

KBC Eco Fund

Audited annual report

31 August 2020

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

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1. General information on the Bevek

1.1. Organisation of the Bevek

Registered office

2 Havenlaan - B-1080 Brussels, Belgium.

Date of incorporation

27 March 1992

Life

Unlimited.

Board of directors of the Bevek

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

Management type

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

Date of incorporation of the management company

30 december 1999.

Names and positions of the directors of the management company

| Name | Title | |
|---------------------|---|----------------------|
| Wouter Vanden Eynde | <i>Independent Director</i> | appointed 03/07/2020 |
| Stefan Van Riet | <i>Non-Executive Director</i> | |
| Pierre Konings | <i>Non-Executive Director</i> | |
| Katrien Mattelaer | <i>Non-Executive Director</i> | |
| Johan Daemen | <i>Non-Executive Director</i> | |
| André Van Poeck | <i>Independent Director</i> | resigned 03/07/2020 |
| Luc Popelier | <i>Chairman</i> | |
| Johan Lema | <i>President of the Executive Committee</i> | |
| Tiny Ergo | <i>Managing Director</i> | resigned 31/08/2019 |
| Linda Demunter | <i>Managing Director</i> | |
| Frank Van de Vel | <i>Managing Director</i> | |
| Chris Sterckx | <i>Managing Director</i> | |
| Klaus Vandewalle | <i>Managing Director</i> | |

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

| Name | Title | |
|------------------|---|---------------------|
| Johan Lema | <i>President of the Executive Committee</i> | |
| Tiny Ergo | <i>Managing Director</i> | resigned 31/08/2019 |
| Linda Demunter | <i>Managing Director</i> | |
| Frank Van de Vel | <i>Managing Director</i> | |
| Chris Sterckx | <i>Managing Director</i> | |
| Klaus Vandewalle | <i>Managing Director</i> | |

These persons may also be directors of various beveks.

Auditor of the management company

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

Status of the Bevek

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

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

Financial portfolio management

the creation of the and its maintenance in terms of the technical, product-specific and legal aspects is delegated by the management company to , , , .

Financial service providers

The financial services providers in Belgium are:
KBC Bank NV, Havenlaan 2, B-1080 Brussels
CBC Banque SA, Avenue Albert 1er 60, B-5000 Namur

Custodian

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

Custodian's activities

The custodian:

- a) Ensures the safe-keeping of the assets of the Bevek and compliance with the standard obligations in this regard;
- b) Ensures that the sale, issue, purchase, redemption and withdrawal of shares in the Bevek occur in compliance with the applicable legal and regulatory provisions, the articles of association and the prospectus;
- c) Ensures that the net asset value of the shares in the Bevek is calculated in accordance with the applicable legal and regulatory provisions, the articles of association and the prospectus;
- d) Carries out the instructions of , provided that these do not contravene the applicable legal and regulatory provisions, the articles of association and/or the prospectus;
- e) Ensures that in transactions relating to the assets of the Bevek, the equivalent value is transferred to the 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 has been booked to cash accounts that:

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

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

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

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

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

Custody tasks delegated by the custodian

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

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

List of sub-custodians and sub-sub-custodians

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

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

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

Conflicts of interest

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

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

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

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

Administration and accounting management

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

Accredited auditor of the the Bevek

Deloitte Bedrijfsrevisoren CVBA, Gateway Building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem, represented by 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 management company

General:

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

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

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

Remuneration paid by the management company for book year endings on 31 August 2020

| | |
|--|---|
| 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: 35 764 016 EUR Variable pay: 4 116 824 EUR Number of recipients: 360 |
| the aggregate pay amount, broken down into the highest management and the manager's staff whose acts significantly affect the fund's risk profile. | Management rewards: 2 010 523 EUR Reward for the manager's staff whose acts affect the risk profile: 612 293 EUR |

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

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

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

| | Name |
|---|------------------------|
| 1 | Alternative Energy |
| | Classic Shares |
| | Institutional B Shares |
| 2 | Climate Change |
| | Classic Shares |
| | Institutional B Shares |
| 3 | CSOB Water |
| 4 | Impact Investing |
| | Classic Shares |
| | Classic Shares HUF |
| 5 | Water |
| | Classic Shares |
| | Institutional B Shares |
| 6 | World |
| | Classic Shares |
| | Institutional Shares |

Sub-funds and share classes liquidated during the reporting period

Not applicable

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

1.2. Management report

1.2.1. Information for the shareholders

Pursuant to Article 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.

There were no refunds this period.

Significant changes during the financial year

| Date | Description | Subfund |
|------------------|---|--|
| 18 February 2020 | Transformation from Institutional B Shares to Institutional Shares | World |
| 5 May 2020 | Modification of the methodology in the calculation of the fee for the management of the investment portfolio. | Alternative Energy, Climate Change, Water, World |
| 5 May 2020 | Add 'max' to the research fee | Alternative Energy, Climate Change, CSOB Water, Impact Investing, Water, World |

1.2.1.1. Securities Financing Transactions (SFTs)

The Bevek may not lend any financial instruments.

1.2.1.2. General strategy for hedging the exchange rate risk

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

1.2.1.3. Social, ethical and environmental aspects

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.

1.2.1.4. Synthetic risk and reward indicator

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

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

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

1.2.1.5. Ongoing charges

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

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

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

1.2.1.6. Existence of fee sharing agreements and rebates

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

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

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

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

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

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

1.2.1.7. Existence of Commission Sharing Agreements

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

What the Commission Sharing Agreement entails:

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

N.B.:

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

Goods and services eligible for a Commission Sharing Agreement:

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

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

No CSA accrual during this period.

1.2.1.8. Recurrent fees and charges

| Recurrent fees and charges paid by the Bevek | |
|--|--|
| Fees paid to directors who are not responsible for the executive management of the Bevek, insofar as the General Meeting has approved said fees. | 250 EUR per meeting attended, linked to the director's actual attendance of/participation in the meetings of the Board of Directors. This fee is divided across all the sub-funds marketed. |
| Recurrent fees and charges paid by the sub-fund | |
| Fee paid to the statutory auditor of the Bevek | Fee of the statutory auditor: 1942 EUR/year (excluding VAT) for non-structured sub-funds These amounts can be indexed on an annual basis in accordance with the decision of the General Meeting. |

1.2.2. General market overview

1 September 2019 – 30 August 2020

General overview

The economic context

Economic growth slowed in the second half of 2019 in response to the intensifying trade conflict between the US and China and uncertainty surrounding Brexit.

The new year began against the backdrop of a reviving world economy, supported by a looser monetary policy and an easing in the risks associated with Brexit and the Sino-American trade war.

Sadly, it all proved short-lived. The global spread of the Covid-19 virus and the lockdowns organised all over the world to manage further infections and hence pressure on health care systems triggered an unprecedented contraction in the world economy. Governments responded with an equally unprecedented expansion of public spending and state guarantees in the hope of mitigating economic harm during the lockdown period.

The global economy is clambering out of the abyss into which the Covid shock had pushed it. Following the catastrophic first half of the year, the economic indicators shifted in the direction of recovery at the end of the second quarter. This has continued in the third quarter. The strength and trajectory of the recovery also remain very unclear, mirroring the uncertainty about the further course of the pandemic.

Monetary policy

The US central bank (Federal Reserve) changed tack in the course of 2019. Having raised the key rate one last time at the end of 2018 and then holding it at the same level throughout the first half of 2019, a preliminary rate cut followed in September of that year.

Beginning in March 2020, however, the Covid crisis triggered a more dramatic policy reversal. The gravity of the situation became clear after the Fed cut its base rate not once but twice outside its normal schedule of meetings. It is also providing unlimited liquidity, including by means of an open-ended bond-purchase programme. Central banks worldwide have followed the Fed's example and lowered interest rates.

The European Central Bank (ECB) had already cut its deposit rate in September 2019 from -0.4% to -0.5% and relaunched its bond purchase programme. The ECB has since taken numerous additional steps with the launch of the 750 billion-euro Pandemic Emergency Purchase Programme (PEPP) aimed at supporting the euro area economy and calming the unrest on the financial markets. Under this programme the ECB is not only pumping a great deal of liquidity into the market, but also providing extensive flexibility in its implementation. The budget for the PEPP was raised further in June to 1.35 trillion euros.

Currency markets

The Covid crisis had relatively little impact on the euro. The news about the European support fund gave the currency a sudden boost however in June. The sharp weakening of the US dollar due to less attractive interest rates also played a major role. The euro appreciated against most currencies during the report period, with the exception of the Swiss franc and the British pound, amongst others, despite renewed uncertainty surrounding Brexit. The Covid crisis caused most emerging market currencies to fall sharply.

Stock markets

Supported by a recovery in economic confidence, equity markets embarked on a scorching rally in September, which drove up the value of the MSCI World AC (in euros) by around 20% towards the middle of February.

When the Covid-19 virus went global at the end of February, however, the global stock market (MSCI World AC expressed in euros) fell sharply. Over 30% of their market capitalisation was wiped out in a very short space of time. A robust recovery then followed as suddenly as the correction had materialised. Hopes that the virus would be brought swiftly under control and the gigantic support measures taken from both the budgetary and monetary angle, shored up sentiment. The reporting period eventually closed with a gain of 7.7%. Regional differences, however, were huge. The US stock market, for instance, driven by technology, media and other growth stocks, closed 13% higher, while share prices in Europe were down 1.5%. Bigger losses were suffered in the growth countries: Latin America, which has been badly hit by Covid-19, saw almost one-third of its market capitalisation evaporate. Losses of between 20 and 30% were recorded in Central Europe too. The Asian growth markets (+15%) kept out of the red, driven by the Chinese market (+24%) which was quick to leave its Covid cares behind.

After the economy had virtually ground to a halt, demand for oil and other commodities fell off a cliff during the final months of the reporting period. The situation in the oil sector was exacerbated by Saudi Arabia which sought to grab a larger slice of the market by ratcheting up its output. The upshot was a gigantic output surplus and a fall in price from just over 70 US dollars per barrel of Brent crude to barely 20 dollars by the end of April. Sharper than anticipated production curbs led subsequently to a recovery in prices: the reporting period closed with oil at 45 USD a barrel (-23% compared to the start of the period). The global energy sector ended the period with a comparable loss (-36%). Other cyclical sectors, such as Industrials (-1%) and Financials (-13%) suffered sharp declines. The difference compared to the so-called Covid winners in Technology (+41%), Health Care (+14%) and Communications (+13.6%) was huge. Led by online giant Amazon and a stratospheric Tesla, the Consumer Discretionary sector also closed higher (+24%).

Bond markets

German 10-year bond yields moved erratically during the reporting period. They rose strongly at the end of 2019 in anticipation of an economic recovery before peaking in January just below zero (-0.16%). The outbreak of the Covid crisis was initially accompanied by a sharp fall (to a new low of -0.86%) at the beginning of March. Fear of a liquidity shortfall then drove the rate up substantially to -0.2% by mid-March. This was swiftly stifled, however, by the quantitative measures taken by the ECB, which pushed German yields down to -0.4% by the end of the reporting period.

Ten-year yields in the US peaked somewhat earlier than in Europe, with a high of 1.94% in November. The Fed has cut its key rate several times during the Covid crisis and has relaunched its bond-purchasing programme. This, combined with a flight to safe havens, pushed yields to a historical low of 0.54% at the beginning of March. Fear of a liquidity shortfall led to a very brief spike in yields to 1.2%. The trend became a little calmer in April, but a new historical low of 0.5% was reached at the beginning of August. The reporting period closed with the rate at 0.7%.

The spread between euro corporate bonds and safer government paper followed the risk appetite trajectory. At the beginning of the reporting period, it was still possible for the spread to contract further. Fear of a deep economic recession (and increasing defaults) then caused the spread to rise by almost 1.5% between the middle of February and the end of March (to a level of 2.47%). The substantial expansion of the European Central Bank (ECB)'s bond-purchasing programme but also the European emergency fund (EU Next Generation) subsequently restored confidence: the spread narrowed sharply to 1.14% at the end of the reporting period.

A similar pattern, albeit a little more volatile, was also observed in the spread between sovereign paper from the southern euro nations on the one hand and Germany on the other. The gravity of the Covid crisis in Italy together with precarious local finances sparked particular doubts. Clear communication from the ECB and the financial support these countries would be receiving from Europe (EU Next Generation), allowed tension to ease here too to pre-Covid levels.

Projections

The economic context

The world economy is recovering from the sharp decline triggered by the corona pandemic. It remains unclear, however, how strong this recovery will be. There are signals that the worst is now behind us, but the downside risks outweigh the upside. Strict new lockdown measures seem less likely in the future. Social resistance is too great, while more efficient and targeted precautions often make it possible to avoid a full lockdown. On balance, this all paints a slightly more positive picture, although we remain relatively cautious in our economic outlook.

Retail sales are leading the recovery in the euro area. Industry and exports remain weaker. Yet there are clear differences between countries, in terms of both the development of the pandemic and the strength of the economic recovery. Spain has been particularly hard hit, while Germany is doing better than the rest of the euro area. Beyond the euro area, the dramatic contraction in British gross domestic product (GDP) in the second quarter and the problematic pattern of the epidemic in the UK has been grabbing the headlines. Central and Eastern Europe have been badly affected by the virus too, with differences once more from one country to another.

Short-term indicators in the United States suggest a further recovery in economic activity and an improvement in the labour market. At first sight, the economic recovery in the US looks more convincing than that in Europe. All the same, weak consumer confidence and signs of a certain weakness in the underlying development of the labour market urge a degree of caution. The approaching presidential elections are another growing source of uncertainty.

The economic recovery in China remains remarkably strong. There is a clear difference however between industry, which has now fully recovered, and retail, which continues to lag behind. China's recovery is also overshadowed by risks. Taking everything together, though, we expect China to be the only major economy that will post positive full-year growth in 2020. This contrasts sharply with other big emerging economies like India and South Africa, which contracted substantially once more in the second quarter and where the virus has yet to be brought under control. These countries will experience a much slower economic recovery.

Monetary policy

As far as monetary policy is concerned, we are still assuming that the European Central Bank and the Federal Reserve will maintain their current accommodating policy until 2021. Government bond yields and rate spreads between euro countries will therefore remain close to their present levels. There is little upside potential. The Fed announced a potentially significant adjustment to its policy framework, stating that it would allow inflation to overshoot the inflation target in the future to compensate for low inflation in recent years. This change has been generally interpreted as a clear signal that the policy rate will remain low for some considerable time in order to support the economic recovery.

Inflation has followed a different pattern in the euro area than in the US, falling in the former but rising in the latter. The inflation dynamic in the euro area could be disrupted by one-off factors. Nevertheless, divergent inflation expectations were an important factor in the recent easing of the dollar against the euro. Rising inflation forecasts in the US in particular contributed to the decline in real interest rates, causing the dollar to ease. We expect the dollar's weakening to persist.

Currency markets

An easing of the dollar for the remainder of the current year and in the longer term was already built into our expectations. In the light of recent developments, however, we now anticipate an even weaker dollar this year and the next.

Financial markets

Now that the economy has the wind in its sails once again, a positive wind is blowing through the financial markets too. So strongly, even, that it seems exaggerated in certain segments and that certain risks are being lost sight of. The equity weighting is at the benchmark level, but we are positioning the equity component a little more cautiously.

In view of the extremely low level of interest rates, which are even negative in some cases, we are still invested below the benchmark level for bonds. This underweighting has been scaled back, a little, however. In recent months, we have raised the current yield in the bond portfolio, combining this with adequate protection. In an environment in which interest rates will remain low for some considerable time, we therefore prefer the extra return on our bond portfolio to cash instruments.

Stock markets

Our preference regionally is for Asian emerging markets, primarily for the exposure they provide to China. This region was the first to be hit by coronavirus, but managed to contain it relatively quickly by implementing effective measures, putting China ahead of the rest of the world economically. The economy there is growing at a rapid pace following a short-lived slowdown and is expected to perform better than the rest of the world in the quarters ahead. The pandemic also appeared to have been brought under control in other parts of Asia (South Korea, Japan) and in Europe, although the statistics have been moving in the wrong direction in recent weeks. This naturally heightens fears of fresh lockdown measures. Any new measures are unlikely to be as stringent as before, however, although they could put a brake on the economic recovery. For that reason, we still prefer more defensive US stocks to somewhat more cyclical European ones.

The sharp economic downturn is, after all, less good news for cyclical, growth-oriented sectors. Consequently, the preference is still for more defensive businesses, such as Consumer Staples. This sector is made up of companies that manufacture and sell goods for everyday use. It has barely been affected by the sharp slowdown in growth and hence also offers predictable, stable earnings. Moreover, a substantial proportion of revenue is now generated in the emerging markets where the economy is getting back up to speed. We have nevertheless become a little more cautious towards companies in the Health Care sector. These consist primarily of big pharmaceutical companies which typically perform somewhat worse in the run-up to presidential elections in the US, due to the tough language – chiefly on the part of Democratic candidates – applied to the pricing of medicines.

We are also targeting Communication Services. This sector includes Media and Telecoms, both of which are holding up relatively well in the current economic climate. Technology remains attractive, though valuations in this sector have risen somewhat, opening the way for some profit-taking after the strong stock market rally enjoyed by these companies. Finally, we are cautiously positive regarding early-cyclical sectors, such as Materials and Consumer Discretionary. These have been through a difficult period due to the Covid crisis and the global recession. Materials could benefit, however, from the robust recovery of the Chinese economy, which is very commodity-intensive. Chinese consumers are also playing their part, which could provide a boost for the Consumer Discretionary sector (e.g. luxury goods and tourism). We remain positive on retail, including online.

It is too early for other cyclical sectors such as Industrials. Companies are hoarding huge cash reserves, which will not help investment budgets. This is not good news, therefore, for industrial stocks. The low activity level and low energy prices are a further reason for underweighting Utilities. Financials, lastly, are also underweight. The many monetary stimulus measures are intended to keep interest rates low, including in the US. This is putting the interest margin of banks under pressure. What's more, the economic slump will drive up the number of non-performing loans. Well-capitalised banks can cope with this, but they are not expected to outperform the market.

As regards investment themes, the focus is on Medical Technology. This segment of the Health Care sector enjoys robust cash flows and outperforms the market over the long term. It contains many innovative companies with high margins. We also have a preference for water companies. Drinking water is in very short supply due to obsolete and inadequate water infrastructure, climate change and problems with water quality and waste-water. This offers robust long-term revenue growth opportunities for water companies. The traditional premium for water companies is also lower than the average over the last eight years. Lastly, we are also targeting Global Trends: this portfolio comprises companies which are included in themes that are expected to see accelerated growth in the coming years, such as digitalisation, demographic trends, medical technology and innovation. Some examples are the digital world, automation, cloud, e-commerce, alternative energy, gene therapy and animal welfare.

Bond markets

In view of the extremely low level of interest rates, which are even negative in some cases, we are invested slightly below the benchmark level for bonds. The outbreak of the Covid pandemic has hit the entire world hard. Most countries also went into economic recession in the first half of 2020. Governments are attempting to mitigate the worst consequences through unprecedented fiscal stimulus measures and guarantees. The measures taken in the US amount to more than 2 trillion dollars, roughly 10% of gross domestic product (GDP). The Fed has also reacted quickly, reducing its key rate in March in two steps, from 1.75% to 0.25%. It is also providing unlimited liquidity, including by means of an open-ended bond-purchase programme. Central banks worldwide have followed the Fed's example and lowered interest rates.

The European Central Bank (ECB) had already cut its deposit rate in September 2019 from -0.4% to -0.5% and relaunched its bond purchase programme. The ECB has since taken numerous additional steps with the launch of the 750 billion-euro Pandemic Emergency Purchase Programme (PEPP) aimed at supporting the euro area economy and calming the unrest on the financial markets. Under this programme the ECB is not only pumping a great deal of liquidity into the market, but also providing extensive flexibility in its implementation. The budget for the PEPP was raised further in June to 1.35 trillion euros.

These are gigantic monetary stimulus measures, and the ECB's ultra-flexible monetary policy will certainly be maintained for as long as the recession lasts and inflation remains too low. It will be many years, therefore, before the key rate is raised in the euro area. We also see little reason for a sharp rise in consumer prices in the coming months, and in any event nowhere near the 2% inflation target set by the ECB. Bond yields are largely unattractive, especially for bonds issued by the core members of the euro area. But they will remain low for a long time to come, which means the interest rate risk (loss of value when rates rise) is limited. Peripheral countries such as Spain and Italy offer the chance of an extra return, though the risks are also higher. The approval of the EU Next Generation recovery fund in July means the picture is now slightly more positive. Because of this, potential short-term problems look smaller for these peripheral nations, making the investments in question more attractive. We have given preference to these higher rates since August and have raised both the weighting and maturities for Spain and Italy and in the bond portfolio.

Corporate bonds carry more risk than government bonds. They therefore offer a relatively attractive premium, currently around 1.15%, for their lower creditworthiness compared with government bonds. As a result, the average return is just positive. The economic recession will lead to a further lowering of the credit rating and the number of bankruptcies will increase. However, companies in the euro area, and especially banks, entered the crisis in financially better shape than in 2008. Governments and central banks have taken unprecedented measures to mitigate the impact for the corporate sector and to meet the need for credit. The ECB is also supporting the corporate bond market through its purchases. These enormous support measures, taken together with the present economic recovery, mitigate the aforementioned risks, and the outlook for corporate bonds is therefore turning relatively positive. We welcome this trend and have built up the corporate bond weighting in recent months. The absolute projected return remains very low, however, and KBC Asset Management is accordingly maintaining a neutral stance on this theme.

Emerging market bonds offer an attractive extra return – especially in the current environment of low interest rates – compared to government paper from the euro area. The valuation in the historical context is attractive. Local economies are recovering, while their central banks are also pursuing an extremely loose monetary policy. This theme is, however, subject to a pronounced level of volatility. A great deal of uncertainty thus remains, concerning Covid infections, for instance, and their potential impact on the economy and the generally poor creditworthiness of these countries. We have been convinced since this autumn that the global outlook is improving. The emerging-market bond theme has been given a positive recommendation, but we are only adopting a limited position in the portfolio.

Owing to the improved economic climate and fiscal and monetary support, we have increased risk within the portfolio since May, which is boosting the return. KBC AM built more protection into the portfolio in September by substantially lengthening the maturities of certain core countries. If market corrections occur, investors will seek refuge in these safer havens and prices will rise. A combination of short and long-dated bonds will limit fluctuations in the portfolio in the case of turbulence, without the duration getting out of hand.

1.3. Auditor's report



KBC Eco Fund NV

Bevek under Belgian law, category UCITS

Statutory auditor's report to the shareholders' meeting for the year ended
31 August 2020 – Annual accounts

The original text of this report is in Dutch

Statutory auditor's report to the shareholders' meeting of KBC Eco Fund NV for the year ended 31 August 2020 – Annual Accounts

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

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 29 November 2017, in accordance with the proposal of the board of directors. Our mandate will expire on the date of the shareholders' meeting deliberating on the annual accounts for the year ending 31 August 2020. We have performed the statutory audit of the annual accounts of KBC Eco Fund NV for 18 consecutive periods.

Report on the annual accounts

Unqualified opinion

We have audited the annual accounts of the company, which comprises the balance sheet as at 31 August 2020 and the income statement for the year then ended, as well as the explanatory notes. The annual accounts show a total net asset value of 1 360 349 669,05 EUR and the income statement shows a gain for the year ended of 33 353 285,53 EUR.

In our opinion, the annual accounts give a true and fair view of the company's net asset value and financial position as of 31 August 2020 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

An overview of the total net asset value and result for each compartment is given in the following table.

| Name | Currency | Equity | Results |
|-----------------------------------|-----------------|------------------|----------------|
| KBC Eco Fund - World | EUR | 225 249 955,42 | 12 385 543,74 |
| KBC Eco Fund - Alternative Energy | EUR | 56 624 849,00 | 14 844 999,36 |
| KBC Eco Fund - Water | EUR | 825 800 875,31 | -6 024 067,99 |
| KBC Eco Fund - Impact Investing | EUR | 160 451 920,24 | 9 371 638,48 |
| KBC Eco Fund - Climate Change | EUR | 32 431 988,77 | 1 896 605,92 |
| KBC Eco Fund - CSOB Water | CZK | 1 571 046 422,37 | 23 085 233,83 |

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the annual accounts" section of our report. We have complied with all ethical requirements relevant to the statutory audit of the annual accounts in Belgium, including those regarding independence.

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

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

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

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

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

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

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

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of annual accounts in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

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

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other legal and regulatory requirements

Responsibilities of the board of directors

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

Responsibilities of the statutory auditor

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

Aspects regarding the directors' report

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

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

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the company during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit of the annual accounts, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the annual accounts.

Other statements

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant legal and regulatory requirements.
- We do not have to report any transactions undertaken or decisions taken which may be in violation of the company's articles of association the Companies Code or, as from 1 January 2020, the Code of companies and associations.

Signed at Zaventem

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL

Represented by Maurice Vrolix

Deloitte.

1.4. Aggregate balance sheet (in EUR)

| Balance sheet layout | | 31/08/2020 | 31/08/2019 |
|-----------------------------------|---|------------------|------------------|
| | TOTAL NET ASSETS | 1,360,349,669.05 | 1,237,782,254.87 |
| II. | Securities, money market instruments, UCIs and derivatives | | |
| C. | Shares and similar instruments | | |
| | a) Shares | 1,346,149,380.89 | 1,227,884,021.68 |
| D. | Other securities | 40,004.26 | |
| F. | Derivative financial instruments | | |
| | j) Foreign exchange | | |
| | Futures and forward contracts (+/-) | 431,115.58 | -429,427.43 |
| IV. | Receivables and payables within one year | | |
| A. | Receivables | | |
| | a) Accounts receivable | 1.34 | 10,109,432.61 |
| B. | Payables | | |
| | a) Accounts payable (-) | -0.33 | -11,908,717.38 |
| | c) Borrowings (-) | -199,214.23 | -944,955.12 |
| V. | Deposits and cash at bank and in hand | | |
| A. | Demand balances at banks | 13,916,725.75 | 11,980,535.80 |
| VI. | Accruals and deferrals | | |
| B. | Accrued income | 1,459,747.05 | 2,067,695.95 |
| C. | Accrued expense (-) | -1,448,091.27 | -976,331.24 |
| | TOTAL SHAREHOLDERS' EQUITY | 1,360,349,669.05 | 1,237,782,254.87 |
| A. | Capital | 1,326,968,056.40 | 1,181,278,337.10 |
| B. | Income equalization | 28,327.12 | 842,806.57 |
| D. | Result of the bookyear | 33,353,285.53 | 55,661,111.20 |
| Off-balance-sheet headings | | | |
| III. | Notional amounts of futures and forward contracts (+) | | |
| III.A. | Purchased futures and forward contracts | 46,558,689.44 | 35,766,852.89 |
| III.B. | Written futures and forward contracts | -5,052,176.13 | -7,668,782.17 |

1.5. Aggregate profit and loss account (in EUR)

| Income Statement | 31/08/2020 | 31/08/2019 |
|--|----------------|----------------|
| I. Net gains(losses) on investments | | |
| C. Shares and similar instruments | | |
| a)Shares | 100,136,224.26 | 9,360,753.44 |
| D. Other securities | -254,339.79 | 187,920.03 |
| G. Receivables, deposits, cash at bank and in hand and payables | -0.01 | -0.00 |
| H. Foreign exchange positions and transactions | | |
| a)Derivative financial instruments | | |
| Futures and forward contracts | 855,462.48 | -554,216.09 |
| b)Other foreign exchange positions and transactions | -64,905,160.00 | 40,335,628.84 |
| Det.section I gains and losses on investments | | |
| Realised gains on investments | 115,490,634.08 | 48,467,500.69 |
| Unrealised gains on investments | 29,423,905.28 | 87,240,660.36 |
| Realised losses on investments | -70,506,255.28 | -26,116,576.44 |
| Unrealised losses on investments | -38,576,097.15 | -60,261,498.38 |
| II. Investment income and expenses | | |
| A. Dividends | 19,275,625.54 | 22,928,199.84 |
| B. Interests | | |
| b)Cash at bank and in hand and deposits | 23,117.55 | 49,956.74 |
| C. Interest on borrowings (-) | -46,206.36 | -32,462.23 |
| F. Other investment income | 29.91 | 105.38 |
| III. Other income | | |
| A. Income received to cover the acquisition and realizaion of assets, to discourage withdrawals and for delivery charges | 314,107.73 | 247,033.65 |
| B. Other | 85.72 | |
| IV. Operating expenses | | |
| A. Investment transaction and delivery costs (-) | -1,613,906.98 | -697,256.13 |
| B. Financial expenses (-) | -1,727.61 | -1,775.07 |
| C. Custodian's fee (-) | -530,426.42 | -269,689.67 |
| D. Manager's fee (-) | | |
| a)Financial management | -17,065,345.34 | -14,131,633.52 |
| b)Administration and accounting management | -1,345,463.57 | -1,118,517.60 |
| E. Administrative expenses (-) | -5,004.60 | -5,001.57 |
| F. Formation and organisation expenses (-) | -29,771.01 | -32,231.13 |
| G. Remuneration, social security charges and pension | -17,601.41 | -25,842.83 |
| H. Services and sundry goods (-) | -87,669.49 | -71,719.02 |
| J. Taxes | -1,041,808.60 | -672,249.71 |
| K. Other expenses (-) | -306,936.46 | 164,107.84 |
| Income and expenditure for the period | | |
| Subtotal II + III + IV | -2,478,901.40 | 6,331,024.94 |
| V. Profit (loss) on ordinary activities before tax | 33,353,285.53 | 55,661,111.20 |

VII. Result of the bookyear

| | |
|---------------|---------------|
| 33,353,285.53 | 55,661,111.20 |
|---------------|---------------|

| Appropriation Account | | 31/08/2020 | 31/08/2019 |
|------------------------------|---|-------------------|-------------------|
| I. | Profit to be appropriated | 33,381,612.65 | 56,503,917.77 |
| | Profit for the period available for appropriation | 33,353,285.53 | 55,661,111.20 |
| | Income on the creation of shares (income on the cancellation of shares) | 28,327.12 | 842,806.57 |
| II. | (Appropriations to) Deductions from capital | -29,395,358.24 | -53,058,845.60 |
| IV. | (Dividends to be paid out) | -3,986,254.41 | -3,445,072.17 |

1.6. Summary of recognition and valuation rules

1.6.1. Summary of the rules

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

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

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

Differences

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

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

This tolerance limit is:

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

1.6.2. Exchange rates

| 1 EUR = | 31/08/2020 | | 31/08/2019 | |
|---------|--------------|----------|--------------|----------|
| | | 1.617132 | AUD | 1.634500 |
| | 6.560862 | BRL | 4.550600 | BRL |
| | 1.558263 | CAD | 1.463350 | CAD |
| | 1.076893 | CHF | 1.089650 | CHF |
| | 927.542942 | CLP | 792.376950 | CLP |
| | 26.276038 | CZK | 25.962500 | CZK |
| | 7.444370 | DKK | 7.456100 | DKK |
| | 1.000000 | EUR | 1.000000 | EUR |
| | 0.893199 | GBP | 0.904250 | GBP |
| | 9.268791 | HKD | 8.628650 | HKD |
| | 354.910002 | HUF | 331.050000 | HUF |
| | 4.008525 | ILS | 3.888250 | ILS |
| | 88.030889 | INR | 78.637500 | INR |
| | 126.824518 | JPY | 116.892150 | JPY |
| | 1,420.669010 | KRW | 1,333.889100 | KRW |
| | 26.174561 | MXN | 22.098950 | MXN |
| | 4.981729 | MYR | 4.631300 | MYR |
| | 10.378454 | NOK | 10.028250 | NOK |
| | 1.769418 | NZD | 1.746100 | NZD |
| | 57.985635 | PHP | 57.328300 | PHP |
| | 10.315009 | SEK | 10.799750 | SEK |
| | 1.626013 | SGD | 1.527650 | SGD |
| | 37.140227 | THB | 33.703800 | THB |
| | 8.800996 | TRY | 6.416150 | TRY |
| | 35.090966 | TWD | 34.590250 | TWD |
| | 1.195950 | USD | 1.101250 | USD |
| | 20.260887 | ZAR | 16.721100 | ZAR |

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2. Information on KBC Eco Fund Alternative Energy

2.1. Management report

2.1.1. Launch date and subscription price

Classic Shares Distribution

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

Classic Shares Capitalisation

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

Institutional B Shares Capitalisation

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

2.1.2. Stock exchange listing

Not applicable.

2.1.3. Goal and key principles of the investment policy

Object of the sub-fund

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

Sub-fund's investment policy

Permitted asset classes

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

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

Restrictions of the investment policy

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

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

Permitted derivatives transactions

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

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

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

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

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

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

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

Strategy selected

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.

The fund is actively managed without referring to any benchmark.

Volatility of the net asset value

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

Securities Financing Transactions (SFTs)

The sub-fund may not lend any financial instruments.

General strategy for hedging the exchange risk

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

Social, ethical and environmental aspects

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

2.1.4. Financial portfolio management

The intellectual management, with the exception of the sustainability screening described in the prospectus and the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

2.1.5. Distributors

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

2.1.6. Index and benchmark

Not applicable.

2.1.7. Policy pursued during the financial year

We refer to the General information on the SICAV of this report under '1.2.2. General overview of the markets' for a review of the market.

2.1.8. Future policy

We refer to the General information on the SICAV of this report under '1.2.2. General overview of the markets' for an overview of the outlook.

2.1.9. Synthetic risk and reward indicator (SRRI)

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

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

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

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

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 32,883.24 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 | | 31/08/2020 (in the currency of the sub-fund) | 31/08/2019 (in the currency of the sub-fund) |
|-----------------------------|---|--|--|
| | TOTAL NET ASSETS | 56,624,849.00 | 37,049,937.31 |
| II. | Securities, money market instruments, UCIs and derivatives | | |
| C. | Shares and similar instruments | | |
| a) | Shares | 56,654,466.12 | 37,241,166.66 |
| IV. | Receivables and payables within one year | | |
| A. | Receivables | | |
| a) | Accounts receivable | 0.38 | 0.38 |
| B. | Payables | | |
| a) | Accounts payable (-) | | -1,426.67 |
| c) | Borrowings (-) | -52,784.84 | -297,648.14 |
| V. | Deposits and cash at bank and in hand | | |
| A. | Demand balances at banks | 42,257.38 | 92,628.32 |
| VI. | Accruals and deferrals | | |
| B. | Accrued income | 30,393.11 | 44,318.82 |
| C. | Accrued expense (-) | -49,483.15 | -29,102.06 |
| | TOTAL SHAREHOLDERS' EQUITY | 56,624,849.00 | 37,049,937.31 |
| A. | Capital | 41,721,127.35 | 35,771,869.98 |
| B. | Income equalization | 58,722.29 | -14,618.31 |
| D. | Result of the bookyear | 14,844,999.36 | 1,292,685.64 |

2.3. Profit and loss account

| Income Statement | | 31/08/2020 (in the currency of the fund) | 31/08/2019 (in the currency of the fund) |
|-------------------------|--|--|--|
| I. | Net gains(losses) on investments | | |
| C. | Shares and similar instruments | | |
| | a) Shares | 16,722,213.37 | 35,633.87 |
| D. | Other securities | -232,214.36 | 7,894.75 |
| H. | Foreign exchange positions and transactions | | |
| | a) Derivative financial instruments | | |
| | Futures and forward contracts | -0.01 | |
| | b) Other foreign exchange positions and transactions | -1,619,641.89 | 984,098.20 |
| | Det.section I gains and losses on investments | | |
| | Realised gains on investments | 7,676,926.08 | 2,767,475.03 |
| | Unrealised gains on investments | 8,140,906.49 | 200,986.58 |
| | Realised losses on investments | -2,146,591.79 | -1,470,737.28 |
| | Unrealised losses on investments | 1,199,116.33 | -470,097.51 |
| II. | Investment income and expenses | | |
| A. | Dividends | 632,092.11 | 822,882.56 |
| B. | Interests | | |
| | b) Cash at bank and in hand and deposits | 1,208.21 | 1,308.27 |
| C. | Interest on borrowings (-) | -1,027.19 | -924.28 |
| III. | Other income | | |
| A. | Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges | 11,483.19 | 2,613.35 |
| B. | Other | 3.34 | |
| IV. | Operating expenses | | |
| A. | Investment transaction and delivery costs (-) | -36,089.62 | -22,796.02 |
| B. | Financial expenses (-) | -86.73 | -76.17 |
| C. | Custodian's fee (-) | -16,366.32 | -8,584.42 |
| D. | Manager's fee (-) | | |
| | a) Financial management | | |
| | Classic Shares | -483,623.95 | -384,384.63 |
| | Institutional B Shares | -30,411.96 | -77,836.58 |
| | b) Administration and accounting management | -42,378.80 | -35,899.11 |
| E. | Administrative expenses (-) | -998.67 | -1,000.00 |
| F. | Formation and organisation expenses (-) | -2,274.63 | -3,114.71 |
| G. | Remuneration, social security charges and pension | -545.27 | -828.08 |
| H. | Services and sundry goods (-) | -8,853.92 | -9,559.59 |
| J. | Taxes | | |
| | Classic Shares | -35,518.31 | -21,030.37 |
| | Institutional B Shares | -803.74 | -706.06 |
| K. | Other expenses (-) | -11,165.49 | 4,994.66 |
| | Income and expenditure for the period | | |
| | Subtotal II + III + IV | -25,357.75 | 265,058.82 |
| V. | Profit (loss) on ordinary activities before tax | 14,844,999.36 | 1,292,685.64 |
| VII. | Result of the bookyear | 14,844,999.36 | 1,292,685.64 |

| Appropriation Account | | 31/08/2020 (in the currency of the sub-fund) | 31/08/2019 (in the currency of the sub-fund) |
|------------------------------|---|--|--|
| I. | Profit to be appropriated | 14,903,721.65 | 1,278,067.33 |
| | Profit for the period available for appropriation | 14,844,999.36 | 1,292,685.64 |
| | Income on the creation of shares (income on the cancellation of shares) | 58,722.29 | -14,618.31 |
| II. | (Appropriations to) Deductions from capital | -14,787,587.85 | -1,164,961.38 |
| IV. | (Dividends to be paid out) | -116,133.80 | -113,105.95 |

2.4. Composition of the assets and key figures

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

| Name | Quantity on 31/08/2020 | 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> | | | | | | | |
| ANDRITZ AG - | 26,607.00 | EUR | 28.040 | 746,060.28 | | 1.32 | 1.32 |
| <u>Belgium</u> | | | | | | | |
| BEKAERT - | 31,358.00 | EUR | 16.930 | 530,890.94 | | 0.94 | 0.94 |
| ELIA SYSTEM OPERATOR - | 9,339.00 | EUR | 90.100 | 841,443.90 | | 1.49 | 1.49 |
| UMICORE - | 16,458.00 | EUR | 38.490 | 633,468.42 | | 1.12 | 1.12 |
| <u>Brazil</u> | | | | | | | |
| SAO MARTINHO SA - | 255,637.00 | BRL | 24.170 | 941,758.29 | | 1.66 | 1.66 |
| <u>Canada</u> | | | | | | | |
| BALLARD POWER SYSTEMS - | 42,753.00 | USD | 16.600 | 593,419.29 | | 1.05 | 1.05 |
| HYDRO ONE LTD - | 86,162.00 | CAD | 27.000 | 1,492,927.65 | | 2.64 | 2.64 |
| INNERGEX RENEWABLE ENERGY INC - | 65,679.00 | CAD | 22.520 | 949,192.17 | | 1.68 | 1.68 |
| POLARIS INFRASTRUCTURE INC - | 35,722.00 | CAD | 14.190 | 325,295.00 | | 0.57 | 0.57 |
| 5N PLUS INC - | 16,902.00 | CAD | 1.830 | 19,849.45 | | 0.04 | 0.04 |
| <u>China</u> | | | | | | | |
| DONGFANG ELECTRIC CORP LTD - | 1,148,600.00 | HKD | 4.400 | 545,253.37 | | 0.96 | 0.96 |
| GCL POLY ENERGY HOLDINGS LTD - | 21,178,400.00 | HKD | 0.315 | 719,748.17 | | 1.27 | 1.27 |
| <u>Denmark</u> | | | | | | | |
| NOVOZYMES A/S B | 16,579.00 | DKK | 369.100 | 822,004.92 | | 1.45 | 1.45 |
| VESTAS WINDS SYSTEMS - | 7,889.00 | DKK | 948.400 | 1,005,045.08 | | 1.77 | 1.78 |
| <u>France</u> | | | | | | | |
| LEGRAND (PAR) | 10,971.00 | EUR | 69.900 | 766,872.90 | | 1.35 | 1.35 |
| NEXANS SA (PAR) | 15,881.00 | EUR | 47.080 | 747,677.48 | | 1.32 | 1.32 |
| <u>Germany</u> | | | | | | | |
| AIXTRON AG - | 57,146.00 | EUR | 9.652 | 551,573.19 | | 0.97 | 0.97 |
| ENCAVIS AG - | 68,479.00 | EUR | 15.300 | 1,047,728.70 | | 1.85 | 1.85 |
| NORDEX AG - | 67,010.00 | EUR | 10.950 | 733,759.50 | | 1.30 | 1.30 |
| SMA SOLAR TECHNOLOGY AG - | 20,739.00 | EUR | 37.900 | 786,008.10 | | 1.39 | 1.39 |
| WACKER CHEMIE AG - | 10,277.00 | EUR | 81.880 | 841,480.76 | | 1.49 | 1.49 |
| <u>Greece</u> | | | | | | | |
| TERNA ENERGY SA - | 62,438.00 | EUR | 11.860 | 740,514.68 | | 1.31 | 1.31 |
| <u>Hong Kong</u> | | | | | | | |
| CHINA EVERBRIGHT INTL - | 2,185,703.00 | HKD | 4.680 | 1,103,605.54 | | 1.95 | 1.95 |
| WASION HOLDINGS LTD - | 800,000.00 | HKD | 2.290 | 197,652.51 | | 0.35 | 0.35 |
| <u>India</u> | | | | | | | |
| PRAJ INDUSTRIES LTD - | 1,165,583.00 | INR | 68.450 | 906,320.01 | | 1.60 | 1.60 |
| <u>Italy</u> | | | | | | | |
| FALK RENEWABLES SPA - | 141,344.00 | EUR | 5.620 | 794,353.28 | | 1.40 | 1.40 |
| TERNA RETE ELETTRICA NAZIONALE - | 163,245.00 | EUR | 6.058 | 988,938.21 | | 1.75 | 1.75 |
| <u>Japan</u> | | | | | | | |
| NIPPON SHEET GLASS CO LTD - | 204,600.00 | JPY | 426.000 | 687,245.66 | | 1.21 | 1.21 |
| WEST HOLDINGS CORP - | 74,090.00 | JPY | 2,901.000 | 1,694,743.99 | | 3.00 | 2.99 |
| <u>Netherlands</u> | | | | | | | |
| ADVANCED METALLURGICAL GROUP - | 34,343.00 | EUR | 17.220 | 591,386.46 | | 1.04 | 1.04 |
| ALFEN BEHEER BV - | 18,451.00 | EUR | 60.800 | 1,121,820.80 | | 1.98 | 1.98 |
| <u>New Zealand</u> | | | | | | | |
| MERIDIAN ENERGY LTD - | 375,367.00 | NZD | 5.080 | 1,077,678.52 | | 1.90 | 1.90 |
| TRUSTPOWER LTD BAY ENERGY LTD | 7,416.00 | NZD | 6.770 | 28,374.47 | | 0.05 | 0.05 |
| <u>Norway</u> | | | | | | | |
| REC SILICON ASA - | 1,016,451.00 | NOK | 3.724 | 364,723.25 | | 0.64 | 0.64 |
| SCATEC SOLAR ASA - | 47,448.00 | NOK | 189.700 | 867,266.50 | | 1.53 | 1.53 |
| <u>Singapore</u> | | | | | | | |
| MAXEON SOLAR TECHNOLOGIES LTD - | 7,631.00 | USD | 20.780 | 132,590.98 | | 0.23 | 0.23 |

| | | | | | | | |
|---|---------------|-----|------------|---------------|--|--------|--------|
| <u>South Korea</u> | | | | | | | |
| OCI CO LTD - | 18,276.00 | KRW | 64,700.000 | 832,324.20 | | 1.47 | 1.47 |
| <u>Spain</u> | | | | | | | |
| ABENGOA S.A. B SHARES | 40,847,142.00 | EUR | 0.006 | 253,252.28 | | 0.45 | 0.45 |
| ACCIONA SA - | 7,689.00 | EUR | 100.200 | 770,437.80 | | 1.36 | 1.36 |
| AUDAX RENOVABLES SA - | 338,096.00 | EUR | 1.780 | 601,810.88 | | 1.06 | 1.06 |
| EDP RENOVAVEIS SA - | 70,595.00 | EUR | 14.320 | 1,010,920.40 | | 1.78 | 1.79 |
| RED ELECTRICA DE ESPANA - | 69,947.00 | EUR | 16.025 | 1,120,900.68 | | 1.98 | 1.98 |
| SIEMENS GAMESA RENEWABLE ENERGY SA - | 45,466.00 | EUR | 22.440 | 1,020,257.04 | | 1.80 | 1.80 |
| SOLARIA ENERGIA Y MEDIO AMBIENTE SA - | 81,222.00 | EUR | 17.100 | 1,388,896.20 | | 2.45 | 2.45 |
| <u>Switzerland</u> | | | | | | | |
| ABB LTD - | 39,769.00 | CHF | 22.970 | 848,267.91 | | 1.50 | 1.50 |
| LANDIS+GYR GROUP AG - | 13,078.00 | CHF | 54.650 | 663,680.22 | | 1.17 | 1.17 |
| MEYER BURGER TECHNOLOGY AG MEYER BURGER TECHNOLOGY AG | 2,329,634.00 | CHF | 0.190 | 411,025.41 | | 0.73 | 0.73 |
| OC OERLIKON CORP AG (NOM)20CHF | 105,364.00 | CHF | 8.235 | 805,718.30 | | 1.42 | 1.42 |
| <u>Taiwan</u> | | | | | | | |
| E-TON SOLAR TECH CO LTD - | 180,334.00 | TWD | 1.470 | 7,554.39 | | 0.01 | 0.01 |
| GLOBALWAFERS CO LTD - | 63,248.00 | TWD | 394.000 | 710,146.06 | | 1.25 | 1.25 |
| MOTECH INDUSTRIES INC - | 2,195,000.00 | TWD | 22.250 | 1,391,775.56 | | 2.46 | 2.46 |
| SINO-AMERICAN SILICON PRODUCTS - | 254,000.00 | TWD | 96.400 | 697,775.02 | | 1.23 | 1.23 |
| <u>Thailand</u> | | | | | | | |
| ENERGY ABSOLUTE PCL - | 532,900.00 | THB | 42.000 | 602,629.59 | | 1.06 | 1.06 |
| <u>U.K.</u> | | | | | | | |
| CERES POWER HOLDINGS PLC - | 83,563.00 | GBP | 5.590 | 522,970.47 | | 0.92 | 0.92 |
| JOHNSON MATTHEY PLC - | 31,909.00 | GBP | 23.750 | 848,453.69 | | 1.50 | 1.50 |
| SPIRAX-SARCO ENGINEERING PLC - | 7,245.00 | GBP | 102.450 | 831,001.27 | | 1.47 | 1.47 |
| <u>U.S.A.</u> | | | | | | | |
| ADVANCED ENERGY INDUSTRIES - | 9,276.00 | USD | 74.120 | 574,887.85 | | 1.01 | 1.01 |
| ALBEMARLE CORP. - | 8,051.00 | USD | 91.010 | 612,669.02 | | 1.08 | 1.08 |
| AMERESCO INC - | 30,279.00 | USD | 34.140 | 864,354.75 | | 1.53 | 1.53 |
| AMERICAN SUPERCONDUCTOR CORP - | 79,282.00 | USD | 12.560 | 832,628.39 | | 1.47 | 1.47 |
| APPLIED MATERIALS - | 10,639.00 | USD | 61.600 | 547,984.78 | | 0.97 | 0.97 |
| CANADIAN SOLAR INC - | 33,075.00 | USD | 32.490 | 898,538.19 | | 1.59 | 1.59 |
| CREE RESEARCH INC - | 9,986.00 | USD | 63.100 | 526,875.37 | | 0.93 | 0.93 |
| ENPHASE ENERGY INC - | 10,463.00 | USD | 77.230 | 675,661.60 | | 1.19 | 1.19 |
| ESCO TECHNOLOGIES INC - | 9,423.00 | USD | 89.920 | 708,487.95 | | 1.25 | 1.25 |
| FIRST SOLAR INC - | 11,332.00 | USD | 76.590 | 725,714.19 | | 1.28 | 1.28 |
| FUELCELL ENERGY LTD - | 182,545.00 | USD | 2.840 | 433,486.18 | | 0.77 | 0.77 |
| ITRON INC - | 10,497.00 | USD | 59.570 | 522,853.20 | | 0.92 | 0.92 |
| JINKOSOLAR HOLDING CO LTD - | 29,224.00 | USD | 22.840 | 558,113.77 | | 0.99 | 0.99 |
| MYR GROUP INC/DELAWARE - | 26,383.00 | USD | 38.810 | 856,159.73 | | 1.51 | 1.51 |
| ORMAT TECHNOLOGIES INC - | 12,120.00 | USD | 60.870 | 616,868.93 | | 1.09 | 1.09 |
| OWENS CORNING - | 7,217.00 | USD | 67.640 | 408,175.83 | | 0.72 | 0.72 |
| PLUG POWER INC - | 74,715.00 | USD | 12.980 | 810,904.05 | | 1.43 | 1.43 |
| SUNPOWER CORP -A- | 61,052.00 | USD | 11.190 | 571,237.83 | | 1.01 | 1.01 |
| TESLA INC - | 2,315.00 | USD | 498.320 | 964,597.85 | | 1.70 | 1.70 |
| TPI COMPOSITES INC - | 22,358.00 | USD | 30.710 | 574,116.13 | | 1.01 | 1.01 |
| VEECO INSTRUMENTS INC - | 41,510.00 | USD | 11.890 | 412,687.74 | | 0.73 | 0.73 |
| VMWARE INC CLASS A - | 5,622.00 | USD | 144.440 | 678,993.00 | | 1.20 | 1.20 |
| Total shares | | | | 56,654,466.12 | | 100.00 | 100.05 |
| TOTAL SECURITIES PORTFOLIO | | | | 56,654,466.12 | | 100.00 | 100.05 |
| CASH AT BANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP AUD | 0.29 | AUD | 1.000 | 0.18 | | | |
| KBC GROUP CAD | 1,892.76 | CAD | 1.000 | 1,214.66 | | | 0.00 |
| KBC GROUP CHF | -254.98 | CHF | 1.000 | -236.77 | | | |
| KBC GROUP DKK | 10,154.26 | DKK | 1.000 | 1,364.02 | | | 0.00 |
| KBC GROUP EURO | -51,119.65 | EUR | 1.000 | -51,119.65 | | | -0.09 |
| KBC GROUP GBP | 4,573.04 | GBP | 1.000 | 5,119.84 | | | 0.01 |
| KBC GROUP HKD | 181,868.90 | HKD | 1.000 | 19,621.64 | | | 0.04 |
| KBC GROUP JPY | -793.00 | JPY | 1.000 | -6.25 | | | |
| KBC GROUP NOK | 2,236.68 | NOK | 1.000 | 215.51 | | | |
| KBC GROUP NZD | -2,516.41 | NZD | 1.000 | -1,422.17 | | | -0.00 |
| KBC GROUP SEK | 343.23 | SEK | 1.000 | 33.27 | | | |
| KBC GROUP USD | 17,566.43 | USD | 1.000 | 14,688.26 | | | 0.03 |
| Total demand accounts | | | | -10,527.46 | | | -0.02 |
| TOTAL CASH AT BANK AND IN HAND | | | | -10,527.46 | | | -0.02 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR RECEIVABLE | 0.38 | EUR | 1.000 | 0.38 | | | |

| | | | | | | |
|--------------------------------|--|-----|--|---------------|--|--------|
| Total receivables | | | | 0.38 | | |
| TOTAL RECEIVABLES AND PAYABLES | | | | 0.38 | | |
| OTHER | | | | | | |
| Interest receivable | | EUR | | 30,393.11 | | 0.05 |
| Expenses payable | | EUR | | -49,483.15 | | -0.09 |
| TOTAL OTHER | | | | -19,090.04 | | -0.03 |
| TOTAL NET ASSETS | | | | 56,624,849.00 | | 100.00 |

Geographic breakdown (as a % of securities portfolio)

| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
|------------------------|------------|------------|------------|------------|
| Australia | 0.55 | 0.64 | 0.58 | 0.00 |
| Austria | 1.93 | 2.67 | 1.45 | 1.32 |
| Belgium | 3.67 | 3.67 | 5.22 | 3.53 |
| Brazil | 1.42 | 1.66 | 2.50 | 1.66 |
| Canada | 6.86 | 8.74 | 8.32 | 5.97 |
| Switzerland | 3.41 | 3.47 | 3.95 | 4.82 |
| China | 0.78 | 0.91 | 1.24 | 2.23 |
| Germany | 7.53 | 7.69 | 7.83 | 6.98 |
| Denmark | 3.17 | 3.07 | 2.99 | 3.22 |
| Spain | 8.25 | 9.35 | 9.75 | 10.88 |
| France | 5.06 | 3.22 | 2.70 | 2.67 |
| U.K. | 7.70 | 6.16 | 2.99 | 3.89 |
| Greece | 0.78 | 0.90 | 0.93 | 1.31 |
| Hong Kong | 3.96 | 3.17 | 1.51 | 2.30 |
| India | 0.65 | 0.76 | 1.16 | 1.60 |
| Ireland | 1.08 | 1.06 | 0.00 | 0.00 |
| Italy | 3.05 | 2.93 | 5.24 | 3.14 |
| Japan | 3.42 | 4.52 | 4.51 | 4.24 |
| South Korea | 1.27 | 1.22 | 0.71 | 1.47 |
| Netherlands | 2.28 | 2.49 | 1.35 | 3.02 |
| Norway | 0.33 | 0.39 | 2.67 | 2.17 |
| New Zealand | 0.20 | 0.23 | 1.30 | 1.95 |
| Portugal | 2.07 | 1.99 | 0.00 | 0.00 |
| Singapore | 0.00 | 0.00 | 0.00 | 0.23 |
| Thailand | 0.00 | 0.00 | 1.32 | 1.06 |
| Taiwan | 2.05 | 2.53 | 3.22 | 4.95 |
| U.S.A. | 28.53 | 26.56 | 26.48 | 25.39 |
| British Virgin Islands | 0.00 | 0.00 | 0.08 | 0.00 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

Sector breakdown (as a % of securities portfolio)

| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
|--------------|------------|------------|------------|------------|
| Cyclicals | 56.94 | 55.11 | 50.69 | 57.52 |
| Consum(cycl) | 3.33 | 5.53 | 6.66 | 7.76 |
| Cons.goods | 2.61 | 1.66 | 2.50 | 1.66 |
| Financials | 3.76 | 1.21 | 3.03 | 1.83 |
| Technology | 11.36 | 10.14 | 13.02 | 13.60 |
| Utilities | 22.00 | 26.35 | 24.10 | 17.63 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

Currency breakdown (as a % of net assets)

| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
|--------------------|------------|------------|------------|------------|
| AUSTRALIAN DOLLAR | 0.55 | 0.64 | 0.59 | 0.00 |
| BRASILIAN REAL | 1.42 | 1.66 | 2.50 | 1.66 |
| CANADIAN DOLLAR | 6.08 | 7.52 | 6.69 | 4.92 |
| SWISS FRANC | 3.48 | 3.50 | 3.96 | 4.82 |
| DANISH KRONE | 3.20 | 3.14 | 3.01 | 3.22 |
| EURO | 35.34 | 35.73 | 34.34 | 32.78 |
| POUND STERLING | 9.20 | 6.16 | 2.99 | 3.90 |
| HONG KONG DOLLAR | 4.78 | 4.09 | 2.75 | 4.56 |
| INDIE RUPEE | 0.65 | 0.76 | 1.16 | 1.60 |
| JAPANESE YEN | 3.49 | 4.55 | 4.55 | 4.24 |
| KOREAN WON | 1.27 | 1.22 | 0.71 | 1.47 |
| NORWEGIAN KRONE | 0.34 | 0.40 | 2.68 | 2.17 |
| NEW ZEALAND DOLLAR | 0.23 | 0.27 | 1.34 | 1.95 |
| THAI BATH | 0.00 | 0.00 | 1.32 | 1.06 |
| NEW TAIWAN DOLLAR | 2.05 | 2.53 | 3.22 | 4.95 |
| US DOLLAR | 27.92 | 27.83 | 28.19 | 26.70 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

2.4.2. Changes in the composition of the assets of KBC Eco Fund Alternative Energy (in the currency of the sub-fund)

| | 1 st half of year | 2 nd half of year | Year |
|--|------------------------------|------------------------------|---------------|
| Purchases | 12,632,327.54 | 17,116,441.32 | 29,748,768.87 |
| Sales | 13,470,606.08 | 11,154,383.79 | 24,624,989.87 |
| Total 1 | 26,102,933.62 | 28,270,825.12 | 54,373,758.73 |
| Subscriptions | 3,385,285.37 | 8,476,113.83 | 11,861,399.20 |
| Redemptions | 3,507,040.15 | 3,555,120.69 | 7,062,160.84 |
| Total 2 | 6,892,325.52 | 12,031,234.52 | 18,923,560.04 |
| Monthly average of total assets | 40,911,514.67 | 43,289,952.52 | 42,115,415.31 |
| Turnover rate | 46.96% | 37.51% | 84.17% |

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

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

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

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

The detailed list of transactions can be consulted free of charge at the company designated as financial service:

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

KBC Bank NV, Havenlaan 2, B-1080 Brussels

2.4.3. Amount of commitments in respect of financial derivatives positions

Nil

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

Classic Shares

| Period | Change in number of shares in circulation | | | | | | |
|------------|---|--------------|----------------|--------------|----------------|--------------|------------|
| | Subscriptions | | Redemptions | | End of period | | |
| | Capitalization | Distribution | Capitalization | Distribution | Capitalization | Distribution | Totaal |
| 2018 - 08* | 7,736.22 | 6,039.00 | 17,076.61 | 1,960.00 | 78,108.77 | 22,408.48 | 100,517.24 |
| 2019 - 08* | 7,100.98 | 2,361.00 | 9,550.88 | 2,297.50 | 75,658.86 | 22,471.98 | 98,130.84 |
| 2020 - 08* | 18,394.20 | 9,704.49 | 7,881.07 | 2,266.66 | 86,171.99 | 29,909.81 | 116,081.80 |

| Period | Amounts received and paid by the UCITS (in the currency of the class) | | | |
|------------|--|--------------|----------------|--------------|
| | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2018 - 08* | 2,171,902.96 | 1,418,181.39 | 4,789,878.74 | 457,442.10 |
| 2019 - 08* | 1,947,383.61 | 526,000.90 | 2,593,077.37 | 497,077.04 |
| 2020 - 08* | 6,026,452.62 | 2,615,498.52 | 2,600,662.81 | 583,346.16 |

| Period | Net asset value End of period (in the currency of the class) | | |
|------------|---|----------------|--------------|
| | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2018 - 08* | 26,684,436.46 | 276.50 | 227.03 |
| 2019 - 08* | 26,816,887.83 | 286.23 | 229.66 |
| 2020 - 08* | 43,548,557.20 | 397.09 | 311.96 |

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

Institutional B Shares

| Period | Change in number of shares in circulation | | | | | | |
|------------|---|--------------|----------------|--------------|----------------|--------------|-----------|
| | Subscriptions | | Redemptions | | End of period | | |
| | Capitalization | Distribution | Capitalization | Distribution | Capitalization | Distribution | Totaal |
| 2018 - 08* | 35,851.10 | | 777.04 | | 38,616.07 | | 38,616.07 |
| 2019 - 08* | 2,699.06 | | 5,888.00 | | 35,427.13 | | 35,427.13 |
| 2020 - 08* | 8,851.58 | | 12,069.28 | | 32,209.43 | | 32,209.43 |

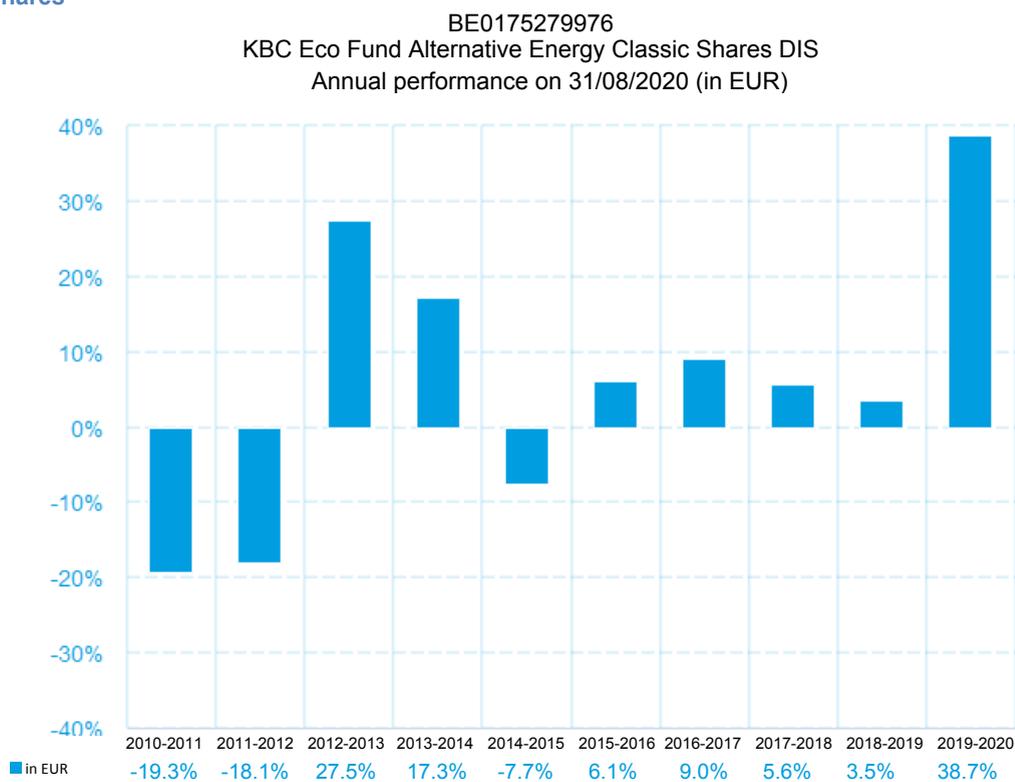
| Period | Amounts received and paid by the UCITS (in the currency of the class) | | | |
|------------|--|--------------|----------------|--------------|
| | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2018 - 08* | 9,701,974.98 | | 217,744.53 | |
| 2019 - 08* | 688,427.30 | | 1,580,712.29 | |
| 2020 - 08* | 3,319,362.61 | | 3,929,612.17 | |

| Period | Net asset value End of period (in the currency of the class) | | |
|------------|---|----------------|--------------|
| | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2018 - 08* | 10,687,687.27 | 276.77 | |
| 2019 - 08* | 10,233,049.48 | 288.85 | |
| 2020 - 08* | 13,076,291.80 | 405.98 | |

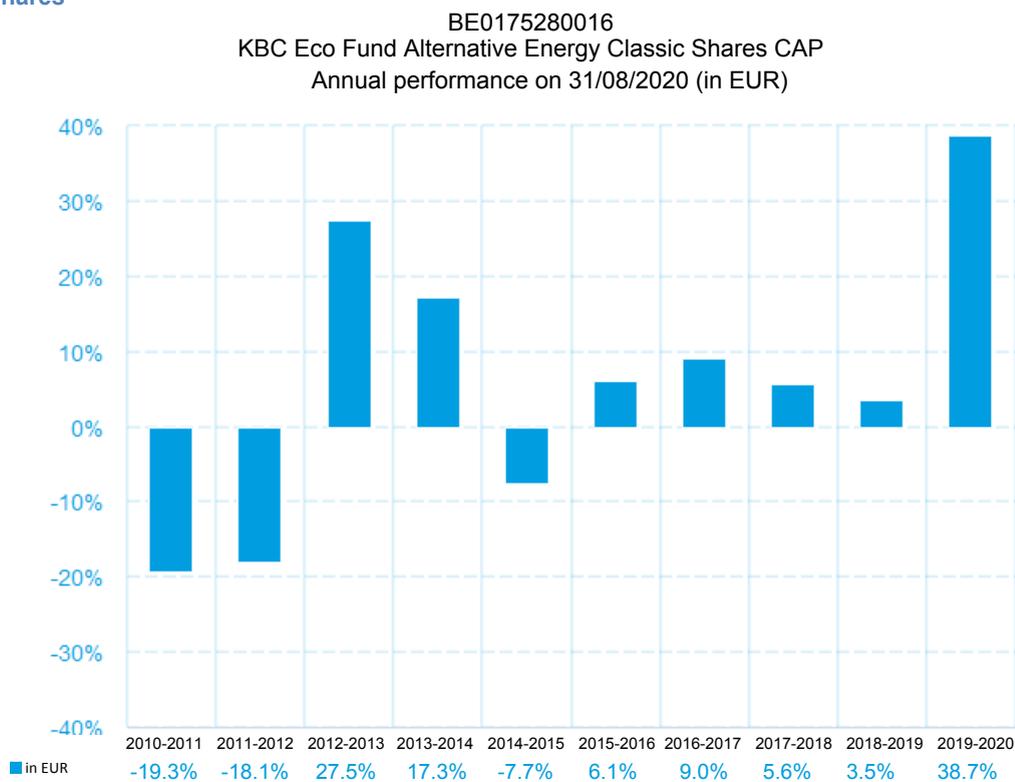
*The financial year does not coincide with the calendar year.

2.4.5. Performance figures

Classic Shares



Classic Shares



| Cap Div | ISIN Code | Curr ency | 1 year | | 3 years | | 5 years | | 10 years | | Since Launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Starting date | Share classes |
| DIS | BE0175279976 | EUR | 38.67% | | 14.85% | | 11.87% | | 4.81% | | 31/10/2000 | -1.17% |
| CAP | BE0175280016 | EUR | 38.73% | | 14.88% | | 11.89% | | 4.83% | | 31/10/2000 | -1.16% |

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

* Return on annual basis.

Classic Shares

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

Capitalisation units (CAP)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

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

For dividend i on date Di with value Wi:

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

i = 1 ... N

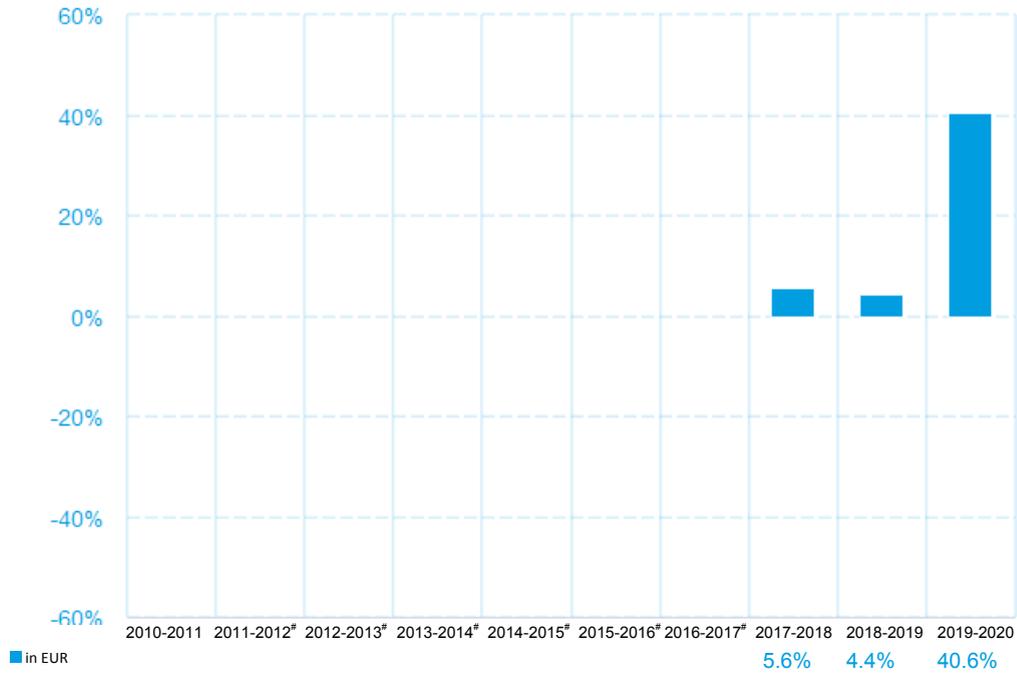
from which C = C0 * ... * CN.

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

Dividend on ex-dividend date 30/11/2020: 2,7180 net (3,8828 gross).

Institutional B Shares

BE6228924690
KBC Eco Fund Alternative Energy Institutional B Shares CAP
Annual performance on 31/08/2020 (in EUR)



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

| Cap Div | ISIN Code | Currency | 1 year | | 3 years | | 5 years | | 10 years | | Since Launch* | |
|---------|--------------|----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Starting date | Share classes |
| CAP | BE6228924690 | EUR | 40.55% | | 15.70% | | % | | % | | 25/11/2011 | |

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

* Return on annual basis.

Institutional B Shares

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

Capitalisation units (CAP)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

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

2.4.6. Costs

Ongoing Charges and Transaction costs:

Classic Shares Distribution :

Ongoing Charges : 1.850%
Transaction costs : 0.085%

Classic Shares Capitalisation :

Ongoing Charges : 1.809%
Transaction costs : 0.085%

Institutional B Shares Capitalisation :

Ongoing Charges : 0.505%
Transaction costs : 0.085%

Percentage calculated at reporting date: 31 August 2020 .

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

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

Existence of Commission Sharing Agreements

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

No CSA accrual during this period.

Existence of fee sharing agreements and rebates

The management company has shared 47,46% of its fee with the distributor, and institutional and/or professional parties.

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

2.4.7. Notes to the financial statements and other data

Classic Shares

| | | |
|---|---|---|
| Fee for managing the investment portfolio | Max 1.50% | per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. (*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year. |
| Administration fee | 0.10% | per year calculated on the basis of the average total net assets of the sub-fund. |
| Custodian's fee | Max 0.04% | per year calculated on the basis of the value of the securities held in custody by the custodian on the last 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. |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund | |
| Annual tax | see the 'Information concerning the Bevek - H. Tax treatment' | |

Institutional B Shares

| | | |
|---|---|---|
| Fee for managing the investment portfolio | Max 1.50% | per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. (*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year. |
| Administration fee | 0.10% | per year calculated on the basis of the average total net assets of the sub-fund. |
| Custodian's fee | Max 0.04% | per year calculated on the basis of the value of the securities held in custody by the custodian on the last 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. |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund | |
| Annual tax | see the 'Information concerning the Bevek - H. Tax treatment' | |

Exercising voting rights

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

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

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

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

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 - 2.1.2. 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
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets of KBC Eco Fund Climate Change
 - 2.4.2. Changes in the composition of the assets KBC Eco Fund Climate Change (in the currency of the sub-fund)
 - 2.4.3. Amount of commitments in respect of financial derivatives positions
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 - 2.4.6. Costs
 - 2.4.7. Notes to the financial statements and other data

2. Information on KBC Eco Fund Climate Change

2.1. Management report

2.1.1. Launch date and subscription price

Classic Shares Distribution

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

Classic Shares Capitalisation

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

Institutional B Shares Capitalisation

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

2.1.2. Stock exchange listing

Not applicable.

2.1.3. Goal and key principles of the investment policy

Object of the sub-fund

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

Sub-fund's investment policy

Permitted asset classes

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

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

Restrictions of the investment policy

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

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

Permitted derivatives transactions

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

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

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

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

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

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

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

Strategy selected

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.

The fund is actively managed without referring to any benchmark.

Volatility of the net asset value

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

Securities Financing Transactions (SFTs)

The sub-fund may not lend any financial instruments.

General strategy for hedging the exchange risk

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

Social, ethical and environmental aspects

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

2.1.4. Financial portfolio management

The intellectual management, with the exception of the sustainability screening described in the prospectus and the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

2.1.5. Distributors

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

2.1.6. Index and benchmark

Not applicable.

2.1.7. Policy pursued during the financial year

We refer to the General information on the SICAV of this report under '1.2.2. General overview of the markets' for a review of the market.

2.1.8. Future policy

We refer to the General information on the SICAV of this report under '1.2.2. General overview of the markets' for an overview of the outlook.

2.1.9. Synthetic risk and reward indicator (SRRI)

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

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

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

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

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 997.80 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 | | 31/08/2020 (in the currency of the sub-fund) | 31/08/2019 (in the currency of the sub-fund) |
|-----------------------------|---|--|--|
| | TOTAL NET ASSETS | 32,431,988.77 | 24,230,859.77 |
| II. | Securities, money market instruments, UCIs and derivatives | | |
| C. | Shares and similar instruments | | |
| | a) Shares | 32,411,064.19 | 24,186,521.24 |
| IV. | Receivables and payables within one year | | |
| A. | Receivables | | |
| | a) Accounts receivable | | 24,374.43 |
| B. | Payables | | |
| | a) Accounts payable (-) | | -25,936.19 |
| | c) Borrowings (-) | -4,893.53 | -79,563.39 |
| V. | Deposits and cash at bank and in hand | | |
| A. | Demand balances at banks | 44,503.42 | 140,671.72 |
| VI. | Accruals and deferrals | | |
| B. | Accrued income | 12,032.07 | 8,226.04 |
| C. | Accrued expense (-) | -30,717.38 | -23,434.08 |
| | TOTAL SHAREHOLDERS' EQUITY | 32,431,988.77 | 24,230,859.77 |
| A. | Capital | 30,479,592.32 | 24,955,933.24 |
| B. | Income equalization | 55,790.52 | 6,355.76 |
| D. | Result of the bookyear | 1,896,605.93 | -731,429.23 |

2.3. Profit and loss account

| Income Statement | | 31/08/2020 (in the currency of the fund) | 31/08/2019 (in the currency of the fund) |
|-------------------------|--|--|--|
| I. | Net gains(losses) on investments | | |
| C. | Shares and similar instruments | | |
| | a) Shares | 3,283,513.42 | -1,561,845.89 |
| D. | Other securities | -17,363.90 | 5,515.22 |
| H. | Foreign exchange positions and transactions | | |
| | b) Other foreign exchange positions and transactions | -1,339,162.64 | 780,505.16 |
| | Det.section I gains and losses on investments | | |
| | Realised gains on investments | 3,179,524.94 | 896,551.94 |
| | Unrealised gains on investments | 1,747,791.62 | 309,752.59 |
| | Realised losses on investments | -2,623,349.63 | -272,842.27 |
| | Unrealised losses on investments | -376,980.05 | -1,709,287.77 |
| II. | Investment income and expenses | | |
| A. | Dividends | 490,762.19 | 465,620.27 |
| B. | Interests | | |
| | b) Cash at bank and in hand and deposits | 935.59 | 1,007.27 |
| C. | Interest on borrowings (-) | -874.20 | -538.19 |
| III. | Other income | | |
| A. | Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges | 808.00 | 145.00 |
| B. | Other | 2.01 | |
| IV. | Operating expenses | | |
| A. | Investment transaction and delivery costs (-) | -36,579.79 | -8,291.84 |
| B. | Financial expenses (-) | -67.61 | -58.99 |
| C. | Custodian's fee (-) | -10,858.71 | -5,692.94 |
| D. | Manager's fee (-) | | |
| | a) Financial management | | |
| | Classic Shares | -399,730.01 | -339,069.05 |
| | Institutional B Shares | -3,811.18 | -10,195.78 |
| | b) Administration and accounting management | -27,919.05 | -23,967.21 |
| E. | Administrative expenses (-) | -1,000.12 | -1,000.00 |
| F. | Formation and organisation expenses (-) | -2,011.99 | -2,906.73 |
| G. | Remuneration, social security charges and pension | -364.10 | -557.87 |
| H. | Services and sundry goods (-) | -7,916.32 | -9,678.53 |
| J. | Taxes | | |
| | Classic Shares | -23,076.34 | -22,073.17 |
| | Institutional B Shares | -25.27 | -363.03 |
| K. | Other expenses (-) | -8,654.05 | 2,017.07 |
| | Income and expenditure for the period | | |
| | Subtotal II + III + IV | -30,380.94 | 44,396.29 |
| V. | Profit (loss) on ordinary activities before tax | 1,896,605.93 | -731,429.23 |
| VII. | Result of the bookyear | 1,896,605.93 | -731,429.23 |

| Appropriation Account | | 31/08/2020 (in the currency of the sub-fund) | 31/08/2019 (in the currency of the sub-fund) |
|------------------------------|---|--|--|
| I. | Profit to be appropriated | 1,952,396.45 | -725,073.47 |
| | Profit for the period available for appropriation | 1,896,605.93 | -731,429.23 |
| | Income on the creation of shares (income on the cancellation of shares) | 55,790.52 | 6,355.76 |
| II. | (Appropriations to) Deductions from capital | -1,899,509.52 | 766,266.20 |
| IV. | (Dividends to be paid out) | -52,886.93 | -41,192.73 |

2.4. Composition of the assets and key figures

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

| Name | Quantity on 31/08/2020 | 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> | | | | | | | |
| ANDRITZ AG - | 10,117.00 | EUR | 28.040 | 283,680.68 | | 0.88 | 0.88 |
| <u>Belgium</u> | | | | | | | |
| UMICORE - | 8,104.00 | EUR | 38.490 | 311,922.96 | | 0.96 | 0.96 |
| <u>Canada</u> | | | | | | | |
| CANADIAN NATIONAL RAILWAY CO - | 5,914.00 | CAD | 137.060 | 520,177.15 | | 1.61 | 1.60 |
| CANADIAN PACIFIC RAILWAY LTD - | 1,728.00 | CAD | 385.890 | 427,923.85 | | 1.32 | 1.32 |
| HYDRO ONE LTD - | 37,446.00 | CAD | 27.000 | 648,826.27 | | 2.00 | 2.00 |
| 5N PLUS INC - | 24,812.00 | CAD | 1.830 | 29,138.83 | | 0.09 | 0.09 |
| <u>China</u> | | | | | | | |
| BYD CO LTD - | 42,347.00 | HKD | 77.000 | 351,795.47 | | 1.09 | 1.09 |
| CHINA COMMUNICATIONS CONST-H - | 839,000.00 | HKD | 4.350 | 393,756.82 | | 1.22 | 1.21 |
| CHINA RAILWAY CONSTRUCTION COR - | 619,000.00 | HKD | 5.960 | 398,028.14 | | 1.23 | 1.23 |
| CRRC CORP LTD - | 1,300,000.00 | HKD | 3.500 | 490,894.61 | | 1.52 | 1.51 |
| <u>Denmark</u> | | | | | | | |
| NOVOZYMES A/S B | 9,408.00 | DKK | 369.100 | 466,458.91 | | 1.44 | 1.44 |
| ROCKWOOL INTERNATIONAL A/S - | 1,551.00 | DKK | 2,370.000 | 493,778.51 | | 1.52 | 1.52 |
| VESTAS WINDS SYSTEMS - | 4,134.00 | DKK | 948.400 | 526,664.51 | | 1.63 | 1.62 |
| <u>Finland</u> | | | | | | | |
| LASSILA & TIKANOJA OYJ - | 21,988.00 | EUR | 14.000 | 307,832.00 | | 0.95 | 0.95 |
| <u>France</u> | | | | | | | |
| ALSTOM - | 6,314.00 | EUR | 46.640 | 294,484.96 | | 0.91 | 0.91 |
| CIE DE ST-GOBAIN - | 8,032.00 | EUR | 33.980 | 272,927.36 | | 0.84 | 0.84 |
| LEGRAND (PAR) | 4,483.00 | EUR | 69.900 | 313,361.70 | | 0.97 | 0.97 |
| VALEO - | 9,895.00 | EUR | 25.600 | 253,312.00 | | 0.78 | 0.78 |
| <u>Germany</u> | | | | | | | |
| CONTINENTAL AG - | 2,979.00 | EUR | 91.200 | 271,684.80 | | 0.84 | 0.84 |
| ELRINGKLINGER AG - | 46,112.00 | EUR | 6.010 | 277,133.12 | | 0.86 | 0.86 |
| HELLA GMBH + CO.KGAA - | 8,064.00 | EUR | 41.000 | 330,624.00 | | 1.02 | 1.02 |
| SGL CARBON AG - | 87,016.00 | EUR | 3.265 | 284,107.24 | | 0.88 | 0.88 |
| SMA SOLAR TECHNOLOGY AG - | 10,744.00 | EUR | 37.900 | 407,197.60 | | 1.26 | 1.26 |
| TRAFFIC SYSTEM SE - | 8,076.00 | EUR | 31.300 | 252,778.80 | | 0.78 | 0.78 |
| VOSSLOH AG (FRA) | 7,589.00 | EUR | 37.500 | 284,587.50 | | 0.88 | 0.88 |
| <u>Hong Kong</u> | | | | | | | |
| CHINA EVERBRIGHT INTL - | 876,781.00 | HKD | 4.680 | 442,704.41 | | 1.37 | 1.37 |
| MTR CORPORATION - | 132,000.00 | HKD | 40.350 | 574,638.00 | | 1.77 | 1.77 |
| ZHUZHOU CSR TIMES ELECTRIC CO - | 103,999.00 | HKD | 24.900 | 279,386.48 | | 0.86 | 0.86 |
| <u>India</u> | | | | | | | |
| JAIN IRRIGATION SYSTEMS LTD - | 607,711.00 | INR | 11.250 | 77,663.07 | | 0.24 | 0.24 |
| <u>Ireland</u> | | | | | | | |
| KINGSPAN GROUP PLC - | 5,978.00 | EUR | 71.300 | 426,231.40 | | 1.32 | 1.31 |
| <u>Italy</u> | | | | | | | |
| TERNA RETE ELETTRICA NAZIONALE - | 87,108.00 | EUR | 6.058 | 527,700.26 | | 1.63 | 1.63 |
| <u>Japan</u> | | | | | | | |
| CENTRAL JAPAN RAILWAY - | 2,600.00 | JPY | 15,890.000 | 325,757.20 | | 1.00 | 1.00 |
| EAST JAPAN RAILWAY - | 6,200.00 | JPY | 6,897.000 | 337,169.82 | | 1.04 | 1.04 |
| NGK INSULATORS - | 29,700.00 | JPY | 1,507.000 | 352,912.04 | | 1.09 | 1.09 |
| NIPPON SHEET GLASS CO LTD - | 75,200.00 | JPY | 426.000 | 252,594.69 | | 0.78 | 0.78 |
| WEST JAPAN RAILWAY - | 6,600.00 | JPY | 5,571.000 | 289,917.13 | | 0.90 | 0.89 |
| <u>Malaysia</u> | | | | | | | |
| TALIWORKS CORP BHD - | 588,400.00 | MYR | 0.875 | 103,347.64 | | 0.32 | 0.32 |
| <u>Netherlands</u> | | | | | | | |
| ARCADIS N.V. (AMS) | 22,043.00 | EUR | 19.250 | 424,327.75 | | 1.31 | 1.31 |
| <u>Singapore</u> | | | | | | | |

| | | | | | | | |
|--------------------------------------|--------------|-----|-------------|---------------|--|--------|-------|
| SOUND GLOBAL LTD - | 75,000.00 | HKD | | | | | |
| <u>South Korea</u> | | | | | | | |
| SAMSUNG SDI CO LTD - | 1,342.00 | KRW | 452,500.000 | 427,442.98 | | 1.32 | 1.32 |
| WOONGJIN COWAY CO LTD - | 6,225.00 | KRW | 79,800.000 | 349,662.73 | | 1.08 | 1.08 |
| <u>Spain</u> | | | | | | | |
| EDP RENOVAVEIS SA - | 40,512.00 | EUR | 14.320 | 580,131.84 | | 1.79 | 1.79 |
| RED ELECTRICA DE ESPANA - | 32,159.00 | EUR | 16.025 | 515,347.98 | | 1.59 | 1.59 |
| SIEMENS GAMESA RENEWABLE ENERGY SA - | 22,469.00 | EUR | 22.440 | 504,204.36 | | 1.56 | 1.56 |
| <u>Sweden</u> | | | | | | | |
| ALFA LAVAL - | 12,768.00 | SEK | 211.400 | 261,672.60 | | 0.81 | 0.81 |
| SWECO AB - | 10,130.00 | SEK | 534.000 | 524,422.23 | | 1.62 | 1.62 |
| <u>Switzerland</u> | | | | | | | |
| ABB LTD - | 21,473.00 | CHF | 22.970 | 458,016.47 | | 1.41 | 1.41 |
| LANDIS+GYR GROUP AG - | 5,681.00 | CHF | 54.650 | 288,298.46 | | 0.89 | 0.89 |
| OC OERLIKON CORP AG (NOM)20CHF | 47,319.00 | CHF | 8.235 | 361,848.30 | | 1.12 | 1.12 |
| <u>Taiwan</u> | | | | | | | |
| CLEANAWAY CO LTD - | 155,000.00 | TWD | 159.000 | 702,317.50 | | 2.17 | 2.17 |
| <u>Thailand</u> | | | | | | | |
| EASTERN WATER RESOURCES DEVELO - | 1,060,300.00 | THB | 9.950 | 284,058.17 | | 0.88 | 0.88 |
| <u>U.K.</u> | | | | | | | |
| CERES POWER HOLDINGS PLC - | 42,228.00 | GBP | 5.590 | 264,279.61 | | 0.82 | 0.82 |
| FIRSTGROUP PLC - | 572,747.00 | GBP | 0.437 | 279,961.23 | | 0.86 | 0.86 |
| JOHNSON MATTHEY PLC - | 12,920.00 | GBP | 23.750 | 343,540.12 | | 1.06 | 1.06 |
| PENNON GROUP PLC - | 47,948.00 | GBP | 10.060 | 540,032.40 | | 1.67 | 1.67 |
| RENEWI PLC - | 722,462.00 | GBP | 0.232 | 187,652.49 | | 0.58 | 0.58 |
| SIG PLC - | 600,434.00 | GBP | 0.318 | 213,902.96 | | 0.66 | 0.66 |
| SPIRAX-SARCO ENGINEERING PLC - | 3,037.00 | GBP | 102.450 | 348,343.80 | | 1.08 | 1.07 |
| <u>U.S.A.</u> | | | | | | | |
| ALBEMARLE CORP. - | 3,858.00 | USD | 91.010 | 293,588.01 | | 0.91 | 0.91 |
| AMERICAN SUPERCONDUCTOR CORP - | 43,901.00 | USD | 12.560 | 461,053.19 | | 1.42 | 1.42 |
| APPLIED MATERIALS - | 4,081.00 | USD | 61.600 | 210,200.76 | | 0.65 | 0.65 |
| APTIV PLC - | 3,331.00 | USD | 86.120 | 239,864.31 | | 0.74 | 0.74 |
| BADGER METER INC - | 5,514.00 | USD | 61.690 | 284,425.49 | | 0.88 | 0.88 |
| BLOOM ENERGY CORP - | 15,874.00 | USD | 15.660 | 207,857.22 | | 0.64 | 0.64 |
| BORGWARNER INC - | 7,523.00 | USD | 40.590 | 255,327.20 | | 0.79 | 0.79 |
| CALIFORNIA WATER SERVICE GROUP - | 11,267.00 | USD | 45.340 | 427,146.44 | | 1.32 | 1.32 |
| CANADIAN SOLAR INC - | 14,166.00 | USD | 32.490 | 384,843.30 | | 1.19 | 1.19 |
| CLEAN HARBORS INC - | 4,978.00 | USD | 61.100 | 254,321.50 | | 0.79 | 0.78 |
| COVANTA HOLD CORP - | 29,595.00 | USD | 9.440 | 233,602.41 | | 0.72 | 0.72 |
| CREE RESEARCH INC - | 4,472.00 | USD | 63.100 | 235,948.99 | | 0.73 | 0.73 |
| CSX - | 4,570.00 | USD | 76.460 | 292,171.24 | | 0.90 | 0.90 |
| DANAHER CORPORATION - | 3,047.00 | USD | 206.470 | 526,037.12 | | 1.62 | 1.62 |
| DELPHI TECHNOLOGIES PLC - | 17,058.00 | USD | 17.370 | 247,750.71 | | 0.76 | 0.76 |
| ECOLAB, INC. - | 1,729.00 | USD | 197.080 | 284,921.04 | | 0.88 | 0.88 |
| ENPHASE ENERGY INC - | 4,958.00 | USD | 77.230 | 320,169.19 | | 0.99 | 0.99 |
| ESCO TECHNOLOGIES INC - | 3,933.00 | USD | 89.920 | 295,710.82 | | 0.91 | 0.91 |
| ESSENTIAL UTILITIES INC - | 13,623.00 | USD | 42.500 | 484,115.14 | | 1.49 | 1.49 |
| FIRST SOLAR INC - | 4,521.00 | USD | 76.590 | 289,529.99 | | 0.89 | 0.89 |
| GREAT LAKES DREDGE & DOCK CORP - | 38,752.00 | USD | 9.370 | 303,613.23 | | 0.94 | 0.94 |
| LINDSAY MANUFACTURING CO - | 3,548.00 | USD | 99.930 | 296,460.25 | | 0.92 | 0.91 |
| NORFOLK STHN CP - | 2,274.00 | USD | 212.530 | 404,108.22 | | 1.25 | 1.25 |
| OWENS CORNING - | 4,630.00 | USD | 67.640 | 261,861.45 | | 0.81 | 0.81 |
| PLUG POWER INC - | 37,358.00 | USD | 12.980 | 405,457.45 | | 1.25 | 1.25 |
| REGAL-BELDIT CORP - | 3,677.00 | USD | 98.860 | 303,949.35 | | 0.94 | 0.94 |
| REPUBLIC SERVICES INC. - | 6,094.00 | USD | 92.720 | 472,457.61 | | 1.46 | 1.46 |
| TESLA INC - | 875.00 | USD | 498.320 | 364,588.82 | | 1.13 | 1.12 |
| THERMO ELECTRONIC - | 1,208.00 | USD | 428.980 | 433,302.26 | | 1.34 | 1.34 |
| UNION PACIFIC CORPORATION - | 1,972.00 | USD | 192.440 | 317,314.00 | | 0.98 | 0.98 |
| VEECO INSTRUMENTS INC - | 18,952.00 | USD | 11.890 | 188,418.65 | | 0.58 | 0.58 |
| VMWARE INC CLASS A - | 2,359.00 | USD | 144.440 | 284,906.53 | | 0.88 | 0.88 |
| WASTE CONNECTIONS INC - | 4,877.00 | CAD | 130.440 | 408,246.78 | | 1.26 | 1.26 |
| WASTE MANAGEMENT INC. - | 3,621.00 | USD | 114.000 | 345,159.91 | | 1.07 | 1.06 |
| WATERS CORP - | 1,934.00 | USD | 216.260 | 349,719.34 | | 1.08 | 1.08 |
| XYLEM INC/NY - | 4,480.00 | USD | 80.180 | 300,352.36 | | 0.93 | 0.93 |
| Total shares | | | | 32,411,064.19 | | 100.00 | 99.94 |
| TOTAL SECURITIES PORTFOLIO | | | | 32,411,064.19 | | 100.00 | 99.94 |
| CASH AT BANK AND IN HAND | | | | | | | |
| <u>Demand accounts</u> | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP CAD | 1,025.90 | CAD | 1.000 | 658.36 | | | 0.00 |
| KBC GROUP CHF | 3,449.71 | CHF | 1.000 | 3,203.39 | | | 0.01 |
| KBC GROUP DKK | 2,534.29 | DKK | 1.000 | 340.43 | | | 0.00 |
| KBC GROUP EURO | 38,891.11 | EUR | 1.000 | 38,891.11 | | | 0.12 |
| KBC GROUP GBP | -2,862.49 | GBP | 1.000 | -3,204.76 | | | -0.01 |

| | | | | | | |
|--------------------------------|-----------|-----|-------|---------------|--|--------|
| KBC GROUP HKD | 1,676.69 | HKD | 1.000 | 180.90 | | 0.00 |
| KBC GROUP JPY | -347.00 | JPY | 1.000 | -2.74 | | |
| KBC GROUP NOK | 20.95 | NOK | 1.000 | 2.02 | | |
| KBC GROUP NZD | 0.24 | NZD | 1.000 | 0.14 | | |
| KBC GROUP SEK | 12,657.20 | SEK | 1.000 | 1,227.07 | | 0.00 |
| KBC GROUP SGD | -3.73 | SGD | 1.000 | -2.29 | | |
| KBC GROUP USD | -2,013.67 | USD | 1.000 | -1,683.74 | | -0.01 |
| Total demand accounts | | | | 39,609.89 | | 0.12 |
| TOTAL CASH AT BANK AND IN HAND | | | | 39,609.89 | | 0.12 |
| OTHER | | | | | | |
| Interest receivable | | EUR | | 12,032.07 | | 0.04 |
| Expenses payable | | EUR | | -30,717.38 | | -0.09 |
| TOTAL OTHER | | | | -18,685.31 | | -0.06 |
| TOTAL NET ASSETS | | | | 32,431,988.77 | | 100.00 |

Geographic breakdown (as a % of securities portfolio)

| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
|----------------------------|------------|------------|------------|------------|
| Austria | 0.98 | 0.79 | 0.00 | 0.87 |
| Belgium | 3.52 | 3.30 | 2.45 | 1.07 |
| Canada | 5.28 | 7.62 | 10.25 | 6.27 |
| Switzerland | 2.24 | 2.47 | 3.27 | 3.41 |
| China | 1.03 | 0.97 | 3.97 | 5.03 |
| Germany | 8.30 | 5.62 | 5.76 | 6.50 |
| Denmark | 1.35 | 1.46 | 3.82 | 4.58 |
| Spain | 3.06 | 3.35 | 6.48 | 4.93 |
| Finland | 0.48 | 0.40 | 1.19 | 0.95 |
| France | 6.79 | 6.02 | 3.86 | 3.49 |
| U.K. | 5.44 | 7.17 | 6.03 | 6.71 |
| Hong Kong | 3.32 | 3.31 | 3.35 | 4.00 |
| India | 0.97 | 0.54 | 0.02 | 0.24 |
| Ireland | 1.16 | 1.16 | 1.34 | 1.31 |
| Italy | 2.24 | 2.62 | 2.79 | 1.63 |
| Jersey/The Channel Islands | 0.14 | 0.04 | 0.03 | 0.00 |
| Japan | 8.09 | 8.32 | 8.71 | 4.81 |
| South Korea | 1.36 | 1.55 | 2.11 | 2.40 |
| Malaysia | 0.00 | 0.00 | 0.34 | 0.32 |
| Netherlands | 2.48 | 2.24 | 0.00 | 1.31 |
| Norway | 1.26 | 1.52 | 0.00 | 0.00 |
| Singapore | 0.94 | 0.58 | 0.88 | 0.00 |
| Sweden | 1.30 | 1.46 | 1.31 | 2.43 |
| Thailand | 0.00 | 0.00 | 2.61 | 0.88 |
| Taiwan | 1.68 | 1.45 | 2.07 | 2.16 |
| U.S.A. | 36.59 | 36.04 | 27.36 | 34.70 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

Sector breakdown (as a % of securities portfolio)

| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
|--------------|------------|------------|------------|------------|
| Cyclicals | 45.12 | 41.09 | 42.22 | 46.80 |
| Consum(cycl) | 36.32 | 40.89 | 34.47 | 28.79 |
| Cons.goods | 1.00 | 1.22 | 0.00 | 0.00 |
| Pharma | 0.34 | 0.92 | 2.23 | 2.99 |
| Financials | 0.66 | 0.23 | 0.42 | 0.11 |
| Technology | 7.68 | 5.81 | 8.56 | 9.33 |
| Utilities | 8.88 | 9.84 | 12.10 | 11.98 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

Currency breakdown (as a % of net assets)

| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
|-------------------|------------|------------|------------|------------|
| CANADIAN DOLLAR | 5.35 | 7.62 | 10.25 | 6.27 |
| SWISS FRANC | 2.30 | 2.52 | 3.27 | 3.42 |
| DANISH KRONE | 1.37 | 1.49 | 3.83 | 4.58 |
| EURO | 28.60 | 25.04 | 23.48 | 22.07 |
| POUND STERLING | 5.61 | 7.29 | 6.07 | 6.70 |
| HONG KONG DOLLAR | 4.45 | 4.35 | 7.32 | 9.03 |
| INDIE RUPEE | 0.97 | 0.54 | 0.02 | 0.24 |
| JAPANESE YEN | 8.10 | 8.40 | 8.71 | 4.81 |
| KOREAN WON | 1.36 | 1.55 | 2.11 | 2.40 |
| MALAYSIAN RINGGIT | 0.00 | 0.00 | 0.34 | 0.32 |
| NORWEGIAN KRONE | 1.33 | 1.52 | 0.00 | 0.00 |
| SWEDISH KRONA | 1.32 | 1.51 | 1.31 | 2.43 |
| SINGAPORE DOLLAR | 0.91 | 0.63 | 0.88 | 0.00 |
| THAI BATH | 0.00 | 0.00 | 2.61 | 0.88 |
| NEW TAIWAN DOLLAR | 1.68 | 1.45 | 1.76 | 2.16 |
| US DOLLAR | 36.65 | 36.09 | 28.04 | 34.69 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

2.4.2. Changes in the composition of the assets of KBC Eco Fund Climate Change (in the currency of the sub-fund)

| | 1 st half of year | 2 nd half of year | Year |
|--|------------------------------|------------------------------|---------------|
| Purchases | 13,613,114.36 | 9,721,041.39 | 23,334,155.75 |
| Sales | 11,078,908.89 | 5,947,315.63 | 17,026,224.51 |
| Total 1 | 24,692,023.25 | 15,668,357.01 | 40,360,380.26 |
| Subscriptions | 4,796,415.21 | 4,279,415.27 | 9,075,830.48 |
| Redemptions | 2,093,989.89 | 688,394.15 | 2,782,384.04 |
| Total 2 | 6,890,405.10 | 4,967,809.42 | 11,858,214.52 |
| Monthly average of total assets | 27,023,537.90 | 28,440,621.28 | 27,740,827.02 |
| Turnover rate | 65.87% | 37.62% | 102.74% |

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

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

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

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

The detailed list of transactions can be consulted free of charge at the company designated as financial service:

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

KBC Bank NV, Havenlaan 2, B-1080 Brussels

2.4.3. Amount of commitments in respect of financial derivatives positions

Nil

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

Classic Shares

| Period | Change in number of shares in circulation | | | | | | |
|------------|---|--------------|----------------|--------------|----------------|--------------|-----------|
| | Subscriptions | | Redemptions | | End of period | | |
| | Capitalization | Distribution | Capitalization | Distribution | Capitalization | Distribution | Totaal |
| 2018 - 08* | 4,403.15 | 499.00 | 2,540.25 | 739.00 | 38,289.56 | 3,671.21 | 41,960.77 |
| 2019 - 08* | 2,707.93 | 1,013.00 | 3,494.33 | 341.00 | 37,503.15 | 4,343.21 | 41,846.36 |
| 2020 - 08* | 13,460.88 | 2,095.18 | 3,923.70 | 379.00 | 47,040.34 | 6,059.39 | 53,099.73 |

| Period | Amounts received and paid by the UCITS (in the currency of the class) | | | |
|------------|--|--------------|----------------|--------------|
| | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2018 - 08* | 2,474,238.77 | 252,269.27 | 1,428,681.05 | 379,615.86 |
| 2019 - 08* | 1,536,081.34 | 508,026.00 | 1,900,595.78 | 171,049.38 |
| 2020 - 08* | 7,700,740.56 | 1,074,804.78 | 2,433,217.67 | 186,529.40 |

| Period | Net asset value End of period (in the currency of the class) | | |
|------------|---|----------------|--------------|
| | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2018 - 08* | 23,754,764.71 | 571.48 | 510.23 |
| 2019 - 08* | 22,985,042.95 | 556.41 | 487.63 |
| 2020 - 08* | 30,917,307.29 | 591.71 | 508.84 |

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

Institutional B Shares

| Period | Change in number of shares in circulation | | | | | | |
|------------|---|--------------|----------------|--------------|----------------|--------------|----------|
| | Subscriptions | | Redemptions | | End of period | | |
| | Capitalization | Distribution | Capitalization | Distribution | Capitalization | Distribution | Totaal |
| 2018 - 08* | 900.00 | | 105.00 | | 2,466.00 | | 2,466.00 |
| 2019 - 08* | | | 250.00 | | 2,216.00 | | 2,216.00 |
| 2020 - 08* | 655.00 | | 370.00 | | 2,501.00 | | 2,501.00 |

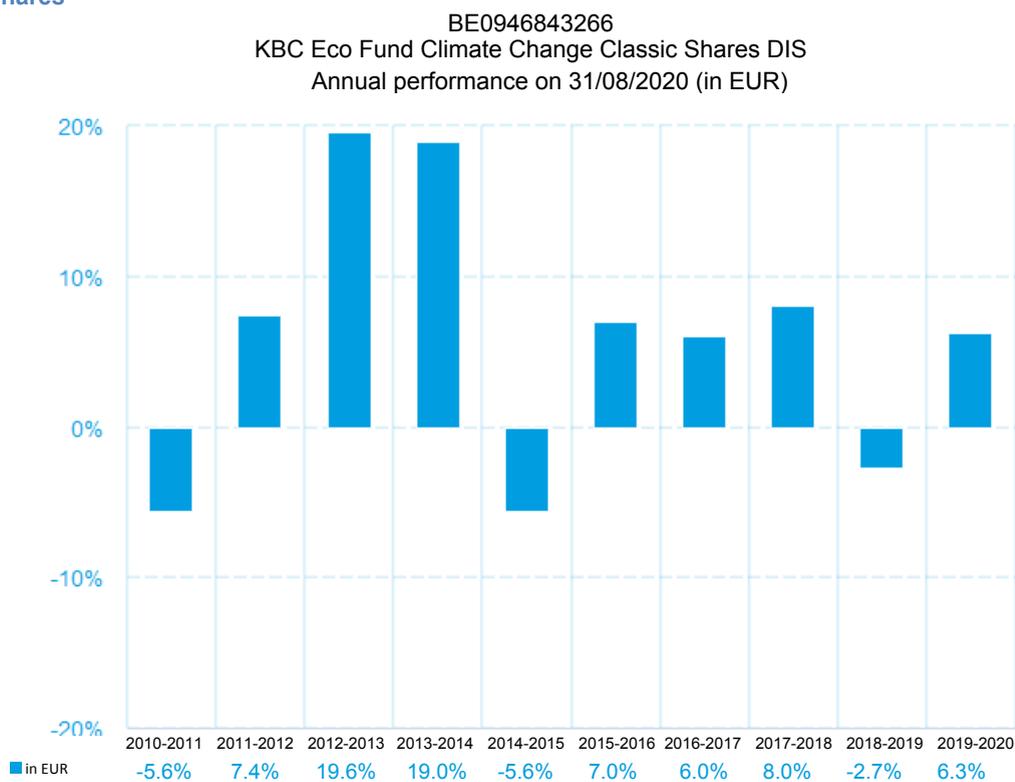
| Period | Amounts received and paid by the UCITS (in the currency of the class) | | | |
|------------|--|--------------|----------------|--------------|
| | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2018 - 08* | 504,263.00 | | 56,119.35 | |
| 2019 - 08* | 0.00 | | 144,997.50 | |
| 2020 - 08* | 374,502.75 | | 181,426.90 | |

| Period | Net asset value End of period (in the currency of the class) | | |
|------------|---|----------------|--------------|
| | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2018 - 08* | 1,412,418.38 | 572.76 | |
| 2019 - 08* | 1,245,816.82 | 562.19 | |
| 2020 - 08* | 1,514,681.47 | 605.63 | |

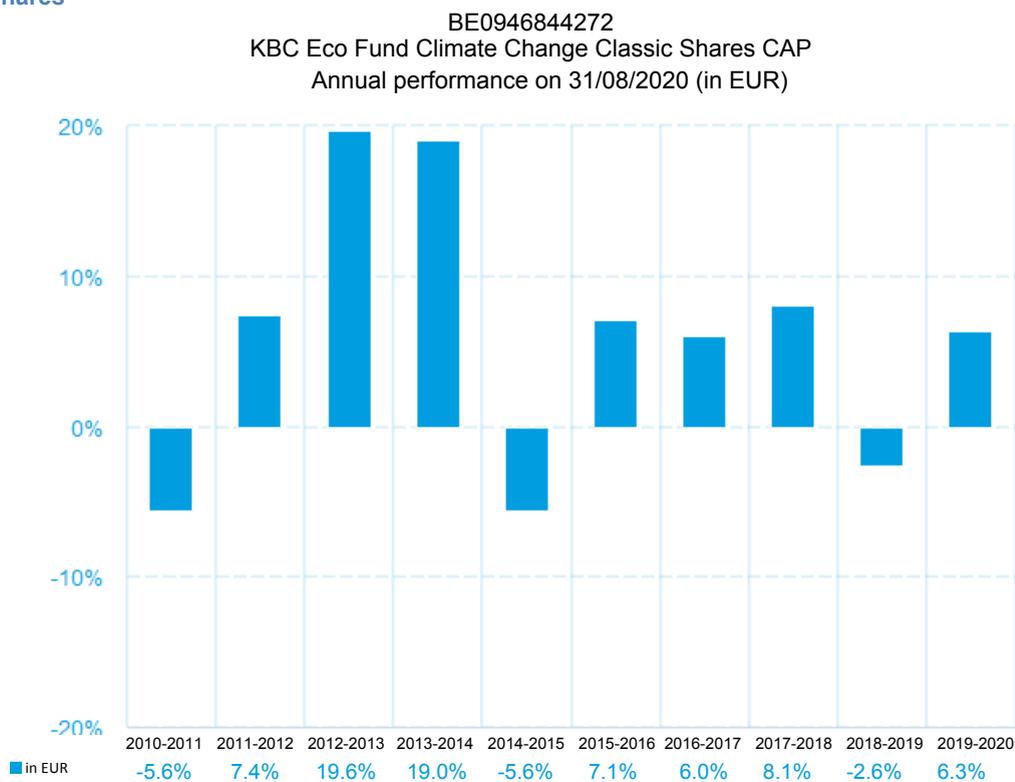
*The financial year does not coincide with the calendar year.

2.4.5. Performance figures

Classic Shares



Classic Shares



| Cap Div | ISIN Code | Curr ency | 1 year | | 3 years | | 5 years | | 10 years | | Since Launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Starting date | Share classes |
| DIS | BE0946843266 | EUR | 6.27% | | 3.76% | | 4.85% | | 5.61% | | 02/02/2007 | 1.22% |
| CAP | BE0946844272 | EUR | 6.34% | | 3.82% | | 4.91% | | 5.65% | | 02/02/2007 | 1.25% |

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

* Return on annual basis.

Classic Shares

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

Capitalisation units (CAP)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

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

For dividend i on date Di with value Wi:

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

i = 1 ... N

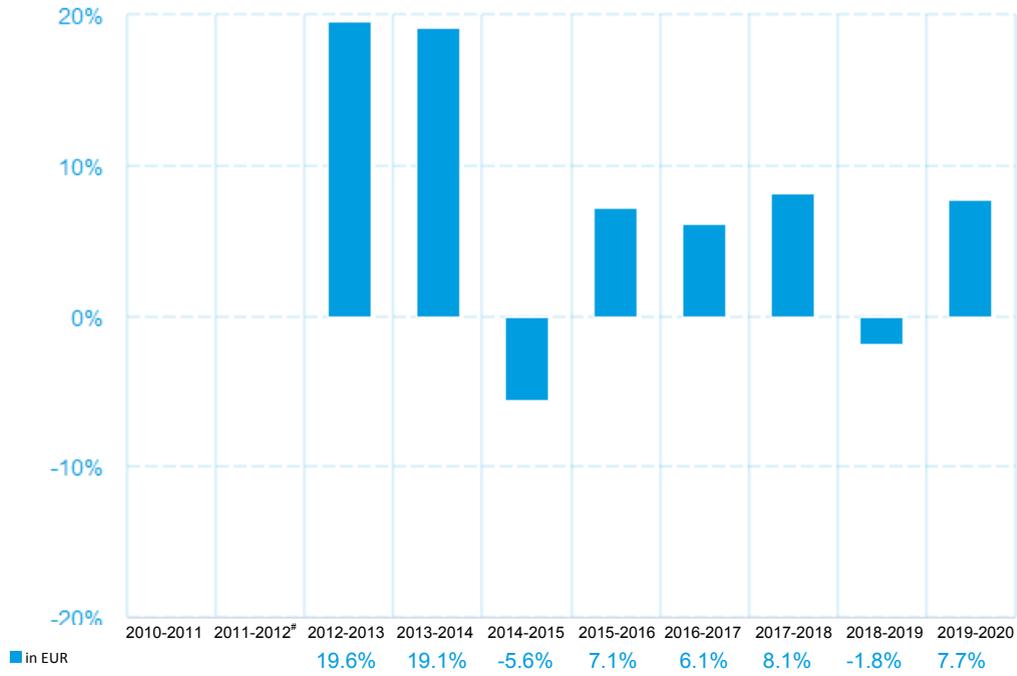
from which C = C0 * ... * CN.

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

Dividend on ex-dividend date 30/11/2020: 6,1097 net (8,7281 gross).

Institutional B Shares

BE6228923684
KBC Eco Fund Climate Change Institutional B Shares CAP
Annual performance on 31/08/2020 (in EUR)



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

| Cap Div | ISIN Code | Curr ency | 1 year | | 3 years | | 5 years | | 10 years | | Since Launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Starting date | Share classes |
| CAP | BE6228923684 | EUR | 7.73% | | 4.56% | | 5.38% | | % | | 25/11/2011 | 8.47% |

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

* Return on annual basis.

Institutional B Shares

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

Capitalisation units (CAP)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

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

2.4.6. Costs

Ongoing Charges and Transaction costs:

Classic Shares Distribution :

Ongoing Charges : 1.871%
Transaction costs : 0.133%

Classic Shares Capitalisation :

Ongoing Charges : 1.804%
Transaction costs : 0.133%

Institutional B Shares Capitalisation :

Ongoing Charges : 0.511%
Transaction costs : 0.133%

Percentage calculated at reporting date: 31 August 2020 .

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

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

Existence of Commission Sharing Agreements

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

No CSA accrual during this period.

Existence of fee sharing agreements and rebates

The management company has shared 52,64% of its fee with the distributor, and institutional and/or professional parties.

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

2.4.7. Notes to the financial statements and other data

Classic Shares

| | | |
|---|---|---|
| Fee for managing the investment portfolio | Max 1.50% | per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. (*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year. |
| Administration fee | 0.10% | per year calculated on the basis of the average total net assets of the sub-fund. |
| Custodian's fee | Max 0.04% | per year calculated on the basis of the value of the securities held in custody by the custodian on the last 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. |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund | |
| Annual tax | see the 'Information concerning the Bevek - H. Tax treatment' | |

Institutional B Shares

| | | |
|---|---|---|
| Fee for managing the investment portfolio | Max 1.50% | per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. (*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year. |
| Administration fee | 0.10% | per year calculated on the basis of the average total net assets of the sub-fund. |
| Custodian's fee | Max 0.04% | per year calculated on the basis of the value of the securities held in custody by the custodian on the last 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. |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund | |
| Annual tax | see the 'Information concerning the Bevek - H. Tax treatment' | |

Exercising voting rights

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

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

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

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

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 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy pursued during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets of KBC Eco Fund CSOB Water
 - 2.4.2. Changes in the composition of the assets KBC Eco Fund CSOB Water (in the currency of the sub-fund)
 - 2.4.3. Amount of commitments in respect of financial derivatives positions
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2. Information on KBC Eco Fund CSOB Water

2.1. Management report

2.1.1. Launch date and subscription price

| | |
|-----------------------------|--------------|
| Distribution | |
| Launch date: | 31 July 2007 |
| Initial subscription price: | 1 000 CZK |
| Currency: | CZK |
| Capitalisation | |
| Launch date: | 31 July 2007 |
| Initial subscription price: | 1 000 CZK |
| Currency: | CZK |

2.1.2. Stock exchange listing

Not applicable.

2.1.3. Goal and key principles of the investment policy

Object of the sub-fund

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

Sub-fund's investment policy

Permitted asset classes

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

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

Restrictions of the investment policy

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

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

Permitted derivatives transactions

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

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

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

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

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

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease**

capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

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

Strategy selected

The 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.

The fund is actively managed without referring to any benchmark.

Volatility of the net asset value

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

Securities Financing Transactions (SFTs)

The sub-fund may not lend any financial instruments.

General strategy for hedging the exchange risk

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

Social, ethical and environmental aspects

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

2.1.4. Financial portfolio management

The intellectual management, with the exception of the sustainability screening described in the prospectus and the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

2.1.5. Distributors

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

2.1.6. Index and benchmark

Not applicable.

2.1.7. Policy pursued during the financial year

We refer to the General information on the SICAV of this report under '1.2.2. General overview of the markets' for a review of the market.

2.1.8. Future policy

We refer to the General information on the SICAV of this report under '1.2.2. General overview of the markets' for an overview of the outlook.

2.1.9. Synthetic risk and reward indicator (SRRI)

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

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

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

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 6,992,999.17 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 | | 31/08/2020 (in the currency of the sub-fund) | 31/08/2019 (in the currency of the sub-fund) |
|-----------------------------------|---|--|--|
| | TOTAL NET ASSETS | 1,571,046,422.37 | 1,151,694,961.55 |
| II. | Securities, money market instruments, UCIs and derivatives | | |
| C. | Shares and similar instruments | | |
| a) | Shares | 1,561,039,347.24 | 1,170,980,571.21 |
| F. | Derivative financial instruments | | |
| j) | Foreign exchange | | |
| | Futures and forward contracts (+/-) | 11,328,009.45 | -11,054,144.07 |
| IV. | Receivables and payables within one year | | |
| B. | Payables | | |
| a) | Accounts payable (-) | | -37,039.92 |
| c) | Borrowings (-) | -3,120,262.77 | -14,729,125.98 |
| V. | Deposits and cash at bank and in hand | | |
| A. | Demand balances at banks | 1,845,167.87 | 4,764,382.82 |
| VI. | Accruals and deferrals | | |
| B. | Accrued income | 1,080,075.55 | 2,421,955.55 |
| C. | Accrued expense (-) | -1,125,914.97 | -651,638.06 |
| | TOTAL SHAREHOLDERS' EQUITY | 1,571,046,422.37 | 1,151,694,961.55 |
| A. | Capital | 1,543,892,872.11 | 1,176,571,730.03 |
| B. | Income equalization | 4,068,316.43 | 813,637.45 |
| D. | Result of the bookyear | 23,085,233.83 | -25,690,405.93 |
| Off-balance-sheet headings | | | |
| III. | Notional amounts of futures and forward contracts (+) | | |
| III.A. | Purchased futures and forward contracts | 1,223,377,892.94 | 821,132,420.84 |
| III.B. | Written futures and forward contracts | -132,751,172.02 | -81,068,852.80 |

2.3. Profit and loss account

| Income Statement | | 31/08/2020 (in the currency of the fund) | 31/08/2019 (in the currency of the fund) |
|-------------------------|--|--|--|
| I. | Net gains(losses) on investments | | |
| C. | Shares and similar instruments | | |
| | a) Shares | 68,556,493.75 | -24,116,106.97 |
| D. | Other securities | | 188,107.64 |
| G. | Receivables, deposits, cash at bank and in hand and payables | 0.05 | -0.01 |
| H. | Foreign exchange positions and transactions | | |
| | a) Derivative financial instruments | | |
| | Futures and forward contracts | 22,382,153.52 | -14,293,970.05 |
| | b) Other foreign exchange positions and transactions | -57,197,077.28 | 14,423,752.03 |
| | Det.section I gains and losses on investments | | |
| | Realised gains on investments | 268,172,404.49 | 71,529,811.44 |
| | Unrealised gains on investments | 463,864,195.38 | 135,798,505.01 |
| | Realised losses on investments | -216,785,120.88 | -84,856,585.87 |
| | Unrealised losses on investments | -481,509,908.95 | -146,269,947.94 |
| II. | Investment income and expenses | | |
| A. | Dividends | 19,386,268.65 | 21,790,626.66 |
| B. | Interests | | |
| | b) Cash at bank and in hand and deposits | 68,062.27 | 162,532.14 |
| C. | Interest on borrowings (-) | -278,043.62 | -165,519.02 |
| III. | Other income | | |
| B. | Other | 99.07 | |
| IV. | Operating expenses | | |
| A. | Investment transaction and delivery costs (-) | -1,318,348.48 | -597,134.70 |
| B. | Financial expenses (-) | -2,545.59 | -2,185.71 |
| C. | Custodian's fee (-) | -518,309.83 | -263,399.34 |
| D. | Manager's fee (-) | | |
| | a) Financial management | -26,120,953.69 | -21,575,094.43 |
| | b) Administration and accounting management | -1,306,050.00 | -1,078,756.36 |
| F. | Formation and organisation expenses (-) | -19,107.34 | -15,807.57 |
| G. | Remuneration, social security charges and pension | -17,463.57 | -24,941.39 |
| H. | Services and sundry goods (-) | -162,416.49 | -220,029.68 |
| J. | Taxes | -9,442.23 | -18,250.24 |
| K. | Other expenses (-) | -358,085.36 | 115,771.07 |
| | Income and expenditure for the period | | |
| | Subtotal II + III + IV | -10,656,336.21 | -1,892,188.57 |
| V. | Profit (loss) on ordinary activities before tax | 23,085,233.83 | -25,690,405.93 |
| VII. | Result of the bookyear | 23,085,233.83 | -25,690,405.93 |

| Appropriation Account | 31/08/2020 (in the currency of the sub-fund) | 31/08/2019 (in the currency of the sub-fund) |
|---|--|--|
| I. Profit to be appropriated | 27,153,550.26 | -24,876,768.48 |
| Profit for the period available for appropriation | 23,085,233.83 | -25,690,405.93 |
| Income on the creation of shares (income on the cancellation of shares) | 4,068,316.43 | 813,637.45 |
| II. (Appropriations to) Deductions from capital | -27,153,550.26 | 24,876,768.48 |

2.4. Composition of the assets and key figures

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

| Name | Quantity on 31/08/2020 | 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 - | 121,528.00 | AUD | 11.500 | 22,708,507.51 | | 1.44 | 1.45 |
| <u>Austria</u> | | | | | | | |
| ANDRITZ AG - | 25,930.00 | EUR | 28.040 | 19,104,708.62 | | 1.22 | 1.22 |
| WIENERBERGER AG (WIEN) | 43,716.00 | EUR | 22.620 | 25,983,216.39 | | 1.65 | 1.65 |
| <u>Bermuda</u> | | | | | | | |
| CONSOLIDATED WATER CO LTD - | 59,320.00 | USD | 12.030 | 15,678,829.41 | | 1.00 | 1.00 |
| <u>Brazil</u> | | | | | | | |
| CIA DE SANEAMENTO DE MINAS GER - | 67,167.00 | BRL | 47.600 | 12,804,477.94 | | 0.81 | 0.82 |
| CIA SANEAMENTO BASICO - | 57,500.00 | BRL | 47.750 | 10,996,138.29 | | 0.70 | 0.70 |
| <u>Cayman Islands</u> | | | | | | | |
| CT ENVIRONMENTAL GROUP LTD - | 9,512,000.00 | HKD | 0.010 | 269,655.07 | | 0.02 | 0.02 |
| <u>Chile</u> | | | | | | | |
| AGUAS ANDINAS SA - | 2,684,673.00 | CLP | 233.000 | 17,720,385.82 | | 1.13 | 1.13 |
| <u>China</u> | | | | | | | |
| TIANJIN CAPITAL ENVIRONMENTAL - | 1,492,000.00 | HKD | 2.650 | 11,208,602.00 | | 0.71 | 0.71 |
| <u>Finland</u> | | | | | | | |
| KEMIRA (HEL) | 89,837.00 | EUR | 11.580 | 27,335,290.43 | | 1.74 | 1.74 |
| UPONOR OYJ - | 58,233.00 | EUR | 14.720 | 22,523,551.28 | | 1.43 | 1.43 |
| <u>France</u> | | | | | | | |
| EUROFINS SCIENTIFIC - | 1,338.00 | EUR | 671.600 | 23,611,669.37 | | 1.50 | 1.50 |
| <u>Hong Kong</u> | | | | | | | |
| BEIJING ENTERPRISES WATER GROUP LTD - | 3,810,827.00 | HKD | 3.050 | 32,950,030.74 | | 2.10 | 2.10 |
| CHINA EVERBRIGHT INTL - | 2,857,144.00 | HKD | 4.680 | 37,906,591.36 | | 2.41 | 2.41 |
| CHINA LIANSU GROUP HOLDINGS LT - | 865,000.00 | HKD | 14.460 | 35,458,564.65 | | 2.26 | 2.26 |
| CHINA WATER AFFAIRS GROUP LTD - | 1,904,000.00 | HKD | 6.380 | 34,436,925.72 | | 2.19 | 2.19 |
| WASION HOLDINGS LTD - | 1,512,000.00 | HKD | 2.290 | 9,815,762.11 | | 0.62 | 0.63 |
| <u>India</u> | | | | | | | |
| JAIN IRRIGATION SYSTEMS LTD - | 2,497,127.00 | INR | 11.250 | 8,385,287.25 | | 0.53 | 0.53 |
| NCC LTD/INDIA - | 2,108,462.00 | INR | 34.050 | 21,429,285.26 | | 1.36 | 1.36 |
| THERMAX LTD - | 121,453.00 | INR | 764.650 | 27,720,159.90 | | 1.76 | 1.76 |
| <u>Ireland</u> | | | | | | | |
| PENTAIR PLC - | 17,632.00 | USD | 45.140 | 17,486,786.07 | | 1.11 | 1.11 |
| <u>Japan</u> | | | | | | | |
| KUBOTA CORP - | 95,600.00 | JPY | 1,916.500 | 37,959,753.06 | | 3.14 | 2.42 |
| KURITA WATER INDUSTR. - | 40,700.00 | JPY | 3,320.000 | 27,995,559.77 | | 1.78 | 1.78 |
| NOMURA MICRO SCIENCE CO LTD - | 67,500.00 | JPY | 1,729.000 | 24,179,951.69 | | 1.54 | 1.54 |
| ORGANO CORPORATION - | 20,600.00 | JPY | 5,620.000 | 23,986,130.85 | | 1.53 | 1.53 |
| TORISHIMA PUMP MANUFACTURING CO - | 46,100.00 | JPY | 814.000 | 7,774,670.51 | | 0.49 | 0.50 |
| TSUKISHIMA KIKAI CO LTD - | 57,700.00 | JPY | 1,255.000 | 15,002,934.10 | | 0.95 | 0.96 |
| TSURUMI MANUFACTURING CO LTD - | 21,000.00 | JPY | 1,840.000 | 8,005,598.04 | | 0.51 | 0.51 |
| <u>Netherlands</u> | | | | | | | |
| AALBERTS NV (AMS) | 21,337.00 | EUR | 31.640 | 17,739,024.12 | | 1.13 | 1.13 |
| ARCADIS N.V. (AMS) | 43,610.00 | EUR | 19.250 | 22,058,537.39 | | 1.40 | 1.40 |
| <u>Philippines</u> | | | | | | | |
| MANILA WATER CO - | 3,651,500.00 | PHP | 14.380 | 23,794,120.15 | | 1.51 | 1.52 |
| <u>Singapore</u> | | | | | | | |
| SOUND GLOBAL LTD - | 374,000.00 | HKD | | | | | |
| <u>South Korea</u> | | | | | | | |
| WOONGJIN COWAY CO LTD - | 12,619.00 | KRW | 79,800.000 | 18,624,936.83 | | 1.19 | 1.19 |
| <u>Sweden</u> | | | | | | | |
| ALFA LAVAL - | 29,912.00 | SEK | 211.400 | 16,107,966.15 | | 1.02 | 1.02 |

| | | | | | | | |
|----------------------------------|--------------|-----|---------|------------------|--|--------|--------|
| INDUTRADE AB - | 15,358.00 | SEK | 455.600 | 17,824,142.76 | | 1.13 | 1.14 |
| SWECO AB - | 15,491.00 | SEK | 534.000 | 21,072,253.60 | | 1.34 | 1.34 |
| <u>Switzerland</u> | | | | | | | |
| FERGUSON PLC - | 8,757.00 | GBP | 73.760 | 19,001,482.19 | | 1.21 | 1.21 |
| GEBERIT AG - | 1,851.00 | CHF | 520.600 | 23,512,447.55 | | 1.50 | 1.50 |
| GEORG.FISCHER (NAAM) | 1,272.00 | CHF | 898.000 | 27,870,881.53 | | 1.77 | 1.77 |
| LANDIS+GYR GROUP AG - | 15,525.00 | CHF | 54.650 | 20,701,844.04 | | 1.32 | 1.32 |
| <u>Thailand</u> | | | | | | | |
| EASTERN WATER RESOURCES DEVELO - | 1,154,400.00 | THB | 9.950 | 8,126,335.05 | | 0.52 | 0.52 |
| TTW PCL - | 3,757,500.00 | THB | 13.400 | 35,622,066.76 | | 2.27 | 2.27 |
| <u>U.K.</u> | | | | | | | |
| AMIAD FILTRATION SYSTEMS LTD - | 60,000.00 | GBP | 2.300 | 4,059,666.03 | | 0.26 | 0.26 |
| HALMA PLC - | 29,624.00 | GBP | 22.180 | 19,329,314.93 | | 1.23 | 1.23 |
| PENNON GROUP PLC - | 58,698.00 | GBP | 10.060 | 17,371,307.41 | | 1.11 | 1.11 |
| POLYPIPE GROUP PLC - | 150,687.00 | GBP | 4.350 | 19,283,073.86 | | 1.23 | 1.23 |
| ROTORK PLC - | 225,271.00 | GBP | 2.998 | 19,867,724.84 | | 1.26 | 1.26 |
| RPS GROUP - | 728,730.00 | GBP | 0.427 | 9,143,172.33 | | 0.58 | 0.58 |
| SEVERN TRENT - | 26,463.00 | GBP | 23.320 | 18,154,272.25 | | 1.16 | 1.16 |
| UNITED UTILITIES WATER PLC - | 71,139.00 | GBP | 8.312 | 17,395,003.15 | | 1.11 | 1.11 |
| <u>U.S.A.</u> | | | | | | | |
| ADVANCED DRAINAGE SYSTEMS INC - | 13,146.00 | USD | 55.480 | 16,024,221.72 | | 1.02 | 1.02 |
| AMERICAN STATES WATER CO - | 10,890.00 | USD | 76.080 | 18,203,095.55 | | 1.16 | 1.16 |
| AMERICAN WATER WORKS INC. - | 8,547.00 | USD | 141.340 | 26,541,511.77 | | 1.69 | 1.69 |
| AO SMITH CORP - | 14,315.00 | USD | 48.970 | 15,401,688.00 | | 0.98 | 0.98 |
| ARTESIAN RESOURCES CORP -A- | 21,433.00 | USD | 35.190 | 16,571,014.45 | | 1.05 | 1.06 |
| BADGER METER INC - | 12,687.00 | USD | 61.690 | 17,195,728.33 | | 1.09 | 1.10 |
| CADIZ INC - | 92,209.00 | USD | 10.460 | 21,191,020.02 | | 1.35 | 1.35 |
| CALIFORNIA WATER SERVICE GROUP - | 18,523.00 | USD | 45.340 | 18,451,841.17 | | 1.17 | 1.17 |
| DANAHER CORPORATION - | 5,246.00 | USD | 206.470 | 23,797,542.39 | | 1.51 | 1.52 |
| ECOLAB, INC. - | 4,071.00 | USD | 197.080 | 17,627,491.79 | | 1.12 | 1.12 |
| ESSENTIAL UTILITIES INC - | 21,120.00 | USD | 42.500 | 19,721,035.23 | | 1.25 | 1.25 |
| GORMAN-RUPP CO/THE - | 27,546.00 | USD | 31.950 | 19,336,428.91 | | 1.23 | 1.23 |
| IDEXX LABORATORIES INC. - | 2,711.00 | USD | 391.060 | 23,292,697.07 | | 1.48 | 1.48 |
| INSITUFORM TECHN. CORP. - | 39,855.00 | USD | 16.185 | 14,172,366.75 | | 0.90 | 0.90 |
| ITRON INC - | 9,983.00 | USD | 59.570 | 13,065,785.87 | | 0.83 | 0.83 |
| LINDSAY MANUFACTURING CO - | 7,462.00 | USD | 99.930 | 16,383,172.24 | | 1.04 | 1.04 |
| MIDDLESEX WATER CO - | 14,651.00 | USD | 64.130 | 20,643,121.72 | | 1.31 | 1.31 |
| MUELLER WATER PRODUCTS INC -A- | 79,311.00 | USD | 10.800 | 18,819,325.17 | | 1.20 | 1.20 |
| NORTHWEST PIPE COMPANY - | 28,123.00 | USD | 28.330 | 17,504,716.70 | | 1.11 | 1.11 |
| PERKINELMER, INC. - | 10,024.00 | USD | 117.720 | 25,926,158.78 | | 1.65 | 1.65 |
| PICO HOLDINGS INC - | 56,631.00 | USD | 8.890 | 11,061,215.58 | | 0.70 | 0.70 |
| PURE CYCLE CORP - | 64,042.00 | USD | 9.760 | 13,732,878.23 | | 0.87 | 0.87 |
| REXNORD HOLDINGS INC - | 22,671.00 | USD | 28.960 | 14,425,009.23 | | 0.92 | 0.92 |
| SJW GROUP - | 15,163.00 | USD | 62.530 | 20,831,494.52 | | 1.33 | 1.33 |
| SPX CORPORATION - | 16,343.00 | USD | 41.830 | 15,019,881.64 | | 0.96 | 0.96 |
| THE TORO COMPANY - | 12,271.00 | USD | 75.280 | 20,295,812.01 | | 1.29 | 1.29 |
| THERMO ELECTRONIC - | 2,679.00 | USD | 428.980 | 25,249,723.32 | | 1.61 | 1.61 |
| VALMONT INDUSTRIES - | 6,448.00 | USD | 127.050 | 17,998,924.83 | | 1.15 | 1.15 |
| WATERS CORP - | 1,351.00 | USD | 216.260 | 6,419,163.13 | | 0.41 | 0.41 |
| WATTS WATER TECHNOLOGIES INC A | 10,964.00 | USD | 95.750 | 23,065,064.56 | | 1.47 | 1.47 |
| XYLEM INC/NY - | 10,516.00 | USD | 80.180 | 18,525,225.13 | | 1.18 | 1.18 |
| YORK WATER CO - | 17,410.00 | USD | 45.610 | 17,446,395.30 | | 1.11 | 1.11 |
| Total shares | | | | 1,561,039,347.24 | | 99.28 | 99.36 |
| Forward contracts | | CZK | | 11,328,009.45 | | | 0.72 |
| TOTAL SECURITIES PORTFOLIO | | | | 1,572,367,356.69 | | 100.00 | 100.08 |
| CASH AT BANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP AUD | -6,065.82 | AUD | 1.000 | -98,560.73 | | | -0.01 |
| KBC GROUP BRAZILIAANSE CRUZEIRO | -0.03 | BRL | 1.000 | -0.12 | | | |
| KBC GROUP CAD | -0.17 | CAD | 1.000 | -2.87 | | | |
| KBC GROUP CHF | -2,773.94 | CHF | 1.000 | -67,683.74 | | | -0.00 |
| KBC GROUP CZK | 1,247,796.48 | CZK | 1.000 | 1,247,796.48 | | | 0.08 |
| KBC GROUP EURO | -108,468.77 | EUR | 1.000 | -2,850,129.59 | | | -0.18 |
| KBC GROUP GBP | -3,530.66 | GBP | 1.000 | -103,864.50 | | | -0.01 |
| KBC GROUP HKD | 23,369.26 | HKD | 1.000 | 66,249.36 | | | 0.00 |
| KBC GROUP JPY | 839,042.00 | JPY | 1.000 | 173,836.26 | | | 0.01 |
| KBC GROUP MXN | 32,341.39 | MXN | 1.000 | 32,466.77 | | | 0.00 |
| KBC GROUP SEK | -8.33 | SEK | 1.000 | -21.22 | | | |
| KBC GROUP SGD | 251.32 | SGD | 1.000 | 4,061.28 | | | |
| KBC GROUP USD | 14,599.24 | USD | 1.000 | 320,757.72 | | | 0.02 |
| Total demand accounts | | | | -1,275,094.90 | | | -0.08 |
| TOTAL CASH AT BANK AND IN HAND | | | | -1,275,094.90 | | | -0.08 |
| OTHER | | | | | | | |
| Interest receivable | | CZK | | 1,080,075.55 | | | 0.07 |
| Expenses payable | | CZK | | -1,125,914.97 | | | -0.07 |

| | | | | | | | |
|------------------|--|--|--|------------------|--|--|--------|
| TOTAL OTHER | | | | -45,839.42 | | | -0.00 |
| TOTAL NET ASSETS | | | | 1,571,046,422.37 | | | 100.00 |

Geographic breakdown (as a % of securities portfolio)

| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
|----------------|------------|------------|------------|------------|
| Australia | 1.12 | 0.98 | 1.29 | 1.44 |
| Austria | 0.00 | 0.00 | 2.50 | 2.87 |
| Belgium | 0.82 | -1.83 | -0.65 | 0.65 |
| Bermuda | 0.93 | 1.04 | 1.26 | 1.00 |
| Brazil | 2.61 | 2.71 | 2.85 | 1.51 |
| Switzerland | 5.92 | 4.95 | 6.45 | 6.91 |
| Chile | 3.43 | 2.45 | 1.30 | 1.13 |
| China | 1.30 | 1.13 | 0.22 | 0.71 |
| Cayman Islands | 0.66 | 0.84 | 0.80 | 0.02 |
| Spain | 0.80 | 1.08 | 0.00 | 0.00 |
| Finland | 2.27 | 2.63 | 2.81 | 3.17 |
| France | 1.62 | 2.43 | 1.05 | 1.50 |
| U.K. | 10.89 | 9.93 | 10.67 | 7.97 |
| Hong Kong | 6.35 | 4.90 | 6.89 | 9.58 |
| India | 3.50 | 3.28 | 2.69 | 3.66 |
| Japan | 5.64 | 7.12 | 7.75 | 9.23 |
| South Korea | 1.25 | 1.26 | 1.20 | 1.18 |
| Netherlands | 2.41 | 2.67 | 2.63 | 2.53 |
| Philippines | 2.40 | 3.12 | 1.97 | 1.51 |
| Singapore | 3.40 | 1.81 | 0.00 | 0.00 |
| Sweden | 1.96 | 2.24 | 3.79 | 3.49 |
| Thailand | 1.35 | 1.57 | 2.87 | 2.78 |
| U.S.A. | 39.37 | 43.69 | 39.66 | 37.16 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

Sector breakdown (as a % of securities portfolio)

| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
|--------------|------------|------------|------------|------------|
| Cyclicals | 52.91 | 47.67 | 49.27 | 53.78 |
| Consum(cycl) | 5.22 | 5.45 | 4.46 | 3.56 |
| Pharma | 0.00 | 0.00 | 3.50 | 5.00 |
| Financials | 3.05 | 1.08 | 1.33 | 1.35 |
| Technology | 3.12 | 3.63 | 5.59 | 5.35 |
| Telecomm. | 0.79 | 1.30 | 0.00 | 1.02 |
| Utilities | 34.91 | 40.87 | 35.85 | 29.94 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

Currency breakdown (as a % of net assets)

| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
|-------------------|------------|------------|------------|------------|
| AUSTRALIAN DOLLAR | 1.20 | 1.08 | 1.29 | 1.43 |
| BRASILIAN REAL | 2.61 | 2.71 | 2.85 | 1.51 |
| CANADIAN DOLLAR | 1.61 | 0.00 | 0.00 | 0.00 |
| SWISS FRANC | 0.28 | 2.66 | -0.44 | 0.17 |
| | 3.43 | 2.45 | 1.30 | 1.13 |
| CZECH KORUNA | 78.36 | 76.93 | 92.57 | 86.50 |
| EURO | 0.69 | 0.30 | -1.05 | 0.46 |
| POUND STERLING | 1.21 | 0.39 | -0.91 | 0.20 |
| HONG KONG DOLLAR | 8.53 | 6.85 | 7.91 | 10.31 |
| INDIE RUPEE | 3.50 | 3.28 | 2.69 | 3.66 |
| JAPANESE YEN | 0.16 | 0.12 | -1.07 | 0.80 |
| KOREAN WON | 1.25 | 1.26 | 1.20 | 1.18 |
| PESO | 2.40 | 3.12 | 1.97 | 1.51 |
| SWEDISH KRONA | 2.00 | 2.29 | -0.53 | 0.02 |
| SINGAPORE DOLLAR | 0.40 | 1.86 | 0.00 | 0.00 |
| THAI BATH | 1.35 | 1.57 | 2.87 | 2.78 |
| US DOLLAR | -8.98 | -6.87 | -10.65 | -11.66 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

2.4.2. Changes in the composition of the assets of KBC Eco Fund CSOB Water (in the currency of the sub-fund)

| | 1 st half of year | 2 nd half of year | Year |
|--|------------------------------|------------------------------|------------------|
| Purchases | 280,569,322.26 | 551,787,639.22 | 832,356,961.49 |
| Sales | 214,641,134.70 | 230,115,688.77 | 444,756,823.47 |
| Total 1 | 495,210,456.96 | 781,903,327.99 | 1,277,113,784.95 |
| Subscriptions | 200,755,710.21 | 385,044,666.24 | 585,800,376.45 |
| Redemptions | 123,656,222.93 | 69,946,242.96 | 193,602,465.89 |
| Total 2 | 324,411,933.14 | 454,990,909.20 | 779,402,842.34 |
| Monthly average of total assets | 1,268,091,103.85 | 1,326,736,290.58 | 1.297.656.032.69 |
| Turnover rate | 13.47% | 24.64% | 38.35% |

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

The detailed list of transactions can be consulted free of charge at the company designated as financial service:
 CBC Banque SA, Avenue Albert 1er 60, B-5000 Namur
 KBC Bank NV, Havenlaan 2, B-1080 Brussels

2.4.3. Amount of commitments in respect of financial derivatives positions

| Name | Currency | Value in currency | In the currency of the sub-fund | Lot-size | Transaction date |
|--|----------|-------------------|---------------------------------|----------|------------------|
| KBC AK-VK CZK-CHF 200904-200804 24.35085 | CZK | 69,398,816.64 | 69,398,816.64 | N/A | 04.08.2020 |
| KBC AK-VK CZK-EUR 200904-200804 26.19549 | CZK | 147,726,401.50 | 147,726,401.50 | N/A | 04.08.2020 |
| KBC AK-VK CZK-GBP 200904-200804 29.04333 | CZK | 139,305,822.35 | 139,305,822.35 | N/A | 04.08.2020 |
| KBC AK-VK CZK-SEK 200904-200804 2.548229 | CZK | 54,584,964.12 | 54,584,964.12 | N/A | 04.08.2020 |
| KBC AK-VK CZK-USD 200904-200804 22.29056 | CZK | 749,326,493.50 | 749,326,493.50 | N/A | 04.08.2020 |
| KBC AK-VK CZK-USD 200904-200826 22.1931 | CZK | 63,035,394.83 | 63,035,394.83 | N/A | 26.08.2020 |
| KBC VK-AK JPY-CZK 200904-200804 4.743739 | JPY | -640,739,800.00 | -132,751,172.02 | N/A | 04.08.2020 |

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

| Period | Change in number of shares in circulation | | | | | | |
|------------|---|--------------|----------------|--------------|----------------|--------------|--------------|
| | Subscriptions | | Redemptions | | End of period | | |
| | Capitalization | Distribution | Capitalization | Distribution | Capitalization | Distribution | Totaal |
| 2018 - 08* | 246,292.49 | 0.00 | 68,437.85 | 0.00 | 768,504.70 | 0.00 | 768,504.70 |
| 2019 - 08* | 224,303.09 | | 128,967.19 | | 863,840.60 | | 863,840.60 |
| 2020 - 08* | 453,274.56 | 0.00 | 144,291.29 | 0.00 | 1,172,823.87 | 0.00 | 1,172,823.87 |

| Period | Amounts received and paid by the UCITS (in the currency of the sub-fund) | | | |
|------------|---|--------------|----------------|--------------|
| | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2018 - 08* | 338,449,400.59 | 0.00 | 94,168,580.53 | 0.00 |
| 2019 - 08* | 292,464,977.90 | 0.00 | 167,968,958.17 | 0.00 |
| 2020 - 08* | 591,052,158.81 | 0.00 | 194,785,931.82 | 0.00 |

| Period | Net asset value End of period (in the currency of the sub-fund) | | |
|------------|--|----------------|--------------|
| | Of the sub-fund | Of one share | |
| | | Capitalization | Distribution |
| 2018 - 08* | 1,052,889,346.15 | 1,370.05 | 0.00 |
| 2019 - 08* | 1,151,694,961.55 | 1,333.23 | |
| 2020 - 08* | 1,571,046,422.37 | 1,339.54 | 0.00 |

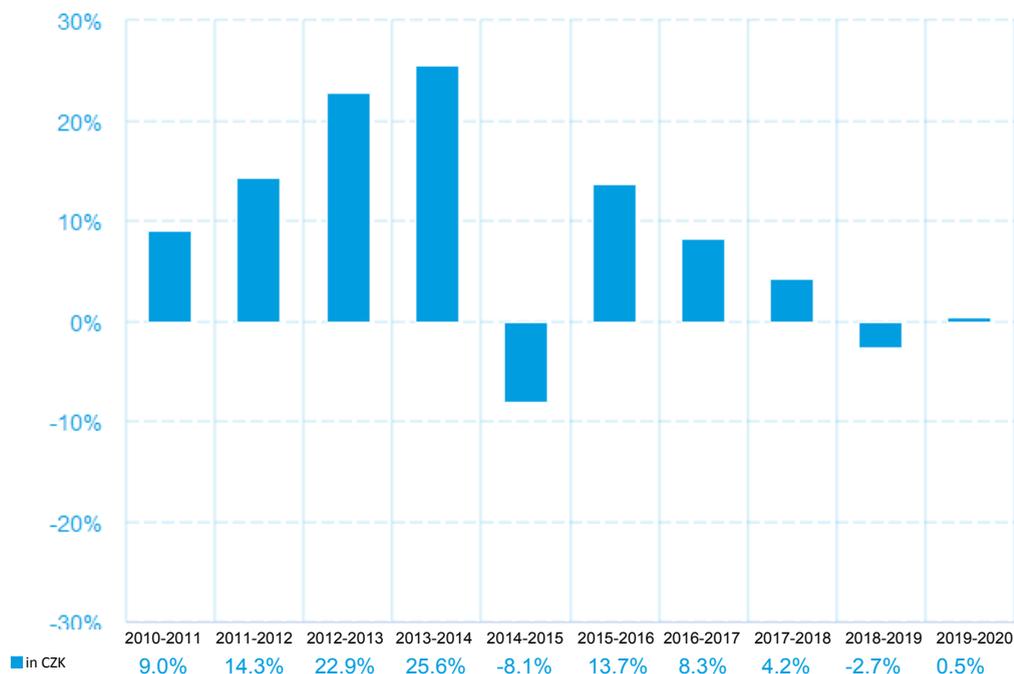
*The financial year does not coincide with the calendar year.

2.4.5. Performance figures

BE0947249448
KBC Eco Fund CSOB Water DIS
Annual performance on 31/08/2020 (in CZK)

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

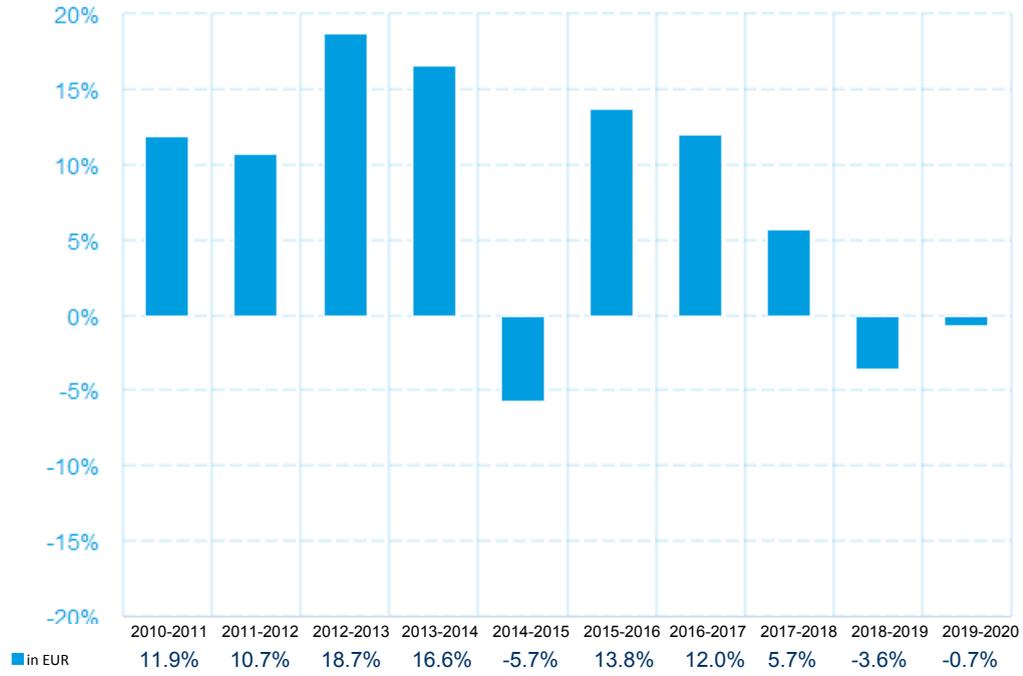
BE0947250453
KBC Eco Fund CSOB Water CAP
Annual performance on 31/08/2020 (in CZK)



BE0947249448
KBC Eco Fund CSOB Water DIS
Annual performance on 31/08/2020 (in EUR)

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

BE0947250453
KBC Eco Fund CSOB Water CAP
Annual performance on 31/08/2020 (in EUR)



| Cap Div | ISIN Code | Curr ency | 1 year | | 3 years | | 5 years | | 10 years | | Since Launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Starting date | Share classes |
| DIS | BE0947249448 | CZK | -29.72% | | % | | % | | % | | 31/07/2007 | -21.71% |
| DIS | BE0947249448 | EUR | -32.04% | | | | | | | | 31/07/2007 | -18.29% |
| CAP | BE0947250453 | CZK | 0.47% | | 0.61% | | 4.62% | | 8.28% | | 31/07/2007 | 2.26% |
| CAP | BE0947250453 | EUR | -0.73% | | 0.41% | | 5.23% | | 7.64% | | 31/07/2007 | 2.77% |

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

* Return on annual basis.

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

Capitalisation units (CAP)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

where C is a factor that is determined for all N dividends between the calculation

date D and the reference date.

For dividend i on date Di with value Wi:

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

i = 1 ... N

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

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

2.4.6. Costs

Ongoing Charges and Transaction costs:

Distribution :

Ongoing Charges : 0.000%
Transaction costs : 0.097%

Capitalisation :

Ongoing Charges : 2.198%
Transaction costs : 0.097%

Percentage calculated at reporting date: 31 August 2020 .

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

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

Existence of Commission Sharing Agreements

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

No CSA accrual during this period.

Existence of fee sharing agreements and rebates

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

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

2.4.7. Notes to the financial statements and other data

| | | |
|---|---|---|
| Fee for managing the investment portfolio | Max 2.00% | per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. (*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year. |
| Administration fee | 0.10% | per year calculated on the basis of the average total net assets of the sub-fund. |
| Custodian's fee | Max 0.04% | per year calculated on the basis of the value of the securities held in custody by the custodian on the last 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. |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund | |
| Annual tax | see the 'Information concerning the Bevek - H. Tax treatment' | |

Exercising voting rights

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

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

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

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

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2. Information on KBC Eco Fund Impact Investing

2.1. Management report

2.1.1. Launch date and subscription price

Classic Shares Distribution

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

Classic Shares Capitalisation

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

Classic Shares HUF Capitalisation

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

2.1.2. Stock exchange listing

Not applicable.

2.1.3. Goal and key principles of the investment policy

Object of the sub-fund

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

Sub-fund's investment policy

Permitted asset classes

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

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

Restrictions of the investment policy

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

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

Permitted derivatives transactions

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

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

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

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

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

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

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

Strategy selected

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

The fund is actively managed without referring to any benchmark.

Volatility of the net asset value

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

Securities Financing Transactions (SFTs)

The sub-fund may not lend any financial instruments.

General strategy for hedging the exchange risk

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

Social, ethical and environmental aspects

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

2.1.4. Financial portfolio management

The intellectual management, with the exception of the sustainability screening described in the prospectus and the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

2.1.5. Distributors

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

2.1.6. Index and benchmark

Not applicable.

2.1.7. Policy pursued during the financial year

We refer to the General information on the SICAV of this report under '1.2.2. General overview of the markets' for a review of the market.

2.1.8. Future policy

We refer to the General information on the SICAV of this report under '1.2.2. General overview of the markets' for an overview of the outlook.

2.1.9. Synthetic risk and reward indicator (SRRI)

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

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

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

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

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 45,362.52 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 | | 31/08/2020 (in the currency of the sub-fund) | 31/08/2019 (in the currency of the sub-fund) |
|-----------------------------|---|--|--|
| | TOTAL NET ASSETS | 160,451,920.24 | 133,134,662.98 |
| II. | Securities, money market instruments, UCIs and derivatives | | |
| C. | Shares and similar instruments | | |
| a) | Shares | 158,907,044.06 | 131,769,232.69 |
| D. | Other securities | 40,001.54 | |
| IV. | Receivables and payables within one year | | |
| B. | Payables | | |
| a) | Accounts payable (-) | | -1,426.67 |
| c) | Borrowings (-) | -14,507.85 | |
| V. | Deposits and cash at bank and in hand | | |
| A. | Demand balances at banks | 1,631,661.58 | 1,446,219.66 |
| VI. | Accruals and deferrals | | |
| B. | Accrued income | 76,948.21 | 65,156.05 |
| C. | Accrued expense (-) | -189,227.30 | -144,518.75 |
| | TOTAL SHAREHOLDERS' EQUITY | 160,451,920.24 | 133,134,662.98 |
| A. | Capital | 150,998,071.25 | 132,387,522.66 |
| B. | Income equalization | 82,210.51 | 151,555.45 |
| D. | Result of the bookyear | 9,371,638.48 | 595,584.87 |

2.3. Profit and loss account

| Income Statement | | 31/08/2020 (in the currency of the fund) | 31/08/2019 (in the currency of the fund) |
|-------------------------|--|--|--|
| I. | Net gains(losses) on investments | | |
| C. | Shares and similar instruments | | |
| | a) Shares | 14,932,058.77 | -1,739,767.55 |
| D. | Other securities | | -0.77 |
| H. | Foreign exchange positions and transactions | | |
| | b) Other foreign exchange positions and transactions | -4,138,613.77 | 2,482,444.73 |
| | Det.section I gains and losses on investments | | |
| | Realised gains on investments | 5,637,082.91 | 869,681.92 |
| | Unrealised gains on investments | 16,690,193.49 | 10,787,917.50 |
| | Realised losses on investments | -4,392,987.62 | -953,214.66 |
| | Unrealised losses on investments | -7,140,843.78 | -9,961,708.35 |
| II. | Investment income and expenses | | |
| A. | Dividends | 1,209,706.93 | 1,905,422.40 |
| B. | Interests | | |
| | b) Cash at bank and in hand and deposits | 434.68 | 1,963.22 |
| C. | Interest on borrowings (-) | -4,272.62 | -2,509.14 |
| F. | Other investment income | 29.91 | 105.38 |
| III. | Other income | | |
| B. | Other | 9.79 | |
| IV. | Operating expenses | | |
| A. | Investment transaction and delivery costs (-) | -71,750.38 | -33,114.74 |
| B. | Financial expenses (-) | -212.74 | -196.03 |
| C. | Custodian's fee (-) | -55,305.96 | -27,923.97 |
| D. | Manager's fee (-) | | |
| | a) Financial management | | |
| | Classic Shares | -2,145,613.78 | -1,759,539.78 |
| | Classic Shares K&H HUF | -12,606.76 | 0.00 |
| | b) Administration and accounting management | -143,974.76 | -117,302.76 |
| E. | Administrative expenses (-) | -995.94 | -1,003.53 |
| F. | Formation and organisation expenses (-) | -4,448.39 | -5,627.98 |
| G. | Remuneration, social security charges and pension | -1,899.81 | -2,706.68 |
| H. | Services and sundry goods (-) | -10,398.07 | -10,783.83 |
| J. | Taxes | | |
| | Classic Shares | -147,447.92 | -105,676.72 |
| | Classic Shares K&H HUF | -716.66 | 0.00 |
| K. | Other expenses (-) | -32,344.04 | 11,802.62 |
| | Income and expenditure for the period | | |
| | Subtotal II + III + IV | -1,421,806.52 | -147,091.54 |
| V. | Profit (loss) on ordinary activities before tax | 9,371,638.48 | 595,584.87 |
| VII. | Result of the bookyear | 9,371,638.48 | 595,584.87 |

| Appropriation Account | | 31/08/2020 (in the currency of the sub-fund) | 31/08/2019 (in the currency of the sub-fund) |
|------------------------------|---|--|--|
| I. | Profit to be appropriated | 9,453,848.99 | 747,140.32 |
| | Profit for the period available for appropriation | 9,371,638.48 | 595,584.87 |
| | Income on the creation of shares (income on the cancellation of shares) | 82,210.51 | 151,555.45 |
| II. | (Appropriations to) Deductions from capital | -9,032,644.40 | -57,632.31 |
| IV. | (Dividends to be paid out) | -421,204.59 | -689,508.01 |

2.4. Composition of the assets and key figures

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

| Name | Quantity on 31/08/2020 | 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> | | | | | | | |
| LENZING AG (WIEN) | 36,592.00 | EUR | 43.450 | 1,589,922.40 | | 1.00 | 0.99 |
| <u>Belgium</u> | | | | | | | |
| BIOCARTIS NV - | 378,803.00 | EUR | 4.735 | 1,793,632.21 | | 1.13 | 1.12 |
| CARE PROPERTIES INVEST - | 58,301.00 | EUR | 25.400 | 1,480,845.40 | | 0.93 | 0.92 |
| MATERIALISE NV - | 146,955.00 | USD | 40.660 | 4,996,187.38 | | 3.14 | 3.11 |
| UMICORE - | 73,595.00 | EUR | 38.490 | 2,832,671.55 | | 1.78 | 1.77 |
| WAREHOUSE DISTR. DE PAUW - | 214,579.00 | EUR | 29.600 | 6,351,538.40 | | 4.00 | 3.96 |
| <u>Brazil</u> | | | | | | | |
| COGNA EDUCACAO - | 1,074,671.00 | BRL | 5.700 | 933,661.55 | | 0.59 | 0.58 |
| <u>Denmark</u> | | | | | | | |
| BAVARIAN NORDIC A/S - | 192,633.00 | DKK | 221.000 | 5,718,669.55 | | 3.60 | 3.56 |
| NOVO NORDISK A/S B | 89,457.00 | DKK | 413.150 | 4,964,712.76 | | 3.12 | 3.09 |
| VESTAS WINDS SYSTEMS - | 47,840.00 | DKK | 948.400 | 6,094,734.00 | | 3.83 | 3.80 |
| <u>Finland</u> | | | | | | | |
| RAISIO GROUP (HEL) V' | 605,503.00 | EUR | 3.130 | 1,895,224.39 | | 1.19 | 1.18 |
| <u>Germany</u> | | | | | | | |
| AUMANN AG - | 112,097.00 | EUR | 12.320 | 1,381,035.04 | | 0.87 | 0.86 |
| BRAIN BIOTECHNOLOGY RESEARCH & - | 57,190.00 | EUR | 7.840 | 448,369.60 | | 0.28 | 0.28 |
| EVOTEC SE - | 171,559.00 | EUR | 22.400 | 3,842,921.60 | | 2.42 | 2.40 |
| WACKER CHEMIE AG - | 57,957.00 | EUR | 81.880 | 4,745,519.16 | | 2.99 | 2.96 |
| <u>India</u> | | | | | | | |
| JAIN IRRIGATION SYSTEMS LTD - | 7,363,336.00 | INR | 11.250 | 941,005.26 | | 0.59 | 0.59 |
| SHRIRAM CITY UNION FINANCE LTD - | 128,850.00 | INR | 934.400 | 1,367,672.65 | | 0.86 | 0.85 |
| <u>Ireland</u> | | | | | | | |
| KINGSPAN GROUP PLC - | 14,867.00 | EUR | 71.950 | 1,069,680.65 | | 0.67 | 0.67 |
| KINGSPAN GROUP PLC - | 60,580.00 | EUR | 71.300 | 4,319,354.00 | | 2.72 | 2.69 |
| <u>Japan</u> | | | | | | | |
| FANUC CORP - | 26,500.00 | JPY | 18,605.000 | 3,887,517.24 | | 2.45 | 2.42 |
| KEYENCE CORP - | 10,800.00 | JPY | 43,680.000 | 3,719,659.32 | | 2.34 | 2.32 |
| <u>Luxembourg</u> | | | | | | | |
| MILLICOM INTL. CELLULAR - | 113,432.00 | SEK | 256.500 | 2,820,676.94 | | 1.78 | 1.76 |
| <u>Netherlands</u> | | | | | | | |
| ALFEN BEHEER BV - | 102,197.00 | EUR | 60.800 | 6,213,577.60 | | 3.91 | 3.87 |
| CORBION NV (AMS)NRC | 132,708.00 | EUR | 38.800 | 5,149,070.40 | | 3.24 | 3.21 |
| KONINKLIJKE D.S.M. NV (AMS) | 36,081.00 | EUR | 134.450 | 4,851,090.45 | | 3.05 | 3.02 |
| SIGNIFY NV - | 186,764.00 | EUR | 27.990 | 5,227,524.36 | | 3.29 | 3.26 |
| <u>New Zealand</u> | | | | | | | |
| A2 MILK CO LTD - | 450,256.00 | AUD | 17.010 | 4,736,072.49 | | 2.98 | 2.95 |
| <u>Philippines</u> | | | | | | | |
| MANILA WATER CO - | 8,540,200.00 | PHP | 14.380 | 2,117,905.14 | | 1.33 | 1.32 |
| <u>Singapore</u> | | | | | | | |
| MAXEON SOLAR TECHNOLOGIES LTD - | 42,736.00 | USD | 20.780 | 742,551.18 | | 0.47 | 0.46 |
| <u>Spain</u> | | | | | | | |
| CONSTRUCCIONES Y AUXILIAR DE F - | 75,907.00 | EUR | 30.000 | 2,277,210.00 | | 1.43 | 1.42 |
| <u>Sweden</u> | | | | | | | |
| AUTOLIV INC AB | 59,335.00 | SEK | 677.600 | 3,897,756.75 | | 2.45 | 2.43 |
| DORO AB - | 259,403.00 | SEK | 43.200 | 1,086,398.43 | | 0.68 | 0.68 |
| <u>Switzerland</u> | | | | | | | |
| LANDIS+GYR GROUP AG - | 48,787.00 | CHF | 54.650 | 2,475,834.74 | | 1.56 | 1.54 |
| <u>U.K.</u> | | | | | | | |
| CARETECH HOLDINGS PLC - | 555,532.00 | GBP | 4.250 | 2,643,317.60 | | 1.66 | 1.65 |

| | | | | | | | |
|---------------------------------------|---------------|-----|---------|----------------|--|--------|--------|
| CIVITAS SOCIAL HOUSING PLC - | 4,084,443.00 | GBP | 1.106 | 5,057,539.73 | | 3.18 | 3.15 |
| DS SMITH PLC - | 540,766.00 | GBP | 2.587 | 1,566,235.79 | | 0.99 | 0.98 |
| POLYPIPE GROUP PLC - | 643,602.00 | GBP | 4.350 | 3,134,425.69 | | 1.97 | 1.95 |
| UNITE GROUP PLC - | 318,940.00 | GBP | 9.675 | 3,454,707.64 | | 2.17 | 2.15 |
| 3IGROUP - | 430,927.00 | GBP | 9.380 | 4,525,409.47 | | 2.85 | 2.82 |
| <u>U.S.A.</u> | | | | | | | |
| BEYOND MEAT INC - | 1,778.00 | USD | 135.850 | 201,966.05 | | 0.13 | 0.13 |
| BIOMARIN PHARMACEUTICAL INC - | 46,738.00 | USD | 78.030 | 3,049,430.28 | | 1.92 | 1.90 |
| BLUEBIRD BIO INC - | 31,966.00 | USD | 59.300 | 1,585,002.55 | | 1.00 | 0.99 |
| BRIGHT HORIZONS FAMILY SOLUTIO - | 20,419.00 | USD | 133.010 | 2,270,940.42 | | 1.43 | 1.42 |
| CHEGG INC - | 65,514.00 | USD | 73.740 | 4,039,468.51 | | 2.54 | 2.52 |
| EQUINIX INC - | 8,048.00 | USD | 789.780 | 5,314,728.41 | | 3.34 | 3.31 |
| GILEAD SCIENCES - | 47,534.00 | USD | 66.750 | 2,653,032.74 | | 1.67 | 1.65 |
| ITRON INC - | 44,501.00 | USD | 59.570 | 2,216,584.78 | | 1.40 | 1.38 |
| LKQ CORP - | 84,576.00 | USD | 31.740 | 2,244,610.76 | | 1.41 | 1.40 |
| ORMAT TECHNOLOGIES INC - | 50,259.00 | USD | 60.870 | 2,558,021.10 | | 1.61 | 1.59 |
| SUNPOWER CORP -A- | 341,890.00 | USD | 11.190 | 3,198,920.61 | | 2.01 | 1.99 |
| VMWARE INC CLASS A - | 26,682.00 | USD | 144.440 | 3,222,499.34 | | 2.03 | 2.01 |
| Total shares | | | | 158,907,044.06 | | 99.98 | 99.04 |
| Rights | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| CARE PROPERTIES INVEST CP 12 | 56,862.00 | EUR | 0.272 | 15,466.46 | | 0.01 | 0.01 |
| <u>Netherlands</u> | | | | | | | |
| KONINKLIJKE D.S.M. NV SCRIP | 36,081.00 | EUR | 0.680 | 24,535.08 | | 0.02 | 0.02 |
| Total rights | | | | 40,001.54 | | 0.03 | 0.03 |
| TOTAL SECURITIES PORTFOLIO | | | | 158,947,045.60 | | 100.00 | 99.06 |
| CASH AT BANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP AUD | -0.34 | AUD | 1.000 | -0.21 | | | |
| KBC GROUP CHF | 0.40 | CHF | 1.000 | 0.37 | | | |
| KBC GROUP DKK | 0.40 | DKK | 1.000 | 0.05 | | | |
| KBC GROUP EURO | 1,627,498.84 | EUR | 1.000 | 1,627,498.84 | | | 1.01 |
| KBC GROUP GBP | -0.07 | GBP | 1.000 | -0.08 | | | |
| KBC GROUP HKD | 2.34 | HKD | 1.000 | 0.25 | | | |
| KBC GROUP HUF | -5,146,297.93 | HUF | 1.000 | -14,500.29 | | | -0.01 |
| KBC GROUP JPY | -916.00 | JPY | 1.000 | -7.22 | | | |
| KBC GROUP NOK | -0.47 | NOK | 1.000 | -0.05 | | | |
| KBC GROUP SEK | -0.04 | SEK | 1.000 | | | | |
| KBC GROUP USD | 4,977.63 | USD | 1.000 | 4,162.07 | | | 0.00 |
| Total demand accounts | | | | 1,617,153.73 | | | 1.01 |
| TOTAL CASH AT BANK AND IN HAND | | | | 1,617,153.73 | | | 1.01 |
| OTHER | | | | | | | |
| Interest receivable | | EUR | | 76,948.21 | | | 0.05 |
| Expenses payable | | EUR | | -189,227.30 | | | -0.12 |
| TOTAL OTHER | | | | -112,279.09 | | | -0.07 |
| TOTAL NET ASSETS | | | | 160,451,920.24 | | | 100.00 |

Geographic breakdown (as a % of securities portfolio)

| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
|-------------|------------|------------|------------|------------|
| Austria | 0.00 | 1.73 | 1.52 | 0.99 |
| Belgium | 10.72 | 10.74 | 9.64 | 11.85 |
| Brazil | 2.14 | 1.68 | 1.43 | 0.58 |
| Switzerland | 2.01 | 2.53 | 1.92 | 1.54 |
| Germany | 4.65 | 4.09 | 4.82 | 6.48 |
| Denmark | 6.46 | 7.13 | 8.03 | 10.44 |
| Spain | 2.24 | 1.93 | 2.03 | 1.42 |
| Finland | 1.35 | 1.43 | 1.27 | 1.18 |
| France | 2.57 | 0.00 | 0.00 | 0.00 |
| U.K. | 12.97 | 11.90 | 15.61 | 12.73 |
| India | 3.93 | 2.57 | 1.96 | 1.44 |
| Ireland | 2.10 | 1.95 | 2.74 | 3.35 |
| Japan | 4.14 | 4.20 | 4.81 | 4.74 |
| Luxembourg | 2.74 | 2.16 | 2.67 | 1.76 |
| Netherlands | 9.67 | 11.37 | 10.44 | 13.37 |
| New Zealand | 3.02 | 2.62 | 2.78 | 2.95 |
| Philippines | 1.79 | 1.62 | 1.22 | 1.32 |
| Singapore | 0.00 | 0.00 | 0.00 | 0.46 |

| | | | | |
|--------|--------|--------|--------|--------|
| Sweden | 0.79 | 0.59 | 2.16 | 3.11 |
| U.S.A. | 26.71 | 29.76 | 24.95 | 20.29 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

Sector breakdown (as a % of securities portfolio)

| | | | | |
|--------------|------------|------------|------------|------------|
| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
| Cyclicals | 24.77 | 25.66 | 26.46 | 26.93 |
| Consum(cycl) | 11.54 | 11.85 | 13.07 | 13.35 |
| Cons.goods | 11.94 | 11.77 | 10.16 | 8.87 |
| Pharma | 15.37 | 13.63 | 15.66 | 15.23 |
| Financials | 5.94 | 5.23 | 3.99 | 4.67 |
| Technology | 13.70 | 13.98 | 10.20 | 12.97 |
| Telecomm. | 2.74 | 2.16 | 2.67 | 1.76 |
| Utilities | 3.62 | 4.02 | 3.45 | 2.70 |
| Real est. | 10.38 | 11.70 | 14.34 | 13.52 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

Currency breakdown (as a % of net assets)

| | | | | |
|-------------------|------------|------------|------------|------------|
| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
| AUSTRALIAN DOLLAR | 3.02 | 2.62 | 2.78 | 2.95 |
| BRASILIAN REAL | 2.14 | 1.68 | 1.43 | 0.58 |
| SWISS FRANC | 2.02 | 2.53 | 1.92 | 1.54 |
| DANISH KRONE | 6.46 | 7.15 | 8.03 | 10.44 |
| EURO | 31.83 | 31.51 | 30.71 | 35.54 |
| POUND STERLING | 12.97 | 11.94 | 15.65 | 12.73 |
| HUNGARIAN FORINT | 0.00 | 0.00 | 0.08 | -0.01 |
| INDIE RUPEE | 3.93 | 2.57 | 1.96 | 1.44 |
| JAPANESE YEN | 4.14 | 4.24 | 4.81 | 4.74 |
| PESO | 1.79 | 1.62 | 1.22 | 1.32 |
| SWEDISH KRONA | 3.58 | 2.84 | 4.83 | 4.87 |
| US DOLLAR | 28.12 | 31.30 | 26.58 | 23.86 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

2.4.2. Changes in the composition of the assets of KBC Eco Fund Impact Investing (in the currency of the sub-fund)

| | 1 st half of year | 2 nd half of year | Year |
|--|------------------------------|------------------------------|----------------|
| Purchases | 26,424,192.48 | 16,394,499.81 | 42,818,692.29 |
| Sales | 13,850,585.57 | 12,586,591.86 | 26,437,177.43 |
| Total 1 | 40,274,778.06 | 28,981,091.66 | 69,255,869.72 |
| Subscriptions | 21,602,592.13 | 12,748,923.84 | 34,351,515.97 |
| Redemptions | 8,686,387.51 | 7,039,029.49 | 15,725,417.00 |
| Total 2 | 30,288,979.65 | 19,787,953.33 | 50,076,932.97 |
| Monthly average of total assets | 143,433,149.23 | 142,333,065.42 | 142,880,824.99 |
| Turnover rate | 6.96% | 6.46% | 13.42% |

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

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

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

The detailed list of transactions can be consulted free of charge at the company designated as financial service:

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

KBC Bank NV, Havenlaan 2, B-1080 Brussels

2.4.3. Amount of commitments in respect of financial derivatives positions

Nil

2.4.4. Changes in the number of subscriptions and redemptions and the

net asset value

Classic Shares

| Period | Change in number of shares in circulation | | | | | | |
|------------|---|--------------|----------------|--------------|----------------|--------------|------------|
| | Subscriptions | | Redemptions | | End of period | | |
| | Capitalization | Distribution | Capitalization | Distribution | Capitalization | Distribution | Totaal |
| 2018 - 08* | 54,252.12 | 33,181.00 | 18,484.07 | 5,054.50 | 108,348.89 | 81,660.57 | 190,009.46 |
| 2019 - 08* | 45,980.55 | 22,779.00 | 17,563.21 | 13,136.98 | 136,766.23 | 91,302.59 | 228,068.82 |
| 2020 - 08* | 34,504.16 | 20,918.47 | 16,289.90 | 10,916.38 | 154,980.49 | 101,304.68 | 256,285.17 |

| Period | Amounts received and paid by the UCITS (in the currency of the class) | | | |
|------------|--|---------------|----------------|--------------|
| | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2018 - 08* | 34,605,251.87 | 16,205,146.16 | 11,581,148.66 | 2,468,383.67 |
| 2019 - 08* | 28,657,844.10 | 10,810,104.09 | 10,928,643.25 | 6,181,301.25 |
| 2020 - 08* | 22,569,198.35 | 10,289,129.72 | 10,463,625.67 | 5,245,650.03 |

| Period | Net asset value End of period (in the currency of the class) | | |
|------------|---|----------------|--------------|
| | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2018 - 08* | 110,725,035.31 | 648.47 | 495.51 |
| 2019 - 08* | 133,134,662.98 | 647.74 | 487.90 |
| 2020 - 08* | 158,897,070.51 | 690.42 | 512.26 |

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

Classic Shares K&H HUF

| Period | Change in number of shares in circulation | | | | | | |
|------------|---|--------------|----------------|--------------|----------------|--------------|------------|
| | Subscriptions | | Redemptions | | End of period | | |
| | Capitalization | Distribution | Capitalization | Distribution | Capitalization | Distribution | Totaal |
| 2020 - 08* | 536,366.00 | | 36,478.00 | | 499,888.00 | | 499,888.00 |

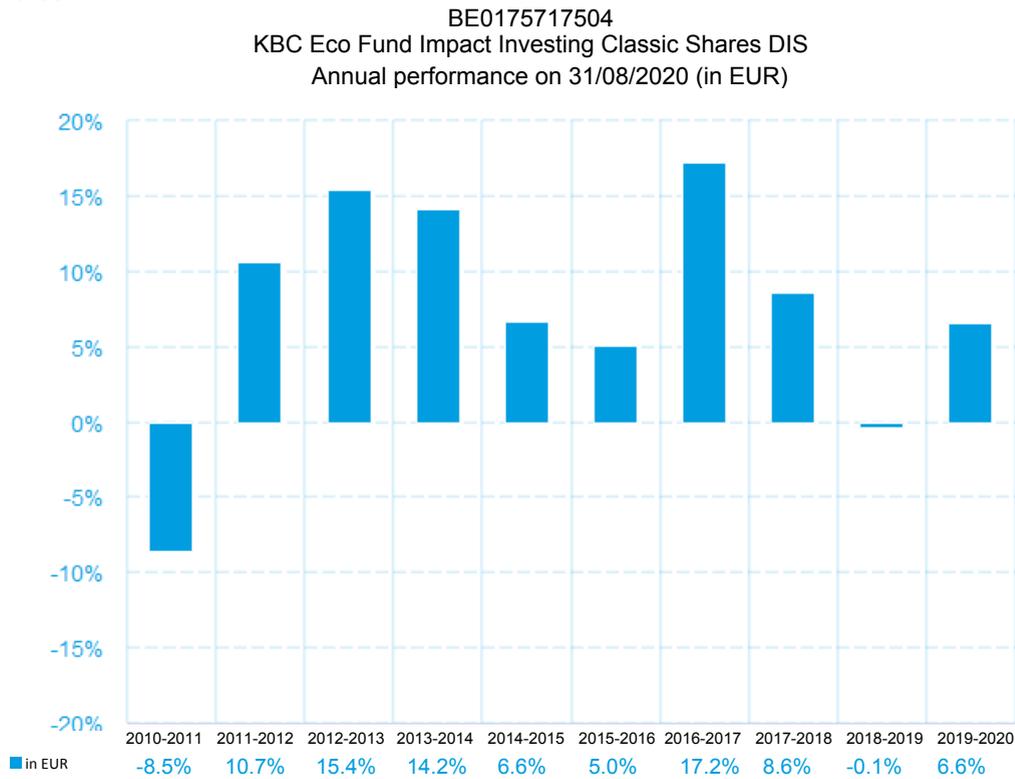
| Period | Amounts received and paid by the UCITS (in the currency of the class) | | | |
|------------|--|--------------|----------------|--------------|
| | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2020 - 08* | 538,118,564.12 | | 32,549,311.60 | |

| Period | Net asset value End of period (in the currency of the class) | | |
|------------|---|----------------|--------------|
| | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2020 - 08* | 551,831,861.34 | 1,103.77 | |

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

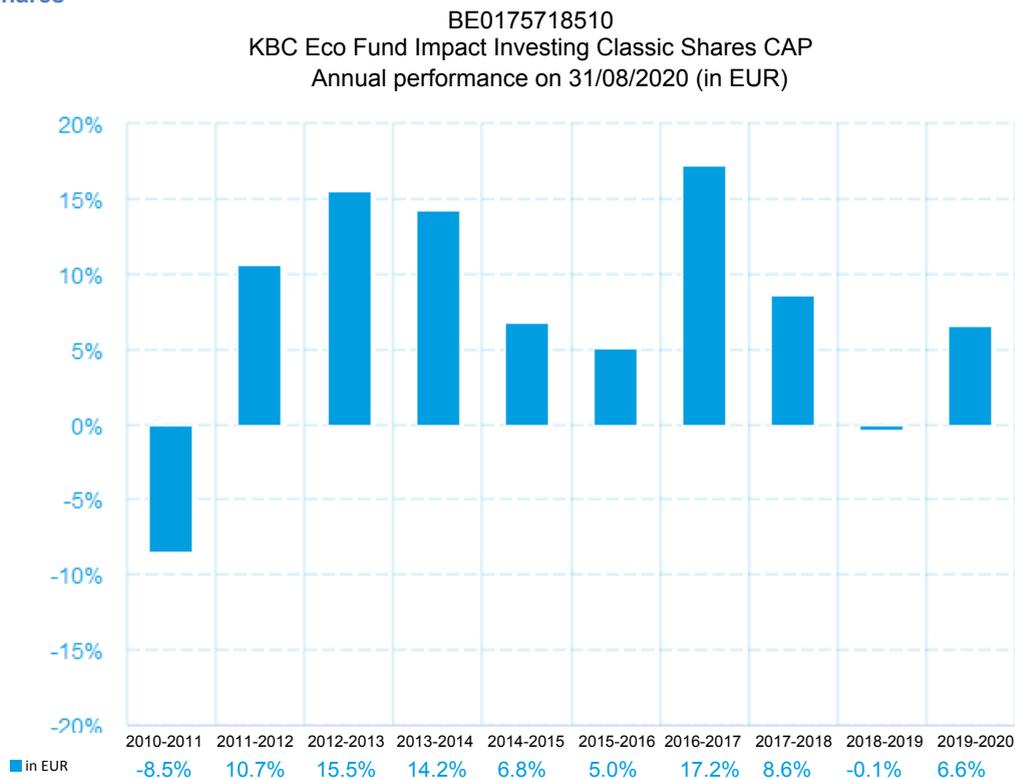
2.4.5. Performance figures

Classic Shares



* These performances were achieved under circumstances that no longer apply

Classic Shares



* These performances were achieved under circumstances that no longer apply

| Cap Div | ISIN Code | Curr ency | 1 year | | 3 years | | 5 years | | 10 years | | Since Launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Starting date | Share classes |
| DIS | BE0175717504 | EUR | 6.59% | | 4.95% | | 7.31% | | 7.31% | | 29/12/2000 | 1.64% |
| CAP | BE0175718510 | EUR | 6.59% | | 4.95% | | 7.31% | | 7.34% | | 29/12/2000 | 1.65% |

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

* Return on annual basis.

Classic Shares

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

Capitalisation units (CAP)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

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

For dividend i on date Di with value Wi:

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

i = 1 ... N

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

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

Dividend on ex-dividend date 30/11/2020: 2,9105 net (4,1578 gross).

Classic Shares HUF

BE6315653806

KBC Eco Fund Impact Investing Classic Shares HUF CAP

Annual performance on 31/08/2020 (in HUF)

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

Classic Shares HUF

BE6315653806

KBC Eco Fund Impact Investing Classic Shares HUF CAP

Annual performance on 31/08/2020 (in EUR)

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

2.4.6. Costs

Ongoing Charges and Transaction costs:

Classic Shares Distribution :

Ongoing Charges : 1.790%
Transaction costs : 0.052%

Classic Shares Capitalisation :

Ongoing Charges : 1.789%
Transaction costs : 0.052%

Classic Shares HUF Capitalisation :

Ongoing Charges :
Transaction costs :

Percentage calculated at reporting date: 31 August 2020 .

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

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

Existence of Commission Sharing Agreements

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

No CSA accrual during this period.

Existence of fee sharing agreements and rebates

The management company has shared 53,09% of its fee with the distributor, and institutional and/or professional parties.

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

2.4.7. Notes to the financial statements and other data

Classic Shares

| | | |
|---|---|---|
| Fee for managing the investment portfolio | Max 1.50% | per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. (*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year. |
| Administration fee | 0.10% | per year calculated on the basis of the average total net assets of the sub-fund. |
| Custodian's fee | Max 0.04% | per year calculated on the basis of the value of the securities held in custody by the custodian on the last 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. |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund | |
| Annual tax | see the 'Information concerning the Bevek - H. Tax treatment' | |

Classic Shares HUF

| | | |
|---|---|---|
| Fee for managing the investment portfolio | Max 1.35% | per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. (*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year. |
| Administration fee | 0.10% | per year calculated on the basis of the average total net assets of the sub-fund. |
| Custodian's fee | Max 0.04% | per year calculated on the basis of the value of the securities held in custody by the custodian on the last 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. |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund | |
| Annual tax | see the 'Information concerning the Bevek - H. Tax treatment' | |

Exercising voting rights

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

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

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

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

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 - 2.1.4. Financial portfolio management
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2. Information on KBC Eco Fund Water

2.1. Management report

2.1.1. Launch date and subscription price

Classic Shares Distribution

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

Classic Shares Capitalisation

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

Institutional B Shares Capitalisation

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

2.1.2. Stock exchange listing

Not applicable.

2.1.3. Goal and key principles of the investment policy

Object of the sub-fund

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

Sub-fund's investment policy

Permitted asset classes

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

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

Restrictions of the investment policy

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

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

Permitted derivatives transactions

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

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

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

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

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

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of

the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

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

Strategy selected

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.

The fund is actively managed without referring to any benchmark.

Securities Financing Transactions (SFTs)

The sub-fund may not lend any financial instruments.

General strategy for hedging the exchange risk

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

Social, ethical and environmental aspects

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

2.1.4. Financial portfolio management

The intellectual management, with the exception of the sustainability screening described in the prospectus and the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

2.1.5. Distributors

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

2.1.6. Index and benchmark

Not applicable.

2.1.7. Policy pursued during the financial year

We refer to the General information on the SICAV of this report under '1.2.2. General overview of the markets' for a review of the market.

2.1.8. Future policy

We refer to the General information on the SICAV of this report under '1.2.2. General overview of the markets' for an overview of the outlook.

2.1.9. Synthetic risk and reward indicator (SRRI)

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

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

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

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

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 0.04 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 | | 31/08/2020 (in the currency of the sub-fund) | 31/08/2019 (in the currency of the sub-fund) |
|-----------------------------|---|--|--|
| | TOTAL NET ASSETS | 825,800,875.31 | 746,837,543.72 |
| II. | Securities, money market instruments, UCIs and derivatives | | |
| C. | Shares and similar instruments | | |
| | a) Shares | 815,637,973.98 | 738,355,559.74 |
| F. | Derivative financial instruments | | |
| | j) Foreign exchange | | |
| | Futures and forward contracts (+/-) | | -0.02 |
| IV. | Receivables and payables within one year | | |
| A. | Receivables | | |
| | a) Accounts receivable | 0.96 | 0.96 |
| B. | Payables | | |
| | a) Accounts payable (-) | -0.33 | -1,426.67 |
| | c) Borrowings (-) | -0.24 | |
| V. | Deposits and cash at bank and in hand | | |
| A. | Demand balances at banks | 10,006,827.92 | 7,616,075.27 |
| VI. | Accruals and deferrals | | |
| B. | Accrued income | 1,095,944.42 | 1,493,215.81 |
| C. | Accrued expense (-) | -939,871.40 | -625,881.37 |
| | TOTAL SHAREHOLDERS' EQUITY | 825,800,875.31 | 746,837,543.72 |
| A. | Capital | 831,993,557.07 | 701,068,184.64 |
| B. | Income equalization | -168,613.77 | 503,393.63 |
| D. | Result of the bookyear | -6,024,067.99 | 45,265,965.45 |

2.3. Profit and loss account

| Income Statement | | 31/08/2020 (in the currency of the fund) | 31/08/2019 (in the currency of the fund) |
|-------------------------|--|--|--|
| I. | Net gains(losses) on investments | | |
| C. | Shares and similar instruments | | |
| | a) Shares | 40,235,663.12 | 16,412,200.91 |
| D. | Other securities | | 167,265.47 |
| G. | Receivables, deposits, cash at bank and in hand and payables | -0.02 | |
| H. | Foreign exchange positions and transactions | | |
| | a) Derivative financial instruments | | |
| | Futures and forward contracts | 0.02 | |
| | b) Other foreign exchange positions and transactions | -44,673,460.56 | 25,213,817.05 |
| | Det.section I gains and losses on investments | | |
| | Realised gains on investments | 58,415,231.46 | 28,327,900.19 |
| | Unrealised gains on investments | -11,221,090.28 | 51,209,927.13 |
| | Realised losses on investments | -33,059,120.38 | -6,848,413.33 |
| | Unrealised losses on investments | -18,572,818.24 | -30,896,130.56 |
| II. | Investment income and expenses | | |
| A. | Dividends | 12,192,116.17 | 13,528,135.73 |
| B. | Interests | | |
| | b) Cash at bank and in hand and deposits | 14,430.70 | 32,229.95 |
| C. | Interest on borrowings (-) | -25,169.33 | -18,338.49 |
| III. | Other income | | |
| A. | Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges | 212,802.21 | 150,903.03 |
| B. | Other | 52.99 | |
| IV. | Operating expenses | | |
| A. | Investment transaction and delivery costs (-) | -1,160,326.26 | -340,475.54 |
| B. | Financial expenses (-) | -985.53 | -998.66 |
| C. | Custodian's fee (-) | -335,659.83 | -160,525.68 |
| D. | Manager's fee (-) | | |
| | a) Financial management | | |
| | Classic Shares | -10,095,019.96 | -7,183,230.21 |
| | Institutional B Shares | -526,087.23 | -1,479,420.92 |
| | b) Administration and accounting management | -848,364.91 | -671,369.25 |
| E. | Administrative expenses (-) | -1,010.09 | -998.54 |
| F. | Formation and organisation expenses (-) | -15,256.38 | -13,731.66 |
| G. | Remuneration, social security charges and pension | -10,906.43 | -15,524.64 |
| H. | Services and sundry goods (-) | -25,304.89 | -20,226.45 |
| J. | Taxes | | |
| | Classic Shares | -742,163.69 | -440,710.78 |
| | Institutional B Shares | -15,972.99 | -24,376.51 |
| K. | Other expenses (-) | -203,445.10 | 131,340.64 |
| | Income and expenditure for the period | | |
| | Subtotal II + III + IV | -1,586,270.55 | 3,472,681.98 |
| V. | Profit (loss) on ordinary activities before tax | -6,024,067.99 | 45,265,965.45 |
| VII. | Result of the bookyear | -6,024,067.99 | 45,265,965.45 |

| Appropriation Account | | 31/08/2020 (in the currency of the sub-fund) | 31/08/2019 (in the currency of the sub-fund) |
|------------------------------|---|--|--|
| I. | Profit to be appropriated | -6,192,681.76 | 45,769,359.08 |
| | Profit for the period available for appropriation | -6,024,067.99 | 45,265,965.45 |
| | Income on the creation of shares (income on the cancellation of shares) | -168,613.77 | 503,393.63 |
| II. | (Appropriations to) Deductions from capital | 9,321,831.77 | -43,433,073.96 |
| IV. | (Dividends to be paid out) | -3,129,150.01 | -2,336,285.12 |

2.4. Composition of the assets and key figures

2.4.1. Composition of the assets of KBC Eco Fund Water

| Name | Quantity on 31/08/2020 | 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 - | 438,142.00 | AUD | 11.500 | 3,115,783.30 | | 0.38 | 0.38 |
| <u>Austria</u> | | | | | | | |
| ANDRITZ AG - | 331,020.00 | EUR | 28.040 | 9,281,800.80 | | 1.14 | 1.12 |
| WIENERBERGER AG (WIEN) | 285,446.00 | EUR | 22.620 | 6,456,788.52 | | 0.79 | 0.78 |
| <u>Bermuda</u> | | | | | | | |
| CONSOLIDATED WATER CO LTD - | 112,940.00 | USD | 12.030 | 1,136,057.69 | | 0.14 | 0.14 |
| <u>Brazil</u> | | | | | | | |
| CIA DE SANEAMENTO DE MINAS GER - | 775,461.00 | BRL | 47.600 | 5,626,081.30 | | 0.69 | 0.68 |
| CIA SANEAMENTO BASICO - | 2,015,865.00 | BRL | 47.750 | 14,671,479.47 | | 1.80 | 1.78 |
| <u>Cayman Islands</u> | | | | | | | |
| CT ENVIRONMENTAL GROUP LTD - | 27,048,000.00 | HKD | 0.010 | 29,181.80 | | 0.00 | 0.00 |
| <u>Chile</u> | | | | | | | |
| AGUAS ANDINAS SA - | 8,382,761.00 | CLP | 233.000 | 2,105,760.53 | | 0.26 | 0.26 |
| <u>China</u> | | | | | | | |
| TIANJIN CAPITAL ENVIRONMENTAL - | 3,317,636.00 | HKD | 2.650 | 948,530.89 | | 0.12 | 0.12 |
| <u>Finland</u> | | | | | | | |
| KEMIRA (HEL) | 332,873.00 | EUR | 11.580 | 3,854,669.34 | | 0.47 | 0.47 |
| UPONOR OYJ - | 168,418.00 | EUR | 14.720 | 2,479,112.96 | | 0.30 | 0.30 |
| <u>France</u> | | | | | | | |
| EUROFINS SCIENTIFIC - | 34,697.00 | EUR | 671.600 | 23,302,505.20 | | 2.86 | 2.82 |
| <u>Hong Kong</u> | | | | | | | |
| BEIJING ENTERPRISES WATER GROUP LTD - | 22,134,861.00 | HKD | 3.050 | 7,283,724.44 | | 0.89 | 0.88 |
| CHINA EVERBRIGHT INTL - | 16,072,196.00 | HKD | 4.680 | 8,115,175.98 | | 1.00 | 0.98 |
| CHINA LIANSU GROUP HOLDINGS LT - | 6,878,525.00 | HKD | 14.460 | 10,731,007.09 | | 1.32 | 1.30 |
| CHINA WATER AFFAIRS GROUP LTD - | 5,794,932.00 | HKD | 6.380 | 3,988,833.35 | | 0.49 | 0.48 |
| WASION HOLDINGS LTD - | 1,643,674.00 | HKD | 2.290 | 406,095.37 | | 0.05 | 0.05 |
| <u>India</u> | | | | | | | |
| JAIN IRRIGATION SYSTEMS LTD - | 10,739,872.00 | INR | 11.250 | 1,372,513.22 | | 0.17 | 0.17 |
| NCC LTD/INDIA - | 18,063,619.00 | INR | 34.050 | 6,986,936.40 | | 0.86 | 0.85 |
| THERMAX LTD - | 151,202.00 | INR | 764.650 | 1,313,364.09 | | 0.16 | 0.16 |
| <u>Ireland</u> | | | | | | | |
| PENTAIR PLC - | 537,877.00 | USD | 45.140 | 20,301,657.91 | | 2.49 | 2.46 |
| <u>Japan</u> | | | | | | | |
| KUBOTA CORP - | 2,157,500.00 | JPY | 1,916.500 | 32,602,913.18 | | 4.00 | 3.95 |
| KURITA WATER INDUSTR. - | 626,100.00 | JPY | 3,320.000 | 16,389,985.41 | | 2.01 | 1.99 |
| NOMURA MICRO SCIENCE CO LTD - | 132,800.00 | JPY | 1,729.000 | 1,810,463.81 | | 0.22 | 0.22 |
| ORGANO CORPORATION - | 84,200.00 | JPY | 5,620.000 | 3,731,171.29 | | 0.46 | 0.45 |
| TORISHIMA PUMP MANUFACTURING CO - | 66,000.00 | JPY | 814.000 | 423,608.94 | | 0.05 | 0.05 |
| TSUKISHIMA KIKAI CO LTD - | 95,100.00 | JPY | 1,255.000 | 941,068.04 | | 0.12 | 0.11 |
| TSURUMI MANUFACTURING CO LTD - | 19,000.00 | JPY | 1,840.000 | 275,656.48 | | 0.03 | 0.03 |
| <u>Netherlands</u> | | | | | | | |
| AALBERTS NV (AMS) | 354,450.00 | EUR | 31.640 | 11,214,798.00 | | 1.38 | 1.36 |
| ARCADIS N.V. (AMS) | 227,727.00 | EUR | 19.250 | 4,383,744.75 | | 0.54 | 0.53 |
| <u>Philippines</u> | | | | | | | |
| MANILA WATER CO - | 5,300,500.00 | PHP | 14.380 | 1,314,483.99 | | 0.16 | 0.16 |
| <u>Singapore</u> | | | | | | | |
| SOUND GLOBAL LTD - | 2,051,000.00 | HKD | | | | | |
| <u>South Korea</u> | | | | | | | |
| WOONGJIN COWAY CO LTD - | 234,711.00 | KRW | 79,800.000 | 13,183,885.67 | | 1.62 | 1.60 |
| <u>Sweden</u> | | | | | | | |
| ALFA LAVAL - | 918,104.00 | SEK | 211.400 | 18,815,997.70 | | 2.31 | 2.28 |

| | | | | | | | |
|----------------------------------|---------------|-----|---------|----------------|--|--------|-------|
| INDUTRADE AB - | 209,663.00 | SEK | 455.600 | 9,260,531.21 | | 1.14 | 1.12 |
| SWECO AB - | 153,017.00 | SEK | 534.000 | 7,921,571.18 | | 0.97 | 0.96 |
| <u>Switzerland</u> | | | | | | | |
| FERGUSON PLC - | 283,276.00 | GBP | 73.760 | 23,392,790.21 | | 2.87 | 2.83 |
| GEBERIT AG - | 58,732.00 | CHF | 520.600 | 28,392,676.05 | | 3.48 | 3.44 |
| GEORG.FISCHER (NAAM) | 20,896.00 | CHF | 898.000 | 17,424,762.59 | | 2.14 | 2.11 |
| LANDIS+GYR GROUP AG - | 125,431.00 | CHF | 54.650 | 6,365,351.99 | | 0.78 | 0.77 |
| <u>Thailand</u> | | | | | | | |
| EASTERN WATER RESOURCES DEVELO - | 1,180,600.00 | THB | 9.950 | 316,286.97 | | 0.04 | 0.04 |
| TTW PCL - | 8,610,300.00 | THB | 13.400 | 3,106,551.26 | | 0.38 | 0.38 |
| <u>U.K.</u> | | | | | | | |
| AMIAD FILTRATION SYSTEMS LTD - | 165,539.00 | GBP | 2.300 | 426,264.83 | | 0.05 | 0.05 |
| HALMA PLC - | 798,376.00 | GBP | 22.180 | 19,825,326.65 | | 2.43 | 2.40 |
| PENNON GROUP PLC - | 1,685,896.00 | GBP | 10.060 | 18,988,038.24 | | 2.33 | 2.30 |
| POLYPIPE GROUP PLC - | 644,291.00 | GBP | 4.350 | 3,137,781.21 | | 0.39 | 0.38 |
| ROTORK PLC - | 2,479,997.00 | GBP | 2.998 | 8,324,039.27 | | 1.02 | 1.01 |
| RPS GROUP - | 499,349.00 | GBP | 0.427 | 238,437.50 | | 0.03 | 0.03 |
| SEVERN TRENT - | 875,119.00 | GBP | 23.320 | 22,847,937.17 | | 2.80 | 2.77 |
| UNITED UTILITIES WATER PLC - | 2,202,652.00 | GBP | 8.312 | 20,497,587.97 | | 2.51 | 2.48 |
| <u>U.S.A.</u> | | | | | | | |
| ADVANCED DRAINAGE SYSTEMS INC - | 255,464.00 | USD | 55.480 | 11,850,949.22 | | 1.45 | 1.44 |
| AMERICAN STATES WATER CO - | 266,411.00 | USD | 76.080 | 16,947,655.74 | | 2.08 | 2.05 |
| AMERICAN WATER WORKS INC. - | 181,354.00 | USD | 141.340 | 21,432,814.38 | | 2.63 | 2.60 |
| AO SMITH CORP - | 457,087.00 | USD | 48.970 | 18,716,125.58 | | 2.30 | 2.27 |
| ARTESIAN RESOURCES CORP -A- | 28,253.00 | USD | 35.190 | 831,324.95 | | 0.10 | 0.10 |
| BADGER METER INC - | 187,667.00 | USD | 61.690 | 9,680,318.77 | | 1.19 | 1.17 |
| CADIZ INC - | 276,573.00 | USD | 10.460 | 2,418,958.64 | | 0.30 | 0.29 |
| CALIFORNIA WATER SERVICE GROUP - | 331,261.00 | USD | 45.340 | 12,558,529.82 | | 1.54 | 1.52 |
| DANAHER CORPORATION - | 149,705.00 | USD | 206.470 | 25,845,220.41 | | 3.17 | 3.13 |
| ECOLAB, INC. - | 137,956.00 | USD | 197.080 | 22,733,699.97 | | 2.79 | 2.75 |
| ESSENTIAL UTILITIES INC - | 322,754.00 | USD | 42.500 | 11,469,580.67 | | 1.41 | 1.39 |
| GORMAN-RUPP CO/THE - | 71,082.00 | USD | 31.950 | 1,898,967.26 | | 0.23 | 0.23 |
| IDEXX LABORATORIES INC. - | 62,887.00 | USD | 391.060 | 20,563,226.07 | | 2.52 | 2.49 |
| INSITUFORM TECHN. CORP. - | 186,865.00 | USD | 16.185 | 2,528,876.65 | | 0.31 | 0.31 |
| ITRON INC - | 232,906.00 | USD | 59.570 | 11,600,995.38 | | 1.42 | 1.41 |
| LINDSAY MANUFACTURING CO - | 115,415.00 | USD | 99.930 | 9,643,731.72 | | 1.18 | 1.17 |
| MIDDLESEX WATER CO - | 69,443.00 | USD | 64.130 | 3,723,717.20 | | 0.46 | 0.45 |
| MUELLER WATER PRODUCTS INC -A- | 956,151.00 | USD | 10.800 | 8,634,500.44 | | 1.06 | 1.05 |
| NORTHWEST PIPE COMPANY - | 64,573.00 | USD | 28.330 | 1,529,623.39 | | 0.19 | 0.19 |
| PERKINELMER, INC. - | 217,105.00 | USD | 117.720 | 21,370,124.67 | | 2.62 | 2.59 |
| PICO HOLDINGS INC - | 122,661.00 | USD | 8.890 | 911,790.87 | | 0.11 | 0.11 |
| PURE CYCLE CORP - | 81,472.00 | USD | 9.760 | 664,882.91 | | 0.08 | 0.08 |
| REXNORD HOLDINGS INC - | 626,459.00 | USD | 28.960 | 15,169,741.75 | | 1.86 | 1.84 |
| SJW GROUP - | 209,475.00 | USD | 62.530 | 10,952,357.33 | | 1.34 | 1.33 |
| SPX CORPORATION - | 268,556.00 | USD | 41.830 | 9,393,116.33 | | 1.15 | 1.14 |
| THE TORO COMPANY - | 408,121.00 | USD | 75.280 | 25,689,492.77 | | 3.15 | 3.11 |
| THERMO ELECTRONIC - | 70,526.00 | USD | 428.980 | 25,297,247.78 | | 3.10 | 3.06 |
| VALMONT INDUSTRIES - | 142,210.00 | USD | 127.050 | 15,107,471.47 | | 1.85 | 1.83 |
| WATERS CORP - | 50,603.00 | USD | 216.260 | 9,150,386.54 | | 1.12 | 1.11 |
| WATTS WATER TECHNOLOGIES INC A | 144,313.00 | USD | 95.750 | 11,553,969.44 | | 1.42 | 1.40 |
| XYLEM INC/NY - | 373,947.00 | USD | 80.180 | 25,070,505.00 | | 3.07 | 3.04 |
| YORK WATER CO - | 42,932.00 | USD | 45.610 | 1,637,299.65 | | 0.20 | 0.20 |
| Total shares | | | | 815,637,973.98 | | 100.00 | 98.77 |
| TOTAL SECURITIES PORTFOLIO | | | | 815,637,973.98 | | 100.00 | 98.77 |
| CASH AT BANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP AUD | 52,577.35 | AUD | 1.000 | 32,512.71 | | | 0.00 |
| KBC GROUP CAD | 57.89 | CAD | 1.000 | 37.15 | | | |
| KBC GROUP CHF | 0.03 | CHF | 1.000 | 0.03 | | | |
| KBC GROUP EURO | 9,348,904.82 | EUR | 1.000 | 9,348,904.82 | | | 1.13 |
| KBC GROUP GBP | -0.18 | GBP | 1.000 | -0.20 | | | |
| KBC GROUP HKD | 32,405.47 | HKD | 1.000 | 3,496.19 | | | |
| KBC GROUP JPY | 31,010,418.00 | JPY | 1.000 | 244,514.38 | | | 0.03 |
| KBC GROUP MXN | 10,101.91 | MXN | 1.000 | 385.94 | | | |
| KBC GROUP SEK | -0.45 | SEK | 1.000 | -0.04 | | | |
| KBC GROUP SGD | 1,578.29 | SGD | 1.000 | 970.65 | | | |
| KBC GROUP USD | 449,684.44 | USD | 1.000 | 376,006.05 | | | 0.05 |
| Total demand accounts | | | | 10,006,827.68 | | | 1.21 |
| TOTAL CASH AT BANK AND IN HAND | | | | 10,006,827.68 | | | 1.21 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR RECEIVABLE | 0.96 | EUR | 1.000 | 0.96 | | | |
| Total receivables | | | | 0.96 | | | |

| | | | | | | | |
|--------------------------------|-------|-----|-------|----------------|--|--|--------|
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR PAYABLE | -0.33 | EUR | 1.000 | -0.33 | | | |
| Payables | | | | -0.33 | | | |
| TOTAL RECEIVABLES AND PAYABLES | | | | 0.63 | | | |
| OTHER | | | | | | | |
| Interest receivable | | EUR | | 1,095,944.42 | | | 0.13 |
| Expenses payable | | EUR | | -939,871.40 | | | -0.11 |
| TOTAL OTHER | | | | 156,073.02 | | | 0.02 |
| TOTAL NET ASSETS | | | | 825,800,875.31 | | | 100.00 |

Geographic breakdown (as a % of securities portfolio)

| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
|----------------|------------|------------|------------|------------|
| Australia | 0.40 | 0.25 | 0.31 | 0.38 |
| Austria | 0.00 | 0.00 | 1.54 | 1.90 |
| Belgium | -0.10 | 1.04 | -0.14 | 1.21 |
| Bermuda | 0.09 | 0.09 | 0.10 | 0.14 |
| Brazil | 3.49 | 4.58 | 4.08 | 2.46 |
| Switzerland | 8.15 | 9.13 | 11.37 | 11.60 |
| Chile | 0.69 | 0.35 | 0.26 | 0.25 |
| China | 0.25 | 0.18 | 0.12 | 0.11 |
| Cayman Islands | 0.18 | 0.14 | 0.12 | 0.00 |
| Spain | 0.23 | 0.23 | 0.00 | 0.00 |
| Finland | 0.74 | 0.65 | 0.66 | 0.77 |
| France | 2.89 | 3.28 | 2.01 | 2.82 |
| U.K. | 13.12 | 11.68 | 11.24 | 11.50 |
| Hong Kong | 7.55 | 4.32 | 3.64 | 3.69 |
| India | 2.98 | 1.84 | 1.31 | 1.17 |
| Japan | 5.36 | 6.02 | 7.72 | 6.81 |
| South Korea | 2.22 | 1.65 | 1.28 | 1.59 |
| Netherlands | 2.29 | 2.33 | 2.00 | 1.89 |
| Philippines | 0.52 | 0.48 | 0.36 | 0.16 |
| Singapore | 1.31 | 0.19 | 0.00 | 0.00 |
| Sweden | 1.94 | 1.98 | 3.00 | 4.36 |
| Thailand | 0.16 | 0.16 | 0.20 | 0.41 |
| U.S.A. | 45.54 | 49.43 | 48.82 | 46.78 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

Sector breakdown (as a % of securities portfolio)

| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
|--------------|------------|------------|------------|------------|
| Cyclicals | 55.97 | 50.09 | 50.42 | 51.33 |
| Consum(cycl) | 3.76 | 5.56 | 7.41 | 5.51 |
| Pharma | 0.00 | 0.00 | 7.16 | 9.47 |
| Financials | 0.50 | 1.59 | 0.21 | 1.32 |
| Technology | 4.14 | 4.40 | 8.00 | 5.55 |
| Telecomm. | 1.05 | 1.17 | 0.00 | 1.44 |
| Utilities | 34.58 | 37.19 | 26.80 | 25.38 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

Currency breakdown (as a % of net assets)

| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
|-------------------|------------|------------|------------|------------|
| AUSTRALIAN DOLLAR | 0.45 | 0.30 | 0.31 | 0.38 |
| BRASILIAN REAL | 3.49 | 4.58 | 4.08 | 2.46 |
| CANADIAN DOLLAR | 0.83 | 0.01 | 0.00 | 0.00 |
| SWISS FRANC | 4.68 | 4.94 | 5.99 | 6.31 |
| | 0.69 | 0.35 | 0.26 | 0.25 |
| EURO | 5.73 | 7.14 | 6.48 | 8.51 |
| POUND STERLING | 15.00 | 14.20 | 14.04 | 14.33 |
| HONG KONG DOLLAR | 8.08 | 4.68 | 3.88 | 3.80 |
| INDIE RUPEE | 2.98 | 1.84 | 1.31 | 1.17 |
| JAPANESE YEN | 5.38 | 6.05 | 7.30 | 6.84 |
| KOREAN WON | 2.22 | 1.65 | 1.28 | 1.59 |
| MEXICAN PESO | 0.02 | 0.02 | 0.00 | 0.00 |
| PESO | 0.52 | 0.48 | 0.34 | 0.16 |
| SWEDISH KRONA | 1.94 | 2.05 | 3.00 | 4.36 |
| SINGAPORE DOLLAR | 1.26 | 0.20 | 0.00 | 0.00 |
| THAI BATH | 0.16 | 0.16 | 0.20 | 0.41 |
| US DOLLAR | 46.57 | 51.35 | 51.53 | 49.43 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

2.4.2. Changes in the composition of the assets of KBC Eco Fund Water (in the currency of the sub-fund)

| | 1 st half of year | 2 nd half of year | Year |
|--|------------------------------|------------------------------|----------------|
| Purchases | 290,955,444.22 | 108,070,111.35 | 399,025,555.57 |
| Sales | 122,291,442.82 | 195,029,098.02 | 317,320,540.84 |
| Total 1 | 413,246,887.04 | 303,099,209.37 | 716,346,096.41 |
| Subscriptions | 212,745,620.96 | 89,400,151.65 | 302,145,772.61 |
| Redemptions | 48,351,940.03 | 164,462,571.83 | 212,814,511.86 |
| Total 2 | 261,097,560.99 | 253,862,723.48 | 514,960,284.47 |
| Monthly average of total assets | 880,161,280.99 | 803,992,084.65 | 841.761.934.08 |
| Turnover rate | 17.29% | 6.12% | 23.92% |

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

The detailed list of transactions can be consulted free of charge at the company designated as financial service:
 CBC Banque SA, Avenue Albert 1er 60, B-5000 Namur
 KBC Bank NV, Havenlaan 2, B-1080 Brussels

2.4.3. Amount of commitments in respect of financial derivatives positions

Nil

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

Classic Shares

| Period | Change in number of shares in circulation | | | | | | |
|------------|---|--------------|----------------|--------------|----------------|--------------|------------|
| | Subscriptions | | Redemptions | | End of period | | |
| | Capitalization | Distribution | Capitalization | Distribution | Capitalization | Distribution | Totaal |
| 2018 - 08* | 118,703.04 | 67,652.74 | 17,320.89 | 7,913.90 | 254,752.37 | 102,691.82 | 357,444.19 |
| 2019 - 08* | 66,578.62 | 23,185.69 | 34,860.79 | 13,942.50 | 286,470.20 | 111,935.01 | 398,405.21 |
| 2020 - 08* | 94,453.57 | 104,359.91 | 27,835.90 | 22,086.15 | 353,087.87 | 194,208.77 | 547,296.64 |

| Period | Amounts received and paid by the UCITS (in the currency of the class) | | | |
|------------|--|----------------|----------------|---------------|
| | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2018 - 08* | 160,577,754.22 | 71,015,198.47 | 23,316,093.88 | 8,180,832.13 |
| 2019 - 08* | 91,905,982.13 | 24,349,481.74 | 47,784,435.88 | 14,370,343.03 |
| 2020 - 08* | 141,683,180.62 | 119,920,714.36 | 41,967,369.52 | 23,207,685.38 |

| Period | Net asset value End of period (in the currency of the class) | | |
|------------|---|----------------|--------------|
| | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2018 - 08* | 460,714,454.34 | 1,381.36 | 1,059.57 |
| 2019 - 08* | 544,230,952.11 | 1,468.63 | 1,103.43 |
| 2020 - 08* | 740,916,429.71 | 1,492.66 | 1,101.28 |

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

Institutional B Shares

| Period | Change in number of shares in circulation | | | | | | |
|------------|---|--------------|----------------|--------------|----------------|--------------|------------|
| | Subscriptions | | Redemptions | | End of period | | |
| | Capitalization | Distribution | Capitalization | Distribution | Capitalization | Distribution | Totaal |
| 2018 - 08* | 181,907.15 | | 28,997.00 | | 153,600.15 | | 153,600.15 |
| 2019 - 08* | 36,871.14 | | 54,288.85 | | 136,182.44 | | 136,182.44 |
| 2020 - 08* | 25,951.67 | | 106,728.02 | | 55,406.09 | | 55,406.09 |

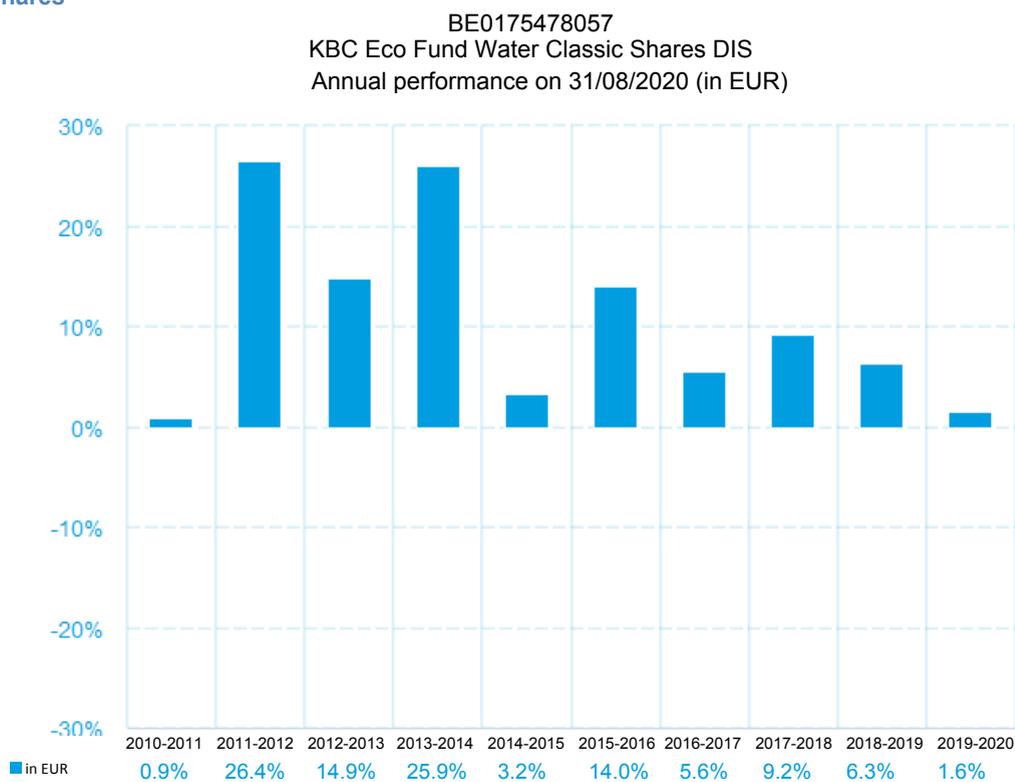
| Period | Amounts received and paid by the UCITS (in the currency of the class) | | | |
|------------|--|--------------|----------------|--------------|
| | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2018 - 08* | 242,659,810.90 | | 39,346,570.91 | |
| 2019 - 08* | 50,643,768.36 | | 74,937,399.38 | |
| 2020 - 08* | 42,038,842.11 | | 149,743,978.15 | |

| Period | Net asset value End of period (in the currency of the class) | | |
|------------|---|----------------|--------------|
| | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2018 - 08* | 213,197,014.85 | 1,388.00 | |
| 2019 - 08* | 202,606,591.61 | 1,487.76 | |
| 2020 - 08* | 84,884,445.60 | 1,532.04 | |

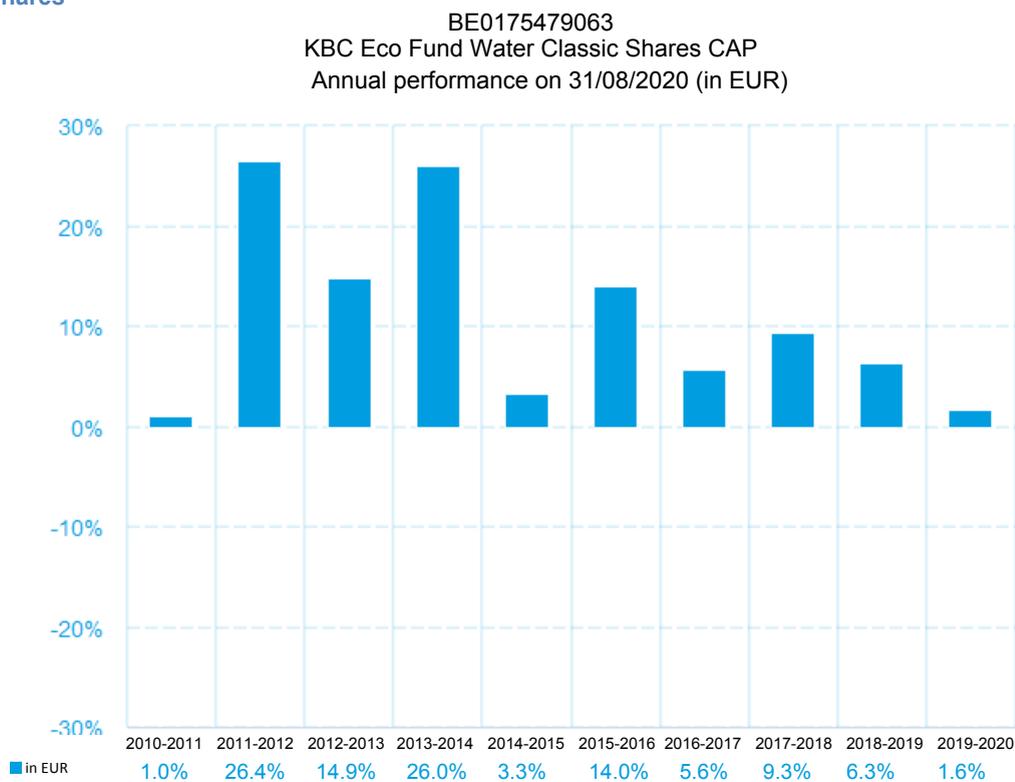
*The financial year does not coincide with the calendar year.

2.4.5. Performance figures

Classic Shares



Classic Shares



| Cap Div | ISIN Code | Curr ency | 1 year | | 3 years | | 5 years | | 10 years | | Since Launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Starting date | Share classes |
| DIS | BE0175478057 | EUR | 1.59% | | 5.67% | | 7.26% | | 10.46% | | 01/12/2000 | 5.68% |
| CAP | BE0175479063 | EUR | 1.64% | | 5.70% | | 7.29% | | 10.49% | | 01/12/2000 | 5.69% |

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

* Return on annual basis.

Classic Shares

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

Capitalisation units (CAP)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

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

For dividend i on date Di with value Wi:

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

i = 1 ... N

from which C = C0 * * CN.

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

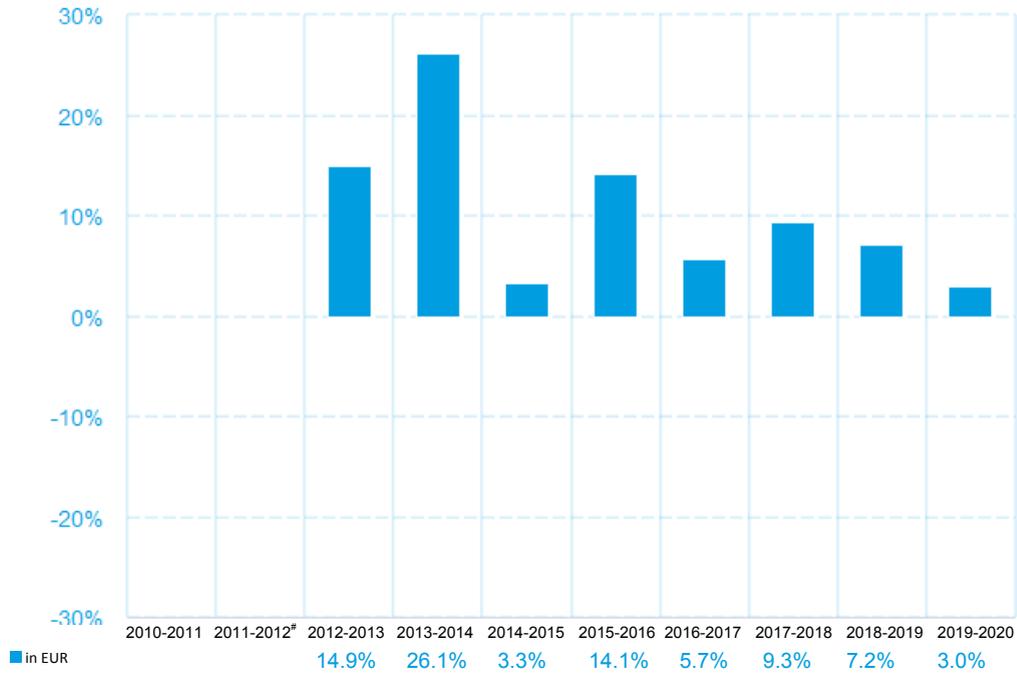
Dividend on ex-dividend date 30/11/2020: 11,2786 net (16,1123 gross).

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

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

Institutional B Shares

BE6228912570
KBC Eco Fund Water Institutional B Shares CAP
Annual performance on 31/08/2020 (in EUR)



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

| Cap Div | ISIN Code | Curr ency | 1 year | | 3 years | | 5 years | | 10 years | | Since Launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Starting date | Share classes |
| CAP | BE6228912570 | EUR | 2.98% | | 6.46% | | 7.79% | | % | | 25/11/2011 | 12.41% |

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

* Return on annual basis.

Institutional B Shares

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

Capitalisation units (CAP)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

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

2.4.6. Costs

Ongoing Charges and Transaction costs:

Classic Shares Distribution :

Ongoing Charges : 1.843%
Transaction costs : 0.049%

Classic Shares Capitalisation :

Ongoing Charges : 1.781%
Transaction costs : 0.049%

Institutional B Shares Capitalisation :

Ongoing Charges : 0.474%
Transaction costs : 0.049%

Percentage calculated at reporting date: 31 August 2020 .

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

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

Existence of Commission Sharing Agreements

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

No CSA accrual during this period.

Existence of fee sharing agreements and rebates

The management company has shared 52,79% of its fee with the distributor, and institutional and/or professional parties.

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

2.4.7. Notes to the financial statements and other data

Classic Shares

| | | |
|---|---|---|
| Fee for managing the investment portfolio | Max 1.50% | per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. (*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year. |
| Administration fee | 0.10% | per year calculated on the basis of the average total net assets of the sub-fund. |
| Custodian's fee | Max 0.04% | per year calculated on the basis of the value of the securities held in custody by the custodian on the last 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. |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund | |
| Annual tax | see the 'Information concerning the Bevek - H. Tax treatment' | |

Institutional B Shares

| | | |
|---|---|---|
| Fee for managing the investment portfolio | Max 1.50% | per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. (*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year. |
| Administration fee | 0.10% | per year calculated on the basis of the average total net assets of the sub-fund. |
| Custodian's fee | Max 0.04% | per year calculated on the basis of the value of the securities held in custody by the custodian on the last 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. |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund | |
| Annual tax | see the 'Information concerning the Bevek - H. Tax treatment' | |

Exercising voting rights

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

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

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

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

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 - 2.1.2. 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
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
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 - 2.4.1. Composition of the assets of KBC Eco Fund World
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2. Information on KBC Eco Fund World

2.1. Management report

2.1.1. Launch date and subscription price

Classic Shares Distribution

| | |
|-----------------------------|---------------|
| Launch date: | 30 April 1992 |
| Initial subscription price: | 10 000 BEF |
| Currency: | EUR |

Classic Shares Capitalisation

| | |
|-----------------------------|---------------|
| Launch date: | 30 April 1992 |
| Initial subscription price: | 10 000 BEF |
| Currency: | EUR |

Institutional Shares Capitalisation

| | |
|-----------------------------|-------------------|
| Launch date: | 25 September 2013 |
| Initial subscription price: | 1 000 EUR |
| Currency: | EUR |

2.1.2. Stock exchange listing

Not applicable.

2.1.3. Goal and key principles of the investment policy

Object of the sub-fund

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

Sub-fund's investment policy

Permitted asset classes

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

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

Restrictions of the investment policy

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

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

Permitted derivatives transactions

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

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

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

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

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

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of

the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

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

Strategy selected

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:

1. 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

2. 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.

The fund is actively managed with reference to the following benchmark: MSCI WORLD - Net Return Index.

However, it is not the aim of the fund to replicate the benchmark. The composition of the benchmark is taken into account when compiling the portfolio.

In line with its investment policy, the sub-fund may not invest in all the instruments included in the benchmark.

When compiling the portfolio, the manager may also decide to invest in instruments that are not included in the benchmark, or indeed not to invest in instruments that are included.

The composition of the portfolio will to a large extent be similar to that of the benchmark.

The benchmark is also used to determine the fund's risk limitation mechanism. This limits the extent to which the fund's return may deviate from the benchmark.

The longterm expected tracking error for this fund is 3%. The tracking error measures the volatility of the fund's return relative to that of the benchmark. The higher the tracking error, the more the fund's return fluctuates relative to the benchmark. Market conditions may cause the actual tracking error to differ from the expected tracking error.

Source: MSCI. No MSCI Party nor any other party involved in or related to compiling, computing or creating the MSCI data, makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates, or any third party involved in compiling, computing, or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

Volatility of the net asset value

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

Securities Financing Transactions (SFTs)

The sub-fund may not lend any financial instruments.

General strategy for hedging the exchange risk

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

Social, ethical and environmental aspects

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

2.1.4. Financial portfolio management

The intellectual management, with the exception of the sustainability screening described in the prospectus and the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, 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'.

Tracking error and annual tracking difference for the Distribution share (ISIN-code: BE0177657500) calculated in the currency of the share.

Annual tracking difference: -0.03%

The annual tracking difference is the difference between the return of the unit in question and the return of its benchmark index over the financial year.

Tracking error: 0.03%

The tracking error is the annualised volatility of the differences between the daily returns of the unit in question and those of the benchmark index.

The Tracking error does not exceed the threshold.

Tracking error and annual tracking difference for the Capitalisation share (ISIN-code: BE0133741752) calculated in the currency of the share.

Annual tracking difference: -0.03%

The annual tracking difference is the difference between the return of the unit in question and the return of its benchmark index over the financial year.

Tracking error: 0.03%

The tracking error is the annualised volatility of the differences between the daily returns of the unit in question and those of the benchmark index.

The Tracking error does not exceed the threshold.

Tracking error and annual tracking difference for the Capitalisation share (ISIN-code: BE6257810497) calculated in the currency of the share.

Annual tracking difference: -0.03%

The annual tracking difference is the difference between the return of the unit in question and the return of its benchmark index over the financial year.

Tracking error: 0.03%

The tracking error is the annualised volatility of the differences between the daily returns of the unit in question and those of the benchmark index.

The Tracking error does not exceed the threshold.

2.1.7. Policy pursued during the financial year

We refer to the General information on the SICAV of this report under '1.2.2. General overview of the markets' for a review of the market.

2.1.8. Future policy

We refer to the General information on the SICAV of this report under '1.2.2. General overview of the markets' for an overview of the outlook.

2.1.9. Synthetic risk and reward indicator (SRRI)

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

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

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

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

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 701.23 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 | | 31/08/2020 (in the currency of the sub-fund) | 31/08/2019 (in the currency of the sub-fund) |
|-----------------------------------|---|--|--|
| | TOTAL NET ASSETS | 225,249,955.42 | 252,169,310.35 |
| II. | Securities, money market instruments, UCIs and derivatives | | |
| C. | Shares and similar instruments | | |
| a) | Shares | 223,129,596.37 | 251,228,775.01 |
| D. | Other securities | 2.72 | |
| F. | Derivative financial instruments | | |
| j) | Foreign exchange | | |
| | Futures and forward contracts (+/-) | | -3,653.93 |
| IV. | Receivables and payables within one year | | |
| A. | Receivables | | |
| a) | Accounts receivable | | 10,085,056.84 |
| B. | Payables | | |
| a) | Accounts payable (-) | | -11,877,074.51 |
| c) | Borrowings (-) | -8,278.41 | -420.49 |
| V. | Deposits and cash at bank and in hand | | |
| A. | Demand balances at banks | 2,121,253.00 | 2,501,430.66 |
| VI. | Accruals and deferrals | | |
| B. | Accrued income | 203,324.28 | 363,492.55 |
| C. | Accrued expense (-) | -195,942.54 | -128,295.78 |
| | TOTAL SHAREHOLDERS' EQUITY | 225,249,955.42 | 252,169,310.35 |
| A. | Capital | 213,019,024.01 | 241,776,705.06 |
| B. | Income equalization | -154,612.33 | 164,781.09 |
| D. | Result of the bookyear | 12,385,543.74 | 10,227,824.20 |
| Off-balance-sheet headings | | | |
| III. | Notional amounts of futures and forward contracts (+) | | |
| III.A. | Purchased futures and forward contracts | | 4,139,219.93 |
| III.B. | Written futures and forward contracts | | -4,546,245.71 |

2.3. Profit and loss account

| Income Statement | | 31/08/2020 (in the currency of the fund) | 31/08/2019 (in the currency of the fund) |
|-------------------------|--|--|--|
| I. | Net gains(losses) on investments | | |
| C. | Shares and similar instruments | | |
| | a) Shares | 22,353,687.64 | -2,856,585.59 |
| D. | Other securities | -4,761.53 | |
| G. | Receivables, deposits, cash at bank and in hand and payables | 0.01 | |
| H. | Foreign exchange positions and transactions | | |
| | a) Derivative financial instruments | | |
| | Futures and forward contracts | 3,653.93 | -3,653.93 |
| | b) Other foreign exchange positions and transactions | -10,957,504.06 | 10,319,202.72 |
| | Det.section I gains and losses on investments | | |
| | Realised gains on investments | 30,375,900.63 | 12,850,771.28 |
| | Unrealised gains on investments | -3,587,402.07 | 19,501,513.05 |
| | Realised losses on investments | -20,033,908.73 | -13,302,939.98 |
| | Unrealised losses on investments | 4,640,486.16 | -11,590,381.15 |
| II. | Investment income and expenses | | |
| A. | Dividends | 4,013,155.45 | 5,366,827.31 |
| B. | Interests | | |
| | b) Cash at bank and in hand and deposits | 3,518.09 | 7,187.76 |
| C. | Interest on borrowings (-) | -4,281.38 | -3,776.82 |
| III. | Other income | | |
| A. | Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges | 89,014.33 | 93,372.27 |
| B. | Other | 13.82 | |
| IV. | Operating expenses | | |
| A. | Investment transaction and delivery costs (-) | -258,987.90 | -269,578.10 |
| B. | Financial expenses (-) | -278.12 | -361.03 |
| C. | Custodian's fee (-) | -92,510.03 | -56,817.28 |
| D. | Manager's fee (-) | | |
| | a) Financial management | | |
| | Classic Shares | -994,586.39 | -877,959.60 |
| | Institutional Shares | -1,379,756.24 | -1,188,987.07 |
| | b) Administration and accounting management | -233,121.07 | -228,428.71 |
| E. | Administrative expenses (-) | -999.78 | -999.50 |
| F. | Formation and organisation expenses (-) | -5,052.44 | -6,241.19 |
| G. | Remuneration, social security charges and pension | -3,221.18 | -5,264.89 |
| H. | Services and sundry goods (-) | -29,015.13 | -12,995.72 |
| J. | Taxes | | |
| | Classic Shares | -55,265.89 | -39,300.77 |
| | Institutional Shares | -20,458.44 | -17,309.35 |
| K. | Other expenses (-) | -37,699.95 | 9,493.69 |
| | Income and expenditure for the period | | |
| | Subtotal II + III + IV | 990,467.75 | 2,768,860.99 |
| V. | Profit (loss) on ordinary activities before tax | 12,385,543.74 | 10,227,824.20 |
| VII. | Result of the bookyear | 12,385,543.74 | 10,227,824.20 |

| Appropriation Account | 31/08/2020 (in the currency of the sub-fund) | 31/08/2019 (in the currency of the sub-fund) |
|---|--|--|
| I. Profit to be appropriated | 12,230,931.41 | 10,392,605.29 |
| Profit for the period available for appropriation | 12,385,543.74 | 10,227,824.20 |
| Income on the creation of shares (income on the cancellation of shares) | -154,612.33 | 164,781.09 |
| II. (Appropriations to) Deductions from capital | -11,964,052.33 | -10,127,624.93 |
| IV. (Dividends to be paid out) | -266,879.08 | -264,980.36 |

2.4. Composition of the assets and key figures

2.4.1. Composition of the assets of KBC Eco Fund World

| Name | Quantity on 31/08/2020 | 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> | | | | | | | |
| NATIONAL AUSTRALIA BANK - | 31,243.00 | AUD | 17.930 | 346,407.70 | | 0.16 | 0.15 |
| RAMSAY HEALTH CARE LTD - | 22,702.00 | AUD | 65.060 | 913,340.46 | | 0.41 | 0.41 |
| SYDNEY AIRPORT - | 176,993.00 | AUD | 5.720 | 626,046.57 | | 0.28 | 0.28 |
| <u>Austria</u> | | | | | | | |
| AUST&NZ BANKING GROUP - | 13,824.00 | AUD | 18.280 | 156,265.98 | | 0.07 | 0.07 |
| <u>Belgium</u> | | | | | | | |
| TELENET - | 25,059.00 | EUR | 32.580 | 816,422.22 | | 0.37 | 0.36 |
| <u>Canada</u> | | | | | | | |
| CANADIAN PACIFIC RAILWAY LTD - | 914.00 | CAD | 385.890 | 226,343.98 | | 0.10 | 0.10 |
| FIRST CAPITAL REALTY INC - | 52,297.00 | CAD | 13.680 | 459,115.65 | | 0.21 | 0.20 |
| MANULIFE FINANCIAL CORP - | 241,260.00 | CAD | 19.240 | 2,978,856.75 | | 1.34 | 1.32 |
| POWER CORP - | 96,235.00 | CAD | 26.040 | 1,608,174.82 | | 0.72 | 0.71 |
| <u>Cayman Islands</u> | | | | | | | |
| SEAGATE TECHNOLOGY - | 53,970.00 | USD | 47.990 | 2,165,659.35 | | 0.97 | 0.96 |
| <u>Denmark</u> | | | | | | | |
| NOVO NORDISK A/S B | 38,022.00 | DKK | 413.150 | 2,110,156.93 | | 0.95 | 0.94 |
| VESTAS WINDS SYSTEMS - | 14,810.00 | DKK | 948.400 | 1,886,768.62 | | 0.85 | 0.84 |
| <u>Finland</u> | | | | | | | |
| KONE CORP. - | 12,032.00 | EUR | 71.840 | 864,378.88 | | 0.39 | 0.38 |
| <u>France</u> | | | | | | | |
| BNP PARIBAS SA - | 28,987.00 | EUR | 36.565 | 1,059,909.66 | | 0.48 | 0.47 |
| BOUYGUES - | 37,822.00 | EUR | 33.250 | 1,257,581.50 | | 0.56 | 0.56 |
| CREDIT AGRICOLE - | 260,126.00 | EUR | 8.588 | 2,233,962.09 | | 1.00 | 0.99 |
| JC DECAUX SA - | 44,984.00 | EUR | 15.990 | 719,294.16 | | 0.32 | 0.32 |
| LVMH-MOET HENNESSY LOUIS VUITT SE - | 253.00 | EUR | 392.800 | 99,378.40 | | 0.05 | 0.04 |
| MICHELIN (PAR) | 18,530.00 | EUR | 94.620 | 1,753,308.60 | | 0.79 | 0.78 |
| PEUGEOT - | 37,430.00 | EUR | 14.370 | 537,869.10 | | 0.24 | 0.24 |
| PUBLICIS GROUPE SA - | 40,700.00 | EUR | 29.370 | 1,195,359.00 | | 0.54 | 0.53 |
| VIVENDI SA - | 142,179.00 | EUR | 23.800 | 3,383,860.20 | | 1.52 | 1.50 |
| <u>Germany</u> | | | | | | | |
| DEUTSCHE TELEKOM INT FIN REG | 36,849.00 | EUR | 14.750 | 543,522.75 | | 0.24 | 0.24 |
| DEUTSCHE WOHNEN AG - | 46,468.00 | EUR | 44.640 | 2,074,331.52 | | 0.93 | 0.92 |
| HANNOVER RUECK SE (FRA) NAAM | 6,994.00 | EUR | 142.600 | 997,344.40 | | 0.45 | 0.44 |
| HOCHTIEF AG - | 13,274.00 | EUR | 74.300 | 986,258.20 | | 0.44 | 0.44 |
| LANXESS - | 31,810.00 | EUR | 49.010 | 1,559,008.10 | | 0.70 | 0.69 |
| <u>Ireland</u> | | | | | | | |
| C.R.H. PLC - | 68,175.00 | EUR | 31.000 | 2,113,425.00 | | 0.95 | 0.94 |
| <u>Italy</u> | | | | | | | |
| TELECOM ITALIA SPA (MIL) | 3,390,624.00 | EUR | 0.399 | 1,352,180.85 | | 0.61 | 0.60 |
| TELECOM ITALIA SPA (MIL) DI RISPARMIO NWE | 1,356,770.00 | EUR | 0.396 | 537,009.57 | | 0.24 | 0.24 |
| TERNA RETE ELETTRICA NAZIONALE - | 177,780.00 | EUR | 6.058 | 1,076,991.24 | | 0.48 | 0.48 |
| <u>Japan</u> | | | | | | | |
| AEON CO LTD. - | 40,500.00 | JPY | 2,629.000 | 839,541.93 | | 0.38 | 0.37 |
| BENESSE - | 31,800.00 | JPY | 2,701.000 | 677,249.17 | | 0.30 | 0.30 |
| DAI NIPPON PRINTNG - | 99,900.00 | JPY | 2,254.000 | 1,775,481.61 | | 0.80 | 0.79 |
| DAIWA HOUSE - | 54,000.00 | JPY | 2,840.500 | 1,209,442.80 | | 0.54 | 0.54 |
| DAIWA SECURITIES GROUP INC - | 82,700.00 | JPY | 478.000 | 311,695.25 | | 0.14 | 0.14 |
| EAST JAPAN RAILWAY - | 2,300.00 | JPY | 6,897.000 | 125,079.13 | | 0.06 | 0.06 |
| FAST RETAILING CO LTD. - | 3,900.00 | JPY | 63,280.000 | 1,945,932.88 | | 0.87 | 0.86 |
| IDEMITSU KOSAN CO LTD - | 1.00 | JPY | 2,336.000 | 18.42 | | | |
| KAO CORP - | 8,100.00 | JPY | 8,069.000 | 515,349.09 | | 0.23 | 0.23 |
| MAZDA MOTOR CORP. - | 381,900.00 | JPY | 680.000 | 2,047,648.23 | | 0.92 | 0.91 |
| NEC CORP.(NIPPON EL.) - | 23,800.00 | JPY | 5,590.000 | 1,049,024.29 | | 0.47 | 0.47 |
| NIKON - | 22,800.00 | JPY | 832.000 | 149,573.60 | | 0.07 | 0.07 |
| NIPPON YUSEN KK - | 50,500.00 | JPY | 1,658.000 | 660,195.69 | | 0.30 | 0.29 |

| | | | | | | |
|--------------------------------------|------------|-----|------------|---------------|------|------|
| NOMURA HOLDINGS INC - | 331,200.00 | JPY | 544,500 | 1,421,952.18 | 0.64 | 0.63 |
| NOMURA RESEARCH INSTITUTE LTD - | 23,300.00 | JPY | 2,819,000 | 517,902.22 | 0.23 | 0.23 |
| NTT DATA CORPORATION - | 212,100.00 | JPY | 1,212,000 | 2,026,936.15 | 0.91 | 0.90 |
| NTT DOCOMO, INC. - | 25,500.00 | JPY | 2,959,000 | 594,952.00 | 0.27 | 0.26 |
| ORACLE CORP JAPAN - | 4,300.00 | JPY | 12,440,000 | 421,779.64 | 0.19 | 0.19 |
| SONY CORP - | 39,200.00 | JPY | 8,309,000 | 2,568,216.34 | 1.15 | 1.14 |
| TAKEDA PHARMACEUTICAL CO LTD - | 52,100.00 | JPY | 3,959,000 | 1,626,372.43 | 0.73 | 0.72 |
| TOPPAN PRINTING - | 111,500.00 | JPY | 1,648,000 | 1,448,868.11 | 0.65 | 0.64 |
| <u>Netherlands</u> | | | | | | |
| A.K.Z.O. NOBEL - | 8,316.00 | EUR | 82,940 | 689,729.04 | 0.31 | 0.31 |
| HEINEKEN HOLDING (AMS)(A 25NLG) | 8,178.00 | EUR | 68,650 | 561,419.70 | 0.25 | 0.25 |
| KON. AHOLD DELHAIZE NV - | 110,283.00 | EUR | 25,220 | 2,781,337.26 | 1.25 | 1.24 |
| NXP SEMICONDUCTOR NV - | 3,171.00 | USD | 125,760 | 333,446.18 | 0.15 | 0.15 |
| WOLTERS KLUWER - | 2,014.00 | EUR | 68,800 | 138,563.20 | 0.06 | 0.06 |
| <u>New Zealand</u> | | | | | | |
| FISHER & PAYKEL HEALTHCARE CORP. - | 2,404.00 | NZD | 36,850 | 50,065.83 | 0.02 | 0.02 |
| MERIDIAN ENERGY LTD - | 289,911.00 | NZD | 5,080 | 832,334.37 | 0.37 | 0.37 |
| <u>Norway</u> | | | | | | |
| SCHIBSTED - | 4,061.00 | NOK | 346,200 | 135,465.09 | 0.06 | 0.06 |
| <u>Spain</u> | | | | | | |
| RED ELECTRICA DE ESPANA - | 4,297.00 | EUR | 16,025 | 68,859.43 | 0.03 | 0.03 |
| <u>Sweden</u> | | | | | | |
| ESSITY AB - | 75,985.00 | SEK | 297,600 | 2,192,255.58 | 0.98 | 0.97 |
| <u>Switzerland</u> | | | | | | |
| GEBERIT AG - | 642.00 | CHF | 520,600 | 310,360.59 | 0.14 | 0.14 |
| KUEHNE & NAGEL INTL AG - | 10,564.00 | CHF | 175,050 | 1,717,188.14 | 0.77 | 0.76 |
| SCHINDLER-HLDG PART.BON | 1,431.00 | CHF | 241,100 | 320,379.13 | 0.14 | 0.14 |
| <u>U.K.</u> | | | | | | |
| BERKELEY GROUP (THE) PLC - | 31,862.00 | GBP | 45,590 | 1,626,274.91 | 0.73 | 0.72 |
| BRITISH LAND CO PLC - | 4,757.00 | GBP | 3,657 | 19,476.43 | 0.01 | 0.01 |
| ITV PLC - | 698,123.00 | GBP | 0,607 | 474,586.13 | 0.21 | 0.21 |
| SEVERN TRENT - | 42,691.00 | GBP | 23,320 | 1,114,592.74 | 0.50 | 0.50 |
| UNITED UTILITIES WATER PLC - | 186,905.00 | GBP | 8,312 | 1,739,313.19 | 0.78 | 0.77 |
| VODAFONE GROUP PLC - | 239,545.00 | GBP | 1,114 | 298,868.09 | 0.13 | 0.13 |
| WPP GROUP PLC - | 210,764.00 | GBP | 6,456 | 1,523,390.67 | 0.68 | 0.68 |
| <u>U.S.A.</u> | | | | | | |
| ABBOTT LAB. - | 13,361.00 | USD | 109,470 | 1,222,984.80 | 0.55 | 0.54 |
| ABBVIE INC - | 26,993.00 | USD | 95,770 | 2,161,561.61 | 0.97 | 0.96 |
| ADOBE SYSTEMS - | 10,391.00 | USD | 513,390 | 4,460,584.05 | 2.00 | 1.98 |
| AGILENT TECHNOLOGIES - | 29,534.00 | USD | 100,420 | 2,479,873.14 | 1.11 | 1.10 |
| AIR PRODUCTS & CHEMICALS - | 8,596.00 | USD | 292,260 | 2,100,645.48 | 0.94 | 0.93 |
| AKAMAI TECHNOLOGIES INC - | 24,672.00 | USD | 116,430 | 2,401,907.24 | 1.08 | 1.07 |
| APPLE INC - | 108,340.00 | USD | 129,040 | 11,689,613.78 | 5.25 | 5.20 |
| AUTOMATIC DATA PROCESSING, INC. - | 613.00 | USD | 139,090 | 71,292.42 | 0.03 | 0.03 |
| AVALONBAY COMMUNITIES INC - | 5,417.00 | USD | 158,060 | 715,925.43 | 0.32 | 0.32 |
| AVERY DENNISON CORPORATION - | 23,224.00 | USD | 115,390 | 2,240,743.64 | 1.00 | 1.00 |
| BANK OF AMERICA CORP - | 166,656.00 | USD | 25,740 | 3,586,876.91 | 1.61 | 1.59 |
| BANK OF NEW YORK MELLON CORP - | 18,637.00 | USD | 36,980 | 576,275.15 | 0.26 | 0.26 |
| BAXTER INTL INC - | 27,462.00 | USD | 87,070 | 1,999,344.74 | 0.90 | 0.89 |
| BEST BUY - | 22,096.00 | USD | 110,910 | 2,049,138.64 | 0.92 | 0.91 |
| BIOGEN INC - | 6,404.00 | USD | 287,640 | 1,540,237.10 | 0.69 | 0.68 |
| CAMPBELL SOUP CO - | 59,074.00 | USD | 52,610 | 2,598,673.14 | 1.17 | 1.15 |
| CARDINAL HEALTH INC - | 40,846.00 | USD | 50,760 | 1,733,636.82 | 0.78 | 0.77 |
| CB RICHARD ELLIS GROUP INC - | 65,328.00 | USD | 47,030 | 2,568,983.52 | 1.15 | 1.14 |
| CITRIX SYSTEMS INC - | 10,798.00 | USD | 145,200 | 1,310,982.57 | 0.59 | 0.58 |
| EBAY INC. - | 39,561.00 | USD | 54,780 | 1,812,075.40 | 0.81 | 0.80 |
| EDWARDS LIFESCIENCES CORP. - | 16,935.00 | USD | 85,840 | 1,215,519.38 | 0.55 | 0.54 |
| EQUINIX INC - | 1,268.00 | USD | 789,780 | 837,360.29 | 0.38 | 0.37 |
| EXPEDITORS INTL OF WASHINGTON INC. - | 46,648.00 | USD | 88,390 | 3,447,649.75 | 1.55 | 1.53 |
| GENERAL MILLS IN - | 16,031.00 | USD | 63,950 | 857,211.80 | 0.38 | 0.38 |
| GILEAD SCIENCES - | 5,812.00 | USD | 66,750 | 324,387.31 | 0.14 | 0.14 |
| HARTFORD FIN.SERV.GR. - | 20,960.00 | USD | 40,450 | 708,919.27 | 0.32 | 0.32 |
| HERSHEY CORP - | 6,635.00 | USD | 148,640 | 824,638.49 | 0.37 | 0.37 |
| HEWLETT PACKARD - | 79,652.00 | USD | 19,550 | 1,302,058.28 | 0.58 | 0.58 |
| HEWLETT PACKARD ENTERPRISE CO - | 257,792.00 | USD | 9,670 | 2,084,408.75 | 0.93 | 0.93 |
| HILTON WORLDWIDE HOLDINGS INC - | 15,617.00 | USD | 90,360 | 1,179,942.41 | 0.53 | 0.52 |
| HOME DEPOT - | 20,546.00 | USD | 285,040 | 4,896,886.86 | 2.19 | 2.17 |
| HOST HOTELS & RESORTS INC - | 87,777.00 | USD | 11,230 | 824,228.20 | 0.37 | 0.37 |
| INGERSOLL-RAND INC - | 25,988.00 | USD | 35,060 | 761,853.99 | 0.34 | 0.34 |
| INTEL CORP - | 73,112.00 | USD | 50,950 | 3,114,725.87 | 1.40 | 1.38 |
| JPMORGAN CHASE & CO - | 47,006.00 | USD | 100,190 | 3,937,899.69 | 1.77 | 1.75 |
| KELLOGG CO. - | 8,495.00 | USD | 70,910 | 503,683.64 | 0.23 | 0.22 |
| KIMBERLEY-CLARK CORP - | 14,667.00 | USD | 157,760 | 1,934,751.39 | 0.87 | 0.86 |
| KROGER CY - | 55,331.00 | USD | 35,680 | 1,650,746.34 | 0.74 | 0.73 |
| LEAR CORP - | 19,965.00 | USD | 113,930 | 1,901,929.39 | 0.85 | 0.84 |
| LIBERTY GLOBAL INC -C- | 134,760.00 | USD | 23,010 | 2,592,773.61 | 1.16 | 1.15 |
| LIBERTY GLOBAL INC A | 86,442.00 | USD | 23,370 | 1,689,158.86 | 0.76 | 0.75 |

| | | | | | | | |
|------------------------------------|--------------|-----|---------|----------------|--|--------|--------|
| LOWE'S CIE - | 18,015.00 | USD | 164.690 | 2,480,781.26 | | 1.11 | 1.10 |
| MCGRAW HILL FINANCIAL INC - | 10,821.00 | USD | 366.420 | 3,315,381.76 | | 1.49 | 1.47 |
| MEDTRONIC PLC - | 7,166.00 | USD | 107.470 | 643,948.34 | | 0.29 | 0.29 |
| MERCK & CO - | 36,991.00 | USD | 85.270 | 2,637,420.10 | | 1.18 | 1.17 |
| METTLER-TOLEDO INTERNATIONAL INC - | 3,063.00 | USD | 970.780 | 2,486,307.24 | | 1.11 | 1.10 |
| MICROSOFT CORP - | 46,626.00 | USD | 225.530 | 8,792,643.32 | | 3.94 | 3.90 |
| MORGAN STANLEY - | 59,208.00 | USD | 52.260 | 2,587,240.34 | | 1.16 | 1.15 |
| NEWMONT GOLDCORP CORP - | 32,680.00 | USD | 67.280 | 1,838,463.48 | | 0.82 | 0.82 |
| NIELSEN HOLDINGS PLC - | 117,968.00 | USD | 15.280 | 1,507,212.71 | | 0.68 | 0.67 |
| NORTHERN TRUST CORPORATION - | 5,980.00 | USD | 81.890 | 409,467.12 | | 0.18 | 0.18 |
| NORTONLIFELOCK INC - | 67,902.00 | USD | 23.520 | 1,335,386.13 | | 0.60 | 0.59 |
| NVIDIA CORP NAS | 7,124.00 | USD | 534.980 | 3,186,753.23 | | 1.43 | 1.42 |
| ORACLE CORP - | 66,293.00 | USD | 57.220 | 3,171,775.96 | | 1.42 | 1.41 |
| PAYPAL HOLDINGS INC - | 1,380.00 | USD | 204.140 | 235,556.00 | | 0.11 | 0.11 |
| PEPSICO INC - | 18,608.00 | USD | 140.060 | 2,179,218.60 | | 0.98 | 0.97 |
| PRUDENTIAL FINANCIAL INC - | 5,702.00 | USD | 67.770 | 323,110.95 | | 0.14 | 0.14 |
| REGENRON PHARMACEUTICALS - | 2,924.00 | USD | 619.930 | 1,515,678.18 | | 0.68 | 0.67 |
| STARBUCKS CORP - | 16,598.00 | USD | 84.470 | 1,172,317.45 | | 0.53 | 0.52 |
| STATE STREET CORPORATION - | 47,685.00 | USD | 68.090 | 2,714,889.13 | | 1.22 | 1.21 |
| TRACTOR SUPPLY COMPANY - | 13,657.00 | USD | 148.830 | 1,699,545.39 | | 0.76 | 0.76 |
| TRANE TECHNOLOGIES PLC - | 29,829.00 | USD | 118.390 | 2,952,845.28 | | 1.32 | 1.31 |
| UNION PACIFIC CORPORATION - | 1,518.00 | USD | 192.440 | 244,260.98 | | 0.11 | 0.11 |
| UNITEDHEALTH GROUP INC. - | 9,766.00 | USD | 312.550 | 2,552,249.93 | | 1.14 | 1.13 |
| VARIAN MEDICAL SYSTEMS - | 1,050.00 | USD | 173.670 | 152,475.86 | | 0.07 | 0.07 |
| VISA INC - | 15,079.00 | USD | 211.990 | 2,672,851.88 | | 1.20 | 1.19 |
| W.W. GRAINGER, INC. - | 6,257.00 | USD | 365.430 | 1,911,865.47 | | 0.86 | 0.85 |
| WALT DISNEY - | 31,008.00 | USD | 131.870 | 3,419,060.13 | | 1.53 | 1.52 |
| 3M CO - | 11,585.00 | USD | 163.020 | 1,579,151.89 | | 0.71 | 0.70 |
| Total shares | | | | 223,129,596.37 | | 100.00 | 99.06 |
| Rights | | | | | | | |
| <u>Australia</u> | | | | | | | |
| SYDNEY AIRPORT RIGHT | 5.00 | AUD | 0.880 | 2.72 | | | |
| Total rights | | | | 2.72 | | | |
| TOTAL SECURITIES PORTFOLIO | | | | 223,129,599.09 | | 100.00 | 99.06 |
| CASH AT BANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP AUD | 29,198.77 | AUD | 1.000 | 18,055.90 | | | 0.01 |
| KBC GROUP CAD | 22.59 | CAD | 1.000 | 14.50 | | | |
| KBC GROUP CHF | -0.86 | CHF | 1.000 | -0.80 | | | |
| KBC GROUP DKK | 76,581.60 | DKK | 1.000 | 10,287.18 | | | 0.01 |
| KBC GROUP EURO | 2,054,653.01 | EUR | 1.000 | 2,054,653.01 | | | 0.91 |
| KBC GROUP GBP | 2,202.22 | GBP | 1.000 | 2,465.54 | | | 0.00 |
| KBC GROUP HKD | 2,330.38 | HKD | 1.000 | 251.42 | | | |
| KBC GROUP ILS | 13,752.71 | ILS | 1.000 | 3,430.87 | | | 0.00 |
| KBC GROUP JPY | -960,709.00 | JPY | 1.000 | -7,575.10 | | | -0.00 |
| KBC GROUP NOK | 40,104.57 | NOK | 1.000 | 3,864.21 | | | 0.00 |
| KBC GROUP NZD | -630.61 | NZD | 1.000 | -356.39 | | | |
| KBC GROUP SEK | -41.22 | SEK | 1.000 | -4.00 | | | |
| KBC GROUP SGD | 7.16 | SGD | 1.000 | 4.40 | | | |
| KBC GROUP TRY | -3,010.99 | TRY | 1.000 | -342.12 | | | |
| KBC GROUP USD | 30,596.13 | USD | 1.000 | 25,583.12 | | | 0.01 |
| KBC GROUP ZAR | 53,546.54 | ZAR | 1.000 | 2,642.85 | | | 0.00 |
| Total demand accounts | | | | 2,112,974.59 | | | 0.94 |
| TOTAL CASH AT BANK AND IN HAND | | | | 2,112,974.59 | | | 0.94 |
| OTHER | | | | | | | |
| Interest receivable | | EUR | | 185,824.26 | | | 0.08 |
| Accrued interest | | EUR | | 17,500.02 | | | 0.01 |
| Expenses payable | | EUR | | -195,942.54 | | | -0.09 |
| TOTAL OTHER | | | | 7,381.74 | | | 0.00 |
| TOTAL NET ASSETS | | | | 225,249,955.42 | | | 100.00 |

Geographic breakdown (as a % of securities portfolio)

| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
|-------------|------------|------------|------------|------------|
| Australia | 0.40 | 0.72 | 1.14 | 0.91 |
| Austria | 0.44 | 0.00 | 0.23 | 0.00 |
| Belgium | -0.05 | 0.78 | 2.45 | 1.29 |
| Canada | 5.43 | 5.34 | 3.62 | 2.35 |
| Switzerland | 2.50 | 4.02 | 1.97 | 1.04 |
| Germany | 2.33 | 1.61 | 1.39 | 2.73 |
| Denmark | 1.20 | 1.28 | 2.00 | 1.78 |
| Spain | 2.28 | 0.56 | 0.40 | 0.03 |
| Finland | 0.77 | 0.56 | 0.97 | 0.38 |

| | | | | |
|--------------|--------|--------|--------|--------|
| France | 3.66 | 4.53 | 5.50 | 5.43 |
| U.K. | 6.94 | 5.08 | 3.01 | 3.03 |
| Hong Kong | 0.65 | 0.55 | 0.00 | 0.00 |
| Ireland | 0.00 | 0.00 | 0.00 | 0.94 |
| Italy | 1.24 | 1.11 | 2.24 | 1.32 |
| Japan | 10.44 | 10.33 | 10.83 | 9.75 |
| Luxembourg | 0.31 | 0.00 | 0.00 | 0.00 |
| Netherlands | 0.65 | 2.71 | 3.44 | 2.00 |
| Norway | 0.33 | 0.56 | 0.00 | 0.06 |
| New Zealand | 0.00 | 0.00 | 0.18 | 0.39 |
| Singapore | 0.24 | 0.00 | 0.00 | 0.00 |
| Sweden | 0.22 | 0.62 | 0.86 | 0.97 |
| U.S.A. | 59.90 | 59.62 | 59.77 | 65.60 |
| South Africa | 0.12 | 0.02 | 0.00 | 0.00 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

Sector breakdown (as a % of securities portfolio)

| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
|--------------|------------|------------|------------|------------|
| Cyclicals | 13.83 | 12.06 | 9.52 | 8.84 |
| Consum(cycl) | 17.53 | 18.97 | 19.97 | 22.63 |
| Cons.goods | 12.53 | 13.71 | 9.66 | 12.30 |
| Pharma | 11.59 | 11.30 | 13.07 | 11.04 |
| Financials | 16.71 | 15.16 | 16.62 | 12.56 |
| Technology | 17.74 | 18.11 | 19.89 | 24.23 |
| Telecomm. | 2.20 | 2.85 | 4.46 | 2.39 |
| Utilities | 3.74 | 4.05 | 2.63 | 2.14 |
| Real est. | 4.13 | 3.79 | 4.18 | 3.87 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

Currency breakdown (as a % of net assets)

| | 28/02/2019 | 31/08/2019 | 29/02/2020 | 31/08/2020 |
|--------------------|------------|------------|------------|------------|
| AUSTRALIAN DOLLAR | 0.40 | 2.27 | 1.14 | 0.92 |
| CANADIAN DOLLAR | 5.47 | 5.53 | 3.62 | 2.35 |
| SWISS FRANC | 2.50 | 4.06 | 1.96 | 1.04 |
| DANISH KRONE | 1.23 | 1.33 | 2.00 | 1.78 |
| EURO | 11.45 | 10.86 | 15.83 | 13.95 |
| POUND STERLING | 7.06 | 4.87 | 3.01 | 3.03 |
| HONG KONG DOLLAR | 0.66 | 0.61 | 0.00 | 0.00 |
| JAPANESE YEN | 10.44 | 8.55 | 10.46 | 9.75 |
| NORWEGIAN KRONE | 0.33 | 0.65 | 0.00 | 0.06 |
| NEW ZEALAND DOLLAR | 0.00 | 0.08 | 0.18 | 0.39 |
| SWEDISH KRONA | 0.30 | 0.69 | 0.85 | 0.97 |
| SINGAPORE DOLLAR | 0.24 | 0.01 | 0.00 | 0.00 |
| US DOLLAR | 59.92 | 60.49 | 60.95 | 65.76 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

2.4.2. Changes in the composition of the assets of KBC Eco Fund World (in the currency of the sub-fund)

| | 1 st half of year | 2 nd half of year | Year |
|--|------------------------------|------------------------------|----------------|
| Purchases | 113,985,488.38 | 84,182,023.48 | 198,167,511.86 |
| Sales | 154,878,762.89 | 82,817,206.92 | 237,695,969.81 |
| Total 1 | 268,864,251.27 | 166,999,230.40 | 435,863,481.67 |
| Subscriptions | 10,518,044.43 | 23,088,410.25 | 33,606,454.68 |
| Redemptions | 47,354,863.10 | 24,947,878.08 | 72,302,741.18 |
| Total 2 | 57,872,907.53 | 48,036,288.33 | 105,909,195.86 |
| Monthly average of total assets | 264,816,406.59 | 198,627,089.21 | 231.585.555.89 |
| Turnover rate | 79.67% | 59.89% | 142.48% |

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

The detailed list of transactions can be consulted free of charge at the company designated as financial service:
 CBC Banque SA, Avenue Albert 1er 60, B-5000 Namur
 KBC Bank NV, Havenlaan 2, B-1080 Brussels

2.4.3. Amount of commitments in respect of financial derivatives positions

Nil

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

Classic Shares

| Period | Change in number of shares in circulation | | | | | | |
|------------|---|--------------|----------------|--------------|----------------|--------------|-----------|
| | Subscriptions | | Redemptions | | End of period | | |
| | Capitalization | Distribution | Capitalization | Distribution | Capitalization | Distribution | Totaal |
| 2018 - 08* | 11,041.23 | 2,925.04 | 4,551.38 | 2,210.69 | 49,383.54 | 11,162.45 | 60,545.99 |
| 2019 - 08* | 7,839.65 | 4,921.11 | 11,334.55 | 942.95 | 45,888.64 | 15,140.61 | 61,029.25 |
| 2020 - 08* | 11,952.26 | 5,600.28 | 7,297.23 | 1,464.40 | 50,543.68 | 19,276.49 | 69,820.17 |

| Period | Amounts received and paid by the UCITS (in the currency of the class) | | | |
|------------|---|--------------|----------------|--------------|
| | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2018 - 08* | 10,814,535.03 | 2,210,365.76 | 4,488,948.61 | 1,661,736.09 |
| 2019 - 08* | 7,808,538.58 | 3,725,278.69 | 11,437,126.46 | 708,862.37 |
| 2020 - 08* | 12,942,862.51 | 4,459,933.39 | 7,714,747.78 | 1,110,190.14 |

| Period | Net asset value | | |
|----------------|--|--------------|--------|
| | End of period (in the currency of the class) | | |
| | Of the class | Of one share | |
| Capitalization | | Distribution | |
| 2018 - 08* | 59,133,690.22 | 1,021.38 | 778.88 |
| 2019 - 08* | 60,344,408.26 | 1,055.33 | 787.06 |
| 2020 - 08* | 70,995,916.85 | 1,098.70 | 802.19 |

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

Institutional Shares

| Period | Change in number of shares in circulation | | | | | | |
|------------|---|--------------|----------------|--------------|----------------|--------------|------------|
| | Subscriptions | | Redemptions | | End of period | | |
| | Capitalization | Distribution | Capitalization | Distribution | Capitalization | Distribution | Totaal |
| 2018 - 08* | 44,700.00 | | 0.00 | | 146,800.05 | | 146,800.05 |
| 2019 - 08* | 50,000.00 | | 17,000.00 | | 179,800.05 | | 179,800.05 |
| 2020 - 08* | 15,500.00 | | 57,300.05 | | 138,000.00 | | 138,000.00 |

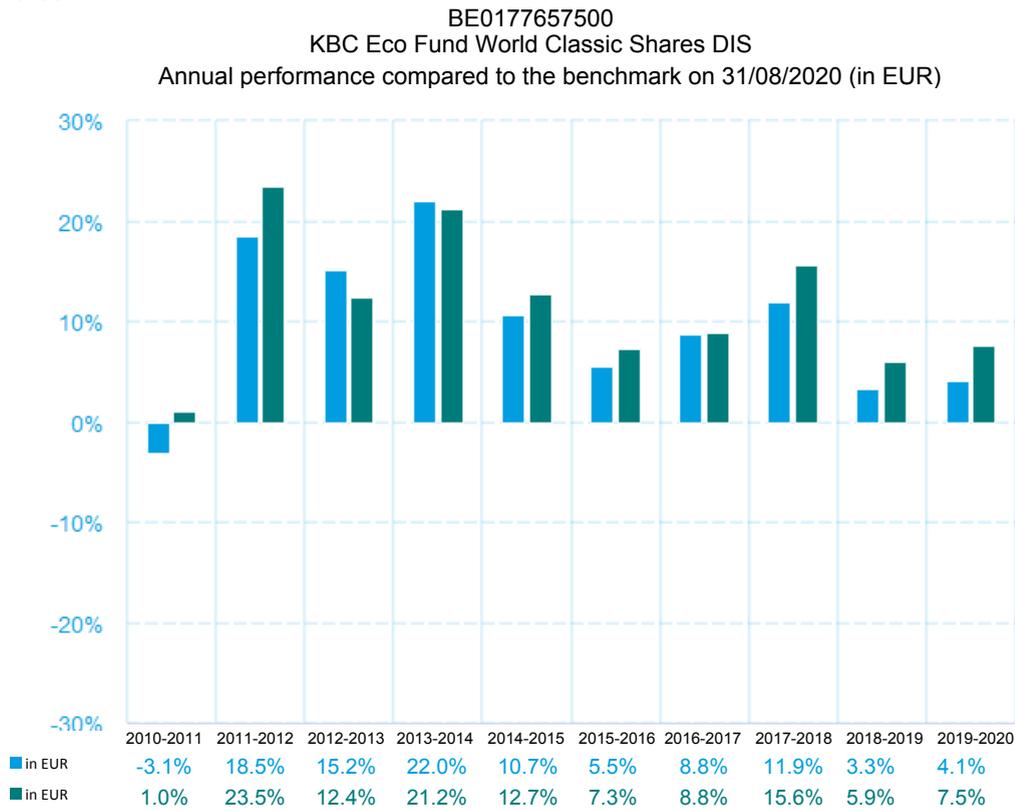
| Period | Amounts received and paid by the UCITS (in the currency of the class) | | | |
|------------|--|--------------|----------------|--------------|
| | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2018 - 08* | 44,426,836.00 | | 0.00 | |
| 2019 - 08* | 50,632,616.00 | | 17,423,360.00 | |
| 2020 - 08* | 16,563,530.00 | | 64,169,035.00 | |

| Period | Net asset value End of period (in the currency of the class) | | |
|------------|---|----------------|--------------|
| | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2018 - 08* | 150,398,995.58 | 1,024.52 | |
| 2019 - 08* | 191,824,902.09 | 1,066.88 | |
| 2020 - 08* | 154,254,038.57 | 1,117.78 | |

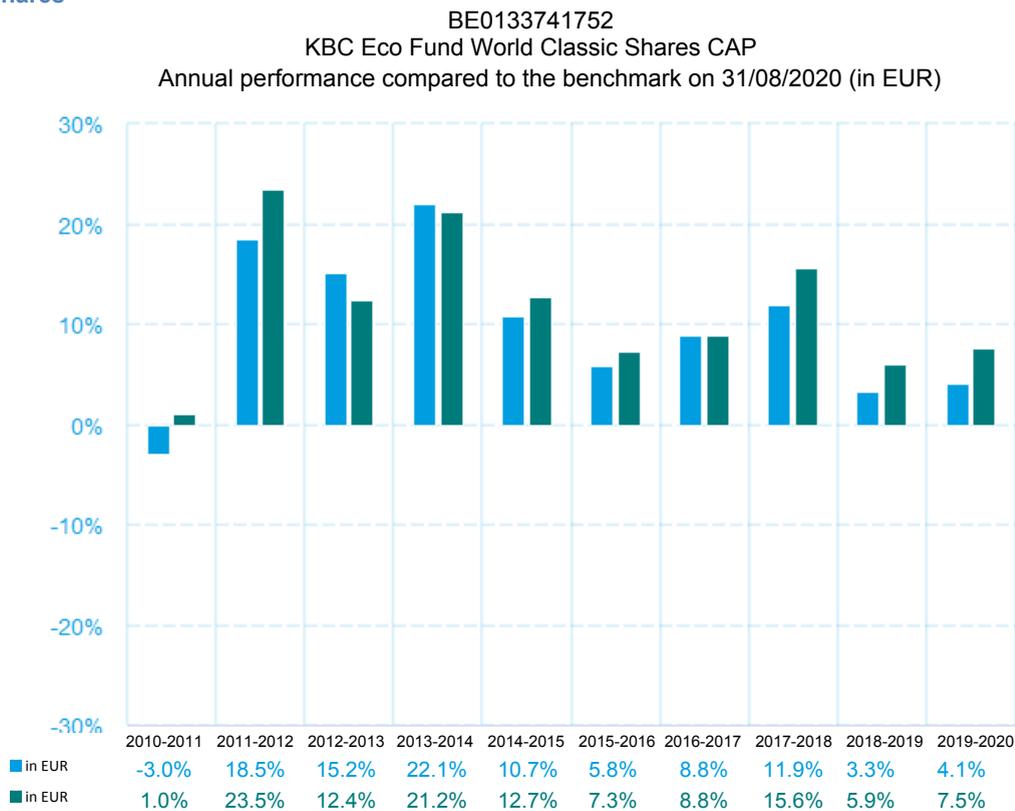
*The financial year does not coincide with the calendar year.

2.4.5. Performance figures

Classic Shares



Classic Shares



| Cap Div | ISIN Code | Curr ency | 1 year | | 3 years | | 5 years | | 10 years | | Since Launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Starting date | Share classes |
| DIS | BE0177657500 | EUR | 4.07% | 7.53% | 6.34% | 9.60% | 6.65% | 8.99% | 9.43% | 11.42% | 30/04/1992 | 3.83% |
| CAP | BE0133741752 | EUR | 4.11% | 7.53% | 6.38% | 9.60% | 6.75% | 8.99% | 9.51% | 11.42% | 30/04/1992 | 5.39% |

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

* Return on annual basis.

Classic Shares

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

Capitalisation units (CAP)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

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

For dividend i on date Di with value Wi:

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

i = 1 ... N

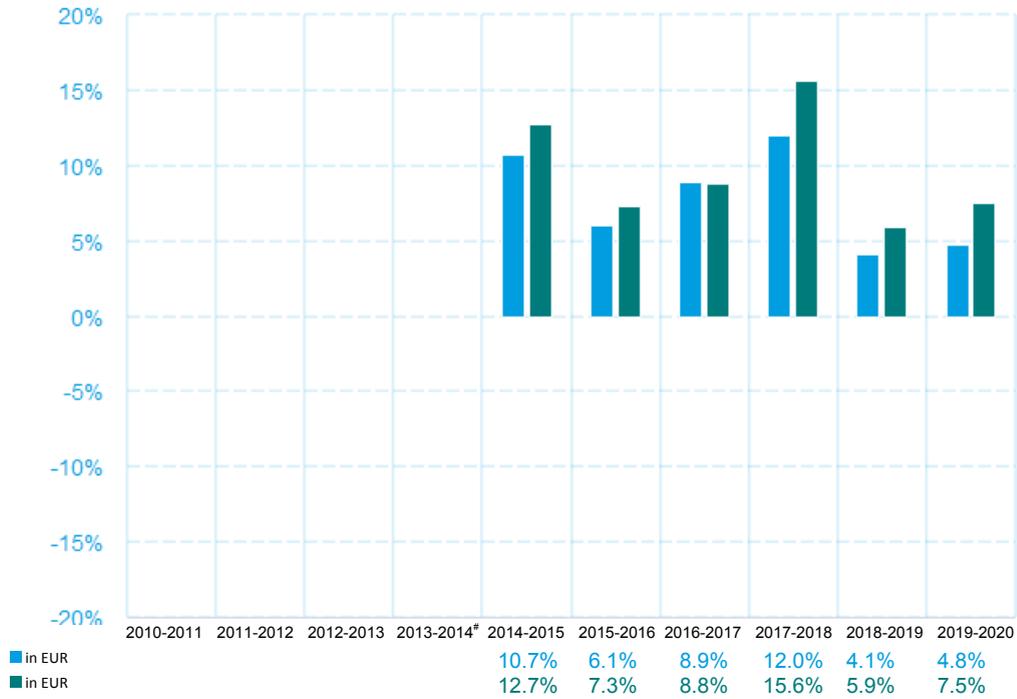
from which C = C0 * ... * CN.

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

Dividend on ex-dividend date 30/11/2020: 9,6914 net (13,8448 gross).

Institutional Shares

BE6257810497
 KBC Eco Fund World Institutional Shares CAP
 Annual performance compared to the benchmark on 31/08/2020 (in EUR)



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

| Cap Div | ISIN Code | Curr ency | 1 year | | 3 years | | 5 years | | 10 years | | Since Launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Starting date | Share classes |
| CAP | BE6257810497 | EUR | 4.77% | 7.53% | 6.90% | 9.60% | 7.12% | 8.99% | % | | 25/09/2013 | 8.76% |

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

* Return on annual basis.

Institutional Shares

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

Capitalisation units (CAP)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

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

2.4.6. Costs

Ongoing Charges and Transaction costs:

Classic Shares Distribution :

Ongoing Charges : 1.802%
Transaction costs : 0.122%

Classic Shares Capitalisation :

Ongoing Charges : 1.765%
Transaction costs : 0.122%

Institutional Shares Capitalisation :

Ongoing Charges : 1.129%
Transaction costs : 0.122%

Percentage calculated at reporting date: 31 August 2020 .

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

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

Existence of Commission Sharing Agreements

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

No CSA accrual during this period.

Existence of fee sharing agreements and rebates

The management company has shared 52,96% of its fee with the distributor, and institutional and/or professional parties.

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

2.4.7. Notes to the financial statements and other data

Classic Shares

| | | |
|---|---|---|
| Fee for managing the investment portfolio | Max 1.50% | per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. (*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year. |
| Administration fee | 0.10% | per year calculated on the basis of the average total net assets of the sub-fund. |
| Custodian's fee | Max 0.04% | per year calculated on the basis of the value of the securities held in custody by the custodian on the last 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. |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund | |
| Annual tax | see the 'Information concerning the Bevek - H. Tax treatment' | |

Institutional Shares

| | | |
|---|---|---|
| Fee for managing the investment portfolio | Max 1.50% | per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. (*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to a year. |
| Administration fee | 0.10% | per year calculated on the basis of the average total net assets of the sub-fund. |
| Custodian's fee | Max 0.04% | per year calculated on the basis of the value of the securities held in custody by the custodian on the last 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. |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund | |
| Annual tax | see the 'Information concerning the Bevek - H. Tax treatment' | |

Exercising voting rights

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

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

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

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