

# KEY INVESTOR INFORMATION

This document provides you with key investor information about this fund. It is not marketing material. This information is required by law to help you to understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

## Europe Ex EMU

### Sub-fund of KBC Bonds

Capitalisation: LU0096446520 (ISIN-code for Capitalisation shares)

managed by KBC Asset Management S.A.

## OBJECTIVES AND INVESTMENT POLICY

KBC Bonds Europe Ex Emu aims to generate a return by investing at least 70% of its assets in a wide variety of bonds and debt instruments issued by companies and/or public institutions and denominated in European currencies other than the euro. All maturities are taken into consideration. The remaining 30% of the fund's assets are invested in other eligible securities (for more information, see section 6.1 of the prospectus).

No more than one-quarter of the fund's assets may be invested in convertible bonds and bonds with warrant. The fund may also invest in 'closed' bond markets or bond markets to which private individuals have limited access.

The fund may invest its assets in money market instruments (up to one-third), in bank deposits (up to one-third) and/or in shares and other units (up to one-tenth).

The fund invests at least 50% of its assets in bonds and debt instruments with an investment grade\* credit rating\*, i.e. at least BBB-/Baa3 (long term), A3/F3/P3 (short term) from Standard & Poor's or an equivalent rating from Moody's or Fitch.

The fund may invest no more than 50% of its assets in bonds and debt instruments whose credit rating is below investment grade.

The fund may invest no more than 10% of its assets in bonds and debt instruments that have not received a rating from the aforementioned agencies.

The index is the property of Merrill Lynch, Pierce, Fenner & Smith Incorporated ('BofAML') and/or its licensors.

BofAML authorises use of the BofAML Index and related data 'as is' but does not provide any warranty with respect to such index and data, does not guarantee the relevance, quality, accuracy, timeliness or completeness of the BofAML indices or the included or related or resulting data, does not assume any liability for the use of the aforementioned data and indices and does not sponsor, approve or recommend KBC Group's shares.

The fund's reference index is 40% JPM UK GVT + 10% JPM GBI-EM Poland GVT + 10% JPM GBI Czech Rep. + 10% JPM GBI Sweden + 10% GBI Denmark + 10% BOFA ML Swiss GVT + 10% BOFA ML Norwegian GVT.. The compartment has the objective of outperforming the reference index.

The sub-fund is actively managed and does not set out to track the benchmark index. The benchmark is used for measuring the fund's portfolio in terms of performance and composition. The majority of the fund's bond holdings will be components of the benchmark. The manager may use discretionary powers to invest in bonds not included in the benchmark index in order to benefit from the sub-fund's specific investment opportunities.

The sub-fund's investment policy restricts the extent to which the portfolio holdings may deviate from the benchmark. This deviation is measured by means of the tracking error, which indicates volatility in the performance difference between the sub-fund and its benchmark. The tracking error is set at 1.00 %. Investors should be aware that the actual tracking error may vary depending on market conditions. A fund that deviates less from the benchmark is less likely to outperform it.

The fund reinvests any income received in the manner set out in the prospectus (for more details, see section 14 of the prospectus).

Orders for fund units are executed daily (for more details see section 10 of the prospectus).

Investors may on request receive reimbursement of their UCITS units on any day (for more information, see section 10 of the prospectus).

## RISK AND REWARD PROFILE



This figure is based on data from the past, which is not always a reliable indication of risk and return in the future.

The risk and reward indicator is assessed regularly and can therefore go up or down.

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. While the figure gives an indication of the return the fund might generate, it also indicates the risk involved. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. You might even sustain a loss.

The figure has been calculated from the viewpoint of an investor in euro.

### Why does this fund have a risk and reward indicator of 4?

4 is typical for bond funds, which tend to have an indicator of 3 or 4. Bond funds are generally less sensitive to the markets than equity funds, which tend to have an indicator of 6 or even 7 in some cases. The value of bond funds is especially sensitive to changes in interest rates, since the interest on these bonds is fixed in advance and does not go up when market rates increase.

Moreover, an investment in this fund involves:

- A moderate level of inflation risk: there is no protection against an increase of the inflation.
- A high level of exchange rate risk: since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates.
- A high level of credit risk: a substantial part of the assets can be invested in bonds with a lower level of creditworthiness. Consequently there is a significant risk that an issuer can no longer meet its obligations. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall.

There is no capital protection.

## CHARGES

These charges are used to cover, among other things, the management costs of the fund, including marketing and distribution expenses. They reduce the investment's ability to grow. You can find additional information on the charges in the information for this sub-fund in the prospectus.

### One-off charges taken before or after you invest

Entry charge	2.50%	This is the <i>maximum</i> that might be taken out of your money before it is invested or before the proceeds of your investment are paid out. In some cases you will pay less. For more information on the actual entry and exit charges, please contact your financial adviser or distributor.
Exit charge	1.000%	
Switching from one sub-fund to another		If you would like to exchange your units in this sub-fund* for units in another sub-fund, you will be charged a fee in certain cases (for more information, see the information for this sub-fund in the prospectus).

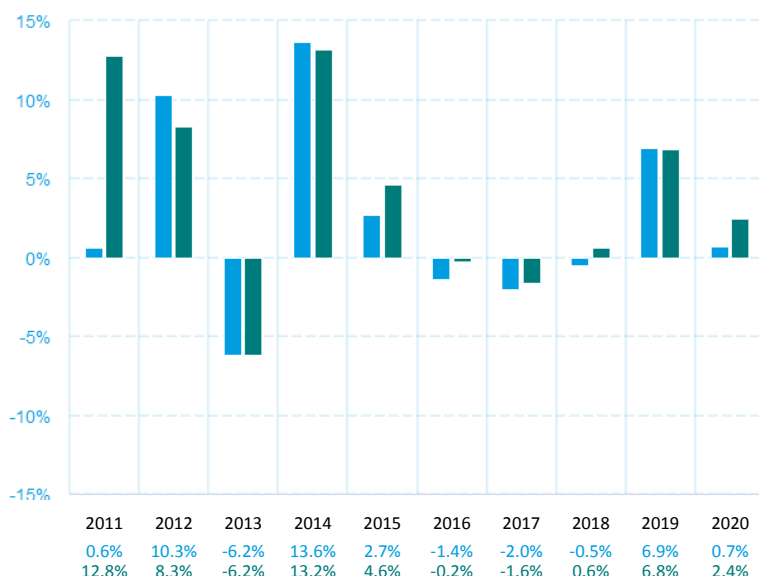
### Charges taken from the fund over a year

Ongoing charge	0.93%	The figure for the ongoing charge is based on the charges for the year ending on 30 September 2020. This figure does not include transaction charges, except if the fund pays entry or exit charges when units in other funds are bought or sold, and may change from year to year.
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### Charges taken from the fund under certain specific conditions

Performance fee	None
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## PAST PERFORMANCE



Past performance should not be seen as a good indicator of future performance.

The calculation of past performance includes all charges and fees, except taxes and entry and exit charges.

Current benchmark composition: 40% JPM UK GVT + 10% JPM GBI-EM Poland GVT + 10% JPM GBI Czech Rep. + 10% JPM GBI Sweden + 10% GBI Denmark + 10% BOFA ML Swiss GVT + 10% BOFA ML Norwegian GVT

The Fund does not intend to track the Reference Benchmark.

Start year: 1999

Currency: Euro

## PRACTICAL INFORMATION

The custodian of KBC Bonds is Brown Brothers Harriman (Luxembourg) S.C.A. You can obtain a copy of the prospectus and the most recent annual and half-yearly reports and the remuneration policy in French free of charge from any branch or agency of the financial service providers:

- Brown Brothers Harriman (Luxembourg) S.C.A.

or KBC Asset Management S.A. (4, Rue du Fort Wallis, L-2714 Luxembourg) or from the following website: [www.kbc.be/kiid](http://www.kbc.be/kiid).

The details of the up-to-date remuneration policy, including but not limited to, a description of how the remuneration and benefits are calculated as described under point 19.4 of the prospectus, can be consulted on following website: [www.kbcamsa.lu](http://www.kbcamsa.lu) and then by clicking on the tab remuneration policy. This information can be asked free of charge at the management company.

You can find all other practical information, including the most recent net asset value\* at: [www.kbc.be/kiid](http://www.kbc.be/kiid).

Luxembourg tax legislation applies. This could affect your personal tax situation.

KBC Asset Management S.A. may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant sections of the KBC Bonds prospectus.

This document containing key investor information describes **Capitalisation**, a shareclass of **Europe Ex EMU**, a sub-fund of KBC Bonds the open-ended investment company (sicav)\* under Luxembourg law. This open-ended investment company (sicav) meets the requirements of the UCITS V Directive.

The prospectus and periodic reports are drawn up for each sicav.

Each sub-fund of KBC Bonds should be considered as a separate entity. Your rights as an investor are restricted to the assets of the sub-fund. The obligations of each individual sub-fund are covered only by the assets of that sub-fund.

You may exchange your investment in units in this sub-fund for units in another sub-fund. You can find more information about this in section 10.3 of the prospectus.

This fund is authorised in Luxembourg and regulated by the Luxembourg Commission de Surveillance du Secteur Financier (CSSF).

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This key investor information is accurate as at 15 February 2021.

\*see glossary of key investor information terms in the annex or at: [www.kbc.be/kiid](http://www.kbc.be/kiid).