,07	0,07
<u>Netherlands</u>							
AALBERTS INDUSTRIES (AMS)	102.973,00	EUR	37,375	3.848.615,88		1,63	1,62
ARCADIS N.V. (AMS)	152.021,00	EUR	18,250	2.774.383,25		1,18	1,17
<u>Philippines</u>							
MANILA WATER CO -	1.897.500,00	PHP	30,950	965.343,30		0,41	0,41
METRO PACIFIC INVESTMENTS CORP -	24.536.000,00	PHP	6,350	2.561.042,80		1,09	1,08
<u>Singapore</u>							
CITIC ENVIROTECH LTD -	224.813,00	SGD	0,745	103.738,42		0,04	0,04
MOYA HOLDINGS ASIA LTD -	6.766.000,00	SGD	0,118	494.510,99		0,21	0,21
SEBACORP INDUSTRIES LTD -	1.530.200,00	SGD	2,980	2.824.401,36		1,20	1,19
SIIC ENVIRONMENT HOLDINGS LTD -	1.708.280,00	SGD	0,535	566.076,06		0,24	0,24
SOUND GLOBAL LTD -	2.051.000,00	HKD	2,086	459.801,72		0,20	0,19
<u>South Korea</u>							
COWAY CO LTD -	49.376,00	KRW	98.800,000	3.638.919,53		1,54	1,54
<u>Spain</u>							
FLUIDRA SA -	113.270,00	EUR	8,095	916.920,65		0,39	0,39
<u>Sweden</u>							
ALFA LAVAL -	217.510,00	SEK	180,000	4.138.449,34		1,76	1,75
SWECO AB -	27.857,00	SEK	200,200	589.500,70		0,25	0,25
<u>Switzerland</u>							
GEBERIT AG -	14.353,00	CHF	438,100	5.503.522,21		2,34	2,32
GEORG.FISCHER (NAAM)	3.857,00	CHF	1.105,000	3.730.239,38		1,58	1,57
SULZER FRERES (NOM)	15.911,00	CHF	106,000	1.476.141,96		0,63	0,62
<u>Thailand</u>							
TTW PCL -	1.431.200,00	THB	10,900	395.235,91		0,17	0,17
<u>U.K.</u>							
AMIAD FILTRATION SYSTEMS LTD -	175.824,00	GBP	1,195	227.724,14		0,10	0,10
COSTAIN GROUP PLC -	174.954,00	GBP	4,468	847.132,71		0,36	0,36
HALMA PLC -	300.875,00	GBP	10,930	3.564.259,20		1,51	1,50
PENNON GROUP PLC -	448.780,00	GBP	8,120	3.949.594,75		1,68	1,67
POLYPIPE GROUP PLC -	513.034,00	GBP	3,958	2.200.822,17		0,93	0,93
ROTORK PLC -	881.882,00	GBP	2,292	2.190.726,22		0,93	0,92
RPS GROUP -	251.765,00	GBP	2,888	787.916,80		0,33	0,33
SEVERN TRENT -	186.431,00	GBP	22,690	4.584.749,79		1,95	1,93
UNITED UTILITIES WATER PLC -	447.283,00	GBP	9,100	4.411.505,23		1,87	1,86
WEIR GROUP PLC (THE) -	156.133,00	GBP	17,950	3.037.541,16		1,29	1,28
<u>U.S.A.</u>							
AECOM -	117.917,00	USD	33,500	3.322.583,48		1,41	1,40
AGILENT TECHNOLOGIES -	85.034,00	USD	64,720	4.628.985,18		1,96	1,95

AMERICAN STATES WATER CO -	99.778,00	USD	49,300	4.137.484,57		1,76	1,75
AMERICAN WATER WORKS INC. -	70.698,00	USD	80,900	4.810.722,68		2,04	2,03
AO SMITH CORP -	76.977,00	USD	55,690	3.605.727,25		1,53	1,52
AQUA AMERICA INC -	177.122,00	USD	33,400	4.975.922,95		2,11	2,10
ARTESIAN RESOURCES CORP -A-	22.469,00	USD	37,090	700.963,25		0,30	0,30
BADGER METER INC -	95.101,00	USD	45,900	3.671.575,32		1,56	1,55
CADIZ INC -	187.674,00	USD	12,200	1.925.832,95		0,82	0,81
CALGON CARBON CORP -	214.705,00	USD	12,200	2.203.213,90		0,94	0,93
CALIFORNIA WATER SERVICE GROUP -	130.889,00	USD	37,450	4.122.964,97		1,75	1,74
CONNECTICUT WATER SVC INC -	35.351,00	USD	54,240	1.612.783,45		0,68	0,68
DANAHER CORPORATION -	69.810,00	USD	83,420	4.898.267,47		2,08	2,07
ECOLAB, INC. -	40.030,00	USD	133,300	4.488.181,51		1,90	1,89
FLOWSERVE CORP -	74.210,00	USD	39,280	2.451.820,00		1,04	1,03
FRANKLIN ELECTRIC CO INC -	77.120,00	USD	38,550	2.500.610,65		1,06	1,06
GORMAN-RUPP CO/THE -	18.008,00	USD	30,470	461.522,21		0,20	0,20
HD SUPPLY HOLDINGS INC -	95.767,00	USD	33,300	2.682.345,95		1,14	1,13
IDEX CORPORATION -	38.495,00	USD	117,580	3.807.083,94		1,62	1,61
INSITUFORM TECHN. CORP. -	121.569,00	USD	21,670	2.215.829,95		0,94	0,93
ITRON INC -	59.016,00	USD	72,600	3.603.803,18		1,53	1,52
LAYNE CHRISTENSEN COMPANY -	144.152,00	USD	10,740	1.302.205,80		0,55	0,55
LINDSAY MANUFACTURING CO -	40.601,00	USD	86,570	2.956.370,23		1,25	1,25
MIDDLESEX WATER CO -	48.491,00	USD	37,980	1.549.069,04		0,66	0,65
MUELLER WATER PRODUCTS INC -A-	309.486,00	USD	11,990	3.121.151,60		1,32	1,32
NORTHWEST PIPE COMPANY -	60.338,00	USD	18,340	930.775,44		0,40	0,39
PICO HOLDINGS INC -	28.794,00	USD	16,250	393.559,17		0,17	0,17
PURE CYCLE CORP -	45.374,00	USD	7,250	276.694,00		0,12	0,12
REXNORD HOLDINGS INC -	150.383,00	USD	23,880	3.020.561,90		1,28	1,27
ROPER INDUSTRIES INC -	23.359,00	USD	230,660	4.531.909,28		1,92	1,91
SJW GROUP -	67.784,00	USD	55,500	3.164.279,59		1,34	1,33
SPX CORPORATION -	127.911,00	USD	24,100	2.592.863,23		1,10	1,09
STANTEC INC -	114.458,00	CAD	34,700	2.664.492,55		1,13	1,12
TETRA TECH INC. -	92.966,00	USD	42,600	3.331.105,73		1,41	1,41
VALMONT INDUSTRIES -	29.022,00	USD	143,550	3.504.170,33		1,49	1,48
WATTS WATER TECHNOLOGIES INC "A"	49.886,00	USD	61,700	2.588.919,34		1,10	1,09
XYLEM INC/NY -	73.834,00	USD	62,070	3.854.719,81		1,64	1,63
YORK WATER CO -	37.418,00	USD	32,900	1.035.454,79		0,44	0,44
Total shares				235.674.345,50		100,00	99,39
TOTAL SECURITIES PORTFOLIO				235.674.345,50		100,00	99,39
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	219.656,22	AUD	1,000	146.535,17			0,06
KBC GROUP CAD	199.370,56	CAD	1,000	133.751,89			0,06
KBC GROUP CHF	72.887,55	CHF	1,000	63.793,75			0,03
KBC GROUP CLP TE ONTVANGEN	-96.129.110,00	CLP	1,000	-128.660,66			-0,05
KBC GROUP EURO	319.955,50	EUR	1,000	319.955,50			0,14
KBC GROUP GBP	111.841,57	GBP	1,000	121.217,76			0,05
KBC GROUP HKD	6.882.143,88	HKD	1,000	739.629,75			0,31
KBC GROUP JPY	10.425.015,00	JPY	1,000	79.671,28			0,03
KBC GROUP MXN	2.282.336,79	MXN	1,000	107.711,00			0,05
KBC GROUP SEK	1.430.759,86	SEK	1,000	151.235,12			0,06
KBC GROUP SGD	380.889,48	SGD	1,000	235.917,92			0,10

KBC GROUP USD	-567.870,66	USD	1,000	-477.643,75			-0,20
Total demand accounts				1.493.114,73			0,63
TOTAL CASH AT BANK AND IN HAND				1.493.114,73			0,63
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	80.631,82	EUR	1,000	80.631,82			0,03
KBC GROUP INR TE ONTVANGEN	2.717.603,35	INR	1,000	35.757,04			0,02
KBC GROUP MYR RECEIVABLE	246.871,22	MYR	1,000	48.623,50			0,02
KBC GROUP PHP TE ONTVANGEN	14.893.302,63	PHP	1,000	244.810,68			0,10
Total receivables				409.823,04			0,17
Payables							
<u>Belgium</u>							
KBC GROUP EUR PAYABLE	-189.087,56	EUR	1,000	-189.087,56			-0,08
KBC GROUP INR TE BETALEN	-7.357.220,84	INR	1,000	-96.803,12			-0,04
Payables				-285.890,68			-0,12
TOTAL RECEIVABLES AND PAYABLES				123.932,36			0,05
OTHER							
Interest receivable		EUR		99.453,42			0,04
Expenses payable		EUR		-266.707,30			-0,11
TOTAL OTHER				-167.253,88			-0,07
TOTAL NET ASSETS				237.124.138,71			100,00

Geographic breakdown (as a % of securities portfolio)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
Australia	1,13	1,49	1,51	1,08
Bermuda	0,44	0,43	0,33	0,22
Brazil	1,81	2,98	3,74	3,71
Canada	2,53	2,65	1,58	1,54
Switzerland	3,74	4,12	3,82	5,94
Chile	0,00	0,00	0,00	0,41
China	0,00	0,00	0,00	0,44
Cayman Islands	1,06	1,24	0,80	0,32
Spain	0,06	0,24	0,29	0,39
Finland	2,20	2,22	2,07	1,72
France	3,88	3,20	2,94	2,66
U.K.	11,61	10,34	10,64	10,95
Hong Kong	5,01	3,82	4,08	4,59
India	2,01	1,65	1,72	1,81
Italy	3,48	2,90	2,76	0,00
Jersey/The Channel Islands	1,49	1,39	1,33	1,82
Japan	2,88	2,55	2,17	6,74
South Korea	1,59	1,27	1,43	1,54
Mexico	0,18	0,00	0,00	0,00
Malaysia	0,18	0,17	0,15	0,07
Netherlands	2,47	2,19	2,11	2,81
Philippines	2,48	2,50	2,16	1,50
Singapore	2,63	2,15	2,36	1,89
Sweden	1,17	1,14	1,38	2,01
Thailand	0,16	0,20	0,19	0,17
U.S.A.	45,81	49,16	50,44	45,67
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
Cyclicals	46,51	45,24	46,39	56,64
Consum(cycl)	6,31	6,97	6,92	5,79
Financials	1,76	1,85	1,53	1,25
Technology	5,33	5,37	4,46	4,52
Telecomm.	1,23	1,23	0,00	0,00
Utilities	38,86	39,34	40,70	31,80
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
AUD	1,04	1,43	1,50	1,13
BRL	0,50	1,15	1,77	2,47
CAD	3,74	3,81	2,79	2,71
CHF	2,74	2,78	2,54	4,54
CLP	0,00	0,00	0,00	0,35
EUR	11,86	11,21	11,00	7,62
GBP	13,19	11,72	11,89	12,73
HKD	6,53	5,30	5,15	5,82
INR	2,02	1,64	1,70	1,77
JPY	2,85	2,53	2,16	6,73
KRW	1,60	1,26	1,41	1,53
MXN	0,11	0,05	0,04	0,05
MYR	0,18	0,17	0,14	0,09
PHP	2,49	2,48	2,13	1,59
SEK	1,17	1,17	1,38	2,06
SGD	2,18	1,79	2,02	1,78
THB	0,16	0,20	0,18	0,17
USD	47,64	51,31	52,20	46,86
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC Eco FUND WATER (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	2 nd half of year	Year
Purchases	10.607.537,40	55.190.061,29	65.797.598,69
Sales	12.543.581,34	35.040.389,30	47.583.970,64
Total 1	23.151.118,74	90.230.450,58	113.381.569,32
Subscriptions	39.842.191,33	30.370.127,54	70.212.318,87
Redemptions	38.885.793,71	12.254.463,28	51.140.256,99
Total 2	78.727.985,04	42.624.590,82	121.352.575,86
Monthly average of total assets	217.090.467,78	239.046.335,51	228.159.128,37
Turnover rate	-25,60 %	19,91 %	-3,49 %

	1st half of year	2 nd half of year	Year
Purchases	10.607.537,40	55.190.061,29	65.797.598,69
Sales	12.543.581,34	35.040.389,30	47.583.970,64
Total 1	23.151.118,74	90.230.450,58	113.381.569,32
Subscriptions	39.842.191,33	30.370.127,54	70.212.318,87
Redemptions	38.885.793,71	12.254.463,28	51.140.256,99
Total 2	78.727.985,04	42.624.590,82	121.352.575,86
Monthly average of total assets	218.213.774,79	236.292.548,59	250.110.026,20
Corrected turnover rate	-25,47 %	20,15 %	-3,19 %

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

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

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

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

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

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

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2015 - 08*	37.901,59	14.834,79	46.361,03	13.201,32	140.844,85	30.440,94	171.285,79
2016 - 08*	23.031,75	14.922,04	18.777,06	11.354,98	145.099,54	34.008,00	179.107,54
2017 - 08*	40.331,78	17.186,94	32.061,10	8.241,97	153.370,22	42.952,97	196.323,19

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2015 - 08*	42.500.957,25	12.984.344,72	51.619.337,03	11.616.115,17
2016 - 08*	25.590.950,94	13.284.191,43	20.744.054,72	10.055.646,51
2017 - 08*	52.100.151,26	17.279.922,76	40.026.537,06	8.270.761,29

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2015 - 08*	173.707.068,98	1.049,66	849,77
2016 - 08*	206.016.838,38	1.196,64	952,26
2017 - 08*	236.248.101,58	1.263,84	987,41

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

Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2015 - 08*	94,00		1.279,00		2.523,00		2.523,00
2016 - 08*	513,00		758,00		2.278,00		2.278,00
2017 - 08*	792,00		2.380,00		690,00		690,00

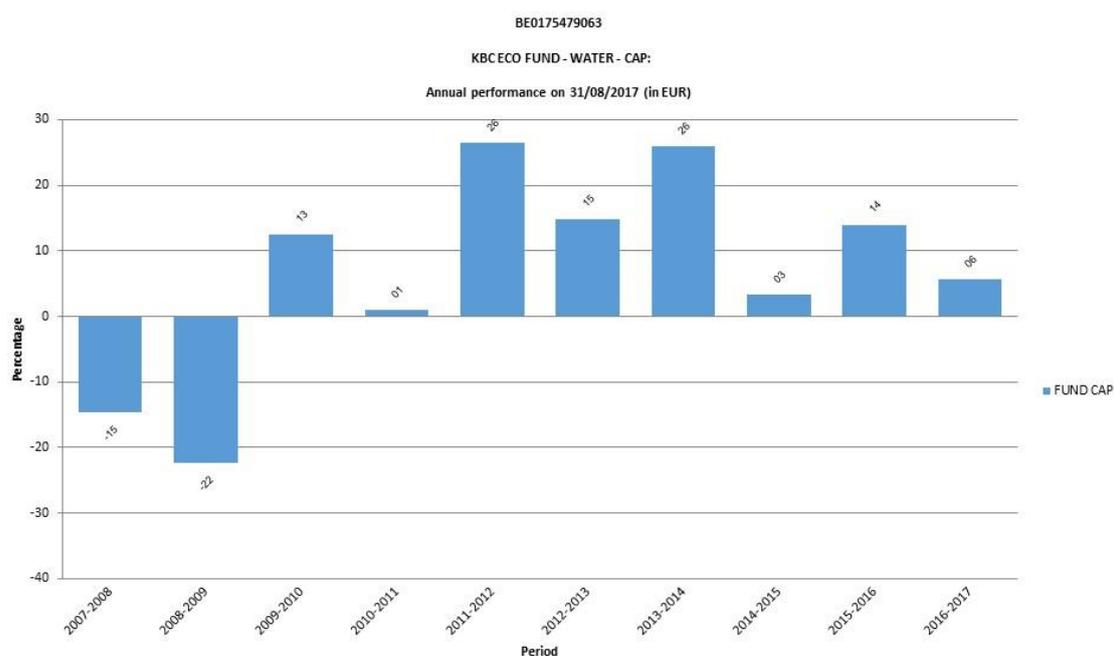
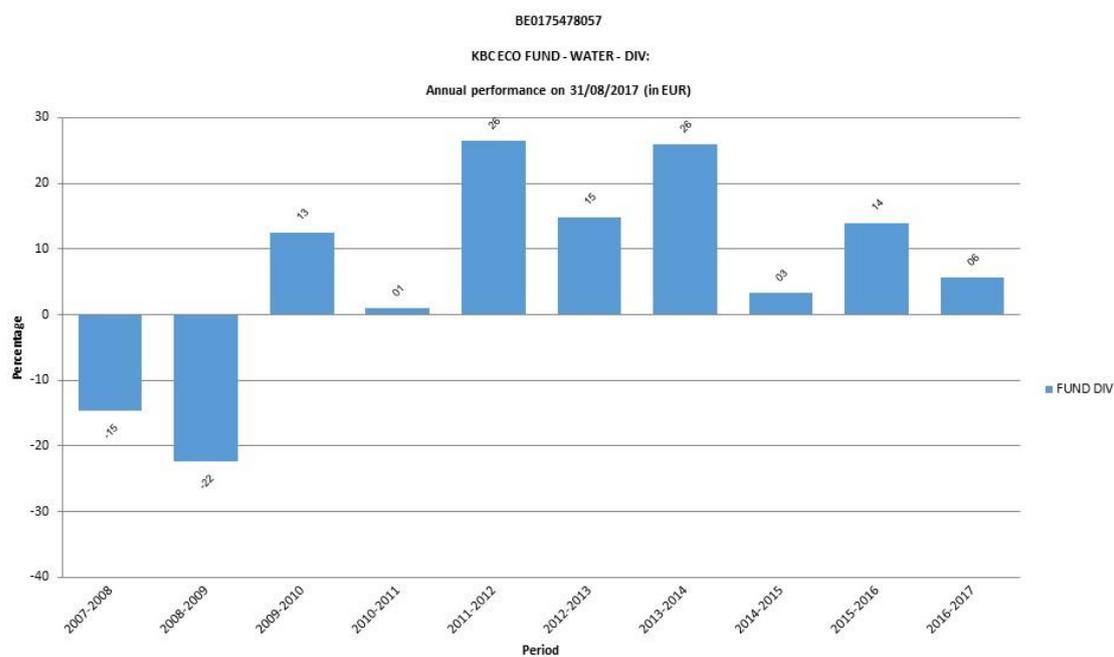
Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2015 - 08*	98.919,32		1.441.246,51	
2016 - 08*	581.649,56		851.544,92	
2017 - 08*	929.808,78		3.104.086,41	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2015 - 08*	2.656.130,67	1.052,77	
2016 - 08*	2.736.120,62	1.201,11	
2017 - 08*	876.037,13	1.269,62	

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

2.4.5 PERFORMANCE FIGURES

Classic Shares

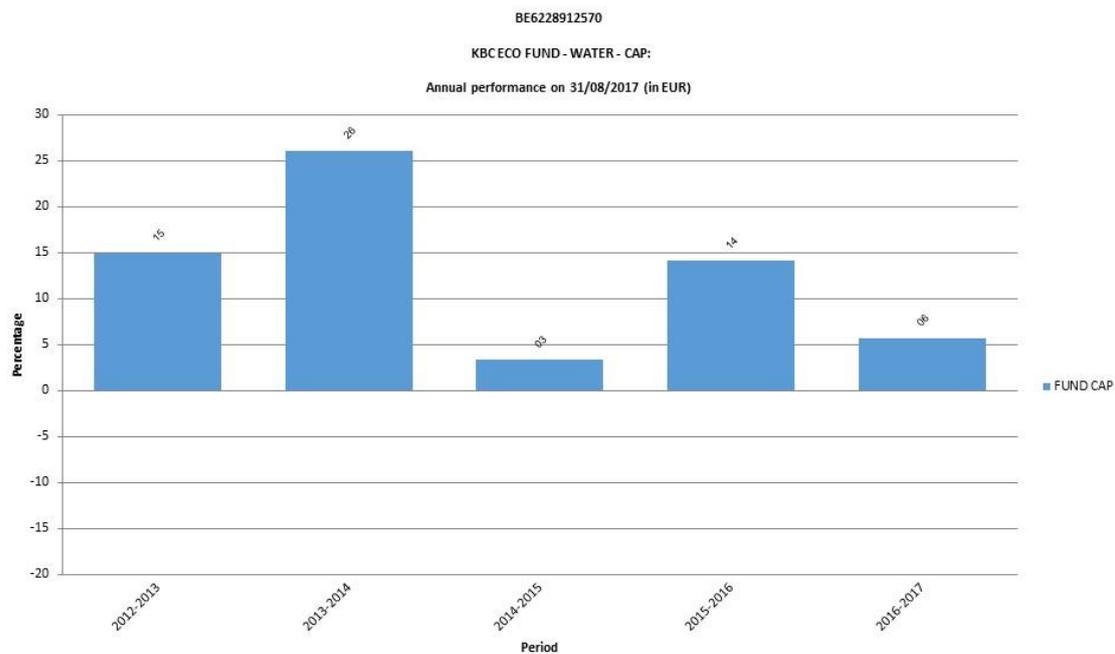


Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0175479063	EUR	5.62%		7.53%		12.47%		5.53%		01/12/2000	5.69%
DIV	BE0175478057	EUR	5.60%		7.51%		12.45%		5.52%		01/12/2000	5.68%

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

* Return on annual basis.

Institutional B Shares



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE6228912570	EUR	5.70%		7.62%		12.56%				25/11/2011	15.64%

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

* Return on annual basis.

Classic Shares

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

Capitalisation units (CAP)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

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

For dividend i on date Di with value Wi:

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

$i = 1 \dots N$

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

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

Institutional B Shares

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

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

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

Dividend on ex-dividend date 30/11/2017: 13,2813 EUR net (18,9733 EUR gross).

2.4.6 COSTS

Ongoing Charges: *

Classic Shares Distribution: 1.825%

Classic Shares Capitalization: 1.810%

Institutional B Shares Capitalization: 1.724%

* 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 -	CSA Credits in EUR accrued during the period: 1-09-16 -	Percentage
	31-08-17	31-08-17	
CARNEGIE	946	158	16,67%
CITI	5.418	1.610	29,72%
CSFBSAS	723	240	33,24%
CSFBSAS	34.474	13.686	39,70%
EQ CSA GOLDMAN SACHS INTERNATIONAL	1.101	275	25,00%
EQ CSA GOLDMAN SACHS INTERNATIONAL	866	216	25,00%
HSBC	1.626	605	37,23%
INSTINET	1.540	277	17,96%
INSTINET	3.871	725	18,72%
MACQUARIE	96	19	20,00%
MACQUARIE	2.655	664	25,00%
MERRILL	159	40	25,00%
MORGAN STANLEY	439	110	25,00%
UBSWDR	632	158	25,00%

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 (0.1% of which for the sustainability screening referred to in the prospectus) calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.4% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

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

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

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

Exercising voting rights.

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

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

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

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

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2 INFORMATION ON KBC ECO FUND CLIMATE CHANGE

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

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

Institutional B Shares :

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

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

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

At any time, at least 75% of the assets are invested, directly or indirectly, in companies that operate on a sustainable basis in combating climate change and/or focus on reducing greenhouse gas emissions. These companies have to realize a substantial proportion of their turnover in this sector.

The companies have to satisfy a number of basic criteria regarding the environment, human rights, the trade and manufacture of arms, and nuclear energy. The basic criteria are set out by KBC Asset Management in co-operation with the Independent Environmental Advisory Committee. They may also change the method used to perform the sustainability screening, based on new trends in society.

Screening is carried out by KBC Asset Management's Sustainable and Socially Responsible Investment Department and the independent Environmental Advisory Committee.

Volatility of the net asset value:

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

SECURITIES FINANCING TRANSACTIONS (SFTs):

GENERAL

The sub-fund may lend financial instruments within the limits set by law and regulations. Lending financial instruments is a transaction where one a sub-fund transfers financial instruments to a counterparty subject to an undertaking on the part of that counterparty to supply the sub-fund with comparable financial instruments at some future date or on the sub-fund's request.

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.

The sub-fund uses the lending of financial instruments to generate additional income. This might consist of a fee paid by the principal or, in the event that the fund performs the securities lending through an agent, by the counterparty, as well as income generated through reinvestments. The sub-fund is not permitted to agree forms of SFTs other than lending financial instruments.

GENERAL INFORMATION ON THE SFTs USED

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

CRITERIA FOR THE SELECTION OF COUNTERPARTIES

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

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

Legal status	Minimum rating	Country of origin
<p>The counterparty must belong to one of the following categories:</p> <p>a) A credit institution; or b) An investment firm; or c) A settlement or clearing institution; or d) A central bank of a member state of the European Economic Area, the European Central Bank, the European Investment Bank or a public international financial institution in which one or more European Economic Area member states participate.</p>	<p>Only counterparties rated as investment grade may be considered.</p> <p>An investment-grade rating means: a rating equal to or higher than BBB- or Baa3 according to one or more of the following accredited rating agencies:</p> <ul style="list-style-type: none"> - Moody's (Moody's Investors Service); - S&P (Standard & Poor's, a division of the McGraw-Hill Companies); en - Fitch (Fitch Ratings). <p>If the counterparty does not have a rating, the rating of the counterparty's parent company may be taken into consideration.</p>	<p>All geographical regions may be considered when selecting counterparties.</p>

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

DESCRIPTION OF ACCEPTABLE FINANCIAL COLLATERAL AND ITS VALUATION

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

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

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

Where the lending of securities is agreed within the framework of a securities lending system, the financial collateral can also take the form of bonds eligible for trading on a regulated market and which have been rated as at least investment grade as described under 'Criteria for the selection of counterparties'.

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

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

REUSE OF FINANCIAL COLLATERAL

If 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 office is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- short term money market funds as 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(s). The management company may delegate implementation of the reinvestment policy to a third party, including the agent managing the securities lending system.

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

POLICY ON THE DIVERSIFICATION OF COLLATERAL AND THE CORRELATION POLICY

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

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

HOLDING OF THE FINANCIAL COLLATERAL

The financial collateral will be held in the following manner:

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

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

INFLUENCE OF SFTs ON A SUB-FUND'S RISK PROFILE

This lending does not affect 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. A 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, in case the principal or the counterparty (if the sub-fund uses an agent) does not return similar securities. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%. Furthermore, when calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times exceed the actual value of the loaned securities.
- The criteria met by the collateral are such as to limit the credit risk. A rating of at least investment grade is required in the case of collateral in the form of bonds and other debt instruments. In the case of collateral in the form of participation rights in monetary undertakings for collective investment, the inherent diversification of these undertakings limits the credit risk. In the case of cash that is reinvested, a rating of at least investment grade is required when reinvesting in either deposits or government bonds. In the case of reinvestment in short-term money-market funds, the inherent diversification of these funds limits the credit risk.

- The criteria met by these types of collateral are such as to limit the liquidity risk. It must be possible to value the financial collateral on a daily basis by market price or to withdraw it on demand (on reinvestment of cash in deposits).
- In the case of reinvestment of cash, there are additional criteria to limit the market risk associated with the initial values in cash. When reinvesting bonds, only bonds with a remaining term to maturity of no more than one year may be considered. The shortness of this remaining term results in a low sensitivity to interest rate movements. In the case of reinvestment in short-term money-market funds, the low duration of these funds limits the market risk with respect to the initial value in cash.
- The custody of financial collateral consisting of securities occurs by placing the securities in custody accounts which, in the event of the custodian's bankruptcy, are held outside its insolvent estate. The custody of financial collateral consisting of cash occurs by holding it in cash accounts, whether or not segregated. The extent to which the custody of financial collateral consisting of cash occurs in non- segregated accounts has no influence, however, on the sub-fund's risk profile.
- Operational risks are limited by operational controls, in the shape of daily control of the market values of loaned securities and collateral and reconciliation of internal and external data.

DISTRIBUTION POLICY FOR RETURNS ON THE UTILISED SFTs

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

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.

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

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

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, with the exception of the sustainability screening described in the prospectus, to KBC Fund Management Limited, Sandwith Street, D02 X489 Dublin 2, IRELAND..

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

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

2.1.8 FUTURE POLICY

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

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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.

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 65,535.07 EUR.

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

2.2 BALANCE SHEET

Balance sheet layout	31/08/2017 (in the currency of the sub-fundt)	31/08/2016 (in the currency of the sub-fund)
TOTAL NET ASSETS	22.028.743,44	22.045.693,51
II. Securities, money market instruments, UCIs and derivatives		
C. Shares and similar instruments		
a) Shares	22.086.823,42	22.279.533,77
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	4.059,58	989,68
B. Payables		
a) Accounts payable (-)		-7.917,00
c) Borrowings (-)	-86.695,07	-303.943,07
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	34.803,91	51.822,49
VI. Accruals and deferrals		
A. Expense to be carried forward		6.540,90
B. Accrued income	8.763,01	36.071,58
C. Accrued expense (-)	-19.011,41	-17.404,84
TOTAL SHAREHOLDERS' EQUITY	22.028.743,44	22.045.693,51
A. Capital	20.723.233,56	20.726.976,88
B. Income equalization	-3.538,13	-2.968,43
D. Result of the bookyear	1.309.048,01	1.321.685,06

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	31/08/2017 (in the currency of the sub-fund)	31/08/2016 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	2.253.739,75	1.305.906,24
D. Other securities	-841,38	1.190,10
G. Receivables, deposits, cash at bank and in hand and payables		0,01
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-921.208,69	-72.694,23
Det.section I gains and losses on investments		
Realised gains on investments	5.344.217,90	1.693.416,40
Unrealised gains on investments	-2.399.783,86	11.967,27
Realised losses on investments	-2.325.207,63	-1.173.096,06
Unrealised losses on investments	712.463,27	702.114,51
II. Investment income and expenses		
A. Dividends	428.698,73	491.800,79
B. Interests		
b) Cash at bank and in hand and deposits	398,87	214,35
C. Interest on borrowings (-)	-1.347,31	-309,66
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	1.594,50	400,74
B. Other	2.020,27	

IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-45.068,60	-16.817,54
B. Financial expenses (-)	-1.056,47	-189,43
C. Custodian's fee (-)	-20.610,83	-18.470,00
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-319.471,19	-299.551,66
Institutional B Shares	-17.825,58	-19.183,47
b) Administration and accounting management	-22.486,34	-21.248,79
E. Administrative expenses (-)	-0,06	-142,99
F. Formation and organisation expenses (-)	-5.288,83	-5.461,50
G. Remuneration, social security charges and pension	-830,36	-893,93
H. Services and sundry goods (-)	-5.551,52	-8.227,06
J. Taxes		
Classic Shares	-13.707,99	-11.187,96
Institutional B Shares	-266,68	-95,70
K. Other expenses (-)	-1.842,28	-3.353,25
Income and expenditure for the period		
Subtotal II + III + IV	-22.641,66	87.282,95
V. Profit (loss) on ordinary activities before tax	1.309.048,01	1.321.685,06
VII. Result of the bookyear	1.309.048,01	1.321.685,06

Appropriation Account

	31/08/2017 <small>(in the currency of the sub-fundm)</small>	31/08/2016 <small>(in the currency of the sub-fund)</small>
I. Profit to be appropriated	1.305.509,88	1.318.716,63
Profit for the period available for appropriation	1.309.048,01	1.321.685,06
Income on the creation of shares (income on the cancellation of shares)	-3.538,13	-2.968,43
II. (Appropriations to) Deductions from capital	-1.268.853,64	-1.274.241,25
IV. (Dividends to be paid out)	-36.656,24	-44.475,38

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC ECO FUND CLIMATE CHANGE

Name	Quantity on 31/08/2017	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Austria</u>							
ZUMTOBEL AG -	15.130,00	EUR	15,175	229.597,75		1,04	1,04
<u>Belgium</u>							
C.F.E. (BRU)	2.277,00	EUR	118,000	268.686,00		1,22	1,22
EXMAR NV -	32.161,00	EUR	5,030	161.769,83		0,73	0,73
UMICORE -	3.907,00	EUR	62,750	245.164,25		1,11	1,11
<u>Canada</u>							
CANADIAN NATIONAL RAILWAY CO -	4.587,00	CAD	101,220	311.482,72		1,41	1,41
CANADIAN PACIFIC RAILWAY LTD -	2.221,00	CAD	194,310	289.522,68		1,31	1,31
HYDROGENICS CORP -	18.544,00	CAD	9,900	123.162,22		0,56	0,56
PURE TECHNOLOGIES LTD -	14.484,00	CAD	5,370	52.179,71		0,24	0,24
5N PLUS INC -	24.812,00	CAD	3,280	54.597,72		0,25	0,25
<u>China</u>							
BYD CO LTD -	50.000,00	HKD	46,600	250.407,05		1,13	1,14
<u>Denmark</u>							
NOVOZYMES A/S "B"	6.996,00	DKK	317,800	298.926,93		1,35	1,36
<u>Finland</u>							
LASSILA & TIKANOJA OYJ -	7.512,00	EUR	17,860	134.164,32		0,61	0,61
<u>France</u>							
CIE DE ST-GOBAIN -	5.056,00	EUR	46,075	232.955,20		1,06	1,06
GAZTRANSPORT ET TECHNIGAZ SA -	5.923,00	EUR	42,830	253.682,09		1,15	1,15
LEGRAND (PAR)	4.135,00	EUR	58,880	243.468,80		1,10	1,11
MERSEN (PAR)	6.764,00	EUR	30,900	209.007,60		0,95	0,95
SCHNEIDER ELECTRIC SE -	3.241,00	EUR	67,730	219.512,93		0,99	1,00
SECHE ENVIRONNEMENT SA -	834,00	EUR	33,000	27.522,00		0,13	0,13
VALEO -	3.454,00	EUR	56,180	194.045,72		0,88	0,88
<u>Germany</u>							
BASF SE -	3.195,00	EUR	81,370	259.977,15		1,18	1,18
CENTROTEC SUSTAINABLE AG -	6.911,00	EUR	17,705	122.359,26		0,55	0,56
CONTINENTAL AG -	1.293,00	EUR	189,550	245.088,15		1,11	1,11
ELRINGKLINGER AG -	12.163,00	EUR	14,595	177.518,99		0,80	0,81
HELLA KGAA HUECK & CO -	5.033,00	EUR	46,400	233.531,20		1,06	1,06
INFINEON TECHNOLOGIES AG -	11.846,00	EUR	19,370	229.457,02		1,04	1,04
MANZ AG -	5.623,00	EUR	37,600	211.424,80		0,96	0,96
SGL CARBON AG -	18.452,00	EUR	13,705	252.884,66		1,15	1,15
TRAFFIC SYSTEM SE -	4.091,00	EUR	17,450	71.387,95		0,32	0,32
VOSSLOH AG (FRA)	3.874,00	EUR	56,550	219.074,70		0,99	0,99

<u>Hong Kong</u>							
CHINA EVERBRIGHT INTL -	274.000,00	HKD	10,340	304.482,07		1,38	1,38
MTR CORPORATION -	82.500,00	HKD	45,750	405.635,23		1,84	1,84
<u>India</u>							
JAIN IRRIGATION SYSTEMS LTD -	164.215,00	INR	98,550	212.934,00		0,96	0,97
<u>Ireland</u>							
KINGSPAN GROUP PLC -	9.011,00	EUR	32,500	292.857,50		1,33	1,33
<u>Italy</u>							
ANSALDO STS SPA -	31.663,00	EUR	11,000	348.293,00		1,58	1,58
LANDI RENZO SPA -	136.881,00	EUR	0,904	123.740,42		0,56	0,56
SNAM SPA -	66.550,00	EUR	4,090	272.189,50		1,23	1,24
<u>Japan</u>							
CENTRAL JAPAN RAILWAY -	3.300,00	JPY	18.630,000	469.842,08		2,13	2,13
EAST JAPAN RAILWAY -	5.200,00	JPY	10.085,000	400.778,45		1,82	1,82
NGK INSULATORS -	18.000,00	JPY	2.053,000	282.414,22		1,28	1,28
NIPPON SHEET GLASS CO LTD -	38.000,00	JPY	833,000	241.909,94		1,10	1,10
WEST JAPAN RAILWAY -	7.300,00	JPY	7.991,000	445.809,28		2,02	2,02
<u>Jersey/The Channel Islands</u>							
CAMCO CLEAN ENERGY PLC -	742.369,00	GBP	0,066	53.305,10		0,24	0,24
<u>Netherlands</u>							
BOSKALIS WESTMINSTER (AMS)	9.104,00	EUR	27,450	249.904,80		1,13	1,13
KONINKLIJKE PHILIPS ELECTRONICS N.V. -	8.104,00	EUR	31,780	257.545,12		1,17	1,17
<u>Norway</u>							
TOMRA SYSTEMS -	25.938,00	NOK	117,000	328.098,38		1,49	1,49
<u>Singapore</u>							
CITIC ENVIROTECH LTD -	702.300,00	SGD	0,745	324.071,54		1,47	1,47
SOUND GLOBAL LTD -	75.000,00	HKD	2,086	16.813,81		0,08	0,08
<u>South Korea</u>							
COWAY CO LTD -	3.665,00	KRW	98.800,000	270.103,70		1,22	1,23
<u>Spain</u>							
ACCIONA SA -	4.910,00	EUR	71,790	352.488,90		1,60	1,60
GAS NATURAL SDG -	15.291,00	EUR	20,420	312.242,22		1,41	1,42
<u>Sweden</u>							
SWECO AB -	13.502,00	SEK	200,200	285.724,90		1,29	1,30
<u>Switzerland</u>							
ABB LTD -	13.513,00	CHF	22,200	262.560,59		1,19	1,19
OC OERLIKON CORP AG (NOM)20CHF	20.553,00	CHF	13,400	241.048,71		1,09	1,09
<u>Taiwan</u>							
CLEANAWAY CO LTD -	70.000,00	TWD	170,000	331.662,48		1,50	1,51
<u>U.K.</u>							
DIALIGHT PLC -	17.882,00	GBP	8,015	155.339,76		0,70	0,71
FIRSTGROUP PLC -	164.271,00	GBP	1,174	209.022,01		0,95	0,95
JOHNSON MATTHEY PLC -	6.553,00	GBP	27,640	196.309,46		0,89	0,89
RENEWI PLC -	194.229,00	GBP	0,928	195.249,98		0,88	0,89
SIG PLC -	108.081,00	GBP	1,781	208.629,77		0,95	0,95
SPIRAX-SARCO ENGINEERING PLC -	3.445,00	GBP	56,200	209.840,13		0,95	0,95
VELOCYS PLC -	74.458,00	GBP	0,306	24.714,42		0,11	0,11

<u>U.S.A.</u>							
ADVANCED ENERGY INDUSTRIES -	2.812,00	USD	73,540	173.937,66		0,79	0,79
BORGWARNER INC -	5.217,00	USD	46,410	203.651,25		0,92	0,92
CALGON CARBON CORP -	14.571,00	USD	12,200	149.521,57		0,68	0,68
CLEAN ENERGY FUELS CORP -	75.453,00	USD	2,380	151.045,62		0,68	0,69
CLEAN HARBORS INC -	4.530,00	USD	54,090	206.096,14		0,93	0,94
COVANTA HOLD CORP -	17.405,00	USD	14,350	210.078,01		0,95	0,95
CREE RESEARCH INC -	7.755,00	USD	24,330	158.700,61		0,72	0,72
CSX -	5.337,00	USD	50,200	225.348,98		1,02	1,02
CUMMINS INC. -	1.550,00	USD	159,380	207.787,87		0,94	0,94
DANAHER CORPORATION -	4.021,00	USD	83,420	282.136,28		1,28	1,28
DELPHI AUTOMOTIVE PLC -	2.652,00	USD	96,400	215.033,06		0,97	0,98
EMERSON ELECTRIC CO -	4.289,00	USD	59,040	212.988,95		0,96	0,97
ENERSYS -	3.003,00	USD	64,100	161.907,90		0,73	0,74
ESCO TECHNOLOGIES INC -	4.127,00	USD	54,450	189.010,98		0,86	0,86
GENESEE & WYOMING INC -	3.654,00	USD	68,560	210.714,31		0,95	0,96
GREAT LAKES DREDGE & DOCK CORP -	49.164,00	USD	4,050	167.477,67		0,76	0,76
LAYNE CHRISTENSEN COMPANY -	21.952,00	USD	10,740	198.304,72		0,90	0,90
LINDSAY MANUFACTURING CO -	2.900,00	USD	86,570	211.164,10		0,96	0,96
MAXWELL TECHNOLOGIES INC -	41.719,00	USD	5,570	195.453,64		0,89	0,89
NEW JERSEY RESOURCES CORP -	8.812,00	USD	43,650	323.529,14		1,47	1,47
NORFOLK STHN CP -	2.119,00	USD	120,520	214.805,18		0,97	0,98
NORTHWEST NATURAL GAS CO -	6.500,00	USD	66,300	362.477,92		1,64	1,65
ONEOK,INC. -	4.302,00	USD	54,160	195.976,38		0,89	0,89
OWENS CORNING -	3.669,00	USD	74,130	228.768,58		1,04	1,04
PLUG POWER INC -	73.005,00	USD	2,140	131.407,77		0,60	0,60
REGAL-BELDIT CORP -	2.984,00	USD	75,400	189.245,18		0,86	0,86
REPUBLIC SERVICES INC. -	5.634,00	USD	65,240	309.161,54		1,40	1,40
ROPER INDUSTRIES INC -	1.356,00	USD	230,660	263.079,28		1,19	1,19
SILVER SPRING NETWORKS INC -	18.134,00	USD	12,660	193.099,87		0,87	0,88
TESLA INC -	502,00	USD	355,900	150.274,88		0,68	0,68
TOYOTA MOTOR CREDIT -	6.400,00	JPY	6.183,000	302.415,70		1,37	1,37
VEECO INSTRUMENTS INC -	7.231,00	USD	18,900	114.951,55		0,52	0,52
VMWARE INC CLASS A -	2.856,00	USD	108,100	259.680,04		1,18	1,18
WASTE CONNECTIONS INC -	6.231,00	CAD	83,310	348.252,12		1,58	1,58
WGL HOLDINGS INC. -	6.404,00	USD	84,260	453.865,79		2,06	2,06
WILLIAMS COMPAGNIES -	8.292,00	USD	29,730	207.352,31		0,94	0,94
Total shares				22.086.823,42		100,00	100,26
TOTAL SECURITIES PORTFOLIO				22.086.823,42		100,00	100,26
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	-239,84	CAD	1,000	-160,90			0,00
KBC GROUP CHF	-961,39	CHF	1,000	-841,44			0,00
KBC GROUP DKK	8.015,44	DKK	1,000	1.077,68			0,01
KBC GROUP EURO	-15.824,10	EUR	1,000	-15.824,10			-0,07
KBC GROUP GBP	-45.071,93	GBP	1,000	-48.850,52			-0,22
KBC GROUP HKD	-1.515,60	HKD	1,000	-162,88			0,00
KBC GROUP JPY	1.323.559,00	JPY	1,000	10.115,06			0,05
KBC GROUP NOK	47.200,17	NOK	1,000	5.103,00			0,02
KBC GROUP NZD	-1.673,66	NZD	1,000	-1.008,23			-0,01
KBC GROUP SEK	-16.484,66	SEK	1,000	-1.742,47			-0,01
KBC GROUP SGD	-29.229,76	SGD	1,000	-18.104,53			-0,08

KBC GROUP USD	22.004,36	USD	1,000	18.508,17		0,08
Total demand accounts				-51.891,16		-0,24
TOTAL CASH AT BANK AND IN HAND				-51.891,16		-0,24
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP GBP RECEIVABLE	3.745,57	GBP	1,000	4.059,58		0,02
Total receivables				4.059,58		0,02
TOTAL RECEIVABLES AND PAYABLES				4.059,58		0,02
OTHER						
Interest receivable		EUR		8.763,01		0,04
Expenses payable		EUR		-19.011,41		-0,09
TOTAL OTHER				-10.248,40		-0,05
TOTAL NET ASSETS				22.028.743,44		100,00

Geographic breakdown (as a % of securities portfolio)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
Austria	1,38	1,51	1,68	1,04
Belgium	4,17	4,27	4,52	3,06
Brazil	1,62	2,27	1,98	0,00
Canada	5,37	4,09	3,96	5,34
Switzerland	4,36	4,61	4,52	2,28
Chile	2,24	1,23	1,34	0,00
China	0,37	0,70	0,72	1,13
Germany	3,26	3,51	3,56	9,16
Denmark	1,72	1,74	1,63	1,35
Spain	4,72	3,12	2,92	3,01
Finland	0,00	0,00	0,00	0,61
France	2,81	2,54	2,69	6,25
U.K.	8,36	7,91	8,28	5,43
Hong Kong	4,15	4,12	4,32	3,22
India	0,74	1,05	1,14	0,96
Ireland	0,00	0,00	0,00	1,33
Italy	4,31	3,49	3,28	3,37
Jersey/The Channel Islands	1,10	1,10	1,23	0,24
Japan	4,48	6,77	7,81	9,70
South Korea	1,56	1,42	1,53	1,22
Netherlands	0,00	0,00	0,00	2,30
Norway	0,32	0,35	0,46	1,49
New Zealand	1,37	1,58	1,56	0,00
Philippines	1,66	1,57	1,61	0,00
Portugal	0,92	0,85	0,86	0,00
Singapore	1,71	1,50	1,66	1,54
Sweden	0,00	0,00	0,00	1,29
Taiwan	2,44	1,94	1,94	1,50
U.S.A.	32,68	34,81	33,07	33,18
British Virgin Islands	0,44	0,40	0,21	0,00
Guernsey The Channel Islands	1,74	1,55	1,52	0,00
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
Cyclicals	53,02	48,29	49,64	41,81
Consum(cycl)	3,95	6,66	6,46	37,61
Cons.goods	1,05	1,49	1,40	0,94
Pharma	0,76	0,84	0,79	0,88
Financials	2,87	2,58	2,58	0,00
Technology	9,74	9,44	9,47	8,77
Telecomm.	1,97	2,23	2,20	0,00
Utilities	26,64	28,47	27,46	9,99
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
BRL	1,03	1,43	1,32	0,00
CAD	4,21	3,01	2,93	5,35
CHF	3,64	3,76	3,66	2,28
CLP	2,25	1,24	1,34	0,00
DKK	1,65	1,70	1,63	1,36
EUR	21,44	18,17	19,66	30,11
GBP	11,25	10,77	11,03	5,48
HKD	4,30	4,78	4,92	4,43
INR	0,74	1,06	1,14	0,97
JPY	4,48	6,85	7,79	9,77
KRW	1,56	1,43	1,52	1,23
NOK	0,33	0,35	0,46	1,51
NZD	1,37	1,63	1,56	0,00
PHP	1,66	1,58	1,61	0,00
SEK	0,00	0,00	0,00	1,29
SGD	1,57	1,44	1,54	1,39
TWD	2,44	1,96	1,93	1,50
USD	36,08	38,84	35,96	33,33
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC ECO FUND CLIMATE CHANGE (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	2 nd half of year	Year
Purchases	689.642,20	22.020.445,75	22.710.087,95
Sales	2.746.060,51	21.505.548,26	24.251.608,78
Total 1	3.435.702,72	43.525.994,01	46.961.696,73
Subscriptions	1.887.461,81	1.370.143,21	3.257.605,02
Redemptions	3.524.312,93	1.009.287,64	4.533.600,57
Total 2	5.411.774,74	2.379.430,85	7.791.205,59
Monthly average of total assets	22.320.354,45	22.578.254,88	22.449.835,32
Turnover rate	-8,85 %	182,24 %	174,48 %

	1st half of year	2 nd half of year	Year
Purchases	689.642,20	22.020.445,75	22.710.087,95
Sales	2.746.060,51	21.505.548,26	24.251.608,78
Total 1	3.435.702,72	43.525.994,01	46.961.696,73
Subscriptions	1.887.461,81	1.370.143,21	3.257.605,02
Redemptions	3.524.312,93	1.009.287,64	4.533.600,57
Total 2	5.411.774,74	2.379.430,85	7.791.205,59
Monthly average of total assets	22.475.796,45	22.641.341,73	22.520.836,62
Corrected turnover rate	-8,79 %	181,73 %	173,93 %

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

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

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

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

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

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

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2015 - 08*	2.122,95	847,00	7.622,81	1.361,00	34.694,53	4.019,79	38.714,32
2016 - 08*	8.719,65	989,59	5.612,32	701,00	37.801,87	4.308,38	42.110,24
2017 - 08*	4.014,05	529,00	5.389,25	926,17	36.426,66	3.911,21	40.337,87

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2015 - 08*	1.038.528,01	396.303,68	3.798.059,11	640.493,97
2016 - 08*	4.167.125,74	447.166,89	2.576.821,79	317.688,00
2017 - 08*	2.130.038,78	261.077,77	2.762.935,59	454.717,18

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2015 - 08*	17.931.714,89	465,64	441,97
2016 - 08*	20.848.229,32	498,65	463,81
2017 - 08*	21.143.549,68	528,79	481,03

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

Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2015 - 08*	116,00		1.427,00		2.956,00		2.956,00
2016 - 08*	0,00		558,00		2.398,00		2.398,00
2017 - 08*	1.795,00		2.522,00		1.671,00		1.671,00

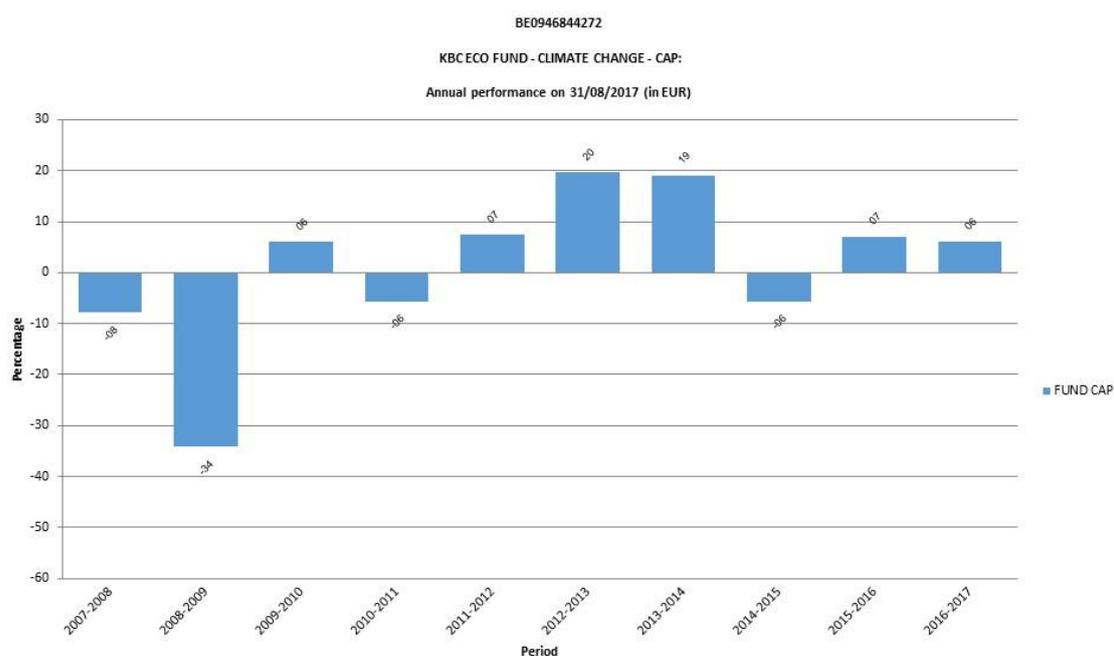
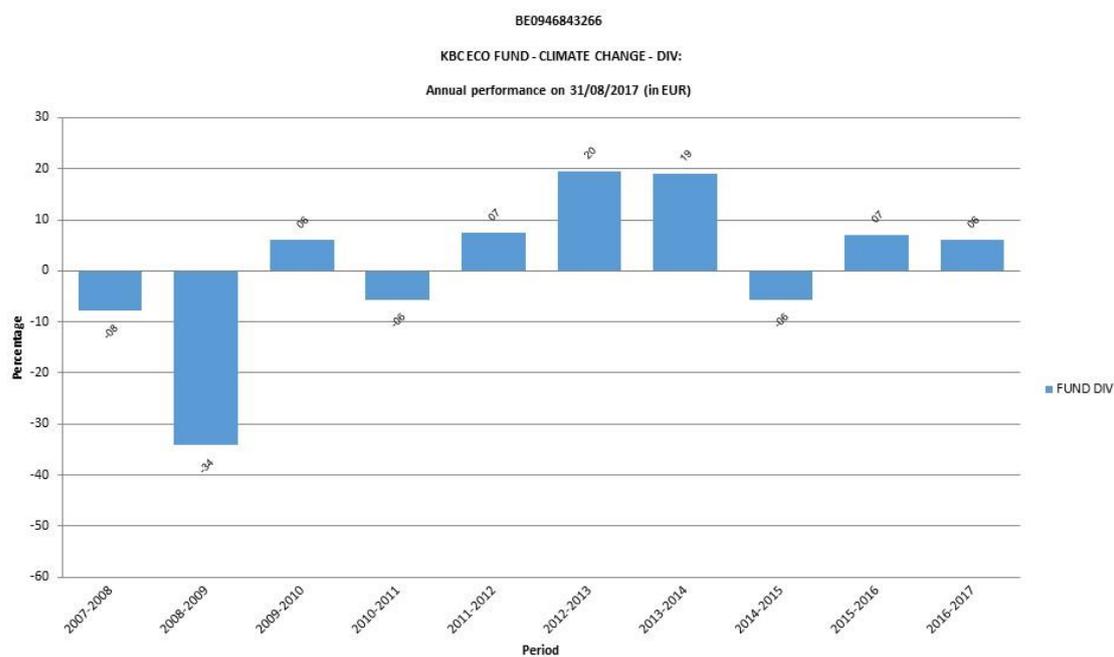
Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2015 - 08*	55.939,84		718.665,88	
2016 - 08*	0,00		267.156,02	
2017 - 08*	887.490,95		1.343.244,51	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2015 - 08*	1.377.615,56	466,04	
2016 - 08*	1.197.464,17	499,36	
2017 - 08*	885.193,76	529,74	

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

2.4.5 PERFORMANCE FIGURES

Classic Shares

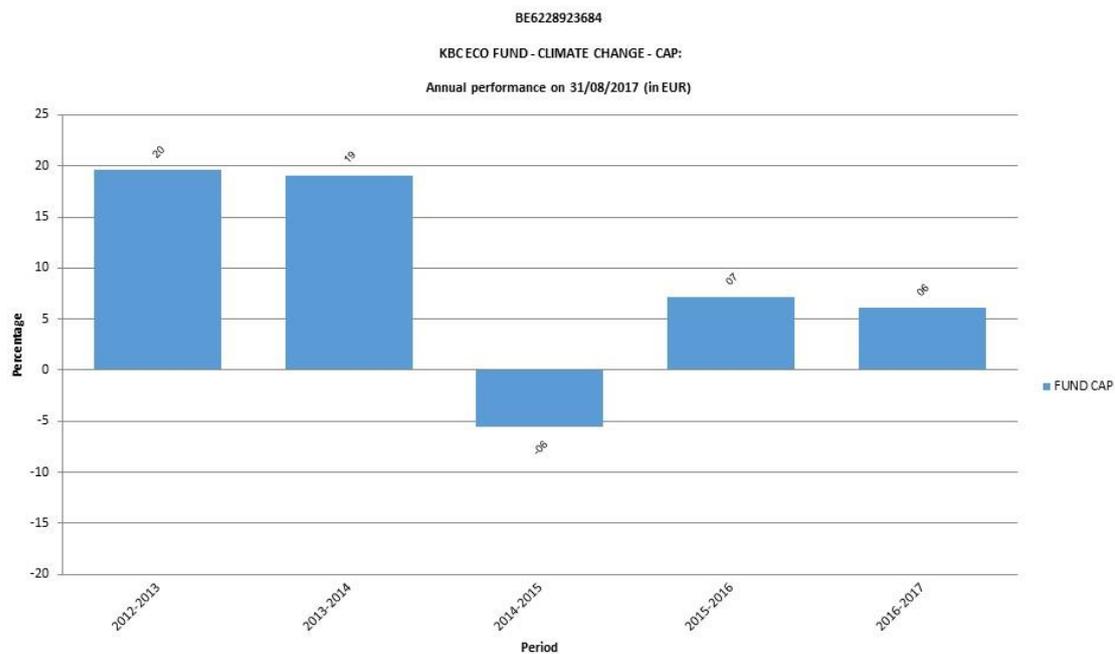


Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0946844272	EUR	6.04%		2.35%		8.83%		-0.05%		02/02/2007	0.53%
DIV	BE0946843266	EUR	6.01%		2.30%		8.79%		-0.07%		02/02/2007	0.51%

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

* Return on annual basis.

Institutional B Shares



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE6228923684	EUR	6.08%		2.39%		8.87%				25/11/2011	10.56%

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

* Return on annual basis.

Classic Shares

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

Capitalisation units (CAP)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

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

For dividend i on date Di with value Wi:

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

$i = 1 \dots N$

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

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

Institutional B Shares

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

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

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

Dividend on ex-dividend date 30/11/2017: 6,5605 EUR net (9,3721 EUR gross).

2.4.6 COSTS

Ongoing Charges: *

Classic Shares Distribution: 1.856%

Classic Shares Capitalization: 1.821%

Institutional B Shares Capitalization: 1.774%

* 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:	CSA Credits in EUR accrued during the period:	Percentage
	1-09-16 -	1-09-16 -	
	31-08-17	31-08-17	
CITI	301	75	25,00%
CITI	13.847	3.538	25,55%
CSFBSAS	1.116	405	36,29%
EQ CSA GOLDMAN SACHS INTERNATIONAL	838	335	40,00%
HSBC	113	30	26,54%
INSTINET	1.260	430	34,15%
MACQUARIE	1.076	419	39,00%
MERRILL	89	22	25,00%
MORGAN STANLEY	115	32	27,37%
SOCGEN	112	32	28,37%
UBSWDR	17	7	39,99%

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 (0.1% of which for the sustainability screening referred to in the prospectus) calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.4% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

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

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

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

Exercising voting rights.

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

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

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

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

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2 INFORMATION ON KBC ECO FUND WORLD

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 30 April 1992

Initial subscription price: 10000 BEF

Currency: EUR

Institutional B Shares :

Launch date: 25 September 2013

Initial subscription price: 1000 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

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

At least 75% of the assets are invested in the shares of companies in all sectors worldwide that outperform their peers in managing the environmental impact of both their production process and their end product. These companies must also have been approved by KBC Asset Management's Sustainable and Socially Responsible Investment Department and the Independent Environmental Advisory Committee.

The shares must satisfy the following criteria:

- the companies must be considered the 'best in class' in terms of sustainability: This means that the companies have to be screened based on the following criteria:
economic policy and role in society business ethics and corporate governance environment
internal social relations human rights
socially controversial practices and technologies
- the companies must be considered the 'best in class' in environmental terms.

Each criterion is sub-divided into measurable indicators.

The requirements, criteria and indicators are set out by KBC Asset Management in co-operation with the External Advisory Board for Sustainability Analysis and the Independent Environmental Advisory Committee. These requirements, criteria and indicators are constantly checked to ensure their relevance. Accordingly, the method used to conduct the sustainability screening may be changed, subject to approval by the External Advisory Board for Sustainability Analysis and the Independent Environmental Advisory Committee.

The shares are screened by KBC Asset Management's Sustainable and Socially Responsible Investment Department, in co-operation with the External Advisory Board for Sustainability Analysis and the Independent Environmental Advisory Committee.

Because the External Advisory Board for Sustainability Analysis and the Independent Environmental Advisory Committee work independently, the assessment of companies is objective, assuring the credibility of the sustainability screening. Their task also consists in overseeing the quality of the methods used and the research carried out by KBC Asset Management.

VOLATILITY OF THE NET ASSET VALUE

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

SECURITIES FINANCING TRANSACTIONS (SFTs):

GENERAL

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

Lending financial instruments is a transaction where one a sub-fund transfers financial instruments to a counterparty subject to an undertaking on the part of that counterparty to supply the sub-fund with comparable financial instruments at some future date or on the sub-fund's request.

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.

The sub-fund uses the lending of financial instruments to generate additional income. This might consist of a fee paid by the principal or, in the event that the fund performs the securities lending through an agent, by the counterparty, as well as income generated through reinvestments. The sub-fund is not permitted to agree forms of SFTs other than lending financial instruments.

GENERAL INFORMATION ON THE SFTS USED

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

CRITERIA FOR THE SELECTION OF COUNTERPARTIES

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

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

Legal status	Minimum rating	Country of origin
<p>The counterparty must belong to one of the following categories:</p> <p>a) A credit institution; or</p> <p>b) An investment firm; or</p> <p>c) A settlement or clearing institution; or</p> <p>d) A central bank of a member state of the European Economic Area, the European Central Bank, the European Investment Bank or a public international financial institution in which one or more European Economic Area member states participate.</p>	<p>Only counterparties rated as investment grade may be considered.</p> <p>An investment-grade rating means: a rating equal to or higher than BBB- or Baa3 according to one or more of the following accredited rating agencies:</p> <ul style="list-style-type: none"> - Moody's (Moody's Investors Service); - S&P (Standard & Poor's, a division of the McGraw-Hill Companies); en - Fitch (Fitch Ratings). <p>If the counterparty does not have a rating, the rating of the counterparty's parent company may be taken into consideration.</p>	<p>All geographical regions may be considered when selecting counterparties.</p>

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

DESCRIPTION OF ACCEPTABLE FINANCIAL COLLATERAL AND ITS VALUATION

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

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

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

Where the lending of securities is agreed within the framework of a securities lending system, the financial collateral can also take the form of bonds eligible for trading on a regulated market and which have been rated as at least investment grade as described under 'Criteria for the selection of counterparties'.

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

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

REUSE OF FINANCIAL COLLATERAL

If 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 office is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- short term money market funds as 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(s). The management company may delegate implementation of the reinvestment policy to a third party, including the agent managing the securities lending system.

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

POLICY ON THE DIVERSIFICATION OF COLLATERAL AND THE CORRELATION POLICY

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

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

HOLDING OF THE FINANCIAL COLLATERAL

The financial collateral will be held in the following manner:

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

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

INFLUENCE OF SFTs ON A SUB-FUND'S RISK PROFILE

This lending does not affect 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. A 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, in case the principal or the counterparty (if the sub-fund uses an agent) does not return similar securities. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%. Furthermore, when calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times exceed the actual value of the loaned securities.
- The criteria met by the collateral are such as to limit the credit risk. A rating of at least investment grade is required in the case of collateral in the form of bonds and other debt instruments. In the case of collateral in the form of participation rights in monetary undertakings for collective investment, the inherent diversification of these undertakings limits the credit risk. In the case of cash that is reinvested, a rating of at least investment grade is required when reinvesting in either deposits or government bonds. In the case of reinvestment in short-term money-market funds, the inherent diversification of these funds limits the credit risk.
- The criteria met by these types of collateral are such as to limit the liquidity risk. It must be possible to value the financial collateral on a daily basis by market price or to withdraw it on demand (on reinvestment of cash in deposits).
- In the case of reinvestment of cash, there are additional criteria to limit the market risk associated with the initial values in cash. When reinvesting bonds, only bonds with a remaining term to maturity of no more than one year may be considered. The shortness of this remaining term results in a low sensitivity to interest rate movements. In the case of reinvestment in short-term money-market funds, the low duration of these funds limits the market risk with respect to the initial value in cash.
- The custody of financial collateral consisting of securities occurs by placing the securities in custody accounts which, in the event of the custodian's bankruptcy, are held outside its insolvent estate. The custody of financial collateral consisting of cash occurs by holding it in cash accounts, whether or not segregated. The extent to which the custody of financial collateral consisting of cash occurs in non-segregated accounts has no influence, however, on the sub-fund's risk profile.
- Operational risks are limited by operational controls, in the shape of daily control of the market values of loaned securities and collateral and reconciliation of internal and external data.

DISTRIBUTION POLICY FOR RETURNS ON THE UTILISED SFTs

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

General strategy for hedging the exchange rate risk:

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

Social, ethical and environmental aspects:

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

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

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, with the exception of the sustainability screening described in the prospectus, to KBC Fund Management Limited, Sandwith Street, D02 X489 Dublin 2, IRELAND

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

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

2.1.8 FUTURE POLICY

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

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

Institutional B Shares: 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.

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 604,604.48 EUR.

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

2.2 BALANCE SHEET

Balance sheet layout	31/08/2017 <small>(in the currency of the sub-fundt)</small>	31/08/2016 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	139.987.068,83	100.112.262,62
II. Securities, money market instruments, UCIs and derivatives		
C. Shares and similar instruments		
a) Shares	140.473.020,93	100.300.752,75
D. Other securities	28.061,84	
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	8,95	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	3.468.544,58	4.782,39
B. Payables		
a) Accounts payable (-)	-3.801.135,64	
c) Borrowings (-)	-440.336,82	-373.018,94
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	194.952,68	128.099,85
VI. Accruals and deferrals		
A. Expense to be carried forward		20.870,16
B. Accrued income	197.541,97	134.030,88
C. Accrued expense (-)	-133.589,66	-103.254,47
TOTAL SHAREHOLDERS' EQUITY	139.987.068,83	100.112.262,62
A. Capital	130.341.834,95	93.861.711,86
B. Income equalization	269.290,67	326.461,51
D. Result of the bookyear	9.375.943,21	5.924.089,25

Off-balance-sheet headings

III Notional amounts of futures and forward contracts	
III.A Purchased futures and forward contracts	145.091,43
III.B Written futures and forward contracts	-92.522,50

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	31/08/2017 <small>(in the currency of the sub-fund)</small>	31/08/2016 <small>(in the currency of the sub-fund)</small>
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	16.200.291,45	4.685.985,86
D. Other securities	7.785,17	3.021,13
G. Receivables, deposits, cash at bank and in hand and payables		0,02
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	8,95	
b) Other foreign exchange positions and transactions	-7.283.261,00	1.032.721,16
Det.section I gains and losses on investments		
Realised gains on investments	14.927.625,99	9.083.230,22
Unrealised gains on investments	4.854.368,41	803.837,70
Realised losses on investments	-5.641.391,92	-7.277.687,32
Unrealised losses on investments	-5.215.777,91	3.112.347,57
II. Investment income and expenses		
A. Dividends	2.835.837,52	1.675.843,41
B. Interests		
a) Securities and money market instruments	8,30	17.500,02
b) Cash at bank and in hand and deposits	1.611,17	1.008,15
C. Interest on borrowings (-)	-3.466,98	-1.431,84
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	41.925,23	45.754,65
B. Other	3.430,06	

IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-179.060,34	-105.422,97
B. Financial expenses (-)	-1.262,35	-622,38
C. Custodian's fee (-)	-94.558,00	-52.766,00
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-666.696,45	-558.534,20
Institutional B Shares	-1.237.839,08	-629.386,55
b) Administration and accounting management	-126.968,96	-79.194,41
E. Administrative expenses (-)	0,20	-594,52
F. Formation and organisation expenses (-)	-10.469,64	-12.901,12
G. Remuneration, social security charges and pension	-4.688,53	-3.260,03
H. Services and sundry goods (-)	-30.992,95	-35.291,05
J. Taxes		
Classic Shares	-36.779,94	-32.381,39
Institutional B Shares	-13.914,01	-6.490,43
K. Other expenses (-)	-24.996,61	-19.468,26
Income and expenditure for the bookyear		
Subtotal II + III + IV	451.118,65	202.361,08
V. Profit (loss) on ordinary activities before tax	9.375.943,21	5.924.089,25
VII. Result of the bookyear	9.375.943,21	5.924.089,25

Appropriation Account

	31/08/2017 <small>(in the currency of the sub-fundm)</small>	31/08/2016 <small>(in the currency of the sub-fund)</small>
I. Profit to be appropriated	9.645.233,88	6.250.550,76
Profit for the period available for appropriation	9.375.943,21	5.924.089,25
Income on the creation of shares (income on the cancellation of shares)	269.290,67	326.461,51
II. (Appropriations to) Deductions from capital	-9.479.770,39	-6.135.166,77
IV. (Dividends to be paid out)	-165.463,49	-115.383,99

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC ECO FUND WORLD

Name	Quantity on 31/08/2017	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
AGL ENERGY LIMITED -	17.329,00	AUD	23,990	277.333,36		0,20	0,20
COMMONWEALTH BANK AUST -	15.951,00	AUD	75,800	806.594,93		0,57	0,58
NATIONAL AUSTRALIA BANK -	14.091,00	AUD	30,200	283.888,06		0,20	0,20
WESTPAC BANKING -	28.720,00	AUD	31,270	599.115,68		0,43	0,43
WOODSIDE PETROLEUM LTD -	8.505,00	AUD	28,830	163.575,15		0,12	0,12
<u>Austria</u>							
AUST&NZ BANKING GROUP -	3.170,00	AUD	29,400	62.173,45		0,04	0,04
ERSTE GROUP BANK AG -	14.167,00	EUR	35,495	502.857,67		0,36	0,36
RAIFFEISEN BANK INTL -	19.518,00	EUR	27,560	537.916,08		0,38	0,38
<u>Belgium</u>							
KBC GROUP -	7.821,00	EUR	69,030	539.883,63		0,38	0,39
<u>Canada</u>							
CANADIAN NATIONAL RAILWAY CO -	4.798,00	CAD	101,220	325.810,79		0,23	0,23
CENOVUS ENERGY INC -	142.572,00	CAD	9,770	934.475,00		0,67	0,67
MANULIFE FINANCIAL CORP -	70.823,00	CAD	24,530	1.165.495,90		0,83	0,83
POWER CORP -	102.751,00	CAD	30,520	2.103.824,31		1,50	1,50
ROYAL BK CANADA -	1.927,00	CAD	92,680	119.813,74		0,09	0,09
SUNCOR ENERGY INC -	56.392,00	CAD	39,130	1.480.356,21		1,05	1,06
TECK CORP CLASS B	24.957,00	CAD	31,080	520.370,03		0,37	0,37
TORONTO DOMINION BK -	28.988,00	CAD	67,060	1.304.129,40		0,93	0,93
<u>Cayman Islands</u>							
SEAGATE TECHNOLOGY -	8.869,00	USD	31,530	235.208,66		0,17	0,17
<u>Denmark</u>							
DANSKE BK AS -	23.006,00	DKK	242,800	751.019,37		0,54	0,54
PANDORA A/S -	5.158,00	DKK	664,000	460.479,99		0,33	0,33
VESTAS WINDS SYSTEMS -	17.603,00	DKK	569,000	1.346.667,25		0,96	0,96
<u>Finland</u>							
UPM-KYMMENE CORP -	39.737,00	EUR	21,860	868.650,82		0,62	0,62
<u>France</u>							
ATOS SE -	6.205,00	EUR	129,600	804.168,00		0,57	0,57
CAPGEMINI SA -	18.518,00	EUR	93,130	1.724.581,34		1,23	1,23
CREDIT AGRICOLE -	103.586,00	EUR	14,810	1.534.108,66		1,09	1,10
NATIXIS (PAR)	93.064,00	EUR	6,308	587.047,71		0,42	0,42
SOCIETE GENERALE SA -	15.931,00	EUR	47,030	749.234,93		0,53	0,54
<u>Germany</u>							
BAYERISCHE MOTOREN WERKE AG -	1.597,00	EUR	78,000	124.566,00		0,09	0,09
CECONOMY AG -	74.962,00	EUR	9,177	687.926,27		0,49	0,49

DAIMLER AG -	18.927,00	EUR	61,230	1.158.900,21		0,83	0,83
HENKEL KGAA PREF	6.423,00	EUR	112,550	722.908,65		0,52	0,52
<u>Hong Kong</u>							
HONG KONG CHINA GAS -	307.000,00	HKD	14,800	488.304,49		0,35	0,35
<u>Italy</u>							
ENEL SOCIETA PER AZIONI -	445.490,00	EUR	5,085	2.265.316,65		1,61	1,62
<u>Japan</u>							
ASTELLAS PHARMA INC -	152.900,00	JPY	1.383,500	1.616.634,19		1,15	1,16
CANON INC -	69.700,00	JPY	3.854,000	2.052.908,53		1,46	1,47
EAST JAPAN RAILWAY -	1.800,00	JPY	10.085,000	138.731,00		0,10	0,10
FUJITSU LTD -	197.000,00	JPY	815,100	1.227.162,94		0,87	0,88
INPEX CORP -	182.100,00	JPY	1.051,000	1.462.641,10		1,04	1,05
KAO CORP -	17.300,00	JPY	6.862,000	907.239,45		0,65	0,65
NOMURA HOLDINGS INC -	253.100,00	JPY	612,500	1.184.740,81		0,84	0,85
NTT DOCOMO, INC. -	75.300,00	JPY	2.553,500	1.469.453,85		1,05	1,05
SEVEN & I HOLDINGS CO LTD -	1.900,00	JPY	4.365,000	63.381,57		0,05	0,05
SONY CORP -	18.900,00	JPY	4.337,000	626.435,47		0,45	0,45
TAKEDA PHARMACEUTICAL CO LTD -	22.700,00	JPY	6.077,000	1.054.241,73		0,75	0,75
TEIJIN LTD -	65.600,00	JPY	2.232,000	1.118.982,10		0,80	0,80
TOKYO ELECTRON -	10.400,00	JPY	15.460,000	1.228.762,48		0,88	0,88
YAMADA DENKI -	57.400,00	JPY	595,000	261.008,09		0,19	0,19
<u>Norway</u>							
STATOIL ASA -	22.670,00	NOK	147,000	360.288,66		0,26	0,26
<u>Papua New Guinea</u>							
OIL SEARCH LTD -	60.314,00	AUD	6,710	269.984,62		0,19	0,19
<u>Portugal</u>							
GALP ENERGIA SGPS SA -	60.384,00	EUR	13,910	839.941,44		0,60	0,60
<u>Spain</u>							
AMADEUS IT GROUP SA -	21.111,00	EUR	52,070	1.099.249,77		0,78	0,79
CAIXABANK SA -	283.873,00	EUR	4,338	1.231.441,07		0,88	0,88
MAPFRE SA (MAD)	7.268,00	EUR	2,973	21.607,76		0,02	0,02
TELEFONICA SA -	175.043,00	EUR	9,059	1.585.714,54		1,13	1,13
<u>Sweden</u>							
ALFA LAVAL -	876,00	SEK	180,000	16.667,20		0,01	0,01
BOLIDEN AB -	24.514,00	SEK	278,000	720.352,20		0,51	0,52
ELECTROLUX "B"	22.385,00	SEK	288,900	683.581,89		0,49	0,49
GETINGE AB B	34.066,00	SEK	147,600	531.487,93		0,38	0,38
LUNDIN PETROLEUM AB -	31.364,00	SEK	170,500	565.251,52		0,40	0,40
SANDVIK FRIA -	14.087,00	SEK	131,300	195.510,08		0,14	0,14
VOLVO TREASURY AB "B"	100.030,00	SEK	135,700	1.434.815,39		1,02	1,03
<u>Switzerland</u>							
ADECCO GROUP AG REG	15.106,00	CHF	69,500	918.880,57		0,65	0,66
COCA-COLA HBC AG -	65.287,00	GBP	26,440	1.870.902,60		1,33	1,34
SONOVA HOLDING AG -	4.727,00	CHF	162,100	670.646,10		0,48	0,48
<u>U.K.</u>							
INTERCONTINENTAL HOTELS GROUP PLC -	8.531,00	GBP	38,560	356.533,20		0,25	0,26
INVESTEC PLC -	89.275,00	GBP	5,900	570.880,07		0,41	0,41
LAND SECURITIES GROUP PLC -	123.966,00	GBP	10,100	1.357.022,27		0,97	0,97
LLOYDS BANKING GROUP PLC -	416.245,00	GBP	0,638	287.918,02		0,21	0,21
MARKS&SPENCER -	356.466,00	GBP	3,196	1.234.775,20		0,88	0,88
OLD MUTUAL PLC -	72.309,00	GBP	2,075	162.619,82		0,12	0,12
SCHRODERS PLC -	20.787,00	GBP	33,680	758.799,28		0,54	0,54

VODAFONE GROUP PLC -	6.007,00	GBP	2,214	14.414,46		0,01	0,01
WPP GROUP PLC -	89.649,00	GBP	14,200	1.379.738,58		0,98	0,99
<u>U.S.A.</u>							
ABBVIE INC -	13.618,00	USD	75,300	862.507,70		0,61	0,62
ACCENTURE LTD "A"	559,00	USD	130,760	61.481,07		0,04	0,04
ADOBE SYSTEMS -	19.295,00	USD	155,160	2.518.136,26		1,79	1,80
AGILENT TECHNOLOGIES -	40.062,00	USD	64,720	2.180.850,06		1,55	1,56
AIR PRODUCTS & CHEMICALS -	18.014,00	USD	145,370	2.202.620,22		1,57	1,57
AVERY DENNISON CORPORATION -	3.111,00	USD	94,260	246.650,57		0,18	0,18
BANK OF AMERICA CORP -	109.266,00	USD	23,890	2.195.613,37		1,56	1,57
BANK OF NEW YORK MELLON CORP -	39.921,00	USD	52,280	1.755.462,93		1,25	1,25
BED BATH & BEYOND -	11.870,00	USD	27,590	275.459,08		0,20	0,20
BEST BUY -	24.133,00	USD	54,260	1.101.401,78		0,78	0,79
BIOGEN INC -	5.815,00	USD	316,560	1.548.318,95		1,10	1,11
BORGWARNER INC -	9.183,00	USD	46,410	358.468,36		0,26	0,26
BRISTOL-MYERS SQUIBB CO -	18.153,00	USD	60,480	923.453,14		0,66	0,66
CA INC -	1.403,00	USD	33,180	39.155,13		0,03	0,03
CAMPBELL SOUP CO -	16.421,00	USD	46,200	638.111,03		0,45	0,46
CIGNA CORP. -	12.776,00	USD	182,060	1.956.429,10		1,39	1,40
COGNIZANT TECHNOLOGY SOLUTIONS CORP. -	8.338,00	USD	70,770	496.324,55		0,35	0,36
CSX -	38.513,00	USD	50,200	1.626.169,23		1,16	1,16
CUMMINS INC. -	7.354,00	USD	159,380	985.852,91		0,70	0,70
DELL TECHNOLOGIES INC CL V	15.518,00	USD	74,930	978.016,44		0,70	0,70
EATON CORP. -	33.858,00	USD	71,760	2.043.611,81		1,46	1,46
FEDEX CORP -	1.768,00	USD	214,380	318.802,12		0,23	0,23
FMC TECHNOLOGIES INC. -	39.772,00	USD	25,830	864.085,09		0,62	0,62
GENERAL ELEC CAP CORP -	80.458,00	USD	24,550	1.661.404,58		1,18	1,19
GOODYEAR T&R -	11.719,00	USD	30,300	298.667,42		0,21	0,21
HERSHEY CORP -	6.646,00	USD	104,920	586.507,12		0,42	0,42
HILTON WORLDWIDE HOLDINGS INC -	10.910,00	USD	64,330	590.327,45		0,42	0,42
HOME DEPOT -	12.669,00	USD	149,870	1.597.025,01		1,14	1,14
HOST HOTELS & RESORTS INC -	63.170,00	USD	18,120	962.772,65		0,69	0,69
HUMANA INC. -	7.751,00	USD	257,620	1.679.546,32		1,20	1,20
INGERSOLL RAND PLC -	29.644,00	USD	85,390	2.129.111,92		1,52	1,52
INTEL CORP -	90.254,00	USD	35,070	2.662.299,42		1,90	1,90
INTUIT INC -	7.252,00	USD	141,450	862.810,50		0,61	0,62
KOHL'S CORPORATION -	31.147,00	USD	39,780	1.042.163,06		0,74	0,74
LIBERTY GLOBAL INC A	54.861,00	USD	34,000	1.568.907,39		1,12	1,12
LIBERTY PROPERTY TRUST -	41.776,00	USD	42,600	1.496.894,27		1,07	1,07
LILLY (ELI) & CO -	10.026,00	USD	81,290	685.519,00		0,49	0,49
LOWE'S CIE -	12.713,00	USD	73,890	790.111,51		0,56	0,56
MANPOWER GROUP -	19.175,00	USD	111,510	1.798.472,75		1,28	1,29
MCGRAW HILL FINANCIAL INC -	7.259,00	USD	154,330	942.284,02		0,67	0,67
MICROSOFT CORP -	35.041,00	USD	74,770	2.203.730,82		1,57	1,57
MOLSON COORS BREWING CO "B"	20.004,00	USD	89,750	1.510.100,93		1,08	1,08
MONDELEZ INTERNATIONAL INC "A"	62.425,00	USD	40,660	2.134.915,05		1,52	1,53
NETWORK APPLIANCE, INC. -	37.597,00	USD	38,660	1.222.558,68		0,87	0,87
NORDSTROM -	5.095,00	USD	44,620	191.217,85		0,14	0,14
NORFOLK STHN CP -	1.161,00	USD	120,520	117.691,75		0,08	0,08
NORTHERN TRUST CORPORATION -	12.194,00	USD	88,500	907.703,76		0,65	0,65
NVIDIA CORP NAS	1.791,00	USD	169,440	255.250,26		0,18	0,18
ORACLE CORP -	7.936,00	USD	50,330	335.956,67		0,24	0,24
PEPSICO INC -	21.510,00	USD	115,730	2.093.828,16		1,49	1,50
PFIZER -	71.248,00	USD	33,920	2.032.746,37		1,45	1,45
PRINCIPAL FINANCIAL GROUP INC -	33.528,00	USD	62,520	1.763.117,64		1,26	1,26
PROLOGIS TRUST -	39.511,00	USD	63,360	2.105.658,14		1,50	1,50
PRUDENTIAL FINANCIAL INC -	22.762,00	USD	102,080	1.954.365,35		1,39	1,40

RESMED INC -	831,00	USD	77,580	54.225,74	0,04	0,04
ROYAL CARIBBEAN CRUISES LTD -	12.688,00	USD	124,460	1.328.243,32	0,95	0,95
SOUTHWEST AIRLINES -	23.291,00	USD	52,140	1.021.442,29	0,73	0,73
SYMANTEC CORPORATION -	13.245,00	USD	29,980	333.993,69	0,24	0,24
TEXAS INSTRUMENTS -	8.759,00	USD	82,820	610.160,97	0,43	0,44
UNION PACIFIC CORPORATION -	9.655,00	USD	105,300	855.136,26	0,61	0,61
UNITEDHEALTH GROUP INC. -	605,00	USD	198,900	101.214,99	0,07	0,07
VARIAN MEDICAL SYSTEMS -	25.379,00	USD	106,250	2.268.078,69	1,61	1,62
VISA INC -	33.343,00	USD	103,520	2.903.244,48	2,07	2,08
W.W. GRAINGER, INC. -	3.968,00	USD	162,570	542.583,70	0,39	0,39
WALT DISNEY -	14.624,00	USD	101,200	1.244.805,11	0,89	0,89
WYNDHAM WORLDWIDE CORP -	19.175,00	USD	99,680	1.607.674,32	1,14	1,15
XEROX CORPORATION -	53.551,00	USD	32,270	1.453.520,71	1,04	1,04
Total shares				140.473.020,93	99,98	100,35
Rights						
<u>Sweden</u>						
GETINGE AB CP 24/08/2017	90.299,00	SEK	2,940	28.061,84	0,02	0,02
Total rights				28.061,84	0,02	0,02
Forward contracts		EUR		8,95		
TOTAL SECURITIES PORTFOLIO				140.501.091,72	100,00	100,37
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP AUD	84.481,32	AUD	1,000	56.358,45		0,04
KBC GROUP CAD	-10.239,10	CAD	1,000	-6.869,11		-0,01
KBC GROUP CHF	2.859,61	CHF	1,000	2.502,83		0,00
KBC GROUP DKK	71.135,02	DKK	1,000	9.564,12		0,01
KBC GROUP EURO	-433.021,86	EUR	1,000	-433.021,86		-0,31
KBC GROUP GBP	5.139,44	GBP	1,000	5.570,30		0,00
KBC GROUP HKD	18.812,51	HKD	1,000	2.021,80		0,00
KBC GROUP ILS	13.733,23	ILS	1,000	3.220,59		0,00
KBC GROUP JPY	164.828,00	JPY	1,000	1.259,67		0,00
KBC GROUP NOK	68.740,61	NOK	1,000	7.431,82		0,01
KBC GROUP NZD	1.226,17	NZD	1,000	738,66		0,00
KBC GROUP SEK	28.673,17	SEK	1,000	3.030,83		0,00
KBC GROUP SGD	32,44	SGD	1,000	20,09		
KBC GROUP TRY	-1.830,12	TRY	1,000	-445,85		
KBC GROUP USD	119.323,69	USD	1,000	100.364,78		0,07
KBC GROUP ZAR	44.329,90	ZAR	1,000	2.868,74		0,00
Total demand accounts				-245.384,14		-0,18
TOTAL CASH AT BANK AND IN HAND				-245.384,14		-0,18
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP CAD RECEIVABLE	109.086,69	CAD	1,000	73.183,07		0,05
KBC GROUP EUR RECEIVABLE	1.753.849,32	EUR	1,000	1.753.849,32		1,25
KBC GROUP GBP RECEIVABLE	505.724,51	GBP	1,000	548.121,73		0,39
KBC GROUP SEK RECEIVABLE	8.249.479,80	SEK	1,000	871.991,95		0,62
KBC GROUP USD RECEIVABLE	263.220,69	USD	1,000	221.398,51		0,16
Total receivables				3.468.544,58		2,48

Payables						
<u>Belgium</u>						
KBC GROUP CAD PAYABLE	-325.957,82	CAD	1,000	-218.675,58		-0,16
KBC GROUP EUR PAYABLE	-141.360,57	EUR	1,000	-141.360,57		-0,10
KBC GROUP SEK PAYABLE	-7.996.332,60	SEK	1,000	-845.233,61		-0,60
KBC GROUP USD PAYABLE	-3.086.224,95	USD	1,000	-2.595.865,88		-1,85
Payables				-3.801.135,64		-2,72
TOTAL RECEIVABLES AND PAYABLES				-332.591,06		-0,24
OTHER						
Interest receivable		EUR		180.041,95		0,13
Accrued interest		EUR		17.500,02		0,01
Expenses payable		EUR		-133.589,66		-0,09
TOTAL OTHER				63.952,31		0,05
TOTAL NET ASSETS				139.987.068,83		100,00

Geographic breakdown (as a % of securities portfolio)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
Australia	0,97	1,88	1,62	1,56
Austria	0,00	0,51	1,52	0,74
Belgium	1,36	0,52	0,42	0,38
Canada	5,11	4,60	6,82	5,66
Switzerland	6,05	5,43	2,96	2,46
Germany	1,46	1,90	2,09	1,92
Denmark	2,79	1,84	1,76	1,82
Spain	1,09	1,29	1,24	2,80
Finland	0,85	1,66	1,90	0,62
France	4,58	3,69	3,23	3,84
U.K.	3,63	4,06	5,84	4,36
Hong Kong	0,05	0,86	0,16	0,35
Italy	0,69	1,37	1,89	1,61
Japan	10,85	11,48	10,36	10,26
Netherlands	1,59	0,82	0,00	0,00
Norway	0,60	0,22	0,13	0,26
Papua New Guinea	0,00	0,05	0,04	0,19
Portugal	0,00	0,42	0,34	0,60
Sweden	0,80	1,73	1,25	2,97
U.S.A.	57,53	55,67	56,43	57,60
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
Cyclicals	18,76	17,00	17,17	14,05
Consum(cycl)	17,15	16,84	16,62	14,95
Cons.goods	11,37	12,17	13,05	11,44
Pharma	11,86	11,70	8,41	11,40
Financials	15,85	17,37	20,40	20,03
Technology	15,29	16,94	16,16	19,57
Telecomm.	2,81	2,73	2,22	2,18
Utilities	3,99	2,06	1,82	2,16
Real est.	2,92	3,19	4,15	4,22
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
AUD	1,04	1,95	1,66	1,80
CAD	5,13	4,62	6,84	5,68
CHF	5,40	4,39	2,21	1,14
DKK	2,76	1,90	1,76	1,84
EUR	11,46	11,74	12,51	13,37
GBP	4,41	5,11	6,59	6,11
HKD	0,05	0,86	0,16	0,35
JPY	10,97	11,51	10,37	10,30
NOK	0,60	0,22	0,13	0,26
SEK	0,81	1,73	1,26	3,01
USD	57,37	55,97	56,51	56,14
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC Eco FUND WORLD (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	2 nd half of year	Year
Purchases	52.096.061,20	90.433.691,03	142.529.752,24
Sales	32.375.742,97	78.884.541,99	111.260.284,96
Total 1	84.471.804,17	169.318.233,03	253.790.037,20
Subscriptions	25.304.415,20	14.803.747,55	40.108.162,75
Redemptions	5.421.637,47	4.342.565,12	9.764.202,59
Total 2	30.726.052,67	19.146.312,67	49.872.365,34
Monthly average of total assets	115.113.992,07	138.168.622,92	126.688.745,00
Turnover rate	46,69 %	108,69 %	160,96 %

	1st half of year	2 nd half of year	Year
Purchases	52.096.061,20	90.433.691,03	142.529.752,24
Sales	32.375.742,97	78.884.541,99	111.260.284,96
Total 1	84.471.804,17	169.318.233,03	253.790.037,20
Subscriptions	25.304.415,20	14.803.747,55	40.108.162,75
Redemptions	5.421.637,47	4.342.565,12	9.764.202,59
Total 2	30.726.052,67	19.146.312,67	49.872.365,34
Monthly average of total assets	115.070.014,14	138.741.045,61	127.268.777,76
Corrected turnover rate	46,71 %	108,24 %	160,23 %

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

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

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

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

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC AK-VK CAD-EUR 170906-170905 1.489612	CAD	216.273,28	145.091,43	N/A	31.08.2017
KBC VK-AK USD-EUR 170906-170905 1.187517	USD	-110.000,00	-92.522,50	N/A	31.08.2017

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

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2015 - 08*	10.828,81	2.138,22	10.752,01	616,34	29.868,33	3.703,40	33.571,73
2016 - 08*	34.974,30	10.194,51	23.475,54	5.017,37	41.367,10	8.880,54	50.247,64
2017 - 08*	11.351,86	2.906,37	9.825,26	1.338,81	42.893,69	10.448,10	53.341,80

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2015 - 08*	8.644.028,32	1.369.614,66	8.572.229,53	408.472,98
2016 - 08*	7.518.183,91	667.530,47	14.919.414,19	2.938.331,21
2017 - 08*	10.400.553,28	2.106.823,67	8.895.620,81	947.371,87

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2015 - 08*	26.059.061,87	792,51	644,84
2016 - 08*	40.613.046,00	838,82	665,89
2017 - 08*	46.576.108,55	912,69	710,90

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

Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2015 - 08*	36.080,00		3.100,00		39.200,00		39.200,00
2016 - 08*	80.717,83		49.116,78		70.801,05		70.801,05
2017 - 08*	31.300,00		1,00		102.100,05		102.100,05

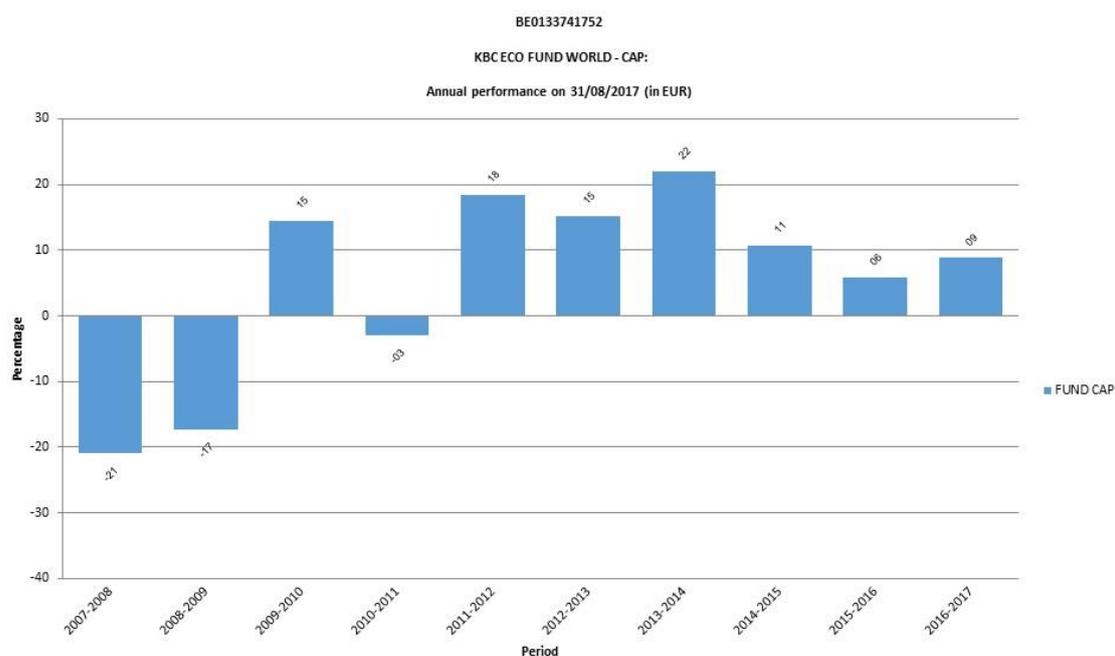
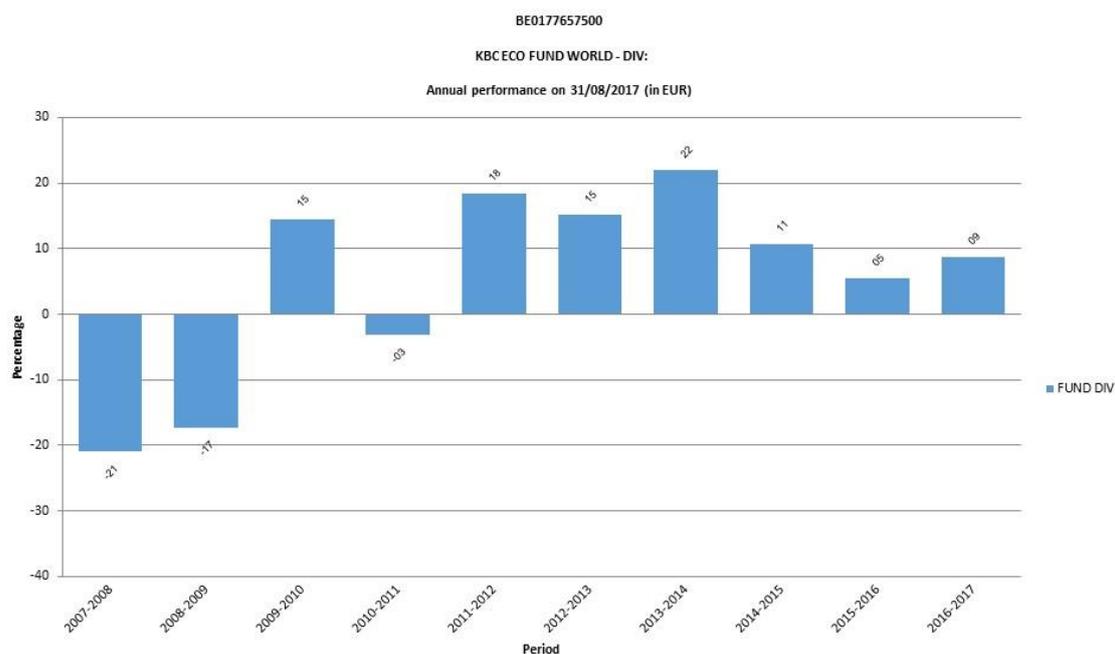
Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2015 - 08*	30.613.229,20		2.458.603,00	
2016 - 08*	25.530.917,70		31.991.215,21	
2017 - 08*	27.949.525,00		952,29	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2015 - 08*	31.060.198,74	792,35	
2016 - 08*	59.499.216,62	840,37	
2017 - 08*	93.410.960,28	914,90	

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

2.4.5 PERFORMANCE FIGURES

Classic Shares

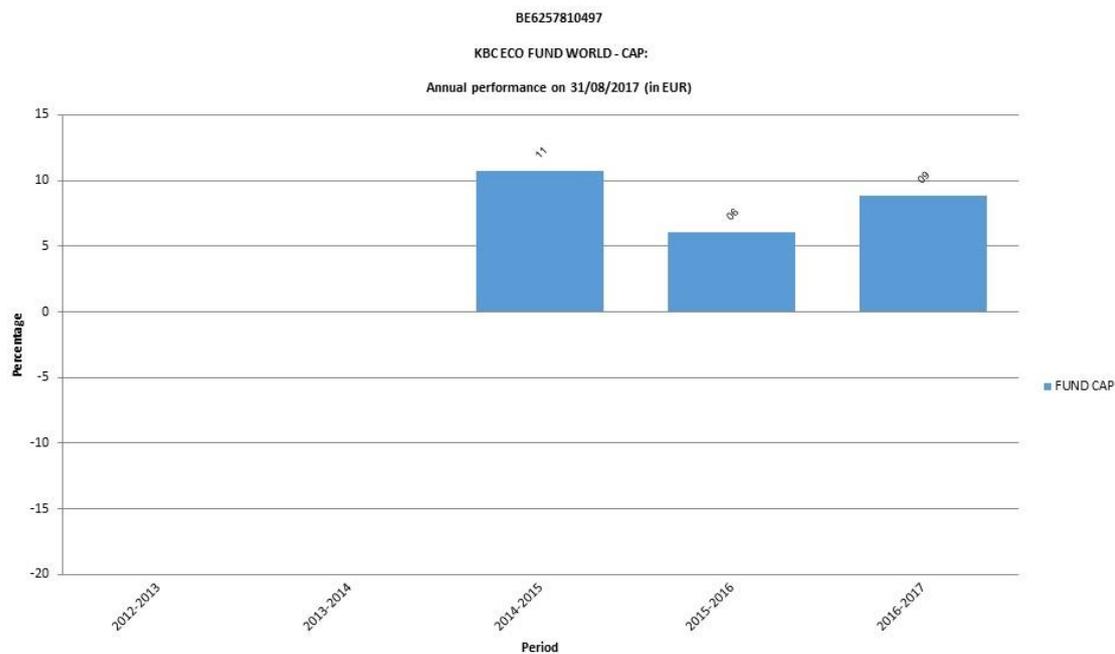


Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0133741752	EUR	8.81%		8.45%		12.40%		4.44%		30/04/1992	5.28%
DIV	BE0177657500	EUR	8.78%		8.30%		12.29%		4.37%		03/09/2001	3.36%

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

* Return on annual basis.

Institutional B Shares



Cap Div	ISIN code	Cur-rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE6257810497	EUR	8.87%		8.55%						01/12/2013	10.28%

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

* Return on annual basis.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (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:

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

where $Y = D - X$

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

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

For dividend i on date Di with value Wi:

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

$i = 1 \dots N$

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

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

Institutional B Shares

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

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

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

Dividend on ex-dividend date 30/11/2017: 11,0857 EUR net (15,8367 EUR gross).

2.4.6 COSTS

Ongoing Charges: *

Classic Shares Distribution: 1.836%

Classic Shares Capitalization: 1.811%

Institutional B Shares Capitalization: 1.754%

* 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	CSA Credits	Percentage
	in EUR	in EUR	
	paid during the period:	accrued during the period:	
	1-09-16	1-09-16	
	-	-	
	31-08-17	31-08-17	
CARNEGIE	1.727	685	39,65%
CITI	9.609	2.633	27,40%
CSFBSAS	615	154	25,00%
CSFBSAS	3.053	763	25,00%
DEUTSCHE	1.738	695	40,00%
DEUTSCHE	2.011	476	23,68%
EQ CSA GOLDMAN SACHS INTERNATIONAL	7.758	2.043	26,34%
HSBC	12.077	3.442	28,50%
INSTINET	322	88	27,35%
INSTINET	16.282	4.854	29,82%
MACQUARIE	43.553	15.464	35,51%
MERRILL	2.177	526	24,16%
MORGAN STANLEY	5.375	1.344	25,00%
UBSWDR	4.371	1.240	28,36%

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 (0.1% of which for the sustainability screening referred to in the prospectus) calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.4% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

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

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

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

Exercising voting rights.

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

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

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

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

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 - 2.1. Management report
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 - 2.1.2. Stock exchange listing
 - 2.1.3. Goal and key principles of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy pursued during the financial year
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 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
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 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Changes in the composition of the assets
 - 2.4.3. Amount of commitments in respect of financial derivatives positions
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 - 2.4.5. Performance figures
 - 2.4.6. Costs
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC ECO FUND ALTERNATIVE ENERGY

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

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

Institutional B Shares :

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

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

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

At any time, at least 75% of the assets are invested in the shares of companies that that operate on a sustainable basis in the alternative energy sector. These companies have to realize a substantial proportion of their turnover in this sector.

The companies have to satisfy a number of basic criteria regarding the environment, human rights, the trade and manufacture of arms, and nuclear energy. The basic criteria are set out by KBC Asset Management in co-operation with the Independent Environmental Advisory Committee. They may also change the method used to perform the sustainability screening, based on new trends in society.

The shares are screened by KBC Asset Management's Sustainable and Socially Responsible Investment Department and the independent Environmental Advisory Committee.

VOLATILITY OF THE NET ASSET VALUE

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

SECURITIES FINANCING TRANSACTIONS (SFTs):

GENERAL

The sub-fund may lend financial instruments within the limits set by law and regulations. Lending financial instruments is a transaction where one a sub-fund transfers financial instruments to a counterparty subject to an undertaking on the part of that counterparty to supply the sub-fund with comparable financial instruments at some future date or on the sub-fund's request.

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.

The sub-fund uses the lending of financial instruments to generate additional income. This might consist of a fee paid by the principal or, in the event that the fund performs the securities lending through an agent, by the counterparty, as well as income generated through reinvestments. The sub-fund is not permitted to agree forms of SFTs other than lending financial instruments.

GENERAL INFORMATION ON THE SFTs USED

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

CRITERIA FOR THE SELECTION OF COUNTERPARTIES

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

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

Legal status	Minimum rating	Country of origin
<p>The counterparty must belong to one of the following categories:</p> <p>a) A credit institution; or b) An investment firm; or c) A settlement or clearing institution; or d) A central bank of a member state of the European Economic Area, the European Central Bank, the European Investment Bank or a public international financial institution in which one or more European Economic Area member states participate.</p>	<p>Only counterparties rated as investment grade may be considered.</p> <p>An investment-grade rating means: a rating equal to or higher than BBB- or Baa3 according to one or more of the following accredited rating agencies:</p> <ul style="list-style-type: none"> - Moody's (Moody's Investors Service); - S&P (Standard & Poor's, a division of the McGraw-Hill Companies); en - Fitch (Fitch Ratings). <p>If the counterparty does not have a rating, the rating of the counterparty's parent company may be taken into consideration.</p>	<p>All geographical regions may be considered when selecting counterparties.</p>

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

DESCRIPTION OF ACCEPTABLE FINANCIAL COLLATERAL AND ITS VALUATION

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

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

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

Where the lending of securities is agreed within the framework of a securities lending system, the financial collateral can also take the form of bonds eligible for trading on a regulated market and which have been rated as at least investment grade as described under 'Criteria for the selection of counterparties'.

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

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

REUSE OF FINANCIAL COLLATERAL

If 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 office is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- short term money market funds as 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(s). The management company may delegate implementation of the reinvestment policy to a third party, including the agent managing the securities lending system.

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

POLICY ON THE DIVERSIFICATION OF COLLATERAL AND THE CORRELATION POLICY

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

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

HOLDING OF THE FINANCIAL COLLATERAL

The financial collateral will be held in the following manner:

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

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

INFLUENCE OF SFTs ON A SUB-FUND'S RISK PROFILE

This lending does not affect 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. A 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, in case the principal or the counterparty (if the sub-fund uses an agent) does not return similar securities. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%. Furthermore, when calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times exceed the actual value of the loaned securities.
- The criteria met by the collateral are such as to limit the credit risk. A rating of at least investment grade is required in the case of collateral in the form of bonds and other debt instruments. In the case of collateral in the form of participation rights in monetary undertakings for collective investment, the inherent diversification of these undertakings limits the credit risk. In the case of cash that is reinvested, a rating of at least investment grade is required when reinvesting in either deposits or government bonds. In the case of reinvestment in short-term money-market funds, the inherent diversification of these funds limits the credit risk.

- The criteria met by these types of collateral are such as to limit the liquidity risk. It must be possible to value the financial collateral on a daily basis by market price or to withdraw it on demand (on reinvestment of cash in deposits).
- In the case of reinvestment of cash, there are additional criteria to limit the market risk associated with the initial values in cash. When reinvesting bonds, only bonds with a remaining term to maturity of no more than one year may be considered. The shortness of this remaining term results in a low sensitivity to interest rate movements. In the case of reinvestment in short-term money-market funds, the low duration of these funds limits the market risk with respect to the initial value in cash.
- The custody of financial collateral consisting of securities occurs by placing the securities in custody accounts which, in the event of the custodian's bankruptcy, are held outside its insolvent estate. The custody of financial collateral consisting of cash occurs by holding it in cash accounts, whether or not segregated. The extent to which the custody of financial collateral consisting of cash occurs in non-segregated accounts has no influence, however, on the sub-fund's risk profile.
- Operational risks are limited by operational controls, in the shape of daily control of the market values of loaned securities and collateral and reconciliation of internal and external data.

DISTRIBUTION POLICY FOR RETURNS ON THE UTILISED SFTs

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

General strategy for hedging the exchange rate risk:

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

Social, ethical and environmental aspects:

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

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

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

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, with the exception of the sustainability screening described in the prospectus, to KBC Fund Management Limited, Sandwith Street, D02 X489 Dublin 2, IRELAND..

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

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

2.1.8 FUTURE POLICY

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

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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.

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 66,254.81 EUR.

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

2.2 BALANCE SHEET

Balance sheet layout	31/08/2017 (in the currency of the sub-fundt)	31/08/2016 (in the currency of the sub-fund)
TOTAL NET ASSETS	27.856.453,78	30.102.648,97
II. Securities, money market instruments, UCIs and derivatives		
C. Shares and similar instruments		
a) Shares	27.926.113,81	30.082.785,18
D. Other securities	1.408,90	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	899,86	10.730,51
B. Payables		
a) Accounts payable (-)	-17.515,09	-23.140,86
c) Borrowings (-)	-66.408,82	-24.447,30
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	15.535,95	13.179,25
VI. Accruals and deferrals		
A. Expense to be carried forward		8.620,55
B. Accrued income	26.024,04	65.478,01
C. Accrued expense (-)	-29.604,87	-30.556,37
TOTAL SHAREHOLDERS' EQUITY	27.856.453,78	30.102.648,97
A. Capital	25.386.243,84	28.335.078,50
B. Income equalization	-27.140,91	-10.861,84
D. Result of the bookyear	2.497.350,85	1.778.432,31

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	31/08/2017 (in the currency of the sub-fund)	31/08/2016 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	3.485.137,84	1.714.056,93
D. Other securities	-399,19	1.673,83
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-1.065.591,31	-75.538,08
Det.section I gains and losses on investments		
Realised gains on investments	3.703.244,25	2.463.377,36
Unrealised gains on investments	-648.298,23	154.568,88
Realised losses on investments	-1.942.909,75	-2.187.344,94
Unrealised losses on investments	1.307.111,07	1.209.591,38
II. Investment income and expenses		
A. Dividends	628.152,46	695.010,92
B. Interests		
b) Cash at bank and in hand and deposits	495,03	280,76
C. Interest on borrowings (-)	-2.001,57	-798,30
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	96,66	
B. Other	5.272,40	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-22.389,64	-15.141,10
B. Financial expenses (-)	-1.036,81	-244,78
C. Custodian's fee (-)	-26.427,39	-25.002,97
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-423.037,98	-439.523,67
Institutional B Shares	-10.633,94	
b) Administration and accounting management	-28.911,19	-29.301,45
E. Administrative expenses (-)	0,52	-372,03
F. Formation and organisation expenses (-)	-5.662,49	-5.942,75
G. Remuneration, social security charges and pension	-1.067,66	-1.244,29
H. Services and sundry goods (-)	-6.092,98	-9.416,68
J. Taxes		
Classic Shares	-24.715,36	-27.312,84
Institutional B Shares	-43,24	
K. Other expenses (-)	-3.793,31	-2.751,19
Income and expenditure for the period		
Subtotal II + III + IV	78.203,50	138.239,63
V. Profit (loss) on ordinary activities before tax	2.497.350,85	1.778.432,31
VII. Result of the bookyear	2.497.350,85	1.778.432,31

Appropriation Account

	31/08/2017 <small>(in the currency of the sub-fundm)</small>	31/08/2016 <small>(in the currency of the sub-fund)</small>
I. Profit to be appropriated	2.470.209,94	1.767.570,47
Profit for the period available for appropriation	2.497.350,85	1.778.432,31
Income on the creation of shares (income on the cancellation of shares)	-27.140,91	-10.861,84
II. (Appropriations to) Deductions from capital	-2.382.171,63	-1.667.046,97
IV. (Dividends to be paid out)	-88.038,31	-100.523,50

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC ECO FUND ALTERNATIVE ENERGY

Name	Quantity on 31/08/2017	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
INFIGEN ENERGY -	458.427,00	AUD	0,760	232.424,63		0,83	0,83
<u>Austria</u>							
VERBUND AG -	22.920,00	EUR	18,050	413.706,00		1,48	1,49
ZUMTOBEL AG -	15.869,00	EUR	15,175	240.812,08		0,86	0,86
<u>Belgium</u>							
BEKAERT -	7.752,00	EUR	40,040	310.390,08		1,11	1,11
ELIA SYSTEM OPERATOR -	9.214,00	EUR	49,970	460.423,58		1,65	1,65
UMICORE -	4.486,00	EUR	62,750	281.496,50		1,01	1,01
<u>Brazil</u>							
SAO MARTINHO SA -	55.801,00	BRL	17,450	260.299,25		0,93	0,93
<u>Canada</u>							
ALTERRA POWER CORP -	72.275,00	CAD	5,350	259.406,45		0,93	0,93
BALLARD POWER SYSTEMS -	92.035,00	USD	3,120	241.525,11		0,87	0,87
BORALEX INC -	25.846,00	CAD	21,850	378.864,28		1,36	1,36
HYDROGENICS CORP -	19.020,00	CAD	9,900	126.323,63		0,45	0,45
INNERGEX RENEWABLE ENERGY INC -	28.359,00	CAD	14,600	277.768,28		1,00	1,00
NORTHLAND POWER INC -	24.396,00	CAD	23,950	391.979,20		1,40	1,41
POLARIS INFRASTRUCTURE INC -	25.041,00	CAD	16,930	284.411,73		1,02	1,02
<u>China</u>							
GCL POLY ENERGY HOLDINGS LTD -	1.698.400,00	HKD	0,880	160.625,05		0,58	0,58
HANWHA SOLARONE CO LTD -	12.575,00	USD	7,420	78.481,37		0,28	0,28
<u>Denmark</u>							
NOVOZYMES A/S "B"	7.953,00	DKK	317,800	339.817,87		1,22	1,22
ROCKWOOL INTERNATIONAL A/S -	1.769,00	DKK	1.571,000	373.650,32		1,34	1,34
VESTAS WINDS SYSTEMS -	3.400,00	DKK	569,000	260.107,29		0,93	0,93
<u>France</u>							
CIE DE ST-GOBAIN -	5.630,00	EUR	46,075	259.402,25		0,93	0,93
LEGRAND (PAR)	4.763,00	EUR	58,880	280.445,44		1,00	1,01
MERSEN (PAR)	5.846,00	EUR	30,900	180.641,40		0,65	0,65
NEXANS SA (PAR)	5.006,00	EUR	46,890	234.731,34		0,84	0,84
SCHNEIDER ELECTRIC SE -	4.103,00	EUR	67,730	277.896,19		1,00	1,00
<u>Germany</u>							
AIXTRON AG -	25.561,00	EUR	8,123	207.632,00		0,74	0,75
CAPITAL STAGE AG -	47.918,00	EUR	6,638	318.079,68		1,14	1,14
CENTROTEC SUSTAINABLE AG -	10.217,00	EUR	17,705	180.891,99		0,65	0,65
INFINEON TECHNOLOGIES AG -	12.536,00	EUR	19,370	242.822,32		0,87	0,87
MANZ AG -	5.126,00	EUR	37,600	192.737,60		0,69	0,69

NORDEX AG -	16.382,00	EUR	11,670	191.177,94		0,69	0,69
PNE WIND AG -	85.447,00	EUR	2,630	224.725,61		0,81	0,81
SIEMENS AG REG	2.521,00	EUR	109,800	276.805,80		0,99	0,99
SMA SOLAR TECHNOLOGY AG -	5.252,00	EUR	37,190	195.321,88		0,70	0,70
WACKER CHEMIE AG -	2.795,00	EUR	107,650	300.881,75		1,08	1,08
<u>Guernsey The Channel Islands</u>							
RENEWABLES INFRASTRUCTURE GROUP LTD -	288.352,00	GBP	1,086	339.403,10		1,22	1,22
<u>Hong Kong</u>							
CHIANG LONGYUAN POWER GROUP CORP -	512.000,00	HKD	5,860	322.446,90		1,16	1,16
CHINA EVERBRIGHT INTL -	310.000,00	HKD	10,340	344.487,01		1,23	1,24
CHINA SUNTIEN GREEN ENERGY CORP -	1.047.000,00	HKD	1,700	191.287,34		0,69	0,69
WASION GROUP HOLDINGS LTD -	438.000,00	HKD	3,340	157.221,23		0,56	0,56
<u>India</u>							
PRAJ INDUSTRIES LTD -	169.157,00	INR	67,700	150.679,51		0,54	0,54
<u>Ireland</u>							
KINGSPAN GROUP PLC -	10.755,00	EUR	32,500	349.537,50		1,25	1,26
<u>Italy</u>							
ENEL SOCIETA PER AZIONI -	77.326,00	EUR	5,085	393.202,71		1,41	1,41
PRYSMIAN SPA -	10.176,00	EUR	26,420	268.849,92		0,96	0,97
TERNA RETE ELETTRICA NAZIONALE -	79.825,00	EUR	4,960	395.932,00		1,42	1,42
<u>Japan</u>							
KYOCERA -	8.600,00	JPY	6.600,000	433.777,98		1,55	1,56
NH FOODS LTD -	25.000,00	JPY	3.230,000	617.117,19		2,21	2,22
NIPPON SHEET GLASS CO LTD -	45.000,00	JPY	833,000	286.472,29		1,03	1,03
ULVAC INC -	5.300,00	JPY	6.050,000	245.050,93		0,88	0,88
WEST HOLDINGS CORP -	33.800,00	JPY	758,000	195.799,25		0,70	0,70
<u>Netherlands</u>							
ADVANCED METALLURGICAL GROUP -	11.522,00	EUR	30,215	348.137,23		1,25	1,25
KONINKLIJKE PHILIPS ELECTRONICS N.V. -	9.326,00	EUR	31,780	296.380,28		1,06	1,06
<u>New Zealand</u>							
TRUSTPOWER LTD BAY ENERGY LTD	19.268,00	NZD	5,450	63.259,40		0,23	0,23
<u>Norway</u>							
RENEWABLE ENERGY CORP AS -	1.466.258,00	NOK	1,037	164.388,30		0,59	0,59
<u>Philippines</u>							
ENERGY DEVELOPMENT CORPORATION -	2.964.000,00	PHP	6,780	330.329,41		1,18	1,19
<u>Portugal</u>							
REN REDES ENERGETICAS -	146.628,00	EUR	2,760	404.693,28		1,45	1,45
<u>South Korea</u>							
DC CHEMICAL CO LTD -	3.801,00	KRW	98.300,000	278.709,00		1,00	1,00
TAEWOONG CO LTD TAEWOONG CO LTD	13.273,00	KRW	19.850,000	196.530,16		0,70	0,71
<u>Spain</u>							
ACCIONA SA -	5.095,00	EUR	71,790	365.770,05		1,31	1,31
EDP RENOVAVEIS SA -	60.801,00	EUR	6,874	417.946,07		1,50	1,50
RED ELECTRICA DE ESPANA -	23.471,00	EUR	18,865	442.780,42		1,59	1,59
SIEMENS GAMESA RENEWABLE ENERGY SA -	15.034,00	EUR	12,545	188.601,53		0,68	0,68
SOLARIA ENERGIA Y MEDIO AMBIENTE SA -	110.661,00	EUR	1,475	163.224,98		0,58	0,59
<u>Switzerland</u>							
ABB LTD -	15.723,00	CHF	22,200	305.501,38		1,09	1,10
GURIT HOLDING AG -	274,00	CHF	1.100,000	263.795,90		0,95	0,95

MEYER BURGER TECHNOLOGY AG MEYER BURGER TECHNOLOGY AG	134.392,00	CHF	1,390	163.498,21		0,59	0,59
OC OERLIKON CORP AG (NOM)20CHF	24.380,00	CHF	13,400	285.932,34		1,02	1,03
<u>Taiwan</u>							
E-TON SOLAR TECH CO LTD -	440.000,00	TWD	8,090	99.208,89		0,36	0,36
GINTECH ENERGY CORP -	503.394,00	TWD	16,250	227.987,37		0,82	0,82
GLOBALWAFERS CO LTD -	25.248,00	TWD	239,500	168.531,81		0,60	0,61
MOTECH INDUSTRIES INC -	295.000,00	TWD	21,600	177.592,72		0,64	0,64
SINO-AMERICAN SILICON PRODUCTS -	130.000,00	TWD	53,800	194.928,35		0,70	0,70
<u>U.K.</u>							
DIALIGHT PLC -	17.151,00	GBP	8,015	148.989,61		0,53	0,54
GREENCOAT UK WIND PLC -	225.670,00	GBP	1,220	298.398,53		1,07	1,07
JOHNSON MATTHEY PLC -	7.919,00	GBP	27,640	237.230,98		0,85	0,85
NAT. GRID PLC -	34.928,00	GBP	9,747	368.984,14		1,32	1,33
OCEAN POWER TECHNOLOGIES INC -	79.531,00	USD	1,220	81.611,42		0,29	0,29
SIG PLC -	128.320,00	GBP	1,781	247.697,31		0,89	0,89
SPIRAX-SARCO ENGINEERING PLC -	4.076,00	GBP	56,200	248.275,29		0,89	0,89
<u>U.S.A.</u>							
ADVANCED ENERGY INDUSTRIES -	3.199,00	USD	73,540	197.875,73		0,71	0,71
ALBEMARLE CORP. -	2.412,00	USD	116,260	235.864,35		0,85	0,85
AMERESCO INC -	27.423,00	USD	7,250	167.227,48		0,60	0,60
AMYRIS INC -	60.154,00	USD	2,470	124.972,98		0,45	0,45
APPLIED MATERIALS -	5.203,00	USD	45,120	197.459,30		0,71	0,71
CANADIAN SOLAR INC -	11.614,00	USD	15,710	153.466,18		0,55	0,55
COSAN LTD -	34.840,00	USD	8,200	240.296,07		0,86	0,86
COVANTA HOLD CORP -	22.839,00	USD	14,350	275.666,29		0,99	0,99
CREE RESEARCH INC -	8.892,00	USD	24,330	181.968,51		0,65	0,65
CUMMINS INC. -	2.097,00	USD	159,380	281.116,88		1,01	1,01
EMERSON ELECTRIC CO -	5.262,00	USD	59,040	261.307,49		0,94	0,94
ENERSYS -	4.084,00	USD	64,100	220.190,43		0,79	0,79
ENPHASE ENERGY INC -	180.137,00	USD	0,920	139.394,43		0,50	0,50
ESCO TECHNOLOGIES INC -	5.303,00	USD	54,450	242.870,17		0,87	0,87
FIRST SOLAR INC -	4.079,00	USD	46,960	161.115,18		0,58	0,58
FUELCELL ENERGY LTD -	117.374,00	USD	1,540	152.036,30		0,54	0,55
GENERAL ELEC CAP CORP -	11.761,00	USD	24,550	242.856,88		0,87	0,87
GEVO INC -	125.048,00	USD	0,650	68.366,73		0,25	0,25
ITRON INC -	4.388,00	USD	72,600	267.952,56		0,96	0,96
JINKOSOLAR HOLDING CO LTD -	6.464,00	USD	27,830	151.310,56		0,54	0,54
MASTEC INC -	6.474,00	USD	40,800	222.171,08		0,80	0,80
MAXWELL TECHNOLOGIES INC -	39.404,00	USD	5,570	184.607,86		0,66	0,66
MYR GROUP INC/DELAWARE -	11.259,00	USD	25,810	244.423,24		0,88	0,88
ORMAT TECHNOLOGIES INC -	6.968,00	USD	57,440	336.648,94		1,21	1,21
OWENS CORNING -	4.694,00	USD	74,130	292.679,13		1,05	1,05
PATTERN ENERGY GROUP INC -	15.074,00	USD	25,120	318.495,15		1,14	1,14
PLUG POWER INC -	89.544,00	USD	2,140	161.177,69		0,58	0,58
SILVER SPRING NETWORKS INC -	21.678,00	USD	12,660	230.838,15		0,83	0,83
SUNPOWER CORP -A-	16.791,00	USD	8,840	124.848,55		0,45	0,45
TERRAFORM POWER INC -	26.892,00	USD	13,960	315.764,42		1,13	1,13
TESLA INC -	622,00	USD	355,900	186.197,16		0,67	0,67
VEECO INSTRUMENTS INC -	9.345,00	USD	18,900	148.557,91		0,53	0,53
VMWARE INC CLASS A -	3.391,00	USD	108,100	308.324,59		1,10	1,11
YINGLI GREEN ENERGY HOLD ADR	39.394,00	USD	2,450	81.180,33		0,29	0,29
Total shares				27.926.113,81		100,00	100,25

Rights							
<u>Taiwan</u>							
MOTECH INDUSTRIES INC MOTECH INDUSTRIES CP 28/06/2017	24.072,00	TWD	2,100	1.408,90		0,01	0,01
Total rights				1.408,90		0,01	0,01
TOTAL SECURITIES PORTFOLIO				27.927.522,71		100,00	100,26
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	24,84	AUD	1,000	16,57			
KBC GROUP CAD	6.208,95	CAD	1,000	4.165,40			0,02
KBC GROUP CHF	4.230,32	CHF	1,000	3.702,53			0,01
KBC GROUP DKK	-24.080,69	DKK	1,000	-3.237,65			-0,01
KBC GROUP EURO	-52.399,27	EUR	1,000	-52.399,27			-0,19
KBC GROUP GBP	-755,37	GBP	1,000	-818,70			0,00
KBC GROUP HKD	36.720,26	HKD	1,000	3.946,36			0,01
KBC GROUP JPY	-1.272.518,00	JPY	1,000	-9.724,99			-0,04
KBC GROUP NOK	-2.110,86	NOK	1,000	-228,21			0,00
KBC GROUP NZD	3.007,46	NZD	1,000	1.811,72			0,01
KBC GROUP SEK	343,23	SEK	1,000	36,28			
KBC GROUP USD	2.207,90	USD	1,000	1.857,09			0,01
Total demand accounts				-50.872,87			-0,18
TOTAL CASH AT BANK AND IN HAND				-50.872,87			-0,18
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	899,86	EUR	1,000	899,86			0,00
Total receivables				899,86			0,00
Payables							
<u>Belgium</u>							
KBC GROUP EUR PAYABLE	-17.515,09	EUR	1,000	-17.515,09			-0,06
Payables				-17.515,09			-0,06
TOTAL RECEIVABLES AND PAYABLES				-16.615,23			-0,06
OTHER							
Interest receivable		EUR		26.024,04			0,09
Expenses payable		EUR		-29.604,87			-0,11
TOTAL OTHER				-3.580,83			-0,01
TOTAL NET ASSETS				27.856.453,78			100,00

Geographic breakdown (as a % of securities portfolio)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
Australia	0,57	0,97	0,83	0,83
Austria	2,32	2,59	2,22	2,34
Belgium	3,53	3,66	4,34	3,77
Brazil	1,42	2,00	1,79	0,93
Canada	6,42	4,93	4,92	7,02
Switzerland	3,77	4,12	3,64	3,65
Chile	2,83	1,96	2,77	0,00
China	1,53	1,68	2,46	0,86
Cayman Islands	0,59	0,54	0,98	0,00
Germany	8,61	9,40	8,23	8,35
Denmark	2,35	2,82	3,22	3,49
Spain	6,68	5,58	5,24	5,65
France	3,28	3,63	4,08	4,42
U.K.	7,45	7,70	7,71	5,84
Hong Kong	1,92	2,59	3,02	3,64
India	0,60	0,71	0,83	0,54
Ireland	0,66	0,72	0,88	1,25
Italy	4,14	2,65	2,65	3,79
Japan	2,74	2,48	1,98	6,37
South Korea	1,26	1,78	1,68	1,70
Netherlands	0,85	1,62	1,03	2,31
Norway	0,34	0,37	0,46	0,59
New Zealand	1,49	1,95	2,10	0,23
Philippines	0,94	0,88	1,29	1,18
Portugal	1,10	1,10	1,43	1,45
Taiwan	2,95	2,71	3,06	3,11
U.S.A.	25,89	25,47	25,26	25,47
British Virgin Islands	0,53	0,46	0,26	0,00
Guernsey The Channel Islands	3,24	2,93	1,64	1,22
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
Cyclicals	55,11	56,13	55,16	54,70
Consum(cycl)	2,21	2,54	2,60	3,29
Cons.goods	1,33	1,93	1,65	4,00
Pharma	0,11	0,00	0,00	0,00
Financials	6,16	5,42	3,08	3,22
Technology	11,57	11,72	12,75	13,15
Telecomm.	1,27	1,48	1,80	0,00
Utilities	22,24	20,78	22,96	21,64
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
AUD	0,57	0,97	0,83	0,83
BRL	1,42	2,00	1,79	0,93
CAD	5,23	3,64	3,74	6,18
CHF	3,79	4,12	3,63	3,67
CLP	2,84	1,96	2,77	0,00
DKK	2,37	2,82	3,23	3,48
EUR	30,94	30,91	30,16	33,16
GBP	10,76	10,66	9,11	6,78
HKD	2,93	3,84	5,12	4,24
INR	0,60	0,71	0,83	0,54
JPY	2,75	2,48	1,97	6,35
KRW	1,27	1,78	1,68	1,71
NOK	0,28	0,31	0,45	0,59
NZD	1,49	1,95	2,10	0,23
PHP	0,95	0,88	1,28	1,19
SEK	-0,01	-0,01	0,00	0,00
TWD	2,96	2,71	3,05	3,12
USD	28,86	28,27	28,26	27,00
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC ECO FUND ALTERNATIVE ENERGY (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	2 nd half of year	Year
Purchases	3.577.679,27	6.248.205,18	9.825.884,45
Sales	7.263.209,66	7.490.994,28	14.754.203,94
Total 1	10.840.888,93	13.739.199,46	24.580.088,39
Subscriptions	1.734.335,15	1.278.444,42	3.012.779,57
Redemptions	4.815.783,54	2.777.322,81	7.593.106,35
Total 2	6.550.118,69	4.055.767,23	10.605.885,92
Monthly average of total assets	29.317.299,80	28.441.709,31	28.875.886,41
Turnover rate	14,64 %	34,05 %	48,39 %

	1st half of year	2 nd half of year	Year
Purchases	3.577.679,27	6.248.205,18	9.825.884,45
Sales	7.263.209,66	7.490.994,28	14.754.203,94
Total 1	10.840.888,93	13.739.199,46	24.580.088,39
Subscriptions	1.734.335,15	1.278.444,42	3.012.779,57
Redemptions	4.815.783,54	2.777.322,81	7.593.106,35
Total 2	6.550.118,69	4.055.767,23	10.605.885,92
Monthly average of total assets	29.115.628,96	28.545.329,79	29.005.962,32
Corrected turnover rate	14,74 %	33,92 %	48,18 %

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

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

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

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

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

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

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2015 - 08*	12.411,47	1.440,09	21.414,42	3.906,42	113.366,78	21.709,73	135.076,51
2016 - 08*	6.427,22	1.541,98	12.848,62	1.865,09	106.945,37	21.386,61	128.331,98
2017 - 08*	7.098,27	1.346,00	26.594,48	4.403,14	87.449,15	18.329,48	105.778,63

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2015 - 08*	3.087.013,22	313.095,63	5.128.004,97	834.198,11
2016 - 08*	1.455.552,93	307.945,29	2.943.446,24	367.457,85
2017 - 08*	1.804.627,42	291.125,55	6.634.365,96	941.833,31

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2015 - 08*	29.970.319,12	226,34	198,57
2016 - 08*	30.102.281,76	240,25	206,12
2017 - 08*	26.928.153,98	261,91	219,56

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

Institutional B Shares

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2017 - 08*	3.800,00		258,00		3.542,00		3.542,00

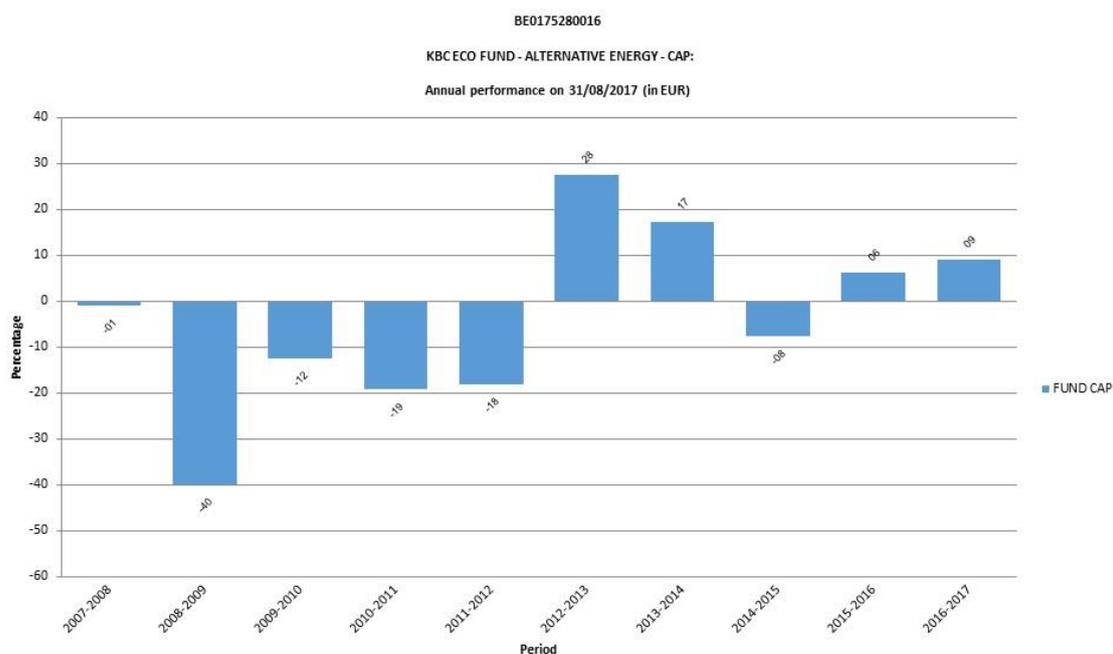
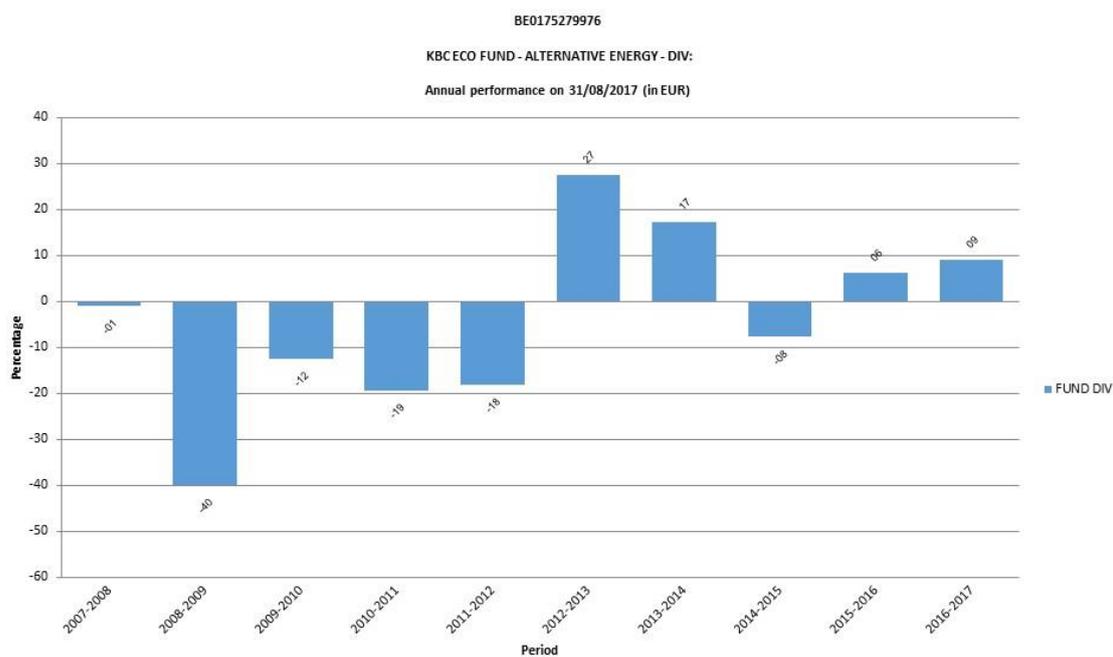
Period	Amounts received and paid by the UCI (in the currency of the class)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2017 - 08*	899.433,00		64.435,72	

Period	Net asset value End of period (in the currency of the class)		
	Of the class	Of one share	
		Capitalization	Distribution
2017 - 08*	928.299,80	262,08	

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

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0175280016	EUR	9.02%		2.24%		9.83%		-5.78%		31/10/2000	-3.77%
DIV	BE0175279976	EUR	9.00%		2.23%		9.82%		-5.80%		31/10/2000	-3.78%

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

* Return on annual basis.

Institutional B Shares

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

Classic Shares

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

Capitalisation units (CAP)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

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

For dividend i on date Di with value Wi:

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

$i = 1 \dots N$

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

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

Dividend on ex-dividend date 30/11/2017: 3,3622 EUR net (4,8031 EUR gross).

2.4.6 COSTS

Ongoing Charges: *

Classic Shares Distribution: 1.846%

Classic Shares Capitalization: 1.841%

Institutional B Shares Capitalization: not applicable

* 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:	CSA Credits in EUR accrued during the period:	Percentage
	1-09-16 - 31-08-17	1-09-16 - 31-08-17	
CITI	2.081	779	37,42%
CSFBSAS	225	90	40,00%
CSFBSAS	3.036	1.135	37,37%
DEUTSCHE	406	68	16,67%
HSBC	1.569	384	24,45%
INSTINET	2.882	737	25,58%
MACQUARIE	84	12	14,85%
MACQUARIE	791	158	20,02%
MERRILL	100	17	16,67%
MERRILL	24	6	25,00%
MORGAN STANLEY	55	11	20,00%
SOCGEN	211	60	28,28%

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 (0.1% of which for the sustainability screening referred to in the prospectus) calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.4% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

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

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

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

Exercising voting rights.

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

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

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

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

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2 INFORMATION ON KBC ECO FUND CSOB WATER

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launche date: 31 July 2007
 Initial subscription price: 1000 CZK
 Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

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 sub-fund invests at least 75% of its assets in companies that operate on a sustainable basis and that generate a substantial proportion of their turnover in the water sector.

The companies have to satisfy a number of basic criteria regarding the environment, human rights, the trade and manufacture of arms, and nuclear energy. The basic criteria are set out by KBC Asset Management in co-operation with the Independent Environmental Advisory Committee. They may also change the method used to perform the sustainability screening, based on new trends in society.

Screening is carried out by KBC Asset Management's Sustainable and Socially Responsible Investment Department and the Environmental Advisory Committee.

Volatility of the net asset value:

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

SECURITIES FINANCING TRANSACTIONS (SFTs):

GENERAL

The sub-fund may lend financial instruments within the limits set by law and regulations. Lending financial instruments is a transaction where one a sub-fund transfers financial instruments to a counterparty subject to an undertaking on the part of that counterparty to supply the sub-fund with comparable financial instruments at some future date or on the sub-fund's request.

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.

The sub-fund uses the lending of financial instruments to generate additional income. This might consist of a fee paid by the principal or, in the event that the fund performs the securities lending through an agent, by the counterparty, as well as income generated through reinvestments. The sub-fund is not permitted to agree forms of SFTs other than lending financial instruments.

GENERAL INFORMATION ON THE SFTs USED

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

CRITERIA FOR THE SELECTION OF COUNTERPARTIES

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

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

Legal status	Minimum rating	Country of origin
<p>The counterparty must belong to one of the following categories:</p> <p>a) A credit institution; or b) An investment firm; or c) A settlement or clearing institution; or d) A central bank of a member state of the European Economic Area, the European Central Bank, the European Investment Bank or a public international financial institution in which one or more European Economic Area member states participate.</p>	<p>Only counterparties rated as investment grade may be considered.</p> <p>An investment-grade rating means: a rating equal to or higher than BBB- or Baa3 according to one or more of the following accredited rating agencies:</p> <ul style="list-style-type: none"> - Moody's (Moody's Investors Service); - S&P (Standard & Poor's, a division of the McGraw-Hill Companies); en - Fitch (Fitch Ratings). <p>If the counterparty does not have a rating, the rating of the counterparty's parent company may be taken into consideration.</p>	<p>All geographical regions may be considered when selecting counterparties.</p>

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

DESCRIPTION OF ACCEPTABLE FINANCIAL COLLATERAL AND ITS VALUATION

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

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

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

Where the lending of securities is agreed within the framework of a securities lending system, the financial collateral can also take the form of bonds eligible for trading on a regulated market and which have been rated as at least investment grade as described under 'Criteria for the selection of counterparties'.

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

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

REUSE OF FINANCIAL COLLATERAL

If 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 office is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- short term money market funds as 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(s). The management company may delegate implementation of the reinvestment policy to a third party, including the agent managing the securities lending system.

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

POLICY ON THE DIVERSIFICATION OF COLLATERAL AND THE CORRELATION POLICY

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

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

HOLDING OF THE FINANCIAL COLLATERAL

The financial collateral will be held in the following manner:

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

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

INFLUENCE OF SFTs ON A SUB-FUND'S RISK PROFILE

This lending does not affect 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. A 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, in case the principal or the counterparty (if the sub-fund uses an agent) does not return similar securities. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%. Furthermore, when calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times exceed the actual value of the loaned securities.
- The criteria met by the collateral are such as to limit the credit risk. A rating of at least investment grade is required in the case of collateral in the form of bonds and other debt instruments. In the case of collateral in the form of participation rights in monetary undertakings for collective investment, the inherent diversification of these undertakings limits the credit risk. In the case of cash that is reinvested, a rating of at least investment grade is required when reinvesting in either deposits or government bonds. In the case of reinvestment in short-term money-market funds, the inherent diversification of these funds limits the credit risk.
- The criteria met by these types of collateral are such as to limit the liquidity risk. It must be possible to value the financial collateral on a daily basis by market price or to withdraw it on demand (on reinvestment of cash in deposits).

- In the case of reinvestment of cash, there are additional criteria to limit the market risk associated with the initial values in cash. When reinvesting bonds, only bonds with a remaining term to maturity of no more than one year may be considered. The shortness of this remaining term results in a low sensitivity to interest rate movements. In the case of reinvestment in short-term money-market funds, the low duration of these funds limits the market risk with respect to the initial value in cash.
- The custody of financial collateral consisting of securities occurs by placing the securities in custody accounts which, in the event of the custodian's bankruptcy, are held outside its insolvent estate. The custody of financial collateral consisting of cash occurs by holding it in cash accounts, whether or not segregated. The extent to which the custody of financial collateral consisting of cash occurs in non-segregated accounts has no influence, however, on the sub-fund's risk profile.
- Operational risks are limited by operational controls, in the shape of daily control of the market values of loaned securities and collateral and reconciliation of internal and external data.

DISTRIBUTION POLICY FOR RETURNS ON THE UTILISED SFTs

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

General strategy for hedging the exchange rate risk:

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

Social, ethical and environmental aspects:

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

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

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

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, with the exception of the sustainability screening described in the prospectus, to KBC Fund Management Limited, Sandwith Street, D02 X489 Dublin 2, IRELAND

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

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

2.1.8 FUTURE POLICY

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

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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.

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 50,664,389.52 CZK.

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

2.2 BALANCE SHEET

Balance sheet layout	31/08/2017 <small>(in the currency of the sub-fund)</small>	31/08/2016 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	776.828.787,99	549.154.049,84
II. Securities, money market instruments, UCIs and derivatives		
C. Shares and similar instruments		
a) Shares	769.755.577,34	548.042.718,81
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	7.299.108,52	-4.416.461,24
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	1.743.843,22	503.206,02
B. Payables		
a) Accounts payable (-)	-4.551.803,78	-118.504,63
c) Borrowings (-)	-13.912.915,77	-975.467,32
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	16.526.390,62	5.429.733,41
VI. Accruals and deferrals		
A. Expense to be carried forward		145.363,89
B. Accrued income	480.102,53	843.215,84
C. Accrued expense (-)	-511.513,69	-299.754,94
TOTAL SHAREHOLDERS' EQUITY	776.828.787,99	549.154.049,84
A. Capital	727.452.545,03	483.153.312,70
B. Income equalization	1.544.122,59	52.433,35
D. Result of the bookyear	47.832.120,37	65.948.303,79

Off-balance-sheet headings

III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	664.453.835,35	443.118.522,33
III.B Written futures and forward contracts	-133.976.411,27	-18.869.888,37

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	31/08/2017 (in the currency of the sub-fund)	31/08/2016 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	63.959.549,79	72.553.982,12
D. Other securities		-35.958,42
G. Receivables, deposits, cash at bank and in hand and payables	-0,01	0,02
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	11.715.568,99	-2.945.206,39
b) Other foreign exchange positions and transactions	-24.570.804,41	-2.018.089,32
Det.section I gains and losses on investments		
Realised gains on investments	107.021.092,60	61.298.922,85
Unrealised gains on investments	329.641.398,68	151.022.092,28
Realised losses on investments	-31.105.050,51	-49.084.211,44
Unrealised losses on investments	-354.453.126,41	-95.682.075,68
II. Investment income and expenses		
A. Dividends	12.310.181,67	10.282.120,68
B. Interests		
b) Cash at bank and in hand and deposits	7.393,91	9.512,60
C. Interest on borrowings (-)	-59.657,13	-15.696,63
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-634.228,35	-448.125,31
B. Financial expenses (-)	-28.587,63	-4.688,78
C. Custodian's fee (-)	-521.583,59	-431.292,24
D. Manager's fee (-)		
a) Financial management	-13.291.737,51	-10.138.718,35
b) Administration and accounting management	-664.587,86	-506.936,45
F. Formation and organisation expenses (-)	-49.970,63	-53.971,46
G. Remuneration, social security charges and pension	-24.381,79	-21.248,34
H. Services and sundry goods (-)	-140.124,73	-200.417,97
J. Taxes	-24.428,06	-24.543,23
K. Other expenses (-)	-150.482,29	-52.418,74
Income and expenditure for the period		
Subtotal II + III + IV	-3.272.194,76	-1.606.424,22
V. Profit (loss) on ordinary activities before tax	47.832.120,37	65.948.303,79
VII. Result of the bookyear	47.832.120,37	65.948.303,79

Appropriation Account

	31/08/2017 <small>(in the currency of the sub-fundm)</small>	31/08/2016 <small>(in the currency of the sub-fund)</small>
I. Profit to be appropriated		
Profit for the period available for appropriation	49.376.242,96	66.000.737,14
Income on the creation of shares (income on the cancellation of shares)	47.832.120,37	65.948.303,79
	1.544.122,59	52.433,35
II. (Appropriations to) Deductions from capital	-49.376.242,96	-66.000.737,14

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC Eco FUND CSOB WATER

Name	Quantity on 31/08/2017	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
G.U.D. HOLDINGS LTD -	50.887,00	AUD	11,660	10.338.368,40		1,33	1,33
<u>Bermuda</u>							
CONSOLIDATED WATER CO LTD -	23.730,00	USD	11,950	6.229.720,35		0,80	0,80
<u>Brazil</u>							
CIA DE SANEAMENTO DE MINAS GER -	23.100,00	BRL	43,110	6.953.024,28		0,90	0,90
CIA SANEAMENTO BASICO -	29.600,00	BRL	32,150	6.644.410,13		0,86	0,86
CIA SANEAMENTO BASICO -	29.828,00	USD	10,190	6.677.305,19		0,86	0,86
<u>Canada</u>							
ENERCARE INC -	33.500,00	CAD	20,950	12.297.475,18		1,58	1,58
PURE TECHNOLOGIES LTD -	42.757,00	CAD	5,370	4.023.172,29		0,52	0,52
<u>Cayman Islands</u>							
CT ENVIRONMENTAL GROUP LTD -	1.926.000,00	HKD	1,110	6.000.923,88		0,77	0,77
<u>Chile</u>							
AGUAS ANDINAS SA -	937.801,00	CLP	401,380	13.158.473,62		1,69	1,69
INVERSIONES AGUAS METROPOLITAN -	139.317,00	CLP	1.114,400	5.427.306,03		0,70	0,70
<u>China</u>							
TIANJIN CAPITAL ENVIRONMENTAL -	411.536,00	HKD	4,960	5.729.653,58		0,74	0,74
<u>Finland</u>							
KEMIRA (HEL)	38.187,00	EUR	10,390	10.362.852,84		1,33	1,33
UPONOR OYJ -	22.470,00	EUR	13,720	8.052.030,77		1,04	1,04
<u>France</u>							
SUEZ -	41.724,00	EUR	15,935	17.365.458,18		3,18	2,24
<u>Hong Kong</u>							
BEIJING ENTERPRISES WATER GROUP LTD -	510.000,00	HKD	6,650	9.519.862,54		1,23	1,23
CHINA EVERBRIGHT GREENTECH LTD -	2.901,00	HKD	6,420	52.278,32		0,01	0,01
CHINA EVERBRIGHT INTL -	332.000,00	HKD	10,340	9.636.015,25		1,24	1,24
CHINA LIANSU GROUP HOLDINGS LT -	432.000,00	HKD	5,620	6.814.891,07		0,88	0,88
CHINA WATER AFFAIRS GROUP LTD -	1.880.000,00	HKD	1,640	8.654.471,53		1,11	1,11
CHINA WATER AFFAIRS GROUP LTD -	676.000,00	HKD	4,520	8.576.774,40		1,10	1,10
<u>India</u>							
JAIN IRRIGATION SYSTEMS LTD -	208.824,00	INR	98,550	7.072.302,38		0,91	0,91
NCC LTD/INDIA -	81.273,00	INR	84,400	2.357.287,32		0,30	0,30
SPML INFRA LTD -	12.104,00	INR	160,300	666.785,61		0,09	0,09
THERMAX LTD -	24.368,00	INR	889,100	7.445.507,04		0,96	0,96
<u>Ireland</u>							
PENTAIR PLC -	5.393,00	USD	62,050	7.351.485,66		0,95	0,95

<u>Japan</u>							
EBARA CORP -	16.000,00	JPY	3.405,000	10.874.528,65		1,40	1,40
KUBOTA CORP -	26.400,00	JPY	1.904,000	10.033.309,61		1,29	1,29
KURITA WATER INDUSTR. -	20.800,00	JPY	3.165,000	13.140.454,67		1,69	1,69
NOMURA MICRO SCIENCE CO LTD -	17.322,00	JPY	964,000	3.333.100,52		0,43	0,43
ORGANO CORPORATION -	65.000,00	JPY	536,000	6.954.269,06		0,90	0,90
TSURUMI MANUFACTURING CO LTD -	17.000,00	JPY	1.973,000	6.694.981,01		0,86	0,86
<u>Jersey/The Channel Islands</u>							
FERGUSON PLC -	6.676,00	GBP	46,030	8.698.984,46		1,12	1,12
<u>Malaysia</u>							
SALCON BERHAD -	956.312,00	MYR	0,415	2.041.604,74		0,26	0,26
<u>Netherlands</u>							
AALBERTS INDUSTRIES (AMS)	10.585,00	EUR	37,375	10.332.854,30		1,33	1,33
ARCADIS N.V. (AMS)	17.842,00	EUR	18,250	8.504.614,76		1,09	1,10
<u>Philippines</u>							
MANILA WATER CO -	611.200,00	PHP	30,950	8.121.412,68		1,05	1,05
METRO PACIFIC INVESTMENTS CORP -	3.629.000,00	PHP	6,350	9.893.461,63		1,27	1,27
<u>Singapore</u>							
CITIC ENVIROTECH LTD -	225.287,00	SGD	0,745	2.715.204,79		0,35	0,35
MOYA HOLDINGS ASIA LTD -	3.930.000,00	SGD	0,118	7.502.132,75		0,97	0,97
SEBACORP INDUSTRIES LTD -	233.700,00	SGD	2,980	11.266.399,93		1,45	1,45
SIIC ENVIRONMENT HOLDINGS LTD -	778.400,00	SGD	0,535	6.737.003,87		0,87	0,87
SOUND GLOBAL LTD -	374.000,00	HKD	2,086	2.189.902,41		0,28	0,28
<u>South Korea</u>							
COWAY CO LTD -	4.602,00	KRW	98.800,000	8.858.320,58		1,14	1,14
<u>Spain</u>							
FLUIDRA SA -	51.598,00	EUR	8,095	10.909.327,09		1,40	1,40
<u>Sweden</u>							
ALFA LAVAL -	16.918,00	SEK	180,000	8.407.283,02		1,08	1,08
SWECO AB -	16.720,00	SEK	200,200	9.241.330,20		1,19	1,19
<u>Switzerland</u>							
GEBERIT AG -	1.020,00	CHF	438,100	10.215.189,88		1,32	1,32
GEORG.FISCHER (NAAM)	378,00	CHF	1.105,000	9.548.322,88		1,23	1,23
SULZER FRERES (NOM)	3.769,00	CHF	106,000	9.132.822,59		1,18	1,18
<u>Thailand</u>							
TTW PCL -	1.068.300,00	THB	10,900	7.705.441,56		0,99	0,99
<u>U.K.</u>							
AMIAD FILTRATION SYSTEMS LTD -	60.000,00	GBP	1,195	2.029.693,25		0,26	0,26
COSTAIN GROUP PLC -	70.366,00	GBP	4,468	8.898.948,17		1,15	1,15
HALMA PLC -	27.569,00	GBP	10,930	8.530.066,71		1,10	1,10
PENNON GROUP PLC -	41.746,00	GBP	8,120	9.595.821,27		1,24	1,24
POLYPIPE GROUP PLC -	69.966,00	GBP	3,958	7.839.242,29		1,01	1,01
ROTORK PLC -	116.446,00	GBP	2,292	7.555.277,85		0,97	0,97
RPS GROUP -	97.493,00	GBP	2,888	7.969.052,33		1,03	1,03
SEVERN TRENT -	14.029,00	GBP	22,690	9.010.989,08		1,16	1,16
UNITED UTILITIES WATER PLC -	33.977,00	GBP	9,100	8.752.611,96		1,13	1,13
WEIR GROUP PLC (THE) -	13.692,00	GBP	17,950	6.957.329,87		0,90	0,90
<u>U.S.A.</u>							
AECOM -	10.249,00	USD	33,500	7.542.741,23		0,97	0,97
AGILENT TECHNOLOGIES -	6.577,00	USD	64,720	9.351.241,19		1,20	1,20

AMERICAN STATES WATER CO -	7.789,00	USD	49,300	8.435.902,11		1,09	1,09
AMERICAN WATER WORKS INC. -	5.222,00	USD	80,900	9.280.861,62		1,19	1,20
AO SMITH CORP -	10.350,00	USD	55,690	12.662.529,67		1,63	1,63
AQUA AMERICA INC -	13.479,00	USD	33,400	9.890.244,96		1,27	1,27
ARTESIAN RESOURCES CORP -A-	8.780,00	USD	37,090	7.154.087,66		0,92	0,92
BADGER METER INC -	8.033,00	USD	45,900	8.100.155,58		1,04	1,04
CADIZ INC -	28.763,00	USD	12,200	7.708.980,02		0,99	0,99
CALGON CARBON CORP -	20.327,00	USD	12,200	5.447.986,54		0,70	0,70
CALIFORNIA WATER SERVICE GROUP -	10.252,00	USD	37,450	8.434.577,40		1,09	1,09
CONNECTICUT WATER SVC INC -	6.170,00	USD	54,240	7.352.038,17		0,95	0,95
DANAHER CORPORATION -	5.283,00	USD	83,420	9.681.746,44		1,25	1,25
ECOLAB, INC. -	3.084,00	USD	133,300	9.031.240,90		1,16	1,16
FLOWSERVE CORP -	6.968,00	USD	39,280	6.012.879,90		0,77	0,77
FRANKLIN ELECTRIC CO INC -	10.095,00	USD	38,550	8.549.360,18		1,10	1,10
GORMAN-RUPP CO/THE -	11.294,00	USD	30,470	7.560.023,51		0,97	0,97
HD SUPPLY HOLDINGS INC -	8.945,00	USD	33,300	6.543.761,87		0,84	0,84
IDEX CORPORATION -	3.160,00	USD	117,580	8.162.504,74		1,05	1,05
INSITUFORM TECHN. CORP. -	14.509,00	USD	21,670	6.907.156,56		0,89	0,89
ITRON INC -	4.949,00	USD	72,600	7.893.270,44		1,02	1,02
LAYNE CHRISTENSEN COMPANY -	29.026,00	USD	10,740	6.848.482,98		0,88	0,88
LINDSAY MANUFACTURING CO -	3.899,00	USD	86,570	7.415.211,81		0,95	0,96
MIDDLESEX WATER CO -	10.932,00	USD	37,980	9.121.315,79		1,17	1,17
MUELLER WATER PRODUCTS INC -A-	27.210,00	USD	11,990	7.167.218,31		0,92	0,92
NORTHWEST PIPE COMPANY -	16.731,00	USD	18,340	6.740.997,08		0,87	0,87
PICO HOLDINGS INC -	20.726,00	USD	16,250	7.398.978,53		0,95	0,95
PURE CYCLE CORP -	36.540,00	USD	7,250	5.819.818,73		0,75	0,75
REXNORD HOLDINGS INC -	13.159,00	USD	23,880	6.903.353,57		0,89	0,89
ROPER INDUSTRIES INC -	1.789,00	USD	230,660	9.065.370,04		1,17	1,17
SJW GROUP -	5.988,00	USD	55,500	7.300.921,57		0,94	0,94
SPX CORPORATION -	13.796,00	USD	24,100	7.304.208,08		0,94	0,94
STANTEC INC -	17.513,00	CAD	34,700	10.648.223,12		1,37	1,37
TETRA TECH INC. -	8.013,00	USD	42,600	7.499.074,19		0,97	0,97
VALMONT INDUSTRIES -	2.408,00	USD	143,550	7.593.860,02		0,98	0,98
WATTS WATER TECHNOLOGIES INC "A"	5.507,00	USD	61,700	7.464.541,70		0,96	0,96
XYLEM INC/NY -	6.080,00	USD	62,070	8.290.643,35		1,07	1,07
YORK WATER CO -	10.890,00	USD	32,900	7.870.941,52		1,01	1,01
Total shares				769.755.577,34		99,06	99,09
Forward contracts		CZK		7.299.108,52			0,94
TOTAL SECURITIES PORTFOLIO				777.054.685,86		100,00	100,03
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	-101.579,71	AUD	1,000	-1.769.919,74			-0,23
KBC GROUP CAD	19.767,21	CAD	1,000	346.363,80			0,05
KBC GROUP CHF	10.814,64	CHF	1,000	247.220,84			0,03
KBC GROUP CLP TE ONTVANGEN	-79.888.826,00	CLP	1,000	-2.792.705,45			-0,36
KBC GROUP CZK	565.593,90	CZK	1,000	565.593,90			0,07
KBC GROUP EURO	265.746,80	EUR	1,000	6.940.907,96			0,89
KBC GROUP GBP	28.549,27	GBP	1,000	808.176,58			0,10
KBC GROUP HKD	1.454.977,37	HKD	1,000	4.084.088,03			0,53
KBC GROUP JPY	10.587.177,00	JPY	1,000	2.113.262,84			0,27
KBC GROUP MXN	26.036,85	MXN	1,000	32.093,49			0,00
KBC GROUP SEK	106.208,33	SEK	1,000	293.219,41			0,04
KBC GROUP SGD	67.715,46	SGD	1,000	1.095.463,77			0,14

KBC GROUP USD	-552.742,61	USD	1,000	-12.142.996,03			-1,56
Total demand accounts				-179.230,60			-0,02
TOTAL CASH AT BANK AND IN HAND				-179.230,60			-0,02
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP AUD RECEIVABLE	112.273,92	AUD	1,000	1.956.255,12			0,25
KBC GROUP EUR RECEIVABLE	50.000,00	EUR	1,000	1.305.925,03			0,17
KBC GROUP MYR RECEIVABLE	119.610,64	MYR	1,000	615.309,72			0,08
KBC GROUP USD RECEIVABLE	30.000,00	USD	1,000	659.058,80			0,09
Total receivables				4.536.548,67			0,58
Payables							
<u>Belgium</u>							
KBC GROUP CZK PAYABLE	-3.907.866,57	CZK	1,000	-3.907.866,57			-0,50
KBC GROUP INR TE BETALEN	-1.873.787,84	INR	1,000	-643.938,21			-0,08
Payables				-4.551.804,78			-0,59
TOTAL RECEIVABLES AND PAYABLES				-15.256,11			0,00
OTHER							
Interest receivable		CZK		480.102,53			0,06
Expenses payable		CZK		-511.513,69			-0,07
TOTAL OTHER				-31.411,16			0,00
TOTAL NET ASSETS				776.828.787,99			100,00

Geographic breakdown (as a % of securities portfolio)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
Australia	0,87	1,18	1,10	1,33
Belgium	-0,69	-0,99	-1,31	0,73
Bermuda	0,81	0,89	0,88	0,80
Brazil	1,75	3,18	3,55	2,61
Canada	3,10	2,37	2,44	2,10
Switzerland	3,33	3,56	3,35	4,67
Chile	0,00	0,00	0,00	2,40
China	0,00	0,00	0,00	0,74
Cayman Islands	0,97	0,93	0,85	0,77
Spain	0,94	1,32	1,46	1,41
Finland	2,04	2,35	2,68	2,37
France	3,62	2,83	2,73	2,24
U.K.	10,50	10,52	10,11	9,95
Hong Kong	5,90	4,91	5,13	5,58
India	2,55	1,94	2,07	2,26
Italy	3,06	2,72	2,57	0,00
Jersey/The Channel Islands	1,95	1,88	1,76	1,12
Japan	3,82	3,52	3,24	6,58
South Korea	1,47	1,20	1,12	1,14
Mexico	0,45	0,00	0,00	0,00
Malaysia	0,80	0,86	0,68	0,26
Netherlands	1,84	1,79	2,45	2,43
Philippines	2,10	2,21	2,43	2,32
Singapore	2,48	2,02	2,95	3,92
Sweden	0,81	0,85	1,23	2,28
Thailand	1,19	1,39	1,32	0,99
U.S.A.	44,34	46,57	45,21	39,00
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
Cyclicals	42,22	42,33	44,30	53,29
Consum(cycl)	5,42	6,14	6,89	7,19
Financials	0,33	0,08	-0,34	2,96
Technology	4,43	4,42	3,98	3,74
Telecomm.	1,06	1,09	0,00	0,00
Utilities	46,54	45,94	45,17	32,82
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
AUD	0,88	1,19	1,12	1,36
BRL	0,75	1,74	2,03	1,75
CAD	0,18	0,01	-0,01	0,09
CHF	-0,98	2,69	2,42	-0,07
CLP	0,00	0,00	0,00	2,04
CZK	88,39	85,25	81,95	81,55
EUR	-0,09	-0,13	0,34	1,06
GBP	-0,05	-0,06	0,26	0,62
HKD	7,79	6,41	6,39	7,90
INR	2,58	1,93	2,02	2,18
JPY	-0,29	0,01	0,10	0,10
KRW	1,48	1,19	1,09	1,14
MXN	0,47	-0,01	0,00	0,00
MYR	0,81	0,85	0,66	0,34
PHP	2,12	2,19	2,37	2,32
SEK	0,82	0,86	1,21	2,31
SGD	1,67	1,38	2,35	0,14
THB	1,20	1,38	1,29	0,99
USD	-7,73	-6,88	-5,59	-5,82
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC Eco FUND CSOB WATER (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	2 nd half of year	Year
Purchases	58.776.765,67	311.822.457,11	370.599.222,78
Sales	17.124.736,86	139.029.164,99	156.153.901,84
Total 1	75.901.502,52	450.851.622,10	526.753.124,62
Subscriptions	107.230.661,71	137.620.523,40	244.851.185,11
Redemptions	34.213.350,76	32.339.339,16	66.552.689,92
Total 2	141.444.012,47	169.959.862,56	311.403.875,03
Monthly average of total assets	594.258.760,71	731.483.655,11	663.438.252,93
Turnover rate	-11,03 %	38,40 %	32,46 %

	1st half of year	2 nd half of year	Year
Purchases	58.776.765,67	311.822.457,11	370.599.222,78
Sales	17.124.736,86	139.029.164,99	156.153.901,84
Total 1	75.901.502,52	450.851.622,10	526.753.124,62
Subscriptions	107.230.661,71	137.620.523,40	244.851.185,11
Redemptions	34.213.350,76	32.339.339,16	66.552.689,92
Total 2	141.444.012,47	169.959.862,56	311.403.875,03
Monthly average of total assets	611.860.623,10	731.832.003,38	663.920.488,32
Corrected turnover rate	-10,71 %	38,38 %	32,44 %

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%).

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC AK-VK CZK-CAD 171020-170727 17.71861	CZK	26.950.008,85	26.950.008,85	N/A	25.07.2017
KBC AK-VK CZK-GBP 171020-170727 29.02379	CZK	83.936.818,03	83.936.818,03	N/A	25.07.2017
KBC AK-VK CZK-EUR 171020-170727 25.98662	CZK	106.830.994,82	106.830.994,82	N/A	25.07.2017
KBC AK-VK CZK-USD 171020-170727 22.17405	CZK	388.777.618,65	388.777.618,65	N/A	25.07.2017
KBC AK-VK CZK-SGD 171020-170825 16.16421	CZK	28.206.548,20	28.206.548,20	N/A	23.08.2017
KBC AK-VK CZK-CHF 171020-170825 22.88603	CZK	29.751.846,80	29.751.846,80	N/A	23.08.2017
KBC VK-AK CZK-USD 171020-170825 22.05061	CZK	-27.916.072,26	-27.916.072,26	N/A	23.08.2017
KBC VK-AK CZK-EUR 171020-170825 26.12613	CZK	-41.801.808,00	-41.801.808,00	N/A	23.08.2017
KBC VK-AK CZK-USD 170905-170901 21.87085	CZK	-11.881.347,79	-11.881.347,79	N/A	30.08.2017
KBC VK-AK JPY-CZK 171020-170727 5.012566	JPY	-155.703.000,00	-31.079.235,22	N/A	25.07.2017
KBC VK-AK JPY-CZK 171020-170825 4.943089	JPY	-106.700.000,00	-21.297.948,00	N/A	23.08.2017

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

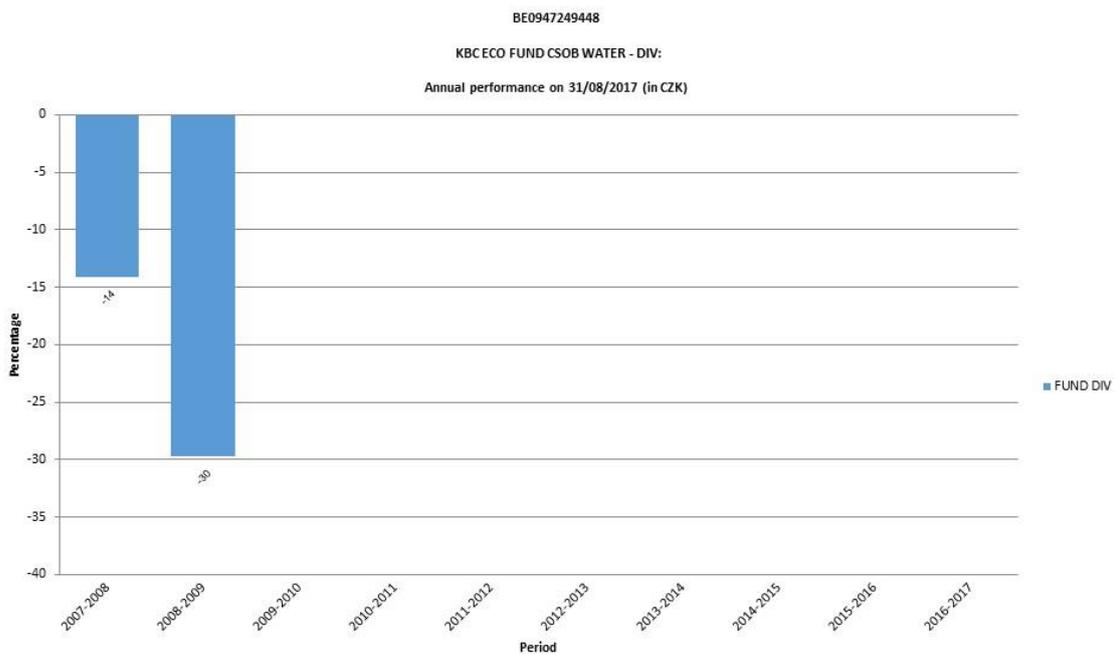
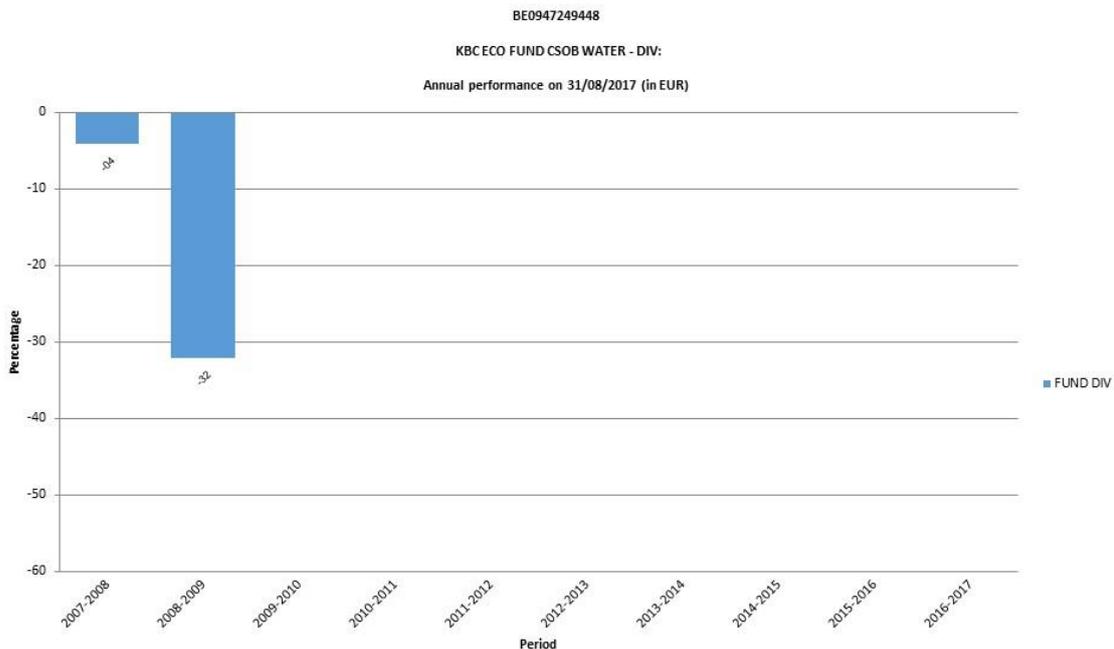
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2015 - 08*	75.200,72	0,00	116.569,20	0,00	447.178,22	0,00	447.178,22
2016 - 08*	58.448,05	0,00	53.626,26	0,00	452.000,02	0,00	452.000,02
2017 - 08*	190.782,22	0,00	52.132,19	0,00	590.650,05	0,00	590.650,05

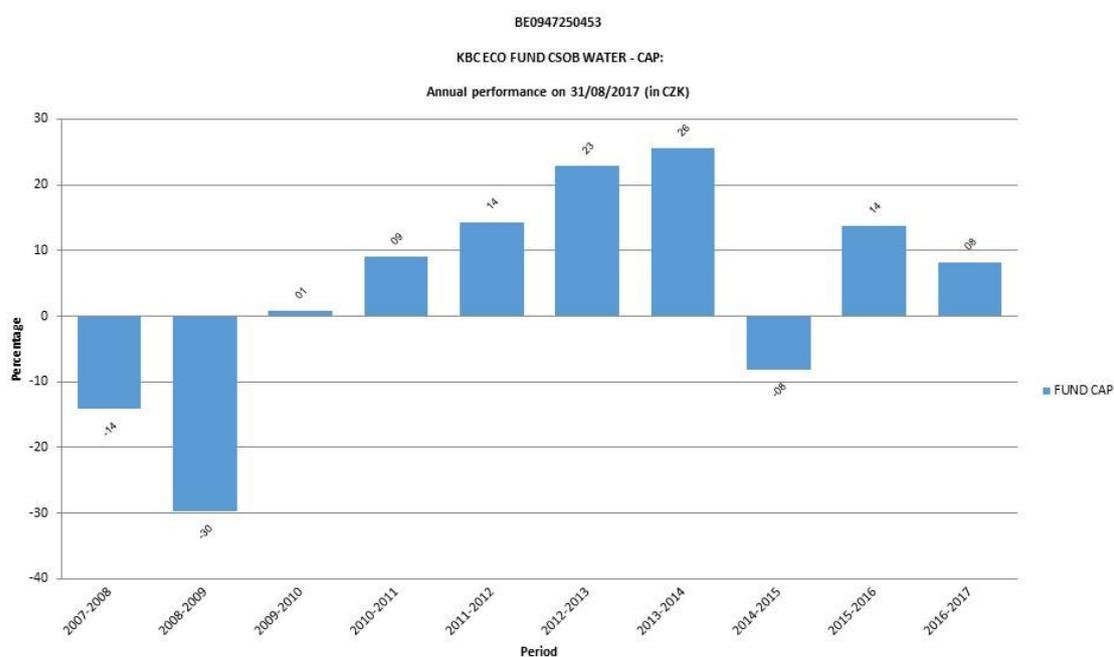
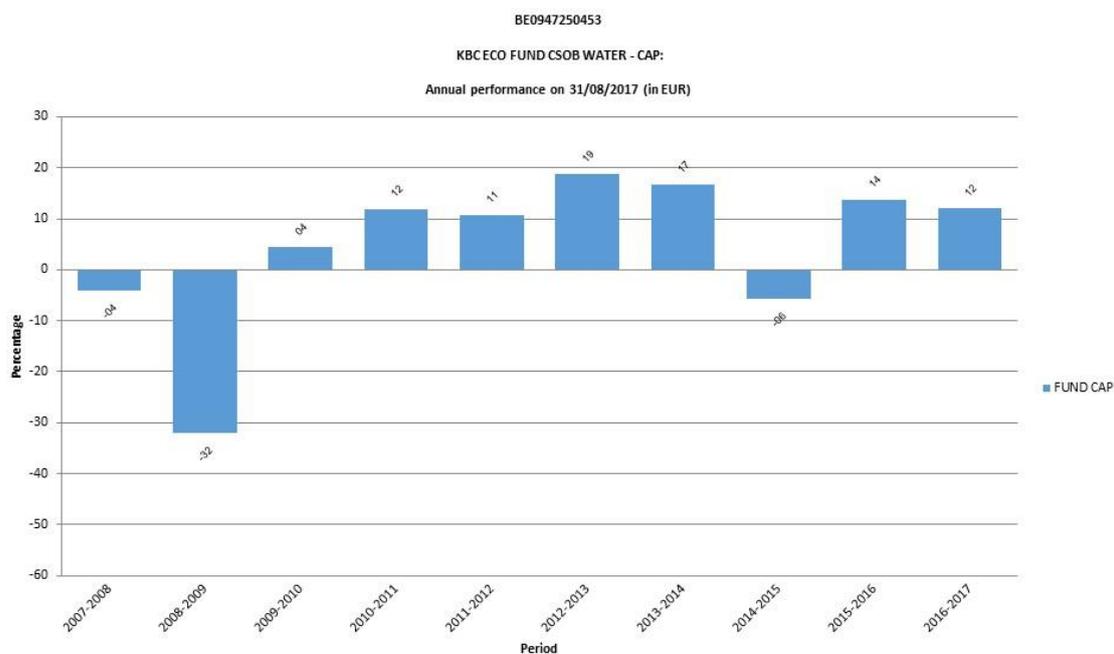
Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2015 - 08*	85.690.963,23	0,00	133.629.949,45	0,00
2016 - 08*	65.988.348,57	0,00	60.575.049,29	0,00
2017 - 08*	246.868.675,20	0,00	67.026.057,42	0,00

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2015 - 08*	477.792.290,77	1.068,46	N/A
2016 - 08*	549.153.893,84	1.214,94	N/A
2017 - 08*	776.828.787,99	1.315,21	N/A

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

2.4.5 PERFORMANCE FIGURES





Cap Div	ISIN code	Cur-rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0947250453	EUR	12.03%		6.33%		10.73%		3.46%		31/07/2007	3.48%
CAP	BE0947250453	CZK	8.25%		4.20%		11.79%		2.85%		31/07/2007	2.75%
DIV	BE0947249448	EUR									31/07/2007	
DIV	BE0947249448	CZK									31/07/2007	

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

* Return on annual basis.

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

Capitalisation units (CAP)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

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

For dividend i on date Di with value Wi:

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

$i = 1 \dots N$

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

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

2.4.6 COSTS

Ongoing charges: *

Distribution: Not applicable

Capitalization: 2.245%

* 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 -	CSA Credits in EUR accrued during the period: 1-09-16 -	Percentage
	31-08-17	31-08-17	
CITI	1.518	518	34,13%
CSFBSAS	74	9	12,50%
CSFBSAS	5.006	1.968	39,32%
DEUTSCHE	76	19	25,00%
EQ CSA GOLDMAN SACHS INTERNATIONAL	94	24	25,00%
EQ CSA GOLDMAN SACHS INTERNATIONAL	42	11	24,99%
HSBC	346	86	25,00%
INSTINET	471	93	19,82%
MACQUARIE	512	142	27,75%
MERRILL	250	63	25,00%
MORGAN STANLEY	108	27	25,00%
SOCGEN	150	38	25,00%
UBSWDR	180	45	25,00%

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: 2% per year (0.1% of which for the sustainability screening referred to in the prospectus) calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.9% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

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

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

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

Exercising voting rights.

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

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

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

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

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2 INFORMATION ON KBC ECO FUND IMPACT INVESTING

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launched date: 29 December 2000

Initial subscription price: 500 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

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

At least 75% of the assets are invested in the shares of companies worldwide that contribute to sustainable development as described by the Brundtland Commission already in 1987: “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. As such sustainable development ties together the concern for the carrying capacity of natural systems with the social and economic challenges faced by humanity. It is built on the interaction of three pillars:
social development economic development environmental protection

The investment philosophy is based on the concept of impact investing. These are investments made into shares of companies with the intention to generate social and environmental impact alongside a financial return via their offering of products and/or services.

The companies are screened and selected by KBC Asset Management’s Investment Research Department, in co- operation with an independent external board. Companies that via their offering of products and/or services have a positive impact on a sustainability/impact theme are potential candidates for inclusion. The impact a company has on the theme via its core business will be measured and evaluated on a regular basis. The selected companies must comply with all SRI exclusion criteria applicable to general SRI funds offered by KBC Asset Management.

KBC Asset Management is co-operating with an independent external board of experts to assure the credibility of the sustainability screening and to oversee the quality of the methods used and the research carried out by KBC Asset Management

Volatility of the net asset value:

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

SECURITIES FINANCING TRANSACTIONS (SFTs):

GENERAL

The sub-fund may lend financial instruments within the limits set by law and regulations. Lending financial instruments is a transaction where one a sub-fund transfers financial instruments to a counterparty subject to an undertaking on the part of that counterparty to supply the sub-fund with comparable financial instruments at some future date or on the sub-fund’s request.

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.

The sub-fund uses the lending of financial instruments to generate additional income. This might consist of a fee paid by the principal or, in the event that the fund performs the securities lending through an agent, by the counterparty, as well as income generated through reinvestments. The sub-fund is not permitted to agree forms of SFTs other than lending financial instruments.

GENERAL INFORMATION ON THE SFTs USED

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

CRITERIA FOR THE SELECTION OF COUNTERPARTIES

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

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

Legal status	Minimum rating	Country of origin
<p>The counterparty must belong to one of the following categories:</p> <p>a) A credit institution; or b) An investment firm; or c) A settlement or clearing institution; or d) A central bank of a member state of the European Economic Area, the European Central Bank, the European Investment Bank or a public international financial institution in which one or more European Economic Area member states participate.</p>	<p>Only counterparties rated as investment grade may be considered.</p> <p>An investment-grade rating means: a rating equal to or higher than BBB- or Baa3 according to one or more of the following accredited rating agencies:</p> <ul style="list-style-type: none"> - Moody's (Moody's Investors Service); - S&P (Standard & Poor's, a division of the McGraw-Hill Companies); en - Fitch (Fitch Ratings). <p>If the counterparty does not have a rating, the rating of the counterparty's parent company may be taken into consideration.</p>	<p>All geographical regions may be considered when selecting counterparties.</p>

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

DESCRIPTION OF ACCEPTABLE FINANCIAL COLLATERAL AND ITS VALUATION

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

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

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

Where the lending of securities is agreed within the framework of a securities lending system, the financial collateral can also take the form of bonds eligible for trading on a regulated market and which have been rated as at least investment grade as described under 'Criteria for the selection of counterparties'.

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

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

REUSE OF FINANCIAL COLLATERAL

If 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 office is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- short term money market funds as 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(s). The management company may delegate implementation of the reinvestment policy to a third party, including the agent managing the securities lending system.

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

POLICY ON THE DIVERSIFICATION OF COLLATERAL AND THE CORRELATION POLICY

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

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

HOLDING OF THE FINANCIAL COLLATERAL

The financial collateral will be held in the following manner:

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

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

INFLUENCE OF SFTs ON A SUB-FUND'S RISK PROFILE

This lending does not affect 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. A 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, in case the principal or the counterparty (if the sub-fund uses an agent) does not return similar securities. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%. Furthermore, when calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times exceed the actual value of the loaned securities.
- The criteria met by the collateral are such as to limit the credit risk. A rating of at least investment grade is required in the case of collateral in the form of bonds and other debt instruments. In the case of collateral in the form of participation rights in monetary undertakings for collective investment, the inherent diversification of these undertakings limits the credit risk. In the case of cash that is reinvested, a rating of at least investment grade is required when reinvesting in either deposits or government bonds. In the case of reinvestment in short-term money-market funds, the inherent diversification of these funds limits the credit risk.

- The criteria met by these types of collateral are such as to limit the liquidity risk. It must be possible to value the financial collateral on a daily basis by market price or to withdraw it on demand (on reinvestment of cash in deposits).
- In the case of reinvestment of cash, there are additional criteria to limit the market risk associated with the initial values in cash. When reinvesting bonds, only bonds with a remaining term to maturity of no more than one year may be considered. The shortness of this remaining term results in a low sensitivity to interest rate movements. In the case of reinvestment in short-term money-market funds, the low duration of these funds limits the market risk with respect to the initial value in cash.
- The custody of financial collateral consisting of securities occurs by placing the securities in custody accounts which, in the event of the custodian's bankruptcy, are held outside its insolvent estate. The custody of financial collateral consisting of cash occurs by holding it in cash accounts, whether or not segregated. The extent to which the custody of financial collateral consisting of cash occurs in non- segregated accounts has no influence, however, on the sub-fund's risk profile.
- Operational risks are limited by operational controls, in the shape of daily control of the market values of loaned securities and collateral and reconciliation of internal and external data.

DISTRIBUTION POLICY FOR RETURNS ON THE UTILISED SFTs

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

General strategy for hedging the exchange rate risk:

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

Social, ethical and environmental aspects:

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

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, with the exception of the sustainability screening described in the prospectus, to KBC Fund Management Limited, Sandwith Street, D02 X489 Dublin 2, IRELAND..

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

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

2.1.8 FUTURE POLICY

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

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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.

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 19,312.04 EUR.

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

2.2 BALANCE SHEET

Balance sheet layout	31/08/2017 <small>(in the currency of the sub-fundt)</small>	31/08/2016 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	68.171.889,00	43.637.606,70
II. Securities, money market instruments, UCIs and derivatives		
C. Shares and similar instruments		
a) Shares	65.889.344,48	43.333.047,23
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	57.284,92	29.830,53
B. Payables		
a) Accounts payable (-)	-18.308,80	-36.899,88
c) Borrowings (-)	-19.749,17	-13.583,43
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	2.135.783,71	371.739,67
VI. Accruals and deferrals		
A. Expense to be carried forward		10.600,66
B. Accrued income	208.186,53	
C. Accrued expense (-)	-80.652,67	-57.128,08
TOTAL SHAREHOLDERS' EQUITY	68.171.889,00	43.637.606,70
A. Capital	59.721.835,80	41.156.317,08
B. Income equalization	125.170,62	24.027,62
D. Result of the bookyear	8.324.882,58	2.457.262,00

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	31/08/2017 <small>(in the currency of the sub-fund)</small>	31/08/2016 <small>(in the currency of the sub-fund)</small>
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	10.429.779,90	3.298.716,01
D. Other securities		-0,60
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-2.051.003,39	-614.398,46
Det.section I gains and losses on investments		
Realised gains on investments	3.132.762,25	1.147.161,18
Unrealised gains on investments	6.883.341,98	4.349.163,34
Realised losses on investments	-1.376.501,46	-2.633.231,49
Unrealised losses on investments	-260.826,26	-178.776,08
II. Investment income and expenses		
A. Dividends	975.265,88	514.979,59
B. Interests		
b) Cash at bank and in hand and deposits	409,31	33,16
C. Interest on borrowings (-)	-1.582,43	-347,74
III. Other income		
B. Other	697,23	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-48.746,87	-53.169,96
B. Financial expenses (-)	-1.098,97	-259,63
C. Custodian's fee (-)	-40.255,26	-22.772,03
D. Manager's fee (-)		
a) Financial management	-801.231,95	-549.251,33
b) Administration and accounting management	-53.415,35	-36.616,71
E. Administrative expenses (-)	-2,38	-584,61
F. Formation and organisation expenses (-)	-5.224,71	-6.225,43
G. Remuneration, social security charges and pension	-1.957,16	-1.500,71
H. Services and sundry goods (-)	-7.494,41	-13.536,28
J. Taxes	-58.030,68	-46.384,60
K. Other expenses (-)	-11.226,18	-11.418,67
Income and expenditure for the period		
Subtotal II + III + IV	-53.893,97	-227.054,95
V. Profit (loss) on ordinary activities before tax	8.324.882,58	2.457.262,00
VII. Result of the bookyear	8.324.882,58	2.457.262,00

Appropriation Account

	31/08/2017 <small>(in the currency of the sub-fundm)</small>	31/08/2016 <small>(in the currency of the sub-fund)</small>
I. Profit to be appropriated		
Profit for the period available for appropriation	8.450.053,20	2.481.289,62
Income on the creation of shares (income on the cancellation of shares)	8.324.882,58	2.457.262,00
	125.170,62	24.027,62
II. (Appropriations to) Deductions from capital		
	-8.048.735,07	-2.284.143,35
IV. (Dividends to be paid out)		
	-401.318,13	-197.146,27

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC ECO FUND IMPACT INVESTING

Name	Quantity on 31/08/2017	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Belgium</u>							
ABLYNX -	64.571,00	EUR	12,000	774.852,00		1,18	1,14
BIOCARTIS NV -	31.434,00	EUR	10,200	320.626,80		0,49	0,47
CARE PROPERTIES INVEST -	15.000,00	EUR	19,890	298.350,00		0,45	0,44
UMICORE -	29.284,00	EUR	62,750	1.837.571,00		2,79	2,70
WAREHOUSE DISTR. DE PAUW -	15.203,00	EUR	95,000	1.444.285,00		2,19	2,12
<u>Brazil</u>							
KROTON EDUCACIONAL SA -	378.500,00	BRL	17,970	1.818.232,73		2,76	2,67
<u>Denmark</u>							
BAVARIAN NORDIC A/S -	24.901,00	DKK	433,500	1.451.333,54		2,20	2,13
NOVO NORDISK A/S "B"	54.186,00	DKK	298,000	2.171.024,38		3,30	3,19
VESTAS WINDS SYSTEMS -	22.648,00	DKK	569,000	1.732.620,57		2,63	2,54
<u>Finland</u>							
RAISIO GROUP (HEL) 'V'	288.076,00	EUR	3,510	1.011.146,76		1,54	1,48
<u>France</u>							
ESSILOR (PAR)	18.878,00	EUR	106,050	2.002.011,90		3,04	2,94
<u>India</u>							
JAIN IRRIGATION SYSTEMS LTD -	1.063.048,00	INR	98,550	1.378.431,07		2,09	2,02
SHRIRAM CITY UNION FINANCE LTD -	47.058,00	INR	2.058,650	1.274.651,71		1,94	1,87
<u>Ireland</u>							
KINGSPAN GROUP PLC -	1.676,00	EUR	32,500	54.470,00		0,08	0,08
KINGSPAN GROUP PLC -	51.336,00	EUR	32,500	1.668.420,00		2,53	2,45
<u>Luxembourg</u>							
MILLICOM INTL. CELLULAR -	36.211,00	SEK	495,700	1.897.340,81		2,88	2,78
<u>Netherlands</u>							
CORBION NV (AMS)NRC	59.639,00	EUR	25,320	1.510.059,48		2,29	2,22
KONINKLIJKE D.S.M. NV (AMS)	31.686,00	EUR	63,730	2.019.348,78		3,07	2,96
PHILIPS LIGHTING NV -	48.994,00	EUR	31,000	1.518.814,00		2,31	2,23
SIF HOLDING NV -	58.416,00	EUR	15,800	922.972,80		1,40	1,35
WESSANEN (AMS)	128.599,00	EUR	14,655	1.884.618,35		2,86	2,77
<u>New Zealand</u>							
A2 MILK CO LTD -	516.364,00	AUD	5,040	1.736.140,47		2,64	2,55
<u>Philippines</u>							
MANILA WATER CO -	2.210.000,00	PHP	30,950	1.124.326,06		1,71	1,65
<u>Spain</u>							
CONSTRUCCIONES Y AUXILIAR DE F -	33.210,00	EUR	35,000	1.162.350,00		1,76	1,71

<u>Sweden</u>							
DORO AB -	152.141,00	SEK	49,600	797.652,72		1,21	1,17
<u>U.K.</u>							
CAMBIAN GROUP PLC -	619.174,00	GBP	2,153	1.444.504,45		2,19	2,12
DIALIGHT PLC -	108.715,00	GBP	8,015	944.400,07		1,43	1,39
DS SMITH PLC -	339.965,00	GBP	4,978	1.834.222,91		2,78	2,69
POLYPIPE GROUP PLC -	365.067,00	GBP	3,958	1.566.070,76		2,38	2,30
PURECIRCLE LTD -	160.000,00	GBP	4,045	701.457,76		1,07	1,03
UNITE GROUP PLC -	267.761,00	GBP	6,930	2.011.145,86		3,05	2,95
3IGROUP -	174.912,00	GBP	9,695	1.837.936,21		2,79	2,70
<u>U.S.A.</u>							
BIOMARIN PHARMACEUTICAL INC -	17.502,00	USD	90,190	1.327.702,40		2,02	1,95
BLUEBIRD BIO INC -	11.385,00	USD	124,850	1.195.573,43		1,82	1,75
BRIGHT HORIZONS FAMILY SOLUTIO -	29.449,00	USD	79,930	1.979.862,54		3,01	2,90
CHEGG INC -	121.454,00	USD	14,190	1.449.602,37		2,20	2,13
EQUINIX INC -	5.185,00	USD	468,410	2.042.817,60		3,10	3,00
GILEAD SCIENCES -	24.867,00	USD	83,710	1.750.876,08		2,66	2,57
ITRON INC -	27.528,00	USD	72,600	1.680.993,19		2,55	2,47
LKQ CORP -	69.965,00	USD	34,650	2.039.101,06		3,10	2,99
ORMAT TECHNOLOGIES INC -	41.210,00	USD	57,440	1.991.002,10		3,02	2,92
STEELCASE INC -A-	123.231,00	USD	13,200	1.368.196,82		2,08	2,01
TRIMBLE INC -	57.029,00	USD	38,680	1.855.397,19		2,82	2,72
VMWARE INC CLASS A -	22.996,00	USD	108,100	2.090.897,13		3,17	3,07
3-D SYSTEMS-DELAWARE -	91.433,00	USD	12,560	965.933,62		1,47	1,42
Total shares				65.889.344,48		100,00	96,65
TOTAL SECURITIES PORTFOLIO				65.889.344,48		100,00	96,65
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	-552,47	AUD	1,000	-368,56			0,00
KBC GROUP CHF	102,02	CHF	1,000	89,29			
KBC GROUP DKK	82.103,19	DKK	1,000	11.038,79			0,02
KBC GROUP EURO	404.974,17	EUR	1,000	404.974,17			0,59
KBC GROUP GBP	16.595,04	GBP	1,000	17.986,28			0,03
KBC GROUP HKD	5.796,95	HKD	1,000	623,00			0,00
KBC GROUP NOK	-87.624,18	NOK	1,000	-9.473,40			-0,01
KBC GROUP SEK	-93.727,16	SEK	1,000	-9.907,21			-0,02
KBC GROUP USD	2.022.404,72	USD	1,000	1.701.072,18			2,50
Total demand accounts				2.116.034,54			3,10
TOTAL CASH AT BANK AND IN HAND				2.116.034,54			3,10
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	57.284,92	EUR	1,000	57.284,92			0,08
Total receivables				57.284,92			0,08

Payables							
<u>Belgium</u>							
KBC GROUP EUR PAYABLE	-18.308,80	EUR	1,000	-18.308,80			-0,03
Payables				-18.308,80			-0,03
TOTAL RECEIVABLES AND PAYABLES				38.976,12			0,06
OTHER							
Interest receivable		EUR		208.186,53			0,31
Expenses payable		EUR		-80.652,67			-0,12
TOTAL OTHER				127.533,86			0,19
TOTAL NET ASSETS				68.171.889,00			100,00

Geographic breakdown (as a % of securities portfolio)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
Belgium	7,20	5,62	8,18	7,10
Brazil	1,75	2,07	1,93	2,76
Denmark	8,64	8,53	6,28	8,13
Spain	2,63	2,63	2,34	1,76
Finland	2,52	5,39	4,11	1,53
France	4,82	4,76	5,67	3,04
U.K.	12,65	14,40	12,44	15,69
India	3,49	5,01	4,57	4,03
Ireland	2,44	2,57	2,60	2,61
Luxembourg	2,18	1,61	2,34	2,88
Netherlands	9,94	8,73	8,09	11,92
Norway	2,19	2,52	2,39	0,00
New Zealand	0,00	0,00	2,12	2,63
Philippines	2,90	2,75	2,52	1,71
Sweden	5,42	2,05	1,82	1,21
U.S.A.	31,23	31,36	32,60	33,00
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
Cyclicals	26,98	27,00	22,40	25,08
Consum(cycl)	17,63	17,48	17,03	14,48
Cons.goods	13,01	15,08	15,31	13,48
Pharma	12,84	12,20	14,08	16,20
Financials	4,07	5,20	4,65	4,72
Technology	11,85	10,08	11,08	10,10
Telecomm.	2,18	1,61	2,34	2,88
Utilities	5,34	5,22	5,38	4,26
Real est.	6,10	6,13	7,73	8,80
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	29/02/2016	31/08/2016	28/02/2017	31/08/2017
AUD	0,00	0,00	2,11	2,55
BRL	1,75	2,05	1,92	2,67
DKK	8,66	8,55	6,24	7,89
EUR	29,49	30,12	31,35	27,74
GBP	12,71	14,32	12,37	15,22
INR	3,49	4,97	4,54	3,90
NOK	2,18	2,51	2,38	-0,01
PHP	2,90	2,73	2,51	1,65
SEK	7,59	3,60	4,15	3,95
USD	31,23	31,15	32,43	34,44
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC ECO FUND IMPACT INVESTING (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	2 nd half of year	Year
Purchases	6.526.429,98	20.642.417,16	27.168.847,15
Sales	3.363.352,73	9.647.266,47	13.010.619,20
Total 1	9.889.782,72	30.289.683,64	40.179.466,35
Subscriptions	8.689.596,30	16.127.754,72	24.817.351,02
Redemptions	5.093.244,87	3.438.686,63	8.531.931,50
Total 2	13.782.841,17	19.566.441,35	33.349.282,52
Monthly average of total assets	46.411.554,42	60.103.422,84	53.285.661,20
Turnover rate	-8,39 %	17,84 %	12,82 %

	1st half of year	2 nd half of year	Year
Purchases	6.526.429,98	20.642.417,16	27.168.847,15
Sales	3.363.352,73	9.647.266,47	13.010.619,20
Total 1	9.889.782,72	30.289.683,64	40.179.466,35
Subscriptions	8.689.596,30	16.127.754,72	24.817.351,02
Redemptions	5.093.244,87	3.438.686,63	8.531.931,50
Total 2	13.782.841,17	19.566.441,35	33.349.282,52
Monthly average of total assets	47.028.973,80	54.746.731,43	44.265.611,37
Corrected turnover rate	-8,28 %	19,59 %	15,43 %

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

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

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

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

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

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

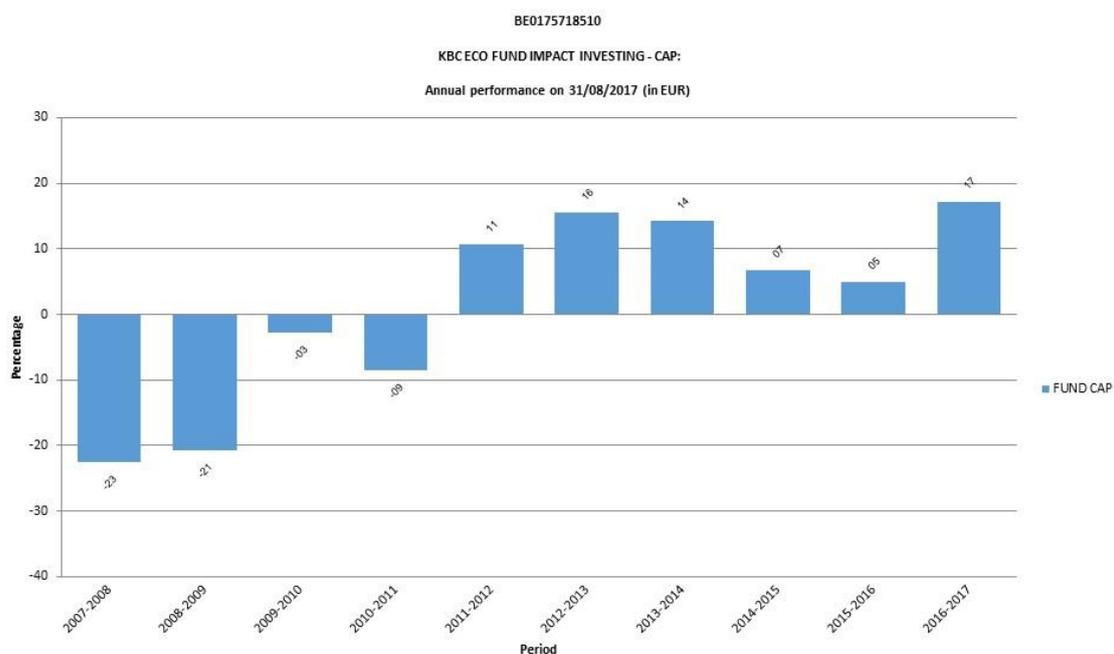
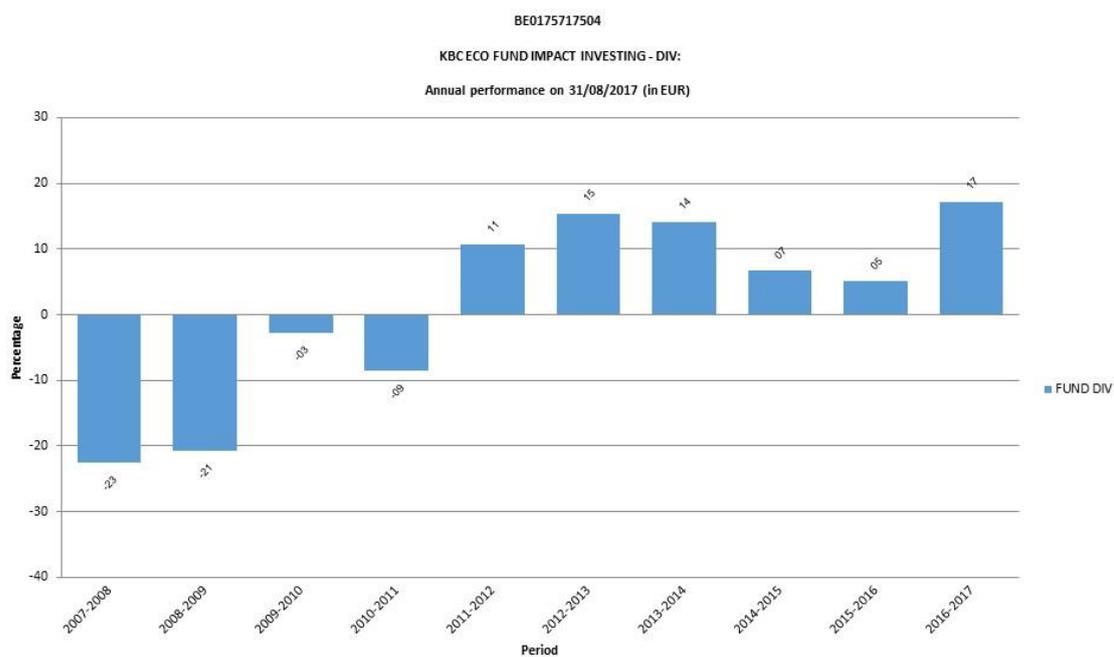
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2015 - 08*	26.414,15	27.116,10	1.368,76	761,73	32.259,55	27.993,05	60.252,61
2016 - 08*	25.369,58	16.415,84	3.323,44	4.529,00	54.305,69	39.879,90	94.185,59
2017 - 08*	27.086,40	22.562,14	8.811,26	8.907,97	72.580,84	53.534,07	126.114,90

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2015 - 08*	13.285.085,76	10.882.224,68	708.421,51	314.739,74
2016 - 08*	12.217.663,19	5.943.090,58	1.588.635,35	1.686.989,35
2017 - 08*	15.061.009,47	9.913.428,04	4.816.771,01	3.755.582,13

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*	26.451.688,00	485,16	385,83
2016 - 08*	43.637.606,70	509,53	400,38
2017 - 08*	68.171.889,00	597,31	463,60

* 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	BE0175718510	EUR	17.23%		9.56%		11.66%		0.49%		29/12/2000	1.07%
DIV	BE0175717504	EUR	17.23%		9.51%		11.60%		0.46%		29/12/2000	1.05%

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

* Return on annual basis.

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

Capitalisation units (CAP)

Return on date D over a period of X years:

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

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

$$[\text{NAV}(D) / \text{NAV}(S)]^{1 / F} - 1$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

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

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

$$[C * \text{NAV}(D) / \text{NAV}(S)]^{1 / F} - 1$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

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

$$i = 1 \dots N$$
 from which $C = C_0 * \dots * C_N$.
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares.

Dividend on ex-dividend date 30/11/2017: 5,2475 EUR net (7,4965 EUR gross).

2.4.6 COSTS

Ongoing charges: *

Distribution: 1.841%

Capitalization: 1.838%

* 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 -	CSA Credits in EUR accrued during the period: 1-09-16 -	Percentage
	31-08-17	31-08-17	
CITI	1.274	349	27,41%
CSFBSAS	563	113	20,00%
CSFBSAS	6.328	2.455	38,80%
DEUTSCHE	369	92	25,00%
EQ CSA GOLDMAN SACHS INTERNATIONAL	125	31	25,00%
HSBC	1.701	590	34,68%
INSTINET	490	122	25,00%
INSTINET	2.542	658	25,90%
MACQUARIE	37	9	25,00%
MACQUARIE	668	185	27,71%
MERRILL	476	119	25,00%
MORGAN STANLEY	95	24	25,00%
UBSWDR	523	188	36,03%

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 (0.1% of which for the sustainability screening referred to in the prospectus) calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.4% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

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

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

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

Exercising voting rights.

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

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

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

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