

Audited annual report as at 31st December 2016

KBC Equity Fund

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

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

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No notification has been submitted for the sub-funds CSOB Akciovy Fond Dividendovych Firem, EMU Small & Medium Caps, Family Enterprises and SRI Emerging Markets and consequently these sub-funds must not be marketed in Germany.

1. GENERAL INFORMATION ON THE BEVEK

1.1 ORGANIZATION OF THE BEVEK

REGISTERED OFFICE :

2 Havenlaan - B-1080 Brussels, Belgium.

DATE OF INCORPORATION:

21 March 1991

LIFE:

Unlimited.

BOARD OF DIRECTORS OF THE BEVEK:

Dirk Thiels, Head of Asset Allocation and Strategy Portfolios KBC Asset Management NV
Wouter Vanden Eynde,
Filip Abraham, Independent Manager
André Van Poeck, Independent Manager

Chairman:

Jean-Francois Gillard, Financial Manager CBC Banque SA

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

Dirk Thiels, Head of Asset Allocation and Strategy Portfolios KBC Asset Management NV
Wouter Vanden Eynde,

MANAGEMENT TYPE:

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

DATE OF INCORPORATION OF THE MANAGEMENT COMPANY:

30 December 1999.

NAMES AND POSITIONS OF THE DIRECTORS OF THE MANAGEMENT COMPANY:

Chairman:

L. Gijsens

Directors:

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

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

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

AUDITOR OF THE MANAGEMENT COMPANY:

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

STATUS OF THE BEVEK:

Public Bevek with various sub-funds that has opted for investments complying with the conditions of Directive 2009/65/EC and which, as far as its operations and investments are concerned, is governed by the Act of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables. In the relationship between the investors, each sub-fund will be viewed as a separate entity. Investors have a right only to the assets of and return from the sub-fund in which they have invested. The liabilities of each individual sub-fund are covered only by the assets of that sub-fund.

FINANCIAL PORTFOLIO MANAGEMENT:

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

FINANCIAL-SERVICES PROVIDERS:

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

CUSTODIAN:

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

ADMINISTRATION AND ACCOUNTING MANAGEMENT:

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

ACCREDITED AUDITOR OF THE BEVEK:

Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, in the form of a CVBA (co-operative limited liability company), Berkenlaan 8b, B-1831 Diegem, represented by partner 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 ENDING ON 31 DECEMBER 2016

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

Note: the figures contained in this table have not yet been approved by the Management Company's shareholders in general meeting, which is not scheduled until later this year. Any correction is made in the subsequent annual report.

CHANGES IN 2016 AND EVALUATION:

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

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

LIST OF SUB-FUNDS OF KBC EQUITY FUND

1. America
2. Belgium
3. BRIC
4. Buyback America
5. Buyback Europe
6. Central Europe
7. Commodities & Materials
8. Consumer Durables
9. CSOB Akciovy Fond Dividendowych Firem
10. CSOB BRIC
11. Emerging Europe
12. EMU Small & Medium Caps
13. Europe
14. Eurozone
15. Family Enterprises
16. Finance
17. Flanders
18. Food & Personal Products
19. Global Leaders
20. Growth by Innovation
21. High Dividend
22. High Dividend Eurozone
23. High Dividend New Markets
24. High Dividend North America
25. Industrials & Infrastructure
26. Japan
27. Latin America
28. Luxury & Tourism
29. Medical Technologies
30. New Asia
31. New Markets
32. New Shares
33. Oil
34. Pacific
35. Pharma
36. Pharma Growth
37. Quant EMU
38. Quant Global 1
39. Satellites
40. SRI Emerging Markets

- 41. Strategic Cyclicals
- 42. Strategic Finance
- 43. Strategic Non Cyclicals
- 44. Strategic Satellites
- 45. Strategic Telecom & Technology
- 46. Technology
- 47. Telecom
- 48. Trends
- 49. Turkey
- 50. US Small Caps
- 51. Utilities
- 52. World

SHARE CLASSES

The characteristics of the different share classes are given in the prospectus.
The following sub-funds have a share class called 'Classic Shares':

- America
- Buyback America
- Buyback Europe
- Central Europe
- Commodities & Materials
- Consumer Durables
- Emerging Europe
- EMU Small & Medium Caps
- Europe
- Eurozone
- Family Enterprises
- Finance
- Food & Personal Products
- Global Leaders
- Growth by Innovation
- High Dividend
- High Dividend Eurozone
- High Dividend New Markets
- High Dividend North America
- Industrials & Infrastructure
- Japan
- Luxury & Tourism
- Medical Technologies
- New Asia
- New Markets
- Oil

- Pacific
- Pharma
- Pharma Growth
- Quant EMU
- Satellites
- SRI Emerging Markets
- Strategic Cyclicals
- Strategic Finance
- Strategic Non Cyclicals
- Strategic Satellites
- Strategic Telecom & Technology
- Technology
- Telecom
- Trends
- Turkey
- US Small Caps

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

- Trends
- America
- Consumer Durables
- Europe

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

- SRI Emerging Markets

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

- America
- Buyback America
- Buyback Europe
- Central Europe
- Commodities & Materials
- Consumer Durables
- Emerging Europe
- EMU Small & Medium Caps
- Europe
- Eurozone
- Family Enterprises
- Finance
- Food & Personal Products
- Global Leaders
- Growth by Innovation
- High Dividend

High Dividend Eurozone
 High Dividend New Markets
 High Dividend North America
 Industrials & Infrastructure
 Japan
 Luxury & Tourism
 Medical Technologies
 New Asia
 New Markets
 Oil
 Pacific
 Pharma
 Pharma Growth
 Quant EMU
 Satellites
 Strategic Cyclical
 Strategic Finance
 Strategic Non Cyclical
 Strategic Satellites
 Strategic Telecom & Technology
 Technology
 Telecom
 Trends
 Turkey
 US Small Caps

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

SRI Emerging Markets

The share class 'Institutional B Shares' was closed for the following sub-funds:

Growth by Innovation

Trends

Turkey

The share class 'Classic Shares CSOB CZK' was closed for the following sub-funds:

Trends

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

1.2 MANAGEMENT REPORT

1.2.1 INFORMATION FOR THE SHAREHOLDERS

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

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

Reclaims of foreign withholding taxes on dividends.

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

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

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

| Bevek | Country | Year | Amount |
|-----------------|---------|-----------|------------|
| KBC Equity Fund | Spain | 2008-2009 | 288,933.14 |

On 9 June 2016, the decision was taken at the extraordinary general meetings of the Centea Fund Sectors, Centea Fund World Select and KBC Equity Fund World sub-funds that these sub-funds would merge. This led to KBC Equity Fund World acquiring the Centea Fund Sectors and Centea Fund World Select sub-funds on 17 June 2016.

1.2.2 GENERAL MARKET OVERVIEW

Reporting period 1 January 2016 – 31 December 2016

Bond markets

2016 will go down in the history books as the year when even the interest rate on longer-dated bonds dipped below zero for the very first time. Consistently low inflation figures and inflation forecasts combined with central bank actions pushed down interest rates for most of the year to unprecedented lows. The European Central Bank (ECB) in particular put its foot firmly on the accelerator and boosted bond prices. Corporate bonds benefited most, thanks to the ECB's decision in March 2016 to start purchasing corporate debt paper in June.

During the last quarter of 2016, the downward trend in bond yields ended. Inflation and interest rates crept up as the negative oil price effect receded which were boosted further by Donald Trump's election win. The Republican's unexpected success is fuelling hopes for substantial fiscal stimuli, such as lower taxes and infrastructure works. This could lead to stronger economic growth, which could push up inflation and hence interest rates once again.

Over the course of 2016, bonds still delivered a positive performance despite the recent jump in rates. With an annual return of 4.7%, corporate bonds easily outperformed the 0.9% yield on government paper in the euro area.

Equity Markets

2016 got off to a turbulent start. During the first two months, the index of a worldwide basket of share prices (MSCI World All Countries) fell by 15% due to fears of a recession in China and the US. Markets moved into calmer waters after that, spooked only temporarily by the UK's surprising decision to leave the EU (Brexit). The central banks stuck to their flexible policy or – like the European Central Bank – even intensified it. The oil price recovered sharply from its record low of barely 28 dollars per barrel in January, moving above 55 dollars in the last quarter. Earnings have grown and profits are being revised upward since the third quarter in both the US and Europe. The market also focused on the positive aspects of the anticipated policy of US President-elect Trump: lower taxes, more investment and higher nominal growth. Combined with improving macro data, this shored up stock markets and they ended with a strong final sprint. As a result, MSCI World All Countries averaged an overall return in 2016 of 11.1% (in euros). Stronger growth, higher oil and commodity prices but also higher interest rates in the US and a stronger US dollar benefited shares in the energy and materials sector which posted a return of more than 27%, and the stock markets where these sectors dominate, such as Canada (+28.3%), Russia (+59.5%) and especially Brazil (+71.2%).

'Profitless' year for businesses

Upgrading was the principal driver of equity returns. 2016 turned out to be a meagre year in terms of corporate earnings growth. The last two quarters witnessed a recovery, but 2016 will go down in the history books as a 'profitless' calendar year. In America, in particular, this ratcheted up the valuation of shares to more expensive than average over the past twenty years. The price-earnings ratio of the S&P 500 index currently stands at around 17. The MSCI EMU index performed clearly less strongly, which translated into a considerably lower P/E of roughly 14.

Bond markets failed to normalise this year. Bond yields are so low at present that they no longer offer any premium for either inflation risk or cyclical risk. Despite the recent rise in interest rates, negative yields are no longer the exception in Europe. Consequently, bonds remain extremely expensive.

Economic engine fires again in the second half

The economy got off to an extremely weak start to the year. Confidence indicators fell around the world. The leading ISM gauge of US producer confidence actually slipped into the zone that indicates a contraction in industrial activity. There were fears of a recession in both the US and China. Global growth remained a lacklustre 2.8% year-on-year in the first half, but the supposed contraction never materialised, despite a recession in Brazil and Russia. Confidence indicators began to recover in the spring. They took a hit in Europe, however, and especially in Great Britain, following the Brexit vote in early June. This dip was nevertheless swiftly forgotten. Global GDP growth picked up noticeably in the third quarter to 3.4% year-on-year, driven primarily by North America and Western Europe. Due to the persistent improvement in the confidence indicators, we expect this acceleration to have continued in the fourth quarter. The emerging markets are moving hesitantly into line with the global pattern of growth. Chinese growth is running at the forecast level and Russia has clearly moved out of its trough. The recovery in Brazil, by contrast, is struggling. The government in India, the faster grower in the early part of the year, seems to have stifled growth with a poorly executed attempt to demonetise the illicit economy.

Oil sets the tone in the commodity market

Following the collapse in the oil price in 2014 and 2015, a recovery finally began in 2016. The persistent recovery in the economy supported further growth in demand for oil, just as the supply was being restricted. Low oil prices meant that US shale oil producers in particular could no longer operate profitably, prompting them to turn off the pumps. Oil then reached a new, higher equilibrium price between 45 and 50 dollars per barrel of Brent crude. This increase inspired OPEC members to scale back their production too, further supporting the oil price.

The prices of most other commodities also ceased to fall. A strong housing market continued to fuel China's hunger for commodities, while the election of Donald Trump likewise had many dreaming of large, commodity-intensive infrastructure projects.

Monetary tap remains open – oil price effect ebbs away

Inflation crept up in the course of 2016 as the negative oil price effect ebbed away. All the same, monetary policy remained extremely loose worldwide. Central banks sought to support the economy via low key rates and quantitative easing programmes. The US Federal Reserve raised its policy rate in December for the second time in seven years. It took the Fed a year for it to be sufficiently convinced that the economy could cope with a second rate hike.

- Uncertainty regarding the impact of the slowdown in Chinese growth, the Brexit vote and a short-lived stutter in the domestic economy prompted a hesitant stance.
- The US labour market nevertheless performed strongly in 2016 too. Unemployment hit a new record low of 4.6% in November, while general inflation rose.
- Core inflation (excluding energy and food prices) remained consistently above 2%. The European Central Bank (ECB) further extended its purchasing programme. The ECB announced in March 2016 that as of June it would also begin to buy up corporate bonds. The average monthly purchase amount was raised from 60 to 80 billion euros. The ECB indicated that it would maintain the programme until the end of March 2017. The bank then announced a further expansion of its programme in December 2016, citing persistently low inflationary pressure as its reason. Beginning in April 2017, it will pump 60 billion euros a month into the economy.

The Bank of England breathed new life into its purchase programme in August, prompted by concern about UK economic growth after Brexit. The BoE stated its intention to purchase both government and corporate paper for 18 months beginning in August 2016.

The People's Bank of China ran down its foreign currency reserves in the past year in an attempt to keep the renminbi at a constant level against a basket of currencies. The appreciation of the dollar is putting pressure on the Chinese currency. Monetary policy will continue to support the economy for the time being.

Commodities and politics are determining exchange rates

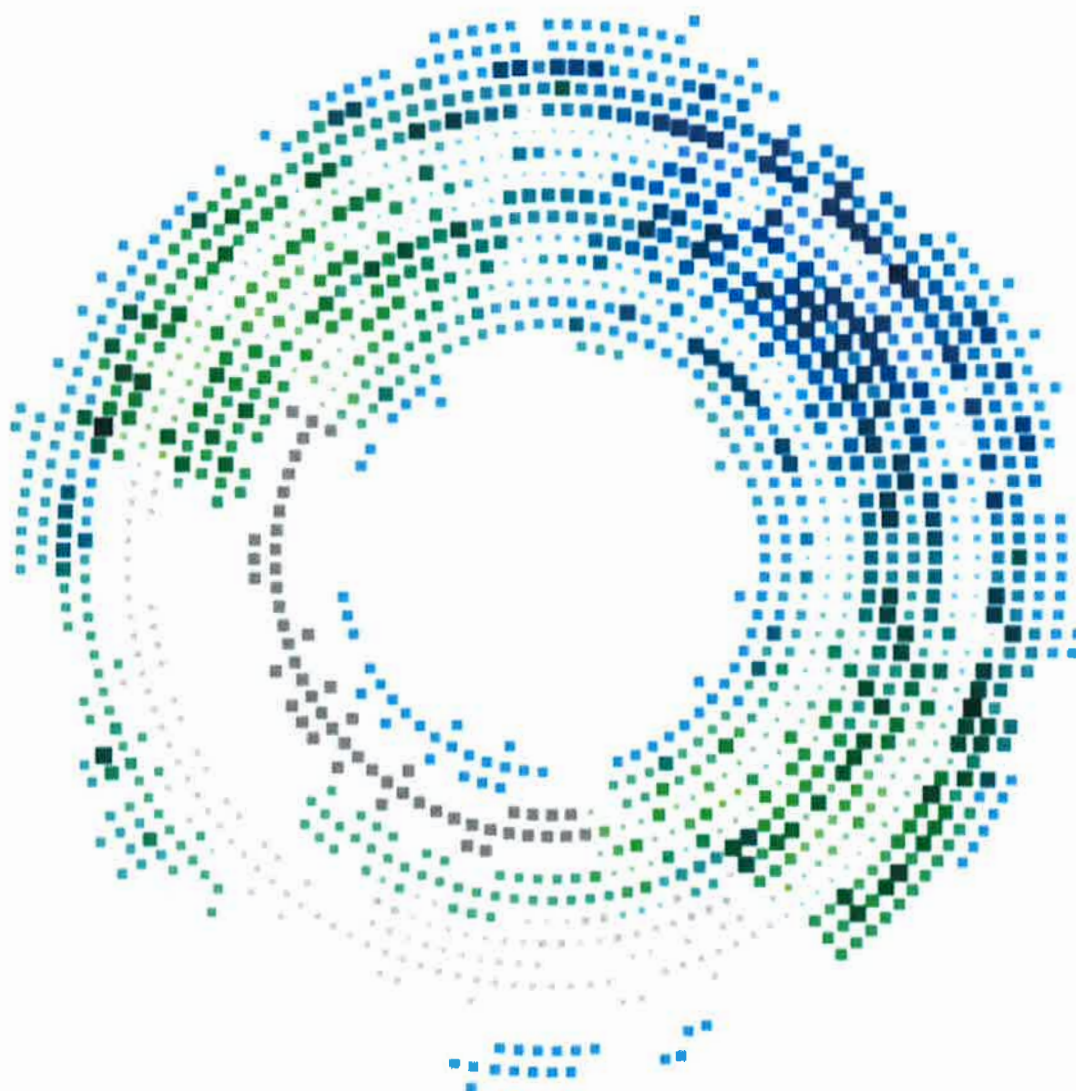
Increased commodity prices also fed through clearly into exchange rates. The returns league is topped by the traditional commodity currencies like the Brazilian real and the Russian rouble. Also noteworthy was the strong performance of the Japanese yen. The Bank of Japan is bumping up to the limits of its monetary policy, giving a firm boost to the yen. The US dollar also appreciated substantially in the final quarter. Robust economic indicators and rising inflation figures signalled the Fed to hesitantly increase its key rate for the first time in 12 months. The Mexican peso and pound sterling found themselves at the opposite end. Both currencies suffered badly from the major political events of 2016. The British vote in favour of Brexit was manifested primarily in a strong depreciation in the pound since the beginning of the year. The Mexican peso experienced a similar fate. Donald Trump's victory in the US presidential elections and his threat to build a wall and revoke trade treaties weighed heavily on the Mexican currency.

Political global warming

2016 was a highly charged political year, with several major surprises, which unsettled the markets – often only briefly. We witnessed a clear trend in which politicians of populist inclination managed to win several important victories via a mixture of nationalism and anti-establishment rhetoric. November's American presidential elections turned out to be a thriller. The outsider Donald Trump was the surprise victor in the Republican nomination campaign before going on, even more surprisingly, to defeat the Democrat Hillary Clinton. Trump's anti-establishment rhetoric, nostalgia – 'make America great again' – and call for increased protectionism went down well with white Americans. In Europe, the British EU referendum in June occupied central stage. Contrary to expectations, Brexit supporters won the argument with their campaign against Eastern European immigration and the UK's EU contributions. Prime Minister David Cameron disappeared from the political stage (along with several fervent champions of Brexit) and Theresa May assumed power with a promise to commence negotiations over an orderly Brexit in March 2017. The Italian referendum in December brought a fresh defeat for an incumbent leader in the moderate camp, when former Prime Minister Renzi saw his political reforms voted down, while the popularity of Beppe Grillo's anti-establishment Five Star movement rose strongly. The world did not become any more secure in 2016 either: Turkey not only experienced an abortive coup, but also began to intervene in the conflicts in Syria and Iraq. It helped that in Syria the Assad regime (with Russian and Iranian support) gained ground on the rebels and that Islamic State (IS) was hard pressed in both Syria and Iraq. Terrorism remained a presence in Europe throughout the year, including attacks in Brussels on 22 March, Nice on 14 July and Berlin on 19 December. Although the flow of refugees was brought under control, this remained a theme in quite a few elections.

Brussels, 9 January 2017

1.3 AUDITOR'S REPORT



KBC Equity Fund NV

Bevek under Belgian law, category UCITS

Statutory auditor's report to the shareholders' meeting on the annual accounts for the year ended 31 December 2016

The original text of this report is in Dutch

Statutory auditor's report to the shareholders' meeting on the annual accounts for the year ended 31 December 2016

As required by law and the company's articles of association, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the annual accounts together with our report on other legal and regulatory requirements. These annual accounts comprise the balance sheet as at 31 December 2016 and the income statement for the year then ended, as well as the summary of accounting policies and other disclosures.

Report on the annual accounts – Unqualified opinion

We have audited the annual accounts of KBC Equity Fund NV, prepared in accordance with the financial reporting framework applicable in Belgium, which show a total net asset value of 14 817 009 152,00 EUR and a profit for the year of 522 597 720,12 EUR. An overview of the total net asset value and result for each compartment is given in the following table.

| Name compartment | Currency | Total net asset value | Result |
|--|----------|-----------------------|-------------------|
| KBC EQUITY FUND BELGIUM | EUR | 57 185 482,48 | 3 580 164,98 |
| KBC EQUITY FUND WORLD | EUR | 120 982 584,59 | 5 548 642,38 |
| KBC EQUITY FUND EUROPE | EUR | 156 394 195,74 | -22 431 415,72 |
| KBC EQUITY FUND AMERICA | USD | 1 168 429 863,80 | 74 272 772,04 |
| KBC EQUITY FUND JAPAN | JPY | 50 268 585 520,00 | -5 795 254 575,00 |
| KBC EQUITY FUND NEW MARKETS | EUR | 636 865 214,37 | 32 785 921,18 |
| KBC EQUITY FUND NEW ASIA | EUR | 234 731 911,76 | 24 442 260,87 |
| KBC EQUITY FUND LATIN AMERICA | EUR | 19 074 012,58 | 4 598 222,30 |
| KBC EQUITY FUND EMERGING EUROPE | EUR | 24 651 021,60 | 5 914 241,41 |
| KBC EQUITY FUND TECHNOLOGY | USD | 86 056 185,51 | 7 227 227,66 |
| KBC EQUITY FUND FLANDERS | EUR | 52 259 298,00 | 4 443 326,33 |
| KBC EQUITY FUND PHARMA | EUR | 317 475 042,71 | -4 748 145,42 |
| KBC EQUITY FUND FINANCE | EUR | 41 908 380,69 | 3 870 514,87 |
| KBC EQUITY FUND TELECOM | EUR | 10 603 275,83 | 638 050,64 |
| KBC EQUITY FUND GROWTH BY INNOVATION | EUR | 9 023 413,79 | 1 005 877,17 |
| KBC EQUITY FUND BUYBACK AMERICA | USD | 834 313 592,67 | 57 113 214,71 |
| KBC EQUITY FUND US SMALL CAPS | USD | 332 565 800,27 | 40 593 311,93 |
| KBC EQUITY FUND UTILITIES | EUR | 8 567 438,84 | 593 938,61 |
| KBC EQUITY FUND FOOD & PERSONAL PRODUCTS | EUR | 79 595 504,89 | 1 091 483,64 |
| KBC EQUITY FUND NEW SHARES | EUR | 15 355 050,47 | 2 339 156,83 |
| KBC EQUITY FUND MEDIC TECHNOLOGIES | USD | 45 758 254,41 | 31 157,70 |
| KBC EQUITY FUND STRATEGIC SATELLIT | EUR | 413 582 263,62 | -37 345 939,28 |
| KBC EQUITY FUND COMMODITIES & MATERIALS | EUR | 20 321 384,41 | 3 239 309,56 |
| KBC EQUITY FUND LUXURY & TOURISM | EUR | 19 698 497,56 | 652 639,73 |
| KBC EQUITY FUND TRENDS | EUR | 20 259 553,71 | 35 125,58 |

| Name compartment | Currency | Total net asset value | Result |
|---|----------|-----------------------|----------------|
| KBC EQUITY FUND CONSUMER DURABLES | EUR | 50 917 985,08 | -11 058 256,80 |
| KBC EQUITY FUND STRATEGIC CYCLICAL | EUR | 1 849 391 214,27 | 112 501 958,95 |
| KBC EQUITY FUND STRATE. TELEC & TECH | EUR | 647 814 013,76 | 5 236 829,21 |
| KBC EQUITY FUND STRATEGIC FINANCE | EUR | 1 170 972 747,82 | 38 942 200,28 |
| KBC EQUITY FUND BUYBACK EUROPE | EUR | 97 901 607,20 | 3 356 193,01 |
| KBC EQUITY FUND GLOBAL LEADERS | EUR | 32 208 007,19 | 2 428 067,27 |
| KBC EQUITY FUND OIL | EUR | 188 569 879,41 | 72 125 983,85 |
| KBC EQUITY FUND EUROZONE | EUR | 1 205 686 245,12 | 3 566 652,93 |
| KBC EQUITY FUND CENTRAL EUROPE | EUR | 33 389 854,20 | 1 532 159,50 |
| KBC EQUITY FUND HI.DIV.NO-AMERICA | USD | 409 735 343,92 | 20 438 320,42 |
| KBC EQUITY FUND PHARMA GROWTH | EUR | 39 226 107,07 | -704 001,62 |
| KBC EQUITY FUND QUANT GLOBAL 1 | EUR | 58 969 199,57 | 4 134 951,11 |
| KBC EQUITY FUND HIGH DIVIDEND | EUR | 848 207 238,19 | 95 220 066,59 |
| KBC EQUITY FUND PACIFIC | EUR | 6 162 929,42 | 333 974,76 |
| KBC EQUITY FUND TURKEY | TRY | 22 011 182,74 | 2 518 078,57 |
| KBC EQUITY FUND BRIC | EUR | 34 109 577,75 | 3 157 928,61 |
| KBC EQUITY FUND HIGH DIVIDEND EUROZONE | EUR | 531 992 421,61 | 33 905 253,52 |
| KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS | EUR | 19 456 936,28 | 1 836 491,87 |
| KBC EQUITY FUND CSOB BRIC | CZK | 233 288 207,28 | 20 856 853,18 |
| KBC EQUITY FUND SATELLITES | EUR | 547 792 500,02 | -9 693 090,15 |
| KBC EQUITY FUND QUANT EMU | EUR | 864 009 539,41 | 23 257 197,10 |
| KBC EQUITY FUND STRATEGIC NON CYCLICALS | EUR | 657 411 926,36 | -35 116 931,25 |
| KBC EQUITY FUND INDUSTRIALS & INFRASTRUCTURE | EUR | 12 209 765,26 | 727 805,04 |
| KBC EQUITY FUND CSOB AKFO DIFIREM | CZK | 1 452 400 464,61 | 123 166 991,78 |
| KBC EQUITY FUND EMU SMALL & MEDIUM CAPS | EUR | 152 254 262,16 | 97 992,84 |
| KBC EQUITY FUND SRI EMERGING MARKETS | EUR | 39 749 690,53 | 3 709 766,08 |
| KBC EQUITY FUND FAMILY ENTERPRISES | EUR | 265 608 288,20 | -5 366 999,31 |

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

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

Statutory auditor's responsibility

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

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

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

Unqualified opinion

In our opinion, the annual accounts of KBC Equity Fund NV give a true and fair view of the company's net equity and financial position as of 31 December 2016 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Report on other legal and regulatory requirements

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

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

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

Zaventem, 7 March 2017

The statutory auditor



DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

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

Represented by Maurice Vrolix

1.4 AGGREGATE BALANCE SHEET (IN EUR)

| Balance sheet layout | | 31/12/2016 (in the currency of the bevek) | 31/12/2015 (in the currency of the bevek) |
|---|--|--|--|
| TOTAL NET ASSETS | | 14.817.009.152,02 | 7.534.046.881,55 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | 147,55 | 200,00 |
| a) Collateral received in the form of bonds | | 158.289.321,79 | 558.974.428,77 |
| C. Shares and similar instruments | | | |
| a) Shares | | 14.417.498.063,51 | 7.464.442.051,82 |
| Of which securities lent | | 127.265.077,63 | 428.428.283,70 |
| D. Other securities | | 2.982.732,89 | 2.358.438,24 |
| E. Open-end undertakings for collective investment | | 121.070.421,37 | 102.938.069,43 |
| F. Derivative financial instruments | | | |
| j) Foreign exchange | | | |
| Futures and forward contracts (+/-) | | -292.200,08 | -861.065,54 |
| m) Financial indices | | | |
| Futures and forward contracts (+/-) | | -506.232,52 | 320.896,49 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 44.762.534,81 | 13.739.058,82 |
| b) Tax assets | | -0,02 | -0,02 |
| c) Collateral | | 16.189.495,02 | 4.054.032,46 |
| B. Payables | | | |
| a) Accounts payable (-) | | -78.492.530,67 | -10.989.898,37 |
| d) Borrowings (-) | | -34.498.795,00 | -102.776.966,93 |
| e) Collateral (-) | | -158.289.321,79 | -558.988.158,98 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 331.305.578,32 | 6.596.335,30 |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | 13.292.082,71 | 6.596.333,92 |
| C. Accrued expense (-) | | -16.302.145,83 | -12.261.244,59 |
| TOTAL SHAREHOLDERS' EQUITY | | 14.817.009.152,00 | 7.534.046.881,56 |
| A. Capital | | 14.194.921.234,76 | 7.146.866.245,29 |
| B. Income equalization | | 99.490.197,18 | -132.104.570,34 |
| D. Result of the book year | | 522.597.720,12 | 519.285.206,59 |

Off-balance-sheet headings

| | | |
|--|----------------|----------------|
| I Collateral (+/-) | | |
| I.A Collateral (+/-) | | |
| I.A. Securities/market instruments A | 158.289.321,79 | 558.974.159,09 |
| I.A. Cash at bank and in hand/deposits B | 16.189.495,02 | 4.054.030,08 |
| III Notional amounts of futures and forward contracts | | |
| III.A Purchased futures and forward contracts | 348.909.256,02 | 82.155.294,96 |
| III.B Written futures and forward contracts | -24.597.871,85 | -72.583.699,70 |
| IX Financial instruments lent | 127.265.077,63 | 428.428.281,79 |

1.5 AGGREGATE PROFIT AND LOSS ACCOUNT (IN EUR)

| Income Statement | | 31/12/2016 (in the currency of the bevek) | 31/12/2015 (in the currency of the bevek) |
|--|-------------------|--|--|
| I. Net gains(losses) on investments | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | 5,51 | -34.231,37 | |
| C. Shares and similar instruments | | | |
| a) Shares | 382.410.578,32 | 38.101.145,73 | |
| D. Other securities | 542.210,74 | 1.293.929,22 | |
| E. Open-end undertakings for collective investment | 3.925.795,36 | 5.633.731,11 | |
| F. Derivative financial instruments | | | |
| l) Financial indices | | | |
| Futures and forward contracts | -7.633.248,33 | -1.178.252,27 | |
| G. Receivables, deposits, cash at bank and in hand and payables | -0,03 | -484,94 | |
| H. Foreign exchange positions and transactions | | | |
| a) Derivative financial instruments | | | |
| Futures and forward contracts | 568.884,58 | -1.342.184,61 | |
| b) Other foreign exchange positions and transactions | 86.397.742,46 | 378.889.107,37 | |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | 900.531.170,85 | 2.838.478.213,62 | |
| Unrealised gains on investments | 916.964.188,48 | -692.161.918,93 | |
| Realised losses on investments | -1.323.861.993,20 | -1.687.322.972,69 | |
| Unrealised losses on investments | -27.421.397,67 | -37.630.561,93 | |
| II. Investment income and expenses | | | |
| A. Dividends | 209.004.177,41 | 293.507.341,18 | |
| B. Interests | | | |
| a) Securities and money market instruments | 3.721.989,09 | 5.823.591,58 | |
| b) Cash at bank and in hand and deposits | 91.724,25 | 197.562,78 | |
| C. Interest on borrowings (-) | -580.073,04 | -345.756,23 | |
| F. Other investment income | 5.767,85 | | |
| III. Other income | | | |
| A. Income received to cover the acquisition and realizaion of assets, to discourage withdrawals and for delivery charges | 39.099.511,89 | 56.860.127,03 | |

| | | |
|---|-----------------|-----------------|
| IV. Operating expenses | | |
| A. Investment transaction and delivery costs (-) | -30.292.177,00 | -35.102.062,57 |
| B. Financial expenses (-) | -149.334,09 | -96.427,17 |
| C. Custodian's fee (-) | -6.023.804,97 | -10.571.774,71 |
| D. Manager's fee (-) | | |
| a) Financial management | -139.335.110,29 | -190.178.320,18 |
| b) Administration and accounting management | -9.349.707,82 | -12.745.431,67 |
| E. Administrative expenses (-) | 568,42 | -41.374,13 |
| F. Formation and organisation expenses (-) | -241.609,71 | -286.490,52 |
| G. Remuneration, social security charges and pension | -938,28 | -873,74 |
| H. Services and sundry goods (-) | -535.660,91 | -469.434,94 |
| J. Taxes | -3.404.309,27 | -2.310.160,82 |
| K. Other expenses (-) | -5.625.261,75 | -6.318.069,42 |
| Income and expenditure for the period | | |
| Subtotal II + III + IV | 56.385.751,95 | 97.922.446,44 |
| V. Profit (loss) on ordinary activities before tax | 522.597.720,30 | 519.285.206,61 |
| VII. Result of the book year | 522.597.720,35 | 519.285.206,61 |

Appropriation Account

| | 31/12/2016 (in the currency of the bevek) | 31/12/2015 (in the currency of the bevek) |
|---|--|--|
| I. Profit to be appropriated | 622.087.917,56 | 387.180.694,34 |
| Profit for the period available for appropriation | 522.597.720,35 | 519.285.256,96 |
| Income on the creation of shares (income on the cancellation of shares) | 99.490.197,18 | -132.104.562,60 |
| II. (Appropriations to) Deductions from capital | -601.986.462,10 | -371.777.935,32 |
| IV. (Dividends to be paid out) | -20.101.455,45 | -15.402.759,02 |

1.6 SUMMARY OF RECOGNITION AND VALUATION RULES

1.6.1 SUMMARY OF THE RULES

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

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

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

Other amounts receivable in the longer term that are not represented by negotiable securities are measured at fair value.

Impairment is applied to assets, amounts to be received and receivables if there is uncertainty that they will be paid in full or in part at maturity, or if the realisation value of this asset is less than its acquisition value. Additional impairment is recorded on the assets, amounts to be received and receivables referred to in the previous paragraph to ensure that any change in their value, or risks inherent in the asset in question, are taken into account.

- The income arising from securities lending is recognised as other income (Profit and loss account III.B) and is included on an accruals basis in the profit and loss account over the term of the transaction.
- Securities issued in a currency other than that of the relevant sub-fund are converted into the currency of the sub-fund at the last known mid-market exchange rate.

DIFFERENCES

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

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

This tolerance limit is:

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

Given that a number of securities exchanges were closed on 30 December 2016 and that the sub-funds below invested more than 20% of their assets in securities listed on these exchanges, the asset valuations used in the financial statements of the sub-funds concerned were made on 29 December 2016 instead of 30 December 2016. However, a theoretic net asset value was calculated for these sub-funds as at 30 December 2016 that was not used for entry and exit.

Sub-funds concerned:

BRIC
Buyback Europe
CSOB BRIC
Emerging Europe
Europe
High Dividend New Markets
Latin America
New Asia
New Markets
Satellites
SRI Emerging Markets

1.6.2 EXCHANGE RATES

| | 31/12/2016 | | 31/12/2015 | |
|---------|-------------|-----|------------|-----|
| | | | | |
| 1 EUR = | 1,4566 | AUD | 1,49305 | AUD |
| | 3,4329 | BRL | 4,29765 | BRL |
| | 1,41445 | CAD | 1,50895 | CAD |
| | 1,072 | CHF | 1,0874 | CHF |
| | 706,45578 | CLP | 769,752 | CLP |
| | 3.166,35962 | COP | 3.448,46 | COP |
| | 27,0205 | CZK | 27,022 | CZK |
| | 7,43555 | DKK | 7,46265 | DKK |
| | 1,00 | EUR | 1,00 | EUR |
| | 0,8536 | GBP | 0,73705 | GBP |
| | 8,17765 | HKD | 8,41895 | HKD |
| | 7,5582 | HRK | 7,64075 | HRK |
| | 308,86499 | HUF | 316,005 | HUF |
| | 14.210,1196 | IDR | 14.974,60 | IDR |
| | 4,05935 | ILS | 4,22685 | ILS |
| | 71,5859 | INR | 71,8655 | INR |
| | 123,0208 | JPY | 130,676 | JPY |
| | 1.273,92712 | KRW | 1.273,74 | KRW |
| | 21,7294 | MXN | 18,7617 | MXN |
| | 4,73165 | MYR | 4,66405 | MYR |
| | 9,079 | NOK | 9,61525 | NOK |
| | 1,51265 | NZD | 1,5868 | NZD |
| | 52,43425 | PHP | 51,1158 | PHP |
| | 4,40285 | PLN | 4,2897 | PLN |
| | 4,5425 | RON | 4,5215 | RON |
| | 9,582 | SEK | 9,15815 | SEK |
| | 1,5238 | SGD | 1,5411 | SGD |
| | 37,73895 | THB | 39,0905 | THB |
| | 3,7102 | TRY | 3,17075 | TRY |
| | 33,99355 | TWD | 35,6817 | TWD |
| | 1,05475 | USD | 1,0863 | USD |
| | 99.999,00 | VEF | 99.999,00 | VEF |
| | 14,4237 | ZAR | 16,8328 | ZAR |

EXISTENCE OF COMMISSION SHARING AGREEMENTS

What the Commission Sharing Agreement entails

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

N.B.:

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

Goods and services eligible for a Commission Sharing Agreement:

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

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

| Broker | Commission gross in EUR paid during the period: 1-01-16 - 31-12-16 | CSA Credits in EUR accrued during the period: 1-01-16 - 31-12-16 | Percentage |
|------------------------------------|---|---|------------|
| CARNEGIE | 12.639 | 2.107 | 16,67% |
| CITI | 1.676.697 | 560.274 | 33,42% |
| CSFBSAS | 1.173.628 | 383.073 | 32,64% |
| DEUTSCHE | 533.474 | 145.622 | 27,30% |
| EQ CSA GOLDMAN SACHS INTERNATIONAL | 675.946 | 215.473 | 31,88% |
| HSBC | 1.496.866 | 407.219 | 27,20% |
| INSTINET | 2.002.661 | 634.843 | 31,70% |
| MACQUARIE | 1.304.309 | 392.377 | 30,08% |
| MERRILL | 667.858 | 270.287 | 40,47% |
| MORGAN STANLEY | 494.980 | 137.223 | 27,72% |
| SOCGEN | 418.328 | 76.076 | 18,19% |
| UBSWDR | 412.328 | 102.139 | 24,77% |
| WOOD | 2.201 | 153 | 6,96% |

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2 INFORMATION ON KBC EQUITY FUND AMERICA

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 17 April 1991

Initial subscription price: 500 USD

Currency: USD

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 1230.35 USD

Currency: USD

Classic Shares CZK :

Launch date: 28 June 2013

Initial subscription price: 1000 CZK

Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

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

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

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

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

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

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

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

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

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

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

Lending financial instruments:

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

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

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

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

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

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

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

Volatility of the net asset value:

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

General strategy for hedging the exchange rate risk:

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

Social, ethical and environmental aspects:

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

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

Active positions in stocks were taken based on quantitative analysis and a stringent risk framework. Approximately once a month, the fund was rebalanced to reflect recommendations originated by forementioned analysis.

2.1.8 FUTURE POLICY

The fund will continue its active stock selection strategy based on quantitative analysis within the limits defined by the stringent risk framework.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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

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

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

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

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 104,451,665.92 USD.

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 | | 31/12/2016 (in the currency of the sub-fundt) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|---|
| TOTAL NET ASSETS | | 1.168.429.863,80 | 156.902.426,01 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | | |
| a) Collateral received in the form of bonds | | 4.124.476,26 | |
| C. Shares and similar instruments | | | |
| a) Shares | | 1.054.322.853,58 | 171.115.427,61 |
| D. Other securities | | 521,40 | 304,48 |
| F. Derivative financial instruments | | | |
| m) Financial indices | | | |
| Futures and forward contracts (+/-) | | -971.980,00 | -834,85 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 1.005,44 | 68.380,23 |
| c) Collateral | | 4.370.000,00 | 667.000,00 |
| B. Payables | | | |
| a) Accounts payable (-) | | -1.633.185,37 | -36.471,69 |
| d) Borrowings (-) | | -552.811,79 | -20.885.741,52 |
| e) Collateral (-) | | -4.124.476,26 | |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 113.222.153,42 | 6.166.401,56 |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | 853.110,76 | 84.239,35 |
| C. Accrued expense (-) | | -1.181.803,65 | -276.279,17 |
| TOTAL SHAREHOLDERS' EQUITY | | 1.168.429.863,80 | 156.902.426,01 |
| A. Capital | | 1.086.947.579,11 | 154.281.135,20 |
| B. Income equalization | | 7.209.512,65 | -3.476.708,19 |
| D. Result of the book year | | 74.272.772,04 | 6.097.999,00 |

Off-balance-sheet headings

| | | | |
|------------|--|----------------|----------------|
| I | Collateral (+/-) | | |
| I.A | Collateral (+/-) | | |
| I.A.A | Securities/market instruments | 4.124.476,26 | |
| I.A.B | Cash at bank and in hand/deposits | 4.370.000,00 | 667.000,00 |
| III | Notional amounts of futures and forward contracts | | |
| III.A | Purchased futures and forward contracts | 102.865.200,00 | |
| III.B | Written futures and forward contracts | | -14.756.650,00 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|--|
| I. Net gains(losses) on investments | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | 79.127.322,00 | 10.959.218,14 |
| D. Other securities | | -21.963,88 | 15,84 |
| F. Derivative financial instruments | | | |
| I) Financial indices | | | |
| Futures and forward contracts | | -5.470.030,40 | 2.287.150,80 |
| H. Foreign exchange positions and transactions | | | |
| b) Other foreign exchange positions and transactions | | -666.388,16 | -6.835.482,01 |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | | 52.134.661,40 | 127.578.952,88 |
| Unrealised gains on investments | | 172.268.146,21 | -49.686.505,63 |
| Realised losses on investments | | -44.177.435,22 | -88.711.159,38 |
| Unrealised losses on investments | | -107.256.432,83 | 17.229.614,90 |
| II. Investment income and expenses | | | |
| A. Dividends | | 11.114.693,95 | 5.699.071,90 |
| B. Interests | | | |
| a) Securities and money market instruments | | 46.294,66 | 72.092,21 |
| b) Cash at bank and in hand and deposits | | 10.375,69 | 12.833,01 |
| C. Interest on borrowings (-) | | -108.988,22 | -52.197,54 |
| III. Other income | | | |
| A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges | | 2.037.590,66 | 1.500.137,88 |

| | | |
|---|---------------|---------------|
| IV. Operating expenses | | |
| A. Investment transaction and delivery costs (-) | -665.765,11 | -323.800,06 |
| B. Financial expenses (-) | -8.060,67 | -3.793,09 |
| C. Custodian's fee (-) | -136.779,17 | -616.633,98 |
| D. Manager's fee (-) | | |
| a) Financial management | | |
| Classic Shares | -454.331,56 | -660.088,17 |
| Institutional B Shares | -8.840.607,08 | -5.269.929,64 |
| Classic Shares CZK | -287.771,55 | -285.502,89 |
| b) Administration and accounting management | -638.848,12 | -414.368,33 |
| E. Administrative expenses (-) | -0,07 | -223,58 |
| F. Formation and organisation expenses (-) | -9.667,24 | -9.467,43 |
| G. Remuneration, social security charges and pension | -50,54 | -23,82 |
| H. Services and sundry goods (-) | -17.635,82 | -14.128,05 |
| J. Taxes | | |
| Classic Shares | -28.997,01 | -19.300,96 |
| Institutional B Shares | -111.228,28 | -4.945,72 |
| Classic Shares CZK | -183,06 | -160,00 |
| K. Other expenses (-) | -596.208,98 | 77.524,49 |
| Income and expenditure for the period | | |
| Subtotal II + III + IV | 1.303.832,48 | -312.903,77 |
| V. Profit (loss) on ordinary activities before tax | 74.272.772,04 | 6.097.999,00 |
| VII. Result of the book year | 74.272.772,04 | 6.097.999,00 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | 81.482.284,69 | 2.621.290,81 |
| Profit for the period available for appropriation | 74.272.772,04 | 6.097.999,00 |
| Income on the creation of shares (income on the cancellation of shares) | 7.209.512,65 | -3.476.708,19 |
| II. (Appropriations to) Deductions from capital | -81.428.954,69 | -2.574.040,35 |
| IV. (Dividends to be paid out) | -53.330,00 | -47.250,46 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND AMERICA

| Name | Quantity on 31/12/2016 | 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>Bermuda</u> | | | | | | | |
| EVEREST RE GROUP LTD - | 13.425,00 | USD | 216,400 | 2.905.170,00 | | 0,28 | 0,25 |
| <u>Canada</u> | | | | | | | |
| C.I.B.C. - | 56.730,00 | CAD | 109,560 | 4.634.754,57 | | 0,44 | 0,40 |
| CANADIAN NATURAL RESOURCES LTD - | 25.321,00 | CAD | 42,790 | 807.951,10 | | 0,08 | 0,07 |
| COGECO COMMUNICATIONS INC - | 3.387,00 | CAD | 66,240 | 167.300,58 | | 0,02 | 0,01 |
| COLLIERS INTERNATIONAL GROUP I - | 4.801,00 | CAD | 49,490 | 177.178,53 | | 0,02 | 0,02 |
| ECN CAPITAL CORP ECN CAPITAL CORP | 137.872,00 | CAD | 3,300 | 339.275,07 | | 0,03 | 0,03 |
| ELEMENT FLEET MANGEMENT CORP - | 137.872,00 | CAD | 12,460 | 1.281.020,42 | | 0,12 | 0,11 |
| GENWORTH MI CANADA INC - | 12.160,00 | CAD | 33,660 | 305.217,63 | | 0,03 | 0,03 |
| MANITOBA TELECOM SERVICES INC - | 25.085,00 | CAD | 37,960 | 710.071,76 | | 0,07 | 0,06 |
| MANULIFE FINANCIAL CORP - | 735.091,00 | CAD | 23,910 | 13.106.375,79 | | 1,24 | 1,12 |
| MAPLE LEAF FOODS INC - | 34.525,00 | CAD | 28,120 | 723.953,94 | | 0,07 | 0,06 |
| POWER CORP - | 34.231,00 | CAD | 30,050 | 767.054,10 | | 0,07 | 0,07 |
| QUEBECOR "B" | 32.344,00 | CAD | 37,320 | 900.113,55 | | 0,09 | 0,08 |
| ROYAL BK CANADA - | 51.878,00 | CAD | 90,870 | 3.515.326,65 | | 0,33 | 0,30 |
| TECK CORP CLASS B | 178.146,00 | CAD | 26,870 | 3.569.485,94 | | 0,34 | 0,31 |
| TORONTO DOMINION BK - | 380.345,00 | CAD | 66,220 | 18.781.437,19 | | 1,78 | 1,61 |
| TRANSCANADA CORP - | 4.112,00 | CAD | 60,540 | 185.633,97 | | 0,02 | 0,02 |
| TRANSFORCE INC - | 11.835,00 | CAD | 34,890 | 307.915,23 | | 0,03 | 0,03 |
| YAMANA GOLD INC - | 465.428,00 | CAD | 3,770 | 1.308.445,96 | | 0,12 | 0,11 |
| <u>Netherlands</u> | | | | | | | |
| VOYA FINANCIAL INC - | 83.882,00 | USD | 39,220 | 3.289.852,04 | | 0,31 | 0,28 |
| <u>U.S.A.</u> | | | | | | | |
| ADMINSTAFF INC. - | 9.278,00 | USD | 70,950 | 658.274,10 | | 0,06 | 0,06 |
| AFLAC INC - | 60.739,00 | USD | 69,600 | 4.227.434,40 | | 0,40 | 0,36 |
| ALCOA CORP ALCOA CORP | 33.282,00 | USD | 28,080 | 934.558,56 | | 0,09 | 0,08 |
| ALLIANCE DATA SYSTEMS CORP - | 34.035,00 | USD | 228,500 | 7.776.997,50 | | 0,74 | 0,67 |
| ALLSCRIPTS HEALTHCARE SOLUTIONS INC - | 121.972,00 | USD | 10,210 | 1.245.334,12 | | 0,12 | 0,11 |
| ALPHABET INC -A- | 666,00 | USD | 792,450 | 527.771,70 | | 0,05 | 0,05 |
| AMAZON COMM. INC. - | 31.994,00 | USD | 749,870 | 23.991.340,78 | | 2,28 | 2,05 |
| AMC NETWORKS INC - | 46.530,00 | USD | 52,340 | 2.435.380,20 | | 0,23 | 0,21 |
| AMEDISYS INC - | 41.661,00 | USD | 42,630 | 1.776.008,43 | | 0,17 | 0,15 |
| AMERICAN CAPITAL AGENCY CORP - | 158.440,00 | USD | 18,130 | 2.872.517,20 | | 0,27 | 0,25 |
| AMERICAN CAPITAL LTD - | 136.107,00 | USD | 17,920 | 2.439.037,44 | | 0,23 | 0,21 |
| AMERICAN EAGLE OUTFITTERS NEW | 439.623,00 | USD | 15,170 | 6.669.080,91 | | 0,63 | 0,57 |
| AMERICAN EXPRESS - | 118.641,00 | USD | 74,080 | 8.788.925,28 | | 0,83 | 0,75 |
| AMERICAN INT. GROUP - | 153.553,00 | USD | 65,310 | 10.028.546,43 | | 0,95 | 0,86 |
| AMGEN - | 46.108,00 | USD | 146,210 | 6.741.450,68 | | 0,64 | 0,58 |
| AMN HEALTHCARE SERVICES INC - | 46.589,00 | USD | 38,450 | 1.791.347,05 | | 0,17 | 0,15 |
| AMR CORP - | 179.222,00 | USD | 46,690 | 8.367.875,18 | | 0,79 | 0,72 |
| APPLE INC - | 157.680,00 | USD | 115,820 | 18.262.497,60 | | 1,73 | 1,56 |

| | | | | | | | |
|--|------------|-----|---------|---------------|--|------|------|
| APPLIED MATERIALS - | 367.225,00 | USD | 32,270 | 11.850.350,75 | | 1,13 | 1,01 |
| ARCONIC INC ARCONIC INC | 99.846,00 | USD | 18,540 | 1.851.144,84 | | 0,18 | 0,16 |
| ASBURY AUTOMOTIVE GROUP INC - | 34.488,00 | USD | 61,700 | 2.127.909,60 | | 0,20 | 0,18 |
| ASHLAND GLOBAL HOLDINGS INC ASHLAND GLOBAL HOLDINGS INC | 20.866,00 | USD | 109,290 | 2.280.445,14 | | 0,22 | 0,20 |
| ATHENAHEALTH INC - | 2.722,00 | USD | 105,170 | 286.272,74 | | 0,03 | 0,03 |
| BANK OF AMERICA CORP - | 973.610,00 | USD | 22,100 | 21.516.781,00 | | 2,04 | 1,84 |
| BIOGEN INC - | 15.387,00 | USD | 283,580 | 4.363.445,46 | | 0,41 | 0,37 |
| BOEING - | 106.350,00 | USD | 155,680 | 16.556.568,00 | | 1,57 | 1,42 |
| BOSTON PROPERTIES INC - | 18.512,00 | USD | 125,780 | 2.328.439,36 | | 0,22 | 0,20 |
| BRINKER INTERNATIONAL INC. - | 66.804,00 | USD | 49,530 | 3.308.802,12 | | 0,31 | 0,28 |
| BROOKDALE SENIOR LIVING INC - | 330.416,00 | USD | 12,420 | 4.103.766,72 | | 0,39 | 0,35 |
| CAPITAL ONE FINANCIAL CORP - | 160.405,00 | USD | 87,240 | 13.993.732,20 | | 1,33 | 1,20 |
| CENTERPOINT ENERGY INC - | 324.024,00 | USD | 24,640 | 7.983.951,36 | | 0,76 | 0,68 |
| CENTURYLINK INC - | 352.576,00 | USD | 23,780 | 8.384.257,28 | | 0,80 | 0,72 |
| CHARTER COMMUNICATIONS INC. - | 49.318,00 | USD | 287,920 | 14.199.638,56 | | 1,35 | 1,22 |
| CHEVRON CORP - | 83.419,00 | USD | 117,700 | 9.818.416,30 | | 0,93 | 0,84 |
| CHILDREN'S PLACE - | 50.741,00 | USD | 100,950 | 5.122.303,95 | | 0,49 | 0,44 |
| CHIMERA INVESTMENT CORP - | 79.525,00 | USD | 17,020 | 1.353.515,50 | | 0,13 | 0,12 |
| CINTAS CORPORATION - | 10.137,00 | USD | 115,560 | 1.171.431,72 | | 0,11 | 0,10 |
| CITIGROUP INC - | 23.922,00 | USD | 59,430 | 1.421.684,46 | | 0,14 | 0,12 |
| CITRIX SYSTEMS INC - | 115.866,00 | USD | 89,310 | 10.347.992,46 | | 0,98 | 0,89 |
| COLGATE - PALMOLIVE - | 26.772,00 | USD | 65,440 | 1.751.959,68 | | 0,17 | 0,15 |
| COMPUTER SCIENCES - | 97.172,00 | USD | 59,420 | 5.773.960,24 | | 0,55 | 0,49 |
| CONSOL ENERGY INC - | 202.376,00 | USD | 18,230 | 3.689.314,48 | | 0,35 | 0,32 |
| CONVERGYS CORP - | 23.962,00 | USD | 24,560 | 588.506,72 | | 0,06 | 0,05 |
| CORNING INC - | 466.943,00 | USD | 24,270 | 11.332.706,61 | | 1,08 | 0,97 |
| CVS HEALTH CORP - | 41.966,00 | USD | 78,910 | 3.311.537,06 | | 0,31 | 0,28 |
| DANAHER CORPORATION - | 182.900,00 | USD | 77,840 | 14.236.936,00 | | 1,35 | 1,22 |
| DCT INDUSTRIAL TRUST INC - | 27.850,00 | USD | 47,880 | 1.333.458,00 | | 0,13 | 0,11 |
| DISCOVERY COMMUNICATIONS INC - | 62.844,00 | USD | 26,780 | 1.682.962,32 | | 0,16 | 0,14 |
| DISH NETWORK CORP - | 143.892,00 | USD | 57,930 | 8.335.663,56 | | 0,79 | 0,71 |
| DOMINO'S PIZZA INC - | 17.003,00 | USD | 159,240 | 2.707.557,72 | | 0,26 | 0,23 |
| DOW CHEMICAL COMPANY - | 42.937,00 | USD | 57,220 | 2.456.855,14 | | 0,23 | 0,21 |
| DST SYSTEMS INC - | 25.446,00 | USD | 107,150 | 2.726.538,90 | | 0,26 | 0,23 |
| DU PONT DE NEMOURS - | 77.924,00 | USD | 73,400 | 5.719.621,60 | | 0,54 | 0,49 |
| DYCOM INDUSTRIES INC. - | 43.255,00 | USD | 80,290 | 3.472.943,95 | | 0,33 | 0,30 |
| E-TRADE GROUP INC. - | 19.284,00 | USD | 34,650 | 668.190,60 | | 0,06 | 0,06 |
| EDGEWELL PERSONAL CARE CO - | 18.242,00 | USD | 72,990 | 1.331.483,58 | | 0,13 | 0,11 |
| ENTERGY CORPORATION - | 118.883,00 | USD | 73,470 | 8.734.334,01 | | 0,83 | 0,75 |
| EQUITY RESIDENTIAL - | 197.781,00 | USD | 64,360 | 12.729.185,16 | | 1,21 | 1,09 |
| ESTEE LAUDER - | 153.235,00 | USD | 76,490 | 11.720.945,15 | | 1,11 | 1,00 |
| EXELON CORP - | 461.369,00 | USD | 35,490 | 16.373.985,81 | | 1,55 | 1,40 |
| EXPEDITORS INTL OF WASHINGTON INC. - | 65.138,00 | USD | 52,960 | 3.449.708,48 | | 0,33 | 0,30 |
| EXPRESS SCRIPTS INC. "A" | 226.061,00 | USD | 68,790 | 15.550.736,19 | | 1,48 | 1,33 |
| EXXON MOBIL CORP - | 314.695,00 | USD | 90,260 | 28.404.370,70 | | 2,70 | 2,43 |
| FACEBOOK INC - | 218.350,00 | USD | 115,050 | 25.121.167,50 | | 2,39 | 2,15 |
| FEDEX CORP - | 21.613,00 | USD | 186,200 | 4.024.340,60 | | 0,38 | 0,34 |
| FISERV INC - | 98.485,00 | USD | 106,280 | 10.466.985,80 | | 0,99 | 0,90 |
| FLAGSTAR BANCORP INC - | 23.425,00 | USD | 26,940 | 631.069,50 | | 0,06 | 0,05 |
| GEN. MOTORS - | 283.369,00 | USD | 34,840 | 9.872.575,96 | | 0,94 | 0,85 |
| GENERAL ELEC CAP CORP - | 838.083,00 | USD | 31,600 | 26.483.422,80 | | 2,51 | 2,27 |
| GILEAD SCIENCES - | 175.504,00 | USD | 71,610 | 12.567.841,44 | | 1,19 | 1,08 |
| GOOGLE INC -C- | 453,00 | USD | 771,820 | 349.634,46 | | 0,03 | 0,03 |
| GULFPORT ENERGY CORP - | 101.440,00 | USD | 21,640 | 2.195.161,60 | | 0,21 | 0,19 |
| HAINCELESTIAL GROUP INC - | 115.281,00 | USD | 39,030 | 4.499.417,43 | | 0,43 | 0,39 |
| HESS CORP - | 199.000,00 | USD | 62,290 | 12.395.710,00 | | 1,18 | 1,06 |
| HEWLETT PACKARD - | 323.721,00 | USD | 14,840 | 4.804.019,64 | | 0,46 | 0,41 |

| | | | | | | | |
|--------------------------------------|------------|-----|---------|---------------|--|------|------|
| HEWLETT PACKARD ENTERPRISE CO - | 342.935,00 | USD | 23,140 | 7.935.515,90 | | 0,75 | 0,68 |
| HOME DEPOT - | 102.371,00 | USD | 134,080 | 13.725.903,68 | | 1,30 | 1,18 |
| HYATT HOTELS CORP - | 51.069,00 | USD | 55,260 | 2.822.072,94 | | 0,27 | 0,24 |
| INTEL CORP - | 331.025,00 | USD | 36,270 | 12.006.276,75 | | 1,14 | 1,03 |
| INTUIT INC - | 55.720,00 | USD | 114,610 | 6.386.069,20 | | 0,61 | 0,55 |
| JOHNSON & JOHNSON - | 271.476,00 | USD | 115,210 | 31.276.749,96 | | 2,97 | 2,68 |
| KOHL'S CORPORATION - | 43.517,00 | USD | 49,380 | 2.148.869,46 | | 0,20 | 0,18 |
| LAMAR ADVERTISING COMPANY - | 11.271,00 | USD | 67,240 | 757.862,04 | | 0,07 | 0,07 |
| LIBERTY SPINCO INC - | 76.926,00 | USD | 31,330 | 2.410.091,58 | | 0,23 | 0,21 |
| LIFEPOINT HOSPITALS INC - | 49.160,00 | USD | 56,800 | 2.792.288,00 | | 0,27 | 0,24 |
| LOEWS CORPORATION - | 141.503,00 | USD | 46,830 | 6.626.585,49 | | 0,63 | 0,57 |
| LOWE'S CIE - | 12.975,00 | USD | 71,120 | 922.782,00 | | 0,09 | 0,08 |
| LYONDELLBASELL INDUSTRIES NV CLA | 159.872,00 | USD | 85,780 | 13.713.820,16 | | 1,30 | 1,17 |
| MANPOWER GROUP - | 147.411,00 | USD | 88,870 | 13.100.415,57 | | 1,24 | 1,12 |
| MCGRAW HILL FINANCIAL INC - | 39.821,00 | USD | 107,540 | 4.282.350,34 | | 0,41 | 0,37 |
| MCKESSON CORP - | 22.712,00 | USD | 140,450 | 3.189.900,40 | | 0,30 | 0,27 |
| MEAD JOHNSON NUTRITION CO - | 20.576,00 | USD | 70,760 | 1.455.957,76 | | 0,14 | 0,13 |
| MGM RESORTS INTERNATIONAL - | 318.663,00 | USD | 28,830 | 9.187.054,29 | | 0,87 | 0,79 |
| MICHAEL KORS HOLDINGS LTD - | 54.790,00 | USD | 42,980 | 2.354.874,20 | | 0,22 | 0,20 |
| MICROSOFT CORP - | 183.790,00 | USD | 62,140 | 11.420.710,60 | | 1,08 | 0,98 |
| MONDELEZ INTERNATIONAL INC "A" | 341.705,00 | USD | 44,330 | 15.147.782,65 | | 1,44 | 1,30 |
| MOTOROLA SOLUTIONS INC - | 133.456,00 | USD | 82,890 | 11.062.167,84 | | 1,05 | 0,95 |
| MSCI INC - | 55.014,00 | USD | 78,780 | 4.334.002,92 | | 0,41 | 0,37 |
| MURPHY OIL CORPORATION - | 60.957,00 | USD | 61,470 | 3.747.026,79 | | 0,36 | 0,32 |
| NABORS INDUSTRIES LTD - | 346.420,00 | USD | 16,400 | 5.681.288,00 | | 0,54 | 0,49 |
| NAVIENT CORP WHEN DISTRIBUTE | 204.069,00 | USD | 16,430 | 3.352.853,67 | | 0,32 | 0,29 |
| NETSCOUT SYSTEMS INC - | 13.651,00 | USD | 31,500 | 430.006,50 | | 0,04 | 0,04 |
| NEUSTAR INC - | 24.068,00 | USD | 33,400 | 803.871,20 | | 0,08 | 0,07 |
| NEWMONT MINING CORP HOLDING CO - | 164.056,00 | USD | 34,070 | 5.589.387,92 | | 0,53 | 0,48 |
| NOBLE CORP PLC - | 432.140,00 | USD | 5,920 | 2.558.268,80 | | 0,24 | 0,22 |
| NORTHWEST BANCORP INC - | 21.371,00 | USD | 18,030 | 385.319,13 | | 0,04 | 0,03 |
| NUANCE COMMUNICATIONS - | 462.827,00 | USD | 14,900 | 6.896.122,30 | | 0,66 | 0,59 |
| ORACLE CORP - | 452.734,00 | USD | 38,450 | 17.407.622,30 | | 1,65 | 1,49 |
| OWENS CORNING - | 68.259,00 | USD | 51,560 | 3.519.434,04 | | 0,33 | 0,30 |
| PATTERSON-UTI ENERGY INC. - | 354.452,00 | USD | 26,920 | 9.541.847,84 | | 0,91 | 0,82 |
| PEPSICO INC - | 182.868,00 | USD | 104,630 | 19.133.478,84 | | 1,82 | 1,64 |
| POST HOLDINGS INC - | 38.497,00 | USD | 80,390 | 3.094.773,83 | | 0,29 | 0,27 |
| PRESTIGE BRANDS HOLDINGS INC - | 44.759,00 | USD | 52,100 | 2.331.943,90 | | 0,22 | 0,20 |
| PRIVATE BANCORP INC - | 109.785,00 | USD | 54,190 | 5.949.249,15 | | 0,57 | 0,51 |
| PROLOGIS TRUST - | 209.532,00 | USD | 52,790 | 11.061.194,28 | | 1,05 | 0,95 |
| QORVO INC - | 15.568,00 | USD | 52,730 | 820.900,64 | | 0,08 | 0,07 |
| QUANTA SERVICES INC - | 353.120,00 | USD | 34,850 | 12.306.232,00 | | 1,17 | 1,05 |
| REGIONS FINANCIAL CORPORATION - | 748.765,00 | USD | 14,360 | 10.752.265,40 | | 1,02 | 0,92 |
| SANDERSON FARMS INC - | 21.745,00 | USD | 94,240 | 2.049.248,80 | | 0,20 | 0,18 |
| SBA COMMUNICATIONS CORP. - | 104.224,00 | USD | 103,260 | 10.762.170,24 | | 1,02 | 0,92 |
| SCIENCE APPLICATIONS INTERNATIONAL - | 11.181,00 | USD | 84,800 | 948.148,80 | | 0,09 | 0,08 |
| SERVICENOW INC - | 106.210,00 | USD | 74,340 | 7.895.651,40 | | 0,75 | 0,68 |
| SHUTTERSTOCK INC - | 14.841,00 | USD | 47,520 | 705.244,32 | | 0,07 | 0,06 |
| SILICON VALLEY BANCSHARES - | 54.725,00 | USD | 171,660 | 9.394.093,50 | | 0,89 | 0,80 |
| SPECTRA ENERGY PARTNERS LP - | 5.410,00 | USD | 45,840 | 247.994,40 | | 0,02 | 0,02 |
| SPIRIT AEROSYSTEMS HOLDINGS IN - | 210.315,00 | USD | 58,350 | 12.271.880,25 | | 1,17 | 1,05 |
| SPRINT CORP FON GROUP - | 466.504,00 | USD | 8,420 | 3.927.963,68 | | 0,37 | 0,34 |
| SYNOVUS FINANCIAL CORPORATION - | 70.302,00 | USD | 41,080 | 2.888.006,16 | | 0,27 | 0,25 |
| SYNTEL INC - | 41.772,00 | USD | 19,790 | 826.667,88 | | 0,08 | 0,07 |
| SYSCO CORPORATION - | 167.889,00 | USD | 55,370 | 9.296.013,93 | | 0,88 | 0,80 |
| TEAM HEALTH HOLDINGS INC - | 10.277,00 | USD | 43,450 | 446.535,65 | | 0,04 | 0,04 |
| TERADATA CORP - | 115.870,00 | USD | 27,170 | 3.148.187,90 | | 0,30 | 0,27 |
| TESSERA HOLDING CORP - | 38.929,00 | USD | 44,200 | 1.720.661,80 | | 0,16 | 0,15 |

| | | | | | | | |
|---|-----------------|-----|-----------|------------------|--|--------|-------|
| TEXAS INSTRUMENTS - | 209.595,00 | USD | 72,970 | 15.294.147,15 | | 1,45 | 1,31 |
| THE MACERICH CO - | 13.916,00 | USD | 70,840 | 985.809,44 | | 0,09 | 0,08 |
| THE MEDICINES COMPANY - | 52.243,00 | USD | 33,940 | 1.773.127,42 | | 0,17 | 0,15 |
| THERMO ELECTRONIC - | 101.112,00 | USD | 141,100 | 14.266.903,20 | | 1,35 | 1,22 |
| TIME WARNER INC - | 7.990,00 | USD | 96,530 | 771.274,70 | | 0,07 | 0,07 |
| TOLL BROTHERS - | 1.036,00 | USD | 31,000 | 32.116,00 | | 0,00 | 0,00 |
| TRANSOCEAN SEDCOFOREX INC. - | 514.086,00 | USD | 14,740 | 7.577.627,64 | | 0,72 | 0,65 |
| TYSON FOODS INC -A- | 104.357,00 | USD | 61,680 | 6.436.739,76 | | 0,61 | 0,55 |
| UNDER ARMOUR INC -A- | 284.310,00 | USD | 29,050 | 8.259.205,50 | | 0,78 | 0,71 |
| UNITED CONTINENTAL HOLDINGS INC - | 114.524,00 | USD | 72,880 | 8.346.509,12 | | 0,79 | 0,71 |
| UNIVERSAL CORPORATION - | 11.031,00 | USD | 63,750 | 703.226,25 | | 0,07 | 0,06 |
| USANA HEALTH SCIENCES INC - | 702,00 | USD | 61,200 | 42.962,40 | | 0,00 | 0,00 |
| VALERO ENERGY CORPORATION - | 19.626,00 | USD | 68,320 | 1.340.848,32 | | 0,13 | 0,12 |
| VERIFONE HOLDINGS INC - | 196.124,00 | USD | 17,730 | 3.477.278,52 | | 0,33 | 0,30 |
| VERISIGN INC. - | 34.406,00 | USD | 76,070 | 2.617.264,42 | | 0,25 | 0,22 |
| VERIZON COMMUNICATIONS INC - | 93.305,00 | USD | 53,380 | 4.980.620,90 | | 0,47 | 0,43 |
| VERTEX PHARMAC. - | 31.750,00 | USD | 73,670 | 2.339.022,50 | | 0,22 | 0,20 |
| VISA INC - | 33.475,00 | USD | 78,020 | 2.611.719,50 | | 0,25 | 0,22 |
| WESTROCK CO - | 149.630,00 | USD | 50,770 | 7.596.715,10 | | 0,72 | 0,65 |
| XEROX CORPORATION - | 84.136,00 | USD | 8,730 | 734.507,28 | | 0,07 | 0,06 |
| Total shares | | | | 1.054.322.853,58 | | 100,09 | 90,23 |
| Options and futures | | | | | | | |
| Exchange-listed futures | | | | | | | |
| <u>U.S.A.</u> | | | | | | | |
| STAND & POORS MAR 17 | 920,00 | USD | 2.236,200 | 102.865.200,00 | | 9,77 | 8,80 |
| Suspense accounts (futures) | | | | | | | |
| <u>U.S.A.</u> | | | | | | | |
| STAND & POORS MAR 17 | -103.837.180,00 | USD | 1,000 | -103.837.180,00 | | -9,86 | -8,89 |
| Total options and futures | | | | -971.980,00 | | -0,09 | -0,08 |
| Rights | | | | | | | |
| <u>Canada</u> | | | | | | | |
| YAMANA GOLD INC CP 23/11/16 | 29.089,00 | CAD | 0,010 | 216,92 | | | |
| <u>U.S.A.</u> | | | | | | | |
| LEAP WIRELESS INTL INC CVR 14/03/2014 | 27.280,00 | USD | 0,010 | 272,80 | | | |
| SAFEWAY INC. CVR A - CP 02/02/2015 | 158.369,00 | USD | 0,000 | 15,84 | | | |
| SAFEWAY INC. CVR B - CP 02/02/2015 | 158.369,00 | USD | 0,000 | 15,84 | | | |
| Total rights | | | | 521,40 | | | |
| TOTAL SECURITIES PORTFOLIO | | | | 1.053.351.394,98 | | 100,00 | 90,15 |
| COLLATERAL RECEIVED | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING | 3.910.382,80 | EUR | 1,000 | 4.124.476,26 | | | 0,35 |
| TOTAL RECEIVED COLLATERAL | | | | 4.124.476,26 | | | 0,35 |
| CASH ATBANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP CAD | 669.348,94 | CAD | 1,000 | 499.130,97 | | | 0,04 |
| KBC GROUP CZK | -14.161.524,67 | CZK | 1,000 | -552.797,62 | | | -0,05 |
| KBC GROUP EURO | 380.498,19 | EUR | 1,000 | 401.330,47 | | | 0,03 |

| | | | | | | | |
|--|----------------|-----|-------|-------------------------|--|--|---------------|
| KBC GROUP USD | 111.759.111,98 | USD | 1,000 | 111.759.111,98 | | | 9,57 |
| Total demand accounts | | | | 112.106.775,80 | | | 9,60 |
| Managed futures accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP FUT.REK.GBP | -11,47 | GBP | 1,000 | -14,17 | | | |
| KBC GROUP USD.FUT.REK | 562.580,00 | USD | 1,000 | 562.580,00 | | | 0,05 |
| Total managed futures accounts | | | | 562.565,83 | | | 0,05 |
| TOTAL CASH AT BANK AND IN HAND | | | | 112.669.341,63 | | | 9,64 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP CZK.RECEIVABLE | 25.757,29 | CZK | 1,000 | 1.005,44 | | | |
| <u>Netherlands</u> | | | | | | | |
| KBC CLEARING NV DEKKING USD | 4.370.000,00 | USD | 1,000 | 4.370.000,00 | | | 0,37 |
| Total receivables | | | | 4.371.005,44 | | | 0,37 |
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING TEGENP | -3.910.382,80 | EUR | 1,000 | -4.124.476,26 | | | -0,35 |
| KBC GROUP CZK.PAYABLE | -12.132,26 | CZK | 1,000 | -473,58 | | | |
| KBC GROUP EUR.PAYABLE | -1.368.813,66 | EUR | 1,000 | -1.443.756,21 | | | -0,12 |
| KBC GROUP USD.PAYABLE | -188.955,58 | USD | 1,000 | -188.955,58 | | | -0,02 |
| Payables | | | | -5.757.661,63 | | | -0,49 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -1.386.656,19 | | | -0,12 |
| OTHER | | | | | | | |
| Interest receivable | | USD | | 853.110,76 | | | 0,07 |
| Ex penses payable | | USD | | -1.181.803,64 | | | -0,10 |
| TOTAL OTHER | | | | -328.692,88 | | | -0,03 |
| TOTAL NET ASSETS | | | | 1.168.429.863,80 | | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|----------------|---------------|---------------|---------------|---------------|
| Bahamas | 0,24 | 0,00 | 0,00 | 0,00 |
| Bermuda | 0,22 | 0,08 | 0,30 | 0,28 |
| Canada | 9,12 | 3,86 | 3,26 | 4,90 |
| Cayman Islands | 0,35 | 0,00 | 0,00 | 0,00 |
| Netherlands | 0,56 | 0,59 | 0,62 | 0,31 |
| U.S.A. | 89,51 | 95,47 | 95,82 | 94,51 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Cyclicals | 15,60 | 14,87 | 13,84 | 17,12 |
| Consum(cycl) | 10,66 | 15,88 | 12,23 | 13,37 |
| Cons.goods | 13,50 | 14,07 | 14,66 | 11,10 |
| Pharma | 17,33 | 13,68 | 15,13 | 10,00 |
| Financials | 15,57 | 14,13 | 15,07 | 17,40 |
| Technology | 20,92 | 21,36 | 18,02 | 20,63 |
| Telecomm. | 2,24 | 1,02 | 3,49 | 4,50 |
| Utilities | 2,54 | 1,14 | 3,64 | 3,15 |
| Real est. | 1,64 | 3,85 | 3,92 | 2,73 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| CAD | 9,00 | 4,17 | 3,36 | 4,46 |
| CZK | -0,01 | 0,09 | 0,00 | -0,05 |
| EUR | 0,00 | -0,25 | -0,13 | -0,09 |
| GBP | 0,00 | 0,00 | 0,04 | 0,00 |
| USD | 91,01 | 95,99 | 96,73 | 95,68 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND AMERICA (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|------------------|
| Purchases | 666.572.789,75 | 973.465.040,46 | 1.640.037.830,22 |
| Sales | 302.145.832,58 | 534.351.398,68 | 836.497.231,25 |
| Total 1 | 968.718.622,33 | 1.507.816.439,14 | 2.476.535.061,47 |
| Subscriptions | 540.479.420,49 | 945.383.154,42 | 1.485.862.574,92 |
| Redemptions | 185.669.433,30 | 368.947.707,10 | 554.617.140,40 |
| Total 2 | 726.148.853,79 | 1.314.330.861,53 | 2.040.479.715,32 |
| Monthly average of total assets | 321.849.391,66 | 951.708.444,63 | 639.360.307,71 |
| Turnover rate | 75,37 % | 20,33 % | 68,20 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|------------------|
| Purchases | 666.572.789,75 | 973.465.040,46 | 1.640.037.830,22 |
| Sales | 302.145.832,58 | 534.351.398,68 | 836.497.231,25 |
| Total 1 | 968.718.622,33 | 1.507.816.439,14 | 2.476.535.061,47 |
| Subscriptions | 540.479.420,49 | 945.383.154,42 | 1.485.862.574,92 |
| Redemptions | 185.669.433,30 | 368.947.707,10 | 554.617.140,40 |
| Total 2 | 726.148.853,79 | 1.314.330.861,53 | 2.040.479.715,32 |
| Monthly average of total assets | 390.391.516,11 | 514.056.105,67 | 394.552.381,17 |
| Corrected turnover rate | 62,14 % | 37,64 % | 110,52 % |

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

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

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

Active asset management may result in high turnover rates (monthly percentage >50%), reason: The fund is regularly rebalanced to reflect quantitative views in a timely and adequate manner. In the event of strong quantitative signals the monthly turnover could be significant.

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

| NAME | Currency | Value in currency | In the currency of the sub-fund | Lot-size | Transaction date |
|---------------------------------------|----------|-------------------|---------------------------------|----------|------------------|
| COLLATER ONTVANGEN SECURITIES LENDING | EUR | 3.910.382,80 | 4.124.476,26 | N/A | 30.12.2016 |
| KBC CLEAR DEKKING USD | USD | 4.370.000,00 | 4.370.000,00 | N/A | 15.12.2016 |
| STPOORS 17/03/2017 | USD | 102.865.200,00 | 102.865.200,00 | 50,00 | 15.12.2016 |

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

Classic Shares

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|----------|-------------|----------|---------------|----------|-----------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 8.353,84 | 1.142,00 | 7.732,07 | 1.057,51 | 22.906,15 | 2.967,49 | 25.873,64 |
| 2015 - 12 | 5.062,13 | 193,00 | 16.197,52 | 1.234,06 | 11.770,76 | 1.926,43 | 13.697,19 |
| 2016 - 12 | 3.816,52 | 206,00 | 1.926,56 | 202,00 | 13.660,73 | 1.930,43 | 15.591,16 |

| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 17.626.344,43 | 1.884.677,43 | 16.623.252,86 | 1.789.636,70 |
| 2015 - 12 | 11.336.056,18 | 329.841,39 | 37.027.550,72 | 2.143.655,89 |
| 2016 - 12 | 8.237.500,81 | 348.526,58 | 4.200.868,12 | 327.492,84 |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 55.784.004,70 | 2.212,57 | 1.719,51 |
| 2015 - 12 | 28.713.277,14 | 2.167,48 | 1.661,33 |
| 2016 - 12 | 35.054.494,55 | 2.318,73 | 1.750,39 |

Institutional B Shares

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|------|-------------|------|---------------|------|------------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 667.306,17 | | 654.923,04 | | 326.102,13 | | 326.102,13 |
| 2015 - 12 | 195.761,28 | | 471.814,50 | | 50.048,91 | | 50.048,91 |
| 2016 - 12 | 689.495,08 | | 260.349,92 | | 479.194,08 | | 479.194,08 |

| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|--------------|------------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 1.440.058.944,05 | | 1.395.374.856,74 | |
| 2015 - 12 | 439.916.679,46 | | 1.060.222.457,88 | |
| 2016 - 12 | 1.485.761.725,12 | | 551.829.078,84 | |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 722.977.810,01 | 2.217,03 | |
| 2015 - 12 | 108.731.455,75 | 2.172,50 | |
| 2016 - 12 | 1.113.232.658,30 | 2.323,14 | |

Classic Shares CZK

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|------|-------------|------|---------------|------|------------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 134.390,66 | | 50.030,16 | | 227.088,56 | | 227.088,56 |
| 2015 - 12 | 143.719,86 | | 59.562,26 | | 311.246,16 | | 311.246,16 |
| 2016 - 12 | 60.393,69 | | 70.727,13 | | 300.912,72 | | 300.912,72 |

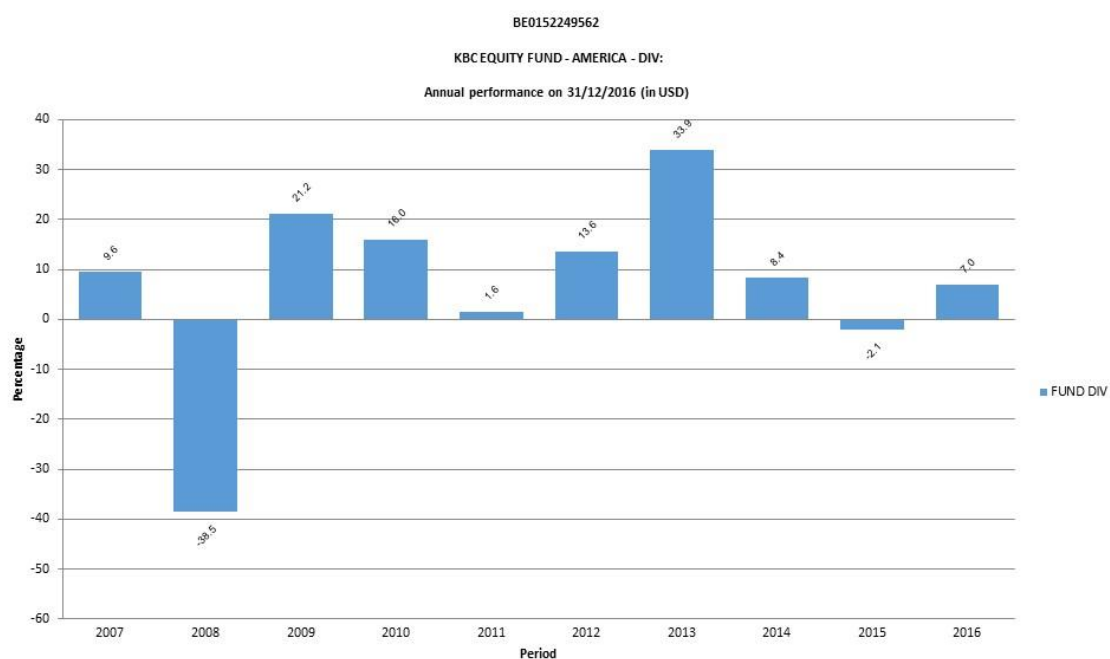
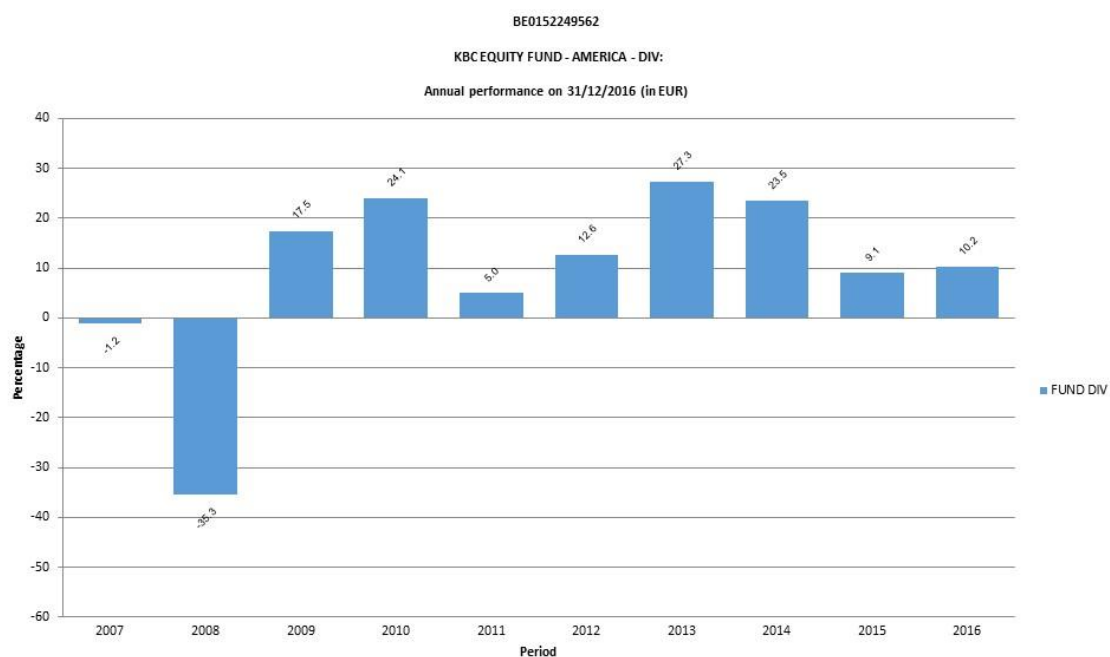
| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 176.045.140,77 | | 62.805.947,86 | |
| 2015 - 12 | 227.976.805,81 | | 93.928.442,60 | |
| 2016 - 12 | 91.706.085,50 | | 109.235.984,46 | |

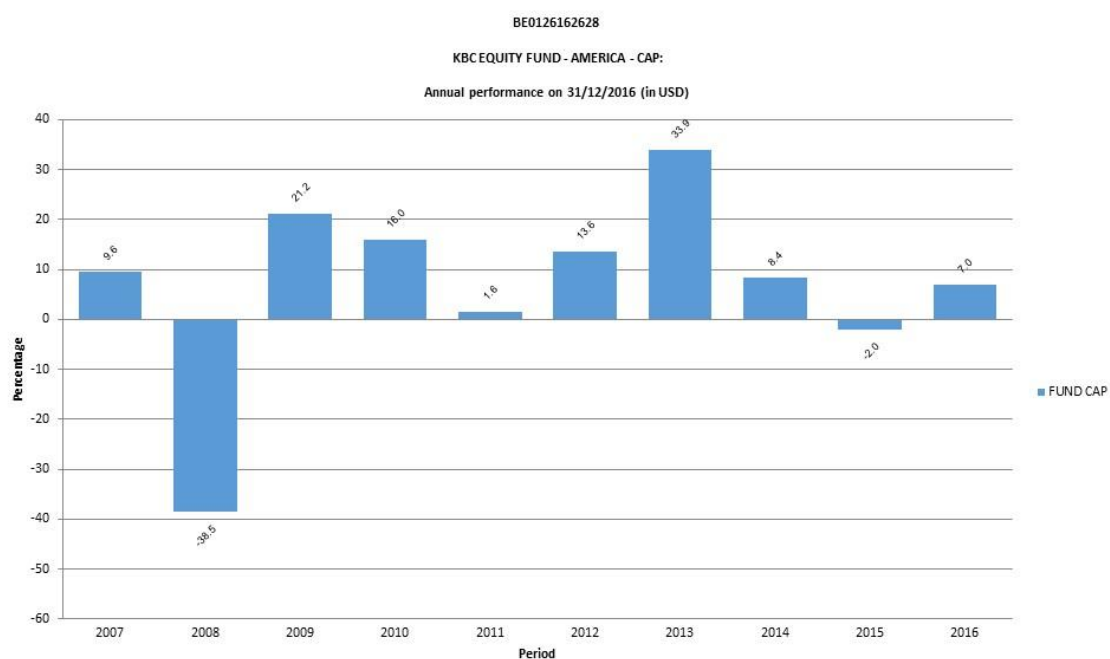
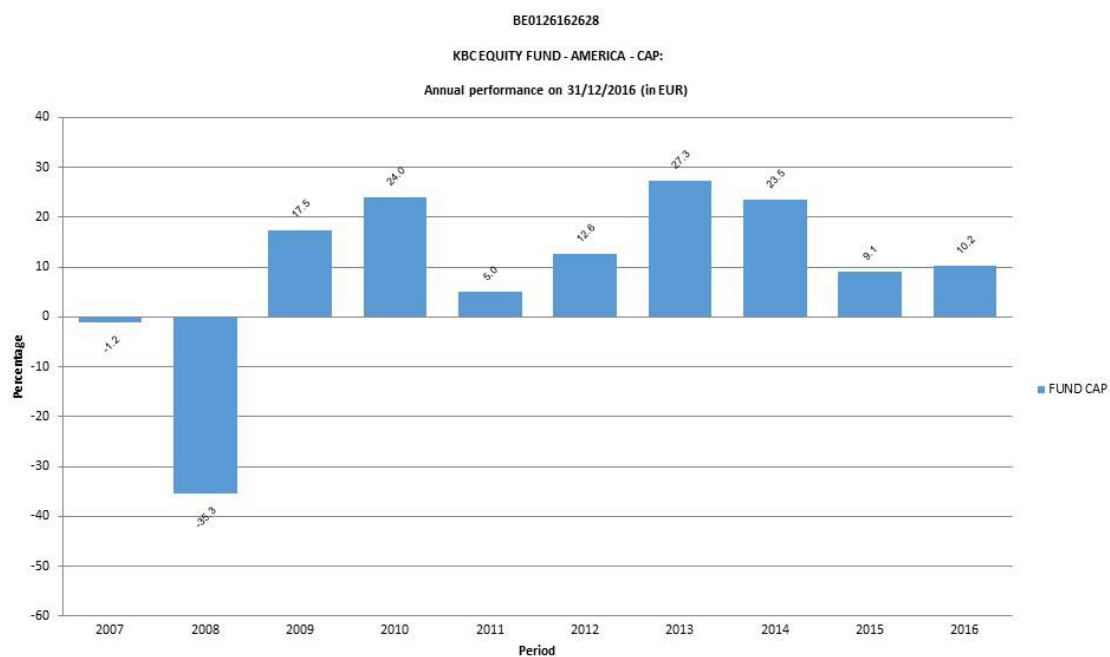
| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 331.848.783,45 | 1.461,30 | |
| 2015 - 12 | 484.015.269,56 | 1.555,08 | |
| 2016 - 12 | 516.014.336,38 | 1.714,81 | |

A reference currency cannot be allocated to a share class. The net asset value for share classes can, however, be denominated in different currencies. Please refer to the general section of this annual or half-yearly report for the exchange rates used.

2.4.5 PERFORMANCE FIGURES

Classic Shares



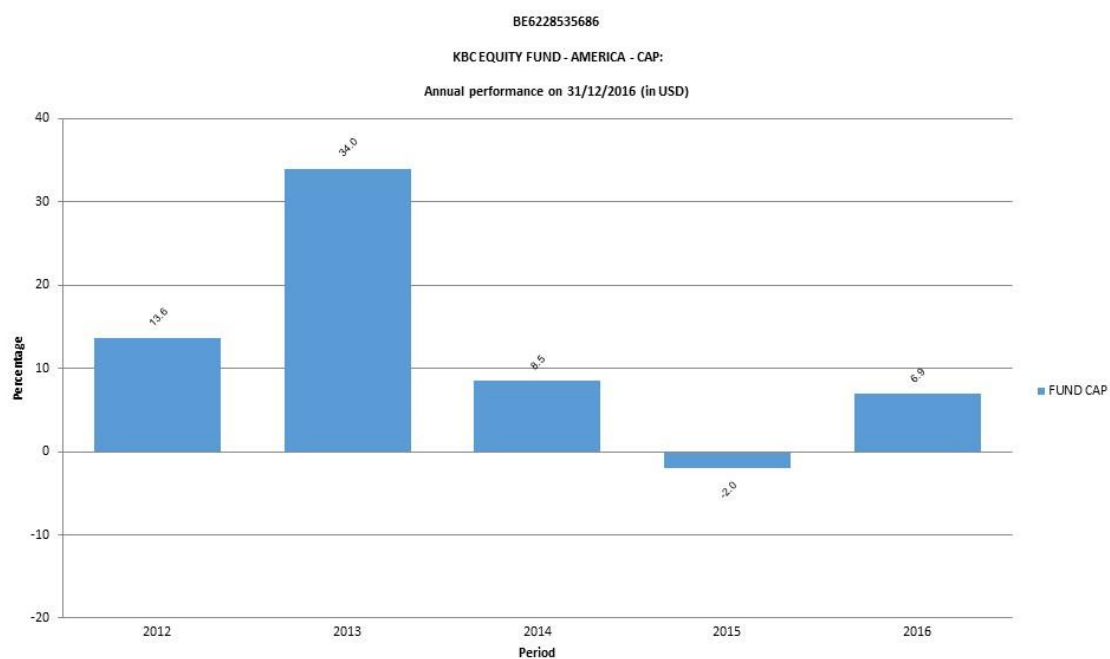
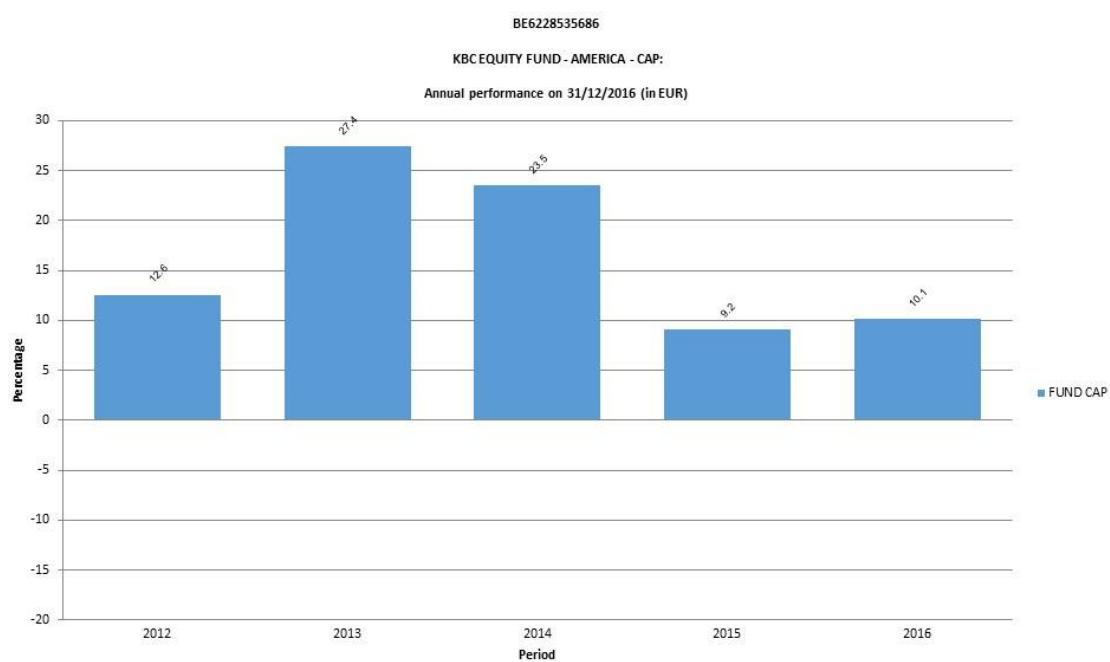


| Cap Div | ISIN code | Cur-rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE0126162628 | EUR | 10.18% | | 14.09% | | 16.31% | | 7.60% | | 17/04/1991 | 6.52% |
| CAP | BE0126162628 | USD | 6.98% | | 4.36% | | 11.57% | | 5.22% | | 17/04/1991 | 6.15% |
| DIV | BE0152249562 | EUR | 10.18% | | 14.07% | | 16.30% | | 7.60% | | 17/04/1991 | 6.52% |
| DIV | BE0152249562 | USD | 6.98% | | 4.34% | | 11.57% | | 5.22% | | 17/04/1991 | 6.14% |

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

* Return on annual basis.

Institutional B Shares

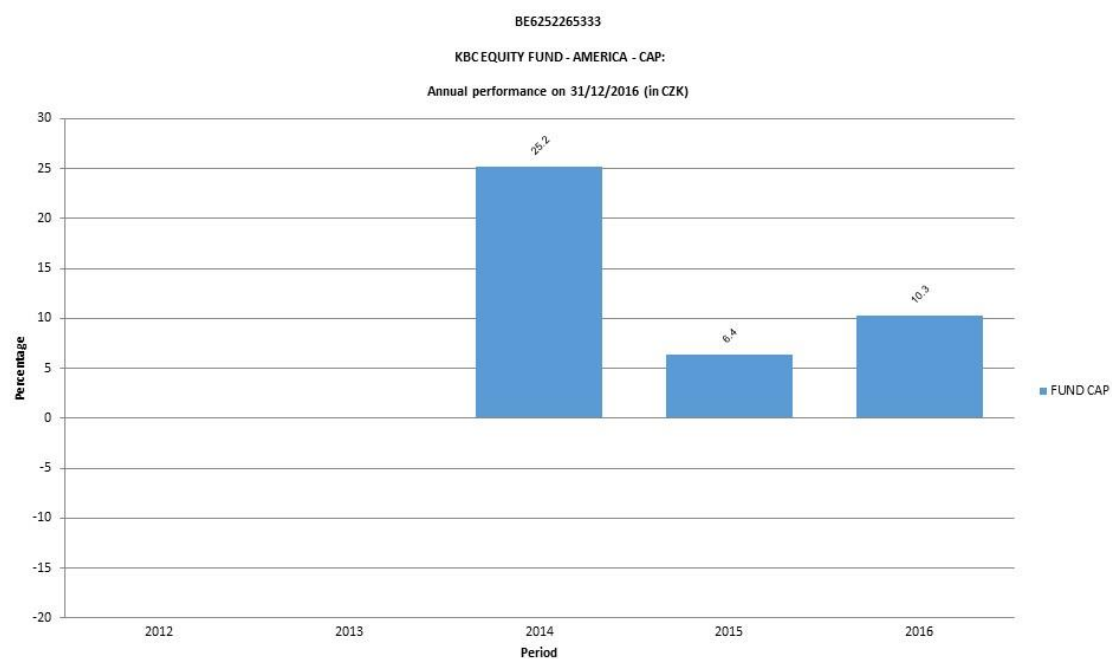
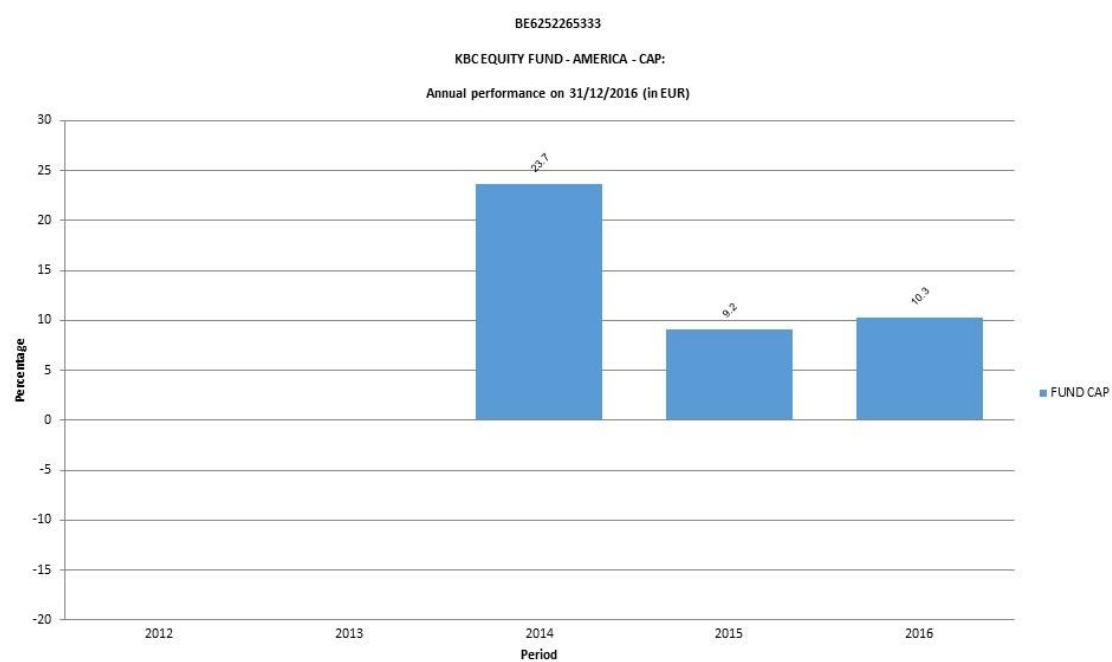


| Cap Div | ISIN code | Cur-rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE6228535686 | EUR | 10.13% | | 14.09% | | 16.33% | | | | 25/11/2011 | |
| CAP | BE6228535686 | USD | 6.93% | | 4.36% | | 11.59% | | | | 25/11/2011 | |

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

* Return on annual basis.

Classic Shares CZK



| Cap Div | ISIN code | Cur-rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE6252265333 | EUR | 10.28% | | 14.19% | | | | | | 28/06/2013 | |
| CAP | BE6252265333 | CZK | 10.27% | | 13.70% | | | | | | 28/06/2013 | |

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 USD 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:

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

$i = 1 \dots N$

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

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

These are the performance figures for capitalisation and distribution shares.

Institutional B Shares

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

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

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

These are the performance figures for capitalization shares.

Classic Shares CZK

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

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

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

These are the performance figures for capitalization shares.

Dividend on ex-dividend date 31/03/2017: 19.3382 USD net (27.6260 USD gross).

2.4.6 COSTS

Ongoing Charges: *

Classic Shares Distribution: 1.755%

Classic Shares Capitalization: 1.755%

Institutional B Shares Capitalization: 1.746%

Classic Shares CZK Capitalization: 1.659%

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

EXISTENCE OF COMMISSION SHARING AGREEMENTS

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

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

| | Commission gross in EUR paid during the period: 1-01-16 - | CSA Credits in EUR accrued during the period: 1-01-16 - | |
|------------------------------------|---|---|------------|
| Broker | 31-12-16 | 31-12-16 | Percentage |
| CITI | 71,394 | 26,175 | 36.66% |
| CSFBSAS | 52,289 | 26,707 | 51.08% |
| EQ CSA GOLDMAN SACHS INTERNATIONAL | 2,003 | 501 | 25.00% |
| EQ CSA GOLDMAN SACHS INTERNATIONAL | 104,456 | 50,652 | 48.49% |
| HSBC | 37,879 | 21,044 | 55.56% |
| INSTINET | 125,610 | 31,333 | 24.94% |
| MACQUARIE | 23,040 | 10,645 | 46.20% |
| MERRILL | 101,599 | 47,442 | 46.70% |

FEE-SHARING AGREEMENTS AND REBATES:

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

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

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

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.5% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

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

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

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

Exercising voting rights.

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

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

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

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

Financial derivatives on financial indices

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

The **S&P 500** is an equity index computed by Standard & Poor's that is made up of 500 shares. The dividend is not reinvested. The S&P 500 serves primarily as a continuous indicator of market trends on the US stock markets. The value of the S&P 500 index is calculated on the basis of the market value of the shares of 500 companies at a given point in time, compared to the market value of the shares of 500 similar companies during the reference period from 1941 to 1943. The index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe. Standard & Poor's has all proprietary rights with respect to the index. In no way Standard & Poor's endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Standard & Poor's disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

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

Securities lending

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

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 46,294.66 USD and from bond lending to 0.00 USD. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

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

Details of collateral received for securities lent

| Name | Currency | Nominal value | Currency fund | Value in currency fund |
|---------------------------------|----------|---------------|---------------|------------------------|
| OESTERREICH 1997 6.25% 15/07/27 | EUR | 2394788 | USD | 4,124,476.26 |
| Total | | | | 4,124,476.26 |

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

The amount in securities lent on a traded basis, as given in the annual report, can differ from the amount in securities lent on a settled basis.

The position held as collateral is determined on the basis of the settled positions.

Transparency of securities financing transactions and of reuse

Global data:

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

Concentration data:

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

| <u>name collateral issuer</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-------------------------------|--|-----------------|
| REPUBLIC OF AUSTRIA | 4.124.476,26 | USD |

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

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

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

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

| <u>collateral</u> | <u>quality</u> | <u>Currency</u> |
|---------------------------------|------------------|-----------------|
| OESTERREICH 1997 6.25% 15/07/27 | investment grade | EUR |

Data on reuse of collateral:

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

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

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

| <u>number</u> | <u>Name collateral custodian</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|---------------|----------------------------------|--|-----------------|
| 1 | Bank of New York | 4.124.476,26 | USD |

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

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

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

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

| <u>Lending program: equity (Goldman Sachs)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 22.853,31 | 5.941,86 | 2.056,80 |
| percentage of overall returns | 100,00% | 26,00% | 9,00% |
| cost (EUR) | 7.998,66 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 18.353,03 | 6.423,56 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 6.423,56 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 855,20 | 299,32 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 299,32 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND EUROPE

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 17 April 1991

Initial subscription price: 20000 BEF

Currency: EUR

Institutional B Shares :

Launch date: 17 October 2013

Initial subscription price: 1361.55 EUR

Currency: EUR

Classic Shares CZK :

Launch date: 2 June 2014

Initial subscription price: 1000 CZK

Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

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

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

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

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

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

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

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of European companies.

Lending financial instruments:

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

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

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

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

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

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

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

Volatility of the net asset value:

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

General strategy for hedging the exchange rate risk:

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

Social, ethical and environmental aspects:

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

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

Please refer to the general market review text for an overview of developments during the period under review.

2.1.8 FUTURE POLICY

Please refer to the general market outlook text for an overview of developments during the period under review.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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

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

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

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

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 633,201.53 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 | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|---|
| TOTAL NET ASSETS | | 156.394.195,74 | 267.496.808,75 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | | |
| a) Collateral received in the form of bonds | | 464.385,02 | 15.680.721,33 |
| C. Shares and similar instruments | | | |
| a) Shares | | 156.838.784,18 | 270.448.313,29 |
| Of which securities lent | | 435.180,00 | 13.977.985,53 |
| D. Other securities | | 67.237,57 | 39.044,42 |
| F. Derivative financial instruments | | | |
| j) Foreign exchange | | | |
| Futures and forward contracts (+/-) | | | -533.520,44 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 1.210,62 | 246.040,56 |
| B. Payables | | | |
| a) Accounts payable (-) | | -226.459,16 | -214.575,68 |
| d) Borrowings (-) | | -475.060,83 | -3.007.584,55 |
| e) Collateral (-) | | -464.385,02 | -15.680.721,33 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 362.949,13 | 826.424,16 |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | 54.896,27 | 105.113,84 |
| C. Accrued expense (-) | | -229.362,04 | -412.446,85 |
| TOTAL SHAREHOLDERS' EQUITY | | 156.394.195,74 | 267.496.808,75 |
| A. Capital | | 178.313.871,66 | 233.769.513,72 |
| B. Income equalization | | 511.739,80 | -7.512.499,38 |
| D. Result of the book year | | -22.431.415,72 | 41.239.794,41 |

Off-balance-sheet headings

| | | |
|--|------------|---------------|
| I Collateral (+/-) | | |
| I.A Collateral (+/-) | | |
| I.A.A Securities/market instruments | 464.385,02 | 15.680.721,33 |
| III Notional amounts of futures and forward contracts | | |
| III.A Purchased futures and forward contracts | | 36.194.519,12 |
| III.B Written futures and forward contracts | | -9.196.247,93 |
| IX Financial instruments lent | 435.180,00 | 13.977.985,53 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|--|
| I. Net gains(losses) on investments | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | -16.289.909,95 | 22.879.231,89 |
| D. Other securities | | 106.837,20 | 18.003,71 |
| F. Derivative financial instruments | | | |
| I) Financial indices | | | |
| Futures and forward contracts | | | 302.400,00 |
| H. Foreign exchange positions and transactions | | | |
| a) Derivative financial instruments | | | |
| Futures and forward contracts | | 533.520,44 | -1.466.386,58 |
| b) Other foreign exchange positions and transactions | | -7.860.806,94 | 14.035.200,50 |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | | 22.801.045,52 | 104.960.393,03 |
| Unrealised gains on investments | | -56.183.039,41 | 1.474.233,60 |
| Realised losses on investments | | -45.178.218,27 | -64.548.704,22 |
| Unrealised losses on investments | | 55.049.852,91 | -6.117.472,89 |
| II. Investment income and expenses | | | |
| A. Dividends | | 3.171.390,84 | 13.900.491,84 |
| B. Interests | | | |
| a) Securities and money market instruments | | 94.848,41 | 202.101,30 |
| b) Cash at bank and in hand and deposits | | 677,51 | 3.591,27 |
| C. Interest on borrowings (-) | | -5.046,93 | -11.505,66 |
| III. Other income | | | |
| A. Income received to cover the acquisition and realizaon of assets, to discourage withdrawals and for delivery charges | | 1.323.311,21 | 2.695.485,40 |

| | | |
|---|----------------|---------------|
| IV. Operating expenses | | |
| A. Investment transaction and delivery costs (-) | -1.223.583,29 | -2.641.855,53 |
| B. Financial expenses (-) | -1.638,93 | -3.460,48 |
| C. Custodian's fee (-) | -217.663,90 | -397.916,61 |
| D. Manager's fee (-) | | |
| a) Financial management | | |
| Classic Shares | -461.725,78 | -544.399,75 |
| Institutional B Shares | -1.244.327,45 | -6.821.620,71 |
| Classic Shares CZK | -148.614,88 | -124.489,50 |
| b) Administration and accounting management | -123.644,48 | -499.367,63 |
| E. Administrative expenses (-) | 0,94 | -361,62 |
| F. Formation and organisation expenses (-) | -3.880,40 | -8.753,80 |
| G. Remuneration, social security charges and pension | -12,14 | -36,50 |
| H. Services and sundry goods (-) | -10.962,38 | -16.029,32 |
| J. Taxes | | |
| Classic Shares | -25.206,00 | -30.213,30 |
| Institutional B Shares | -13.511,86 | -19.527,18 |
| Classic Shares CZK | -112,52 | -30,38 |
| K. Other expenses (-) | -31.354,44 | -210.756,95 |
| Income and expenditure for the period | | |
| Subtotal II + III + IV | 1.078.943,53 | 5.471.344,89 |
| V. Profit (loss) on ordinary activities before tax | -22.431.415,72 | 41.239.794,41 |
| VII. Result of the book year | -22.431.415,72 | 41.239.794,41 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | | |
| Profit for the period available for appropriation | -21.919.675,92 | 33.727.295,03 |
| Income on the creation of shares (income on the cancellation of shares) | -22.431.415,72 | 41.239.794,41 |
| | 511.739,80 | -7.512.499,38 |
| II. (Appropriations to) Deductions from capital | 22.024.939,61 | -33.583.369,70 |
| IV. (Dividends to be paid out) | -105.263,69 | -143.925,33 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND EUROPE

| Name | Quantity on 31/12/2016 | 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) | 8.767,00 | EUR | 115,000 | 1.008.205,00 | | 0,64 | 0,65 |
| OMV AG (WIEN) | 21.917,00 | EUR | 33,560 | 735.534,52 | | 0,47 | 0,47 |
| PORR AG - | 13.349,00 | EUR | 38,920 | 519.543,08 | | 0,33 | 0,33 |
| <u>Belgium</u> | | | | | | | |
| AGEAS NV - | 4.934,00 | EUR | 37,610 | 185.567,74 | | 0,12 | 0,12 |
| ANHEUSER-BUSCH INBEV NV - | 24.820,00 | EUR | 100,550 | 2.495.651,00 | | 1,59 | 1,60 |
| KBC GROUP - | 28.366,00 | EUR | 58,830 | 1.668.771,78 | | 1,06 | 1,07 |
| TESSENDERLO - | 35.457,00 | EUR | 34,800 | 1.233.903,60 | | 0,79 | 0,79 |
| <u>Bermuda</u> | | | | | | | |
| HAL TRUST (AMS) | 4.319,00 | EUR | 179,890 | 776.944,91 | | 0,50 | 0,50 |
| <u>Denmark</u> | | | | | | | |
| DFDS A/S - | 5.831,00 | DKK | 322,600 | 252.984,73 | | 0,16 | 0,16 |
| GENMAB A/S - | 5.212,00 | DKK | 1.173,000 | 822.222,43 | | 0,52 | 0,53 |
| PANDORA A/S - | 11.347,00 | DKK | 924,000 | 1.410.067,58 | | 0,90 | 0,90 |
| SCHOUW & CO - | 7.119,00 | DKK | 526,000 | 503.606,86 | | 0,32 | 0,32 |
| TRYG A/S - | 20.000,00 | DKK | 127,700 | 343.485,01 | | 0,22 | 0,22 |
| VESTAS WINDS SYSTEMS - | 14.537,00 | DKK | 459,000 | 897.375,85 | | 0,57 | 0,57 |
| <u>Finland</u> | | | | | | | |
| AMER SPORTS CORP (HEL) | 38.355,00 | EUR | 25,280 | 969.614,40 | | 0,62 | 0,62 |
| HUHTAMAKI OYJ - | 12.281,00 | EUR | 35,280 | 433.273,68 | | 0,28 | 0,28 |
| UPM-KYMMENE CORP - | 53.186,00 | EUR | 23,340 | 1.241.361,24 | | 0,79 | 0,79 |
| <u>France</u> | | | | | | | |
| ARKEMA - | 17.729,00 | EUR | 92,940 | 1.647.733,26 | | 1,05 | 1,05 |
| ATOS SE - | 6.794,00 | EUR | 100,250 | 681.098,50 | | 0,43 | 0,44 |
| BNP PARIBAS SA - | 53.186,00 | EUR | 60,550 | 3.220.412,30 | | 2,05 | 2,06 |
| CAP GEMINI SA - | 19.725,00 | EUR | 80,150 | 1.580.958,75 | | 1,01 | 1,01 |
| CARREFOUR - | 24.109,00 | EUR | 22,890 | 551.855,01 | | 0,35 | 0,35 |
| CIE DE ST-GOBAIN - | 5.501,00 | EUR | 44,255 | 243.446,76 | | 0,16 | 0,16 |
| CREDIT AGRICOLE - | 99.282,00 | EUR | 11,780 | 1.169.541,96 | | 0,75 | 0,75 |
| CRITEO SA - | 11.001,00 | USD | 41,080 | 428.462,74 | | 0,27 | 0,27 |
| DANONE SA - | 14.246,00 | EUR | 60,200 | 857.609,20 | | 0,55 | 0,55 |
| EIFAGE SA - | 2.094,00 | EUR | 66,250 | 138.727,50 | | 0,09 | 0,09 |
| ELIOR GROUP - | 17.798,00 | EUR | 21,720 | 386.572,56 | | 0,25 | 0,25 |
| ENGIE - | 54.793,00 | EUR | 12,120 | 664.091,16 | | 0,42 | 0,43 |
| EULER HERMES SA - | 8.467,00 | EUR | 83,500 | 706.994,50 | | 0,45 | 0,45 |
| EUROFINS SCIENTIFIC - | 1.170,00 | EUR | 405,000 | 473.850,00 | | 0,30 | 0,30 |
| KLEPIERRE (CIE FONCIERE) - | 24.109,00 | EUR | 37,345 | 900.350,61 | | 0,57 | 0,58 |
| MAISONS DU MONDE SA - | 17.798,00 | EUR | 25,045 | 445.750,91 | | 0,28 | 0,29 |
| NATIXIS (PAR) | 109.585,00 | EUR | 5,360 | 587.375,60 | | 0,37 | 0,38 |

| | | | | | | | |
|----------------------------------|--------------|-----|---------|--------------|--|------|------|
| PEUGEOT - | 22.003,00 | EUR | 15,495 | 340.936,49 | | 0,22 | 0,22 |
| PUBLICIS GROUPE SA - | 6.407,00 | EUR | 65,550 | 419.978,85 | | 0,27 | 0,27 |
| RUBIS - | 6.194,00 | EUR | 78,330 | 485.176,02 | | 0,31 | 0,31 |
| SOCIETE GENERALE SA - | 46.095,00 | EUR | 46,745 | 2.154.710,78 | | 1,37 | 1,38 |
| STMICROELECTRONICS NV - | 70.916,00 | EUR | 10,775 | 764.119,90 | | 0,49 | 0,49 |
| TECHNIP SA (PAR) | 4.401,00 | EUR | 67,810 | 298.431,81 | | 0,19 | 0,19 |
| TOTAL - | 49.641,00 | EUR | 48,720 | 2.418.509,52 | | 1,54 | 1,55 |
| TRIGANO SA - | 13.297,00 | EUR | 74,330 | 988.366,01 | | 0,63 | 0,63 |
| VALEO - | 10.958,00 | EUR | 54,610 | 598.416,38 | | 0,38 | 0,38 |
| VEOLIA ENVIRONNEMENT SA (PAR) | 20.646,00 | EUR | 16,175 | 333.949,05 | | 0,21 | 0,21 |
| VINCIS.A. - | 17.930,00 | EUR | 64,700 | 1.160.071,00 | | 0,74 | 0,74 |
| VIVENDI SA - | 53.186,00 | EUR | 18,055 | 960.273,23 | | 0,61 | 0,61 |
| <u>Germany</u> | | | | | | | |
| ALLIANZ AG REG | 1.855,00 | EUR | 157,000 | 291.235,00 | | 0,19 | 0,19 |
| AURELIUS EQUITY OPPORTUNITIES - | 6.052,00 | EUR | 55,620 | 336.612,24 | | 0,22 | 0,22 |
| BAYER AG - | 21.917,00 | EUR | 99,130 | 2.172.632,21 | | 1,39 | 1,39 |
| COMPUGROUP MEDICAL AG - | 15.342,00 | EUR | 38,945 | 597.494,19 | | 0,38 | 0,38 |
| DAIMLER AG - | 16.438,00 | EUR | 70,720 | 1.162.495,36 | | 0,74 | 0,74 |
| DEUTSCHE BOERSE AG TENDER 2016 | 6.407,00 | EUR | 77,540 | 496.798,78 | | 0,32 | 0,32 |
| DEUTSCHE POST AG - | 27.396,00 | EUR | 31,235 | 855.714,06 | | 0,55 | 0,55 |
| DEUTSCHE TELEKOMINT FINREG | 170.952,00 | EUR | 16,355 | 2.795.919,96 | | 1,78 | 1,79 |
| DEUTSCHE WOHNEN AG - | 32.876,00 | EUR | 29,840 | 981.019,84 | | 0,63 | 0,63 |
| DRILLISCH (FRA) | 16.438,00 | EUR | 40,895 | 672.232,01 | | 0,43 | 0,43 |
| EVONIK INDUSTRIES AG - | 21.275,00 | EUR | 28,380 | 603.784,50 | | 0,39 | 0,39 |
| FRESENIUS MEDICAL CARE AG & CO - | 7.443,00 | EUR | 80,450 | 598.789,35 | | 0,38 | 0,38 |
| FRESENIUS SE & CO KGAA (FRA) | 9.974,00 | EUR | 74,260 | 740.669,24 | | 0,47 | 0,47 |
| HANNOVER RUECK SE (FRA) NAAM | 10.637,00 | EUR | 102,800 | 1.093.483,60 | | 0,70 | 0,70 |
| HENKEL KGAA PREF | 8.864,00 | EUR | 113,250 | 1.003.848,00 | | 0,64 | 0,64 |
| INFINEON TECHNOLOGIES AG - | 54.793,00 | EUR | 16,510 | 904.632,43 | | 0,58 | 0,58 |
| KUKA AG KUKA AG NEW | 8.439,00 | EUR | 114,850 | 969.219,15 | | 0,62 | 0,62 |
| LANXESS - | 14.184,00 | EUR | 62,350 | 884.372,40 | | 0,56 | 0,57 |
| MERCK KGAA - | 6.849,00 | EUR | 99,150 | 679.078,35 | | 0,43 | 0,43 |
| METRO AG - | 23.013,00 | EUR | 31,585 | 726.865,61 | | 0,46 | 0,47 |
| PROSIEBEN SAT.1 MEDIA AG PREF | 7.701,00 | EUR | 36,610 | 281.933,61 | | 0,18 | 0,18 |
| SALZGITTER AG - | 19.287,00 | EUR | 33,550 | 647.078,85 | | 0,41 | 0,41 |
| SAP AG - | 10.958,00 | EUR | 82,810 | 907.431,98 | | 0,58 | 0,58 |
| STADA ARZNEIMITTEL AG - | 9.255,00 | EUR | 49,185 | 455.207,18 | | 0,29 | 0,29 |
| STROOER SE & CO KGAA - | 16.438,00 | EUR | 41,580 | 683.492,04 | | 0,44 | 0,44 |
| TELEFONICA DEUTSCHLAND HOLDING - | 226.841,00 | EUR | 4,068 | 922.789,19 | | 0,59 | 0,59 |
| VOLKSWAGEN AG PREF | 13.946,00 | EUR | 133,350 | 1.859.699,10 | | 1,19 | 1,19 |
| WACKER CHEMIE AG - | 4.272,00 | EUR | 98,850 | 422.287,20 | | 0,27 | 0,27 |
| <u>Ireland</u> | | | | | | | |
| BANK OF IRELAND - | 1.210.268,00 | EUR | 0,234 | 283.202,71 | | 0,18 | 0,18 |
| C.R.H. PLC - | 28.721,00 | EUR | 32,955 | 946.500,56 | | 0,60 | 0,61 |
| DCC PLC - | 5.339,00 | GBP | 60,400 | 377.783,04 | | 0,24 | 0,24 |
| GREENCORE GROUP PLC - | 228.750,00 | GBP | 2,465 | 660.577,26 | | 0,42 | 0,42 |
| KINGSPAN GROUP PLC - | 51.505,00 | EUR | 25,800 | 1.328.829,00 | | 0,85 | 0,85 |
| RYANAIR HOLDINGS PLC (DUB) | 34.104,00 | EUR | 14,505 | 494.678,52 | | 0,32 | 0,32 |
| SMURFIT KAPPAPLC - | 18.236,00 | EUR | 21,795 | 397.453,62 | | 0,25 | 0,25 |
| TOTAL PRODUCEPLC - | 324.569,00 | EUR | 1,965 | 637.778,09 | | 0,41 | 0,41 |
| UDG HEALTHCARE PLC - | 87.668,00 | GBP | 6,685 | 686.575,19 | | 0,44 | 0,44 |
| <u>Israel</u> | | | | | | | |
| MOBILEYE NV - | 11.747,00 | USD | 38,120 | 424.551,45 | | 0,27 | 0,27 |
| <u>Italy</u> | | | | | | | |
| ANIMA HOLDING SPA - | 70.836,00 | EUR | 5,160 | 365.513,76 | | 0,23 | 0,23 |

| | | | | | | | |
|--|------------|-----|---------|--------------|--|------|------|
| AZIMUT HOLDING SPA - | 29.894,00 | EUR | 15,860 | 474.118,84 | | 0,30 | 0,30 |
| BANCA MEDIOLANUM SPA - | 26.904,00 | EUR | 6,830 | 183.754,32 | | 0,12 | 0,12 |
| BANCA POPOLARE DI MILANO (MIL) | 550.065,00 | EUR | 0,358 | 197.088,29 | | 0,13 | 0,13 |
| BPER BANCA - | 109.918,00 | EUR | 5,060 | 556.185,08 | | 0,35 | 0,36 |
| ENI - | 120.653,00 | EUR | 15,470 | 1.866.501,91 | | 1,19 | 1,19 |
| MEDIOBANCA (MIL) | 33.183,00 | EUR | 7,755 | 257.334,17 | | 0,16 | 0,17 |
| POSTE ITALIANE - | 149.416,00 | EUR | 6,305 | 942.067,88 | | 0,60 | 0,60 |
| RECORDATI SPA - | 17.798,00 | EUR | 26,920 | 479.122,16 | | 0,31 | 0,31 |
| <u>Jersey/The Channel Islands</u> | | | | | | | |
| SHIRE LTD - | 44.929,00 | GBP | 46,840 | 2.465.410,45 | | 1,57 | 1,58 |
| XLMEDIA PLC - | 338.162,00 | GBP | 0,930 | 368.428,61 | | 0,24 | 0,24 |
| <u>Luxembourg</u> | | | | | | | |
| ARCELORMITTAL - | 100.345,00 | EUR | 7,016 | 704.020,52 | | 0,45 | 0,45 |
| TENARIS SA - | 53.186,00 | EUR | 16,970 | 902.566,42 | | 0,58 | 0,58 |
| <u>Netherlands</u> | | | | | | | |
| ABN AMRO GROUP NV - | 54.793,00 | EUR | 21,050 | 1.153.392,65 | | 0,74 | 0,74 |
| APERAM - | 8.899,00 | EUR | 43,465 | 386.795,04 | | 0,25 | 0,25 |
| ASML HOLDING NV - | 8.767,00 | EUR | 106,650 | 935.000,55 | | 0,60 | 0,60 |
| ASR NEDERLAND NV - | 14.946,00 | EUR | 22,600 | 337.779,60 | | 0,22 | 0,22 |
| BASIC-FIT - | 37.258,00 | EUR | 16,030 | 597.245,74 | | 0,38 | 0,38 |
| CORBION NV (AMS)NRC | 15.952,00 | EUR | 25,430 | 405.659,36 | | 0,26 | 0,26 |
| HEINEKEN - | 10.637,00 | EUR | 71,260 | 757.992,62 | | 0,48 | 0,49 |
| ING GROEP NV - | 120.543,00 | EUR | 13,370 | 1.611.659,91 | | 1,03 | 1,03 |
| KONINKLIJKE D.S.M. NV (AMS) | 7.119,00 | EUR | 56,960 | 405.498,24 | | 0,26 | 0,26 |
| KONINKLIJKE PHILIPS ELECTRONICS N.V. - | 53.186,00 | EUR | 29,000 | 1.542.394,00 | | 0,98 | 0,99 |
| MUNICH RE FINANCE BV REG | 5.318,00 | EUR | 179,650 | 955.378,70 | | 0,61 | 0,61 |
| RANDSTAD HOLDING (AMS) | 17.095,00 | EUR | 51,530 | 880.905,35 | | 0,56 | 0,56 |
| REFRESCO GROUP NV - | 27.409,00 | EUR | 14,430 | 395.511,87 | | 0,25 | 0,25 |
| REPSOL INTERNATIONAL FINANCE B - | 104.105,00 | EUR | 13,420 | 1.397.089,10 | | 0,89 | 0,89 |
| ROYAL DUTCH SHELL PLC -A- | 109.572,00 | GBP | 22,425 | 2.878.575,56 | | 1,84 | 1,84 |
| SBM OFFSHORE NV (AMS) | 46.095,00 | EUR | 14,915 | 687.506,93 | | 0,44 | 0,44 |
| TKH GROUP NV - | 32.266,00 | EUR | 37,590 | 1.212.878,94 | | 0,77 | 0,78 |
| WESSANEN (AMS) | 67.943,00 | EUR | 13,310 | 904.321,33 | | 0,58 | 0,58 |
| <u>Norway</u> | | | | | | | |
| AKER ASA - | 17.095,00 | NOK | 323,000 | 608.182,07 | | 0,39 | 0,39 |
| DNB BANK ASA - | 40.794,00 | NOK | 128,400 | 576.930,23 | | 0,37 | 0,37 |
| STATOIL ASA - | 84.380,00 | NOK | 158,400 | 1.472.165,66 | | 0,94 | 0,94 |
| <u>Portugal</u> | | | | | | | |
| GALP ENERGIA SGPS SA - | 35.596,00 | EUR | 14,190 | 505.107,24 | | 0,32 | 0,32 |
| <u>South Africa</u> | | | | | | | |
| STEINHOFF INTL HOLD LTD - | 109.572,00 | EUR | 4,904 | 537.341,09 | | 0,34 | 0,34 |
| <u>Spain</u> | | | | | | | |
| ALMIRALL SA - | 55.889,00 | EUR | 14,760 | 824.921,64 | | 0,53 | 0,53 |
| BANCO SANTANDER CENTRAL HISPANO SA - | 336.846,00 | EUR | 4,959 | 1.670.419,31 | | 1,07 | 1,07 |
| BANKIA SA - | 266.971,00 | EUR | 0,971 | 259.228,84 | | 0,17 | 0,17 |
| CELLNEX TELECOM SAU - | 34.104,00 | EUR | 13,665 | 466.031,16 | | 0,30 | 0,30 |
| GAMESA CORP TECNOLOGICA SA - | 18.154,00 | EUR | 19,270 | 349.827,58 | | 0,22 | 0,22 |
| IBERDROLA SA - | 104.105,00 | EUR | 6,234 | 648.990,57 | | 0,41 | 0,42 |
| <u>Sweden</u> | | | | | | | |
| BIOGAIA AB - | 10.679,00 | SEK | 300,000 | 334.345,65 | | 0,21 | 0,21 |
| DOMETIC GROUP AB - | 164.378,00 | SEK | 66,950 | 1.148.518,80 | | 0,73 | 0,73 |
| HEXAGON AB -B- | 6.280,00 | SEK | 325,500 | 213.331,25 | | 0,14 | 0,14 |
| INTRUM JUSTITIA AB - | 22.331,00 | SEK | 307,400 | 716.400,48 | | 0,46 | 0,46 |

| | | | | | | | |
|------------------------------------|--------------|-----|-----------|----------------|--|-------|--------|
| SWEDBANK - | 5.500,00 | SEK | 220,300 | 126.450,64 | | 0,08 | 0,08 |
| VOLVO TREASURY AB "B" | 35.240,00 | SEK | 106,400 | 391.310,37 | | 0,25 | 0,25 |
| <u>Switzerland</u> | | | | | | | |
| ADECCO GROUP AG REG | 10.301,00 | CHF | 66,650 | 640.449,30 | | 0,41 | 0,41 |
| CS GROUP REG | 38.709,00 | CHF | 14,610 | 527.554,56 | | 0,34 | 0,34 |
| EMMI AG - | 781,00 | CHF | 616,500 | 449.147,85 | | 0,29 | 0,29 |
| FORBO HOLDING - | 548,00 | CHF | 1.313,000 | 671.197,76 | | 0,43 | 0,43 |
| JULIUS BAER HOLDING "B" | 7.119,00 | CHF | 45,230 | 300.366,02 | | 0,19 | 0,19 |
| LONZA AG - | 3.546,00 | CHF | 176,300 | 583.171,46 | | 0,37 | 0,37 |
| NESTLE AG REG | 20.821,00 | CHF | 73,050 | 1.418.819,08 | | 0,90 | 0,91 |
| NOVARTIS AG REG | 56.984,00 | CHF | 74,100 | 3.938.912,69 | | 2,51 | 2,52 |
| ROCHE HOLDING GENOTS | 16.438,00 | CHF | 232,600 | 3.566.677,99 | | 2,27 | 2,28 |
| SIKA FINANZ AG - | 160,00 | CHF | 4.892,000 | 730.149,25 | | 0,47 | 0,47 |
| SWISS RE - | 21.914,00 | CHF | 96,500 | 1.972.668,84 | | 1,26 | 1,26 |
| THE SWATCH GROUP AG - | 1.992,00 | CHF | 316,700 | 588.494,78 | | 0,38 | 0,38 |
| UBS GROUP AG - | 27.501,00 | CHF | 15,950 | 409.179,99 | | 0,26 | 0,26 |
| <u>U.K.</u> | | | | | | | |
| ANGLO AMERICAN PLC PLC | 120.543,00 | GBP | 11,600 | 1.638.119,49 | | 1,04 | 1,05 |
| ASSOCIATED BRITISH FOODS PLC - | 21.917,00 | GBP | 27,450 | 704.805,12 | | 0,45 | 0,45 |
| AVIVA PLC - | 83.701,00 | GBP | 4,864 | 476.946,65 | | 0,30 | 0,31 |
| BARCLAYS BANK PLC - | 499.952,00 | GBP | 2,235 | 1.308.742,67 | | 0,83 | 0,84 |
| BEAZLEY PLC/UK - | 143.556,00 | GBP | 3,875 | 651.686,39 | | 0,42 | 0,42 |
| BELLWAY PLC - | 21.917,00 | GBP | 24,760 | 635.736,79 | | 0,41 | 0,41 |
| BRITISH AMERICAN TOBACCO PLC - | 59.767,00 | GBP | 46,215 | 3.235.862,12 | | 2,06 | 2,07 |
| BUNZL - | 29.883,00 | GBP | 21,090 | 738.322,95 | | 0,47 | 0,47 |
| CARNIVAL PLC PLC | 7.831,00 | GBP | 41,250 | 378.431,06 | | 0,24 | 0,24 |
| COMPASS GROUP - | 79.689,00 | GBP | 15,010 | 1.401.279,16 | | 0,89 | 0,90 |
| DIXONS CARPHONE PLC - | 125.000,00 | GBP | 3,546 | 519.271,32 | | 0,33 | 0,33 |
| EXPERIAN GROUP LTD - | 30.684,00 | GBP | 15,740 | 565.799,16 | | 0,36 | 0,36 |
| GLAXOSMITHKLINE PLC - | 72.326,00 | GBP | 15,620 | 1.323.491,24 | | 0,84 | 0,85 |
| HSBC HOLDING PLC - | 83.375,00 | GBP | 6,569 | 641.624,15 | | 0,41 | 0,41 |
| JOHNSON MATTHEY PLC - | 29.883,00 | GBP | 31,820 | 1.113.960,94 | | 0,71 | 0,71 |
| JUST EAT PLC - | 68.754,00 | GBP | 5,835 | 469.985,46 | | 0,30 | 0,30 |
| LLOYDS BANKING GROUP PLC - | 1.650.914,00 | GBP | 0,625 | 1.208.981,19 | | 0,77 | 0,77 |
| MCBRIDE PLC - | 143.017,00 | GBP | 1,810 | 303.257,70 | | 0,19 | 0,19 |
| MELROSE INDUSTRIES PLC - | 287.207,00 | GBP | 1,978 | 665.360,64 | | 0,42 | 0,43 |
| NEXT PLC - | 7.119,00 | GBP | 49,830 | 415.580,80 | | 0,27 | 0,27 |
| ON THE BEACH GROUP PLC - | 145.217,00 | GBP | 2,773 | 471.666,04 | | 0,30 | 0,30 |
| ORANGE PLC - | 63.560,00 | EUR | 14,435 | 917.488,60 | | 0,59 | 0,59 |
| PLAYTECH PLC - | 63.824,00 | GBP | 8,260 | 617.603,37 | | 0,39 | 0,40 |
| PRUDENTIAL PLC - | 18.535,00 | GBP | 16,275 | 353.394,01 | | 0,23 | 0,23 |
| RECKITT BENCKISER PLC - | 38.355,00 | GBP | 68,860 | 3.094.101,80 | | 1,97 | 1,98 |
| RENISHAW PLC - | 15.306,00 | GBP | 25,280 | 453.298,59 | | 0,29 | 0,29 |
| RIGHTMOVE GROUP PLC - | 5.232,00 | GBP | 39,030 | 239.227,93 | | 0,15 | 0,15 |
| RIO TINTO PLC - | 27.396,00 | GBP | 31,585 | 1.013.709,77 | | 0,65 | 0,65 |
| ROYAL BANK OF SCOTLAND GROUP PLC - | 46.335,00 | GBP | 2,246 | 121.917,07 | | 0,08 | 0,08 |
| SCAPA GROUP PLC - | 328.716,00 | GBP | 3,350 | 1.290.063,96 | | 0,82 | 0,83 |
| SOFTCAT PLC - | 56.954,00 | GBP | 2,949 | 196.763,53 | | 0,13 | 0,13 |
| WPP GROUP PLC - | 69.728,00 | GBP | 18,160 | 1.483.435,43 | | 0,95 | 0,95 |
| 4IMPRINT GROUP PLC - | 42.550,00 | GBP | 17,750 | 884.796,74 | | 0,56 | 0,57 |
| <u>U.S.A.</u> | | | | | | | |
| AERCAP HOLDINGS NV - | 21.917,00 | USD | 41,610 | 864.627,99 | | 0,55 | 0,55 |
| PRICELINE GROUP INC/THE - | 356,00 | USD | 1.466,060 | 494.825,66 | | 0,32 | 0,32 |
| Total shares | | | | 156.838.784,18 | | 99,96 | 100,28 |

| | | | | | | | |
|--|---------------|-----|-------|----------------|--|--------|--------|
| Rights | | | | | | | |
| <u>France</u> | | | | | | | |
| TOTAL CP 21/12/16 | 49.835,00 | EUR | 0,610 | 30.399,35 | | 0,02 | 0,02 |
| <u>Italy</u> | | | | | | | |
| BANCA POPOLARE DI MILANO CP25/11/16 | 500.000,00 | EUR | 0,000 | 50,00 | | | |
| <u>Spain</u> | | | | | | | |
| REPSOL YPF SA CP 19/12/16 | 104.512,00 | EUR | 0,352 | 36.788,22 | | 0,02 | 0,02 |
| Total rights | | | | 67.237,57 | | 0,04 | 0,04 |
| TOTAL SECURITIES PORTFOLIO | | | | 156.906.021,75 | | 100,00 | 100,33 |
| COLLATERAL RECEIVED | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING | 464.385,02 | EUR | 1,000 | 464.385,02 | | | 0,30 |
| TOTAL RECEIVED COLLATERAL | | | | 464.385,02 | | | 0,30 |
| CASH ATBANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP AUD | 3.396,38 | AUD | 1,000 | 2.331,72 | | | 0,00 |
| KBC GROUP CHF | 131.894,74 | CHF | 1,000 | 123.036,14 | | | 0,08 |
| KBC GROUP CZK | -1.007.422,32 | CZK | 1,000 | -37.283,63 | | | -0,02 |
| KBC GROUP DKK | 143.857,71 | DKK | 1,000 | 19.347,29 | | | 0,01 |
| KBC GROUP EURO | -437.777,20 | EUR | 1,000 | -437.777,20 | | | -0,28 |
| KBC GROUP GBP | 129.614,33 | GBP | 1,000 | 151.844,34 | | | 0,10 |
| KBC GROUP NOK | 194.736,11 | NOK | 1,000 | 21.449,07 | | | 0,01 |
| KBC GROUP SEK | 191.881,58 | SEK | 1,000 | 20.025,21 | | | 0,01 |
| KBC GROUP USD | 23.107,20 | USD | 1,000 | 21.907,75 | | | 0,01 |
| KBC GROUP ZAR | 12.193,20 | ZAR | 1,000 | 845,36 | | | 0,00 |
| Total demand accounts | | | | -114.273,95 | | | -0,07 |
| Managed futures accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EURO FUT REK | 2.162,25 | EUR | 1,000 | 2.162,25 | | | 0,00 |
| Total managed futures accounts | | | | 2.162,25 | | | 0,00 |
| TOTAL CASH AT BANK AND IN HAND | | | | -112.111,70 | | | -0,07 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP CZK RECEIVABLE | 21.332,01 | CZK | 1,000 | 789,48 | | | 0,00 |
| KBC GROUP EUR RECEIVABLE | 421,14 | EUR | 1,000 | 421,14 | | | |
| Total receivables | | | | 1.210,62 | | | 0,00 |
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING TEGENP | -464.385,02 | EUR | 1,000 | -464.385,02 | | | -0,30 |
| KBC GROUP CZK PAYABLE | -169.300,86 | CZK | 1,000 | -6.265,64 | | | 0,00 |

| | | | | | | | |
|--------------------------------|-------------|-----|-------|-----------------------|--|--|---------------|
| KBC GROUP EUR PAYABLE | -220.193,52 | EUR | 1,000 | -220.193,52 | | | -0,14 |
| Payables | | | | -690.844,18 | | | -0,44 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -689.633,56 | | | -0,44 |
| OTHER | | | | | | | |
| Interest receivable | | EUR | | 54.896,27 | | | 0,04 |
| Expenses payable | | EUR | | -229.362,03 | | | -0,15 |
| TOTAL OTHER | | | | -174.465,76 | | | -0,11 |
| TOTAL NET ASSETS | | | | 156.394.195,75 | | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|----------------------------|---------------|---------------|---------------|---------------|
| Austria | 0,59 | 0,00 | 0,40 | 1,44 |
| Belgium | 3,38 | 2,92 | 1,87 | 3,56 |
| Bermuda | 0,28 | 0,31 | 0,52 | 0,50 |
| Switzerland | 11,33 | 12,45 | 12,12 | 10,07 |
| Germany | 8,43 | 13,69 | 14,88 | 16,38 |
| Denmark | 4,72 | 4,89 | 6,70 | 2,70 |
| Spain | 4,59 | 1,72 | 2,28 | 3,60 |
| Finland | 1,35 | 1,39 | 2,16 | 1,69 |
| France | 14,22 | 14,60 | 19,71 | 16,92 |
| U.K. | 25,68 | 24,79 | 16,50 | 17,82 |
| Ireland | 3,17 | 3,11 | 3,36 | 3,71 |
| Israel | 0,00 | 0,00 | 0,00 | 0,27 |
| Italy | 7,17 | 5,17 | 2,96 | 3,39 |
| Jersey/The Channel Islands | 1,04 | 1,02 | 2,00 | 2,22 |
| Luxembourg | 0,99 | 0,42 | 0,50 | 1,02 |
| Netherlands | 7,45 | 8,78 | 8,76 | 9,62 |
| Norway | 0,78 | 0,23 | 0,70 | 1,69 |
| Portugal | 0,95 | 0,68 | 0,70 | 0,32 |
| Sweden | 2,72 | 3,01 | 2,44 | 1,87 |
| U.S.A. | 1,16 | 0,56 | 0,51 | 0,87 |
| South Africa | 0,00 | 0,26 | 0,93 | 0,34 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Cyclicals | 24,79 | 22,45 | 24,70 | 28,77 |
| Consum(cycl) | 14,21 | 16,26 | 12,87 | 18,09 |
| Cons.goods | 15,27 | 16,50 | 18,21 | 10,55 |
| Pharma | 11,27 | 13,38 | 18,44 | 10,79 |
| Financials | 21,21 | 18,12 | 10,38 | 19,46 |
| Technology | 5,22 | 5,57 | 7,13 | 6,53 |
| Telecomm. | 4,11 | 3,62 | 4,96 | 3,25 |
| Utilities | 2,88 | 3,07 | 1,51 | 1,36 |
| Real est. | 0,81 | 0,96 | 1,80 | 1,20 |
| Various | 0,23 | 0,07 | 0,00 | 0,00 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| CHF | 14,11 | 14,59 | 15,21 | 10,17 |
| CZK | 0,02 | 0,02 | 0,12 | -0,03 |
| DKK | 4,81 | 4,95 | 6,61 | 2,71 |
| EUR | 45,62 | 44,89 | 46,68 | 59,01 |
| GBP | 30,78 | 31,59 | 27,58 | 23,12 |
| NOK | 0,81 | 0,27 | 0,64 | 1,71 |
| SEK | 2,78 | 3,06 | 2,03 | 1,88 |
| USD | 1,07 | 0,63 | 1,13 | 1,43 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND EUROPE (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|------------------|
| Purchases | 281.245.350,18 | 188.585.435,75 | 469.830.785,93 |
| Sales | 440.187.490,10 | 122.334.645,23 | 562.522.135,33 |
| Total 1 | 721.432.840,28 | 310.920.080,98 | 1.032.352.921,26 |
| Subscriptions | 200.679.069,71 | 109.886.892,24 | 310.565.961,95 |
| Redemptions | 353.711.382,96 | 45.091.380,61 | 398.802.763,57 |
| Total 2 | 554.390.452,67 | 154.978.272,85 | 709.368.725,53 |
| Monthly average of total assets | 173.995.968,30 | 70.109.654,40 | 122.052.811,35 |
| Turnover rate | 96,00 % | 222,42 % | 264,63 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|------------------|
| Purchases | 281.245.350,18 | 188.585.435,75 | 469.830.785,93 |
| Sales | 440.187.490,10 | 122.334.645,23 | 562.522.135,33 |
| Total 1 | 721.432.840,28 | 310.920.080,98 | 1.032.352.921,26 |
| Subscriptions | 200.679.069,71 | 109.886.892,24 | 310.565.961,95 |
| Redemptions | 353.711.382,96 | 45.091.380,61 | 398.802.763,57 |
| Total 2 | 554.390.452,67 | 154.978.272,85 | 709.368.725,53 |
| Monthly average of total assets | 164.392.382,40 | 70.568.929,09 | 123.339.021,62 |
| Corrected turnover rate | 101,61 % | 220,98 % | 261,87 % |

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

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

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

Active asset management may result in high turnover rates (monthly percentage >50%), reason: Monthly rebalance in line with KBC AM strategic outlook.

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

| NAME | Currency | Value in currency | In the currency of the sub-fund | Lot-size | Transaction date |
|--|----------|-------------------|---------------------------------|----------|------------------|
| COLLATER ONTVANGEN SECURITIES LENDING | EUR | 464.385,02 | 464.385,02 | N/A | 31.12.2016 |

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

Classic Shares

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|----------|-------------|----------|---------------|----------|-----------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 3.431,78 | 1.107,58 | 5.018,12 | 1.182,00 | 19.744,66 | 4.166,24 | 23.910,90 |
| 2015 - 12 | 2.473,11 | 1.412,00 | 4.465,40 | 606,82 | 17.752,37 | 4.971,41 | 22.723,78 |
| 2016 - 12 | 1.319,72 | 173,00 | 3.385,64 | 1.176,00 | 15.686,45 | 3.968,41 | 19.654,86 |

| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 4.893.396,96 | 1.145.050,01 | 7.160.422,04 | 1.247.152,20 |
| 2015 - 12 | 4.048.054,31 | 1.651.023,87 | 7.483.630,46 | 736.775,38 |
| 2016 - 12 | 1.974.724,82 | 183.337,44 | 5.076.197,98 | 1.202.565,73 |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 33.208.388,15 | 1.459,66 | 1.053,21 |
| 2015 - 12 | 35.084.369,39 | 1.649,13 | 1.168,35 |
| 2016 - 12 | 29.107.800,65 | 1.580,10 | 1.089,02 |

Institutional B Shares

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|------|-------------|------|---------------|------|------------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 524.904,50 | | 396.191,61 | | 312.018,89 | | 312.018,89 |
| 2015 - 12 | 358.934,72 | | 536.319,56 | | 134.634,06 | | 134.634,06 |
| 2016 - 12 | 205.306,94 | | 265.806,57 | | 74.134,43 | | 74.134,43 |

| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 760.696.326,77 | | 544.612.740,31 | |
| 2015 - 12 | 606.465.135,71 | | 876.090.106,64 | |
| 2016 - 12 | 309.662.274,34 | | 394.324.423,03 | |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 455.674.276,62 | 1.460,41 | |
| 2015 - 12 | 222.216.201,34 | 1.650,52 | |
| 2016 - 12 | 117.216.266,91 | 1.581,13 | |

Classic Shares CZK

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|------|-------------|------|---------------|------|------------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 152.959,60 | | 5.416,57 | | 147.543,03 | | 147.543,03 |
| 2015 - 12 | 133.257,51 | | 28.860,71 | | 251.939,83 | | 251.939,83 |
| 2016 - 12 | 51.078,56 | | 43.519,19 | | 259.499,20 | | 259.499,20 |

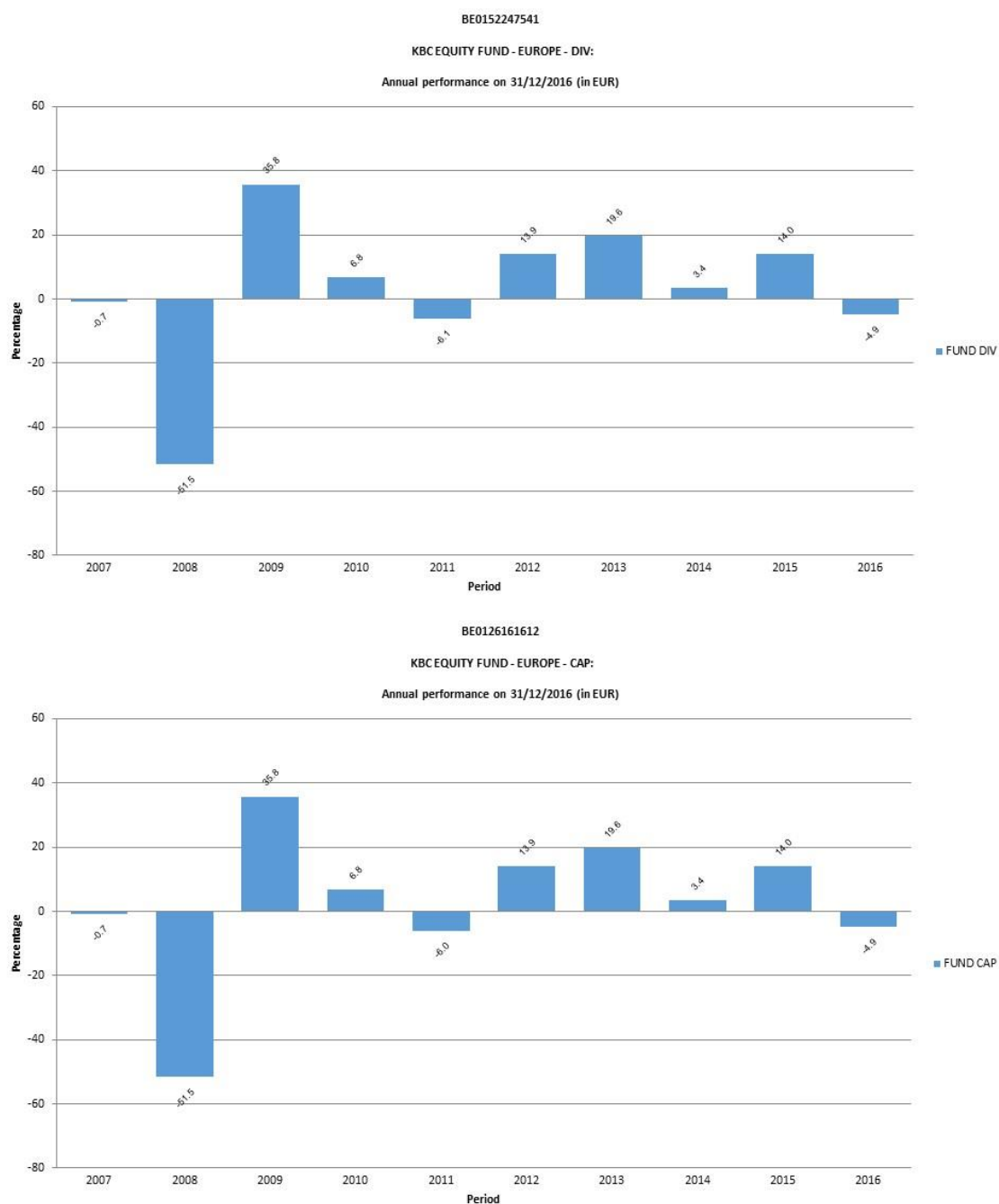
| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 151.289.055,89 | | 5.245.474,64 | |
| 2015 - 12 | 150.826.099,24 | | 31.986.283,68 | |
| 2016 - 12 | 50.534.593,88 | | 43.258.760,71 | |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 146.394.671,61 | 992,20 | |
| 2015 - 12 | 275.522.743,86 | 1.093,58 | |
| 2016 - 12 | 272.099.898,68 | 1.048,56 | |

A reference currency cannot be allocated to a share class. The net asset value for share classes can, however, be denominated in different currencies. Please refer to the general section of this annual or half-yearly report for the exchange rates used.

2.4.5 PERFORMANCE FIGURES

Classic Shares

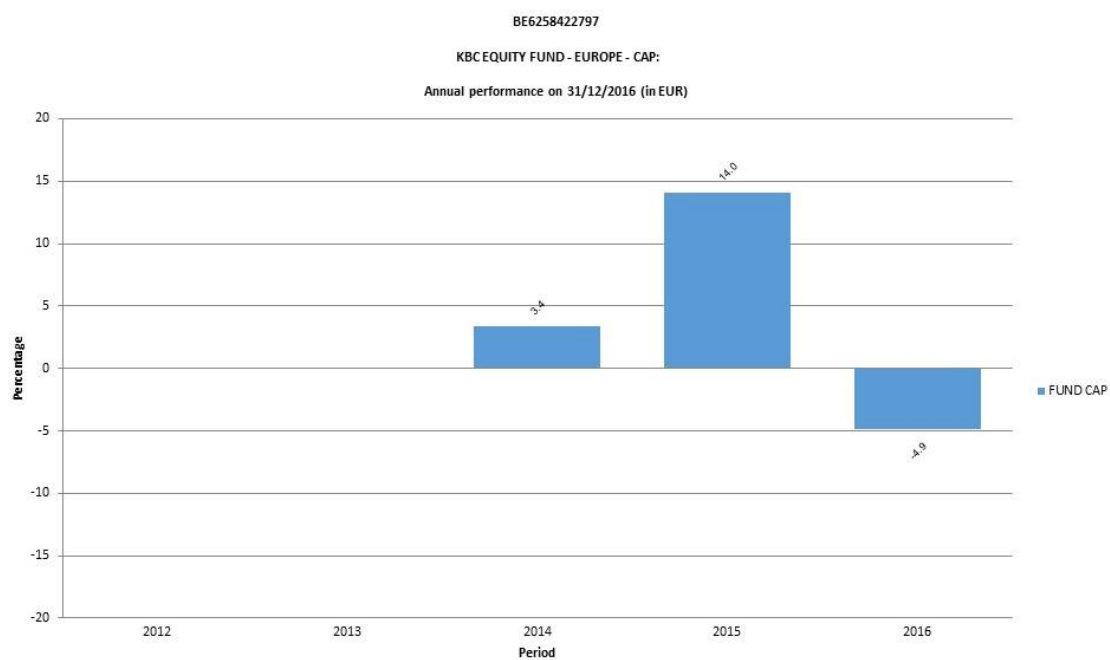


| Cap Div | ISIN code | Cur- rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|---------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE0126161612 | EUR | -4.87% | | 3.88% | | 8.84% | | 0.02% | | 17/04/1991 | 4.60% |
| DIV | BE0152247541 | EUR | -4.87% | | 3.87% | | 8.84% | | 0.01% | | 17/04/1991 | 4.60% |

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

* Return on annual basis.

Institutional B Shares

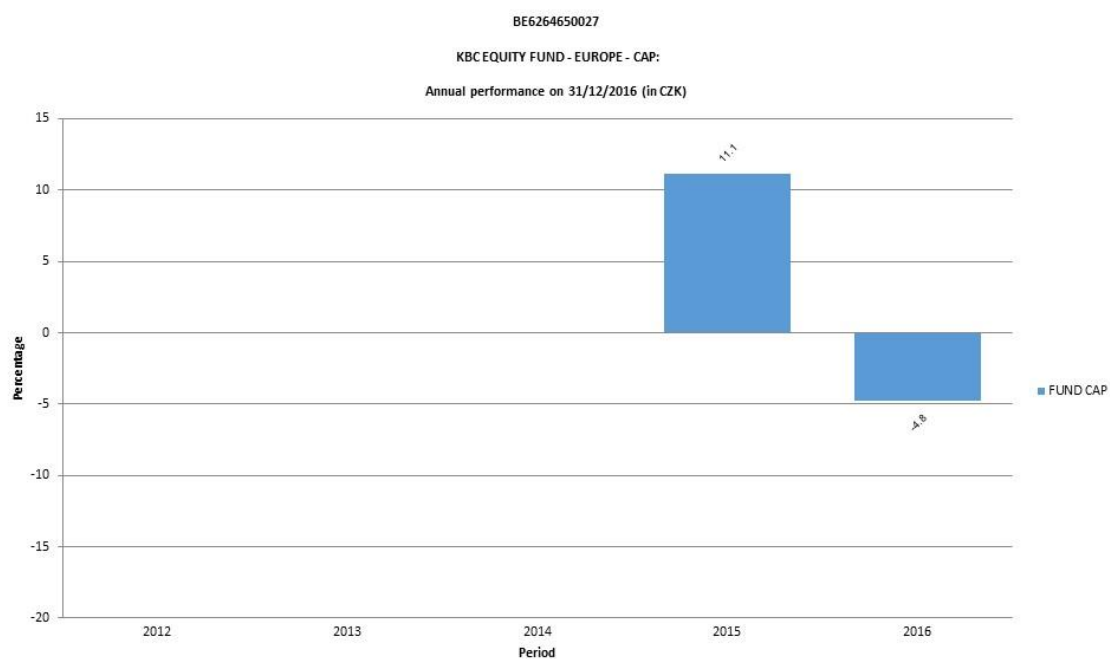
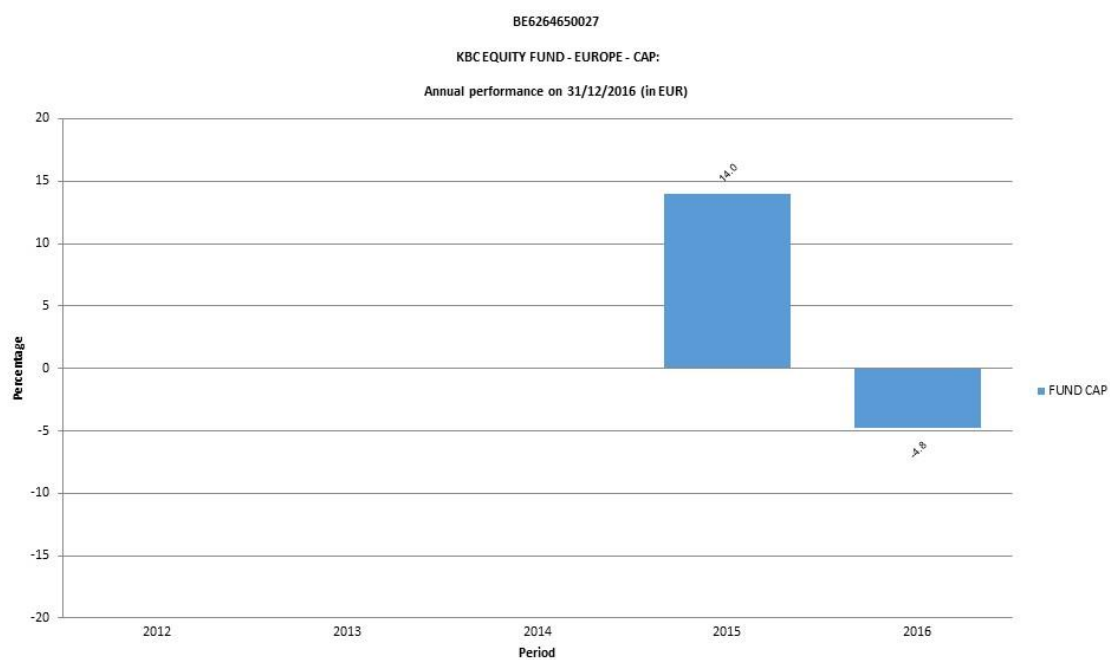


| Cap Div | ISIN code | Cur-rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE6258422797 | EUR | -4.89% | | 3.89% | | | | | | 24/10/2013 | |

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

* Return on annual basis.

Classic Shares CZK



| Cap Div | ISIN code | Cur- rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|---------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE6264650027 | EUR | -4.80% | | | | | | | | 02/06/2014 | |
| CAP | BE6264650027 | CZK | -4.80% | | | | | | | | 02/06/2014 | |

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

* Return on annual basis.

Classic Shares

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

Capitalisation units (CAP)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

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

For dividend i on date Di with value Wi:

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

$i = 1 \dots N$

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

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

These are the performance figures for capitalisation and distribution shares.

Institutional B Shares

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

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

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

These are the performance figures for capitalization shares.

Classic Shares CZK

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

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

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

These are the performance figures for capitalization shares.

Dividend on ex-dividend date 31/03/2017: 18.5678 EUR net (26.5254 EUR 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.

2.4.6 COSTS

Ongoing Charges: *

Classic Shares Distribution: 1.917%

Classic Shares Capitalization: 1.919%

Institutional B Shares Capitalization: 1.855%

Classic Shares CZK Capitalization: 1.842%

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

EXISTENCE OF COMMISSION SHARING AGREEMENTS

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

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

| Broker | Commission gross in EUR paid during the period: 1-01-16 | CSA Credits in EUR accrued during the period: 1-01-16 | Percentage |
|------------------------------------|--|--|------------|
| | - 31-12-16 | - 31-12-16 | |
| CITI | 15.179 | 3.741 | 24,64% |
| CSFBSAS | 69.965 | 17.878 | 25,55% |
| DEUTSCHE | 42.515 | 12.417 | 29,21% |
| EQ CSA GOLDMAN SACHS INTERNATIONAL | 507 | 127 | 25,00% |
| HSBC | 50.831 | 11.507 | 22,64% |
| INSTINET | 49.192 | 11.705 | 23,79% |
| MACQUARIE | 45.542 | 11.512 | 25,28% |
| MERRILL | 2.719 | 1.016 | 37,36% |
| MORGAN STANLEY | 46.857 | 11.281 | 24,07% |
| SOCGEN | 17.050 | 3.122 | 18,31% |
| UBSWDR | 25.705 | 9.166 | 35,66% |

FEE-SHARING AGREEMENTS AND REBATES:

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

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

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

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

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

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

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

Exercising voting rights.

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

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

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

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

Securities lending

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

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 94,848.41 EUR and from bond lending to 0.00 EUR. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

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

Overview of securities lent as at 30/12/2016

| Name | Currency | Quantity | Price | Value in currency of the portfolio |
|----------------------------|----------|----------|--------|------------------------------------|
| DRILLISCH AG | EUR | 10,000 | 40.895 | 408,950.00 |
| TOTAL SA-SCRIP CP 21/12/16 | EUR | 43,000 | 0.61 | 26,230.00 |
| Total | | | | 435,180.00 |

Details of collateral received for securities lent

| Name | Currency | Nominal value | Currency fund | Value in currency fund |
|-------------------------------------|----------|---------------|---------------|------------------------|
| REPUBLIC OF AUSTRI 0.0 15JUL23 144A | EUR | 462000 | EUR | 463,386.00 |
| SCHWEIZ 2002 3% 08/01/18 | CHF | 1000 | EUR | 999.02 |
| Total | | | | 464,385.02 |

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

The amount in securities lent on a traded basis, as given in the annual report, can differ from the amount in securities lent on a settled basis.

The position held as collateral is determined on the basis of the settled positions.

Transparency of securities financing transactions and of reuse

Global data:

| | | |
|---|------------|-----|
| 1) The amount of securities and commodities on loan as a proportion of total lendable assets defined as excluding cash and cash equivalents; | 0,28 | % |
| 2) The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) and as a proportion of the collective investment undertaking's assets under management (AUM). | | |
| The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) | 435.180,00 | EUR |
| proportion of the collective investment undertaking's assets under management (AUM) | 0,28 | % |

Concentration data:

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

| <u>name collateral issuer</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-------------------------------|--|-----------------|
| REPUBLIC OF AUSTRIA | 463.386,00 | EUR |
| SWISS CONFEDERATION | 999,02 | EUR |

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

| <u>type SFT (lending program)</u> | <u>name counterparty</u> | <u>Country of counterparty</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-----------------------------------|----------------------------------|--------------------------------|--|-----------------|
| equity (Goldman Sachs) | Citigroup Global Markets Limited | UK | 435.180,00 | EUR |

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

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

| <u>collateral</u> | <u>quality</u> | <u>Currency</u> |
|-------------------------------------|------------------|-----------------|
| SCHWEIZ 2002 3% 08/01/18 | investment grade | CHF |
| REPUBLIC OF AUSTRI 0.0 15JUL23 144A | investment grade | EUR |

Data on reuse of collateral:

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

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

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

| <u>number</u> | <u>Name collateral custodian</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|---------------|----------------------------------|--|-----------------|
| 1 | Bank of New York | 464.385,02 | EUR |

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

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

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

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

| <u>Lending program: equity (Goldman Sachs)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 54.057,18 | 14.054,87 | 4.865,15 |
| percentage of overall returns | 100,00% | 26,00% | 9,00% |
| cost (EUR) | 18.920,01 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 36.207,86 | 12.672,75 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 12.672,75 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 4.583,37 | 1.604,18 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 1.604,18 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND BRIC

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launched date: 24 May 2006
Initial subscription price: 1000 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object. The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

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

PERMITTED DERIVATIVES TRANSACTIONS:

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

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

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

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

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

The sub-fund invests primarily in shares of companies from different sectors in Brazil, Russia, India and China.

RISK CONCENTRATION

Shares of Brazilian, Russian, Indian and Chinese companies.

Lending financial instruments:

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

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

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

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

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

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

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

Volatility of the net asset value:

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

General strategy for hedging the exchange rate risk:

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

Social, ethical and environmental aspects:

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

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

KBC Equity Fund BRIC invests in the four developing countries that make up the BRIC acronym: Brazil, Russia, India and China. The fund follows the MSCI BRIC Index and under/over-weights by country based on a combined strategy and portfolio manager input.

2.1.8 FUTURE POLICY

The fund will continue to follow the MSCI BRIC Index and under/over-weight by country based on a combined strategy and portfolio manager input.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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

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

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 114,939.28 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 | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|---|
| TOTAL NET ASSETS | | 34.109.577,75 | 31.994.113,94 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | 79,14 | 107,27 |
| a) Collateral received in the form of bonds | | | 4.790.475,04 |
| C. Shares and similar instruments | | | |
| a) Shares | | 34.225.397,14 | 29.073.290,01 |
| Of which securities lent | | | 4.384.365,56 |
| D. Other securities | | | 1.280,86 |
| E. Open-end undertakings for collective investment | | | 3.174.815,69 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 2.446,17 | 9.682,07 |
| B. Payables | | | |
| a) Accounts payable (-) | | -54.272,13 | -11.021,94 |
| d) Borrowings (-) | | -85.906,06 | -282.457,67 |
| e) Collateral (-) | | | -4.790.475,04 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 790,79 | 20.539,90 |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | 64.572,95 | 45.620,46 |
| C. Accrued expense (-) | | -43.530,25 | -37.742,71 |
| TOTAL SHAREHOLDERS' EQUITY | | 34.109.577,75 | 31.994.113,94 |
| A. Capital | | 30.957.352,56 | 30.793.054,33 |
| B. Income equalization | | -5.703,42 | -20.080,98 |
| D. Result of the book year | | 3.157.928,61 | 1.221.140,59 |

Off-balance-sheet headings

| | | | |
|-------|-------------------------------|--|--------------|
| I | Collateral (+/-) | | |
| I.A | Collateral (+/-) | | |
| I.A.A | Securities/market instruments | | 4.790.475,04 |
| IX | Financial instruments lent | | 4.384.365,56 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|--|
| I. Net gains(losses) on investments | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | 2,96 | 71,75 |
| C. Shares and similar instruments | | | |
| a) Shares | | 2.104.116,16 | 49.787,06 |
| D. Other securities | | 277,36 | -518,09 |
| E. Open-end undertakings for collective investment | | -446.713,15 | -634.095,73 |
| G. Receivables, deposits, cash at bank and in hand and payables | | | 0,13 |
| H. Foreign exchange positions and transactions | | | |
| b) Other foreign exchange positions and transactions | | 1.393.997,38 | 1.682.038,98 |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | | 2.214.429,60 | 8.567.523,56 |
| Unrealised gains on investments | | 447.683,04 | -2.664.830,10 |
| Realised losses on investments | | -3.577.078,85 | -3.770.684,89 |
| Unrealised losses on investments | | 3.966.646,92 | -1.034.724,47 |
| II. Investment income and expenses | | | |
| A. Dividends | | 714.191,79 | 893.251,08 |
| B. Interests | | | |
| a) Securities and money market instruments | | 994,38 | 4.410,72 |
| b) Cash at bank and in hand and deposits | | 71,15 | -87,93 |
| C. Interest on borrowings (-) | | -436,19 | -560,59 |
| IV. Operating expenses | | | |
| A. Investment transaction and delivery costs (-) | | -39.807,31 | -85.549,68 |
| B. Financial expenses (-) | | -1.339,05 | -289,75 |
| C. Custodian's fee (-) | | -23.879,56 | -33.968,37 |
| D. Manager's fee (-) | | | |
| a) Financial management | | -473.334,60 | -581.475,19 |
| b) Administration and accounting management | | -31.190,48 | -38.554,00 |
| E. Administrative expenses (-) | | -0,18 | -608,96 |
| F. Formation and organisation expenses (-) | | -3.263,49 | -2.639,39 |
| G. Remuneration, social security charges and pension | | -2,72 | |
| H. Services and sundry goods (-) | | -4.476,65 | -3.140,06 |
| J. Taxes | | -29.652,79 | -22.805,97 |
| K. Other expenses (-) | | -1.626,40 | -4.125,42 |
| Income and expenditure for the period | | | |
| Subtotal II + III + IV | | 106.247,90 | 123.856,49 |
| V. Profit (loss) on ordinary activities before tax | | 3.157.928,61 | 1.221.140,59 |
| VII. Result of the book year | | 3.157.928,61 | 1.221.140,59 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | 3.152.225,19 | 1.201.059,61 |
| Profit for the period available for appropriation | 3.157.928,61 | 1.221.140,59 |
| Income on the creation of shares (income on the cancellation of shares) | -5.703,42 | -20.080,98 |
| II. (Appropriations to) Deductions from capital | -3.046.810,28 | -1.068.981,08 |
| IV. (Dividends to be paid out) | -105.414,91 | -132.078,53 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND BRIC

| Name | Quantity on 31/12/2016 | Currency | Price in currency | Evaluation (in the currency of the sub-fund) | % owned by UCI | % portfolio | % Net assets |
|---|---------------------------|----------|----------------------|--|----------------------|----------------|--------------------|
| NET ASSETS | | | | | | | |
| SECURITIES PORTFOLIO | | | | | | | |
| Bonds | | | | | | | |
| Corporate bonds | | | | | | | |
| <u>India</u> | | | | | | | |
| NTPC LTD 15/25 8.49% 25/3 | 38.338,00 | INR | 13,950 | 79,14 | | | |
| Total bonds | | | | 79,14 | | | |
| Shares | | | | | | | |
| Exchange-listed shares | | | | | | | |
| <u>Bermuda</u> | | | | | | | |
| CNPC HONG KONG LTD - | 74.000,00 | HKD | 5,800 | 52.484,52 | | 0,15 | 0,15 |
| <u>Brazil</u> | | | | | | | |
| AMBEV SA - | 76.936,00 | BRL | 16,400 | 367.546,51 | | 1,07 | 1,08 |
| BANCO BRADESCO S.A. - | 12.410,00 | BRL | 29,140 | 105.341,66 | | 0,31 | 0,31 |
| BANCO BRADESCO S.A. PREF | 47.328,00 | BRL | 29,000 | 399.811,24 | | 1,17 | 1,17 |
| BANCO DO BRASIL SA - | 14.100,00 | BRL | 28,090 | 115.374,46 | | 0,34 | 0,34 |
| BANCO SANTANDER BRASIL SA - | 8.800,00 | BRL | 29,530 | 75.698,10 | | 0,22 | 0,22 |
| BB SEGURIDADE PARTICIPACOES SA - | 13.500,00 | BRL | 28,300 | 111.290,75 | | 0,33 | 0,33 |
| BM&F BOVESPA SA - | 33.100,00 | BRL | 16,500 | 159.092,90 | | 0,47 | 0,47 |
| BR MALLS PARTICIPACOES SA - | 14.300,00 | BRL | 11,950 | 49.778,61 | | 0,15 | 0,15 |
| BRF SA - | 11.900,00 | BRL | 48,250 | 167.256,55 | | 0,49 | 0,49 |
| CETIP SA - BALCAO ORGANIZADO DE ATI - | 5.400,00 | BRL | 44,600 | 70.156,43 | | 0,21 | 0,21 |
| CIA BRAS DISTRIB GRUPO PAO DE ACUCAR PREF B | 4.100,00 | BRL | 54,750 | 65.389,32 | | 0,19 | 0,19 |
| CIA DE CONCESSOES RODOVIARIAS - | 18.000,00 | BRL | 15,960 | 83.684,35 | | 0,25 | 0,25 |
| CIA SANEAMENTO BASICO - | 6.400,00 | BRL | 28,790 | 53.673,57 | | 0,16 | 0,16 |
| COMPANHIA BRASILEIRA DE MEIOS - | 19.936,00 | BRL | 27,890 | 161.966,57 | | 0,47 | 0,48 |
| CSN-CIA SIDERURGICA NACIONAL S.A. - | 14.500,00 | BRL | 10,850 | 45.828,60 | | 0,13 | 0,13 |
| ELETRONBRAS-CENTRELETRICAS BRAS S.A. PREF "B" | 7.900,00 | BRL | 25,890 | 59.579,66 | | 0,17 | 0,18 |
| EMBRAER AIRCRAFT CORP-SP ADR - | 15.500,00 | BRL | 16,000 | 72.242,13 | | 0,21 | 0,21 |
| ENGIE BRASIL SA - | 3.800,00 | BRL | 35,000 | 38.742,75 | | 0,11 | 0,11 |
| EQUATORIAL ENERGIA SA - | 4.600,00 | BRL | 54,400 | 72.894,64 | | 0,21 | 0,21 |
| FIBRIA CELULOSE SA - | 4.600,00 | BRL | 31,890 | 42.731,80 | | 0,13 | 0,13 |
| GERDAU SA PREF | 19.500,00 | BRL | 10,800 | 61.347,55 | | 0,18 | 0,18 |
| HYPERMARCAS SA - | 7.900,00 | BRL | 26,130 | 60.131,96 | | 0,18 | 0,18 |
| ITAU UNIBANCO HOLDINGS SA PREF PREF | 53.342,00 | BRL | 33,850 | 525.977,07 | | 1,54 | 1,54 |
| ITAUSA-INVESTIMENTOS ITAU SA - | 72.971,00 | BRL | 8,280 | 176.002,76 | | 0,51 | 0,52 |
| JBS SA - | 13.100,00 | BRL | 11,400 | 43.502,58 | | 0,13 | 0,13 |
| KLABIN SA - | 13.000,00 | BRL | 17,720 | 67.103,62 | | 0,20 | 0,20 |
| KROTON EDUCACIONAL SA - | 29.760,00 | BRL | 13,330 | 115.558,51 | | 0,34 | 0,34 |
| LOCALIZA RENT A CAR - | 3.500,00 | BRL | 34,220 | 34.888,87 | | 0,10 | 0,10 |
| LOJAS AMERICANAS SA -PREF- | 13.670,00 | BRL | 17,000 | 67.694,95 | | 0,20 | 0,20 |
| LOJAS RENNER SA - | 10.100,00 | BRL | 23,170 | 68.168,90 | | 0,20 | 0,20 |
| MULTIPLAN EMPREENDIMENTOS IMOB - | 2.300,00 | BRL | 59,380 | 39.783,86 | | 0,12 | 0,12 |
| PETROBRAS-PETROLEO BRASILEIROS S.A. - | 54.800,00 | BRL | 16,940 | 270.416,27 | | 0,79 | 0,79 |

| | | | | | | | |
|---------------------------------------|--------------|-----|---------|--------------|--|------|------|
| PETROBRAS-PETROLEO BRASILEIROS.A.PREF | 67.200,00 | BRL | 14,870 | 291.084,51 | | 0,85 | 0,85 |
| RAIA DROGASIL SA - | 4.500,00 | BRL | 61,190 | 80.210,61 | | 0,23 | 0,24 |
| TELEF BRASIL PREF | 8.400,00 | BRL | 44,080 | 107.859,83 | | 0,32 | 0,32 |
| TIM PARTICIPACOES SA - | 20.500,00 | BRL | 7,830 | 46.757,84 | | 0,14 | 0,14 |
| ULTRAPAR PARTICIPACOES SA - | 6.000,00 | BRL | 68,450 | 119.636,46 | | 0,35 | 0,35 |
| VALE SA - | 22.800,00 | BRL | 25,680 | 170.556,67 | | 0,50 | 0,50 |
| VALE SA PREF A | 30.400,00 | BRL | 23,340 | 206.687,06 | | 0,60 | 0,61 |
| WEG SA - | 11.420,00 | BRL | 15,500 | 51.562,82 | | 0,15 | 0,15 |
| <u>British Virgin Islands</u> | | | | | | | |
| QINQIN FOODSTUFFS GROUP CO LTD - | 2.900,00 | HKD | 2,640 | 936,21 | | 0,00 | 0,00 |
| <u>Cayman Islands</u> | | | | | | | |
| AAC TECHNOLOGY HOLDINGS_INC - | 16.000,00 | HKD | 70,450 | 137.839,11 | | 0,40 | 0,40 |
| BAIDU.COM INC - | 5.461,00 | USD | 164,410 | 851.237,74 | | 2,49 | 2,50 |
| CTRIIP.COM INTERNATIONAL LTD - | 7.136,00 | USD | 40,000 | 270.623,37 | | 0,79 | 0,79 |
| HENGAN INT GROUP COMPANY LTD - | 14.500,00 | HKD | 56,950 | 100.979,50 | | 0,30 | 0,30 |
| NEW ORIENTAL EDUCATION & TECHN - | 2.658,00 | USD | 42,100 | 106.093,20 | | 0,31 | 0,31 |
| SEMICONDUCTOR MANUFACTURING INTL CO - | 59.500,00 | HKD | 12,180 | 88.620,81 | | 0,26 | 0,26 |
| SHIMAO PROPERTY HOLDINGS LTD - | 35.000,00 | HKD | 10,140 | 43.398,78 | | 0,13 | 0,13 |
| SINA CORP. - | 1.243,00 | USD | 60,790 | 71.639,70 | | 0,21 | 0,21 |
| TENCENT HOLDINGS - | 115.600,00 | HKD | 189,700 | 2.681.616,36 | | 7,84 | 7,86 |
| TINGYI HOLDING CORP - | 42.000,00 | HKD | 9,430 | 48.432,01 | | 0,14 | 0,14 |
| XINAO GAS HOLDINGS LTD - | 16.000,00 | HKD | 31,900 | 62.414,02 | | 0,18 | 0,18 |
| <u>China</u> | | | | | | | |
| AGRICULTURAL BANK OF CHINA - | 473.000,00 | HKD | 3,180 | 183.933,04 | | 0,54 | 0,54 |
| ALUMINUM CORP OF CHINA LTD - | 108.000,00 | HKD | 3,200 | 42.261,53 | | 0,12 | 0,12 |
| ANHUI CONCH CEMENT CO LTD - | 28.000,00 | HKD | 21,100 | 72.245,69 | | 0,21 | 0,21 |
| ANTA SPORTS PRODUCTS LTD - | 25.000,00 | HKD | 23,150 | 70.772,17 | | 0,21 | 0,21 |
| BANK OF CHINA LTD - | 1.624.000,00 | HKD | 3,440 | 683.149,80 | | 2,00 | 2,00 |
| BANK OF COMMUNICATIONS LTD - | 164.625,00 | HKD | 5,610 | 112.935,41 | | 0,33 | 0,33 |
| BYD CO LTD - | 13.500,00 | HKD | 40,850 | 67.436,86 | | 0,20 | 0,20 |
| CGN POWER CO LTD - | 336.000,00 | HKD | 2,130 | 87.516,58 | | 0,26 | 0,26 |
| CHINA CINDA ASSET MANAGEMENT C - | 281.000,00 | HKD | 2,810 | 96.557,08 | | 0,28 | 0,28 |
| CHINA CITIC BANK CHINA CITIC BANK | 176.000,00 | HKD | 4,930 | 106.103,83 | | 0,31 | 0,31 |
| CHINA COMMUNICATIONS CONST-H - | 94.000,00 | HKD | 8,920 | 102.533,12 | | 0,30 | 0,30 |
| CHINA COMMUNICATIONS SERVICES - | 64.000,00 | HKD | 4,940 | 38.661,47 | | 0,11 | 0,11 |
| CHINA CONCH VENTURE HOLDINGS L - | 29.500,00 | HKD | 13,800 | 49.782,03 | | 0,15 | 0,15 |
| CHINA CONSTRUCTION BANK - | 1.692.000,00 | HKD | 5,970 | 1.235.225,28 | | 3,61 | 3,62 |
| CHINA EVERGRANDE GROUP - | 97.000,00 | HKD | 4,830 | 57.291,52 | | 0,17 | 0,17 |
| CHINA GALAXY SECURITIES CO LTD - | 73.000,00 | HKD | 6,990 | 62.398,12 | | 0,18 | 0,18 |
| CHINA GAS HOLDINGS LTD - | 38.000,00 | HKD | 10,520 | 48.884,46 | | 0,14 | 0,14 |
| CHINA HUARONG ASSET MANAGEMENT - | 110.000,00 | HKD | 2,790 | 37.529,12 | | 0,11 | 0,11 |
| CHINA LIFE INSURANCE CO LTD - | 150.000,00 | HKD | 20,200 | 370.522,09 | | 1,08 | 1,09 |
| CHINA MEDICAL SYSTEM HOLDINGS - | 48.000,00 | HKD | 12,280 | 72.079,39 | | 0,21 | 0,21 |
| CHINA MERCHANTS BANK CO LTD - | 77.096,00 | HKD | 18,180 | 171.394,63 | | 0,50 | 0,50 |
| CHINA MINSHENG BANKING CORP LT - | 157.700,00 | HKD | 8,290 | 159.866,59 | | 0,47 | 0,47 |
| CHINA OILFIELD SERVICES LTD - | 44.000,00 | HKD | 7,200 | 38.739,74 | | 0,11 | 0,11 |
| CHINA PACIFIC INSURANCE GROUP - | 53.200,00 | HKD | 27,050 | 175.974,76 | | 0,51 | 0,52 |
| CHINA PETROLEUM & CHEMICAL COR "A" | 529.600,00 | HKD | 5,500 | 356.190,35 | | 1,04 | 1,04 |
| CHINA RAILWAY CONSTRUCTION COR - | 48.500,00 | HKD | 9,980 | 59.189,38 | | 0,17 | 0,17 |
| CHINA RAILWAY GROUP LTD - | 75.000,00 | HKD | 6,380 | 58.513,14 | | 0,17 | 0,17 |
| CHINA RESOURCES GAS GROUP LTD - | 22.000,00 | HKD | 21,800 | 58.647,66 | | 0,17 | 0,17 |
| CHINA SHENHUA ENERGY CO LTD - | 72.500,00 | HKD | 14,600 | 129.438,16 | | 0,38 | 0,38 |
| CHINA STATE CONSTRUCTION INTL - | 46.000,00 | HKD | 11,600 | 65.251,02 | | 0,19 | 0,19 |
| CHINA TELECOM CORP LTD - | 264.000,00 | HKD | 3,580 | 115.573,54 | | 0,34 | 0,34 |
| CHINA VANKE CO LTD - | 25.100,00 | HKD | 17,700 | 54.327,34 | | 0,16 | 0,16 |
| CITIC SECURITIES CO LTD - | 48.500,00 | HKD | 15,760 | 93.469,40 | | 0,27 | 0,27 |

| | | | | | | | |
|--|--------------|-----|---------|--------------|--|------|------|
| COUNTRY GARDEN HOLDINGS COMPANY - | 128.733,00 | HKD | 4,340 | 68.320,51 | | 0,20 | 0,20 |
| CRRG CORP LTD - | 84.200,00 | HKD | 6,960 | 71.662,64 | | 0,21 | 0,21 |
| DONGFENG MOTOR CORP - | 58.000,00 | HKD | 7,570 | 53.690,24 | | 0,16 | 0,16 |
| GCL POLY ENERGY HOLDINGS LTD - | 300.000,00 | HKD | 0,930 | 34.117,38 | | 0,10 | 0,10 |
| GEELY AUTOMOBILE HOLDINGS LTD - | 105.000,00 | HKD | 7,410 | 95.143,47 | | 0,28 | 0,28 |
| GF SECURITIES CO LTD - | 29.600,00 | HKD | 16,180 | 58.565,48 | | 0,17 | 0,17 |
| GREAT WALL MOTOR CO LTD - | 76.500,00 | HKD | 7,240 | 67.728,50 | | 0,20 | 0,20 |
| GUANGZHOU AUTOMOBILE GROUP CORP - | 44.000,00 | HKD | 9,380 | 50.469,27 | | 0,15 | 0,15 |
| HAITONG SECURITIES COLTD - | 60.000,00 | HKD | 13,300 | 97.583,05 | | 0,29 | 0,29 |
| HUANENG POWER INTERNATIONAL IN "H" | 92.000,00 | HKD | 5,140 | 57.825,90 | | 0,17 | 0,17 |
| HUATAI SECURITIES CO LTD - | 29.600,00 | HKD | 14,800 | 53.570,40 | | 0,16 | 0,16 |
| ICBC - | 1.486.720,00 | HKD | 4,650 | 845.383,21 | | 2,47 | 2,48 |
| JD.COM INC - | 13.463,00 | USD | 25,440 | 324.720,28 | | 0,95 | 0,95 |
| JIANGSU EXPRESSWAY COMP LTD - | 24.000,00 | HKD | 9,800 | 28.761,32 | | 0,08 | 0,08 |
| JIANGXI COPPER COMPANY LTD. -H- | 37.000,00 | HKD | 10,820 | 48.955,38 | | 0,14 | 0,14 |
| KINGSOFT CORPLTD - | 17.000,00 | HKD | 15,900 | 33.053,51 | | 0,10 | 0,10 |
| LONGFOR PROPERTIES CO LTD - | 34.000,00 | HKD | 9,840 | 40.911,51 | | 0,12 | 0,12 |
| NETEASE.COM -ADR- | 1.555,00 | USD | 215,340 | 317.472,10 | | 0,93 | 0,93 |
| NEW CHINA LIFE INSURANCE CO - | 17.900,00 | HKD | 35,600 | 77.924,59 | | 0,23 | 0,23 |
| PEOPLE'S INSURANCE CO GROUP OF CHINA - | 142.000,00 | HKD | 3,060 | 53.135,07 | | 0,16 | 0,16 |
| PETROCHINA COMPANY LIMITID - | 432.000,00 | HKD | 5,780 | 305.339,55 | | 0,89 | 0,90 |
| PICC PROPERTY & CASUALTY -H- | 89.180,00 | HKD | 12,080 | 131.736,43 | | 0,39 | 0,39 |
| PING AN INSURANCE GROUP CO OF - | 110.500,00 | HKD | 38,800 | 524.282,65 | | 1,53 | 1,54 |
| SINOPHARM GROUP CO - | 26.200,00 | HKD | 31,950 | 102.363,15 | | 0,30 | 0,30 |
| SUN ART RETAIL GROUP LTD - | 59.500,00 | HKD | 6,800 | 49.476,32 | | 0,15 | 0,15 |
| SUNAC CHINA HOLDINGS LTD - | 47.000,00 | HKD | 6,450 | 37.070,55 | | 0,11 | 0,11 |
| SUNNY OPTICAL TECHNOLOGY GROUP - | 15.000,00 | HKD | 33,950 | 62.273,39 | | 0,18 | 0,18 |
| TAL EDUCATION GROUP - | 895,00 | USD | 70,150 | 59.525,24 | | 0,17 | 0,18 |
| TRAVELSKY TECHNOLOGY LTD - | 22.000,00 | HKD | 16,300 | 43.851,23 | | 0,13 | 0,13 |
| VIPSHOP HOLDINGS LTD - | 6.871,00 | USD | 11,010 | 71.722,88 | | 0,21 | 0,21 |
| WANT WANT CHINA HOLDINGS LTD - | 129.000,00 | HKD | 4,970 | 78.400,27 | | 0,23 | 0,23 |
| WEICHAI POWER CO LTD - | 29.000,00 | HKD | 11,940 | 42.342,24 | | 0,12 | 0,12 |
| ZHEJIANG EXPRESSWAY CO. - | 54.000,00 | HKD | 7,400 | 48.864,89 | | 0,14 | 0,14 |
| 58.COM INC - | 1.306,00 | USD | 28,000 | 34.669,83 | | 0,10 | 0,10 |
| <u>Hong Kong</u> | | | | | | | |
| ALIBABA GROUP HOLDING LTD - | 22.960,00 | USD | 87,810 | 1.911.464,90 | | 5,59 | 5,60 |
| ALIBABA HEALTH INFORMATION TEC - | 60.000,00 | HKD | 3,900 | 28.614,58 | | 0,08 | 0,08 |
| ALIBABA PICTURES GROUP LTD - | 350.000,00 | HKD | 1,260 | 53.927,47 | | 0,16 | 0,16 |
| BEIJING CAPITAL INTL.AIRPORT -H- | 38.000,00 | HKD | 7,840 | 36.431,00 | | 0,11 | 0,11 |
| BEIJING ENTERPRISES HOLD LTD - | 12.700,00 | HKD | 36,650 | 56.917,94 | | 0,17 | 0,17 |
| BEIJING ENTERPRISES WATER GROUP LTD - | 80.000,00 | HKD | 5,160 | 50.479,05 | | 0,15 | 0,15 |
| BELLE INTERNATIONAL HOLDINGS - | 132.000,00 | HKD | 4,360 | 70.377,19 | | 0,21 | 0,21 |
| BRILIANCE CHINA AUTOMOTIVE - | 67.000,00 | HKD | 10,680 | 87.501,91 | | 0,26 | 0,26 |
| CHIANE LONGYUAN POWER GROUP CORP - | 87.000,00 | HKD | 6,060 | 64.470,84 | | 0,19 | 0,19 |
| CHINA EVERBRIGHT INTL - | 55.000,00 | HKD | 8,790 | 59.118,45 | | 0,17 | 0,17 |
| CHINA EVERBRIGHT-IHD PAC LTD - | 18.000,00 | HKD | 14,760 | 32.488,55 | | 0,10 | 0,10 |
| CHINA INSURANCE INTERNATIONAL - | 35.826,00 | HKD | 16,000 | 70.095,44 | | 0,21 | 0,21 |
| CHINA MENGNIU DAIRY CO LTD - | 60.000,00 | HKD | 14,940 | 109.615,84 | | 0,32 | 0,32 |
| CHINA MERCHANTS HLDGS INTL - | 32.000,00 | HKD | 19,240 | 75.288,13 | | 0,22 | 0,22 |
| CHINA MOBILE LTD. - | 123.500,00 | HKD | 82,200 | 1.241.395,76 | | 3,63 | 3,64 |
| CHINA NATIONAL BUILDING MATERI - | 94.000,00 | HKD | 3,770 | 43.335,19 | | 0,13 | 0,13 |
| CHINA OVERSEAS LAND & INVEST LTD - | 79.865,00 | HKD | 20,550 | 200.696,50 | | 0,59 | 0,59 |
| CHINA PHARMACEUTICAL_GROUP LTD - | 90.000,00 | HKD | 8,280 | 91.126,42 | | 0,27 | 0,27 |
| CHINA RESOURCES BEER (HOLDING) - | 32.666,00 | HKD | 15,400 | 61.516,01 | | 0,18 | 0,18 |
| CHINA RESOURCES BEIJING LAND - | 53.222,00 | HKD | 17,440 | 113.503,47 | | 0,33 | 0,33 |
| CHINA RESOURCES POWER HOLDINGS CO - | 45.000,00 | HKD | 12,320 | 67.794,54 | | 0,20 | 0,20 |
| CHINA UNICOM HONG KONG LTD - | 115.888,00 | HKD | 9,030 | 127.966,91 | | 0,37 | 0,38 |

| | | | | | | | |
|--|------------|-----|------------|------------|--|------|------|
| CITIC LTD - | 95.000,00 | HKD | 11,100 | 128.949,03 | | 0,38 | 0,38 |
| CNOOC LTD - | 370.000,00 | HKD | 9,700 | 438.879,14 | | 1,28 | 1,29 |
| COSCO SHIPPING PORTS LTD - | 36.000,00 | HKD | 7,790 | 34.293,47 | | 0,10 | 0,10 |
| FAR EAST HORIZON LTD - | 45.000,00 | HKD | 6,650 | 36.593,64 | | 0,11 | 0,11 |
| FOSUN INTERNATIONAL - | 62.268,00 | HKD | 10,980 | 83.606,25 | | 0,24 | 0,25 |
| FULLSHARE HOLDINGS LTD - | 147.500,00 | HKD | 3,620 | 65.293,82 | | 0,19 | 0,19 |
| GUANGDONG INVESTMENT - | 62.000,00 | HKD | 10,240 | 77.636,00 | | 0,23 | 0,23 |
| HAIER ELECTRONICS GROUP COLTD - | 28.000,00 | HKD | 12,200 | 41.772,39 | | 0,12 | 0,12 |
| LENOVO GROUP LTD - | 144.000,00 | HKD | 4,700 | 82.762,16 | | 0,24 | 0,24 |
| SHANGAI INDUSTRIAL HOLDING - | 23.000,00 | HKD | 21,000 | 59.063,42 | | 0,17 | 0,17 |
| SHANGAI PHARMACEUTICALS HOLDING - | 18.000,00 | HKD | 17,780 | 39.135,94 | | 0,11 | 0,12 |
| SHENZHOU INTERNATIONAL GROUP - | 11.000,00 | HKD | 49,050 | 65.978,61 | | 0,19 | 0,19 |
| SINO BIOPHARMACEUTICAL - | 96.000,00 | HKD | 5,460 | 64.096,65 | | 0,19 | 0,19 |
| SINOPEC SHANGHAI PETROCHEMICAL - | 83.000,00 | HKD | 4,200 | 42.628,38 | | 0,13 | 0,13 |
| ZHUZHOU CSR TIMES ELECTRIC CO - | 11.000,00 | HKD | 39,350 | 52.930,85 | | 0,16 | 0,16 |
| <u>India</u> | | | | | | | |
| ADANI PORT AND SPECIAL ECONOMIC ZONE - | 18.230,00 | INR | 268,450 | 68.363,23 | | 0,20 | 0,20 |
| AMBUJA CEMENTS LTD - | 14.420,00 | INR | 206,300 | 41.556,31 | | 0,12 | 0,12 |
| ASIAN PAINTS LTD - | 4.635,00 | INR | 891,050 | 57.693,16 | | 0,17 | 0,17 |
| AUROBINDO PHARMA LTD - | 5.227,00 | INR | 669,300 | 48.870,39 | | 0,14 | 0,14 |
| AXIS BANK LIMITED - | 25.708,00 | INR | 449,950 | 161.586,49 | | 0,47 | 0,47 |
| BAJAJ AUTO LTD. - | 1.594,00 | INR | 2.632,200 | 58.611,08 | | 0,17 | 0,17 |
| BAJAJ FINANCE LTD - | 2.980,00 | INR | 842,200 | 35.059,36 | | 0,10 | 0,10 |
| BHARAT PETROLEUM CORP. LTD. - | 8.141,00 | INR | 635,500 | 72.271,29 | | 0,21 | 0,21 |
| BHARTI AIRTEL LTD - | 19.399,00 | INR | 305,650 | 82.827,82 | | 0,24 | 0,24 |
| BHARTI INFRA TEL LTD - | 13.180,00 | INR | 343,450 | 63.234,11 | | 0,19 | 0,19 |
| BOSCH LTD - | 150,00 | INR | 21.049,950 | 44.107,74 | | 0,13 | 0,13 |
| CIPLA LTD - | 6.627,00 | INR | 568,800 | 52.656,15 | | 0,15 | 0,15 |
| COAL INDIA LTD - | 15.325,00 | INR | 300,000 | 64.223,54 | | 0,19 | 0,19 |
| DABUR INDIA LTD - | 9.612,00 | INR | 278,150 | 37.347,83 | | 0,11 | 0,11 |
| DR REDDY'S LABORATORIES LTD. - | 2.076,00 | INR | 3.060,400 | 88.751,98 | | 0,26 | 0,26 |
| EICHER MOTORS LTD - | 236,00 | INR | 21.803,050 | 71.878,96 | | 0,21 | 0,21 |
| GLENMARK PHARMACEUTICALS LTD - | 3.188,00 | INR | 888,450 | 39.566,15 | | 0,12 | 0,12 |
| HCL TECHNOLOGIES LTD - | 9.377,00 | INR | 827,950 | 108.452,74 | | 0,32 | 0,32 |
| HERO MOTOCORP LTD. - | 1.040,00 | INR | 3.043,650 | 44.218,15 | | 0,13 | 0,13 |
| HINDALCO INDUSTRIES LTD. - | 22.047,00 | INR | 155,050 | 47.752,24 | | 0,14 | 0,14 |
| HINDUSTAN LEVER LTD. - | 10.470,00 | INR | 826,350 | 120.860,18 | | 0,35 | 0,35 |
| HINDUSTAN PETROLEUM CORP. - | 6.926,00 | INR | 441,300 | 42.696,17 | | 0,13 | 0,13 |
| HOUSING DEV. FIN. CORP. LTD. - | 22.765,00 | INR | 1.262,600 | 401.518,86 | | 1,17 | 1,18 |
| ICICI BANK LTD. P.N.01/07/05 | 22.444,00 | INR | 255,300 | 80.043,04 | | 0,23 | 0,24 |
| INDIABULLS HOUSING FINANCE LTD - | 6.033,00 | INR | 650,250 | 54.800,71 | | 0,16 | 0,16 |
| INFOSYS LTD - | 27.751,00 | INR | 1.010,600 | 391.769,34 | | 1,15 | 1,15 |
| ITC LTD. - | 51.903,00 | INR | 241,650 | 175.207,13 | | 0,51 | 0,51 |
| JSW STEEL LTD - | 1.474,00 | INR | 1.627,500 | 33.511,28 | | 0,10 | 0,10 |
| LARSEN & TOUBRO LTD. - | 4.923,00 | INR | 1.349,100 | 92.778,32 | | 0,27 | 0,27 |
| LIC HOUSING FINANCE LTD - | 7.144,00 | INR | 559,700 | 55.855,93 | | 0,16 | 0,16 |
| LUPIN LTD - | 3.923,00 | INR | 1.486,950 | 81.486,79 | | 0,24 | 0,24 |
| MAHINDRA & MAHINDRA P.N. 22/04/05 | 6.196,00 | INR | 1.184,700 | 102.539,76 | | 0,30 | 0,30 |
| MARUTI UDYOG LTD - | 1.757,00 | INR | 5.319,550 | 130.562,71 | | 0,38 | 0,38 |
| MOTHERSON SUMI SYSTEMS LTD - | 7.068,00 | INR | 326,450 | 32.231,89 | | 0,09 | 0,09 |
| NESTLE INDIA LTD. - | 405,00 | INR | 6.028,350 | 34.105,62 | | 0,10 | 0,10 |
| NTPC LTD - | 28.118,00 | INR | 164,750 | 64.711,63 | | 0,19 | 0,19 |
| OIL & NATURAL GAS CORP LTD - | 18.986,00 | INR | 191,350 | 50.749,81 | | 0,15 | 0,15 |
| PIRAMAL ENTERPRISES LTD - | 1.613,00 | INR | 1.624,850 | 36.611,72 | | 0,11 | 0,11 |
| RELIANCE INDUSTRIES LTD - | 19.575,00 | INR | 1.082,400 | 295.979,79 | | 0,87 | 0,87 |
| SHREE CEMENT LTD - | 158,00 | INR | 14.733,400 | 32.518,66 | | 0,10 | 0,10 |
| SHRIRAM TRANSPORT FINANCE CO LTD - | 3.790,00 | INR | 853,450 | 45.184,53 | | 0,13 | 0,13 |

| | | | | | | | |
|---------------------------------|------------|-----|-----------|---------------|--|--------|--------|
| STATE BANK OF INDIA - | 24.034,00 | INR | 250,200 | 84.001,27 | | 0,25 | 0,25 |
| SUN PHARMACEUTICAL INDS LTD - | 16.481,00 | INR | 630,000 | 145.042,95 | | 0,42 | 0,43 |
| TATA CONSULTANCY SVS LTD - | 7.167,00 | INR | 2.365,550 | 236.832,91 | | 0,69 | 0,69 |
| TATA MOTORS LTDP.N. 27/09/04 | 27.262,00 | INR | 472,000 | 179.751,38 | | 0,53 | 0,53 |
| TATA STEEL LIMITED - | 7.522,00 | INR | 391,250 | 41.111,20 | | 0,12 | 0,12 |
| ULTRATECH CEMENT LT-REG- | 920,00 | INR | 3.250,200 | 41.770,57 | | 0,12 | 0,12 |
| UPL LTD - | 5.519,00 | INR | 647,000 | 49.881,23 | | 0,15 | 0,15 |
| WIPRO LTD - | 9.610,00 | INR | 474,450 | 63.692,21 | | 0,19 | 0,19 |
| YES BANK LTD - | 5.656,00 | INR | 1.156,450 | 91.371,08 | | 0,27 | 0,27 |
| ZEE ENTERTAINMENT ENTERPRISES - | 10.382,00 | INR | 453,050 | 65.705,19 | | 0,19 | 0,19 |
| <u>Indonesia</u> | | | | | | | |
| GODREJ CONSUMER PRODUCTS LTD - | 2.485,00 | INR | 1.509,950 | 52.415,71 | | 0,15 | 0,15 |
| <u>Russia</u> | | | | | | | |
| FEDERAL HYDROGENERATING CO - | 33.212,00 | USD | 1,455 | 45.815,08 | | 0,13 | 0,13 |
| GAZPROM ADR NEW | 179.070,00 | USD | 5,050 | 857.362,88 | | 2,51 | 2,51 |
| JSC MMC NORILSK NICKEL ADR NEW | 16.103,00 | USD | 16,790 | 256.335,03 | | 0,75 | 0,75 |
| LUKOIL PJSC - | 12.760,00 | USD | 56,100 | 678.678,36 | | 1,98 | 1,99 |
| MAGNIT PJSC - | 8.973,00 | USD | 44,150 | 375.594,17 | | 1,10 | 1,10 |
| MOBILE TELESYSTEMS ADR | 15.229,00 | USD | 9,110 | 131.534,67 | | 0,38 | 0,39 |
| NOVATEK OAO - | 2.748,00 | USD | 129,800 | 338.175,30 | | 0,99 | 0,99 |
| PHOSAGRO PJSC - | 3.416,00 | USD | 15,250 | 49.389,90 | | 0,14 | 0,15 |
| ROSNEFT OIL COMPANY - | 35.276,00 | USD | 6,500 | 217.391,80 | | 0,64 | 0,64 |
| ROSTELECOM PJSC ADR NEW | 5.259,00 | USD | 8,260 | 41.184,49 | | 0,12 | 0,12 |
| SBERBANK PAO ADR | 78.686,00 | USD | 11,575 | 863.513,11 | | 2,52 | 2,53 |
| SEVERSTAL - | 6.890,00 | USD | 15,200 | 99.291,78 | | 0,29 | 0,29 |
| SISTEMA PJSC FC - | 6.608,00 | USD | 9,000 | 56.384,93 | | 0,17 | 0,17 |
| SURGUTNEFTGAZ OIL ADR NEW | 44.831,00 | USD | 5,045 | 214.432,23 | | 0,63 | 0,63 |
| TATNEFT - | 7.220,00 | USD | 41,220 | 282.160,13 | | 0,82 | 0,83 |
| VTB BANK OSJC-GDR-REG S/WI - | 81.782,00 | USD | 2,387 | 185.080,48 | | 0,54 | 0,54 |
| <u>U.S.A.</u> | | | | | | | |
| YUM CHINA HOLDINGS INC - | 9.060,00 | USD | 26,120 | 224.363,31 | | 0,66 | 0,66 |
| Total shares | | | | 34.225.397,14 | | 100,00 | 100,34 |
| TOTAL SECURITIES PORTFOLIO | | | | 34.225.476,28 | | 100,00 | 100,34 |
| CASH AT BANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EURO | -80.995,74 | EUR | 1,000 | -80.995,74 | | | -0,24 |
| KBC GROUP HKD | 6.466,79 | HKD | 1,000 | 790,79 | | | 0,00 |
| KBC GROUP USD | -5.179,16 | USD | 1,000 | -4.910,32 | | | -0,01 |
| Total demand accounts | | | | -85.115,27 | | | -0,25 |
| TOTAL CASH AT BANK AND IN HAND | | | | -85.115,27 | | | -0,25 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR RECEIVABLE | 2.446,17 | EUR | 1,000 | 2.446,17 | | | 0,01 |
| Total receivables | | | | 2.446,17 | | | 0,01 |

| | | | | | | | |
|--------------------------------|------------|-----|-------|----------------------|--|--|---------------|
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR PAYABLE | -54.272,13 | EUR | 1,000 | -54.272,13 | | | -0,16 |
| Payables | | | | -54.272,13 | | | -0,16 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -51.825,96 | | | -0,15 |
| OTHER | | | | | | | |
| Interest receiv able | | EUR | | 64.572,95 | | | 0,19 |
| Ex penses payable | | EUR | | -43.530,25 | | | -0,13 |
| TOTAL OTHER | | | | 21.042,70 | | | 0,06 |
| TOTAL NET ASSETS | | | | 34.109.577,75 | | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|------------------------|---------------|---------------|---------------|---------------|
| Belgium | -0,45 | 0,02 | -0,02 | 0,00 |
| Bermuda | 0,26 | 0,26 | 0,18 | 0,15 |
| Brazil | 13,01 | 8,92 | 13,25 | 14,38 |
| China | 36,61 | 36,02 | 28,91 | 25,50 |
| Cayman Islands | 6,73 | 7,73 | 9,93 | 13,04 |
| Hong Kong | 15,57 | 15,32 | 15,74 | 18,84 |
| India | 20,40 | 21,33 | 20,42 | 13,57 |
| Indonesia | 0,18 | 0,14 | 0,17 | 0,15 |
| Russia | 7,69 | 10,26 | 11,21 | 13,71 |
| U.S.A. | 0,00 | 0,00 | 0,20 | 0,66 |
| British Virgin Islands | 0,00 | 0,00 | 0,01 | 0,00 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Cyclicals | 25,10 | 24,37 | 24,57 | 24,11 |
| Consum(cycl) | 9,05 | 8,68 | 8,62 | 7,30 |
| Cons.goods | 6,92 | 6,29 | 6,38 | 6,86 |
| Pharma | 4,34 | 4,94 | 3,82 | 2,69 |
| Financials | 29,56 | 28,97 | 27,62 | 27,56 |
| Technology | 11,53 | 12,85 | 16,82 | 20,80 |
| Telecomm. | 7,07 | 7,10 | 6,83 | 6,08 |
| Utilities | 3,06 | 2,77 | 2,62 | 2,35 |
| Real est. | 3,37 | 4,03 | 2,72 | 2,25 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| BRL | 13,15 | 8,99 | 13,38 | 14,44 |
| CNY | 8,87 | 9,90 | 5,84 | 0,00 |
| EUR | -1,13 | -0,90 | -0,97 | -0,39 |
| HKD | 51,00 | 49,93 | 44,44 | 45,97 |
| INR | 20,79 | 21,65 | 20,78 | 13,78 |
| USD | 7,32 | 10,43 | 16,53 | 26,20 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND BRIC (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 5.051.563,47 | 7.783.468,17 | 12.835.031,64 |
| Sales | 5.972.681,21 | 7.965.843,36 | 13.938.524,57 |
| Total 1 | 11.024.244,67 | 15.749.311,53 | 26.773.556,20 |
| Subscriptions | 1.481.583,96 | 1.282.412,30 | 2.763.996,26 |
| Redemptions | 2.159.736,09 | 1.518.946,28 | 3.678.682,37 |
| Total 2 | 3.641.320,05 | 2.801.358,58 | 6.442.678,63 |
| Monthly average of total assets | 28.925.135,55 | 33.415.912,83 | 31.219.550,14 |
| Turnover rate | 25,52 % | 38,75 % | 65,12 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 5.051.563,47 | 7.783.468,17 | 12.835.031,64 |
| Sales | 5.972.681,21 | 7.965.843,36 | 13.938.524,57 |
| Total 1 | 11.024.244,67 | 15.749.311,53 | 26.773.556,20 |
| Subscriptions | 1.481.583,96 | 1.282.412,30 | 2.763.996,26 |
| Redemptions | 2.159.736,09 | 1.518.946,28 | 3.678.682,37 |
| Total 2 | 3.641.320,05 | 2.801.358,58 | 6.442.678,63 |
| Monthly average of total assets | 28.932.222,84 | 33.554.350,96 | 31.359.808,69 |
| Corrected turnover rate | 25,52 % | 38,59 % | 64,83 % |

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: these are both semi-indexfunds whereby we over/under-weight to countries versus MSCI BRIC. We change our country views and do a rebalance of the fund once a month (usually around the 15th). However, I don't see why this month's turnover would be largely different to previous months.

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

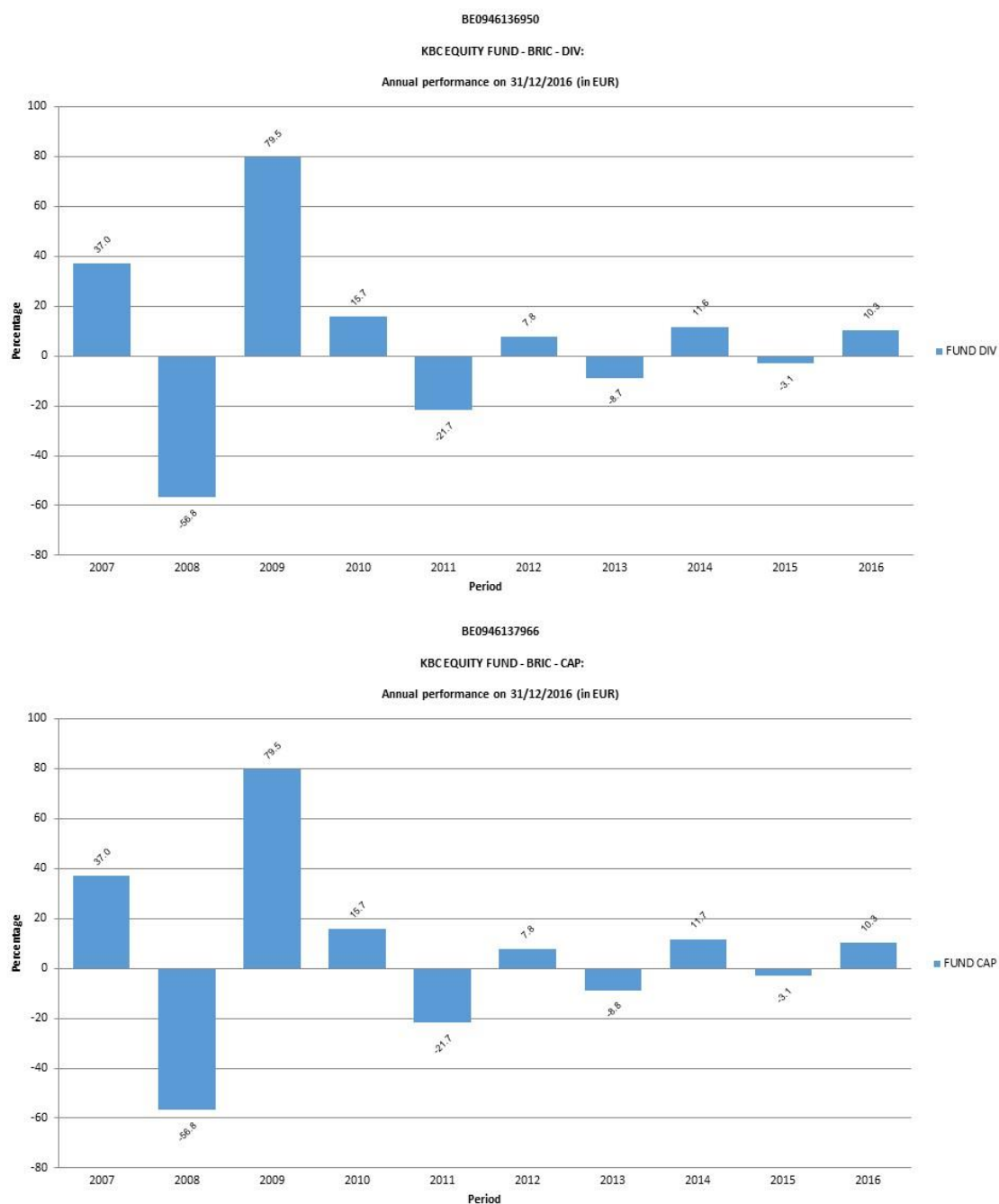
2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|--------|-------------|----------|---------------|----------|-----------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 3.259,67 | 177,42 | 18.656,51 | 1.945,44 | 26.752,40 | 5.263,49 | 32.015,90 |
| 2015 - 12 | 3.608,12 | 189,95 | 9.337,84 | 1.640,08 | 21.022,69 | 3.813,36 | 24.836,05 |
| 2016 - 12 | 1.693,00 | 576,02 | 2.437,07 | 557,14 | 20.278,62 | 3.832,25 | 24.110,87 |

| Period | Amounts received and paid by the UCI (in the currency of the sub-fund) | | | |
|-----------|---|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 4.069.358,50 | 207.788,94 | 22.112.130,07 | 2.211.083,58 |
| 2015 - 12 | 4.775.253,00 | 268.060,19 | 14.467.782,43 | 2.296.620,75 |
| 2016 - 12 | 2.060.111,61 | 724.166,12 | 3.097.656,03 | 608.494,59 |

| Period | Net asset value End of period (in the currency of the sub-fund) | | |
|-----------|--|----------------|--------------|
| Year | Of the sub-fund | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 42.657.347,59 | 1.347,32 | 1.256,44 |
| 2015 - 12 | 31.994.113,94 | 1.306,11 | 1.189,53 |
| 2016 - 12 | 34.109.577,75 | 1.441,67 | 1.271,98 |

2.4.5 PERFORMANCE FIGURES



| Cap Div | ISIN code | Cur-rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE0946137966 | EUR | 10.32% | | 6.10% | | 3.28% | | 1.25% | | 24/05/2006 | 3.50% |
| DIV | BE0946136950 | EUR | 10.30% | | 6.08% | | 3.27% | | 1.24% | | 24/05/2006 | 3.44% |

Risk warning: Past performance is not a guide to future performance.
* Return on annual basis.

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

Capitalisation units (CAP)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

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

For dividend i on date Di with value Wi:

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

$i = 1 \dots N$

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

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

Dividend on ex-dividend date 31/03/2017: 19.2551 EUR net (27.5073 EUR gross).

2.4.6 COSTS

Ongoing charges: *

Distribution: 1.864%

Capitalization: 1.843%

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

EXISTENCE OF COMMISSION SHARING AGREEMENTS

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

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

| Broker | Commission gross in EUR paid during the period: 1-01-16 - | CSA Credits in EUR accrued during the period: 1-01-16 - | Percentage |
|-----------|---|---|------------|
| | 31-12-16 | 31-12-16 | |
| CITI | 12 | 3 | 24,99% |
| CITI | 5.285 | 1.527 | 28,90% |
| CSFBSAS | 80 | 27 | 33,33% |
| CSFBSAS | 641 | 180 | 28,07% |
| HSBC | 20 | 4 | 22,74% |
| HSBC | 292 | 49 | 16,67% |
| INSTINET | 1.431 | 265 | 18,50% |
| MACQUARIE | 26 | 3 | 12,50% |
| MACQUARIE | 1.877 | 488 | 26,00% |

FEE-SHARING AGREEMENTS AND REBATES:

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

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

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

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.6% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.6% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

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

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

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

Exercising voting rights.

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

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

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

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

Securities lending

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

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 506.27 EUR and from bond lending to 0.00 EUR. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

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

Transparency of securities financing transactions and of reuse

Global data:

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

Concentration data:

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

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

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

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

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

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

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

Data on reuse of collateral:

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

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

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

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

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

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

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

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

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 29,16 | 10,21 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 10,21 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 477,11 | 166,99 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 166,99 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND CSOB BRIC

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launched date: 30 November 2007
Initial subscription price: 1000 CZK
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object. The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

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

PERMITTED DERIVATIVES TRANSACTIONS:

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

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

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

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

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

The sub-fund invests primarily in shares of companies from different sectors in Brazil, Russia, India and China.

RISK CONCENTRATION

Shares of Brazilian, Russian, Indian and Chinese companies.

Lending financial instruments:

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

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

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

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

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

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

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

Volatility of the net asset value:

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

General strategy for hedging the exchange rate risk:

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

Social, ethical and environmental aspects:

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

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

KBC Equity Fund BRIC invests in the four developing countries that make up the BRIC acronym: Brazil, Russia, India and China. The fund follows the MSCI BRIC Index and under/over-weights by country based on a combined strategy and portfolio manager input.

2.1.8 FUTURE POLICY

The fund will continue to follow the MSCI BRIC Index and under/over-weight by country based on a combined strategy and portfolio manager input.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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

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

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 896,087.82 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 | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|--|
| TOTAL NET ASSETS | | 233.288.207,28 | 225.925.857,42 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | 697,07 | 944,92 |
| a) Collateral received in the form of bonds | | | 32.617.177,73 |
| C. Shares and similar instruments | | | |
| a) Shares | | 234.259.138,21 | 203.741.023,98 |
| Of which securities lent | | | 1.081.515,40 |
| D. Other securities | | | 9.544,38 |
| E. Open-end undertakings for collective investment | | | 22.309.610,63 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 594.946,64 | 242.268,34 |
| B. Payables | | | |
| a) Accounts payable (-) | | -840.488,62 | -495.356,29 |
| d) Borrowings (-) | | -1.063.948,67 | -393.328,18 |
| e) Collateral (-) | | | -32.617.177,73 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 2.618,11 | 317.218,48 |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | 454.156,75 | 305.238,20 |
| C. Accrued expense (-) | | -118.912,21 | -111.307,04 |
| TOTAL SHAREHOLDERS' EQUITY | | 233.288.207,28 | 225.925.857,42 |
| A. Capital | | 212.587.333,10 | 229.427.583,42 |
| B. Income equalization | | -155.978,99 | -491.886,93 |
| D. Result of the book year | | 20.856.853,17 | -3.009.839,07 |

Off-balance-sheet headings

| | | | |
|-------|-------------------------------|--|---------------|
| I | Collateral (+/-) | | |
| I.A | Collateral (+/-) | | |
| I.A.A | Securities/market instruments | | 32.617.177,73 |
| IX | Financial instruments lent | | 1.081.515,40 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|----------------|--|--|
| I. Net gains(losses) on investments | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | 26,03 | 632,06 | |
| C. Shares and similar instruments | | | |
| a) Shares | 14.345.374,30 | -2.904.007,56 | |
| D. Other securities | 1.988,75 | -4.261,70 | |
| E. Open-end undertakings for collective investment | -3.154.035,55 | -5.287.396,71 | |
| G. Receivables, deposits, cash at bank and in hand and payables | 0,01 | | |
| H. Foreign exchange positions and transactions | | | |
| b) Other foreign exchange positions and transactions | 9.760.207,40 | 5.105.086,96 | |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | 18.494.528,49 | 59.387.480,15 | |
| Unrealised gains on investments | -1.023.016,92 | -24.255.816,59 | |
| Realised losses on investments | -26.306.834,91 | -27.791.170,41 | |
| Unrealised losses on investments | 29.788.884,28 | -10.430.440,10 | |
| II. Investment income and expenses | | | |
| A. Dividends | 4.978.918,58 | 6.776.001,63 | |
| B. Interests | | | |
| a) Securities and money market instruments | 8.199,44 | 31.664,44 | |
| b) Cash at bank and in hand and deposits | 665,39 | 106,77 | |
| C. Interest on borrowings (-) | -3.546,42 | -3.955,41 | |
| IV. Operating expenses | | | |
| A. Investment transaction and delivery costs (-) | -464.914,36 | -735.053,73 | |
| B. Financial expenses (-) | -29.406,71 | -2.121,11 | |
| C. Custodian's fee (-) | -169.260,02 | -252.972,87 | |
| D. Manager's fee (-) | | | |
| a) Financial management | -4.139.941,22 | -5.342.461,97 | |
| b) Administration and accounting management | -218.271,13 | -283.481,66 | |
| F. Formation and organisation expenses (-) | -8.006,63 | -9.278,26 | |
| G. Remuneration, social security charges and pension | -19,18 | | |
| H. Services and sundry goods (-) | -36.709,67 | -64.691,58 | |
| J. Taxes | -2.261,62 | -6.385,47 | |
| K. Other expenses (-) | -12.154,22 | -27.262,90 | |
| Income and expenditure for the period | | | |
| Subtotal II + III + IV | -96.707,78 | 80.107,88 | |
| V. Profit(loss) on ordinary activities before tax | 20.856.853,17 | -3.009.839,07 | |
| VII. Result of the book year | 20.856.853,17 | -3.009.839,07 | |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|--|--|---|
| I. Profit to be appropriated | 20.700.874,18 | -3.501.726,00 |
| Profit for the period available for appropriation | 20.856.853,17 | -3.009.839,07 |
| Income on the creation of shares (income on the cancellation of shares) | -155.978,99 | -491.886,93 |
| II. (Appropriations to) Deductions from capital | -20.700.874,18 | 3.501.726,00 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND CSOB BRIC

| Name | Quantity on 31/12/2016 | Currency | Price in currency | Evaluation (in the currency of the sub-fund) | % owned by UCI | % portfolio | % Net assets |
|---|---------------------------|----------|----------------------|--|----------------------|----------------|--------------------|
| NET ASSETS | | | | | | | |
| SECURITIES PORTFOLIO | | | | | | | |
| Bonds | | | | | | | |
| Corporate bonds | | | | | | | |
| <u>India</u> | | | | | | | |
| NTPC LTD 15/25 8.49% 25/3 | 12.498,00 | INR | 13,950 | 697,07 | | | |
| Total bonds | | | | 697,07 | | | |
| Shares | | | | | | | |
| Exchange-listed shares | | | | | | | |
| <u>Bermuda</u> | | | | | | | |
| CNPC HONG KONG LTD - | 20.000,00 | HKD | 5,800 | 383.285,91 | | 0,16 | 0,16 |
| <u>Brazil</u> | | | | | | | |
| AMBEV SA - | 21.469,00 | BRL | 16,400 | 2.771.327,76 | | 1,18 | 1,19 |
| BANCO BRADESCO S.A. - | 4.092,00 | BRL | 29,140 | 938.549,97 | | 0,40 | 0,40 |
| BANCO BRADESCO S.A. PREF | 12.574,00 | BRL | 29,000 | 2.870.143,97 | | 1,23 | 1,23 |
| BANCO DO BRASIL SA - | 3.800,00 | BRL | 28,090 | 840.170,76 | | 0,36 | 0,36 |
| BANCO SANTANDER BRASIL SA - | 2.800,00 | BRL | 29,530 | 650.809,24 | | 0,28 | 0,28 |
| BB SEGURIDADE PARTICIPACOES SA - | 3.500,00 | BRL | 28,300 | 779.626,71 | | 0,33 | 0,33 |
| BM&F BOVESPA SA - | 9.100,00 | BRL | 16,500 | 1.181.836,95 | | 0,50 | 0,51 |
| BR MALLS PARTICIPACOES SA - | 4.300,00 | BRL | 11,950 | 404.453,49 | | 0,17 | 0,17 |
| BRF SA - | 3.000,00 | BRL | 48,250 | 1.139.333,33 | | 0,49 | 0,49 |
| CETIP SA - BALCAO ORGANIZADO DE ATI - | 1.500,00 | BRL | 44,600 | 526.572,71 | | 0,23 | 0,23 |
| CIA BRAS DISTRIB GRUPO PAO DE ACUCAR PREF B | 1.200,00 | BRL | 54,750 | 517.127,46 | | 0,22 | 0,22 |
| CIA DE CONCESSOES RODOVIARIAS - | 5.300,00 | BRL | 15,960 | 665.795,70 | | 0,28 | 0,29 |
| CIA SANEAMENTO BASICO - | 1.800,00 | BRL | 28,790 | 407.893,14 | | 0,17 | 0,18 |
| COMPANHIA BRASILEIRA DE MEIOS - | 4.660,00 | BRL | 27,890 | 1.022.978,86 | | 0,44 | 0,44 |
| ELEKTROBRAS-CENTRELETRICAS BRAS S.A. PREF "B" | 2.100,00 | BRL | 25,890 | 427.940,68 | | 0,18 | 0,18 |
| EMBRAER AIRCRAFT CORP-SP ADR - | 3.400,00 | BRL | 16,000 | 428.184,68 | | 0,18 | 0,18 |
| EQUATORIAL ENERGIA SA - | 900,00 | BRL | 54,400 | 385.366,22 | | 0,17 | 0,17 |
| GERDAU SA PREF | 4.500,00 | BRL | 10,800 | 382.532,64 | | 0,16 | 0,16 |
| HYPERMARCAS SA - | 1.800,00 | BRL | 26,130 | 370.206,59 | | 0,16 | 0,16 |
| ITAU UNIBANCO HOLDINGS SA PREF PREF | 14.274,00 | BRL | 33,850 | 3.803.089,92 | | 1,62 | 1,63 |
| ITAUSA-INVESTIMENTOS ITAU SA - | 18.482,00 | BRL | 8,280 | 1.204.513,11 | | 0,51 | 0,52 |
| KLABIN SA - | 3.100,00 | BRL | 17,720 | 432.372,08 | | 0,19 | 0,19 |
| KROTON EDUCACIONAL SA - | 7.640,00 | BRL | 13,330 | 801.596,36 | | 0,34 | 0,34 |
| LOJAS AMERICANAS SA -PREF- | 4.320,00 | BRL | 17,000 | 578.049,32 | | 0,25 | 0,25 |
| LOJAS RENNER SA - | 4.100,00 | BRL | 23,170 | 747.725,38 | | 0,32 | 0,32 |
| PETROBRAS-PETROLEO BRASILEIROS A. - | 12.500,00 | BRL | 16,940 | 1.666.693,14 | | 0,71 | 0,71 |
| PETROBRAS-PETROLEO BRASILEIROS A. PREF | 17.400,00 | BRL | 14,870 | 2.036.537,66 | | 0,87 | 0,87 |
| RAIA DROGASIL SA - | 1.400,00 | BRL | 61,190 | 674.280,68 | | 0,29 | 0,29 |
| TELEF BRASIL PREF | 2.600,00 | BRL | 44,080 | 902.084,38 | | 0,39 | 0,39 |
| ULTRAPAR PARTICIPACOES SA - | 1.600,00 | BRL | 68,450 | 862.036,52 | | 0,37 | 0,37 |
| VALE SA - | 4.900,00 | BRL | 25,680 | 990.428,95 | | 0,42 | 0,43 |
| VALE SA PREF A | 9.500,00 | BRL | 23,340 | 1.745.246,14 | | 0,75 | 0,75 |

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|---------------------------------------|------------|-----|---------|---------------|--|------|------|
| WEG SA - | 3.400,00 | BRL | 15,500 | 414.803,91 | | 0,18 | 0,18 |
| <u>British Virgin Islands</u> | | | | | | | |
| QINQIN FOODSTUFFS GROUP CO LTD - | 900,00 | HKD | 2,640 | 7.850,75 | | 0,00 | 0,00 |
| <u>Cayman Islands</u> | | | | | | | |
| AAC TECHNOLOGY HOLDINGS_INC - | 4.000,00 | HKD | 70,450 | 931.120,42 | | 0,40 | 0,40 |
| BAIDU.COM INC - | 1.406,00 | USD | 164,410 | 5.921.850,08 | | 2,53 | 2,54 |
| CTRIIP.COM INTERNATIONAL LTD - | 1.840,00 | USD | 40,000 | 1.885.478,88 | | 0,81 | 0,81 |
| HENGAN INT GROUP COMPANY LTD - | 4.500,00 | HKD | 56,950 | 846.781,00 | | 0,36 | 0,36 |
| NEW ORIENTAL EDUCATION & TECHN - | 628,00 | USD | 42,100 | 677.307,05 | | 0,29 | 0,29 |
| SEMICONDUCTOR MANUFACTURING INTL CO - | 20.500,00 | HKD | 12,180 | 825.022,92 | | 0,35 | 0,35 |
| SHIMAO PROPERTY HOLDINGS LTD - | 10.000,00 | HKD | 10,140 | 335.044,75 | | 0,14 | 0,14 |
| SINA CORP. - | 299,00 | USD | 60,790 | 465.636,69 | | 0,20 | 0,20 |
| TENCENT HOLDINGS - | 29.000,00 | HKD | 189,700 | 18.177.334,16 | | 7,76 | 7,80 |
| TINGYI HOLDING CORP - | 14.000,00 | HKD | 9,430 | 436.219,01 | | 0,19 | 0,19 |
| XINAO GAS HOLDINGS LTD - | 4.000,00 | HKD | 31,900 | 421.614,50 | | 0,18 | 0,18 |
| <u>China</u> | | | | | | | |
| AGRICULTURAL BANK OF CHINA - | 117.000,00 | HKD | 3,180 | 1.229.356,51 | | 0,53 | 0,53 |
| ALUMINUM CORP OF CHINA LTD - | 28.000,00 | HKD | 3,200 | 296.055,32 | | 0,13 | 0,13 |
| ANHUI CONCH CEMENT CO LTD - | 8.000,00 | HKD | 21,100 | 557.747,08 | | 0,24 | 0,24 |
| ANTA SPORTS PRODUCTS LTD - | 7.000,00 | HKD | 23,150 | 535.443,80 | | 0,23 | 0,23 |
| BANK OF CHINA LTD - | 390.000,00 | HKD | 3,440 | 4.432.899,77 | | 1,89 | 1,90 |
| BANK OF COMMUNICATIONS LTD - | 43.895,00 | HKD | 5,610 | 813.659,64 | | 0,35 | 0,35 |
| BYD CO LTD - | 4.000,00 | HKD | 40,850 | 539.904,46 | | 0,23 | 0,23 |
| CGN POWER CO LTD - | 69.000,00 | HKD | 2,130 | 485.616,64 | | 0,21 | 0,21 |
| CHINA CINDA ASSET MANAGEMENT C - | 59.000,00 | HKD | 2,810 | 547.801,47 | | 0,23 | 0,24 |
| CHINA CITIC BANK CHINA CITIC BANK | 38.600,00 | HKD | 4,930 | 628.780,53 | | 0,27 | 0,27 |
| CHINA COMMUNICATIONS CONST-H - | 29.000,00 | HKD | 8,920 | 854.727,57 | | 0,37 | 0,37 |
| CHINA CONCH VENTURE HOLDINGS L - | 8.500,00 | HKD | 13,800 | 387.581,35 | | 0,17 | 0,17 |
| CHINA CONSTRUCTION BANK - | 430.000,00 | HKD | 5,970 | 8.482.183,21 | | 3,62 | 3,64 |
| CHINA EVERGRANDE GROUP - | 29.000,00 | HKD | 4,830 | 462.817,73 | | 0,20 | 0,20 |
| CHINA GALAXY SECURITIES CO LTD - | 20.000,00 | HKD | 6,990 | 461.925,60 | | 0,20 | 0,20 |
| CHINA GAS HOLDINGS LTD - | 10.000,00 | HKD | 10,520 | 347.600,67 | | 0,15 | 0,15 |
| CHINA LIFE INSURANCE CO LTD - | 39.000,00 | HKD | 20,200 | 2.603.039,98 | | 1,11 | 1,12 |
| CHINA MEDICAL SYSTEM HOLDINGS - | 10.000,00 | HKD | 12,280 | 405.754,39 | | 0,17 | 0,17 |
| CHINA MERCHANTS BANK CO LTD - | 20.158,00 | HKD | 18,180 | 1.210.894,15 | | 0,52 | 0,52 |
| CHINA MINSHENG BANKING CORP LT - | 33.200,00 | HKD | 8,290 | 909.405,29 | | 0,39 | 0,39 |
| CHINA OILFIELD SERVICES LTD - | 12.000,00 | HKD | 7,200 | 285.481,92 | | 0,12 | 0,12 |
| CHINA PACIFIC INSURANCE GROUP - | 14.200,00 | HKD | 27,050 | 1.269.171,98 | | 0,54 | 0,54 |
| CHINA PETROLEUM & CHEMICAL COR "A" | 136.000,00 | HKD | 5,500 | 2.471.533,26 | | 1,06 | 1,06 |
| CHINA RAILWAY CONSTRUCTION COR - | 15.500,00 | HKD | 9,980 | 511.124,97 | | 0,22 | 0,22 |
| CHINA RAILWAY GROUP LTD - | 26.000,00 | HKD | 6,380 | 548.098,85 | | 0,23 | 0,24 |
| CHINA RESOURCES GAS GROUP LTD - | 6.000,00 | HKD | 21,800 | 432.187,90 | | 0,18 | 0,19 |
| CHINA SHENHUA ENERGY CO LTD - | 18.500,00 | HKD | 14,600 | 892.461,41 | | 0,38 | 0,38 |
| CHINA STATE CONSTRUCTION INTL - | 12.000,00 | HKD | 11,600 | 459.943,09 | | 0,20 | 0,20 |
| CHINA TELECOM CORP LTD - | 72.000,00 | HKD | 3,580 | 851.687,72 | | 0,36 | 0,37 |
| CHINA VANKE CO LTD - | 7.900,00 | HKD | 17,700 | 462.024,73 | | 0,20 | 0,20 |
| CITIC SECURITIES CO LTD - | 11.000,00 | HKD | 15,760 | 572.814,18 | | 0,25 | 0,25 |
| COUNTRY GARDEN HOLDINGS COMPANY - | 33.456,00 | HKD | 4,340 | 479.765,05 | | 0,21 | 0,21 |
| CRRC CORP LTD - | 28.950,00 | HKD | 6,960 | 665.767,62 | | 0,28 | 0,29 |
| DONGFENG MOTOR CORP - | 18.000,00 | HKD | 7,570 | 450.228,77 | | 0,19 | 0,19 |
| GEELY AUTOMOBILE HOLDINGS LTD - | 35.000,00 | HKD | 7,410 | 856.941,38 | | 0,37 | 0,37 |
| GF SECURITIES CO LTD - | 9.400,00 | HKD | 16,180 | 502.540,69 | | 0,22 | 0,22 |
| GREAT WALL MOTOR CO LTD - | 18.000,00 | HKD | 7,240 | 430.601,89 | | 0,18 | 0,19 |
| GUANGZHOU AUTOMOBILE GROUP CORP - | 16.000,00 | HKD | 9,380 | 495.892,66 | | 0,21 | 0,21 |
| HAITONG SECURITIES CO LTD - | 15.600,00 | HKD | 13,300 | 685.553,10 | | 0,29 | 0,29 |
| HUANENG POWER INTERNATIONAL IN "H" | 38.000,00 | HKD | 5,140 | 645.374,17 | | 0,28 | 0,28 |

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|--|------------|-----|---------|---------------|--|------|------|
| HUATAISECURITIES COLTD - | 9.400,00 | HKD | 14,800 | 459.678,75 | | 0,20 | 0,20 |
| ICBC - | 365.000,00 | HKD | 4,650 | 5.608.034,54 | | 2,39 | 2,40 |
| JD.COM INC - | 3.543,00 | USD | 25,440 | 2.309.043,52 | | 0,99 | 0,99 |
| JIANGXI COPPER COMPANY LTD. -H- | 8.000,00 | HKD | 10,820 | 286.010,59 | | 0,12 | 0,12 |
| LONGFOR PROPERTIES COLTD - | 12.500,00 | HKD | 9,840 | 406.415,23 | | 0,17 | 0,17 |
| NETEASE.COM -ADR- | 418,00 | USD | 215,340 | 2.305.923,25 | | 0,98 | 0,99 |
| NEW CHINA LIFE INSURANCE CO - | 4.600,00 | HKD | 35,600 | 541.093,97 | | 0,23 | 0,23 |
| PEOPLE S INSURANCE CO GROUP OF CHINA - | 41.000,00 | HKD | 3,060 | 414.543,53 | | 0,18 | 0,18 |
| PETROCHINA COMPANY LIMITID - | 110.000,00 | HKD | 5,780 | 2.100.803,28 | | 0,90 | 0,90 |
| PICC PROPERTY & CASUALTY -H- | 23.005,00 | HKD | 12,080 | 918.235,40 | | 0,39 | 0,39 |
| PING AN INSURANCE GROUP CO OF - | 26.500,00 | HKD | 38,800 | 3.397.366,98 | | 1,45 | 1,46 |
| SINOPHARM GROUP CO - | 7.800,00 | HKD | 31,950 | 823.436,90 | | 0,35 | 0,35 |
| SUN ART RETAIL GROUP LTD - | 12.000,00 | HKD | 6,800 | 269.621,81 | | 0,12 | 0,12 |
| SUNNY OPTICAL TECHNOLOGY GROUP - | 4.000,00 | HKD | 33,950 | 448.708,85 | | 0,19 | 0,19 |
| TAL EDUCATION GROUP - | 266,00 | USD | 70,150 | 478.027,82 | | 0,20 | 0,21 |
| VIPSHOP HOLDINGS LTD - | 1.840,00 | USD | 11,010 | 518.978,06 | | 0,22 | 0,22 |
| WANT WANT CHINA HOLDINGS LTD - | 40.000,00 | HKD | 4,970 | 656.872,74 | | 0,28 | 0,28 |
| 58.COM INC - | 361,00 | USD | 28,000 | 258.945,93 | | 0,11 | 0,11 |
| <u>Hong Kong</u> | | | | | | | |
| ALIBABA GROUP HOLDING LTD - | 5.774,00 | USD | 87,810 | 12.988.667,96 | | 5,55 | 5,57 |
| ALIBABA PICTURES GROUP LTD - | 60.000,00 | HKD | 1,260 | 249.796,68 | | 0,11 | 0,11 |
| BEIJING ENTERPRISES HOLD LTD - | 3.500,00 | HKD | 36,650 | 423.844,83 | | 0,18 | 0,18 |
| BEIJING ENTERPRISES WATER GROUP LTD - | 32.000,00 | HKD | 5,160 | 545.587,66 | | 0,23 | 0,23 |
| BELLE INTERNATIONAL HOLDINGS - | 33.000,00 | HKD | 4,360 | 475.406,69 | | 0,20 | 0,20 |
| BRILIANCE CHINA AUTOMOTIVE - | 20.000,00 | HKD | 10,680 | 705.774,74 | | 0,30 | 0,30 |
| CHIANE LONGYUAN POWER GROUP CORP - | 22.000,00 | HKD | 6,060 | 440.514,46 | | 0,19 | 0,19 |
| CHINA EVERBRIGHT INTL - | 15.000,00 | HKD | 8,790 | 435.657,30 | | 0,19 | 0,19 |
| CHINA EVERBRIGHT-IHD PAC LTD - | 6.000,00 | HKD | 14,760 | 292.618,97 | | 0,13 | 0,13 |
| CHINA INSURANCE INTERNATIONAL - | 11.070,00 | HKD | 16,000 | 585.237,93 | | 0,25 | 0,25 |
| CHINA MENGNIU DAIRY CO LTD - | 18.000,00 | HKD | 14,940 | 888.562,47 | | 0,38 | 0,38 |
| CHINA MERCHANTS HLDGS INTL - | 8.000,00 | HKD | 19,240 | 508.580,75 | | 0,22 | 0,22 |
| CHINA MOBILE LTD. - | 31.500,00 | HKD | 82,200 | 8.555.536,21 | | 3,65 | 3,67 |
| CHINA OVERSEAS LAND & INVEST LTD - | 20.000,00 | HKD | 20,550 | 1.358.021,62 | | 0,58 | 0,58 |
| CHINA PHARMACEUTICAL GROUP LTD - | 28.000,00 | HKD | 8,280 | 766.043,14 | | 0,33 | 0,33 |
| CHINA RESOURCES BEER (HOLDING) - | 10.666,00 | HKD | 15,400 | 542.734,17 | | 0,23 | 0,23 |
| CHINA RESOURCES BEIJING LAND - | 16.000,00 | HKD | 17,440 | 922.000,86 | | 0,39 | 0,40 |
| CHINA RESOURCES POWER HOLDINGS CO - | 12.000,00 | HKD | 12,320 | 488.491,28 | | 0,21 | 0,21 |
| CHINA UNICOM HONG KONG LTD - | 34.000,00 | HKD | 9,030 | 1.014.452,06 | | 0,43 | 0,44 |
| CITIC LTD - | 28.000,00 | HKD | 11,100 | 1.026.941,90 | | 0,44 | 0,44 |
| CNOOC LTD - | 97.000,00 | HKD | 9,700 | 3.108.911,30 | | 1,33 | 1,33 |
| COSCO SHIPPING PORTS LTD - | 10.000,00 | HKD | 7,790 | 257.396,31 | | 0,11 | 0,11 |
| FAR EAST HORIZON LTD - | 14.000,00 | HKD | 6,650 | 307.619,98 | | 0,13 | 0,13 |
| FOSUN INTERNATIONAL - | 18.232,00 | HKD | 10,980 | 661.456,84 | | 0,28 | 0,28 |
| FULLSHARE HOLDINGS LTD - | 35.000,00 | HKD | 3,620 | 418.640,73 | | 0,18 | 0,18 |
| GUANGDONG INVESTMENT - | 16.000,00 | HKD | 10,240 | 541.358,30 | | 0,23 | 0,23 |
| LENOVO GROUP LTD - | 42.000,00 | HKD | 4,700 | 652.246,88 | | 0,28 | 0,28 |
| SHANGAI INDUSTRIAL HOLDING - | 4.000,00 | HKD | 21,000 | 277.551,86 | | 0,12 | 0,12 |
| SHANGAI PHARMACEUTICALS HOLDING - | 5.100,00 | HKD | 17,780 | 299.617,24 | | 0,13 | 0,13 |
| SHENZHOU INTERNATIONAL GROUP - | 3.000,00 | HKD | 49,050 | 486.211,39 | | 0,21 | 0,21 |
| SINO BIOPHARMACEUTICAL - | 30.000,00 | HKD | 5,460 | 541.226,13 | | 0,23 | 0,23 |
| ZHUZHOU CSR TIMES ELECTRIC CO - | 3.000,00 | HKD | 39,350 | 390.059,49 | | 0,17 | 0,17 |
| <u>India</u> | | | | | | | |
| ADANI PORT AND SPECIAL ECONOMIC ZONE - | 3.769,00 | INR | 268,450 | 381.905,08 | | 0,16 | 0,16 |
| AMBUJA CEMENTS LTD - | 6.163,00 | INR | 206,300 | 479.907,22 | | 0,21 | 0,21 |
| ASIAN PAINTS LTD - | 1.801,00 | INR | 891,050 | 605.733,62 | | 0,26 | 0,26 |
| AUROBINDO PHARMA LTD - | 1.612,00 | INR | 669,300 | 407.241,24 | | 0,17 | 0,18 |

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|-----------------------------------|-----------|-----|------------|--------------|--|------|------|
| AXIS BANK LIMITED - | 7.698,00 | INR | 449,950 | 1.307.398,72 | | 0,56 | 0,56 |
| BAJAJ AUTO LTD. - | 388,00 | INR | 2.632,200 | 385.493,01 | | 0,17 | 0,17 |
| BHARAT PETROLEUM CORP. LTD. - | 1.563,00 | INR | 635,500 | 374.921,57 | | 0,16 | 0,16 |
| BHARTI AIRTEL LTD - | 5.440,00 | INR | 305,650 | 627.609,04 | | 0,27 | 0,27 |
| BHARTI INFRA TEL LTD - | 3.848,00 | INR | 343,450 | 498.843,68 | | 0,21 | 0,21 |
| BOSCH LTD - | 31,00 | INR | 21.049,950 | 246.308,08 | | 0,11 | 0,11 |
| CIPLA LTD - | 2.407,00 | INR | 568,800 | 516.775,09 | | 0,22 | 0,22 |
| COAL INDIA LTD - | 4.216,00 | INR | 300,000 | 477.405,86 | | 0,20 | 0,21 |
| DR REDDY'S LABORATORIES LTD. - | 454,00 | INR | 3.060,400 | 524.444,99 | | 0,22 | 0,23 |
| EICHER MOTORS LTD - | 63,00 | INR | 21.803,050 | 518.470,07 | | 0,22 | 0,22 |
| HCL TECHNOLOGIES LTD - | 2.210,00 | INR | 827,950 | 690.656,77 | | 0,30 | 0,30 |
| HERO MOTOCORP LTD. - | 296,00 | INR | 3.043,650 | 340.057,46 | | 0,15 | 0,15 |
| HINDALCO INDUSTRIES LTD. - | 8.472,00 | INR | 155,050 | 495.819,51 | | 0,21 | 0,21 |
| HINDUSTAN LEVER LTD. - | 2.420,00 | INR | 826,350 | 754.823,29 | | 0,32 | 0,32 |
| HINDUSTAN PETROLEUM CORP. - | 1.905,00 | INR | 441,300 | 317.318,07 | | 0,14 | 0,14 |
| HOUSING DEV. FIN. CORP. LTD. - | 5.816,00 | INR | 1.262,600 | 2.771.762,88 | | 1,18 | 1,19 |
| ICICI BANK LTD. P.N.01/07/05 | 6.014,00 | INR | 255,300 | 579.535,61 | | 0,25 | 0,25 |
| INDIABULLS HOUSING FINANCE LTD - | 1.575,00 | INR | 650,250 | 386.568,81 | | 0,17 | 0,17 |
| INFOSYS LTD - | 7.053,00 | INR | 1.010,600 | 2.690.413,72 | | 1,15 | 1,15 |
| ITC LTD. - | 14.825,00 | INR | 241,650 | 1.352.220,12 | | 0,58 | 0,58 |
| JSW STEEL LTD - | 525,00 | INR | 1.627,500 | 322.512,23 | | 0,14 | 0,14 |
| LARSEN & TOUBRO LTD. - | 1.343,00 | INR | 1.349,100 | 683.889,67 | | 0,29 | 0,29 |
| LIC HOUSING FINANCE LTD - | 2.424,00 | INR | 559,700 | 512.098,87 | | 0,22 | 0,22 |
| LUPIN LTD - | 1.098,00 | INR | 1.486,950 | 616.260,88 | | 0,26 | 0,26 |
| MAHINDRA & MAHINDRA P.N. 22/04/05 | 1.863,00 | INR | 1.184,700 | 833.080,82 | | 0,36 | 0,36 |
| MARUTI UDYOG LTD - | 444,00 | INR | 5.319,550 | 891.504,95 | | 0,38 | 0,38 |
| NTPC LTD - | 7.029,00 | INR | 164,750 | 437.104,08 | | 0,19 | 0,19 |
| OIL & NATURAL GAS CORP LTD - | 6.775,00 | INR | 191,350 | 489.332,05 | | 0,21 | 0,21 |
| RELIANCE INDUSTRIES LTD - | 4.973,00 | INR | 1.082,400 | 2.031.758,73 | | 0,87 | 0,87 |
| STATE BANK OF INDIA - | 6.305,00 | INR | 250,200 | 595.440,39 | | 0,25 | 0,26 |
| SUN PHARMACEUTICAL INDS LTD - | 3.863,00 | INR | 630,000 | 918.609,96 | | 0,39 | 0,39 |
| TATA CONSULTANCY SVS LTD - | 2.061,00 | INR | 2.365,550 | 1.840.246,56 | | 0,79 | 0,79 |
| TATA MOTORS LTD P.N. 27/09/04 | 6.824,00 | INR | 472,000 | 1.215.757,36 | | 0,52 | 0,52 |
| ULTRATECH CEMENT LT-REG - | 409,00 | INR | 3.250,200 | 501.763,75 | | 0,21 | 0,22 |
| UPL LTD - | 2.208,00 | INR | 647,000 | 539.224,03 | | 0,23 | 0,23 |
| WIPRO LTD - | 3.415,00 | INR | 474,450 | 611.571,24 | | 0,26 | 0,26 |
| YES BANK LTD - | 1.422,00 | INR | 1.156,450 | 620.715,15 | | 0,27 | 0,27 |
| ZEE ENTERTAINMENT ENTERPRISES - | 3.397,00 | INR | 453,050 | 580.908,29 | | 0,25 | 0,25 |
| <u>Indonesia</u> | | | | | | | |
| GODREJ CONSUMER PRODUCTS LTD - | 718,00 | INR | 1.509,950 | 409.216,28 | | 0,18 | 0,18 |
| <u>Russia</u> | | | | | | | |
| FEDERAL HYDROGENERATING CO - | 10.551,00 | USD | 1,455 | 393.278,74 | | 0,17 | 0,17 |
| GAZPROM ADR NEW | 45.482,00 | USD | 5,050 | 5.884.028,81 | | 2,51 | 2,52 |
| JSC MMC NORILSK NICKEL ADR NEW | 4.164,00 | USD | 16,790 | 1.791.039,96 | | 0,77 | 0,77 |
| LUKOIL PJSC - | 3.229,00 | USD | 56,100 | 4.640.606,72 | | 1,98 | 1,99 |
| MAGNIT PJSC - | 2.290,00 | USD | 44,150 | 2.590.061,33 | | 1,11 | 1,11 |
| MOBILE TELESYSTEMS ADR | 3.676,00 | USD | 9,110 | 857.902,11 | | 0,37 | 0,37 |
| NOVATEK OAO - | 709,00 | USD | 129,800 | 2.357.571,03 | | 1,01 | 1,01 |
| PHOSAGRO PJSC - | 938,00 | USD | 15,250 | 366.451,53 | | 0,16 | 0,16 |
| ROSNEFT OIL COMPANY - | 9.078,00 | USD | 6,500 | 1.511.636,58 | | 0,65 | 0,65 |
| SBERBANK PAO ADR | 19.781,00 | USD | 11,575 | 5.865.608,88 | | 2,50 | 2,51 |
| SEVERSTAL - | 1.716,00 | USD | 15,200 | 668.197,32 | | 0,29 | 0,29 |
| SISTEMA PJSC FC - | 1.910,00 | USD | 9,000 | 440.372,04 | | 0,19 | 0,19 |
| SURGUTNEFTGAZ OIL ADR NEW | 11.952,00 | USD | 5,045 | 1.544.705,22 | | 0,66 | 0,66 |
| TATNEFT - | 1.887,00 | USD | 41,220 | 1.992.616,61 | | 0,85 | 0,85 |
| VTB BANK OSJC-GDR-REG S/WI - | 18.808,00 | USD | 2,387 | 1.150.108,71 | | 0,49 | 0,49 |

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|--------------------------------|-------------|-----|--------|-----------------------|--|--------|---------------|
| <u>U.S.A.</u> | | | | | | | |
| YUM CHINA HOLDINGS INC - | 2.117,00 | USD | 26,120 | 1.416.569,51 | | 0,61 | 0,61 |
| Total shares | | | | 234.259.138,21 | | 100,00 | 100,42 |
| TOTAL SECURITIES PORTFOLIO | | | | 234.259.835,28 | | 100,00 | 100,42 |
| CASH ATBANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP CZK | -965.116,43 | CZK | 1,000 | -965.116,43 | | | -0,41 |
| KBC GROUP EURO | -1.929,20 | EUR | 1,000 | -52.127,95 | | | -0,02 |
| KBC GROUP HKD | 792,36 | HKD | 1,000 | 2.618,11 | | | 0,00 |
| KBC GROUP USD | -1.823,11 | USD | 1,000 | -46.704,29 | | | -0,02 |
| Total demand accounts | | | | -1.061.330,56 | | | -0,46 |
| TOTAL CASH AT BANK AND IN HAND | | | | -1.061.330,56 | | | -0,46 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP CZKRECEIVABLE | 154.512,48 | CZK | 1,000 | 154.512,48 | | | 0,07 |
| KBC GROUP EURRECEIVABLE | 16.300,00 | EUR | 1,000 | 440.434,16 | | | 0,19 |
| Total receivables | | | | 594.946,64 | | | 0,26 |
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP CZKPAYABLE | -454.163,28 | CZK | 1,000 | -454.163,28 | | | -0,20 |
| KBC GROUP EURPAYABLE | -14.297,49 | EUR | 1,000 | -386.325,34 | | | -0,17 |
| Payables | | | | -840.488,62 | | | -0,36 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -245.541,98 | | | -0,11 |
| OTHER | | | | | | | |
| Interest receiv able | | CZK | | 454.156,75 | | | 0,20 |
| Ex penses payable | | CZK | | -118.912,21 | | | -0,05 |
| TOTAL OTHER | | | | 335.244,54 | | | 0,14 |
| TOTAL NET ASSETS | | | | 233.288.207,28 | | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|------------------------|---------------|---------------|---------------|---------------|
| Belgium | -0,45 | 0,02 | -0,02 | 0,00 |
| Bermuda | 0,27 | 0,20 | 0,19 | 0,16 |
| Brazil | 13,00 | 8,98 | 13,28 | 14,33 |
| China | 36,78 | 35,88 | 28,35 | 25,19 |
| Cayman Islands | 6,74 | 7,75 | 10,21 | 13,20 |
| Hong Kong | 15,36 | 15,45 | 16,00 | 19,02 |
| India | 20,40 | 21,34 | 20,34 | 13,65 |
| Indonesia | 0,22 | 0,16 | 0,19 | 0,17 |
| Russia | 7,68 | 10,22 | 11,22 | 13,68 |
| U.S.A. | 0,00 | 0,00 | 0,23 | 0,60 |
| British Virgin Islands | 0,00 | 0,00 | 0,01 | 0,00 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Cyclicals | 24,78 | 24,26 | 24,62 | 24,33 |
| Consum(cycl) | 8,97 | 8,82 | 8,50 | 7,19 |
| Cons.goods | 7,16 | 6,47 | 6,78 | 7,21 |
| Pharma | 4,06 | 4,85 | 3,93 | 2,64 |
| Financials | 29,91 | 29,26 | 27,61 | 27,52 |
| Technology | 11,50 | 12,72 | 16,78 | 20,84 |
| Telecomm. | 7,09 | 7,03 | 6,63 | 5,87 |
| Utilities | 3,20 | 2,51 | 2,45 | 2,16 |
| Real est. | 3,33 | 4,08 | 2,70 | 2,24 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| BRL | 13,10 | 9,00 | 13,43 | 14,41 |
| CNY | 8,88 | 9,86 | 5,85 | 0,00 |
| CZK | -0,82 | -0,04 | -1,09 | -0,54 |
| EUR | 0,00 | -0,19 | -0,11 | 0,00 |
| HKD | 50,82 | 49,52 | 44,45 | 45,94 |
| INR | 20,76 | 21,53 | 20,77 | 13,90 |
| USD | 7,26 | 10,32 | 16,70 | 26,29 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND CSOB BRIC (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|----------------|
| Purchases | 42.229.751,90 | 53.247.069,06 | 95.476.820,96 |
| Sales | 49.438.017,56 | 61.100.731,92 | 110.538.749,48 |
| Total 1 | 91.667.769,46 | 114.347.800,98 | 206.015.570,44 |
| Subscriptions | 10.024.563,98 | 10.474.053,75 | 20.498.617,73 |
| Redemptions | 16.038.553,00 | 17.798.031,26 | 33.836.584,26 |
| Total 2 | 26.063.116,98 | 28.272.085,01 | 54.335.201,99 |
| Monthly average of total assets | 204.056.546,78 | 232.386.216,21 | 218.530.657,36 |
| Turnover rate | 32,15 % | 37,04 % | 69,41 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|----------------|
| Purchases | 42.229.751,90 | 53.247.069,06 | 95.476.820,96 |
| Sales | 49.438.017,56 | 61.100.731,92 | 110.538.749,48 |
| Total 1 | 91.667.769,46 | 114.347.800,98 | 206.015.570,44 |
| Subscriptions | 10.024.563,98 | 10.474.053,75 | 20.498.617,73 |
| Redemptions | 16.038.553,00 | 17.798.031,26 | 33.836.584,26 |
| Total 2 | 26.063.116,98 | 28.272.085,01 | 54.335.201,99 |
| Monthly average of total assets | 204.733.031,09 | 233.679.152,90 | 219.769.289,83 |
| Corrected turnover rate | 32,04 % | 36,84 % | 69,02 % |

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: these are both semi-indexfunds whereby we over/under-weight to countries versus MSCI BRIC. We change our country views and do a rebalance of the fund once a month (usually around the 15th). However, I don't see why this month's turnover would be largely different to previous months.

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

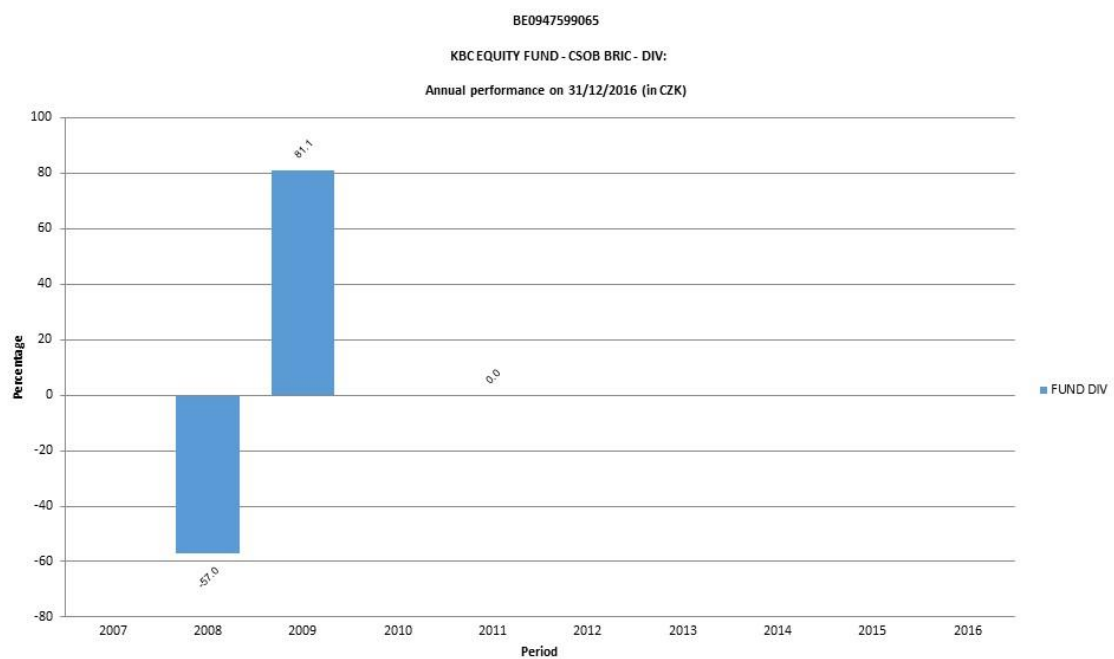
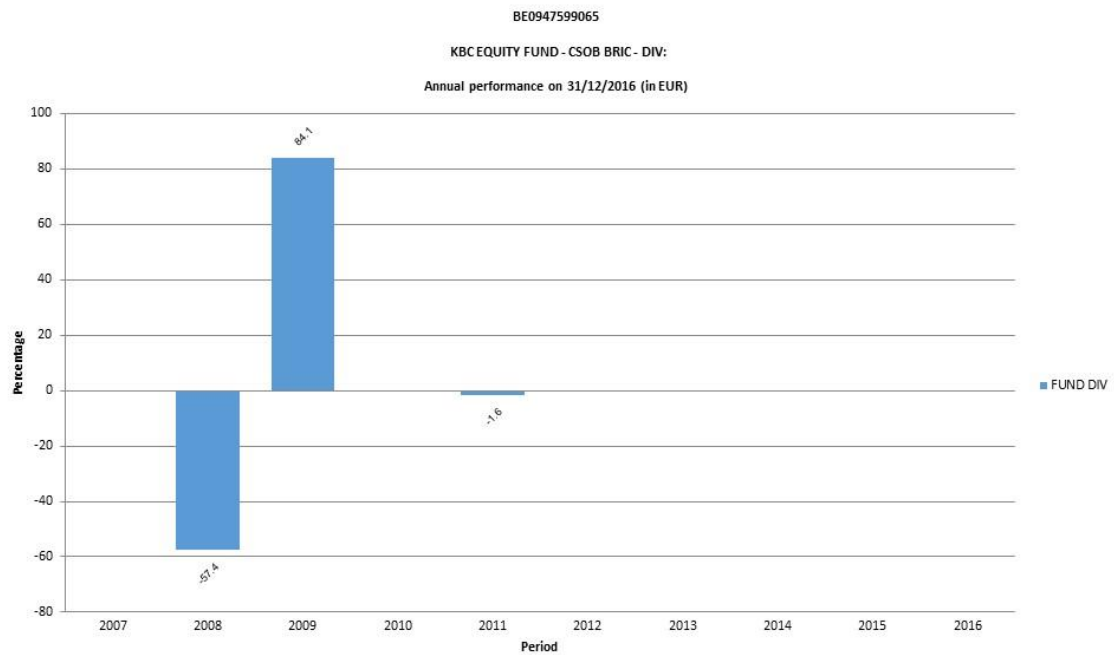
2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|------|-------------|------|---------------|------|------------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 55.322,24 | 0,00 | 240.819,62 | 0,00 | 388.869,16 | 0,00 | 388.869,16 |
| 2015 - 12 | 37.340,80 | 0,00 | 129.761,79 | 0,00 | 296.448,17 | 0,00 | 296.448,17 |
| 2016 - 12 | 27.542,58 | 0,00 | 45.030,00 | 0,00 | 278.960,75 | 0,00 | 278.960,75 |

| Period | Amounts received and paid by the UCI (in the currency of the sub-fund) | | | |
|-----------|---|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 41.707.599,91 | 0,00 | 181.637.362,43 | 0,00 |
| 2015 - 12 | 32.348.458,12 | 0,00 | 117.823.135,96 | 0,00 |
| 2016 - 12 | 20.708.943,08 | 0,00 | 34.202.888,60 | 0,00 |

| Period | Net asset value End of period (in the currency of the sub-fund) | | |
|-----------|--|----------------|--------------|
| Year | Of the sub-fund | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 314.416.272,46 | 808,54 | N/A |
| 2015 - 12 | 225.925.688,93 | 762,11 | N/A |
| 2016 - 12 | 233.288.207,28 | 836,28 | N/A |

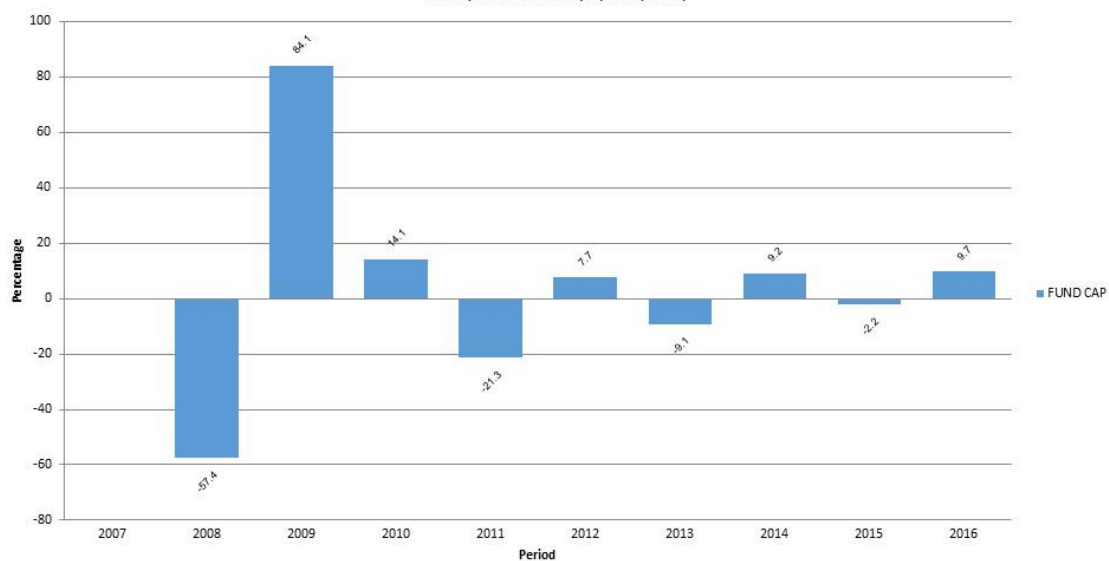
2.4.5 PERFORMANCE FIGURES



BE0947600079

KBCEQUITY FUND - CSOB BRIC - CAP:

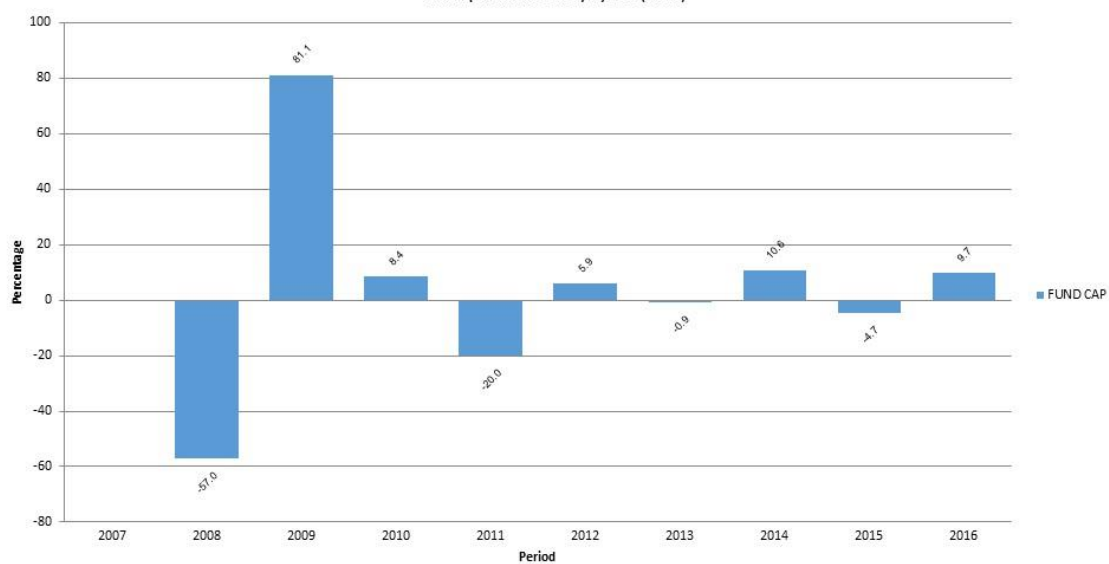
Annual performance on 31/12/2016 (in EUR)



BE0947600079

KBCEQUITY FUND - CSOB BRIC - CAP:

Annual performance on 31/12/2016 (in CZK)



| Cap Div | ISIN code | Cur-rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE0947600079 | EUR | 9.68% | | 5.41% | | 2.76% | | | | 30/11/2007 | -1.89% |
| CAP | BE0947600079 | CZK | 9.68% | | 4.96% | | 3.95% | | | | 30/11/2007 | -1.95% |
| DIV | BE0947599065 | EUR | | | | | | | | | 30/11/2007 | |
| DIV | BE0947599065 | CZK | | | | | | | | | 30/11/2007 | |

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

* Return on annual basis.

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

Capitalisation units (CAP)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

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

For dividend i on date Di with value Wi:

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

$i = 1 \dots N$

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

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

2.4.6 COSTS

Ongoing charges: *

Distribution: Not applicable

Capitalization: 2.130%

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

EXISTENCE OF COMMISSION SHARING AGREEMENTS

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

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

| Broker | Commission gross in EUR paid during the period: 1-01-16 - | CSA Credits in EUR accrued during the period: 1-01-16 - | Percentage |
|-----------|---|---|------------|
| | 31-12-16 | 31-12-16 | |
| CITI | 1.333 | 389 | 29,20% |
| CSFBSAS | 24 | 8 | 33,33% |
| CSFBSAS | 185 | 39 | 21,32% |
| HSBC | 1 | 0 | 6,67% |
| HSBC | 217 | 48 | 22,02% |
| INSTINET | 995 | 99 | 9,97% |
| MACQUARIE | 7 | 1 | 12,50% |
| MACQUARIE | 570 | 160 | 28,09% |

FEE-SHARING AGREEMENTS AND REBATES:

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

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

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

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 2% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 2% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

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

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

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

Exercising voting rights.

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

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

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

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

Securities lending

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

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 3,891.28 CZK and from bond lending to 0.00 CZK. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

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

Transparency of securities financing transactions and of reuse

Global data:

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

Concentration data:

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

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

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

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

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

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

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

Data on reuse of collateral:

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

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

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

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

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

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

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

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

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 8,29 | 2,90 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 2,90 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 135,68 | 47,49 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 47,49 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND CSOB AKCIOVY FOND DIVIDENDOVYCH FIREM

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launched date: 28 September 2012
Initial subscription price: 1000 CZK
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

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

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

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

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

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

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

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

KBC Equity Fund CSOB Akciovy Fond Dividendovych Firem aims to generate a return by investing at least 75% of its assets in shares with a high dividend yield. All regions, sectors and themes may be taken into consideration. The rest of the assets will be invested in bonds, debt instruments, money market instruments and deposits.

Lending financial instruments:

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

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

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

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

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

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

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

Volatility of the net asset value:

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

General strategy for hedging the exchange rate risk:

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

Social, ethical and environmental aspects:

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

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The fund invests in well-diversified portfolios of shares in companies that pay out sustainable dividends that are higher than their peers. Active positions in stocks were taken based on quantitative analysis and a stringent risk framework. Approximately once a month, the fund was rebalanced to reflect recommendations originated by forementioned analysis. The fund hedges its currency exposure back to CZK.

2.1.8 FUTURE POLICY

The fund will continue its active stock selection strategy based on quantitative analysis within the limits defined by the stringent risk framework.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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

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

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 3,436,926.32 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 | | 31/12/2016 (in the currency of the sub-fundt) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|---|
| TOTAL NET ASSETS | | 1.452.400.464,61 | 1.199.588.197,43 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | | |
| a) Collateral received in the form of bonds | | 16.530.428,85 | 57.800.729,66 |
| C. Shares and similar instruments | | | |
| a) Shares | | 1.455.910.293,42 | 1.201.007.005,04 |
| Of which securities lent | | 14.845.811,83 | 1.988.719,64 |
| D. Other securities | | 355.078,03 | 84.933,66 |
| F. Derivative financial instruments | | | |
| j) Foreign exchange | | | |
| Futures and forward contracts (+/-) | | -11.353.356,80 | -9.248.636,08 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 4.397.193,93 | 1.109.465,48 |
| B. Payables | | | |
| a) Accounts payable (-) | | -4.422.992,53 | -63.576,34 |
| d) Borrowings (-) | | -1.196.768,38 | -1.249.052,01 |
| e) Collateral (-) | | -16.530.428,85 | -57.800.729,66 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 6.902.015,50 | 5.734.485,17 |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | 2.487.637,52 | 2.817.894,76 |
| C. Accrued expense (-) | | -678.636,08 | -604.322,25 |
| TOTAL SHAREHOLDERS' EQUITY | | 1.452.400.464,61 | 1.199.588.197,43 |
| A. Capital | | 1.327.604.412,97 | 1.210.804.061,87 |
| B. Income equalization | | 1.629.059,86 | 4.234.905,32 |
| D. Result of the book year | | 123.166.991,78 | -15.450.769,76 |

Off-balance-sheet headings

| | | | |
|------------|--|------------------|-----------------|
| I | Collateral (+/-) | | |
| I.A | Collateral (+/-) | | |
| I.A.A | Securities/market instruments | 16.530.428,85 | 57.800.729,66 |
| III | Notional amounts of futures and forward contracts | | |
| III.A | Purchased futures and forward contracts | 1.136.911.669,95 | 958.783.204,68 |
| III.B | Written futures and forward contracts | -121.527.763,22 | -125.597.645,25 |
| IX | Financial instruments lent | 14.845.811,83 | 1.988.719,64 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|-----------------|--|--|
| I. Net gains(losses) on investments | | | |
| C. Shares and similar instruments | | | |
| a) Shares | 120.355.464,29 | -15.007.122,22 | |
| D. Other securities | -113.661,88 | -23.512,73 | |
| G. Receivables, deposits, cash at bank and in hand and payables | -0,01 | -0,01 | |
| H. Foreign exchange positions and transactions | | | |
| a) Derivative financial instruments | | | |
| Futures and forward contracts | -2.104.720,72 | 1.328.054,88 | |
| b) Other foreign exchange positions and transactions | -13.752.325,73 | -17.283.894,80 | |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | 145.583.382,24 | 318.266.637,13 | |
| Unrealised gains on investments | 293.202.926,62 | 409.118.837,79 | |
| Realised losses on investments | -189.425.960,72 | -197.485.809,70 | |
| Unrealised losses on investments | -144.975.592,19 | -560.886.140,10 | |
| II. Investment income and expenses | | | |
| A. Dividends | 42.035.333,67 | 35.814.789,22 | |
| B. Interests | | | |
| a) Securities and money market instruments | 397.864,27 | 385.624,39 | |
| b) Cash at bank and in hand and deposits | 11.893,48 | 17.037,96 | |
| C. Interest on borrowings (-) | -20.450,78 | -11.674,30 | |
| IV. Operating expenses | | | |
| A. Investment transaction and delivery costs (-) | -1.815.646,98 | -2.228.454,45 | |
| B. Financial expenses (-) | -40.436,10 | -7.977,56 | |
| C. Custodian's fee (-) | -974.533,06 | -765.027,41 | |
| D. Manager's fee (-) | | | |
| a) Financial management | -19.119.485,56 | -16.201.957,47 | |
| b) Administration and accounting management | -1.275.115,91 | -1.080.131,87 | |
| F. Formation and organisation expenses (-) | -18.192,10 | -22.201,89 | |
| G. Remuneration, social security charges and pension | -117,27 | | |
| H. Services and sundry goods (-) | -138.319,50 | -87.258,21 | |
| J. Taxes | -12.794,72 | -10.834,15 | |
| K. Other expenses (-) | -247.763,61 | -266.229,14 | |
| Income and expenditure for the period | | | |
| Subtotal II + III + IV | 18.782.235,83 | 15.535.705,12 | |
| V. Profit(loss) on ordinary activities before tax | 123.166.991,78 | -15.450.769,76 | |
| VII. Result of the book year | 123.166.991,78 | -15.450.769,76 | |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | 124.796.051,64 | -11.215.864,44 |
| Profit for the period available for appropriation | 123.166.991,78 | -15.450.769,76 |
| Income on the creation of shares (income on the cancellation of shares) | 1.629.059,86 | 4.234.905,32 |
| II. (Appropriations to) Deductions from capital | -122.599.814,69 | 11.215.864,44 |
| IV. (Dividends to be paid out) | -2.196.236,95 | |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND CSOB AKCIOVY FOND DIVIDENDOVYCH FIREM

| Name | Quantity on 31/12/2016 | 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> | | | | | | | |
| COMMONWEALTH BANK AUST - | 4.662,00 | AUD | 82,410 | 7.126.975,46 | | 0,49 | 0,49 |
| NATIONAL AUSTRALIA BANK - | 29.797,00 | AUD | 30,670 | 16.952.720,32 | | 1,17 | 1,17 |
| WESTPAC BANKING - | 8.452,00 | AUD | 32,600 | 5.111.285,84 | | 0,35 | 0,35 |
| <u>Canada</u> | | | | | | | |
| AIMIA - | 26.502,00 | CAD | 8,880 | 4.495.700,84 | | 0,31 | 0,31 |
| BANK OF NOVA SCOTIA - | 7.980,00 | CAD | 74,760 | 11.396.669,98 | | 0,79 | 0,79 |
| GENWORTH MI CANADA INC - | 20.224,00 | CAD | 33,660 | 13.004.299,31 | | 0,90 | 0,90 |
| GRANITE REAL ESTATE INC - | 4.034,00 | CAD | 44,830 | 3.454.700,65 | | 0,24 | 0,24 |
| HOME CAPITAL GROUP INC - | 10.098,00 | CAD | 31,340 | 6.045.610,27 | | 0,42 | 0,42 |
| MANULIFE FINANCIAL CORP - | 1.231,00 | CAD | 23,910 | 562.268,06 | | 0,04 | 0,04 |
| POWER FINANCIAL CORP - | 24.016,00 | CAD | 33,560 | 15.396.727,22 | | 1,07 | 1,06 |
| <u>Finland</u> | | | | | | | |
| NESTE OIL OYJ - | 1.536,00 | EUR | 36,500 | 1.514.877,34 | | 0,11 | 0,10 |
| UPM-KYMMENE CORP - | 26.073,00 | EUR | 23,340 | 16.443.158,58 | | 1,14 | 1,13 |
| <u>France</u> | | | | | | | |
| AXA - | 6.491,00 | EUR | 23,985 | 4.206.730,80 | | 0,29 | 0,29 |
| CNP ASSURANCE (PAR) | 6.258,00 | EUR | 17,600 | 2.976.059,54 | | 0,21 | 0,21 |
| CREDIT AGRICOLE - | 47.800,00 | EUR | 11,780 | 15.214.811,49 | | 1,05 | 1,05 |
| ELECTR. DE FRANCE - | 37.692,00 | EUR | 9,680 | 9.858.660,90 | | 0,68 | 0,68 |
| SANOFI - | 9.485,00 | EUR | 76,900 | 19.708.658,48 | | 1,36 | 1,36 |
| SOCIETE GENERALE SA - | 12.211,00 | EUR | 46,745 | 15.423.388,00 | | 1,07 | 1,06 |
| TOTAL - | 21.541,00 | EUR | 48,720 | 28.357.407,83 | | 1,96 | 1,95 |
| <u>Germany</u> | | | | | | | |
| METRO AG - | 3.223,00 | EUR | 31,585 | 2.750.645,20 | | 0,19 | 0,19 |
| PROSIEBEN SAT.1 MEDIA AG PREF | 6.224,00 | EUR | 36,610 | 6.156.908,53 | | 0,43 | 0,42 |
| SIEMENS AG REG | 8.445,00 | EUR | 116,800 | 26.652.373,18 | | 1,85 | 1,84 |
| <u>Hong Kong</u> | | | | | | | |
| LI & FUNG LTD - | 36.000,00 | HKD | 3,410 | 405.622,22 | | 0,03 | 0,03 |
| <u>Italy</u> | | | | | | | |
| ASSICURAZIONI GENERALI - | 9.897,00 | EUR | 14,120 | 3.775.997,13 | | 0,26 | 0,26 |
| SARAS SPA - | 162.848,00 | EUR | 1,720 | 7.568.403,28 | | 0,52 | 0,52 |
| UNICREDIT SPA - | 116.502,00 | EUR | 2,734 | 8.606.474,38 | | 0,60 | 0,59 |
| <u>Japan</u> | | | | | | | |
| AMADA HOLDINGS CO LTD - | 8.300,00 | JPY | 1.305,000 | 2.379.049,28 | | 0,17 | 0,16 |
| CANON INC - | 4.300,00 | JPY | 3.295,000 | 3.111.993,70 | | 0,22 | 0,21 |
| DAI NIPPON PRINTNG - | 66.000,00 | JPY | 1.155,000 | 16.743.288,25 | | 1,16 | 1,15 |
| DAIWA HOUSE - | 4.300,00 | JPY | 3.196,000 | 3.018.492,22 | | 0,21 | 0,21 |

| | | | | | | | |
|-----------------------------------|------------|-----|------------|---------------|--|------|------|
| FUJITSU LTD - | 75.000,00 | JPY | 649,500 | 10.699.297,24 | | 0,74 | 0,74 |
| HOYA CORPORATION - | 8.500,00 | JPY | 4.911,000 | 9.168.614,10 | | 0,64 | 0,63 |
| JAPAN AIRLINES - | 20.000,00 | JPY | 3.415,000 | 15.001.529,42 | | 1,04 | 1,03 |
| JFE HOLDINGS INC - | 14.700,00 | JPY | 1.780,000 | 5.747.145,22 | | 0,40 | 0,40 |
| NINTENDO CO - | 1.200,00 | JPY | 24.540,000 | 6.468.009,35 | | 0,45 | 0,45 |
| NISSAN MOTOR - | 67.300,00 | JPY | 1.175,500 | 17.376.108,99 | | 1,20 | 1,20 |
| ORIX (ORIENT LEASING) - | 20.450,00 | JPY | 1.824,000 | 8.192.811,84 | | 0,57 | 0,56 |
| SHIMACHU CO LTD - | 1.000,00 | JPY | 3.115,000 | 684.183,96 | | 0,05 | 0,05 |
| SUMITOMO CORP - | 88.800,00 | JPY | 1.375,500 | 26.828.006,00 | | 1,86 | 1,85 |
| SUZUKEN COLTD - | 3.070,00 | JPY | 3.820,000 | 2.575.826,30 | | 0,18 | 0,18 |
| YAMADA DENKI - | 27.200,00 | JPY | 630,000 | 3.763.780,50 | | 0,26 | 0,26 |
| <u>Netherlands</u> | | | | | | | |
| CORBION NV (AMS)NRC | 3.897,00 | EUR | 25,430 | 2.677.750,78 | | 0,19 | 0,18 |
| WERELDHAVE NV (AMS) | 383,00 | EUR | 42,760 | 442.516,90 | | 0,03 | 0,03 |
| <u>New Zealand</u> | | | | | | | |
| AIR NEW ZEALAND LTD - | 36.704,00 | NZD | 2,195 | 1.439.139,37 | | 0,10 | 0,10 |
| <u>Norway</u> | | | | | | | |
| AUSTEVOLL SEAFOOD ASA - | 50.411,00 | NOK | 83,750 | 12.565.086,81 | | 0,87 | 0,87 |
| <u>Portugal</u> | | | | | | | |
| GALP ENERGIA SGPS SA - | 2.216,00 | EUR | 14,190 | 849.660,72 | | 0,06 | 0,06 |
| <u>Singapore</u> | | | | | | | |
| KEPPEL CORP - | 154.200,00 | SGD | 5,790 | 15.831.729,14 | | 1,10 | 1,09 |
| <u>Spain</u> | | | | | | | |
| BANCO BILBAO VIZCAYA ARGENTARIA - | 32.106,00 | EUR | 6,414 | 5.564.274,49 | | 0,39 | 0,38 |
| IBERDROLA SA - | 7.743,00 | EUR | 6,234 | 1.304.275,83 | | 0,09 | 0,09 |
| <u>Sweden</u> | | | | | | | |
| INVESTOR AB "B" | 6.929,00 | SEK | 340,500 | 6.653.112,90 | | 0,46 | 0,46 |
| TELIA CO AB - | 206.219,00 | SEK | 36,710 | 21.347.659,96 | | 1,48 | 1,47 |
| <u>Switzerland</u> | | | | | | | |
| COCA-COLA HBC AG - | 19.387,00 | GBP | 17,700 | 10.862.326,53 | | 0,75 | 0,75 |
| NESTLE AG REG | 1.267,00 | CHF | 73,050 | 2.332.896,29 | | 0,16 | 0,16 |
| SWISS RE - | 9.001,00 | CHF | 96,500 | 21.893.574,47 | | 1,52 | 1,51 |
| <u>U.K.</u> | | | | | | | |
| BELLWAY PLC - | 10.581,00 | GBP | 24,760 | 8.293.089,11 | | 0,57 | 0,57 |
| BERKELEY GROUP (THE) PLC - | 12.794,00 | GBP | 28,080 | 11.372.146,01 | | 0,79 | 0,78 |
| BP PLC - | 1.131,00 | GBP | 5,096 | 182.444,59 | | 0,01 | 0,01 |
| BRITISH AMERICAN TOBACCO PLC - | 14.125,00 | GBP | 46,215 | 20.663.809,58 | | 1,43 | 1,42 |
| CARILLION PLC - | 98.874,00 | GBP | 2,361 | 7.389.534,29 | | 0,51 | 0,51 |
| COMPASS GROUP - | 15.791,00 | GBP | 15,010 | 7.502.902,50 | | 0,52 | 0,52 |
| GLAXOSMITHKLINE PLC - | 3.424,00 | GBP | 15,620 | 1.692.987,54 | | 0,12 | 0,12 |
| HSBC HOLDING PLC - | 109.341,00 | GBP | 6,569 | 22.736.377,98 | | 1,57 | 1,57 |
| MARKS&SPENCER - | 110.662,00 | GBP | 3,500 | 12.260.425,33 | | 0,85 | 0,84 |
| WPP GROUP PLC - | 27.914,00 | GBP | 18,160 | 16.046.373,46 | | 1,11 | 1,11 |
| <u>U.S.A.</u> | | | | | | | |
| ABBVIE INC - | 4.402,00 | USD | 62,620 | 7.061.662,54 | | 0,49 | 0,49 |
| ACCENTURE LTD "A" | 2.472,00 | USD | 117,130 | 7.417.549,75 | | 0,51 | 0,51 |
| AFLAC INC - | 1.046,00 | USD | 69,600 | 1.865.025,53 | | 0,13 | 0,13 |
| AIRCRAFT LTD - | 25.755,00 | USD | 20,850 | 13.756.611,47 | | 0,95 | 0,95 |
| ALTRIA GROUP INC - | 11.744,00 | USD | 67,620 | 20.343.940,04 | | 1,41 | 1,40 |
| AMERICAN CAPITAL AGENCY CORP - | 21.745,00 | USD | 18,130 | 10.099.527,92 | | 0,70 | 0,70 |
| APOLLO INVESTMENT CORP - | 34.483,00 | USD | 5,860 | 5.176.622,75 | | 0,36 | 0,36 |
| APPLE INC - | 11.739,00 | USD | 115,820 | 34.830.404,76 | | 2,41 | 2,40 |

| | | | | | | | |
|--|-----------|-----|---------|---------------|--|------|------|
| APPLIED MATERIALS - | 14.290,00 | USD | 32,270 | 11.813.403,89 | | 0,82 | 0,81 |
| AT&T INC - | 2.882,00 | USD | 42,530 | 3.140.025,81 | | 0,22 | 0,22 |
| AUTOMATIC DATA PROCESSING, INC. - | 10.668,00 | USD | 102,780 | 28.088.948,29 | | 1,94 | 1,93 |
| BOEING - | 5.772,00 | USD | 155,680 | 23.019.877,25 | | 1,59 | 1,59 |
| BRISTOL-MYERSSQUIBB CO - | 2.753,00 | USD | 58,440 | 4.121.547,19 | | 0,29 | 0,28 |
| CA INC - | 4.194,00 | USD | 31,770 | 3.413.418,19 | | 0,24 | 0,24 |
| CENTURYLINK INC - | 22.433,00 | USD | 23,780 | 13.666.051,87 | | 0,95 | 0,94 |
| CHIMERA INVESTMENT CORP - | 48.316,00 | USD | 17,020 | 21.066.596,96 | | 1,46 | 1,45 |
| CISCO SYSTEMS INC - | 2.680,00 | USD | 30,220 | 2.074.785,06 | | 0,14 | 0,14 |
| CLOROX COMPANY - | 355,00 | USD | 120,020 | 1.091.505,26 | | 0,08 | 0,08 |
| COMPUTER SCIENCES - | 808,00 | USD | 59,420 | 1.229.951,16 | | 0,09 | 0,09 |
| CORNING INC - | 27.419,00 | USD | 24,270 | 17.047.678,48 | | 1,18 | 1,17 |
| DARDEN RESTAURANTS - | 3.916,00 | USD | 72,720 | 7.295.253,90 | | 0,51 | 0,50 |
| DEANFOODS CO - | 11.711,00 | USD | 21,780 | 6.534.249,52 | | 0,45 | 0,45 |
| DOW CHEMICAL COMPANY - | 1.382,00 | USD | 57,220 | 2.025.814,87 | | 0,14 | 0,14 |
| DU PONT DE NEMOURS - | 5.092,00 | USD | 73,400 | 9.574.769,18 | | 0,66 | 0,66 |
| DUKE ENERGY HOLDING CORP - | 2.919,00 | USD | 77,620 | 5.804.323,26 | | 0,40 | 0,40 |
| ENTERGY CORPORATION - | 8.420,00 | USD | 73,470 | 15.847.690,81 | | 1,10 | 1,09 |
| EQUITY RESIDENTIAL - | 10.136,00 | USD | 64,360 | 16.711.925,67 | | 1,16 | 1,15 |
| EXELON CORP - | 18.450,00 | USD | 35,490 | 16.774.370,38 | | 1,16 | 1,16 |
| EXXON MOBIL CORP - | 2.220,00 | USD | 90,260 | 5.133.247,00 | | 0,36 | 0,35 |
| FIRSTENERGY CORP - | 14.095,00 | USD | 30,970 | 11.182.789,34 | | 0,77 | 0,77 |
| FLOWER FOODS INC - | 23.205,00 | USD | 19,970 | 11.871.442,57 | | 0,82 | 0,82 |
| FORD MOTOR CY - | 21.684,00 | USD | 12,130 | 6.738.202,49 | | 0,47 | 0,46 |
| GATX CORP - | 2.262,00 | USD | 61,580 | 3.568.421,47 | | 0,25 | 0,25 |
| GEN.MOTORS - | 22.538,00 | USD | 34,840 | 20.115.803,24 | | 1,39 | 1,39 |
| GILEAD SCIENCES - | 9.545,00 | USD | 71,610 | 17.510.295,07 | | 1,21 | 1,21 |
| HEWLETT PACKARD - | 4.500,00 | USD | 14,840 | 1.710.764,67 | | 0,12 | 0,12 |
| HOLLY CORPORATION - | 6.005,00 | USD | 32,760 | 5.039.654,49 | | 0,35 | 0,35 |
| HOME DEPOT - | 2.709,00 | USD | 134,080 | 9.305.010,43 | | 0,64 | 0,64 |
| I.B.M. - | 2.248,00 | USD | 165,990 | 9.559.211,93 | | 0,66 | 0,66 |
| INTEL CORP - | 25.155,00 | USD | 36,270 | 23.373.068,69 | | 1,62 | 1,61 |
| JOHNSON & JOHNSON - | 12.504,00 | USD | 115,210 | 36.904.812,21 | | 3,34 | 2,55 |
| KIMBERLEY-CLARK CORP - | 4.727,00 | USD | 114,120 | 13.819.464,78 | | 0,96 | 0,95 |
| KOHL'S CORPORATION - | 3.336,00 | USD | 49,380 | 4.220.082,93 | | 0,29 | 0,29 |
| LAMAR ADVERTISING COMPANY - | 14.260,00 | USD | 67,240 | 24.563.547,50 | | 1,70 | 1,69 |
| LILLY (ELI) & CO - | 8.169,00 | USD | 73,550 | 15.392.013,35 | | 1,07 | 1,06 |
| LOWE'S CIE - | 8.169,00 | USD | 71,120 | 14.883.480,48 | | 1,03 | 1,03 |
| LYONDELLBASELL INDUSTRIES NV CLA | 7.806,00 | USD | 85,780 | 17.153.725,14 | | 1,19 | 1,18 |
| MANPOWER GROUP - | 4.052,00 | USD | 88,870 | 9.225.044,61 | | 0,64 | 0,64 |
| MARATHON PETROLEUM CORP - | 6.797,00 | USD | 50,350 | 8.767.193,72 | | 0,61 | 0,60 |
| MC DONALD'S CORP - | 2.680,00 | USD | 121,720 | 8.356.811,30 | | 0,58 | 0,58 |
| MEAD JOHNSON NUTRITION CO - | 1.004,00 | USD | 70,760 | 1.819.974,89 | | 0,13 | 0,13 |
| MERCK & CO - | 2.493,00 | USD | 58,870 | 3.759.760,43 | | 0,26 | 0,26 |
| MICROSOFT CORP - | 21.915,00 | USD | 62,140 | 34.886.434,23 | | 2,41 | 2,40 |
| MONSANTO NEW | 4.698,00 | USD | 105,210 | 12.662.337,68 | | 0,88 | 0,87 |
| MOTOROLA SOLUTIONS INC - | 6.220,00 | USD | 82,890 | 13.207.979,39 | | 0,91 | 0,91 |
| NAVIENT CORP WHEN DISTRIBUTE | 18.857,00 | USD | 16,430 | 7.936.956,91 | | 0,55 | 0,55 |
| NORTHROP GRUMMAN CORPORATION - | 1.455,00 | USD | 232,580 | 8.669.203,90 | | 0,60 | 0,60 |
| OLD REPUBLIC INTERNAT CORP - | 17.380,00 | USD | 19,000 | 8.459.549,41 | | 0,59 | 0,58 |
| PFIZER - | 31.199,00 | USD | 32,480 | 25.959.752,81 | | 1,80 | 1,79 |
| PHILLIPS 66 - | 4.801,00 | USD | 86,410 | 10.627.706,92 | | 0,74 | 0,73 |
| PLAINS GP HOLDINGS LP - | 3.040,00 | USD | 34,680 | 2.700.825,53 | | 0,19 | 0,19 |
| PRUDENTIAL FINANCIAL INC - | 5.961,00 | USD | 104,060 | 15.890.838,05 | | 1,10 | 1,09 |
| QUEST DIAGNOSTICS INC - | 2.555,00 | USD | 91,900 | 6.015.202,80 | | 0,42 | 0,41 |
| R.R. DONNELLEY & SONS COMPANY R.R. DONNELLEY & SONS COMPANY | 1.228,00 | USD | 16,320 | 513.407,70 | | 0,04 | 0,04 |
| REGIONS FINANCIAL CORPORATION - | 3.963,00 | USD | 14,360 | 1.457.881,99 | | 0,10 | 0,10 |

| | | | | | | | |
|---|--------------|-----|---------|------------------|--|--------|--------|
| RYMAN HOSPITALITY PROPERTIES - | 7.514,00 | USD | 63,010 | 12.128.986,94 | | 0,84 | 0,84 |
| SELECT MEDICAL HOLDINGS CORP - | 927,00 | USD | 13,250 | 314.658,50 | | 0,02 | 0,02 |
| STAPLES INC - | 6.777,00 | USD | 9,050 | 1.571.194,40 | | 0,11 | 0,11 |
| STARWOOD PROPERTY TRUST INC - | 25.910,00 | USD | 21,950 | 14.569.538,51 | | 1,01 | 1,00 |
| SYSCO CORPORATION - | 13.537,00 | USD | 55,370 | 19.201.749,98 | | 1,33 | 1,32 |
| TESORO CORP - | 1.421,00 | USD | 87,450 | 3.183.447,92 | | 0,22 | 0,22 |
| UNITEDHEALTH GROUP INC. - | 6.293,00 | USD | 160,040 | 25.800.619,42 | | 1,79 | 1,78 |
| VALERO ENERGY CORPORATION - | 10.298,00 | USD | 68,320 | 18.023.727,11 | | 1,25 | 1,24 |
| WAL-MART STORES - | 1.477,00 | USD | 69,120 | 2.615.339,56 | | 0,18 | 0,18 |
| WENDY'S COMPANY - | 23.623,00 | USD | 13,520 | 8.181.926,99 | | 0,57 | 0,56 |
| WEST UNION COMPANY - | 16.406,00 | USD | 21,720 | 9.128.646,43 | | 0,63 | 0,63 |
| XEROX CORPORATION - | 2.261,00 | USD | 8,730 | 505.660,07 | | 0,04 | 0,04 |
| Total shares | | | | 1.455.910.293,42 | | 100,76 | 100,24 |
| Rights | | | | | | | |
| <u>France</u> | | | | | | | |
| TOTAL CP 21/12/16 | 21.541,00 | EUR | 0,610 | 355.049,65 | | 0,03 | 0,02 |
| <u>U.S.A.</u> | | | | | | | |
| SAFEWAY INC. CVR A - CP 02/02/2015 | 5.540,00 | USD | 0,000 | 14,19 | | | |
| SAFEWAY INC. CVR B - CP 02/02/2015 | 5.540,00 | USD | 0,000 | 14,19 | | | |
| Total rights | | | | 355.078,03 | | 0,03 | 0,02 |
| Forward contracts | | CZK | | -11.353.356,80 | | | -0,78 |
| TOTAL SECURITIES PORTFOLIO | | | | 1.444.912.014,65 | | 100,00 | 99,48 |
| COLLATERAL RECEIVED | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING | 611.773,60 | EUR | 1,000 | 16.530.428,85 | | | 1,14 |
| TOTAL RECEIVED COLLATERAL | | | | 16.530.428,85 | | | 1,14 |
| CASH ATBANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP AUD | -24,10 | AUD | 1,000 | -447,06 | | | |
| KBC GROUP CAD | 27.179,81 | CAD | 1,000 | 519.220,95 | | | 0,04 |
| KBC GROUP CHF | 32.029,56 | CHF | 1,000 | 807.327,17 | | | 0,06 |
| KBC GROUP CZK | 3.975.049,25 | CZK | 1,000 | 3.975.049,25 | | | 0,27 |
| KBC GROUP DKK | -40.995,98 | DKK | 1,000 | -148.977,80 | | | -0,01 |
| KBC GROUP EURO | -21.700,96 | EUR | 1,000 | -586.370,80 | | | -0,04 |
| KBC GROUP GBP | -4.879,80 | GBP | 1,000 | -154.468,88 | | | -0,01 |
| KBC GROUP HKD | 9.654,69 | HKD | 1,000 | 31.900,92 | | | 0,00 |
| KBC GROUP JPY | -503.919,00 | JPY | 1,000 | -110.681,64 | | | -0,01 |
| KBC GROUP NOK | -65.797,07 | NOK | 1,000 | -195.822,20 | | | -0,01 |
| KBC GROUP NZD | 9.130,80 | NZD | 1,000 | 163.103,68 | | | 0,01 |
| KBC GROUP SEK | 258.373,99 | SEK | 1,000 | 728.594,70 | | | 0,05 |
| KBC GROUP SGD | 12.513,67 | SGD | 1,000 | 221.896,33 | | | 0,02 |
| KBC GROUP USD | 17.757,98 | USD | 1,000 | 454.922,50 | | | 0,03 |
| Total demand accounts | | | | 5.705.247,12 | | | 0,39 |
| TOTAL CASH AT BANK AND IN HAND | | | | 5.705.247,12 | | | 0,39 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP CZK RECEIVABLE | 1.965.348,89 | CZK | 1,000 | 1.965.348,89 | | | 0,14 |

| | | | | | | | |
|---|---------------|-----|-------|-------------------------|--|--|---------------|
| KBC GROUP EUR RECEIVABLE | 90.000,00 | EUR | 1,000 | 2.431.845,04 | | | 0,17 |
| Total receivables | | | | 4.397.193,93 | | | 0,30 |
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING TEGENP | -611.773,60 | EUR | 1,000 | -16.530.428,85 | | | -1,14 |
| KBC GROUP CZK PAYABLE | -2.524.641,60 | CZK | 1,000 | -2.524.641,60 | | | -0,17 |
| KBC GROUP EUR PAYABLE | -70.255,95 | EUR | 1,000 | -1.898.350,93 | | | -0,13 |
| Payables | | | | -20.953.421,38 | | | -1,44 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -16.556.227,45 | | | -1,14 |
| OTHER | | | | | | | |
| Interest receivable | | CZK | | 2.487.637,52 | | | 0,17 |
| Expenses payable | | CZK | | -678.636,08 | | | -0,05 |
| TOTAL OTHER | | | | 1.809.001,44 | | | 0,13 |
| TOTAL NET ASSETS | | | | 1.452.400.464,61 | | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|----------------------------|---------------|---------------|---------------|---------------|
| Australia | 3,01 | 2,49 | 1,65 | 2,02 |
| Austria | 0,14 | 0,10 | 0,00 | 0,00 |
| Belgium | -0,92 | -0,21 | -0,83 | -0,99 |
| Bermuda | 0,08 | 0,14 | 0,00 | 0,00 |
| Canada | 5,56 | 4,94 | 3,93 | 3,77 |
| Switzerland | 0,62 | 2,63 | 2,62 | 2,43 |
| Germany | 1,29 | 3,97 | 4,06 | 2,47 |
| Denmark | 0,04 | 0,00 | 0,00 | 0,00 |
| Spain | 2,96 | 1,49 | 0,00 | 0,48 |
| Finland | 1,39 | 0,44 | 0,74 | 1,25 |
| France | 3,43 | 4,84 | 5,33 | 6,66 |
| U.K. | 10,45 | 9,17 | 6,80 | 7,50 |
| Hong Kong | 0,00 | 0,02 | 0,01 | 0,03 |
| Italy | 1,13 | 0,40 | 1,24 | 1,38 |
| Jersey/The Channel Islands | 0,30 | 0,00 | 0,00 | 0,00 |
| Japan | 11,30 | 10,63 | 9,85 | 9,14 |
| Luxembourg | 0,00 | 0,21 | 0,00 | 0,00 |
| Netherlands | 0,00 | 0,23 | 0,18 | 0,22 |
| Norway | 2,12 | 0,20 | 0,40 | 0,87 |
| New Zealand | 0,09 | 0,00 | 0,00 | 0,10 |
| Portugal | 0,34 | 0,21 | 0,07 | 0,06 |
| Singapore | 0,09 | 0,06 | 1,33 | 1,10 |
| Sweden | 1,12 | 1,66 | 3,52 | 1,94 |
| U.S.A. | 55,46 | 56,38 | 59,10 | 59,57 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Cyclicals | 18,26 | 17,37 | 19,52 | 18,85 |
| Consum(cycl) | 16,91 | 17,46 | 15,71 | 14,64 |
| Cons.goods | 11,20 | 11,61 | 11,81 | 11,82 |
| Pharma | 11,93 | 12,27 | 11,75 | 11,63 |
| Financials | 18,13 | 17,88 | 15,76 | 17,79 |
| Technology | 13,27 | 13,23 | 15,14 | 15,88 |
| Telecomm. | 4,27 | 2,63 | 2,89 | 2,66 |
| Utilities | 3,94 | 5,10 | 4,60 | 4,24 |
| Real est. | 2,09 | 2,45 | 2,82 | 2,49 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|-------------------|-------------------|-------------------|-------------------|
| AUD | 3,05 | 2,48 | 1,65 | 2,02 |
| CAD | 5,65 | 0,34 | -0,54 | 0,14 |
| CHF | 0,64 | 2,62 | 1,89 | 1,73 |
| CZK | 65,82 | 91,02 | 94,10 | 87,63 |
| DKK | 0,04 | 0,00 | -0,01 | -0,01 |
| EUR | 0,04 | 1,43 | -1,01 | 0,85 |
| GBP | 10,82 | 0,54 | 0,25 | 0,96 |
| HKD | 0,00 | 0,02 | 0,01 | 0,03 |
| JPY | 11,39 | 0,05 | -0,36 | 0,70 |
| NOK | 2,25 | 0,36 | 0,41 | 0,85 |
| NZD | 0,09 | 0,00 | 0,00 | 0,11 |
| SEK | 1,18 | 1,68 | 0,07 | 1,98 |
| SGD | 0,09 | 0,06 | 1,39 | 1,11 |
| USD | -1,06 | -0,60 | 2,15 | 1,90 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND CSOB AKCIOVY FOND DIVIDENDOVYCH FIREM (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|------------------|
| Purchases | 746.983.643,14 | 412.437.062,76 | 1.159.420.705,90 |
| Sales | 663.633.739,83 | 386.307.945,54 | 1.049.941.685,37 |
| Total 1 | 1.410.617.382,97 | 798.745.008,31 | 2.209.362.391,27 |
| Subscriptions | 146.971.801,05 | 152.281.675,69 | 299.253.476,74 |
| Redemptions | 62.693.606,11 | 108.520.622,86 | 171.214.228,97 |
| Total 2 | 209.665.407,16 | 260.802.298,55 | 470.467.705,71 |
| Monthly average of total assets | 1.193.854.411,77 | 1.346.771.700,95 | 1.270.939.766,56 |
| Turnover rate | 100,59 % | 39,94 % | 136,82 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|------------------|
| Purchases | 746.983.643,14 | 412.437.062,76 | 1.159.420.705,90 |
| Sales | 663.633.739,83 | 386.307.945,54 | 1.049.941.685,37 |
| Total 1 | 1.410.617.382,97 | 798.745.008,31 | 2.209.362.391,27 |
| Subscriptions | 146.971.801,05 | 152.281.675,69 | 299.253.476,74 |
| Redemptions | 62.693.606,11 | 108.520.622,86 | 171.214.228,97 |
| Total 2 | 209.665.407,16 | 260.802.298,55 | 470.467.705,71 |
| Monthly average of total assets | 1.176.861.618,48 | 1.336.503.626,72 | 1.262.630.471,65 |
| Corrected turnover rate | 102,05 % | 40,25 % | 137,72 % |

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

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

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

Active asset management may result in high turnover rates (monthly percentage >50%), reason: The fund is regularly rebalanced to reflect quantitative views in a timely and adequate manner. In the event of strong quantitative signals the monthly turnover could be significant.

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

| NAME | Currency | Value in currency | In the currency of the sub-fund | Lot-size | Transaction date |
|---|----------|-------------------|---------------------------------|----------|------------------|
| COLLATER ONTVANGEN SECURITIES LENDING | EUR | 611.773,60 | 16.530.428,85 | N/A | 30.12.2016 |
| KBC AK-VK CZK-GBP 170208-161116 31.26809 | CZK | 103.653.724,98 | 103.653.724,98 | N/A | 14.11.2016 |
| KBC AK-VK CZK-USD 170208-161116 25.03446 | CZK | 813.044.157,42 | 813.044.157,42 | N/A | 14.11.2016 |
| KBC AK-VK CZK-EUR 170208-161116 26.95481 | CZK | 167.631.963,39 | 167.631.963,39 | N/A | 14.11.2016 |
| KBC AK-VK CZK-CAD 170208-161201 18.98260 | CZK | 52.581.824,16 | 52.581.824,16 | N/A | 01.12.2016 |
| KBC VK-AK JPY-CZK 170208-161116 4.316999 | JPY | -553.300.000,00 | -121.527.763,22 | N/A | 14.11.2016 |

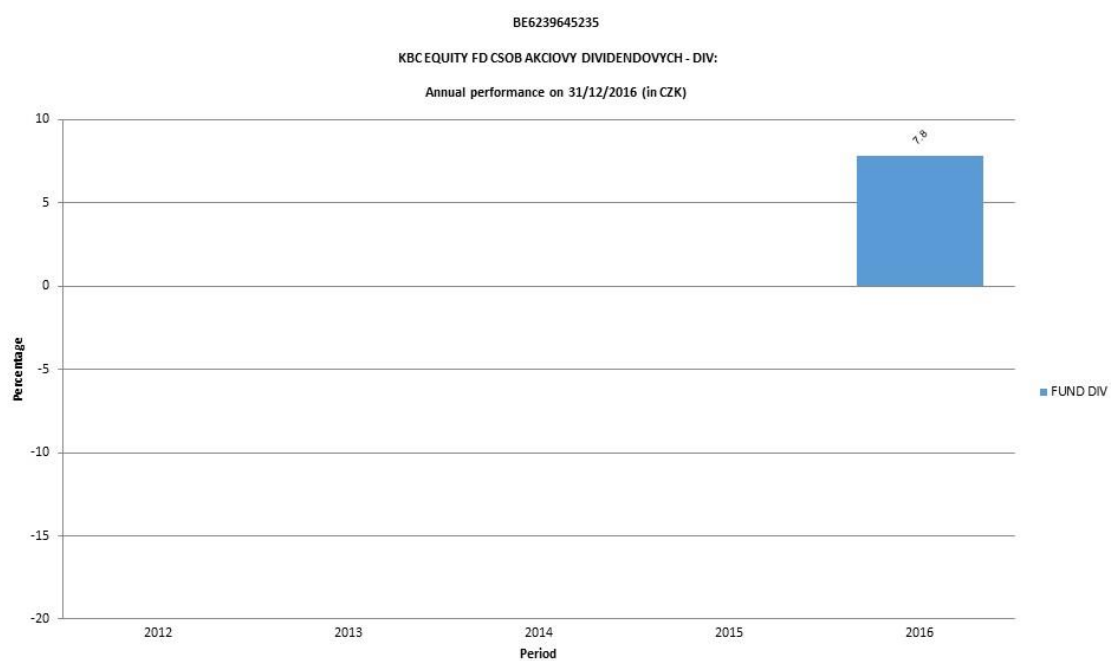
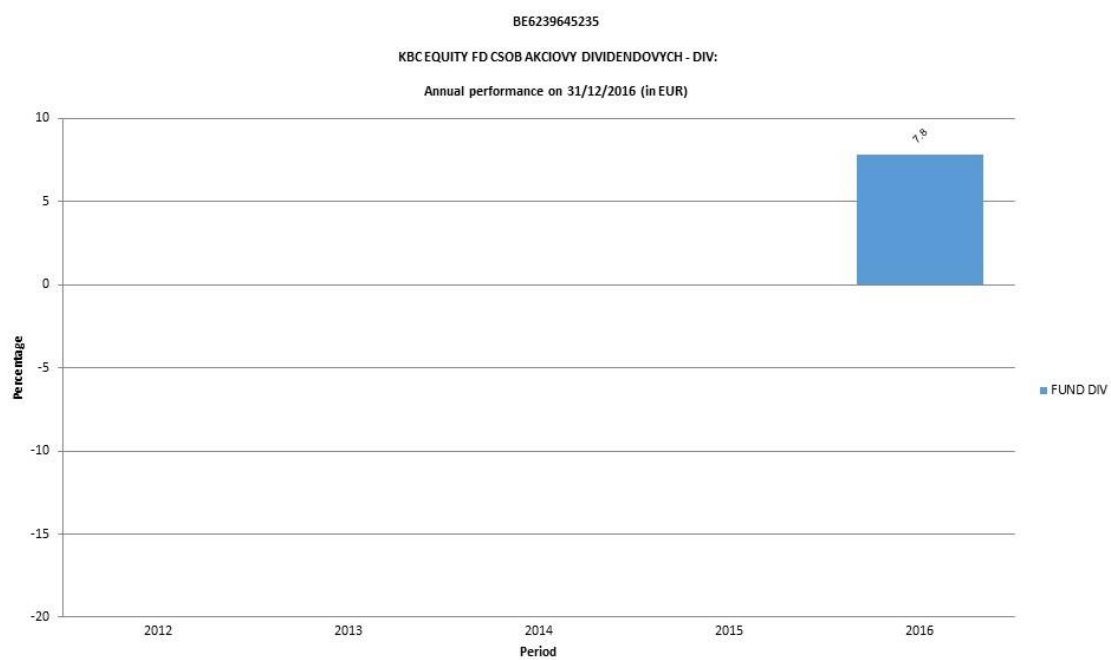
2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

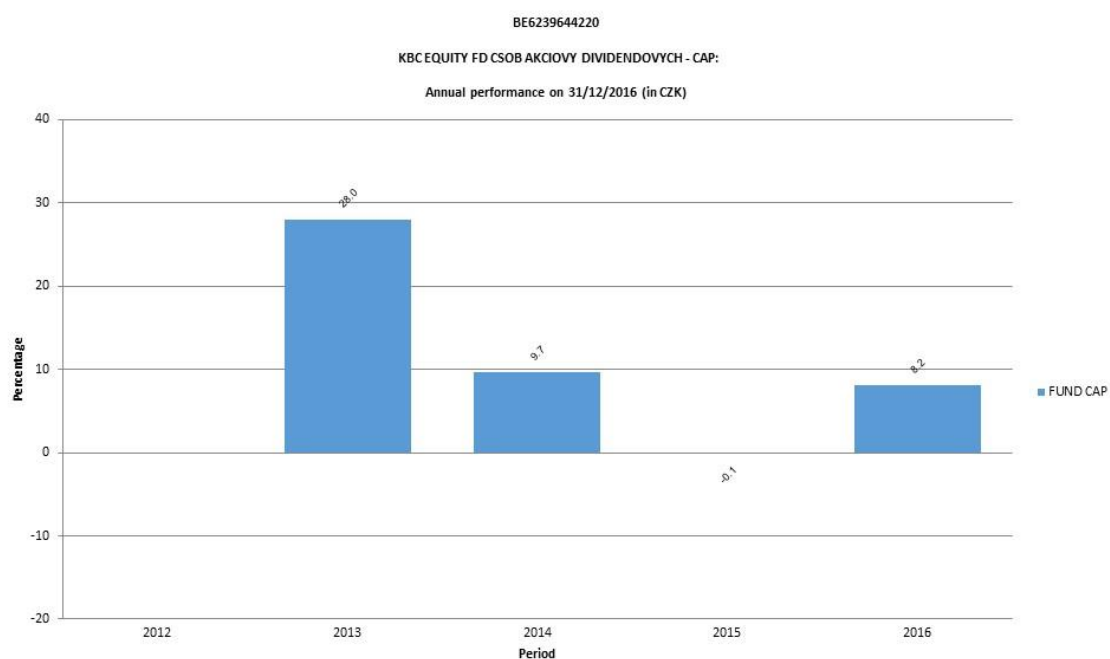
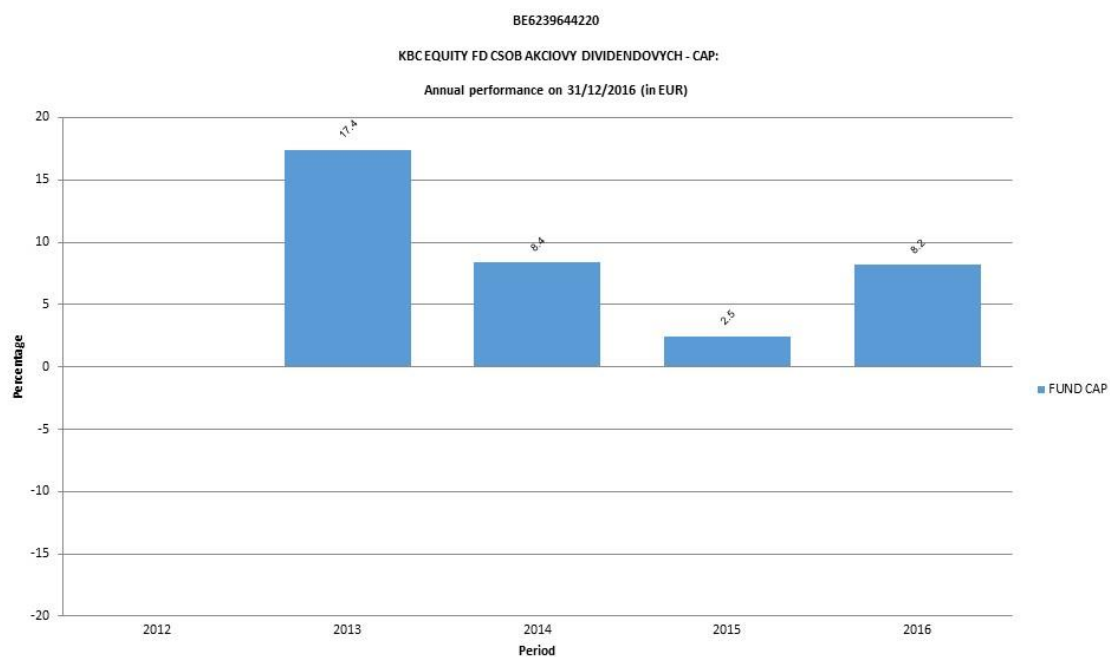
| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|-----------|-------------|--------|---------------|-----------|------------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 319.610,78 | 0,00 | 76.025,60 | 0,00 | 672.972,87 | 0,00 | 672.972,87 |
| 2015 - 12 | 243.955,39 | 20.034,65 | 76.090,43 | 0,00 | 840.837,82 | 20.034,65 | 860.872,47 |
| 2016 - 12 | 200.077,95 | 19.477,85 | 123.879,24 | 300,00 | 917.036,53 | 39.212,50 | 956.249,03 |

| Period | Amounts received and paid by the UCI (in the currency of the sub-fund) | | | |
|-----------|---|---------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 425.993.967,70 | 0,00 | 101.449.339,26 | 0,00 |
| 2015 - 12 | 350.425.757,96 | 28.014.940,10 | 109.354.444,79 | 0,00 |
| 2016 - 12 | 277.862.156,76 | 26.496.313,46 | 174.290.295,59 | 399.867,00 |

| Period | Net asset value End of period (in the currency of the sub-fund) | | |
|-----------|--|----------------|--------------|
| Year | Of the sub-fund | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 945.989.450,33 | 1.405,69 | N/A |
| 2015 - 12 | 1.199.588.197,43 | 1.393,38 | 1.396,87 |
| 2016 - 12 | 1.452.400.464,61 | 1.518,88 | 1.518,11 |

2.4.5 PERFORMANCE FIGURES





| Cap Div | ISIN code | Cur-rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE6239644220 | EUR | 8.16% | | 6.30% | | | | | | 28/09/2012 | 8.42% |
| CAP | BE6239644220 | CZK | 8.15% | | 5.84% | | | | | | 28/09/2012 | 10.32% |
| DIV | BE6239645235 | EUR | 7.84% | | | | | | | | 28/09/2012 | |
| DIV | BE6239645235 | CZK | 7.83% | | | | | | | | 28/09/2012 | |

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

* Return on annual basis.

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

Capitalisation units (CAP)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

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

For dividend i on date Di with value Wi:

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

$i = 1 \dots N$

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

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

Dividend on ex-dividend date 31/03/2017: 39.2060 CZK net (56.0086 CZK gross).

2.4.6 COSTS

Ongoing charges: *

Distribution: 1.882%

Capitalization: 1.711%

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

EXISTENCE OF COMMISSION SHARING AGREEMENTS

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

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

FEE-SHARING AGREEMENTS AND REBATES:

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

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

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

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.5% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

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

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

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

Exercising voting rights.

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

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

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

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

Securities lending

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

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 397,864.27 CZK and from bond lending to 0.00 CZK. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

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

Overview of securities lent as at 30/12/2016

| Name | Currency | Quantity | Price | Value in currency of the portfolio |
|----------------------------|----------|----------|-------|------------------------------------|
| CARILLION PLC | GBP | 93,000 | 2.361 | 6.950.529,81 |
| ELECTRICITE DE FRANCE | EUR | 28,900 | 9.68 | 7.559.038,92 |
| TOTAL SA-SCRIP CP 21/12/16 | EUR | 20,400 | 0.61 | 336.243,10 |
| Total | | | | 14.845.811,83 |

Details of collateral received for securities lent

| Name | Currency | Nominal value | Currency fund | Value in currency fund |
|-------------------------------------|----------|---------------|---------------|------------------------|
| SCHWEIZ 2002 3% 08/01/18 | CHF | 1000 | CZK | 26,994.03 |
| UNITED KINGDOM GILT 2.5 16APR20 IL | GBP | 8519.68 | CZK | 1,000,775.57 |
| UNITED KINGDOM TREASURY 0.0 03APR17 | GBP | 219826 | CZK | 6,952,874.16 |
| UNITED STATES TREAS NT 2.75 15FEB24 | USD | 321800 | CZK | 8,549,784.72 |
| Total | | | | 16,530,428.48 |

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

The amount in securities lent on a traded basis, as given in the annual report, can differ from the amount in securities lent on a settled basis.

The position held as collateral is determined on the basis of the settled positions.

Transparency of securities financing transactions and of reuse

Global data:

| | | |
|---|---------------|-----|
| 1) The amount of securities and commodities on loan as a proportion of total lendable assets defined as excluding cash and cash equivalents; | 1,03 | % |
| 2) The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) and as a proportion of the collective investment undertaking's assets under management (AUM). | | |
| The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) | 14.845.811,83 | CZK |
| proportion of the collective investment undertaking's assets under management (AUM) | 1,02 | % |

Concentration data:

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

| <u>name collateral issuer</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|--------------------------------|--|-----------------|
| UNITED STATES OF AMERICA | 8.549.784,72 | CZK |
| UNITED KINGDOM OF GREAT BRITAI | 7.953.649,73 | CZK |
| SWISS CONFEDERATION | 26.994,03 | CZK |

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

| <u>type SFT (lending program)</u> | <u>name counterparty</u> | <u>Country of counterparty</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-----------------------------------|----------------------------------|--------------------------------|--|-----------------|
| equity (Goldman Sachs) | UBS AG | Switzerland | 7.559.038,92 | CZK |
| equity (Goldman Sachs) | Goldman, Sachs International LTD | UK | 6.950.529,81 | CZK |
| equity (Goldman Sachs) | Citigroup Global Markets Limited | UK | 336.243,10 | CZK |

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

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

| <u>collateral</u> | <u>quality</u> | <u>Currency</u> |
|-------------------------------------|------------------|-----------------|
| UNITED STATES TREAS NT 2.75 15FEB24 | investment grade | USD |
| UNITED KINGDOM TREASURY 0.0 03APR17 | investment grade | GBP |
| UNITED KINGDOM GILT 2.5 16APR20 IL | investment grade | GBP |
| SCHWEIZ 2002 3% 08/01/18 | investment grade | CHF |

Data on reuse of collateral:

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

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

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

| <u>number</u> | <u>Name collateral custodian</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|---------------|----------------------------------|--|-----------------|
| 1 | Bank of New York | 16.530.428,49 | CZK |

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

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

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

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

| <u>Lending program: equity (Goldman Sachs)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 8.660,43 | 2.251,71 | 779,44 |
| percentage of overall returns | 100,00% | 26,00% | 9,00% |
| cost (EUR) | 3.031,15 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 5.659,65 | 1.980,88 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 1.980,88 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 397,38 | 139,08 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 139,08 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND BELGIUM

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launched date: 1 October 1991
Initial subscription price: 5000 BEF
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object. The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

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

PERMITTED DERIVATIVES TRANSACTIONS:

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

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

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

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

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of Belgian companies.

RISK CONCENTRATION

Belgian shares.

Lending financial instruments:

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

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

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

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

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

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

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

Volatility of the net asset value:

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

General strategy for hedging the exchange rate risk:

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

Social, ethical and environmental aspects:

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

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Please refer to the general market review text for an overview of developments during the period under review.

2.1.8 FUTURE POLICY

Please refer to the general market outlook text for an overview of developments during the period under review.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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

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

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 0.00 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 | | 31/12/2016 (in the currency of the sub-fundt) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|---|
| TOTAL NET ASSETS | | 57.185.482,48 | 58.188.285,20 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | | |
| a) Collateral received in the form of bonds | | | 307.993,90 |
| C. Shares and similar instruments | | | |
| a) Shares | | 57.348.106,36 | 58.679.399,55 |
| Of which securities lent | | | 284.265,30 |
| D. Other securities | | | 6,05 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 916,10 | 2.133,09 |
| B. Payables | | | |
| a) Accounts payable (-) | | -388.635,25 | -0,20 |
| d) Borrowings (-) | | | -416.503,10 |
| e) Collateral (-) | | | -307.993,90 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 303.180,28 | |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | -0,03 | 5.588,99 |
| C. Accrued expense (-) | | -78.084,98 | -82.339,18 |
| TOTAL SHAREHOLDERS' EQUITY | | 57.185.482,48 | 58.188.285,20 |
| A. Capital | | 53.681.143,01 | 43.414.683,97 |
| B. Income equalization | | -75.825,51 | -78.253,75 |
| D. Result of the book year | | 3.580.164,98 | 14.851.854,98 |

Off-balance-sheet headings

| | | |
|--------------------------------------|--|------------|
| I Collateral (+/-) | | |
| I.A Collateral (+/-) | | |
| I.A.A Securities/market instruments | | 307.993,90 |
| IX Financial instruments lent | | 284.265,30 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|--|--|--|--|
| I. Net gains(losses) on investments | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | 3.552.437,93 | 14.749.124,87 |
| D. Other securities | | -6,05 | 19,23 |
| H. Foreign exchange positions and transactions | | | |
| b) Other foreign exchange positions and transactions | | 0,05 | 0,06 |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | | 6.799.769,51 | 7.085.962,19 |
| Unrealised gains on investments | | -2.258.282,88 | 8.896.877,94 |
| Realised losses on investments | | -969.314,65 | -2.072.303,93 |
| Unrealised losses on investments | | -19.740,05 | 838.607,96 |
| II. Investment income and expenses | | | |
| A. Dividends | | 978.711,66 | 1.065.585,18 |
| B. Interests | | | |
| a) Securities and money market instruments | | 86.920,86 | 103.739,88 |
| C. Interest on borrowings (-) | | -1.054,04 | -1.140,46 |
| IV. Operating expenses | | | |
| A. Investment transaction and delivery costs (-) | | -32.824,62 | -52.863,50 |
| B. Financial expenses (-) | | -1.595,29 | -399,03 |
| C. Custodian's fee (-) | | -40.243,71 | -35.854,21 |
| D. Manager's fee (-) | | | |
| a) Financial management | | -814.191,35 | -816.113,95 |
| b) Administration and accounting management | | -54.279,36 | -54.407,64 |
| E. Administrative expenses (-) | | -0,03 | -295,44 |
| F. Formation and organisation expenses (-) | | -3.458,30 | -2.851,67 |
| G. Remuneration, social security charges and pension | | -5,19 | -3,03 |
| H. Services and sundry goods (-) | | -5.632,47 | -3.595,58 |
| J. Taxes | | -50.540,78 | -53.104,63 |
| K. Other expenses (-) | | -34.074,33 | -45.985,10 |
| Income and expenditure for the period | | | |
| Subtotal II + III + IV | | 27.733,05 | 102.710,82 |
| V. Profit(loss) on ordinary activities before tax | | 3.580.164,98 | 14.851.854,98 |
| VII. Result of the book year | | 3.580.164,98 | 14.851.854,98 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | 3.504.339,47 | 14.773.601,23 |
| Profit for the period available for appropriation | 3.580.164,98 | 14.851.854,98 |
| Income on the creation of shares (income on the cancellation of shares) | -75.825,51 | -78.253,75 |
| II. (Appropriations to) Deductions from capital | -3.289.004,68 | -14.587.993,58 |
| IV. (Dividends to be paid out) | -215.334,79 | -185.607,65 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND BELGIUM

| Name | Quantity on 31/12/2016 | Currency | Price in currency | Evaluation (in the currency of the sub-fund) | % owned by UCI | % portfolio | % Net assets |
|----------------------------|---------------------------|----------|----------------------|--|----------------------|----------------|--------------------|
| NET ASSETS | | | | | | | |
| SECURITIES PORTFOLIO | | | | | | | |
| Shares | | | | | | | |
| Exchange-listed shares | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| ACKERMANSVH NV - | 14.461,00 | EUR | 132,100 | 1.910.298,10 | | 3,33 | 3,34 |
| AGEAS NV - | 59.140,00 | EUR | 37,610 | 2.224.255,40 | | 3,88 | 3,89 |
| ANHEUSER-BUSCH INBEV NV - | 40.390,00 | EUR | 100,550 | 4.061.214,50 | | 7,08 | 7,10 |
| BARCO NV NEW | 15.957,00 | EUR | 80,040 | 1.277.198,28 | | 2,23 | 2,23 |
| BIOCARTIS NV - | 20.800,00 | EUR | 10,965 | 228.072,00 | | 0,40 | 0,40 |
| C.F.E. (BRU) | 5.430,00 | EUR | 103,450 | 561.733,50 | | 0,98 | 0,98 |
| D'IETEREN - | 24.434,00 | EUR | 41,995 | 1.026.105,83 | | 1,79 | 1,79 |
| DECEUNINCK - | 17.105,00 | EUR | 2,262 | 38.691,51 | | 0,07 | 0,07 |
| ECONOCOM GROUP - | 121.770,00 | EUR | 13,940 | 1.697.473,80 | | 2,96 | 2,97 |
| ELIA SYSTEM OPERATOR - | 10.000,00 | EUR | 49,685 | 496.850,00 | | 0,87 | 0,87 |
| EURONAV SA - | 112.595,00 | EUR | 7,579 | 853.357,51 | | 1,49 | 1,49 |
| FAGRON - | 254.311,00 | EUR | 9,713 | 2.470.122,74 | | 4,31 | 4,32 |
| FINANCIERE DE TUBIZE (BRU) | 19.946,00 | EUR | 59,320 | 1.183.196,72 | | 2,06 | 2,07 |
| GREENYARD NV - | 89.956,00 | EUR | 14,760 | 1.327.750,56 | | 2,32 | 2,32 |
| IBA ION BEAM - | 48.868,00 | EUR | 41,640 | 2.034.863,52 | | 3,55 | 3,56 |
| JENSEN-GROUP NV (BRU) | 35.105,00 | EUR | 34,590 | 1.214.281,95 | | 2,12 | 2,12 |
| KBC ANCORA - | 121.670,00 | EUR | 39,775 | 4.839.424,25 | | 8,44 | 8,46 |
| KBC GROUP - | 5.500,00 | EUR | 58,830 | 323.565,00 | | 0,56 | 0,57 |
| KINEPOLIS GROUP (BRU) | 38.895,00 | EUR | 42,500 | 1.653.037,50 | | 2,88 | 2,89 |
| LOTUS BAKERIES (BRU) | 937,00 | EUR | 2.500,000 | 2.342.500,00 | | 4,09 | 4,10 |
| MELEXIS NV - | 22.938,00 | EUR | 63,650 | 1.460.003,70 | | 2,55 | 2,55 |
| MONTEA SCAM | 13.750,00 | EUR | 46,370 | 637.587,50 | | 1,11 | 1,12 |
| ONTEX GROUP NV - | 49.965,00 | EUR | 28,250 | 1.411.511,25 | | 2,46 | 2,47 |
| PICANOL (BRU) | 2.400,00 | EUR | 77,600 | 186.240,00 | | 0,33 | 0,33 |
| RECTICEL - | 129.649,00 | EUR | 6,630 | 859.572,87 | | 1,50 | 1,50 |
| RESILUX (BRU) | 2.300,00 | EUR | 157,000 | 361.100,00 | | 0,63 | 0,63 |
| SIOEN INDUSTRIES - | 43.881,00 | EUR | 28,000 | 1.228.668,00 | | 2,14 | 2,15 |
| SOFTIMAT (BRU) | 14.585,00 | EUR | 2,640 | 38.504,40 | | 0,07 | 0,07 |
| TELENET - | 23.935,00 | EUR | 52,720 | 1.261.853,20 | | 2,20 | 2,21 |
| TESSENDERLO - | 47.571,00 | EUR | 34,800 | 1.655.470,80 | | 2,89 | 2,90 |
| U.C.B. - | 37.897,00 | EUR | 60,910 | 2.308.306,27 | | 4,03 | 4,04 |
| UMICORE - | 25.631,00 | EUR | 54,150 | 1.387.918,65 | | 2,42 | 2,43 |
| VAN DE VELDE - | 11.010,00 | EUR | 66,160 | 728.421,60 | | 1,27 | 1,27 |
| WAREHOUSE DISTR. DE PAUW - | 4.331,00 | EUR | 84,890 | 367.658,59 | | 0,64 | 0,64 |
| ZETES INDUSTRIES SA - | 20.550,00 | EUR | 54,000 | 1.109.700,00 | | 1,94 | 1,94 |
| <u>France</u> | | | | | | | |
| GLOBAL GRAPHICS - | 60.000,00 | EUR | 3,100 | 186.000,00 | | 0,32 | 0,33 |
| <u>Netherlands</u> | | | | | | | |
| BASIC-FIT - | 37.800,00 | EUR | 16,030 | 605.934,00 | | 1,06 | 1,06 |
| ING GROEP NV - | 349.054,00 | EUR | 13,370 | 4.666.851,98 | | 8,14 | 8,16 |
| KON. AHOLD DELHAIZE NV - | 189.486,00 | EUR | 20,030 | 3.795.404,58 | | 6,62 | 6,64 |

| | | | | | | | |
|--------------------------------|-------------|-----|--------|----------------------|--|--------|---------------|
| WESSANEN (AMS) | 99.730,00 | EUR | 13,310 | 1.327.406,30 | | 2,32 | 2,32 |
| Total shares | | | | 57.348.106,36 | | 100,00 | 100,28 |
| TOTAL SECURITIES PORTFOLIO | | | | 57.348.106,36 | | 100,00 | 100,28 |
| CASH ATBANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EURO | 303.180,28 | EUR | 1,000 | 303.180,28 | | | 0,53 |
| Total demand accounts | | | | 303.180,28 | | | 0,53 |
| TOTAL CASH AT BANK AND IN HAND | | | | 303.180,28 | | | 0,53 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR RECEIVABLE | 916,10 | EUR | 1,000 | 916,10 | | | 0,00 |
| Total receivables | | | | 916,10 | | | 0,00 |
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR PAYABLE | -388.635,25 | EUR | 1,000 | -388.635,25 | | | -0,68 |
| Payables | | | | -388.635,25 | | | -0,68 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -387.719,15 | | | -0,68 |
| OTHER | | | | | | | |
| Interest receiv able | | EUR | | -0,03 | | | |
| Ex penses payable | | EUR | | -78.084,98 | | | -0,14 |
| TOTAL OTHER | | | | -78.085,01 | | | -0,14 |
| TOTAL NET ASSETS | | | | 57.185.482,48 | | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Belgium | 90,57 | 94,01 | 88,02 | 81,55 |
| France | 0,83 | 0,24 | 0,23 | 0,32 |
| Netherlands | 8,60 | 5,75 | 11,75 | 18,13 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Cyclicals | 12,70 | 14,57 | 14,33 | 13,60 |
| Consum(cycl) | 9,83 | 8,72 | 11,06 | 10,21 |
| Cons.goods | 20,45 | 27,41 | 29,59 | 24,20 |
| Pharma | 12,08 | 6,93 | 8,89 | 11,88 |
| Financials | 34,13 | 34,66 | 28,39 | 26,42 |
| Technology | 7,14 | 4,74 | 5,35 | 9,74 |
| Telecomm. | 3,07 | 2,97 | 2,39 | 2,20 |
| Utilities | 0,60 | 0,00 | 0,00 | 0,00 |
| Real est. | 0,00 | 0,00 | 0,00 | 1,75 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| EUR | 100,00 | 100,00 | 100,00 | 100,00 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND BELGIUM (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 17.704.913,13 | 10.484.014,13 | 28.188.927,25 |
| Sales | 18.350.622,60 | 14.722.035,60 | 33.072.658,20 |
| Total 1 | 36.055.535,73 | 25.206.049,72 | 61.261.585,45 |
| Subscriptions | 10.160.848,14 | 3.293.849,10 | 13.454.697,24 |
| Redemptions | 10.658.775,86 | 7.066.947,38 | 17.725.723,24 |
| Total 2 | 20.819.624,00 | 10.360.796,48 | 31.180.420,48 |
| Monthly average of total assets | 54.033.086,34 | 54.383.775,74 | 54.209.833,80 |
| Turnover rate | 28,20 % | 27,30 % | 55,49 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 17.704.913,13 | 10.484.014,13 | 28.188.927,25 |
| Sales | 18.350.622,60 | 14.722.035,60 | 33.072.658,20 |
| Total 1 | 36.055.535,73 | 25.206.049,72 | 61.261.585,45 |
| Subscriptions | 10.160.848,14 | 3.293.849,10 | 13.454.697,24 |
| Redemptions | 10.658.775,86 | 7.066.947,38 | 17.725.723,24 |
| Total 2 | 20.819.624,00 | 10.360.796,48 | 31.180.420,48 |
| Monthly average of total assets | 54.795.582,56 | 54.648.456,62 | 54.525.485,28 |
| Corrected turnover rate | 27,80 % | 27,16 % | 55,17 % |

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: 5-10-40% rule triggers big rotations in underlying constituents.

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

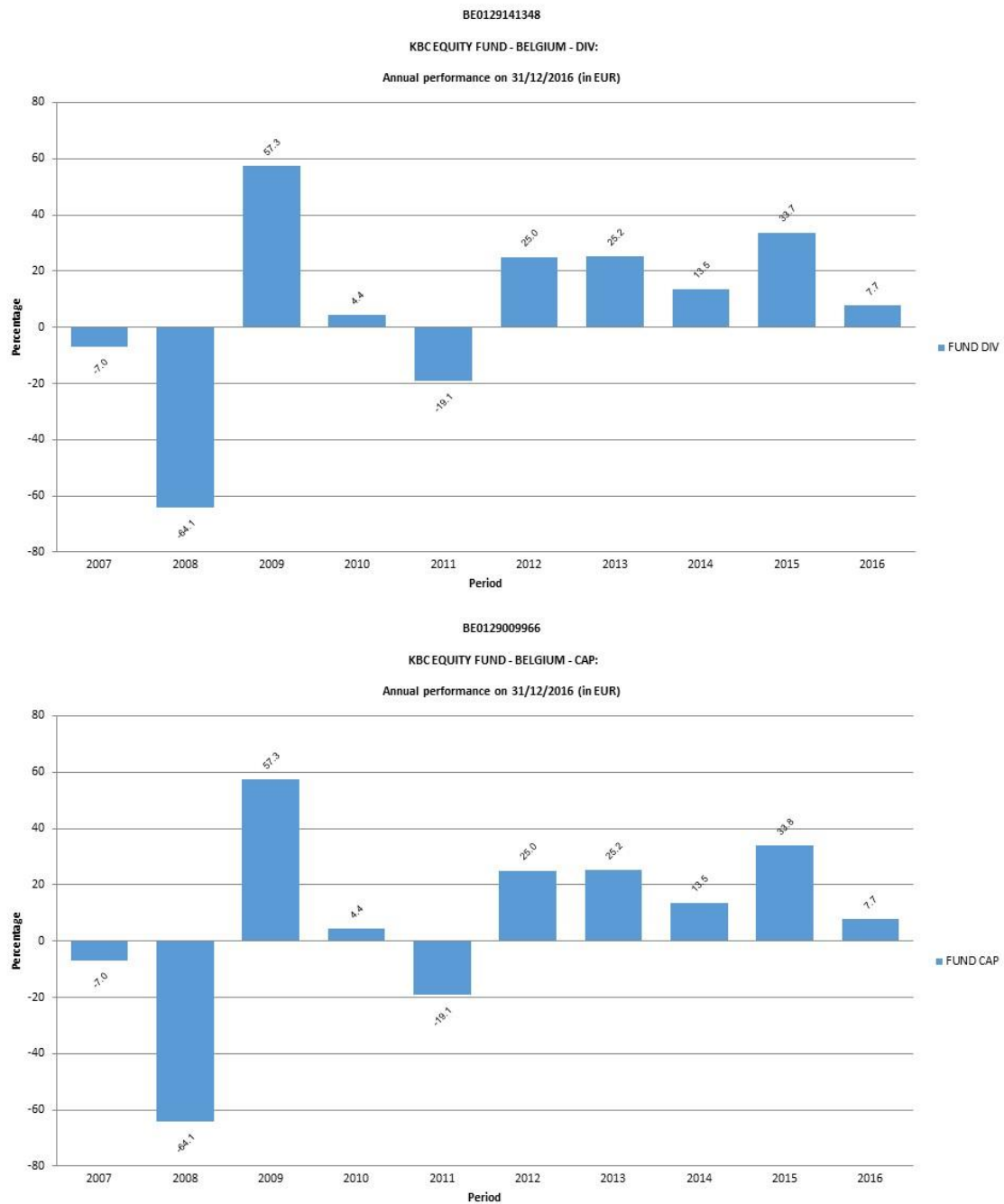
2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|-----------|-------------|----------|---------------|-----------|-----------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 11.472,13 | 2.340,40 | 18.458,73 | 8.406,37 | 70.666,78 | 16.138,33 | 86.805,12 |
| 2015 - 12 | 20.018,89 | 15.752,98 | 25.016,62 | 7.421,60 | 65.669,05 | 24.469,71 | 90.138,76 |
| 2016 - 12 | 11.332,14 | 14.522,71 | 20.549,00 | 9.693,18 | 56.452,20 | 29.299,24 | 85.751,44 |

| Period | Amounts received and paid by the UCI (in the currency of the sub-fund) | | | |
|-----------|---|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 5.928.648,80 | 680.103,77 | 9.562.542,24 | 2.413.180,18 |
| 2015 - 12 | 13.092.611,34 | 5.638.113,39 | 16.515.931,94 | 2.599.578,91 |
| 2016 - 12 | 8.129.389,97 | 5.458.216,23 | 14.261.037,58 | 3.677.882,57 |

| Period | Net asset value End of period (in the currency of the sub-fund) | | |
|-----------|--|----------------|--------------|
| Year | Of the sub-fund | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 43.808.519,81 | 550,22 | 305,25 |
| 2015 - 12 | 58.188.285,20 | 736,12 | 402,45 |
| 2016 - 12 | 57.185.482,48 | 792,69 | 424,46 |

2.4.5 PERFORMANCE FIGURES



| Cap Div | ISIN code | Cur- rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|---------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE0129009966 | EUR | 7.68% | | 17.83% | | 20.69% | | 1.28% | | 01/10/1991 | 2.54% |
| DIV | BE0129141348 | EUR | 7.66% | | 17.79% | | 20.66% | | 1.25% | | 01/10/1991 | 2.53% |

Risk warning: Past performance is not a guide to future performance.
* Return on annual basis.

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

Capitalisation units (CAP)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

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

For dividend i on date Di with value Wi:

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

$i = 1 \dots N$

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

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

Dividend on ex-dividend date 31/03/2017: 5.1447 EUR net (7.3495 EUR gross).

2.4.6 COSTS

Ongoing charges: *

Distribution: 1.872%

Capitalization: 1.847%

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

EXISTENCE OF COMMISSION SHARING AGREEMENTS

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

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

| Broker | Commission gross in EUR paid during the period: 1-01-16 - | CSA Credits in EUR accrued during the period: 1-01-16 - | Percentage |
|---------|---|---|------------|
| | 31-12-16 | 31-12-16 | |
| CITI | 555 | 139 | 25,00% |
| CSFBSAS | 1.829 | 305 | 16,67% |
| UBSWDR | 32 | 8 | 25,00% |

FEE-SHARING AGREEMENTS AND REBATES:

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

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

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

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

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

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

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

Exercising voting rights.

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

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

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

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

Securities lending

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

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 86,920.86 EUR and from bond lending to 0.00 EUR. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

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

Transparency of securities financing transactions and of reuse

Global data:

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

Concentration data:

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

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

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

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

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

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

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

Data on reuse of collateral:

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

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

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

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

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

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

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

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

| <u>Lending program: equity (Goldman Sachs)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 46.686,90 | 12.138,59 | 4.201,82 |
| percentage of overall returns | 100,00% | 26,00% | 9,00% |
| cost (EUR) | 16.340,42 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 36.957,00 | 12.934,95 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 12.934,95 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 3.276,96 | 1.146,94 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 1.146,94 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND WORLD

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launched date: 5 April 1991

Initial subscription price: 11741 BEF

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

RESTRICTIONS OF THE INVESTMENT POLICY:

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

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

PERMITTED DERIVATIVES TRANSACTIONS:

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

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

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

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

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

The fund invests directly or indirectly in shares and/or share-related investments, in accordance with KBC Asset Management NV's strategy for investing in shares (see www.kbcam.kbc.be/en/our-market-vision).

Investments are made in shares that may come from any region, sector or theme.

INVESTMENTS PRIMARILY IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The fund will invest primarily in units of undertakings for collective investment.

Lending financial instruments:

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

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

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

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

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

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

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

Volatility of the net asset value:

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

General strategy for hedging the exchange rate risk:

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

Social, ethical and environmental aspects:

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

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Please refer to the general market review text for an overview of developments during the period under review.

2.1.8 FUTURE POLICY

Please refer to the general market outlook text for an overview of developments during the period under review.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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

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

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 10,081.56 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 | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|---|
| TOTAL NET ASSETS | | 120.982.584,59 | 95.322.332,25 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| E. Open-end undertakings for collective investment | | 120.669.682,89 | 95.081.865,02 |
| F. Derivative financial instruments | | | |
| j) Foreign exchange | | | |
| Futures and forward contracts (+/-) | | | 14.135,21 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 23.346,85 | 98.472,50 |
| B. Payables | | | |
| a) Accounts payable (-) | | -54.644,20 | -20.645,37 |
| d) Borrowings (-) | | -10.547,74 | -78.444,83 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 368.969,48 | 238.326,42 |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | 8.178,25 | |
| C. Accrued expense (-) | | -22.400,94 | -11.376,70 |
| TOTAL SHAREHOLDERS' EQUITY | | 120.982.584,59 | 95.322.332,25 |
| A. Capital | | 115.449.456,65 | 87.057.716,64 |
| B. Income equalization | | -15.514,44 | |
| D. Result of the book year | | 5.548.642,38 | 8.264.615,61 |

Off-balance-sheet headings

| | | |
|--|--|--------------|
| III Notional amounts of futures and forward contracts | | |
| III.A Purchased futures and forward contracts | | 2.439.473,44 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|--|
| I. Net gains(losses) on investments | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | -641.957,79 | |
| D. Other securities | | -330,26 | |
| E. Open-end undertakings for collective investment | | 4.995.915,34 | 7.307.648,58 |
| F. Derivative financial instruments | | | |
| l) Financial indices | | | |
| Futures and forward contracts | | | 18.376,65 |
| H. Foreign exchange positions and transactions | | | |
| a) Derivative financial instruments | | | |
| Futures and forward contracts | | -14.135,08 | 14.135,21 |
| b) Other foreign exchange positions and transactions | | 1.515.563,11 | 1.258.853,96 |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | | 10.740.587,74 | 13.782.895,52 |
| Unrealised gains on investments | | -5.114.299,86 | -782.401,95 |
| Realised losses on investments | | -3.239.555,70 | -1.362.726,15 |
| Unrealised losses on investments | | 3.468.323,14 | -3.038.753,02 |
| II. Investment income and expenses | | | |
| A. Dividends | | 171.157,31 | 150,03 |
| B. Interests | | | |
| a) Securities and money market instruments | | 10.541,84 | |
| b) Cash at bank and in hand and deposits | | 418,03 | 670,42 |
| C. Interest on borrowings (-) | | -2.787,06 | -464,69 |
| IV. Operating expenses | | | |
| A. Investment transaction and delivery costs (-) | | -263.149,51 | -161.597,43 |
| B. Financial expenses (-) | | -2.292,34 | -1.065,72 |
| C. Custodian's fee (-) | | -8.486,95 | |
| D. Manager's fee (-) | | | |
| a) Financial management | | -50.438,97 | -1.808,73 |
| b) Administration and accounting management | | -112.974,75 | -101.404,45 |
| E. Administrative expenses (-) | | -0,22 | -175,91 |
| F. Formation and organisation expenses (-) | | -9.936,87 | -7.252,72 |
| G. Remuneration, social security charges and pension | | -69,69 | -5,50 |
| H. Services and sundry goods (-) | | -26.237,71 | -4.890,21 |
| J. Taxes | | -1.569,50 | -1.162,83 |
| K. Other expenses (-) | | -10.586,55 | -55.391,05 |
| Income and expenditure for the period | | | |
| Subtotal II + III + IV | | -306.412,94 | -334.398,79 |
| V. Profit (loss) on ordinary activities before tax | | 5.548.642,38 | 8.264.615,61 |
| VII. Result of the book year | | 5.548.642,38 | 8.264.615,61 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | 5.533.127,94 | 8.264.615,61 |
| Profit for the period available for appropriation | 5.548.642,38 | 8.264.615,61 |
| Income on the creation of shares (income on the cancellation of shares) | -15.514,44 | |
| II. (Appropriations to) Deductions from capital | -5.326.563,23 | -8.011.866,15 |
| IV. (Dividends to be paid out) | -206.564,71 | -252.749,46 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND WORLD

| Name | Quantity on 31/12/2016 | Currency | Price in currency | Evaluation (in the currency of the sub-fund) | % owned by UCI | % portfolio | % Net assets |
|--|---------------------------|----------|----------------------|--|----------------------|----------------|--------------------|
| NET ASSETS | | | | | | | |
| SECURITIES PORTFOLIO | | | | | | | |
| Investment funds | | | | | | | |
| Closed-end funds | | | | | | | |
| Listed closed-end investment funds | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC EQUITY FUND AMERICA IS B KAP | 5.149,00 | USD | 2.323,140 | 11.340.931,84 | 1,02 | 9,40 | 9,37 |
| KBC EQUITY FUND EUROPE IS | 773,00 | EUR | 1.576,930 | 1.218.966,89 | 0,78 | 1,01 | 1,01 |
| KBC EQUITY FUND FAMILY ENTERPRISES IS B CAP | 2.548,00 | EUR | 1.224,080 | 3.118.955,84 | 1,17 | 2,59 | 2,58 |
| Open-end funds | | | | | | | |
| UCITS registered with the FSMA | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC EQUITY FUND BUYBACK AMERICA IS B KAP | 3.178,00 | USD | 1.688,720 | 5.088.174,60 | 0,64 | 4,22 | 4,21 |
| KBC EQUITY FUND EUROZONE IS B KAP | 18.374,00 | EUR | 500,120 | 9.189.204,88 | 0,76 | 7,62 | 7,60 |
| KBC EQUITY FUND HIGH DIVIDEND EUROZONE IS B KAP | 8.120,00 | EUR | 512,350 | 4.160.282,00 | 0,78 | 3,45 | 3,44 |
| KBC EQUITY FUND HIGH DIVIDEND IS B KAP | 3.454,00 | EUR | 1.476,810 | 5.100.901,74 | 0,60 | 4,23 | 4,22 |
| KBC EQUITY FUND HIGH DIVIDEND NORTH AMERICA IS B KAP | 3.331,00 | USD | 963,190 | 3.041.844,88 | 0,78 | 2,52 | 2,51 |
| KBC EQUITY FUND JAPAN IS B KAP | 8.260,00 | JPY | 58.936,000 | 3.957.146,76 | 0,97 | 3,28 | 3,27 |
| KBC EQUITY FUND NEW ASIA IS B KAP | 2.073,00 | EUR | 687,480 | 1.425.146,04 | 0,61 | 1,18 | 1,18 |
| KBC EQUITY FUND NEW MARKETS IS B KAP | 3.187,00 | EUR | 1.635,820 | 5.213.358,34 | 0,82 | 4,32 | 4,31 |
| KBC EQUITY FUND PHARMA IS B KAP | 3.784,00 | EUR | 1.366,810 | 5.172.009,04 | 1,63 | 4,29 | 4,28 |
| KBC EQUITY FUND QUANT EMU IS B KAP | 11.934,00 | EUR | 769,950 | 9.188.583,30 | 1,06 | 7,62 | 7,60 |
| KBC EQUITY FUND SATELLITES IS B KAP | 3.475,00 | EUR | 1.384,460 | 4.810.998,50 | 0,88 | 3,99 | 3,98 |
| KBC EQUITY FUND STRATEGIC CYCLICALS IS KAP | 21.655,00 | EUR | 906,070 | 19.620.945,85 | 1,06 | 16,26 | 16,22 |
| KBC EQUITY FUND STRATEGIC FINANCE IS B KAP | 27.104,00 | EUR | 453,770 | 12.298.982,08 | 1,05 | 10,19 | 10,17 |
| KBC EQUITY FUND STRATEGIC NON CYCLICALS IS B KAP | 19.402,00 | EUR | 357,920 | 6.944.363,84 | 1,06 | 5,76 | 5,74 |
| KBC EQUITY FUND STRATEGIC TEL & TECHNOLOGY IS B KAP | 38.230,00 | EUR | 172,450 | 6.592.763,50 | 1,02 | 5,46 | 5,45 |
| KBC EQUITY FUND US SMALL CAPS IS B KAP | 1.952,00 | USD | 1.721,600 | 3.186.122,97 | 1,01 | 2,64 | 2,63 |
| Total investment funds | | | | 120.669.682,89 | | 100,00 | 99,74 |
| TOTAL SECURITIES PORTFOLIO | | | | 120.669.682,89 | | 100,00 | 99,74 |
| CASH AT BANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP AUD | 1,22 | AUD | 1,000 | 0,84 | | | |
| KBC GROUP CAD | 0,10 | CAD | 1,000 | 0,07 | | | |
| KBC GROUP CZK | 2.059,25 | CZK | 1,000 | 76,21 | | | |
| KBC GROUP EURO | 356.307,32 | EUR | 1,000 | 356.307,32 | | | 0,30 |
| KBC GROUP GBP | 0,21 | GBP | 1,000 | 0,25 | | | |
| KBC GROUP HUF | 98.996,59 | HUF | 1,000 | 320,52 | | | |
| KBC GROUP ILS | 15,57 | ILS | 1,000 | 3,84 | | | |

| | | | | | | | |
|---------------------------------|---------------|-----|-------|-----------------------|--|--|---------------|
| KBC GROUP JPY | -1.297.591,00 | JPY | 1,000 | -10.547,74 | | | -0,01 |
| KBC GROUP MXN | 20.589,88 | MXN | 1,000 | 947,56 | | | 0,00 |
| KBC GROUP NOK | 5.051,48 | NOK | 1,000 | 556,39 | | | |
| KBC GROUP NZD | 195,98 | NZD | 1,000 | 129,56 | | | |
| KBC GROUP SEK | 6.860,56 | SEK | 1,000 | 715,98 | | | 0,00 |
| KBC GROUP SGD | 22,76 | SGD | 1,000 | 14,94 | | | |
| KBC GROUP TRY | 2.964,00 | TRY | 1,000 | 798,88 | | | 0,00 |
| KBC GROUP USD | 8.994,39 | USD | 1,000 | 8.527,51 | | | 0,01 |
| KBC GROUP ZAR | 1.487,98 | ZAR | 1,000 | 103,16 | | | |
| Total demand accounts | | | | 357.955,29 | | | 0,30 |
| Managed futures accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP JPY FUTREK | 57.349,00 | JPY | 1,000 | 466,17 | | | |
| KBC GROUP USD FUTREK | 0,30 | USD | 1,000 | 0,28 | | | |
| Total managed futures accounts | | | | 466,45 | | | |
| TOTAL CASH AT BANK AND IN HAND | | | | 358.421,74 | | | 0,30 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR RECEIVABLE | 23.346,85 | EUR | 1,000 | 23.346,85 | | | 0,02 |
| Total receivables | | | | 23.346,85 | | | 0,02 |
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR PAYABLE | -54.644,20 | EUR | 1,000 | -54.644,20 | | | -0,05 |
| Payables | | | | -54.644,20 | | | -0,05 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -31.297,35 | | | -0,03 |
| OTHER | | | | | | | |
| Interest receivable | | EUR | | 178,25 | | | |
| Accrued interest | | EUR | | 8.000,00 | | | 0,01 |
| Ex penses payable | | EUR | | -22.400,94 | | | -0,02 |
| TOTAL OTHER | | | | -14.222,69 | | | -0,01 |
| TOTAL NET ASSETS | | | | 120.982.584,59 | | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|----------------------------|------------|------------|------------|------------|
| Netherlands Antilles | 0,00 | 0,00 | 0,00 | 0,01 |
| Australia | 0,70 | 0,52 | 0,55 | 0,77 |
| Austria | 0,49 | 0,27 | 0,32 | 0,48 |
| Belgium | 2,41 | 2,43 | 0,12 | 3,83 |
| Bahamas | 0,01 | 0,00 | 0,00 | 0,00 |
| Bermuda | 0,16 | 0,37 | 0,21 | 0,25 |
| Brazil | 0,21 | 0,09 | 0,35 | 0,50 |
| Canada | 2,12 | 1,17 | 1,45 | 1,49 |
| Switzerland | 1,79 | 2,00 | 1,53 | 1,48 |
| Chile | 0,00 | 0,00 | 0,03 | 0,09 |
| China | 1,01 | 0,92 | 1,49 | 1,02 |
| Colombia | 0,00 | 0,00 | 0,00 | 0,01 |
| Czech Republic | 0,23 | 0,05 | 0,01 | 0,01 |
| Cayman Islands | 0,20 | 0,33 | 0,56 | 0,44 |
| Germany | 10,04 | 12,15 | 9,77 | 10,79 |
| Denmark | 0,86 | 1,03 | 0,51 | 0,41 |
| Egypt | 0,02 | 0,00 | 0,00 | 0,00 |
| Spain | 4,27 | 3,36 | 3,46 | 3,12 |
| Finland | 1,22 | 1,24 | 0,95 | 1,00 |
| France | 13,35 | 13,43 | 11,67 | 12,21 |
| U.K. | 4,32 | 4,95 | 3,74 | 3,22 |
| Hong Kong | 0,65 | 0,58 | 0,78 | 0,69 |
| Hungary | 0,17 | 0,05 | 0,02 | 0,02 |
| India | 0,66 | 0,66 | 0,87 | 0,61 |
| Indonesia | 0,11 | 0,07 | 0,11 | 0,22 |
| Ireland | 0,89 | 1,23 | 0,52 | 0,76 |
| Israel | 0,27 | 0,21 | 0,18 | 0,03 |
| Italy | 4,10 | 3,76 | 2,75 | 2,67 |
| Jersey/The Channel Islands | 0,11 | 0,16 | 0,37 | 0,40 |
| Japan | 8,40 | 8,03 | 8,47 | 5,46 |
| South Korea | 1,57 | 1,58 | 1,93 | 1,73 |
| Croatia | 0,01 | 0,00 | 0,00 | 0,00 |
| Luxembourg | 0,59 | 0,22 | 0,13 | 0,47 |
| Monaco | 0,00 | 0,00 | 0,01 | 0,00 |
| Mexico | 0,02 | 0,01 | 0,18 | 0,19 |
| Malaysia | 0,14 | 0,12 | 0,14 | 0,05 |
| Netherlands | 4,67 | 4,58 | 4,00 | 4,56 |
| Norway | 0,05 | 0,08 | 0,24 | 0,14 |
| New Zealand | 0,11 | 0,06 | 0,01 | 0,01 |
| Peru | 0,00 | 0,00 | 0,03 | 0,03 |
| Philippines | 0,05 | 0,13 | 0,19 | 0,07 |
| Papua New Guinea | 0,00 | 0,04 | 0,03 | 0,00 |
| Poland | 1,02 | 0,26 | 0,03 | 0,03 |
| Portugal | 0,34 | 0,30 | 0,21 | 0,34 |
| Romania | 0,08 | 0,00 | 0,00 | 0,00 |
| Russia | 0,01 | 0,03 | 0,16 | 0,23 |
| Singapore | 0,19 | 0,25 | 0,15 | 0,19 |
| Slovenia | 0,01 | 0,00 | 0,00 | 0,00 |
| Sweden | 0,60 | 0,29 | 0,50 | 0,45 |
| Thailand | 0,19 | 0,20 | 0,20 | 0,24 |
| Turkey | 0,08 | 0,05 | 0,09 | 0,11 |
| Taiwan | 0,83 | 0,89 | 1,08 | 0,89 |

| | | | | |
|--------------|---------------|---------------|---------------|---------------|
| U.S.A. | 30,63 | 31,77 | 39,54 | 37,98 |
| South Africa | 0,04 | 0,08 | 0,36 | 0,30 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|-------------------|-------------------|-------------------|-------------------|
| Cyclicals | 19,36 | 18,11 | 19,31 | 22,59 |
| Consum(cycl) | 18,96 | 17,85 | 15,20 | 14,44 |
| Cons.goods | 8,68 | 10,24 | 14,47 | 9,40 |
| Pharma | 9,59 | 10,43 | 12,61 | 11,16 |
| Financials | 22,60 | 20,55 | 14,20 | 21,33 |
| Technology | 12,19 | 13,83 | 13,95 | 13,84 |
| Telecomm. | 3,51 | 3,58 | 4,67 | 2,58 |
| Utilities | 3,16 | 2,82 | 2,72 | 2,00 |
| Real est. | 1,83 | 2,41 | 2,87 | 2,62 |
| Governm. | 0,01 | 0,00 | 0,00 | 0,01 |
| Various | 0,11 | 0,18 | 0,00 | 0,03 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|-------------------|-------------------|-------------------|-------------------|
| AUD | 0,35 | 0,27 | 0,32 | 0,54 |
| BRL | 0,21 | 0,08 | 0,36 | 0,50 |
| CAD | 2,13 | 1,16 | 1,46 | 1,51 |
| CHF | 1,86 | 2,08 | 1,45 | 1,47 |
| CLP | 0,00 | 0,00 | 0,04 | 0,04 |
| CNY | 0,01 | 0,03 | 0,03 | 0,00 |
| COP | 0,00 | 0,00 | 0,00 | 0,01 |
| CZK | 0,23 | 0,06 | 0,01 | 0,01 |
| DKK | 0,87 | 1,03 | 0,51 | 0,41 |
| EUR | 36,94 | 40,64 | 35,20 | 38,15 |
| GBP | 4,20 | 4,87 | 3,52 | 4,12 |
| HKD | 1,83 | 1,77 | 2,42 | 1,67 |
| HRK | 0,01 | 0,00 | 0,00 | 0,00 |
| HUF | 0,17 | 0,05 | 0,02 | 0,02 |
| IDR | 0,12 | 0,07 | 0,14 | 0,26 |
| ILS | 0,27 | 0,22 | 0,15 | 0,01 |
| INR | 0,64 | 0,65 | 0,84 | 0,56 |
| JPY | 8,44 | 7,72 | 8,22 | 5,45 |
| KRW | 1,58 | 1,58 | 1,93 | 1,73 |
| MXN | 0,02 | 0,01 | 0,18 | 0,19 |
| MYR | 0,14 | 0,12 | 0,14 | 0,05 |
| NOK | 0,05 | 0,08 | 0,26 | 0,13 |
| NZD | 0,11 | 0,06 | 0,01 | 0,01 |
| PHP | 0,05 | 0,12 | 0,19 | 0,07 |
| PLN | 1,02 | 0,26 | 0,03 | 0,03 |
| RON | 0,08 | 0,00 | 0,00 | 0,00 |
| SEK | 0,60 | 0,29 | 0,50 | 0,46 |
| SGD | 0,17 | 0,25 | 0,14 | 0,10 |
| THB | 0,19 | 0,20 | 0,20 | 0,24 |
| TRY | 0,09 | 0,06 | 0,08 | 0,11 |
| TWD | 0,86 | 0,91 | 1,13 | 0,93 |
| USD | 36,72 | 35,31 | 40,13 | 40,92 |
| ZAR | 0,04 | 0,05 | 0,39 | 0,30 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

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

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|----------------|
| Purchases | 49.124.163,23 | 44.125.174,84 | 93.249.338,07 |
| Sales | 48.686.468,34 | 46.088.650,36 | 94.775.118,70 |
| Total 1 | 97.810.631,56 | 90.213.825,20 | 188.024.456,77 |
| Subscriptions | 2.783.360,52 | 3.725.884,00 | 6.509.244,52 |
| Redemptions | 3.676.189,52 | 5.087.113,39 | 8.763.302,91 |
| Total 2 | 6.459.550,04 | 8.812.997,39 | 15.272.547,43 |
| Monthly average of total assets | 89.667.953,32 | 114.610.245,73 | 102.241.322,03 |
| Turnover rate | 101,88 % | 71,02 % | 168,96 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|----------------|
| Purchases | 49.124.163,23 | 44.125.174,84 | 93.249.338,07 |
| Sales | 48.686.468,34 | 46.088.650,36 | 94.775.118,70 |
| Total 1 | 97.810.631,56 | 90.213.825,20 | 188.024.456,77 |
| Subscriptions | 2.783.360,52 | 3.725.884,00 | 6.509.244,52 |
| Redemptions | 3.676.189,52 | 5.087.113,39 | 8.763.302,91 |
| Total 2 | 6.459.550,04 | 8.812.997,39 | 15.272.547,43 |
| Monthly average of total assets | 89.757.879,17 | 114.282.062,97 | 101.954.019,00 |
| Corrected turnover rate | 101,78 % | 71,23 % | 169,44 % |

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

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

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

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

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

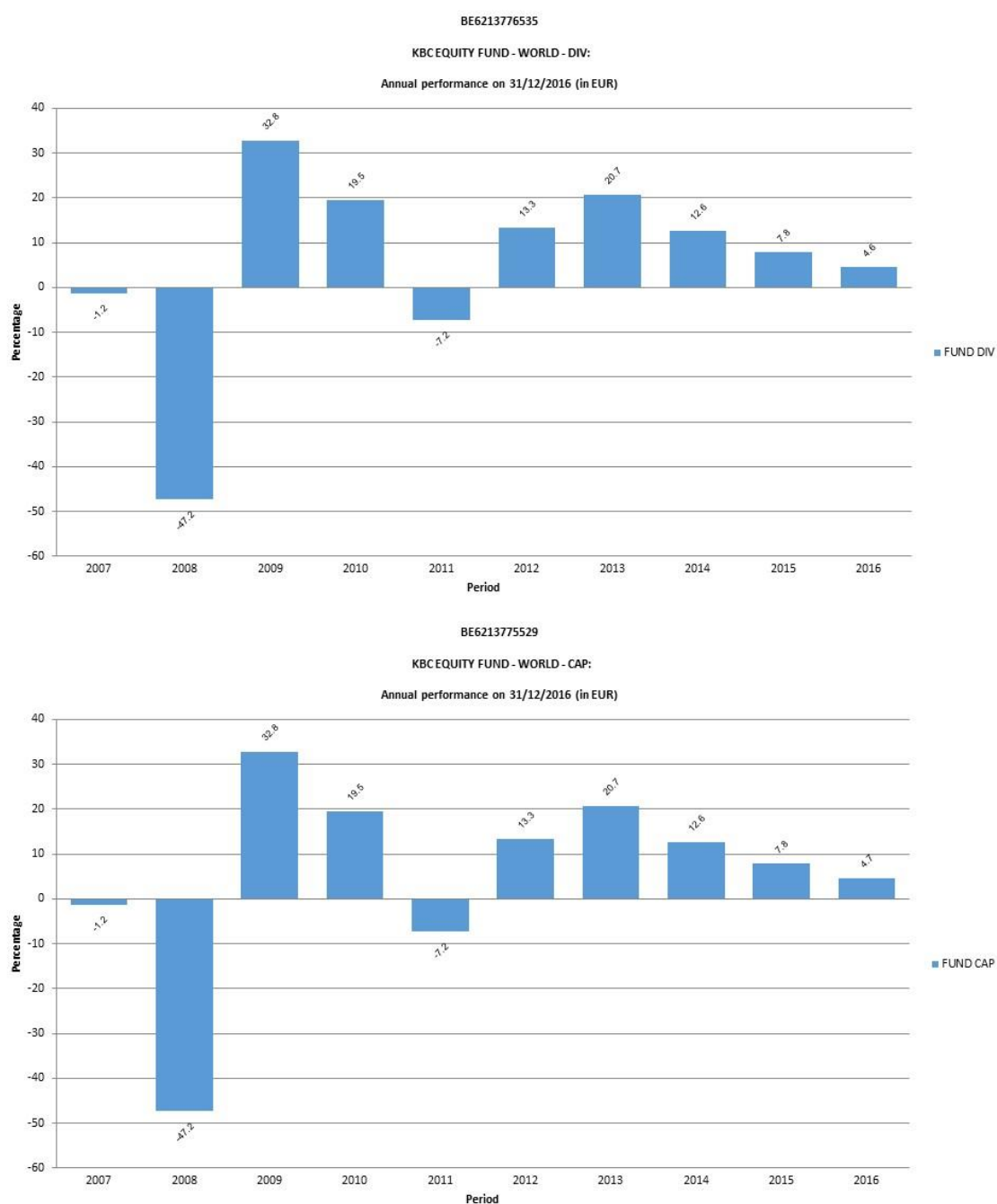
2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|-----------|-------------|-----------|---------------|-----------|------------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 15.625,64 | 3.113,97 | 27.735,93 | 7.120,91 | 240.399,66 | 24.726,94 | 265.126,60 |
| 2015 - 12 | 10.183,63 | 3.027,27 | 37.373,79 | 2.670,65 | 213.209,49 | 25.083,56 | 238.293,05 |
| 2016 - 12 | 661.460,19 | 18.856,79 | 613.757,27 | 15.607,33 | 260.912,42 | 28.333,02 | 289.245,44 |

| Period | Amounts received and paid by the UCI (in the currency of the sub-fund) | | | |
|-----------|---|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 5.570.160,69 | 894.905,51 | 9.777.414,35 | 1.980.763,61 |
| 2015 - 12 | 4.240.605,59 | 1.034.206,83 | 15.799.856,31 | 919.811,13 |
| 2016 - 12 | 5.681.069,27 | 816.370,84 | 178.799.770,31 | 4.182.656,80 |

| Period | Net asset value End of period (in the currency of the sub-fund) | | |
|-----------|--|----------------|--------------|
| Year | Of the sub-fund | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 98.549.037,41 | 378,47 | 305,96 |
| 2015 - 12 | 95.322.332,25 | 408,44 | 328,45 |
| 2016 - 12 | 120.982.584,59 | 427,64 | 332,02 |

2.4.5 PERFORMANCE FIGURES



| Cap Div | ISIN code | Cur- rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|---------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE6213775529 | EUR | 4.70% | | 8.34% | | 11.70% | | 2.94% | | 05/04/1991 | 4.27% |
| DIV | BE6213776535 | EUR | 4.55% | | 8.28% | | 11.66% | | 2.92% | | 05/04/1991 | 3.82% |

Risk warning: Past performance is not a guide to future performance.
* Return on annual basis.

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

Capitalisation units (CAP)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

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

For dividend i on date Di with value Wi:

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

$i = 1 \dots N$

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

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

Dividend on ex-dividend date 31/03/2017: 5.1034 EUR net (7.2906 EUR gross).

2.4.6 COSTS

Ongoing charges: *

Distribution: 2.231%

Capitalization: 2.224%

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

EXISTENCE OF COMMISSION SHARING AGREEMENTS

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

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

| Broker | Commission gross in EUR paid during the period: 1-01-16 - | CSA Credits in EUR accrued during the period: 1-01-16 - | Percentage |
|----------|---|---|------------|
| | 31-12-16 | 31-12-16 | |
| CITI | 417 | 104 | 25,01% |
| CSFBSAS | 14 | 3 | 20,17% |
| DEUTSCHE | 3 | 1 | 20,02% |
| INSTINET | 2.737 | 684 | 25,00% |

FEE-SHARING AGREEMENTS AND REBATES:

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

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

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

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

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

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

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

Exercising voting rights.

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

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

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

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

Securities lending

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

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 2,541.53 EUR and from bond lending to 0.00 EUR. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

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

| Name | Maximum management fee |
|---|-------------------------------|
| KBC Equity Fund-America-Institutional B Shares | 1,50 |
| KBC Equity Fund-Europe-Institutional B Shares | 1,50 |
| KBC Equity Fund-Family Enterprises-Institutional B Shares | 1,60 |
| KBC Equity Fund-Buyback America-Institutional B Shares | 1,50 |
| KBC Equity Fund-Eurozone-Institutional B Shares | 1,50 |
| KBC Equity Fund-High Dividend Eurozone-Institutional B Shares | 1,50 |
| KBC Equity Fund-High Dividend-Institutional B Shares | 1,50 |
| KBC Equity Fund-High Dividend North America-Institutional B Shares | 1,50 |
| KBC Equity Fund-Japan-Institutional B Shares | 1,50 |
| KBC Equity Fund-New Asia-Institutional B Shares | 1,60 |
| KBC Equity Fund-New Markets-Institutional B Shares | 1,60 |
| KBC Equity Fund-Pharma-Institutional B Shares | 1,50 |
| KBC Equity Fund-Quant EMU-Institutional B Shares | 1,50 |
| KBC Equity Fund-Satellites-Institutional B Shares | 1,50 |
| KBC Equity Fund-Strategic Cyclical-Institutional B Shares | 1,50 |
| KBC Equity Fund-Strategic Finance-Institutional B Shares | 1,50 |
| KBC Equity Fund-Strategic Non Cyclical-Institutional B Shares | 1,50 |
| KBC Equity Fund-Strategic Telecom & Technology-Institutional B Shares | 1,50 |
| KBC Equity Fund-US Small Caps-Institutional B Shares | 1,50 |
| KBC Equity Fund-World | 1,50 |

Transparency of securities financing transactions and of reuse

Global data:

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

Concentration data:

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

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

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

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

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

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

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

Data on reuse of collateral:

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

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

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

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

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

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

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

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

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 198,43 | 69,45 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 69,45 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 2.343,10 | 820,09 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 820,09 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND LATIN AMERICA

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launched date: 28 January 1994
Initial subscription price: 20000 BEF
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object. The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

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

PERMITTED DERIVATIVES TRANSACTIONS:

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

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

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

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

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

The assets are invested primarily in shares (or share-related instruments, and more specifically, depository receipts, including ADRs and GDRs) that are included in the MSCI Emerging Markets Latin America Index. Investors should be aware that the sub-fund may invest up to 100% of its assets in depository receipts.

RISK CONCENTRATION

Latin American shares.

Index-tracking:

The objective of the sub-fund is to track the composition of an index in accordance with and within the limits of Article 63 of the Royal Decree of 12 November 2012 on certain public undertakings for collective investment.

Index/indices in question: MSCI Latin America, which covers around 85% of the free-float market capitalisation of the Latin America countries included in the index. Additional information on this index and its composition is available at www.msci.com.

Index tracking method: physical replication using optimised sampling: the index is tracked using a selection of shares in the index in order to best replicate the index. In addition, an optimisation algorithm is used that balances the risk and the return of each of the portfolio positions, so optimising the selection. The sub-fund may also make limited use of synthetic replication by way of futures, primarily in order to cushion the effects of buying and selling and to avoid the attendant transaction charges.

The index is rebalanced every year. The more often an index is rebalanced, the greater the potential impact on the transaction charges within the sub-fund.

Given normal market conditions, the expected tracking error is between 0% and 2%. Possible causes of this tracking error could be the method used to track the index, transaction charges, dividend reinvestment, the general costs charged to the sub-fund, any income from lending financial instruments, the use of depository receipts (as explained under the 'Strategy selected' heading above).

If the composition of the index is no longer sufficiently diversified or if the index is no longer sufficiently representative of the market it relates to or if the value and composition of the index is no longer published in a suitable manner, the management company will inform the Board of Directors without delay. The Board of Directors will consider what action to take in the interest of investors and may convene a general meeting of shareholders in order to amend the investment policy.

This fund is not sponsored, endorsed, sold or promoted by MSCI INC. ('MSCI'), any of its affiliates, any of its information providers or any other third party involved in, or related to, compiling, computing or creating any MSCI index (collectively, the 'MSCI parties'). The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by KBC Asset Management. None of the MSCI parties makes any representation or warranty, express or implied, to the issuer or owners of this fund or any other person or entity regarding the advisability of investing in funds generally or in this fund particularly or the ability of any MSCI index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks, service marks and trade names and of the MSCI indexes which are determined, composed and calculated by MSCI without regard to this fund or the issuer or owners of this fund or any other person or entity. None of the MSCI parties has any obligation to take the needs of the issuer or owners of this fund or any other person or entity into consideration in determining, composing or calculating the MSCI indexes. None of the MSCI parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of this fund to be issued or in the determination or calculation of the equation by or the consideration into which this fund is redeemable. Further, none of the MSCI parties has any obligation or liability to the issuer or owners of this fund or any other person or entity in connection with the administration, marketing or offering of this fund.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI indexes from sources that MSCI considers reliable, none of the MSCI parties warrants or guarantees the originality, accuracy and/or the completeness of any MSCI index or any data included therein. None of the MSCI parties makes any warranty, express or implied, as to results to be obtained by the issuer of the fund, owners of the fund, or any other person or entity, from the use of any MSCI index or any data included therein. None of the MSCI parties shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI index or any data included therein. Further, none of the MSCI parties makes any express or implied warranties of any kind, and the MSCI parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to each MSCI index and any data included therein. Without limiting any of the foregoing, in no event shall any of the MSCI parties 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 purchaser, seller or holder of this fund, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this fund without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

Lending financial instruments:

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

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

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

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

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

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

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

Volatility of the net asset value:

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

General strategy for hedging the exchange rate risk:

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

Social, ethical and environmental aspects:

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

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

Tracking error and annual tracking difference for the capitalisation share (ISIN-code: BE0146026415) calculated in the currency of the share.

Annual tracking difference: 0.57%

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: 0.28%

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

As defined by the prospectus, the fund was managed with the objective to reflect the return of the MSCI Latin America Index.

2.1.8 FUTURE POLICY

As defined by the prospectus, the fund will continue tracking the return of the MSCI Latin America Index.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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

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

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 94,964.45 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 | | 31/12/2016 (in the currency of the sub-fundt) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|---|
| TOTAL NET ASSETS | | 19.074.012,58 | 14.378.337,59 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | 19.088.675,03 | 14.413.864,60 |
| D. Other securities | | | 2.280,49 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 48,57 | 685,94 |
| B. Payables | | | |
| a) Accounts payable (-) | | -22.791,31 | -7.290,97 |
| d) Borrowings (-) | | -132.486,23 | -67.660,84 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 53.363,22 | 10.692,87 |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | 109.673,37 | 44.495,34 |
| C. Accrued expense (-) | | -22.470,07 | -18.729,84 |
| TOTAL SHAREHOLDERS' EQUITY | | 19.074.012,58 | 14.378.337,59 |
| A. Capital | | 14.471.390,56 | 19.276.484,54 |
| B. Income equalization | | 4.399,72 | -42.369,03 |
| D. Result of the book year | | 4.598.222,30 | -4.855.777,92 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|--|
| I. Net gains(losses) on investments | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | 2.842.680,27 | -2.190.308,63 |
| D. Other securities | | -581,60 | -43,10 |
| G. Receivables, deposits, cash at bank and in hand and payables | | -0,01 | 0,01 |
| H. Foreign exchange positions and transactions | | | |
| b) Other foreign exchange positions and transactions | | 1.617.804,57 | -2.876.065,99 |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | | 327.316,72 | 1.840.233,10 |
| Unrealised gains on investments | | 1.711.736,11 | -2.368.041,21 |
| Realised losses on investments | | -677.305,77 | -3.677.559,71 |
| Unrealised losses on investments | | 3.098.156,17 | -861.049,89 |
| II. Investment income and expenses | | | |
| A. Dividends | | 430.398,33 | 581.829,69 |
| B. Interests | | | |
| a) Securities and money market instruments | | 10,31 | 10,26 |
| b) Cash at bank and in hand and deposits | | 225,91 | 9.053,94 |
| C. Interest on borrowings (-) | | -120,02 | -295,43 |
| IV. Operating expenses | | | |
| A. Investment transaction and delivery costs (-) | | -5.827,13 | -9.808,54 |
| B. Financial expenses (-) | | -1.173,46 | -142,53 |
| C. Custodian's fee (-) | | -12.174,65 | -17.480,46 |
| D. Manager's fee (-) | | | |
| a) Financial management | | -224.394,49 | -307.150,29 |
| b) Administration and accounting management | | -16.785,97 | -19.196,84 |
| E. Administrative expenses (-) | | -0,05 | -139,36 |
| F. Formation and organisation expenses (-) | | -3.106,45 | -2.449,80 |
| G. Remuneration, social security charges and pension | | -1,48 | |
| H. Services and sundry goods (-) | | -4.311,79 | -2.600,47 |
| J. Taxes | | -15.486,94 | -11.004,22 |
| K. Other expenses (-) | | -8.933,05 | -9.986,16 |
| Income and expenditure for the period | | | |
| Subtotal II + III + IV | | 138.319,07 | 210.639,79 |
| V. Profit(loss) on ordinary activities before tax | | 4.598.222,30 | -4.855.777,92 |
| VII. Result of the book year | | 4.598.222,30 | -4.855.777,92 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | 4.602.622,02 | -4.898.146,95 |
| Profit for the period available for appropriation | 4.598.222,30 | -4.855.777,92 |
| Income on the creation of shares (income on the cancellation of shares) | 4.399,72 | -42.369,03 |
| II. (Appropriations to) Deductions from capital | -4.562.000,67 | 4.948.445,07 |
| IV. (Dividends to be paid out) | -40.621,35 | -50.298,12 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND LATIN AMERICA

| Name | Quantity on 31/12/2016 | 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>Brazil</u> | | | | | | | |
| AES TIETE SA - | 7.327,00 | BRL | 14,000 | 29.880,86 | | 0,16 | 0,16 |
| AMBEV SA - | 182.902,00 | BRL | 16,400 | 873.778,09 | | 4,58 | 4,58 |
| BANCO BRADESCO S.A. - | 32.150,00 | BRL | 29,140 | 272.903,67 | | 1,43 | 1,43 |
| BANCO BRADESCO S.A. PREF | 106.084,00 | BRL | 29,000 | 896.162,43 | | 4,70 | 4,70 |
| BANCO DO BRASIL SA - | 33.400,00 | BRL | 28,090 | 273.298,38 | | 1,43 | 1,43 |
| BANCO SANTANDER BRASIL SA - | 15.400,00 | BRL | 29,530 | 132.471,67 | | 0,69 | 0,70 |
| BB SEGURIDADE PARTICIPACOES SA - | 27.300,00 | BRL | 28,300 | 225.054,62 | | 1,18 | 1,18 |
| BM&F BOVESPA SA - | 65.900,00 | BRL | 16,500 | 316.743,86 | | 1,66 | 1,66 |
| BR MALLS PARTICIPACOES SA - | 21.030,00 | BRL | 11,950 | 73.205,89 | | 0,38 | 0,38 |
| BRASKEM SA PREF | 5.600,00 | BRL | 34,250 | 55.871,13 | | 0,29 | 0,29 |
| BRF SA - | 23.300,00 | BRL | 48,250 | 327.485,51 | | 1,72 | 1,72 |
| CETIP SA - BALCAO ORGANIZADO DE ATI - | 8.597,00 | BRL | 44,600 | 111.691,63 | | 0,59 | 0,59 |
| CIA BRAS DISTRIB GRUPO PAO DE ACUCAR PREF B | 5.711,00 | BRL | 54,750 | 91.082,54 | | 0,48 | 0,48 |
| CIA DE CONCESSOES RODOVIARIAS - | 33.400,00 | BRL | 15,960 | 155.280,96 | | 0,81 | 0,81 |
| CIA ENERGETICA DE MINAS GER PREF | 29.125,00 | BRL | 7,710 | 65.412,26 | | 0,34 | 0,34 |
| CIA PARANAENSE DE ENERGIA-COPEL PREF | 4.200,00 | BRL | 27,360 | 33.473,74 | | 0,18 | 0,18 |
| CIA SANEAMENTO BASICO - | 13.040,00 | BRL | 28,790 | 109.359,90 | | 0,57 | 0,57 |
| COMPANHIA BRASILEIRA DE MEIOS - | 39.749,00 | BRL | 27,890 | 322.933,85 | | 1,69 | 1,69 |
| COSAN SA INDUSTRIA COMERCIO - | 4.700,00 | BRL | 38,150 | 52.231,35 | | 0,27 | 0,27 |
| CPFL ENERGIA SA - | 7.826,00 | BRL | 25,210 | 57.471,37 | | 0,30 | 0,30 |
| CSN-CIA SIDERURGICA NACIONAL S.A. - | 23.004,00 | BRL | 10,850 | 72.706,28 | | 0,38 | 0,38 |
| DURATEX SA - | 10.872,00 | BRL | 6,800 | 21.535,61 | | 0,11 | 0,11 |
| ELETRORAS-CENTRELETRICAS BRAS S.A. - | 9.100,00 | BRL | 22,810 | 60.465,20 | | 0,32 | 0,32 |
| ELETRORAS-CENTRELETRICAS BRAS S.A. PREF "B" | 8.000,00 | BRL | 25,890 | 60.333,83 | | 0,32 | 0,32 |
| EMBRAER AIRCRAFT CORP-SP ADR - | 26.000,00 | BRL | 16,000 | 121.180,34 | | 0,64 | 0,64 |
| ENERGIAS DO BRASIL SA - | 12.021,00 | BRL | 13,400 | 46.922,83 | | 0,25 | 0,25 |
| ENGIE BRASIL SA - | 6.200,00 | BRL | 35,000 | 63.211,86 | | 0,33 | 0,33 |
| EQUATORIAL ENERGIA SA - | 7.500,00 | BRL | 54,400 | 118.849,95 | | 0,62 | 0,62 |
| FIBRIA CELULOSE SA - | 9.369,00 | BRL | 31,890 | 87.033,53 | | 0,46 | 0,46 |
| GERDAU SA PREF | 35.000,00 | BRL | 10,800 | 110.110,98 | | 0,58 | 0,58 |
| HYPERMARCAS SA - | 13.400,00 | BRL | 26,130 | 101.995,98 | | 0,53 | 0,54 |
| ITAU UNIBANCO HOLDINGS SA PREF PREF | 123.412,00 | BRL | 33,850 | 1.216.900,06 | | 6,38 | 6,39 |
| ITAUSA-INVESTIMENTOS ITAU SA - | 146.912,00 | BRL | 8,280 | 354.345,12 | | 1,86 | 1,86 |
| JBS SA - | 26.489,00 | BRL | 11,400 | 87.964,87 | | 0,46 | 0,46 |
| KLABIN SA - | 20.900,00 | BRL | 17,720 | 107.881,97 | | 0,57 | 0,57 |
| KROTON EDUCACIONAL SA - | 53.768,00 | BRL | 13,330 | 208.781,92 | | 1,09 | 1,10 |
| LOCALIZA RENT A CAR - | 6.115,00 | BRL | 34,220 | 60.955,84 | | 0,32 | 0,32 |
| LOJAS AMERICANAS SA - | 7.590,00 | BRL | 12,470 | 27.570,65 | | 0,14 | 0,15 |
| LOJAS AMERICANAS SA -PREF- | 21.129,00 | BRL | 17,000 | 104.632,53 | | 0,55 | 0,55 |
| LOJAS RENNER SA - | 24.700,00 | BRL | 23,170 | 166.710,07 | | 0,87 | 0,87 |
| M DIAS BRANCO SA - | 1.400,00 | BRL | 115,010 | 46.903,20 | | 0,25 | 0,25 |
| MULTIPLAN EMPREENDIMENTOS IMOB - | 3.200,00 | BRL | 59,380 | 55.351,45 | | 0,29 | 0,29 |

| | | | | | | | |
|--|--------------|-----|------------|------------|--|------|------|
| NATURA COSMETICOS SA - | 7.300,00 | BRL | 23,020 | 48.951,62 | | 0,26 | 0,26 |
| ODONTOPREV SA - | 11.000,00 | BRL | 12,600 | 40.374,03 | | 0,21 | 0,21 |
| PETROBRAS-PETROLEO BRASILEIROS A. - | 115.576,00 | BRL | 16,940 | 570.321,72 | | 2,99 | 2,99 |
| PETROBRAS-PETROLEO BRASILEIROS A. PREF | 151.287,00 | BRL | 14,870 | 655.316,99 | | 3,43 | 3,44 |
| PORTO SEGURO SA - | 4.600,00 | BRL | 26,900 | 36.045,33 | | 0,19 | 0,19 |
| QUALICORP SA - | 9.200,00 | BRL | 19,250 | 51.589,04 | | 0,27 | 0,27 |
| RAIA DROGASIL SA - | 8.900,00 | BRL | 61,190 | 158.638,76 | | 0,83 | 0,83 |
| RUMO LOGISTICA OPERADORA MULTI - | 29.800,00 | BRL | 6,140 | 53.299,54 | | 0,28 | 0,28 |
| SUL AMERICA SA - | 7.098,00 | BRL | 18,000 | 37.217,51 | | 0,20 | 0,20 |
| SUZANO PAPEL E CELULOSE SA - | 15.700,00 | BRL | 14,200 | 64.942,18 | | 0,34 | 0,34 |
| TELEF BRASIL PREF | 17.217,00 | BRL | 44,080 | 221.074,12 | | 1,16 | 1,16 |
| TIM PARTICIPACOESSA - | 30.951,00 | BRL | 7,830 | 70.595,22 | | 0,37 | 0,37 |
| ULTRAPAR PARTICIPACOES SA - | 14.200,00 | BRL | 68,450 | 283.139,62 | | 1,48 | 1,48 |
| VALE SA - | 48.932,00 | BRL | 25,680 | 366.038,56 | | 1,92 | 1,92 |
| VALE SA PREF A | 74.068,00 | BRL | 23,340 | 503.582,14 | | 2,64 | 2,64 |
| WEG SA - | 22.000,00 | BRL | 15,500 | 99.332,93 | | 0,52 | 0,52 |
| <u>Chile</u> | | | | | | | |
| AES GENER SA - | 94.401,00 | CLP | 239,210 | 31.964,72 | | 0,17 | 0,17 |
| AGUAS ANDINAS SA - | 96.284,00 | CLP | 348,730 | 47.528,98 | | 0,25 | 0,25 |
| BANCO DE CHILE - | 963.091,00 | CLP | 78,500 | 107.016,81 | | 0,56 | 0,56 |
| BANCO DE CREDITO E INVERSIONES - | 1.459,00 | CLP | 33.894,000 | 69.999,21 | | 0,37 | 0,37 |
| BANCO SANTANDER CHILE - | 2.575.132,00 | CLP | 37,260 | 135.818,01 | | 0,71 | 0,71 |
| CENCOSUD SA - | 56.630,00 | CLP | 1.879,900 | 150.694,13 | | 0,79 | 0,79 |
| COLBUN SA - | 294.107,00 | CLP | 131,780 | 54.861,78 | | 0,29 | 0,29 |
| COMP. CERVEC. UNIDAS - | 5.478,00 | CLP | 6.995,000 | 54.240,63 | | 0,28 | 0,28 |
| COPEC-CIA DE PETROLEOS DE CHILE S.A. - | 17.561,00 | CLP | 6.418,400 | 159.547,88 | | 0,84 | 0,84 |
| EMBOTELLADORA ANDINA S.A. PREF B | 9.606,00 | CLP | 2.491,200 | 33.873,98 | | 0,18 | 0,18 |
| EMPRESA NACIONAL DE TELECOM SA - | 5.548,00 | CLP | 7.106,900 | 55.812,53 | | 0,29 | 0,29 |
| EMPRESAS CMPC S.A. - | 47.116,00 | CLP | 1.369,400 | 91.330,06 | | 0,48 | 0,48 |
| ENEL AMERICA SA - | 1.016.203,00 | CLP | 108,870 | 156.604,31 | | 0,82 | 0,82 |
| ENEL CHILE SA - | 755.872,00 | CLP | 62,010 | 66.347,57 | | 0,35 | 0,35 |
| ENEL GENERACION CHILE SA - | 124.200,00 | CLP | 441,930 | 77.694,47 | | 0,41 | 0,41 |
| ITAU CORPBANCA - | 6.158.639,00 | CLP | 5,618 | 48.975,80 | | 0,26 | 0,26 |
| LATAM AIRLINES GROUP SA - | 11.361,00 | CLP | 5.643,400 | 90.755,39 | | 0,48 | 0,48 |
| SACIFALABELLA - | 24.512,00 | CLP | 5.299,500 | 183.877,53 | | 0,96 | 0,96 |
| SOC QUIMICA MINERA CHILE SA -B- | 3.630,00 | CLP | 19.089,000 | 98.085,50 | | 0,51 | 0,51 |
| <u>Colombia</u> | | | | | | | |
| BANCOLOMBIA SA PREF | 17.840,00 | COP | 27.180,000 | 153.138,39 | | 0,80 | 0,80 |
| CEMENTOS ARGOS SA - | 16.912,00 | COP | 11.860,000 | 63.346,03 | | 0,33 | 0,33 |
| CORP FINANCIERA COLOMBIANA SA - | 3.145,00 | COP | 37.080,000 | 36.829,87 | | 0,19 | 0,19 |
| ECOPETROL SA - | 181.770,00 | COP | 1.380,000 | 79.221,13 | | 0,42 | 0,42 |
| GRUPO AVAL ACCIONES Y VALORES - | 120.442,00 | COP | 1.215,000 | 46.216,17 | | 0,24 | 0,24 |
| GRUPO DE INVERSIONES SURAMERIC - | 9.073,00 | COP | 38.200,000 | 109.459,65 | | 0,57 | 0,57 |
| GRUPO DE INVERSIONES SURAMERIC - | 3.934,00 | COP | 37.000,000 | 45.970,14 | | 0,24 | 0,24 |
| INTERCONEXION ELECTRICIA SA - | 16.172,00 | COP | 9.980,000 | 50.972,28 | | 0,27 | 0,27 |
| INVERSIONES ARGOS SA - | 12.692,00 | COP | 19.280,000 | 77.281,73 | | 0,41 | 0,41 |
| <u>Mexico</u> | | | | | | | |
| ALFA SA DE CV - | 107.210,00 | MXN | 25,700 | 126.800,42 | | 0,66 | 0,67 |
| AMERICA MOVIL S.A. DE C.V. -L- | 1.279.400,00 | MXN | 13,030 | 767.190,17 | | 4,02 | 4,02 |
| ARCA CONTINENTAL SAB DE CV - | 17.000,00 | MXN | 108,070 | 84.548,58 | | 0,44 | 0,44 |
| BIMBO - | 63.948,00 | MXN | 47,010 | 138.346,92 | | 0,73 | 0,73 |
| CEMEX S.A. DE C.V. CPO | 535.878,00 | MXN | 16,540 | 407.899,99 | | 2,14 | 2,14 |
| COCA-COLA FEMSA -L- | 19.069,00 | MXN | 131,370 | 115.285,95 | | 0,60 | 0,60 |
| EL PUERTO DE LIVERPOOL SAB DE - | 6.900,00 | MXN | 149,550 | 47.488,43 | | 0,25 | 0,25 |
| FEMSA - | 71.000,00 | MXN | 157,670 | 515.180,81 | | 2,70 | 2,70 |
| FIBRA UNO ADMINISTRACION - | 97.300,00 | MXN | 31,760 | 142.215,06 | | 0,75 | 0,75 |

| | | | | | | | |
|---|---------------|-----|---------|----------------------|--|--------|---------------|
| ENTERA SAB DE CV - | 34.044,00 | MXN | 33,380 | 52.297,29 | | 0,27 | 0,27 |
| GRUMA SAB DE CV - | 8.300,00 | MXN | 263,100 | 100.496,56 | | 0,53 | 0,53 |
| GRUPO AEROPORTUARIO DE SURESTE SA -B- | 8.400,00 | MXN | 298,670 | 115.457,77 | | 0,61 | 0,61 |
| GRUPO AEROPORTUARIO DEL PACIFICO SA -B- | 13.700,00 | MXN | 170,480 | 107.484,61 | | 0,56 | 0,56 |
| GRUPO CARSO SA SERA1 | 21.176,00 | MXN | 83,630 | 81.500,13 | | 0,43 | 0,43 |
| GRUPO FIN.INBURSA 'O' | 89.904,00 | MXN | 31,370 | 129.791,36 | | 0,68 | 0,68 |
| GRUPO FINANC NORTE "O" | 96.613,00 | MXN | 102,300 | 454.845,04 | | 2,38 | 2,39 |
| GRUPO FINANCIERO SANTANDER MEX - | 71.200,00 | MXN | 29,830 | 97.742,97 | | 0,51 | 0,51 |
| GRUPO LALA SAB DE CV - | 22.600,00 | MXN | 30,210 | 31.420,38 | | 0,17 | 0,17 |
| GRUPO TELEvisa S.A. -CPO- | 93.400,00 | MXN | 86,520 | 371.890,99 | | 1,95 | 1,95 |
| GRUPOMEXICO SA -B- | 150.690,00 | MXN | 56,430 | 391.333,25 | | 2,05 | 2,05 |
| IND. PENOLES SA -CP- | 5.233,00 | MXN | 386,060 | 92.973,21 | | 0,49 | 0,49 |
| INFRAESTRUCTURA ENERGETICA NOV - | 20.400,00 | MXN | 90,330 | 84.803,63 | | 0,44 | 0,45 |
| KIMBERLY "A" | 60.265,00 | MXN | 37,340 | 103.559,93 | | 0,54 | 0,54 |
| MEXICHEM SAB DE CV - | 42.554,00 | MXN | 47,100 | 92.238,78 | | 0,48 | 0,48 |
| OHL MEXICO SAB DE CV - | 28.700,00 | MXN | 20,390 | 26.930,93 | | 0,14 | 0,14 |
| PROMOTORAY OPERADORA DE INFRA - | 10.700,00 | MXN | 172,980 | 85.178,88 | | 0,45 | 0,45 |
| WAL-MART DE MEXICO SA DE CV "V" | 203.100,00 | MXN | 37,050 | 346.298,33 | | 1,81 | 1,82 |
| <u>Peru</u> | | | | | | | |
| CIA DE MINAS BUENAVENTURA SA - | 6.946,00 | USD | 11,280 | 74.283,84 | | 0,39 | 0,39 |
| CREDICORP LTD. - | 2.597,00 | USD | 157,860 | 388.682,08 | | 2,04 | 2,04 |
| SOUTHERN COPPER CORP (NYSE) | 3.251,00 | USD | 31,940 | 98.446,97 | | 0,52 | 0,52 |
| Total shares | | | | 19.088.675,03 | | 100,00 | 100,08 |
| TOTAL SECURITIES PORTFOLIO | | | | 19.088.675,03 | | 100,00 | 100,08 |
| CASH ATBANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP CLP TE BETALEN | 37.698.753,00 | CLP | 1,000 | 53.363,22 | | | 0,28 |
| KBC GROUP EURO | -59.149,20 | EUR | 1,000 | -59.149,20 | | | -0,31 |
| KBC GROUP MXN | -22.417,35 | MXN | 1,000 | -1.031,66 | | | -0,01 |
| KBC GROUP USD | -76.264,09 | USD | 1,000 | -72.305,37 | | | -0,38 |
| Total demand accounts | | | | -79.123,01 | | | -0,42 |
| TOTAL CASH AT BANK AND IN HAND | | | | -79.123,01 | | | -0,42 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR RECEIVABLE | 48,57 | EUR | 1,000 | 48,57 | | | |
| Total receivables | | | | 48,57 | | | |
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR PAYABLE | -22.791,31 | EUR | 1,000 | -22.791,31 | | | -0,12 |
| Payables | | | | -22.791,31 | | | -0,12 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -22.742,74 | | | -0,12 |
| OTHER | | | | | | | |
| Interest receivable | | EUR | | 109.673,37 | | | 0,58 |
| Expenses payable | | EUR | | -22.470,07 | | | -0,12 |
| TOTAL OTHER | | | | 87.203,30 | | | 0,46 |
| TOTAL NET ASSETS | | | | 19.074.012,58 | | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Brazil | 52,98 | 45,92 | 53,84 | 57,83 |
| Chile | 7,98 | 9,98 | 9,08 | 8,98 |
| Colombia | 4,24 | 3,48 | 3,59 | 3,47 |
| Mexico | 31,78 | 37,76 | 30,51 | 26,78 |
| Peru | 3,02 | 2,86 | 2,98 | 2,94 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Cyclicals | 23,13 | 23,04 | 22,99 | 26,84 |
| Consum(cycl) | 7,51 | 7,39 | 7,39 | 6,49 |
| Cons.goods | 21,91 | 24,28 | 22,38 | 19,11 |
| Pharma | 0,96 | 0,81 | 0,97 | 1,02 |
| Financials | 31,48 | 29,81 | 32,58 | 32,90 |
| Technology | 0,30 | 0,46 | 0,20 | 0,00 |
| Telecomm. | 7,50 | 6,96 | 5,60 | 5,84 |
| Utilities | 5,68 | 5,59 | 6,33 | 6,38 |
| Real est. | 1,53 | 1,66 | 1,56 | 1,42 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| BRL | 53,50 | 46,13 | 54,04 | 58,14 |
| CLP | 0,00 | 10,03 | 9,12 | 9,31 |
| COP | 4,26 | 3,49 | 3,60 | 3,49 |
| EUR | -0,53 | -0,52 | -0,42 | -0,43 |
| MXN | 31,92 | 37,93 | 30,67 | 26,91 |
| USD | 10,85 | 2,94 | 2,99 | 2,58 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND LATIN AMERICA (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 673.897,09 | 922.008,70 | 1.595.905,79 |
| Sales | 846.137,21 | 549.910,04 | 1.396.047,25 |
| Total 1 | 1.520.034,29 | 1.471.918,74 | 2.991.953,04 |
| Subscriptions | 727.705,42 | 1.335.565,99 | 2.063.271,41 |
| Redemptions | 896.702,17 | 1.025.906,64 | 1.922.608,81 |
| Total 2 | 1.624.407,59 | 2.361.472,63 | 3.985.880,22 |
| Monthly average of total assets | 15.004.585,56 | 18.535.971,82 | 16.792.819,45 |
| Turnover rate | -0,70 % | -4,80 % | -5,92 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 673.897,09 | 922.008,70 | 1.595.905,79 |
| Sales | 846.137,21 | 549.910,04 | 1.396.047,25 |
| Total 1 | 1.520.034,29 | 1.471.918,74 | 2.991.953,04 |
| Subscriptions | 727.705,42 | 1.335.565,99 | 2.063.271,41 |
| Redemptions | 896.702,17 | 1.025.906,64 | 1.922.608,81 |
| Total 2 | 1.624.407,59 | 2.361.472,63 | 3.985.880,22 |
| Monthly average of total assets | 14.577.275,98 | 18.513.088,18 | 16.755.346,98 |
| Corrected turnover rate | -0,72 % | -4,80 % | -5,93 % |

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

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

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

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

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

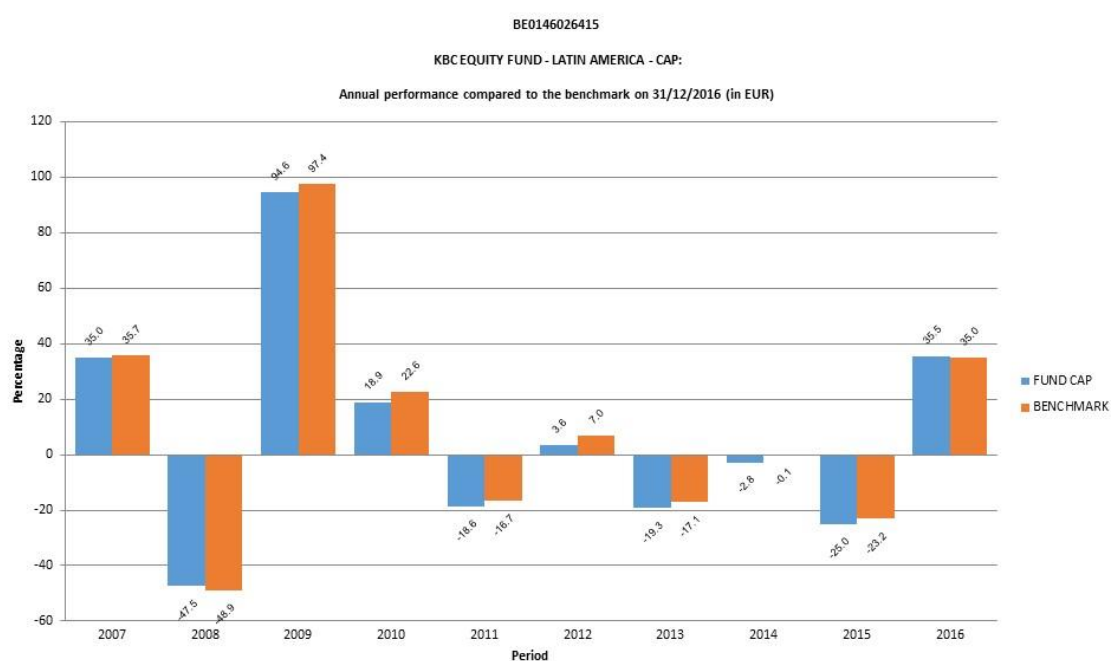
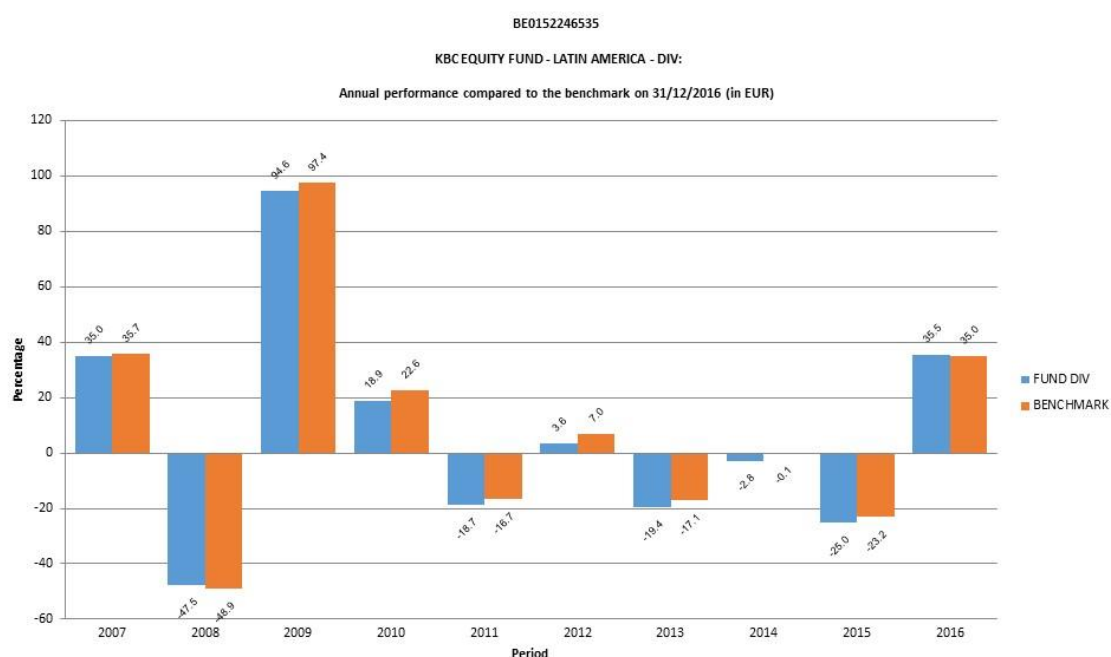
2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|----------|-------------|--------|---------------|----------|-----------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 1.342,12 | 530,85 | 5.769,82 | 886,00 | 18.576,52 | 2.265,31 | 20.841,83 |
| 2015 - 12 | 1.399,84 | 1.013,98 | 4.197,31 | 774,17 | 15.779,05 | 2.505,11 | 18.284,16 |
| 2016 - 12 | 1.754,99 | 479,30 | 1.811,41 | 344,94 | 15.722,63 | 2.639,46 | 18.362,10 |

| Period | Amounts received and paid by the UCI (in the currency of the sub-fund) | | | |
|-----------|---|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 1.581.750,67 | 432.468,48 | 6.505.579,28 | 656.016,17 |
| 2015 - 12 | 1.367.019,39 | 686.280,00 | 4.276.018,56 | 523.934,67 |
| 2016 - 12 | 1.776.694,34 | 310.776,92 | 1.739.480,26 | 202.784,18 |

| Period | Net asset value End of period (in the currency of the sub-fund) | | |
|-----------|--|----------------|--------------|
| Year | Of the sub-fund | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 22.017.968,30 | 1.098,44 | 711,93 |
| 2015 - 12 | 14.378.337,59 | 828,23 | 522,77 |
| 2016 - 12 | 19.074.012,58 | 1.100,52 | 670,94 |

2.4.5 PERFORMANCE FIGURES



| Cap Div | ISIN code | Cur- rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|---------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE0146026415 | EUR | 35.53% | 34.96% | -0.41% | 1.17% | -3.76% | -1.69% | 0.98% | 2.54% | 28/01/1994 | 3.60% |
| DIV | BE0152246535 | EUR | 35.50% | 34.96% | -0.44% | 1.17% | -3.80% | -1.69% | 0.95% | 2.54% | 28/01/1994 | 3.58% |

Risk warning: Past performance is not a guide to future performance.
 * Return on annual basis.

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

Capitalisation units (CAP)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

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

For dividend i on date Di with value Wi:

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

$i = 1 \dots N$

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

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

Dividend on ex-dividend date 31/03/2017: 10.7730 EUR net (15.3900 EUR gross).

2.4.6 COSTS

Ongoing charges: *

Distribution: 1.727%

Capitalization: 1.703%

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

EXISTENCE OF COMMISSION SHARING AGREEMENTS

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

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

FEE-SHARING AGREEMENTS AND REBATES:

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

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

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

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: max. 1.3% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.6% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

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

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

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

Exercising voting rights.

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

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

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

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

Securities lending

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

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 10.31 EUR and from bond lending to 0.00 EUR. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

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

Transparency of securities financing transactions and of reuse

Global data:

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

Concentration data:

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

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

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

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

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

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

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

Data on reuse of collateral:

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

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

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

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

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

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

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

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

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 0,59 | 0,21 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 0,21 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 9,72 | 3,40 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 3,40 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND FLANDERS

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launched date: 27 June 1997
Initial subscription price: 20000 BEF
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object. The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

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

PERMITTED DERIVATIVES TRANSACTIONS:

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

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

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

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

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

The assets are invested primarily in shares with a Flemish character where conditions are such as to allow accelerated economic growth in the short or medium term.

RISK CONCENTRATION

Shares with a Flemish character.

Lending financial instruments:

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

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

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

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

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

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

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

Volatility of the net asset value:

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

General strategy for hedging the exchange rate risk:

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

Social, ethical and environmental aspects:

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

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Please refer to the general market review text for an overview of developments during the period under review.

2.1.8 FUTURE POLICY

Please refer to the general market outlook text for an overview of developments during the period under review.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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

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

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 0.00 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 | | 31/12/2016 (in the currency of the sub-fundt) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|---|
| TOTAL NET ASSETS | | 52.259.298,00 | 37.005.870,34 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | 52.228.412,00 | 37.020.572,50 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 6.997,97 | 86.660,73 |
| B. Payables | | | |
| a) Accounts payable (-) | | -63.265,61 | -16.730,46 |
| d) Borrowings (-) | | | -35.144,70 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 161.621,71 | |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | -0,06 | 3.012,83 |
| C. Accrued expense (-) | | -74.468,01 | -52.500,56 |
| TOTAL SHAREHOLDERS' EQUITY | | 52.259.298,00 | 37.005.870,34 |
| A. Capital | | 47.707.405,56 | 27.436.470,84 |
| B. Income equalization | | 108.566,11 | -8.512,24 |
| D. Result of the book year | | 4.443.326,33 | 9.577.911,74 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|--|--|--|--|
| I. Net gains(losses) on investments | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | 4.494.355,49 | 9.555.210,14 |
| D. Other securities | | | -0,42 |
| H. Foreign exchange positions and transactions | | | |
| b) Other foreign exchange positions and transactions | | 0,07 | 0,01 |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | | 3.568.243,61 | 4.955.737,90 |
| Unrealised gains on investments | | 1.312.355,13 | 5.080.339,93 |
| Realised losses on investments | | -464.490,73 | -693.318,18 |
| Unrealised losses on investments | | 78.247,55 | 212.450,08 |
| II. Investment income and expenses | | | |
| A. Dividends | | 694.959,68 | 619.530,71 |
| B. Interests | | | |
| a) Securities and money market instruments | | 49.343,94 | 58.119,75 |
| b) Cash at bank and in hand and deposits | | | 0,85 |
| C. Interest on borrowings (-) | | -626,70 | -670,07 |
| IV. Operating expenses | | | |
| A. Investment transaction and delivery costs (-) | | -25.136,40 | -28.120,27 |
| B. Financial expenses (-) | | -1.429,27 | -277,56 |
| C. Custodian's fee (-) | | -25.483,00 | -22.147,33 |
| D. Manager's fee (-) | | | |
| a) Financial management | | -621.383,11 | -504.965,91 |
| b) Administration and accounting management | | -41.425,45 | -33.664,33 |
| E. Administrative expenses (-) | | 0,34 | -241,91 |
| F. Formation and organisation expenses (-) | | -3.331,53 | -2.524,38 |
| G. Remuneration, social security charges and pension | | -3,70 | |
| H. Services and sundry goods (-) | | -4.964,49 | -3.007,01 |
| J. Taxes | | -46.216,07 | -33.480,52 |
| K. Other expenses (-) | | -25.333,47 | -25.850,01 |
| Income and expenditure for the period | | | |
| Subtotal II + III + IV | | -51.029,23 | 22.702,01 |
| V. Profit(loss) on ordinary activities before tax | | 4.443.326,33 | 9.577.911,74 |
| VII. Result of the book year | | 4.443.326,33 | 9.577.911,74 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | 4.551.892,44 | 9.569.399,50 |
| Profit for the period available for appropriation | 4.443.326,33 | 9.577.911,74 |
| Income on the creation of shares (income on the cancellation of shares) | 108.566,11 | -8.512,24 |
| II. (Appropriations to) Deductions from capital | -4.301.367,37 | -9.411.314,51 |
| IV. (Dividends to be paid out) | -250.525,07 | -158.084,99 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND FLANDERS

| Name | Quantity on 31/12/2016 | Currency | Price in currency | Evaluation (in the currency of the sub-fund) | % owned by UCI | % portfolio | % Net assets |
|----------------------------|---------------------------|----------|----------------------|--|----------------------|----------------|--------------------|
| NET ASSETS | | | | | | | |
| SECURITIES PORTFOLIO | | | | | | | |
| Shares | | | | | | | |
| Exchange-listed shares | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| ACKERMANSVH NV - | 10.106,00 | EUR | 132,100 | 1.335.002,60 | | 2,56 | 2,56 |
| AGEAS NV - | 58.000,00 | EUR | 37,610 | 2.181.380,00 | | 4,18 | 4,17 |
| ANHEUSER-BUSCH INBEV NV - | 32.734,00 | EUR | 100,550 | 3.291.403,70 | | 6,30 | 6,30 |
| BARCO NV NEW | 13.500,00 | EUR | 80,040 | 1.080.540,00 | | 2,07 | 2,07 |
| BEKAERT - | 6.064,00 | EUR | 38,485 | 233.373,04 | | 0,45 | 0,45 |
| BIOCARTIS NV - | 15.500,00 | EUR | 10,965 | 169.957,50 | | 0,33 | 0,33 |
| C.F.E. (BRU) | 2.794,00 | EUR | 103,450 | 289.039,30 | | 0,55 | 0,55 |
| D'IETEREN - | 25.266,00 | EUR | 41,995 | 1.061.045,67 | | 2,03 | 2,03 |
| ECONOCOM GROUP - | 116.730,00 | EUR | 13,940 | 1.627.216,20 | | 3,12 | 3,11 |
| EURONAV SA - | 70.745,00 | EUR | 7,579 | 536.176,36 | | 1,03 | 1,03 |
| FAGRON - | 185.959,00 | EUR | 9,713 | 1.806.219,77 | | 3,46 | 3,46 |
| GREENYARD NV - | 96.011,00 | EUR | 14,760 | 1.417.122,36 | | 2,71 | 2,71 |
| IBA ION BEAM - | 35.272,00 | EUR | 41,640 | 1.468.726,08 | | 2,81 | 2,81 |
| JENSEN-GROUP NV (BRU) | 21.021,00 | EUR | 34,590 | 727.116,39 | | 1,39 | 1,39 |
| KBC ANCORA - | 96.011,00 | EUR | 39,775 | 3.818.837,53 | | 7,31 | 7,31 |
| KBC GROUP - | 45.479,00 | EUR | 58,830 | 2.675.529,57 | | 5,12 | 5,12 |
| KINEPOLIS GROUP (BRU) | 30.319,00 | EUR | 42,500 | 1.288.557,50 | | 2,47 | 2,47 |
| LOTUS BAKERIES (BRU) | 849,00 | EUR | 2.500,000 | 2.122.500,00 | | 4,06 | 4,06 |
| MELEXIS NV - | 18.000,00 | EUR | 63,650 | 1.145.700,00 | | 2,19 | 2,19 |
| MIKO - | 9.298,00 | EUR | 110,000 | 1.022.780,00 | | 1,96 | 1,96 |
| MONTEA SCAM | 9.940,00 | EUR | 46,370 | 460.917,80 | | 0,88 | 0,88 |
| ONTEX GROUP NV - | 57.607,00 | EUR | 28,250 | 1.627.397,75 | | 3,12 | 3,11 |
| RECTICEL - | 80.000,00 | EUR | 6,630 | 530.400,00 | | 1,02 | 1,02 |
| RESILUX (BRU) | 3.000,00 | EUR | 157,000 | 471.000,00 | | 0,90 | 0,90 |
| ROULARTA MEDIA GROUP - | 10.106,00 | EUR | 24,320 | 245.777,92 | | 0,47 | 0,47 |
| SIOEN INDUSTRIES - | 50.532,00 | EUR | 28,000 | 1.414.896,00 | | 2,71 | 2,71 |
| SIPEF (BRU) | 8.793,00 | EUR | 60,490 | 531.888,57 | | 1,02 | 1,02 |
| TELENET - | 32.038,00 | EUR | 52,720 | 1.689.043,36 | | 3,23 | 3,23 |
| TER BEKE (BRU) | 2.168,00 | EUR | 140,200 | 303.953,60 | | 0,58 | 0,58 |
| TESSENDERLO - | 52.857,00 | EUR | 34,800 | 1.839.423,60 | | 3,52 | 3,52 |
| U.C.B. - | 21.000,00 | EUR | 60,910 | 1.279.110,00 | | 2,45 | 2,45 |
| UMICORE - | 19.809,00 | EUR | 54,150 | 1.072.657,35 | | 2,05 | 2,05 |
| WAREHOUSE DISTR. DE PAUW - | 6.025,00 | EUR | 84,890 | 511.462,25 | | 0,98 | 0,98 |
| ZETES INDUSTRIES SA - | 15.160,00 | EUR | 54,000 | 818.640,00 | | 1,57 | 1,57 |
| <u>Netherlands</u> | | | | | | | |
| BASIC-FIT - | 25.418,00 | EUR | 16,030 | 407.450,54 | | 0,78 | 0,78 |
| ING GROEP NV - | 358.780,00 | EUR | 13,370 | 4.796.888,60 | | 9,18 | 9,18 |
| KON. AHOLD DELHAIZE NV - | 161.703,00 | EUR | 20,030 | 3.238.911,09 | | 6,20 | 6,20 |
| WESSANEN (AMS) | 127.000,00 | EUR | 13,310 | 1.690.370,00 | | 3,24 | 3,24 |
| Total shares | | | | 52.228.412,00 | | 100,00 | 99,94 |
| TOTAL SECURITIES PORTFOLIO | | | | 52.228.412,00 | | 100,00 | 99,94 |

| | | | | | | | |
|--------------------------------|------------|-----|-------|----------------------|--|--|---------------|
| CASH ATBANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EURO | 161.621,71 | EUR | 1,000 | 161.621,71 | | | 0,31 |
| Total demand accounts | | | | 161.621,71 | | | 0,31 |
| TOTAL CASH AT BANK AND IN HAND | | | | 161.621,71 | | | 0,31 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR RECEIVABLE | 6.997,97 | EUR | 1,000 | 6.997,97 | | | 0,01 |
| Total receivables | | | | 6.997,97 | | | 0,01 |
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR PAYABLE | -63.265,61 | EUR | 1,000 | -63.265,61 | | | -0,12 |
| Payables | | | | -63.265,61 | | | -0,12 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -56.267,64 | | | -0,11 |
| OTHER | | | | | | | |
| Interest receiv able | | EUR | | -0,06 | | | |
| Ex penses payable | | EUR | | -74.468,01 | | | -0,14 |
| TOTAL OTHER | | | | -74.468,07 | | | -0,14 |
| TOTAL NET ASSETS | | | | 52.259.298,00 | | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Belgium | 93,09 | 92,60 | 88,99 | 80,60 |
| France | 0,00 | 1,65 | 0,00 | 0,00 |
| Netherlands | 6,91 | 5,75 | 11,01 | 19,40 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Cyclicals | 16,90 | 13,78 | 13,96 | 10,91 |
| Consum(cycl) | 9,96 | 10,68 | 13,58 | 11,83 |
| Cons.goods | 20,44 | 30,32 | 31,32 | 26,15 |
| Pharma | 12,07 | 6,75 | 8,19 | 8,72 |
| Financials | 29,95 | 28,27 | 23,89 | 28,35 |
| Technology | 7,15 | 5,15 | 5,70 | 8,95 |
| Telecomm. | 3,53 | 3,36 | 3,36 | 3,23 |
| Utilities | 0,00 | 1,69 | 0,00 | 0,00 |
| Real est. | 0,00 | 0,00 | 0,00 | 1,86 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| EUR | 100,00 | 100,00 | 100,00 | 100,00 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND FLANDERS (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 15.478.449,76 | 12.417.348,94 | 27.895.798,70 |
| Sales | 7.748.196,07 | 9.434.118,68 | 17.182.314,74 |
| Total 1 | 23.226.645,82 | 21.851.467,62 | 45.078.113,44 |
| Subscriptions | 11.097.908,92 | 9.218.758,14 | 20.316.667,06 |
| Redemptions | 3.918.315,05 | 5.487.543,40 | 9.405.858,45 |
| Total 2 | 15.016.223,97 | 14.706.301,54 | 29.722.525,51 |
| Monthly average of total assets | 38.289.313,52 | 44.493.706,38 | 41.416.327,52 |
| Turnover rate | 21,44 % | 16,06 % | 37,08 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 15.478.449,76 | 12.417.348,94 | 27.895.798,70 |
| Sales | 7.748.196,07 | 9.434.118,68 | 17.182.314,74 |
| Total 1 | 23.226.645,82 | 21.851.467,62 | 45.078.113,44 |
| Subscriptions | 11.097.908,92 | 9.218.758,14 | 20.316.667,06 |
| Redemptions | 3.918.315,05 | 5.487.543,40 | 9.405.858,45 |
| Total 2 | 15.016.223,97 | 14.706.301,54 | 29.722.525,51 |
| Monthly average of total assets | 39.817.758,75 | 44.415.777,19 | 41.345.147,90 |
| Corrected turnover rate | 20,62 % | 16,09 % | 37,14 % |

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

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

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

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

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

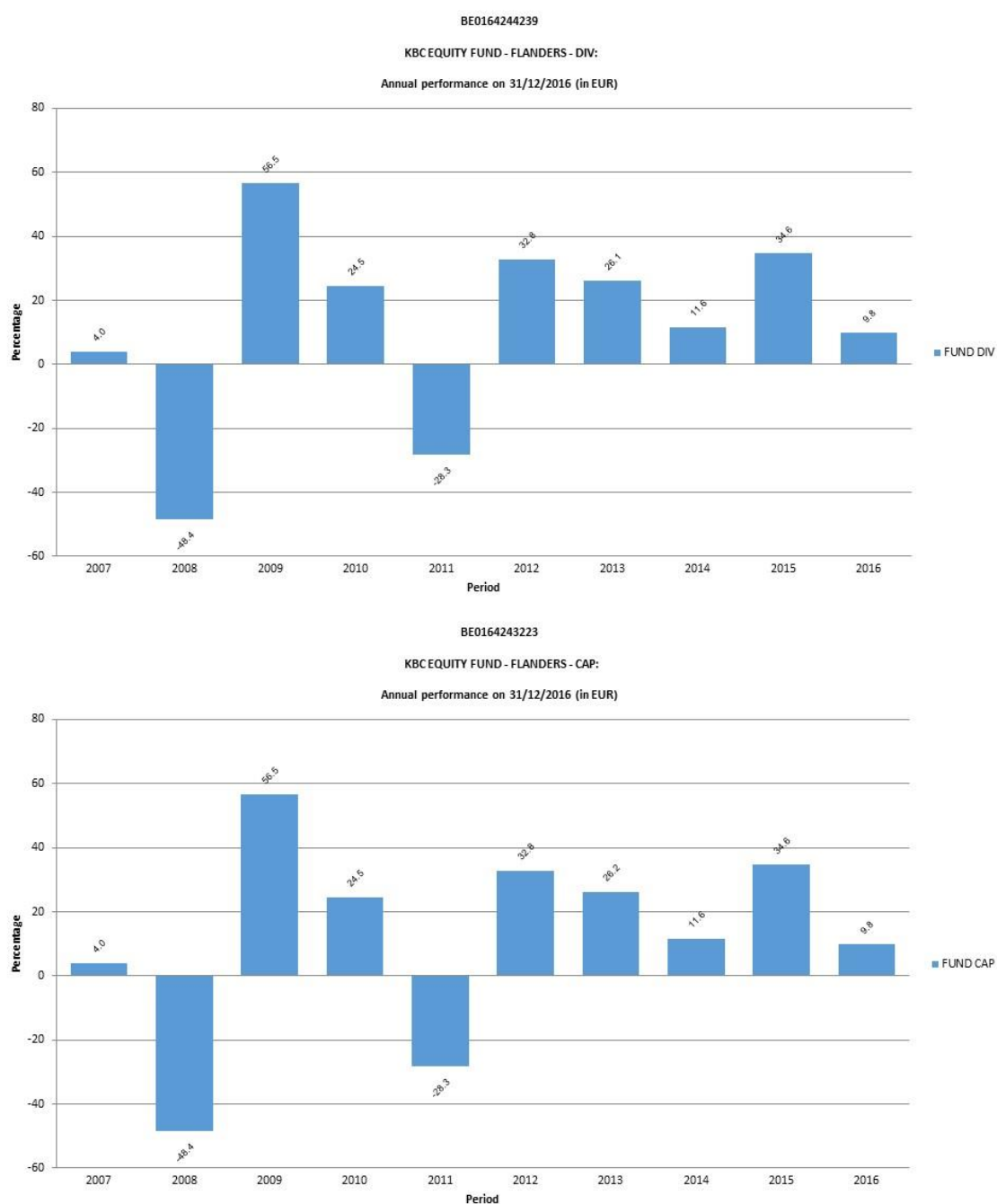
2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|----------|-------------|--------|---------------|----------|-----------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 3.725,49 | 1.254,77 | 3.796,65 | 577,87 | 10.697,98 | 3.462,02 | 14.160,00 |
| 2015 - 12 | 3.965,15 | 1.753,64 | 4.468,64 | 765,23 | 10.194,49 | 4.450,43 | 14.644,92 |
| 2016 - 12 | 5.117,74 | 3.366,37 | 3.147,03 | 616,37 | 12.165,20 | 7.200,42 | 19.365,62 |

| Period | Amounts received and paid by the UCI (in the currency of the sub-fund) | | | |
|-----------|---|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 7.311.606,65 | 1.784.318,87 | 7.387.326,94 | 814.544,01 |
| 2015 - 12 | 9.712.807,91 | 3.264.016,56 | 11.259.495,76 | 1.359.376,64 |
| 2016 - 12 | 14.199.316,95 | 6.343.514,64 | 8.341.763,40 | 1.181.693,47 |

| Period | Net asset value End of period (in the currency of the sub-fund) | | |
|-----------|--|----------------|--------------|
| Year | Of the sub-fund | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 27.139.054,12 | 2.059,85 | 1.473,95 |
| 2015 - 12 | 37.005.870,34 | 2.773,24 | 1.962,53 |
| 2016 - 12 | 52.259.298,00 | 3.045,23 | 2.112,86 |

2.4.5 PERFORMANCE FIGURES



| Cap Div | ISIN code | Cur- rency | 1 Year | | 3 Years * | | 5 Years * | | 10 Years * | | Since launch* | |
|---------|--------------|---------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE0164243223 | EUR | 9.81% | | 18.17% | | 22.57% | | 7.57% | | 27/06/1997 | 9.74% |
| DIV | BE0164244239 | EUR | 9.78% | | 18.14% | | 22.54% | | 7.55% | | 27/06/1997 | 9.73% |

Risk warning: Past performance is not a guide to future performance.
* Return on annual basis.

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

Capitalisation units (CAP)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

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

For dividend i on date Di with value Wi:

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

$i = 1 \dots N$

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

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

Dividend on ex-dividend date 31/03/2017: 24.3552 EUR net (34.7931 EUR gross).

2.4.6 COSTS

Ongoing charges: *

Distribution: 1.869%

Capitalization: 1.854%

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

EXISTENCE OF COMMISSION SHARING AGREEMENTS

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

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

| Broker | Commission gross in EUR paid during the period: 1-01-16 - | CSA Credits in EUR accrued during the period: 1-01-16 - | Percentage |
|----------------|---|---|------------|
| | 31-12-16 | 31-12-16 | |
| CSFBSAS | 2.868 | 527 | 18,38% |
| INSTINET | 4 | 1 | 16,67% |
| MACQUARIE | 298 | 50 | 16,67% |
| MORGAN STANLEY | 79 | 20 | 25,00% |

FEE-SHARING AGREEMENTS AND REBATES:

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

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

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

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

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

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

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

Exercising voting rights.

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

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

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

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

Securities lending

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

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 49,343.94 EUR and from bond lending to 0.00 EUR. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

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

Transparency of securities financing transactions and of reuse

Global data:

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

Concentration data:

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

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

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

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

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

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

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

Data on reuse of collateral:

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

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

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

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

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

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

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

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

| <u>Lending program: equity (Goldman Sachs)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 29.939,59 | 7.784,29 | 2.694,56 |
| percentage of overall returns | 100,00% | 26,00% | 9,00% |
| cost (EUR) | 10.478,86 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 1.937,65 | 678,18 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 678,18 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 17.466,69 | 6.113,34 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 6.113,34 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND UTILITIES

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launched date: 31 December 1998
Initial subscription price: 20000 BEF
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

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

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object. The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

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

PERMITTED DERIVATIVES TRANSACTIONS:

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

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

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

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

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of public utility companies in countries where conditions are such as to ensure accelerated economic growth in the short or medium term.

Lending financial instruments:

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

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

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

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

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

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

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

Volatility of the net asset value:

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

General strategy for hedging the exchange rate risk:

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

Social, ethical and environmental aspects:

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

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

The utilities sector again turned in a much weaker performance than the broader market in 2016, despite the industry's strong start in a climate of low interest rates and volatile markets as a result of which defensive sectors were favoured by investors. The sector's attractive dividends met the ongoing needs of investors searching returns. In the following months, mainly in the second half of the year, however, the sector was forced to give up some ground as a result of a rebounding stock market and a climate of rising interest rates. In addition, it continues to struggle with some fundamental challenges. As such, the electricity price has been stuck in a downward trend for years now due to overcapacity. Although the electricity price appears to have been stabilising since the summer, it is happening at historically low levels. As a result, income generated by the integrated utilities remains under pressure. The political and regulatory risk also remains substantial and could have an adverse impact on the revenues of utilities. All too often, governments that want to bolster their coffers target the utilities sector and simultaneously pressure the sector into reducing utility bills for families, with adverse effects for the sector. The share price of companies that conduct heavily regulated activities were influenced in part by the yield on government bonds. The performance of US utilities has been heavily influenced by expectations that the central bank created regarding a future interest-rate hike.

2.1.8 FUTURE POLICY

In the next half-year too, the performance of the utilities sector will be influenced in part by rate movements. The sector is still vulnerable to a rise in interest rates. Fundamentally, the prospects for most regions remain challenging, certainly for companies with a significant exposure to electricity and gas markets in the US and Europe. In addition, European integrated utilities are still in restructuring mode, with the focus on reducing debt by selling activities, limiting investments and implementing strict cost-saving programmes. The need for investment is greatest in the transmission and distribution of electricity and gas, and in water networks. The infrastructure in emerging countries still needs to be developed, while the energy networks in developed countries must be adjusted further to integrate renewable energy technologies. Regulated activities remain heavily dependent on political decisions and any changes in the regulatory framework.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

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

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

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

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

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 79,226.93 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 | | 31/12/2016 (in the currency of the sub-fundt) | 31/12/2015 (in the currency of the sub-fund) |
|---|--------------|---|---|
| TOTAL NET ASSETS | | 8.567.438,84 | 10.271.199,35 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | 42,61 | 57,76 | |
| a) Collateral received in the form of bonds | | 1.379.389,18 | |
| C. Shares and similar instruments | | | |
| a) Shares | 8.613.893,49 | 10.388.794,45 | |
| Of which securities lent | | 249.712,34 | |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 388,51 | |
| B. Payables | | | |
| a) Accounts payable (-) | -19.022,97 | -7.622,65 | |
| d) Borrowings (-) | -67.678,85 | -151.447,46 | |
| e) Collateral (-) | | -1.379.389,18 | |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | 36.741,14 | 34.228,50 | |
| VI. Accruals and deferrals | | | |
| B. Accrued income | 14.581,38 | 20.028,30 | |
| C. Accrued expense (-) | -11.117,96 | -13.228,06 | |
| TOTAL SHAREHOLDERS' EQUITY | | 8.567.438,84 | 10.271.199,35 |
| A. Capital | 8.004.844,03 | 10.069.177,01 | |
| B. Income equalization | -31.343,80 | -50.998,30 | |
| D. Result of the book year | 593.938,61 | 253.020,64 | |

Off-balance-sheet headings

| | | | |
|-------|-------------------------------|--|--------------|
| I | Collateral (+/-) | | |
| I.A | Collateral (+/-) | | |
| I.A.A | Securities/market instruments | | 1.379.389,18 |
| IX | Financial instruments lent | | 249.712,34 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|--|
| I. Net gains(losses) on investments | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | 1,59 | 38,64 |
| C. Shares and similar instruments | | | |
| a) Shares | | 381.859,47 | -635.989,87 |
| D. Other securities | | 1.151,27 | -6,99 |
| H. Foreign exchange positions and transactions | | | |
| b) Other foreign exchange positions and transactions | | 122.828,45 | 731.211,51 |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | | 1.523.871,95 | 2.151.045,96 |
| Unrealised gains on investments | | -631.549,70 | -860.243,95 |
| Realised losses on investments | | -886.446,90 | -839.388,03 |
| Unrealised losses on investments | | 499.965,43 | -356.160,69 |
| II. Investment income and expenses | | | |
| A. Dividends | | 288.997,08 | 402.272,51 |
| B. Interests | | | |
| a) Securities and money market instruments | | 1.162,66 | 3.157,60 |
| b) Cash at bank and in hand and deposits | | 244,49 | 153,90 |
| C. Interest on borrowings (-) | | -191,66 | -298,89 |
| IV. Operating expenses | | | |
| A. Investment transaction and delivery costs (-) | | -27.595,64 | -27.730,72 |
| B. Financial expenses (-) | | -1.126,32 | -187,32 |
| C. Custodian's fee (-) | | -8.763,71 | -10.876,07 |
| D. Manager's fee (-) | | | |
| a) Financial management | | -140.223,47 | -181.567,34 |
| b) Administration and accounting management | | -9.348,14 | -12.104,42 |
| E. Administrative expenses (-) | | 0,12 | -215,95 |
| F. Formation and organisation expenses (-) | | -3.012,67 | -2.191,54 |
| G. Remuneration, social security charges and pension | | -0,84 | |
| H. Services and sundry goods (-) | | -3.834,56 | -2.406,53 |
| J. Taxes | | -7.284,90 | -8.299,11 |
| K. Other expenses (-) | | -924,61 | -1.938,77 |
| Income and expenditure for the period | | | |
| Subtotal II + III + IV | | 88.097,83 | 157.767,35 |
| V. Profit (loss) on ordinary activities before tax | | 593.938,61 | 253.020,64 |
| VII. Result of the book year | | 593.938,61 | 253.020,64 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | 562.594,81 | 202.022,34 |
| Profit for the period available for appropriation | 593.938,61 | 253.020,64 |
| Income on the creation of shares (income on the cancellation of shares) | -31.343,80 | -50.998,30 |
| II. (Appropriations to) Deductions from capital | -510.156,04 | -138.960,14 |
| IV. (Dividends to be paid out) | -52.438,77 | -63.062,20 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND UTILITIES

| Name | Quantity on 31/12/2016 | Currency | Price in currency | Evaluation (in the currency of the sub-fund) | % owned by UCI | % portfolio | % Net assets |
|--|---------------------------|----------|----------------------|--|----------------------|----------------|--------------------|
| NET ASSETS | | | | | | | |
| SECURITIES PORTFOLIO | | | | | | | |
| Bonds | | | | | | | |
| Corporate bonds | | | | | | | |
| <u>India</u> | | | | | | | |
| NTPC LTD 15/25 8.49% 25/3 | 20.644,00 | INR | 13,950 | 42,61 | | | |
| Total bonds | | | | 42,61 | | | |
| Shares | | | | | | | |
| Exchange-listed shares | | | | | | | |
| <u>Australia</u> | | | | | | | |
| AGL ENERGY LIMITED - | 3.856,00 | AUD | 22,090 | 58.477,99 | | 0,68 | 0,68 |
| <u>Belgium</u> | | | | | | | |
| ELIA SYSTEM OPERATOR - | 1.810,00 | EUR | 49,685 | 89.929,85 | | 1,04 | 1,05 |
| <u>Brazil</u> | | | | | | | |
| CIA ENERGETICA DE MINAS GER PREF | 5.900,00 | BRL | 7,710 | 13.250,90 | | 0,15 | 0,16 |
| ELETOBRAS-CENTRELETRICAS BRAS S.A. - | 3.100,00 | BRL | 22,810 | 20.598,04 | | 0,24 | 0,24 |
| ELETOBRAS-CENTRELETRICAS BRAS S.A. PREF "B" | 1.600,00 | BRL | 25,890 | 12.066,77 | | 0,14 | 0,14 |
| <u>Canada</u> | | | | | | | |
| FORTIS INC - | 1.665,00 | CAD | 41,460 | 48.804,06 | | 0,57 | 0,57 |
| <u>Cayman Islands</u> | | | | | | | |
| XINAO GAS HOLDINGS LTD - | 44.000,00 | HKD | 31,900 | 171.638,55 | | 1,99 | 2,00 |
| <u>China</u> | | | | | | | |
| CGN POWER CO LTD - | 33.000,00 | HKD | 2,130 | 8.595,38 | | 0,10 | 0,10 |
| CHINA GAS HOLDINGS LTD - | 8.000,00 | HKD | 10,520 | 10.291,47 | | 0,12 | 0,12 |
| CHINA RESOURCES GAS GROUP LTD - | 44.000,00 | HKD | 21,800 | 117.295,31 | | 1,36 | 1,37 |
| <u>Czech Republic</u> | | | | | | | |
| CEZ A.S. - | 2.355,00 | CZK | 430,000 | 37.477,10 | | 0,44 | 0,44 |
| <u>Denmark</u> | | | | | | | |
| DONG ENERGY A/S - | 3.590,00 | DKK | 267,600 | 129.201,47 | | 1,50 | 1,51 |
| <u>France</u> | | | | | | | |
| ALBIOMA - | 2.336,00 | EUR | 16,540 | 38.637,44 | | 0,45 | 0,45 |
| ENGIE - | 23.420,00 | EUR | 12,120 | 283.850,40 | | 3,30 | 3,31 |
| RUBIS - | 207,00 | EUR | 78,330 | 16.214,31 | | 0,19 | 0,19 |
| VEOLIA ENVIRONNEMENT SA (PAR) | 10.351,00 | EUR | 16,175 | 167.427,43 | | 1,94 | 1,95 |
| <u>Germany</u> | | | | | | | |
| CHORUS CLEAN ENERGY AG - | 3.535,00 | EUR | 11,595 | 40.988,33 | | 0,48 | 0,48 |
| <u>Hong Kong</u> | | | | | | | |
| BEIJING ENTERPRISES WATER GROUP LTD - | 58.000,00 | HKD | 5,160 | 36.597,31 | | 0,43 | 0,43 |
| CHIANE LONGYUAN POWER GROUP CORP - | 48.000,00 | HKD | 6,060 | 35.570,12 | | 0,41 | 0,42 |

| | | | | | | | |
|---------------------------------------|------------|-----|------------|------------|--|------|------|
| HUANENG RENEWABLES CORP LTD - | 672.000,00 | HKD | 2,520 | 207.081,50 | | 2,40 | 2,42 |
| POWER ASSETS HOLDINGS LTD - | 8.000,00 | HKD | 68,350 | 66.865,18 | | 0,78 | 0,78 |
| <u>Italy</u> | | | | | | | |
| ENEL SOCIETA PER AZIONI - | 109.364,00 | EUR | 4,188 | 458.016,43 | | 5,32 | 5,35 |
| HERA SPA - | 73.766,00 | EUR | 2,192 | 161.695,07 | | 1,88 | 1,89 |
| <u>Japan</u> | | | | | | | |
| CHUBU ELECTRIC POWER - | 13.900,00 | JPY | 1.633,000 | 184.511,07 | | 2,14 | 2,15 |
| CHUGOKU ELECTRIC POWER CO INC - | 1.400,00 | JPY | 1.371,000 | 15.602,24 | | 0,18 | 0,18 |
| ELECTRIC POWER DEV. - | 2.500,00 | JPY | 2.690,000 | 54.665,55 | | 0,64 | 0,64 |
| HOKURIKU ELECTRIC POWER CO - | 800,00 | JPY | 1.310,000 | 8.518,88 | | 0,10 | 0,10 |
| KANSAI ELECTRIC POWER - | 11.900,00 | JPY | 1.278,000 | 123.623,00 | | 1,44 | 1,44 |
| KYUSHU ELECTRIC POWER COMPANY, INC. - | 8.000,00 | JPY | 1.268,000 | 82.457,60 | | 0,96 | 0,96 |
| OSAKA GAS - | 17.107,00 | JPY | 449,600 | 62.520,38 | | 0,73 | 0,73 |
| TOHO GAS CO LTD - | 5.000,00 | JPY | 951,000 | 38.652,00 | | 0,45 | 0,45 |
| TOHOKU ELECTRIC POWER - | 5.563,00 | JPY | 1.477,000 | 66.789,93 | | 0,78 | 0,78 |
| TOKYO ELECTRIC POWER_CO HOLDINGS - | 26.900,00 | JPY | 472,000 | 103.208,56 | | 1,20 | 1,21 |
| <u>Malaysia</u> | | | | | | | |
| TENAGA NASIONAL (BHD) - | 19.300,00 | MYR | 13,900 | 56.696,92 | | 0,66 | 0,66 |
| <u>New Zealand</u> | | | | | | | |
| MERCURY NZ LTD - | 15.902,00 | NZD | 2,960 | 31.117,52 | | 0,36 | 0,36 |
| MERIDIAN ENERGY LTD - | 11.284,00 | NZD | 2,600 | 19.395,37 | | 0,23 | 0,23 |
| <u>South Korea</u> | | | | | | | |
| KOREA ELECTRIC POWER (KEPCO) CORP - | 623,00 | KRW | 44.050,000 | 21.542,17 | | 0,25 | 0,25 |
| KOREA GAS CORP - | 1.280,00 | KRW | 48.450,000 | 48.680,96 | | 0,57 | 0,57 |
| <u>Spain</u> | | | | | | | |
| EDP RENOVAVEIS SA - | 13.058,00 | EUR | 6,036 | 78.818,09 | | 0,92 | 0,92 |
| IBERDROLA SA - | 60.598,00 | EUR | 6,234 | 377.767,93 | | 4,39 | 4,41 |
| <u>U.K.</u> | | | | | | | |
| NAT. GRID PLC - | 15.062,00 | GBP | 9,516 | 167.912,36 | | 1,95 | 1,96 |
| SSE PLC - | 5.446,00 | GBP | 15,530 | 99.081,98 | | 1,15 | 1,16 |
| <u>U.S.A.</u> | | | | | | | |
| AES CORP - | 13.010,00 | USD | 11,620 | 143.328,94 | | 1,66 | 1,67 |
| ALLIANT ENERGY CORP - | 2.094,00 | USD | 37,890 | 75.223,19 | | 0,87 | 0,88 |
| AMEREN CORP. - | 1.889,00 | USD | 52,460 | 93.953,01 | | 1,09 | 1,10 |
| AMERICAN ELECTRIC POWER - | 5.216,00 | USD | 62,960 | 311.352,79 | | 3,62 | 3,63 |
| AMERICAN WATER WORKS INC. - | 1.212,00 | USD | 72,360 | 83.147,97 | | 0,97 | 0,97 |
| ATMOS ENERGY CORP - | 779,00 | USD | 74,150 | 54.764,49 | | 0,64 | 0,64 |
| BLACK HILLS CORPORATION - | 3.377,00 | USD | 61,340 | 196.392,68 | | 2,28 | 2,29 |
| CALPINE CORP - | 20.728,00 | USD | 11,430 | 224.622,93 | | 2,61 | 2,62 |
| CENTERPOINT ENERGY INC - | 6.425,00 | USD | 24,640 | 150.094,34 | | 1,74 | 1,75 |
| DOMINION RES INC - | 2.826,00 | USD | 76,590 | 205.208,19 | | 2,38 | 2,40 |
| DTE ENERGY COMPANY - | 1.364,00 | USD | 98,510 | 127.392,88 | | 1,48 | 1,49 |
| DUKE ENERGY HOLDING CORP - | 3.074,00 | USD | 77,620 | 226.218,42 | | 2,63 | 2,64 |
| EDISON INTL - | 3.173,00 | USD | 71,990 | 216.567,21 | | 2,51 | 2,53 |
| EVERSOURCE ENERGY - | 1.027,00 | USD | 55,230 | 53.776,92 | | 0,62 | 0,63 |
| EXELON CORP - | 13.391,00 | USD | 35,490 | 450.577,47 | | 5,23 | 5,26 |
| FIRSTENERGY CORP - | 7.137,00 | USD | 30,970 | 209.559,51 | | 2,43 | 2,45 |
| NEXTERA ENERGY INC - | 5.155,00 | USD | 119,460 | 583.850,49 | | 6,78 | 6,82 |
| NISOURCE INC. - | 2.343,00 | USD | 22,140 | 49.181,34 | | 0,57 | 0,57 |
| OGE ENERGY CORP - | 3.104,00 | USD | 33,450 | 98.439,25 | | 1,14 | 1,15 |
| PG & E CORP - | 4.118,00 | USD | 60,770 | 237.260,83 | | 2,75 | 2,77 |
| PINNACLE WEST CAPITAL CORPORATION - | 768,00 | USD | 78,030 | 56.816,35 | | 0,66 | 0,66 |
| PUBLIC SERVICE ENTERPRISE GROUP - | 3.860,00 | USD | 43,880 | 160.584,78 | | 1,86 | 1,87 |

| | | | | | | | |
|--------------------------------|------------|-----|---------|---------------------|--|--------|---------------|
| SCANA CORP - | 977,00 | USD | 73,280 | 67.878,23 | | 0,79 | 0,79 |
| SEMPRA ENERGY - | 3.062,00 | USD | 100,640 | 292.163,72 | | 3,39 | 3,41 |
| SOUTHERN COMPANY - | 3.211,00 | USD | 49,190 | 149.750,26 | | 1,74 | 1,75 |
| UGICORPORATION - | 1.405,00 | USD | 46,080 | 61.381,75 | | 0,71 | 0,72 |
| WEC ENERGY GROUP INC - | 1.412,00 | USD | 58,650 | 78.515,10 | | 0,91 | 0,92 |
| WESTAR ENERGY INC - | 1.021,00 | USD | 56,350 | 54.546,91 | | 0,63 | 0,64 |
| XCEL ENERGY INC - | 757,00 | USD | 40,700 | 29.210,62 | | 0,34 | 0,34 |
| Total shares | | | | 8.613.893,49 | | 100,00 | 100,54 |
| TOTAL SECURITIES PORTFOLIO | | | | 8.613.936,10 | | 100,00 | 100,54 |
| CASH ATBANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP AUD | 116,42 | AUD | 1,000 | 79,93 | | | 0,00 |
| KBC GROUP CAD | 1.627,25 | CAD | 1,000 | 1.150,45 | | | 0,01 |
| KBC GROUP CZK | 58.615,89 | CZK | 1,000 | 2.169,31 | | | 0,03 |
| KBC GROUP DKK | 6.476,79 | DKK | 1,000 | 871,06 | | | 0,01 |
| KBC GROUP EURO | -67.678,85 | EUR | 1,000 | -67.678,85 | | | -0,79 |
| KBC GROUP GBP | 5.306,51 | GBP | 1,000 | 6.216,62 | | | 0,07 |
| KBC GROUP HKD | 1,82 | HKD | 1,000 | 0,22 | | | |
| KBC GROUP JPY | 7.883,00 | JPY | 1,000 | 64,08 | | | 0,00 |
| KBC GROUP NZD | 11.819,11 | NZD | 1,000 | 7.813,51 | | | 0,09 |
| KBC GROUP PLN | 11,15 | PLN | 1,000 | 2,53 | | | |
| KBC GROUP SGD | 972,52 | SGD | 1,000 | 638,22 | | | 0,01 |
| KBC GROUP USD | 18.706,21 | USD | 1,000 | 17.735,21 | | | 0,21 |
| Total demand accounts | | | | -30.937,71 | | | -0,36 |
| TOTAL CASH AT BANK AND IN HAND | | | | -30.937,71 | | | -0,36 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR PAYABLE | -19.022,97 | EUR | 1,000 | -19.022,97 | | | -0,22 |
| Payables | | | | -19.022,97 | | | -0,22 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -19.022,97 | | | -0,22 |
| OTHER | | | | | | | |
| Interest receiv able | | EUR | | 14.581,38 | | | 0,17 |
| Ex penses payable | | EUR | | -11.117,96 | | | -0,13 |
| TOTAL OTHER | | | | 3.463,42 | | | 0,04 |
| TOTAL NET ASSETS | | | | 8.567.438,84 | | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|----------------|---------------|---------------|---------------|---------------|
| Australia | 1,15 | 1,41 | 1,43 | 0,68 |
| Belgium | 0,00 | 0,00 | 0,95 | 1,04 |
| Brazil | 2,35 | 1,26 | 3,33 | 0,53 |
| Canada | 0,79 | 1,63 | 1,91 | 0,57 |
| China | 1,48 | 1,96 | 0,70 | 1,58 |
| Colombia | 0,35 | 0,17 | 0,07 | 0,00 |
| Czech Republic | 0,17 | 0,00 | 0,39 | 0,44 |
| Cayman Islands | 0,18 | 0,57 | 0,55 | 1,99 |
| Germany | 1,98 | 1,97 | 2,37 | 0,48 |
| Denmark | 0,00 | 0,00 | 0,00 | 1,50 |
| Spain | 7,27 | 6,90 | 5,43 | 5,30 |
| France | 7,06 | 6,31 | 6,16 | 5,88 |
| U.K. | 8,61 | 7,26 | 5,45 | 3,10 |
| Hong Kong | 6,04 | 5,78 | 2,91 | 4,02 |
| India | 0,58 | 0,47 | 0,18 | 0,00 |
| Indonesia | 0,18 | 0,00 | 0,00 | 0,00 |
| Italy | 5,92 | 6,79 | 4,65 | 7,19 |
| Japan | 5,35 | 4,92 | 5,68 | 8,60 |
| South Korea | 1,58 | 1,86 | 2,19 | 0,82 |
| Malaysia | 1,86 | 1,13 | 1,26 | 0,66 |
| New Zealand | 0,00 | 0,17 | 0,71 | 0,59 |
| Philippines | 0,22 | 0,20 | 0,00 | 0,00 |
| Poland | 0,69 | 0,51 | 1,06 | 0,00 |
| Portugal | 0,95 | 0,79 | 1,10 | 0,00 |
| U.S.A. | 45,24 | 47,94 | 51,52 | 55,03 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Cyclicals | 7,86 | 7,67 | 7,94 | 7,72 |
| Consum(cycl) | 0,00 | 0,00 | 0,23 | 0,00 |
| Telecomm. | 0,00 | 0,00 | 0,31 | 0,00 |
| Utilities | 92,14 | 92,33 | 91,52 | 92,28 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| AUD | 1,21 | 1,50 | 1,49 | 0,68 |
| BRL | 2,38 | 1,28 | 3,36 | 0,54 |
| CAD | 0,84 | 1,72 | 1,95 | 0,58 |
| COP | 0,35 | 0,17 | 0,07 | 0,00 |
| CZK | 0,18 | 0,01 | 0,42 | 0,46 |
| DKK | 0,00 | 0,00 | 0,00 | 1,52 |
| EUR | 21,67 | 21,49 | 19,78 | 18,99 |
| GBP | 8,78 | 7,35 | 5,54 | 3,19 |
| HKD | 7,85 | 8,43 | 4,22 | 7,64 |
| IDR | 0,19 | 0,00 | 0,00 | 0,00 |
| INR | 0,59 | 0,48 | 0,18 | 0,00 |
| JPY | 5,46 | 5,00 | 5,70 | 8,65 |
| KRW | 1,59 | 1,88 | 2,20 | 0,82 |
| MYR | 1,88 | 1,14 | 1,27 | 0,66 |
| NZD | 0,00 | 0,18 | 0,74 | 0,68 |
| PHP | 0,22 | 0,21 | 0,00 | 0,00 |
| PLN | 0,71 | 0,56 | 1,05 | 0,00 |
| SGD | 0,01 | 0,01 | 0,01 | 0,01 |
| USD | 46,09 | 48,59 | 52,02 | 55,58 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND UTILITIES (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 4.477.900,38 | 5.002.827,24 | 9.480.727,62 |
| Sales | 5.884.385,01 | 5.882.464,73 | 11.766.849,75 |
| Total 1 | 10.362.285,39 | 10.885.291,98 | 21.247.577,37 |
| Subscriptions | 924.380,53 | 835.114,64 | 1.759.495,17 |
| Redemptions | 2.283.918,26 | 1.684.483,18 | 3.968.401,44 |
| Total 2 | 3.208.298,79 | 2.519.597,82 | 5.727.896,61 |
| Monthly average of total assets | 9.190.509,88 | 9.467.145,15 | 9.329.961,27 |
| Turnover rate | 77,84 % | 88,36 % | 166,34 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 4.477.900,38 | 5.002.827,24 | 9.480.727,62 |
| Sales | 5.884.385,01 | 5.882.464,73 | 11.766.849,75 |
| Total 1 | 10.362.285,39 | 10.885.291,98 | 21.247.577,37 |
| Subscriptions | 924.380,53 | 835.114,64 | 1.759.495,17 |
| Redemptions | 2.283.918,26 | 1.684.483,18 | 3.968.401,44 |
| Total 2 | 3.208.298,79 | 2.519.597,82 | 5.727.896,61 |
| Monthly average of total assets | 9.262.622,65 | 9.534.206,50 | 9.399.429,94 |
| Corrected turnover rate | 77,24 % | 87,74 % | 165,11 % |

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

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

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

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

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

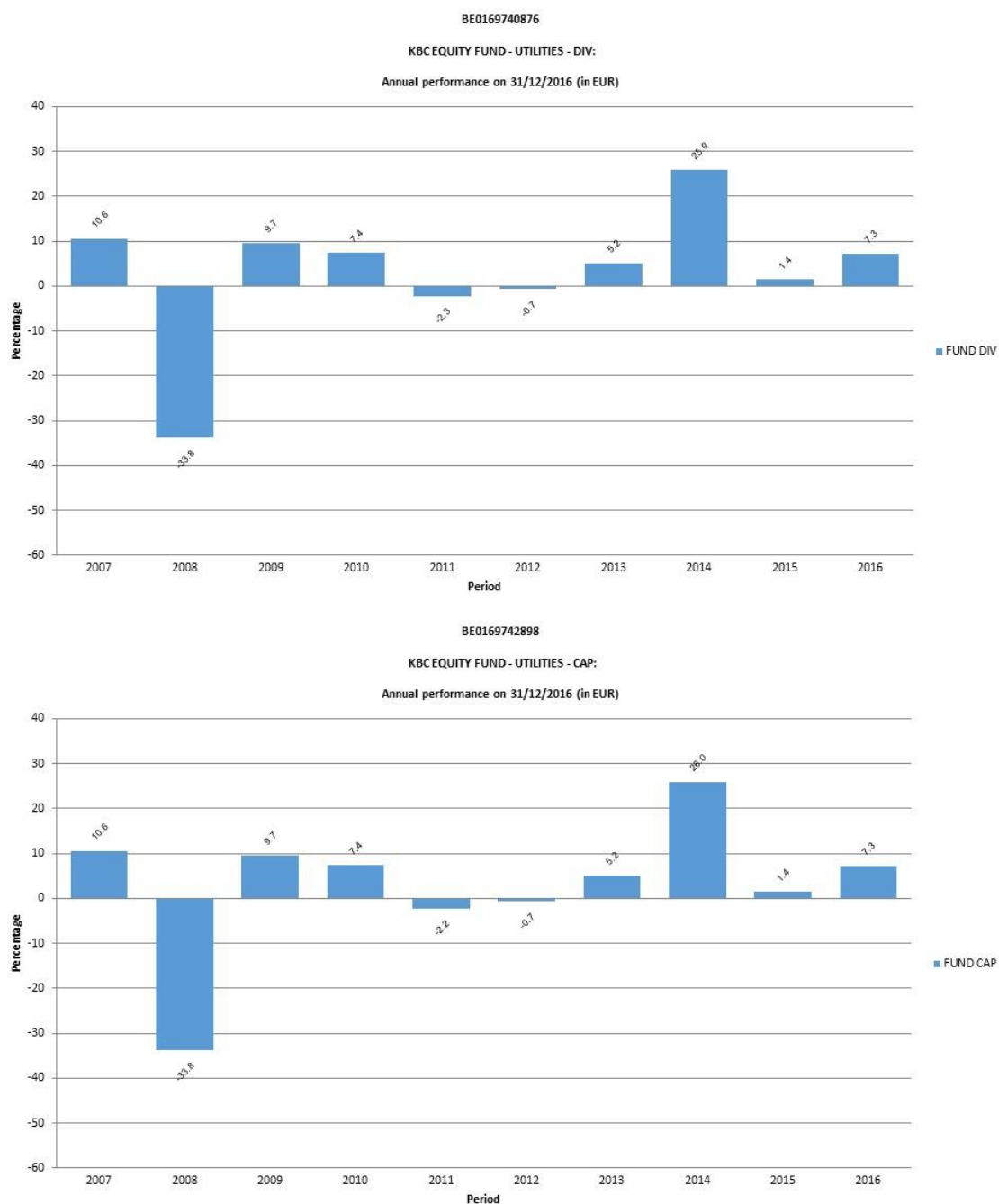
2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|--------|-------------|----------|---------------|----------|-----------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 6.523,55 | 360,12 | 14.902,36 | 1.555,44 | 15.189,45 | 5.718,27 | 20.907,72 |
| 2015 - 12 | 2.174,08 | 392,94 | 5.534,19 | 2.190,68 | 11.829,33 | 3.920,54 | 15.749,87 |
| 2016 - 12 | 2.217,04 | 248,00 | 5.148,60 | 595,00 | 8.897,78 | 3.573,54 | 12.471,31 |

| Period | Amounts received and paid by the UCI (in the currency of the sub-fund) | | | |
|-----------|---|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 3.986.200,77 | 156.065,77 | 9.757.017,62 | 638.451,36 |
| 2015 - 12 | 1.616.028,46 | 186.823,61 | 4.075.313,61 | 1.074.231,04 |
| 2016 - 12 | 1.667.648,35 | 118.185,11 | 3.745.324,34 | 277.965,86 |

| Period | Net asset value End of period (in the currency of the sub-fund) | | |
|-----------|--|----------------|--------------|
| Year | Of the sub-fund | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 13.422.952,27 | 706,47 | 470,78 |
| 2015 - 12 | 10.271.199,35 | 714,37 | 464,41 |
| 2016 - 12 | 8.567.438,84 | 768,86 | 483,08 |

2.4.5 PERFORMANCE FIGURES



| Cap Div | ISIN code | Cur-rency | 1 Year | | 3 Years * | | 5 Years * | | 10 Years * | | Since launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE0169742898 | EUR | 7.31% | | 11.09% | | 7.44% | | 1.90% | | 31/12/1998 | 2.47% |
| DIV | BE0169740876 | EUR | 7.30% | | 11.06% | | 7.41% | | 1.89% | | 31/12/1998 | 2.45% |

Risk warning: Past performance is not a guide to future performance.
* Return on annual basis.

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

Capitalisation units (CAP)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

Distribution units (DIV)

Return on date D over a period of X years:

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

where $Y = D - X$

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

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

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

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

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

For dividend i on date Di with value Wi:

$$Ci = [Wi / \text{NAV}(Di)] + 1$$

$i = 1 \dots N$

from which $C = C0 * \dots * CN$.

- 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 n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares.

Dividend on ex-dividend date 31/03/2017: 10.2719 EUR net (14.6742 EUR gross).

2.4.6 COSTS

Ongoing charges: *

Distribution: 1.881%

Capitalization: 1.868%

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

EXISTENCE OF COMMISSION SHARING AGREEMENTS

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

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

| Broker | Commission gross in EUR paid during the period: 1-01-16 - 31-12-16 | CSA Credits in EUR accrued during the period: 1-01-16 - 31-12-16 | Percentage |
|------------------------------------|---|---|------------|
| CITI | 2.696 | 676 | 25,06% |
| CSFBSAS | 1.414 | 246 | 17,41% |
| DEUTSCHE | 59 | 10 | 16,67% |
| DEUTSCHE | 74 | 12 | 16,67% |
| EQ CSA GOLDMAN SACHS INTERNATIONAL | 82 | 21 | 25,72% |
| HSBC | 1.218 | 434 | 35,61% |
| INSTINET | 101 | 9 | 8,91% |
| INSTINET | 1.381 | 302 | 21,90% |
| MACQUARIE | 1.258 | 340 | 27,00% |
| MERRILL | 570 | 143 | 25,00% |
| MORGAN STANLEY | 32 | 8 | 25,00% |

FEE-SHARING AGREEMENTS AND REBATES:

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

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

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

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

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

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

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

Exercising voting rights.

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

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

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

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

Securities lending

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

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 899.82 EUR and from bond lending to 0.00 EUR. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

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

Transparency of securities financing transactions and of reuse

Global data:

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

Concentration data:

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

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

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

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

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

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

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

Data on reuse of collateral:

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

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

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

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

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

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

Data on return and cost for each type of SFTs and total return swaps:

1) Data on return and cost for each type of SFTs and total return swaps broken down between the collective investment undertaking, the manager of the collective investment undertaking and third parties (e.g. agent lender) in absolute terms and as a percentage of overall returns generated by that type of SFTs and total return swaps.

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 842,55 | 294,89 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 294,89 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 57,27 | 20,04 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 20,04 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND NEW SHARES

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launched date: 1 April 1999
Initial subscription price: 500 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object. The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations. The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

At least 75% of the assets are invested in shares that have been admitted for listing on a regulated market, where conditions are such as to allow accelerated economic growth in the short or medium term.

RISK CONCENTRATION

Recently listed shares.

Lending financial instruments:

The sub-fund may lend financial instruments within the limits set by law and regulations. This takes place within the framework of a securities lending system managed by either a principal or an agent. If it is managed by a principal, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to whom title to the loaned securities is transferred. If it is managed by an agent, the sub-fund has a relationship with the agent (as manager of the system) and with one or more counterparties to whom title to the loaned securities is transferred. The agent acts as intermediary between the sub-fund and the counterparty or counterparties.

This lending does not affect the sub-fund's risk profile since:

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

If the sub-fund receives collateral in the form of cash, it can reinvest this cash in

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- short term money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

Reinvesting in this way can eliminate the credit risk to which the sub-fund is exposed concerning the collateral in respect of the financial institution where the cash account is held, but there is still a credit risk in respect of the issuer or issuers of the debt instrument or instruments. The management company may delegate implementation of the reinvestment policy to a third party, including the agent managing the securities lending system.

By lending securities, the sub-fund can generate additional income, which might consist of a fee paid by the principal or (if the sub-fund uses an agent) the counterparty to the management company as well as income generated through reinvestments. After deducting the direct and indirect charges – set at a flat rate of 35% of the fee received and consisting of the charges for the clearing services provided by KBC Bank NV, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management, the charges associated with cash and custody accounts and cash and securities transactions, the fee paid for any management of reinvestments and, if the sub-fund uses an agent, the fee paid to the agent – this income is paid to the sub-fund. The relationship with the counterparty or counterparties is governed by standard international agreements.

Volatility of the net asset value:

The volatility of the net asset value may be high due to the composition of the portfolio.

General strategy for hedging the exchange rate risk:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database. In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

KBC Equity Fund New Shares invests in new companies that are spun off from existing equities. The spin offs are bought in their first week of issue and held for up to three years.

2.1.8 FUTURE POLICY

The fund will continue to invest in new companies that are spun off from existing equities.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

5 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 10,746.45 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 | | 31/12/2016 (in the currency of the sub-fundt) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|--|
| TOTAL NET ASSETS | | 15.355.050,47 | 14.707.617,21 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | | |
| a) Collateral received in the form of bonds | | 1.073.060,00 | 2.776.010,40 |
| C. Shares and similar instruments | | | |
| a) Shares | | 15.342.041,09 | 14.796.292,54 |
| Of which securities lent | | 98.275,68 | 1.741.050,23 |
| F. Derivative financial instruments | | | |
| j) Foreign exchange | | | |
| Futures and forward contracts (+/-) | | | -199,85 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 234,90 | 215.684,85 |
| B. Payables | | | |
| a) Accounts payable (-) | | -22.085,38 | -350.205,51 |
| d) Borrowings (-) | | -10.746,45 | -252.054,26 |
| e) Collateral (-) | | -1.073.060,00 | -2.776.010,40 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 50.553,84 | 280.967,98 |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | 14.324,17 | 37.163,89 |
| C. Accrued expense (-) | | -19.271,70 | -20.032,43 |
| TOTAL SHAREHOLDERS' EQUITY | | 15.355.050,47 | 14.707.617,21 |
| A. Capital | | 13.032.071,43 | 13.518.613,18 |
| B. Income equalization | | -16.177,79 | -17.068,50 |
| D. Result of the book year | | 2.339.156,83 | 1.206.072,53 |

Off-balance-sheet headings

| | | | |
|-------|---|--------------|--------------|
| I | Collateral (+/-) | | |
| I.A | Collateral (+/-) | | |
| I.A.A | Securities/market instruments | 1.073.060,00 | 2.776.010,40 |
| III | Notional amounts of futures and forward contracts | | |
| III.B | Written futures and forward contracts | | -48.200,83 |
| IX | Financial instruments lent | 98.275,68 | 1.741.050,23 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|--|
| I. Net gains(losses) on investments | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | 1.869.340,80 | 440.471,97 |
| H. Foreign exchange positions and transactions | | | |
| a) Derivative financial instruments | | | |
| Futures and forward contracts | | 199,85 | -199,85 |
| b) Other foreign exchange positions and transactions | | 394.886,48 | 767.717,76 |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | | 5.480.644,55 | 3.295.860,79 |
| Unrealised gains on investments | | -2.596.391,02 | -1.267.816,59 |
| Realised losses on investments | | -1.905.813,80 | -3.179.910,90 |
| Unrealised losses on investments | | 1.285.987,40 | 2.359.856,58 |
| II. Investment income and expenses | | | |
| A. Dividends | | 349.027,42 | 287.497,15 |
| B. Interests | | | |
| a) Securities and money market instruments | | 5.000,10 | 5.974,04 |
| b) Cash at bank and in hand and deposits | | 833,48 | 759,96 |
| C. Interest on borrowings (-) | | -338,91 | -351,98 |
| IV. Operating expenses | | | |
| A. Investment transaction and delivery costs (-) | | -16.886,85 | -6.926,58 |
| B. Financial expenses (-) | | -1.177,99 | -164,48 |
| C. Custodian's fee (-) | | -12.381,27 | -12.784,02 |
| D. Manager's fee (-) | | | |
| a) Financial management | | -212.876,89 | -238.570,71 |
| b) Administration and accounting management | | -14.191,71 | -15.904,59 |
| E. Administrative expenses (-) | | -0,19 | -133,87 |
| F. Formation and organisation expenses (-) | | -3.060,07 | -2.243,04 |
| G. Remuneration, social security charges and pension | | -1,32 | |
| H. Services and sundry goods (-) | | -4.043,54 | -2.518,62 |
| J. Taxes | | -12.977,04 | -12.932,41 |
| K. Other expenses (-) | | -2.195,52 | -3.618,20 |
| Income and expenditure for the period | | | |
| Subtotal II + III + IV | | 74.729,70 | -1.917,35 |
| V. Profit (loss) on ordinary activities before tax | | 2.339.156,83 | 1.206.072,53 |
| VII. Result of the book year | | 2.339.156,83 | 1.206.072,53 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | 2.322.979,04 | 1.189.004,03 |
| Profit for the period available for appropriation | 2.339.156,83 | 1.206.072,53 |
| Income on the creation of shares (income on the cancellation of shares) | -16.177,79 | -17.068,50 |
| II. (Appropriations to) Deductions from capital | -2.257.935,78 | -1.142.173,06 |
| IV. (Dividends to be paid out) | -65.043,26 | -46.830,97 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND NEW SHARES

| Name | Quantity on 31/12/2016 | 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>Canada</u> | | | | | | | |
| HYDRO ONE LTD - | 15.339,00 | CAD | 23,580 | 255.713,26 | | 1,67 | 1,67 |
| <u>Chile</u> | | | | | | | |
| ENEL CHILE SA - | 1.920.000,00 | CLP | 62,010 | 168.530,29 | | 1,10 | 1,10 |
| <u>China</u> | | | | | | | |
| HAITONG SECURITIES COLTD - | 220.800,00 | HKD | 13,300 | 359.105,61 | | 2,34 | 2,34 |
| <u>France</u> | | | | | | | |
| AMUNDISA - | 5.962,00 | EUR | 49,725 | 296.460,45 | | 1,93 | 1,93 |
| ELIS SA - | 16.391,00 | EUR | 16,950 | 277.827,45 | | 1,81 | 1,81 |
| EUROPCAR GROUPE SA - | 29.614,00 | EUR | 9,634 | 285.301,28 | | 1,86 | 1,86 |
| <u>Germany</u> | | | | | | | |
| COVESTRO AG - | 10.690,00 | EUR | 65,180 | 696.774,20 | | 4,54 | 4,54 |
| DEUTSCHE PFANDBRIEFBANK AG - | 10.000,00 | EUR | 9,120 | 91.200,00 | | 0,59 | 0,59 |
| INNOGY SE - | 6.500,00 | EUR | 33,010 | 214.565,00 | | 1,40 | 1,40 |
| SIXT LEASING SE - | 23.637,00 | EUR | 17,900 | 423.102,30 | | 2,76 | 2,76 |
| TELEFONICA DEUTSCHLAND HOLDING - | 56.122,00 | EUR | 4,068 | 228.304,30 | | 1,49 | 1,49 |
| UNIPER SE - | 20.000,00 | EUR | 13,115 | 262.300,00 | | 1,71 | 1,71 |
| <u>Hong Kong</u> | | | | | | | |
| AIA GROUP LTD - | 67.600,00 | HKD | 43,750 | 361.656,47 | | 2,36 | 2,36 |
| LIFESTYLE CHINA GROUPLTD - | 650.000,00 | HKD | 1,850 | 147.047,13 | | 0,96 | 0,96 |
| <u>India</u> | | | | | | | |
| ADITYA BIRLA FASHION AND RETAIL - | 97.800,00 | INR | 138,050 | 188.602,64 | | 1,23 | 1,23 |
| <u>Ireland</u> | | | | | | | |
| ADIENT PLC - | 5.250,00 | USD | 58,600 | 291.680,49 | | 1,90 | 1,90 |
| <u>Italy</u> | | | | | | | |
| ITALGAS ITALGAS SPA | 55.000,00 | EUR | 3,738 | 205.590,00 | | 1,34 | 1,34 |
| <u>Japan</u> | | | | | | | |
| JAPAN POST HOLDINGS CO LTD - | 23.500,00 | JPY | 1.459,000 | 278.704,90 | | 1,82 | 1,82 |
| <u>Jersey/The Channel Islands</u> | | | | | | | |
| MEINL INTERNATIONAL POWER LT - | 66.053,00 | EUR | 0,001 | 66,05 | | | |
| <u>Luxembourg</u> | | | | | | | |
| EUROPEAN STABILITY MECHANISM - | 5.561,00 | USD | 21,560 | 113.671,64 | | 0,74 | 0,74 |
| TERNIUM SA ADR | 14.027,00 | USD | 24,150 | 321.168,10 | | 2,09 | 2,09 |
| <u>Mexico</u> | | | | | | | |
| CORP COMERCISAB DE CV - | 215.000,00 | MXN | 15,650 | 154.847,81 | | 1,01 | 1,01 |

| | | | | | | | |
|---|--------------|-----|---------|---------------|--|--------|-------|
| <u>Netherlands</u> | | | | | | | |
| ABN AMRO GROUP NV - | 15.757,00 | EUR | 21,050 | 331.684,85 | | 2,16 | 2,16 |
| FERRARINV - | 8.838,00 | USD | 58,140 | 487.168,83 | | 3,18 | 3,17 |
| GRANDVISION BV - | 22.391,00 | EUR | 20,905 | 468.083,86 | | 3,05 | 3,05 |
| PHILIPS LIGHTING NV - | 11.205,00 | EUR | 23,400 | 262.197,00 | | 1,71 | 1,71 |
| <u>Poland</u> | | | | | | | |
| POWSZECHNY BANK KREDYTOWY SA - | 13.030,00 | PLN | 33,210 | 98.283,23 | | 0,64 | 0,64 |
| <u>South Africa</u> | | | | | | | |
| BID CORP LTD - | 15.765,00 | ZAR | 245,150 | 267.947,18 | | 1,75 | 1,75 |
| <u>Sweden</u> | | | | | | | |
| BONAVA AB - | 5.556,00 | SEK | 139,600 | 80.945,27 | | 0,53 | 0,53 |
| BONAVA AB - | 13.444,00 | SEK | 141,200 | 198.110,29 | | 1,29 | 1,29 |
| <u>U.K.</u> | | | | | | | |
| CYBG PLC - | 76.000,00 | GBP | 2,806 | 249.831,30 | | 1,63 | 1,63 |
| <u>U.S.A.</u> | | | | | | | |
| ADVANSIX INC ADVANSIX INC | 16.000,00 | USD | 22,140 | 335.852,10 | | 2,19 | 2,19 |
| ALCOA CORP ALCOA CORP | 10.000,00 | USD | 28,080 | 266.224,22 | | 1,74 | 1,73 |
| ARMSTRONG FLOORING INC - | 17.000,00 | USD | 19,910 | 320.900,69 | | 2,09 | 2,09 |
| BLUE BUFFALO PET PRODUCTS INC - | 7.755,00 | USD | 24,040 | 176.752,97 | | 1,15 | 1,15 |
| CARE CAPITAL PROPERTIES - | 7.600,00 | USD | 25,000 | 180.137,47 | | 1,17 | 1,17 |
| COMMUNICATIONS SALES & LEASING - | 9.529,00 | USD | 25,410 | 229.563,30 | | 1,50 | 1,50 |
| CSRA INC - | 9.100,00 | USD | 31,840 | 274.703,96 | | 1,79 | 1,79 |
| ENERGIZER HOLDINGS INC. - | 5.700,00 | USD | 44,610 | 241.077,98 | | 1,57 | 1,57 |
| FORTIVE CORP - | 5.000,00 | USD | 53,630 | 254.230,86 | | 1,66 | 1,66 |
| GANNETT - | 21.000,00 | USD | 9,710 | 193.325,43 | | 1,26 | 1,26 |
| GCP APPLIED TECHNOLOGIES INC - | 11.600,00 | USD | 26,750 | 294.192,94 | | 1,92 | 1,92 |
| HEWLETT PACKARD ENTERPRISE CO - | 15.869,00 | USD | 23,140 | 348.147,58 | | 2,27 | 2,27 |
| INGEVITY CORP - | 9.408,00 | USD | 54,860 | 489.331,96 | | 3,19 | 3,19 |
| KLX INC - | 7.700,00 | USD | 45,110 | 329.316,90 | | 2,15 | 2,15 |
| LAMB WESTON HOLDINGS INC - | 7.800,00 | USD | 37,850 | 279.905,19 | | 1,82 | 1,82 |
| MANITOWOC FOODSERVICE INC - | 17.300,00 | USD | 19,330 | 317.050,49 | | 2,07 | 2,07 |
| MGM GROWTH PROPERTIES LLC - | 5.700,00 | USD | 25,310 | 136.778,38 | | 0,89 | 0,89 |
| PAYPAL HOLDINGS INC - | 9.292,00 | USD | 39,470 | 347.717,70 | | 2,27 | 2,27 |
| PINNACLE ENTERTAINMENT INC - | 26.400,00 | USD | 14,500 | 362.929,60 | | 2,37 | 2,36 |
| QUALITY CARE PROPERTIES INC - | 19.000,00 | USD | 15,500 | 279.213,08 | | 1,82 | 1,82 |
| SECUREWORKS CORP - | 11.000,00 | USD | 10,590 | 110.443,23 | | 0,72 | 0,72 |
| SPX FLOW INC - | 10.600,00 | USD | 32,060 | 322.195,78 | | 2,10 | 2,10 |
| TRANSUNION - | 6.200,00 | USD | 30,930 | 181.811,80 | | 1,19 | 1,18 |
| URBAN EDGE PROPERTIES - | 10.100,00 | USD | 27,510 | 263.428,30 | | 1,72 | 1,72 |
| VERSUM MATERIALS INC VERSUM MATERIALS INC | 10.450,00 | USD | 28,070 | 278.105,24 | | 1,81 | 1,81 |
| XENIA HOTELS & RESORTS INC - | 13.000,00 | USD | 19,420 | 239.355,30 | | 1,56 | 1,56 |
| YUM CHINA HOLDINGS INC - | 9.000,00 | USD | 26,120 | 222.877,46 | | 1,45 | 1,45 |
| Total shares | | | | 15.342.041,09 | | 100,00 | 99,92 |
| TOTAL SECURITIES PORTFOLIO | | | | 15.342.041,09 | | 100,00 | 99,92 |
| COLLATERAL RECEIVED | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING | 1.073.060,00 | EUR | 1,000 | 1.073.060,00 | | | 6,99 |
| TOTAL RECEIVED COLLATERAL | | | | 1.073.060,00 | | | 6,99 |

| | | | | | | | |
|---|---------------|-----|-------|----------------------|--|--|---------------|
| CASH AT BANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP CAD | 11.366,54 | CAD | 1,000 | 8.036,01 | | | 0,05 |
| KBC GROUP CHF | -1.014,12 | CHF | 1,000 | -946,01 | | | -0,01 |
| KBC GROUP DKK | -31.618,18 | DKK | 1,000 | -4.252,30 | | | -0,03 |
| KBC GROUP EURO | 15.262,00 | EUR | 1,000 | 15.262,00 | | | 0,10 |
| KBC GROUP GBP | 4.088,60 | GBP | 1,000 | 4.789,83 | | | 0,03 |
| KBC GROUP HKD | -12.410,98 | HKD | 1,000 | -1.517,67 | | | -0,01 |
| KBC GROUP JPY | 642.471,00 | JPY | 1,000 | 5.222,46 | | | 0,03 |
| KBC GROUP MXN | 44.817,29 | MXN | 1,000 | 2.062,52 | | | 0,01 |
| KBC GROUP PLN | 28.580,42 | PLN | 1,000 | 6.491,35 | | | 0,04 |
| KBC GROUP SEK | -38.619,99 | SEK | 1,000 | -4.030,47 | | | -0,03 |
| KBC GROUP TRY | 1.327,50 | TRY | 1,000 | 357,80 | | | 0,00 |
| KBC GROUP USD | 6.260,21 | USD | 1,000 | 5.935,25 | | | 0,04 |
| KBC GROUP ZAR | 34.568,10 | ZAR | 1,000 | 2.396,62 | | | 0,02 |
| Total demand accounts | | | | 39.807,39 | | | 0,26 |
| TOTAL CASH AT BANK AND IN HAND | | | | 39.807,39 | | | 0,26 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR RECEIVABLE | 234,90 | EUR | 1,000 | 234,90 | | | 0,00 |
| Total receivables | | | | 234,90 | | | 0,00 |
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING TEGENP | -1.073.060,00 | EUR | 1,000 | -1.073.060,00 | | | -6,99 |
| KBC GROUP EUR PAYABLE | -22.085,38 | EUR | 1,000 | -22.085,38 | | | -0,14 |
| Payables | | | | -1.095.145,38 | | | -7,13 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -1.094.910,48 | | | -7,13 |
| OTHER | | | | | | | |
| Interest receivable | | EUR | | 14.324,17 | | | 0,09 |
| Ex penses payable | | EUR | | -19.271,70 | | | -0,13 |
| TOTAL OTHER | | | | -4.947,53 | | | -0,03 |
| TOTAL NET ASSETS | | | | 15.355.050,47 | | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|----------------------------|---------------|---------------|---------------|---------------|
| Belgium | 0,52 | 0,00 | 0,00 | 0,00 |
| Canada | 3,95 | 4,93 | 1,98 | 1,67 |
| Switzerland | 5,97 | 4,98 | 5,38 | 0,00 |
| Chile | 0,00 | 0,00 | 1,45 | 1,10 |
| China | 6,59 | 5,05 | 3,17 | 2,34 |
| Germany | 6,46 | 8,30 | 8,35 | 12,49 |
| France | 1,05 | 1,83 | 5,10 | 5,60 |
| U.K. | 3,29 | 4,08 | 1,52 | 1,63 |
| Hong Kong | 3,12 | 2,88 | 2,89 | 3,32 |
| India | 0,00 | 0,00 | 1,33 | 1,23 |
| Ireland | 0,00 | 0,00 | 0,00 | 1,90 |
| Italy | 3,02 | 1,19 | 1,28 | 1,34 |
| Jersey/The Channel Islands | 0,02 | 0,00 | 0,00 | 0,00 |
| Japan | 8,93 | 9,21 | 6,52 | 1,82 |
| Luxembourg | 1,67 | 1,08 | 1,73 | 2,83 |
| Mexico | 0,00 | 0,00 | 1,35 | 1,01 |
| Netherlands | 3,18 | 6,57 | 9,43 | 10,10 |
| Poland | 1,83 | 1,61 | 1,29 | 0,64 |
| Russia | 0,50 | 0,61 | 0,51 | 0,00 |
| Sweden | 0,00 | 0,00 | 0,00 | 1,82 |
| Turkey | 1,06 | 0,88 | 0,00 | 0,00 |
| U.S.A. | 46,16 | 44,75 | 44,80 | 47,41 |
| South Africa | 2,68 | 2,05 | 1,92 | 1,75 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Cyclicals | 12,88 | 10,83 | 23,29 | 31,25 |
| Consum(cycl) | 10,71 | 8,50 | 22,49 | 19,43 |
| Cons.goods | 17,58 | 13,22 | 9,30 | 10,18 |
| Pharma | 7,20 | 5,26 | 1,35 | 0,00 |
| Financials | 21,68 | 26,90 | 18,10 | 16,96 |
| Technology | 17,65 | 19,19 | 11,13 | 6,94 |
| Telecomm. | 0,20 | 0,23 | 1,58 | 1,60 |
| Utilities | 3,86 | 7,41 | 3,61 | 6,27 |
| Real est. | 5,19 | 6,30 | 9,15 | 7,37 |
| Various | 3,05 | 2,16 | 0,00 | 0,00 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|-------------------|-------------------|-------------------|-------------------|
| CAD | 2,48 | 3,57 | 2,00 | 1,72 |
| CHF | 5,98 | 5,10 | 5,37 | -0,01 |
| CLP | 0,00 | 0,00 | 1,07 | 1,10 |
| DKK | -0,03 | -0,03 | -0,03 | -0,03 |
| EUR | 13,81 | 17,21 | 21,88 | 26,28 |
| GBP | 3,30 | 4,10 | 1,55 | 1,66 |
| HKD | 9,77 | 7,99 | 6,03 | 5,64 |
| INR | 0,00 | 0,00 | 1,33 | 1,23 |
| JPY | 9,03 | 9,13 | 6,51 | 1,85 |
| MXN | 0,00 | 0,00 | 1,37 | 1,02 |
| PLN | 1,84 | 1,71 | 1,29 | 0,68 |
| SEK | 0,00 | 0,00 | 0,00 | 1,79 |
| TRY | 1,10 | 0,93 | 0,00 | 0,00 |
| USD | 49,99 | 48,22 | 49,72 | 55,31 |
| ZAR | 2,73 | 2,07 | 1,91 | 1,76 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND NEW SHARES (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 7.211.412,74 | 3.240.758,03 | 10.452.170,76 |
| Sales | 8.313.902,41 | 3.650.632,27 | 11.964.534,69 |
| Total 1 | 15.525.315,15 | 6.891.390,30 | 22.416.705,45 |
| Subscriptions | 85.466,13 | 521.520,74 | 606.986,87 |
| Redemptions | 1.145.238,98 | 1.090.767,92 | 2.236.006,90 |
| Total 2 | 1.230.705,11 | 1.612.288,66 | 2.842.993,77 |
| Monthly average of total assets | 13.800.830,47 | 14.547.584,10 | 14.177.267,75 |
| Turnover rate | 103,58 % | 36,29 % | 138,06 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 7.211.412,74 | 3.240.758,03 | 10.452.170,76 |
| Sales | 8.313.902,41 | 3.650.632,27 | 11.964.534,69 |
| Total 1 | 15.525.315,15 | 6.891.390,30 | 22.416.705,45 |
| Subscriptions | 85.466,13 | 521.520,74 | 606.986,87 |
| Redemptions | 1.145.238,98 | 1.090.767,92 | 2.236.006,90 |
| Total 2 | 1.230.705,11 | 1.612.288,66 | 2.842.993,77 |
| Monthly average of total assets | 13.769.841,38 | 14.531.770,65 | 14.163.527,46 |
| Corrected turnover rate | 103,81 % | 36,33 % | 138,20 % |

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: a large rebalance was made in the first week of January as I sold off all legacy IPO positions, introduced 3 new equities and rebalanced the entire fund using an equal weight method. This was all due to the change in strategy of the funds from investing in IPO's to investing in Spin Offs.

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

| NAME | Currency | Value in currency | In the currency of the sub-fund | Lot-size | Transaction date |
|--|----------|-------------------|---------------------------------|----------|------------------|
| COLLATER ONTVANGEN SECURITIES LENDING | EUR | 1.073.060,00 | 1.073.060,00 | N/A | 30.12.2016 |

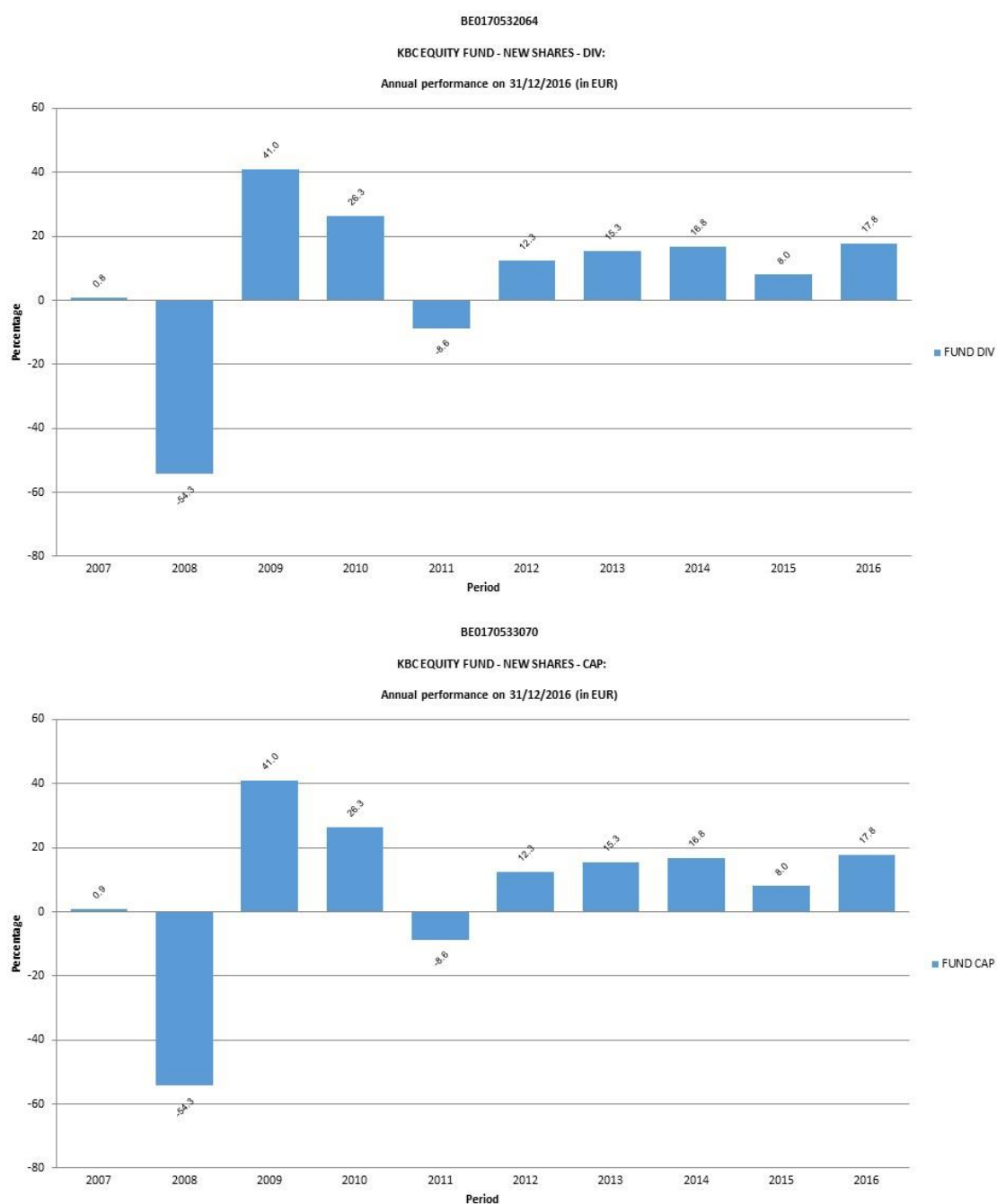
2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|--------|-------------|--------|---------------|----------|-----------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 376,71 | 72,00 | 4.359,66 | 536,77 | 15.465,66 | 3.556,00 | 19.021,66 |
| 2015 - 12 | 2.030,33 | 46,94 | 4.086,03 | 360,00 | 13.409,96 | 3.242,94 | 16.652,90 |
| 2016 - 12 | 243,21 | 445,00 | 2.112,58 | 360,00 | 11.540,60 | 3.327,94 | 14.868,54 |

| Period | Amounts received and paid by the UCI (in the currency of the sub-fund) | | | |
|-----------|---|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 277.456,49 | 46.489,44 | 3.203.081,37 | 341.653,16 |
| 2015 - 12 | 1.964.021,09 | 34.502,21 | 3.828.756,94 | 284.360,42 |
| 2016 - 12 | 234.382,99 | 384.063,60 | 1.976.847,46 | 286.796,95 |

| Period | Net asset value End of period (in the currency of the sub-fund) | | |
|-----------|--|----------------|--------------|
| Year | Of the sub-fund | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 15.652.931,42 | 846,67 | 719,51 |
| 2015 - 12 | 14.707.617,21 | 911,78 | 764,94 |
| 2016 - 12 | 15.355.050,47 | 1.075,32 | 885,01 |

2.4.5 PERFORMANCE FIGURES



| Cap Div | ISIN code | Cur- rency | 1 Year | | 3 Years * | | 5 Years * | | 10 Years * | | Since launch* | |
|---------|--------------|---------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE0170533070 | EUR | 17.80% | | 14.13% | | 14.00% | | 3.74% | | 01/04/1999 | 4.41% |
| DIV | BE0170532064 | EUR | 17.77% | | 14.11% | | 13.98% | | 3.73% | | 01/04/1999 | 4.40% |

Risk warning: Past performance is not a guide to future performance.
* Return on annual basis.

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- the return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NAV}(D) / \text{NAV}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NAV}(D) / \text{NAV}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NAV}(D) / \text{NAV}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NAV}(D) / \text{NAV}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NAV}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares.

Dividend on ex-dividend date 31/03/2017: 13.6812 EUR net (19.5446 EUR gross).

2.4.6 COSTS

Ongoing charges: *

Distribution: 1.876%

Capitalization: 1.850%

* The following are not included in the charges shown: entry and exit charges, performance fees, transaction costs paid when buying or selling assets, interest paid, payments made with a view to providing collateral in the context of derivative financial instruments, or commissions relating to Commission Sharing Agreements or similar fees received by the Management Company or any person associated with it.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

The Management Company, or where applicable, the appointed manager has entered into a Commission Sharing Agreement with one or more brokers for transactions in shares on behalf of one or more sub-funds. This agreement specifically concerns the execution of orders and the delivery of research reports.

For more information, please see the 'General' section of the annual report.

| Broker | Commission gross in EUR paid during the period: 1-01-16 - 31-12-16 | CSA Credits in EUR accrued during the period: 1-01-16 - 31-12-16 | Percentage |
|------------------------------------|---|---|------------|
| CITI | 573 | 143 | 25,00% |
| CSFBSAS | 2.952 | 532 | 18,03% |
| DEUTSCHE | 86 | 21 | 25,00% |
| DEUTSCHE | 16 | 5 | 28,56% |
| EQ CSA GOLDMAN SACHS INTERNATIONAL | 861 | 215 | 25,00% |
| HSBC | 756 | 135 | 17,85% |
| INSTINET | 2.436 | 400 | 16,41% |
| MACQUARIE | 936 | 234 | 25,00% |
| MACQUARIE | 144 | 58 | 40,00% |
| MERRILL | 1.146 | 287 | 25,00% |
| MORGAN STANLEY | 106 | 18 | 16,67% |
| UBSWDR | 95 | 24 | 25,00% |

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.5% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Exercising voting rights.

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

Pursuant to the Royal Decree of 7 March 2006 on securities lending, the collective investment undertaking has entered into securities lending arrangements, whereby the title to the securities that have been lent has been transferred, without recognition of that transfer of ownership in the accounts. The securities lending system can be managed by either a principal or an agent.

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 5,000.10 EUR and from bond lending to 0.00 EUR. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/12/2016

| Name | Currency | Quantity | Price | Value in currency of the portfolio |
|---------------------------------|----------|----------|-------|------------------------------------|
| POWSZECHNY ZAKLADUBEZPIECZEN SA | PLN | 13,029 | 33.21 | 98,275.68 |
| Total | | | | 98,275.68 |

Details of collateral received for securities lent

| Name | Currency | Nominal value | Currency fund | Value in currency fund |
|---|----------|---------------|---------------|------------------------|
| FLEMISH COMMUNITY - 06/25 1.3415% 12/06 | EUR | 1000000 | EUR | 1,073,060.00 |
| Total | | | | 1,073,060.00 |

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank

The amount in securities lent on a traded basis, as given in the annual report, can differ from the amount in securities lent on a settled basis.

The position held as collateral is determined on the basis of the settled positions.

Transparency of securities financing transactions and of reuse

Global data:

| | | |
|---|-----------|-----|
| 1) The amount of securities and commodities on loan as a proportion of total lendable assets defined as excluding cash and cash equivalents; | 0,64 | % |
| 2) The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) and as a proportion of the collective investment undertaking's assets under management (AUM). | | |
| The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) | 98.275,68 | EUR |
| proportion of the collective investment undertaking's assets under management (AUM) | 0,64 | % |

Concentration data:

1) Ten largest collateral issuers across all SFTs and total return swaps (break down of volumes of the collateral securities and commodities received per issuer's name);

| <u>name collateral issuer</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-------------------------------|--|-----------------|
| FLEMISH COMMUNITY | 1.073.060,00 | EUR |

2) Top 10 counterparties of each type of SFTs and total return swaps separately (Name of counterparty and gross volume of outstanding transactions).

| <u>type SFT (lending program)</u> | <u>name counterparty</u> | <u>Country of counterparty</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-----------------------------------|--------------------------|--------------------------------|--|-----------------|
| equity (KBC Bank) | KBC Bank NV | Belgium | 98.275,68 | EUR |

Aggregate transaction data for each type of SFTs and total return swaps separately to be broken down according to the below categories:

| 1) Type and quality of collateral; | <u>equity (Goldman Sachs)</u> | <u>equity (KBC Bank)</u> | <u>bonds (Société Générale)</u> |
|--|-------------------------------|--------------------------|---------------------------------|
| type | Nil | bonds | Nil |
| quality – investment grade bonds (at least BBB- rating by Standard & Poor's): see table below | | | |
| 2) Maturity tenor of the collateral broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open maturity; | Nil | open maturity | Nil |
| 3) Currency of the collateral: see table below | | | |
| 4) Maturity tenor of the SFTs and total return swaps broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open transactions; | Nil | open maturity | Nil |
| 5) Country in which the counterparties are established: see table above | | | |
| 6) Settlement and clearing (e.g., tri-party, Central Counterparty, bilateral). | Nil | bilateral | Nil |

| <u>collateral</u> | <u>quality</u> | <u>Currency</u> |
|---|------------------|-----------------|
| FLEMISH COMMUNITY - 06/25 1.3415% 12/06 | investment grade | EUR |

Data on reuse of collateral:

| | |
|---|-----|
| 1) Share of collateral received that is reused, compared to the maximum amount specified in the prospectus or in the disclosure to investors; | Nil |
| 2) Cash collateral reinvestment returns to the collective investment undertaking. | Nil |

Safekeeping of collateral received by the collective investment undertaking as part of SFTs and total return swaps:

1) Number and names of custodians and the amount of collateral assets safe-kept by each of the custodians.

| <u>number</u> | <u>Name collateral custodian</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|---------------|----------------------------------|--|-----------------|
| 1 | KBC Bank | 1.073.060,00 | EUR |

Safekeeping of collateral granted by the collective investment undertaking as part of SFTs and total return swaps:

1) The proportion of collateral held in segregated accounts or in pooled accounts, or in any other accounts.

Data on return and cost for each type of SFTs and total return swaps:

1) Data on return and cost for each type of SFTs and total return swaps broken down between the collective investment undertaking, the manager of the collective investment undertaking and third parties (e.g. agent lender) in absolute terms and as a percentage of overall returns generated by that type of SFTs and total return swaps.

| <u>Lending program: equity (Goldman Sachs)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 4.344,66 | 1.129,61 | 391,02 |
| percentage of overall returns | 100,00% | 26,00% | 9,00% |
| cost (EUR) | 1.520,63 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 82,74 | 28,96 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 28,96 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 572,69 | 200,44 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 200,44 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND QUANT GLOBAL 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launched date: 31 October 2002
Initial subscription price: 2500 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object. The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations. The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

The sub-fund's objective is to outperform the MSCI World index in the long term through a selection of sufficiently liquid shares from the MSCI World Index. The selection is based on purely quantitative criteria using available data on companies whose shares are included in the MSCI World Index. The data concerned are widely used by financial analysts and readily available to them. These criteria are incorporated in a quantitative model designed by KBC Asset Management. The basic principle of this model is that share prices do not always accurately reflect the fundamental value of the company concerned, but that this value can be estimated provided that enough information is available and it can be processed efficiently. Share prices gradually change to better reflect these fundamental values. How this happens depends on the prevailing market cycle. The quantitative model developed by KBC Asset Management makes a regular assessment – at least once a month – of the cyclical trend in relation to criteria specific to the company and identifies which criteria are positive or negative in the prevailing market situation. This sensitivity to the market is reviewed on a regular basis and is used to make a ranking of sufficiently liquid shares from the MSCI World Index. The best rated shares are included in the sub-fund, ensuring that there is an adequate spread in accordance with the relevant legal restrictions. Stock picking occurs at the same frequency as the assessment of the market sensitivity. Care is also taken to ensure that the risk (volatility) of the sub-fund is not significantly different from that of the MSCI index. For this reason, the sub-fund may invest temporarily in fixed-yield securities, money market instruments, deposits and liquid assets, in accordance with the relevant legal restrictions. After the re-assessment of the market sensitivity, the sub-fund will however invest at least 75% of its assets in shares.

Lending financial instruments:

The sub-fund may lend financial instruments within the limits set by law and regulations. This takes place within the framework of a securities lending system managed by either a principal or an agent. If it is managed by a principal, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to whom title to the loaned securities is transferred. If it is managed by an agent, the sub-fund has a relationship with the agent (as manager of the system) and with one or more counterparties to whom title to the loaned securities is transferred. The agent acts as intermediary between the sub-fund and the counterparty or counterparties.

This lending does not affect the sub-fund's risk profile since:

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

If the sub-fund receives collateral in the form of cash, it can reinvest this cash in

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- short term money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

Reinvesting in this way can eliminate the credit risk to which the sub-fund is exposed concerning the collateral in respect of the financial institution where the cash account is held, but there is still a credit risk in respect of the issuer or issuers of the debt instrument or instruments. The management company may delegate implementation of the reinvestment policy to a third party, including the agent managing the securities lending system.

By lending securities, the sub-fund can generate additional income, which might consist of a fee paid by the principal or (if the sub-fund uses an agent) the counterparty to the management company as well as income generated through reinvestments. After deducting the direct and indirect charges – set at a flat rate of 35% of the fee received and consisting of the charges for the clearing services provided by KBC Bank NV, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management, the charges associated with cash and custody accounts and cash and securities transactions, the fee paid for any management of reinvestments and, if the sub-fund uses an agent, the fee paid to the agent – this income is paid to the sub-fund. The relationship with the counterparty or counterparties is governed by standard international agreements.

Volatility of the net asset value:

The volatility of the net asset value may be high due to the composition of the portfolio.

General strategy for hedging the exchange rate risk:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database. In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

Active positions in stocks were taken based on quantitative analysis and a stringent risk framework. Approximately once a month, the fund was rebalanced to reflect recommendations originated by forementioned analysis.

2.1.8 FUTURE POLICY

The fund will continue its active stock selection strategy based on quantitative analysis within the limits defined by the stringent risk framework.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

5 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 929,681.81 EUR.

This amount was calculated by multiplying the leverage ratio calculated using the commitment method by the sub-fund's total assets under management.

2.2 BALANCE SHEET

| Balance sheet layout | | 31/12/2016 (in the currency of the sub-fundt) | 31/12/2015 (in the currency of the sub-fund) |
|---|----------------------|---|---|
| TOTAL NET ASSETS | | 58.969.199,58 | 50.984.470,59 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | | |
| a) Collateral received in the form of bonds | 999,02 | 755.631,28 | |
| C. Shares and similar instruments | | | |
| a) Shares | 58.141.102,43 | 48.202.946,00 | |
| Of which securities lent | 1.342,00 | 674.520,21 | |
| D. Other securities | 11.276,97 | 0,32 | |
| F. Derivative financial instruments | | | |
| m) Financial indices | | | |
| Futures and forward contracts (+/-) | -5.426,70 | 18.463,66 | |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | 13.974,61 | 54.908,29 | |
| c) Collateral | 47.051,38 | 148.534,41 | |
| B. Payables | | | |
| a) Accounts payable (-) | -136.244,93 | -445,13 | |
| d) Borrowings (-) | -2.933,29 | -20.453,96 | |
| e) Collateral (-) | -999,02 | -755.631,28 | |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | 946.638,68 | 2.610.244,54 | |
| VI. Accruals and deferrals | | | |
| B. Accrued income | 37.313,10 | 41.482,75 | |
| C. Accrued expense (-) | -83.552,67 | -71.210,29 | |
| TOTAL SHAREHOLDERS' EQUITY | 58.969.199,58 | 50.984.470,59 | |
| A. Capital | 54.867.787,98 | 48.755.978,23 | |
| B. Income equalization | -33.539,52 | 187.498,37 | |
| D. Result of the book year | 4.134.951,12 | 2.040.993,99 | |

Off-balance-sheet headings

| | | | |
|------------|--|------------|--------------|
| I | Collateral (+/-) | | |
| I.A | Collateral (+/-) | | |
| I.A.A | Securities/market instruments | 999,02 | 755.631,28 |
| I.A.B | Cash at bank and in hand/deposits | 47.051,38 | 148.534,41 |
| III | Notional amounts of futures and forward contracts | | |
| III.A | Purchased futures and forward contracts | 915.584,58 | 2.429.723,59 |
| IX | Financial instruments lent | 1.342,00 | 674.520,21 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|--|
| I. Net gains(losses) on investments | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | 3.093.971,23 | 12.509,72 |
| D. Other securities | | 1.588,37 | 1.224,03 |
| F. Derivative financial instruments | | | |
| I) Financial indices | | | |
| Futures and forward contracts | | 91.861,41 | 276.725,14 |
| G. Receivables, deposits, cash at bank and in hand and payables | | | -485,12 |
| H. Foreign exchange positions and transactions | | | |
| a) Derivative financial instruments | | | |
| Futures and forward contracts | | | 16,28 |
| b) Other foreign exchange positions and transactions | | 923.493,01 | 1.935.599,49 |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | | 6.217.327,86 | 6.816.779,03 |
| Unrealised gains on investments | | 2.937.652,88 | 3.296.292,98 |
| Realised losses on investments | | -7.483.634,65 | -3.414.088,85 |
| Unrealised losses on investments | | 2.439.567,93 | -4.473.393,62 |
| II. Investment income and expenses | | | |
| A. Dividends | | 1.099.667,65 | 630.202,61 |
| B. Interests | | | |
| a) Securities and money market instruments | | 6.870,27 | 9.845,36 |
| b) Cash at bank and in hand and deposits | | 846,50 | 322,53 |
| C. Interest on borrowings (-) | | -4.759,68 | -992,01 |
| IV. Operating expenses | | | |
| A. Investment transaction and delivery costs (-) | | -93.948,75 | -91.535,48 |
| B. Financial expenses (-) | | -2.064,05 | -311,44 |
| C. Custodian's fee (-) | | -38.783,46 | -18.480,48 |
| D. Manager's fee (-) | | | |
| a) Financial management | | -811.934,58 | -609.625,25 |
| b) Administration and accounting management | | -54.129,03 | -40.641,65 |
| E. Administrative expenses (-) | | -0,24 | -533,97 |
| F. Formation and organisation expenses (-) | | -3.448,35 | -2.609,39 |
| G. Remuneration, social security charges and pension | | -5,12 | |
| H. Services and sundry goods (-) | | -5.530,16 | -3.247,46 |
| J. Taxes | | -65.355,62 | -37.059,25 |
| K. Other expenses (-) | | -3.388,28 | -19.929,67 |
| Income and expenditure for the period | | | |
| Subtotal II + III + IV | | 24.037,11 | -184.595,55 |
| V. Profit (loss) on ordinary activities before tax | | 4.134.951,12 | 2.040.993,99 |
| VII. Result of the book year | | 4.134.951,12 | 2.040.993,99 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | 4.101.411,60 | 2.228.492,36 |
| Profit for the period available for appropriation | 4.134.951,12 | 2.040.993,99 |
| Income on the creation of shares (income on the cancellation of shares) | -33.539,52 | 187.498,37 |
| II. (Appropriations to) Deductions from capital | -3.807.214,15 | -1.997.532,43 |
| IV. (Dividends to be paid out) | -294.197,45 | -230.959,93 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND QUANT GLOBAL 1

| Name | Quantity on 31/12/2016 | 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> | | | | | | | |
| BT INVESTMENT MANAGEMENT LTD - | 1.109,00 | AUD | 10,630 | 8.093,28 | | 0,01 | 0,01 |
| COMMONWEALTH BANK AUST - | 2.434,00 | AUD | 82,410 | 137.708,32 | | 0,24 | 0,23 |
| <u>Austria</u> | | | | | | | |
| OMV AG (WIEN) | 1.178,00 | EUR | 33,560 | 39.533,68 | | 0,07 | 0,07 |
| <u>Belgium</u> | | | | | | | |
| G.B.L. - | 4.464,00 | EUR | 79,720 | 355.870,08 | | 0,61 | 0,60 |
| <u>Bermuda</u> | | | | | | | |
| BROOKFIELD BUSINESS PARTNERS L - | 15,00 | CAD | 32,260 | 342,11 | | 0,00 | 0,00 |
| EVEREST RE GROUP LTD - | 1.125,00 | USD | 216,400 | 230.812,99 | | 0,40 | 0,39 |
| <u>Canada</u> | | | | | | | |
| BANK OF NOVA SCOTIA - | 16.205,00 | CAD | 74,760 | 856.506,63 | | 1,47 | 1,45 |
| MANULIFE FINANCIAL CORP - | 10.700,00 | CAD | 23,910 | 180.873,84 | | 0,31 | 0,31 |
| TORONTO DOMINION BK - | 9.033,00 | CAD | 66,220 | 422.896,01 | | 0,73 | 0,72 |
| TRANSCANADA CORP - | 2.281,00 | CAD | 60,540 | 97.629,28 | | 0,17 | 0,17 |
| YAMANA GOLD INC - | 15.600,00 | CAD | 3,770 | 41.579,41 | | 0,07 | 0,07 |
| <u>Denmark</u> | | | | | | | |
| VESTAS WINDS SYSTEMS - | 7.826,00 | DKK | 459,000 | 483.102,66 | | 0,83 | 0,82 |
| <u>Finland</u> | | | | | | | |
| NESTE OIL OYJ - | 7.122,00 | EUR | 36,500 | 259.953,00 | | 0,45 | 0,44 |
| UPM-KYMMENE CORP - | 18.831,00 | EUR | 23,340 | 439.515,54 | | 0,76 | 0,75 |
| <u>France</u> | | | | | | | |
| ATOS SE - | 6.693,00 | EUR | 100,250 | 670.973,25 | | 1,15 | 1,14 |
| CAP GEMINI SA - | 8.941,00 | EUR | 80,150 | 716.621,15 | | 1,23 | 1,22 |
| EURAZEO (PAR) | 431,00 | EUR | 55,580 | 23.954,98 | | 0,04 | 0,04 |
| SOCIETE GENERALE SA - | 13.582,00 | EUR | 46,745 | 634.890,59 | | 1,09 | 1,08 |
| TOTAL - | 2.354,00 | EUR | 48,720 | 114.686,88 | | 0,20 | 0,19 |
| <u>Germany</u> | | | | | | | |
| COVESTRO AG - | 424,00 | EUR | 65,180 | 27.636,32 | | 0,05 | 0,05 |
| DEUTSCHE TELEKOM INT FIN REG | 25.751,00 | EUR | 16,355 | 421.157,61 | | 0,72 | 0,71 |
| FRESENIUS SE & CO KGAA (FRA) | 2.723,00 | EUR | 74,260 | 202.209,98 | | 0,35 | 0,34 |
| HENKEL KGAA (FRA) | 6.409,00 | EUR | 98,980 | 634.362,82 | | 1,09 | 1,08 |
| METRO AG - | 6.448,00 | EUR | 31,585 | 203.660,08 | | 0,35 | 0,35 |
| SIEMENS AG REG | 2.826,00 | EUR | 116,800 | 330.076,80 | | 0,57 | 0,56 |
| VOLKSWAGEN AG PREF | 555,00 | EUR | 133,350 | 74.009,25 | | 0,13 | 0,13 |
| <u>Hong Kong</u> | | | | | | | |
| SANDS CHINA LTD - | 32.000,00 | HKD | 33,700 | 131.871,63 | | 0,23 | 0,22 |

| | | | | | | | |
|------------------------------------|------------|-----|------------|------------|--|------|------|
| <u>Ireland</u> | | | | | | | |
| BANK OF IRELAND - | 182.308,00 | EUR | 0,234 | 42.660,07 | | 0,07 | 0,07 |
| <u>Italy</u> | | | | | | | |
| UNICREDIT SPA - | 75.759,00 | EUR | 2,734 | 207.125,11 | | 0,36 | 0,35 |
| <u>Japan</u> | | | | | | | |
| CENTRAL JAPAN RAILWAY - | 3.500,00 | JPY | 19.230,000 | 547.102,60 | | 0,94 | 0,93 |
| DAI NIPPON PRINTNG - | 3.000,00 | JPY | 1.155,000 | 28.165,97 | | 0,05 | 0,05 |
| DAIWA HOUSE - | 2.600,00 | JPY | 3.196,000 | 67.546,30 | | 0,12 | 0,12 |
| IYO BANK LTD - | 51.900,00 | JPY | 806,000 | 340.035,18 | | 0,59 | 0,58 |
| JAPAN AIRLINES - | 7.000,00 | JPY | 3.415,000 | 194.316,73 | | 0,33 | 0,33 |
| JAPAN POST HOLDINGS CO LTD - | 28.700,00 | JPY | 1.459,000 | 340.375,77 | | 0,59 | 0,58 |
| JAPAN POST HOLDINGS CO LTD - | 11.800,00 | JPY | 1.403,000 | 134.573,99 | | 0,23 | 0,23 |
| JFE HOLDINGS INC - | 40.000,00 | JPY | 1.780,000 | 578.763,92 | | 1,00 | 0,98 |
| MITSUI & CO - | 61.400,00 | JPY | 1.607,000 | 802.057,86 | | 1,38 | 1,36 |
| NINTENDO CO - | 1.000,00 | JPY | 24.540,000 | 199.478,46 | | 0,34 | 0,34 |
| NIPPON TEL & TEL - | 4.900,00 | JPY | 4.912,000 | 195.648,22 | | 0,34 | 0,33 |
| NISSAN MOTOR - | 73.800,00 | JPY | 1.175,500 | 705.180,75 | | 1,21 | 1,20 |
| NOMURA HOLDINGS INC - | 44.200,00 | JPY | 689,100 | 247.585,94 | | 0,43 | 0,42 |
| NTT DOCOMO, INC. - | 10.500,00 | JPY | 2.663,000 | 227.290,83 | | 0,39 | 0,39 |
| ORIX (ORIENT LEASING) - | 11.000,00 | JPY | 1.824,000 | 163.094,37 | | 0,28 | 0,28 |
| ROHM CORP. - | 6.600,00 | JPY | 6.730,000 | 361.060,89 | | 0,62 | 0,61 |
| SURUGA BANK LTD - | 3.200,00 | JPY | 2.609,000 | 67.864,95 | | 0,12 | 0,12 |
| TONEN GENERAL SEKIYU KK - | 32.000,00 | JPY | 1.232,000 | 320.466,13 | | 0,55 | 0,54 |
| TOYO SEIKAN GROUP HOLDINGS LTD - | 30.600,00 | JPY | 2.182,000 | 542.747,24 | | 0,93 | 0,92 |
| TOYOTA INDUSTRIES CORP. - | 6.000,00 | JPY | 5.570,000 | 271.661,38 | | 0,47 | 0,46 |
| YAMADA DENKI - | 102.800,00 | JPY | 630,000 | 526.447,56 | | 0,91 | 0,89 |
| <u>Netherlands</u> | | | | | | | |
| HEINEKEN HOLDING (AMS) ("A" 25NLG) | 11.513,00 | EUR | 66,140 | 761.469,82 | | 1,31 | 1,29 |
| REPSOL INTERNATIONAL FINANCE B - | 27.937,00 | EUR | 13,420 | 374.914,54 | | 0,65 | 0,64 |
| VOYA FINANCIAL INC - | 14.056,00 | USD | 39,220 | 522.660,65 | | 0,90 | 0,89 |
| <u>Singapore</u> | | | | | | | |
| WILMAR INTERNATIONAL LTD - | 31.700,00 | SGD | 3,590 | 74.683,69 | | 0,13 | 0,13 |
| <u>Spain</u> | | | | | | | |
| TELEFONICA SA - | 14.311,00 | EUR | 8,820 | 126.223,02 | | 0,22 | 0,21 |
| <u>Sweden</u> | | | | | | | |
| BOLIDEN AB - | 5.465,00 | SEK | 237,900 | 135.683,94 | | 0,23 | 0,23 |
| GETINGE AB B | 10.198,00 | SEK | 146,100 | 155.492,36 | | 0,27 | 0,26 |
| INVESTOR AB "B" | 25.651,00 | SEK | 340,500 | 911.518,00 | | 1,57 | 1,55 |
| KINNEVIK AB -B- | 6.147,00 | SEK | 218,300 | 140.042,80 | | 0,24 | 0,24 |
| LUNDIN PETROLEUM AB - | 7.410,00 | SEK | 198,100 | 153.195,68 | | 0,26 | 0,26 |
| SWEDISH MATCH AB - | 16.510,00 | SEK | 289,800 | 499.331,87 | | 0,86 | 0,85 |
| <u>Switzerland</u> | | | | | | | |
| LINDT & SPRUENGLI AG - | 47,00 | CHF | 5.275,000 | 231.273,32 | | 0,40 | 0,39 |
| LONZA AG - | 4.177,00 | CHF | 176,300 | 686.945,06 | | 1,18 | 1,17 |
| NESTLE AG REG | 7.553,00 | CHF | 73,050 | 514.689,04 | | 0,89 | 0,87 |
| SWISS RE - | 10.060,00 | CHF | 96,500 | 905.587,69 | | 1,56 | 1,54 |
| <u>U.K.</u> | | | | | | | |
| BP PLC - | 57.086,00 | GBP | 5,096 | 340.803,96 | | 0,59 | 0,58 |
| BRITISH AMERICAN TOBACCO PLC - | 4.478,00 | GBP | 46,215 | 242.444,67 | | 0,42 | 0,41 |
| COCA-COLA EUROPEAN PARTNERS PL - | 450,00 | EUR | 30,020 | 13.509,00 | | 0,02 | 0,02 |
| COMPASS GROUP - | 43.081,00 | GBP | 15,010 | 757.551,32 | | 1,30 | 1,29 |
| JOHNSON MATTHEY PLC - | 7.786,00 | GBP | 31,820 | 290.241,94 | | 0,50 | 0,49 |

| | | | | | | | |
|-----------------------------------|-----------|-----|---------|------------|--|------|------|
| WILLIS GROUP HOLDINGS LTD - | 2.442,00 | USD | 122,280 | 283.107,62 | | 0,49 | 0,48 |
| WPP GROUP PLC - | 44.362,00 | GBP | 18,160 | 943.783,88 | | 1,62 | 1,60 |
| <u>U.S.A.</u> | | | | | | | |
| ACCENTURE LTD "A" | 3.811,00 | USD | 117,130 | 423.211,60 | | 0,73 | 0,72 |
| AERCAP HOLDINGS NV - | 11.260,00 | USD | 41,610 | 444.208,20 | | 0,76 | 0,75 |
| AGILENT TECHNOLOGIES - | 15.864,00 | USD | 45,560 | 685.246,59 | | 1,18 | 1,16 |
| ALLIANCE DATA SYSTEMS CORP - | 1.652,00 | USD | 228,500 | 357.887,65 | | 0,62 | 0,61 |
| AMAZON COMM. INC. - | 1.388,00 | USD | 749,870 | 986.792,66 | | 1,70 | 1,68 |
| AMR CORP - | 8.647,00 | USD | 46,690 | 382.771,68 | | 0,66 | 0,65 |
| APPLE INC - | 3.335,00 | USD | 115,820 | 366.209,72 | | 0,63 | 0,62 |
| APPLIED MATERIALS - | 18.038,00 | USD | 32,270 | 551.871,31 | | 0,95 | 0,94 |
| ARCONIC INC ARCONIC INC | 23.089,00 | USD | 18,540 | 405.849,78 | | 0,70 | 0,69 |
| AUTOMATIC DATA PROCESSING, INC. - | 490,00 | USD | 102,780 | 47.748,00 | | 0,08 | 0,08 |
| BANK OF AMERICA CORP - | 45.901,00 | USD | 22,100 | 961.755,96 | | 1,65 | 1,63 |
| BED BATH & BEYOND - | 4.521,00 | USD | 40,640 | 174.196,20 | | 0,30 | 0,30 |
| BIOGEN INC - | 1.654,00 | USD | 283,580 | 444.694,31 | | 0,77 | 0,75 |
| BOEING - | 6.291,00 | USD | 155,680 | 928.545,04 | | 1,60 | 1,58 |
| CALPINE CORP - | 27.402,00 | USD | 11,430 | 296.947,01 | | 0,51 | 0,50 |
| CBS CORP - | 890,00 | USD | 63,620 | 53.682,67 | | 0,09 | 0,09 |
| CELANESE CORPORATION -A- | 2.350,00 | USD | 78,740 | 175.433,99 | | 0,30 | 0,30 |
| CENTERPOINT ENERGY INC - | 819,00 | USD | 24,640 | 19.132,65 | | 0,03 | 0,03 |
| CENTURYLINK INC - | 3.814,00 | USD | 23,780 | 85.989,02 | | 0,15 | 0,15 |
| CERNER CORP - | 4.006,00 | USD | 47,370 | 179.913,93 | | 0,31 | 0,31 |
| CHARTER COMMUNICATIONS INC. - | 1.767,00 | USD | 287,920 | 482.346,19 | | 0,83 | 0,82 |
| CHEVRON CORP - | 8.090,00 | USD | 117,700 | 902.766,53 | | 1,55 | 1,53 |
| CIT GROUP INC. - | 6.326,00 | USD | 42,680 | 255.978,84 | | 0,44 | 0,43 |
| CORNING INC - | 29.904,00 | USD | 24,270 | 688.096,78 | | 1,18 | 1,17 |
| DR. PEPPER SNAPPLE GROUP INC - | 1.630,00 | USD | 90,670 | 140.120,50 | | 0,24 | 0,24 |
| ENTERGY CORPORATION - | 9.870,00 | USD | 73,470 | 687.507,85 | | 1,18 | 1,17 |
| EOG RESOURCES INC. - | 3.546,00 | USD | 101,100 | 339.891,54 | | 0,59 | 0,58 |
| EQUITY RESIDENTIAL - | 6.513,00 | USD | 64,360 | 397.418,04 | | 0,68 | 0,67 |
| ESTEE LAUDER - | 6.116,00 | USD | 76,490 | 443.529,59 | | 0,76 | 0,75 |
| EXELON CORP - | 24.424,00 | USD | 35,490 | 821.813,47 | | 1,41 | 1,39 |
| EXPRESS SCRIPTS INC. "A" | 11.224,00 | USD | 68,790 | 732.020,82 | | 1,26 | 1,24 |
| EXXON MOBIL CORP - | 9.431,00 | USD | 90,260 | 807.055,76 | | 1,39 | 1,37 |
| FIFTH THIRD BANCORPORATION - | 12.024,00 | USD | 26,970 | 307.454,16 | | 0,53 | 0,52 |
| FISERV INC - | 3.045,00 | USD | 106,280 | 306.823,99 | | 0,53 | 0,52 |
| GEN. MOTORS - | 9.570,00 | USD | 34,840 | 316.111,69 | | 0,54 | 0,54 |
| GILEAD SCIENCES - | 10.056,00 | USD | 71,610 | 682.730,66 | | 1,17 | 1,16 |
| HCA HOLDINGS INC - | 8.507,00 | USD | 74,020 | 597.002,27 | | 1,03 | 1,01 |
| HEWLETT PACKARD - | 21.361,00 | USD | 14,840 | 300.542,54 | | 0,52 | 0,51 |
| HEWLETT PACKARD ENTERPRISE CO - | 17.806,00 | USD | 23,140 | 390.643,13 | | 0,67 | 0,66 |
| HOME DEPOT - | 69,00 | USD | 134,080 | 8.771,29 | | 0,02 | 0,02 |
| INTEL CORP - | 18.244,00 | USD | 36,270 | 627.361,82 | | 1,08 | 1,06 |
| JOHNSON & JOHNSON - | 1.176,00 | USD | 115,210 | 128.454,10 | | 0,22 | 0,22 |
| LOEWS CORPORATION - | 1.309,00 | USD | 46,830 | 58.118,48 | | 0,10 | 0,10 |
| LOWE'S CIE - | 8.717,00 | USD | 71,120 | 587.772,50 | | 1,01 | 1,00 |
| LYONDELLBASELL INDUSTRIES NV CLA | 7.956,00 | USD | 85,780 | 647.040,23 | | 1,11 | 1,10 |
| MALLINCKRODT INC W/I | 7.632,00 | USD | 49,820 | 360.489,44 | | 0,62 | 0,61 |
| MANPOWER GROUP - | 8.097,00 | USD | 88,870 | 682.228,39 | | 1,17 | 1,16 |
| MASTERCARD INC - | 10.021,00 | USD | 103,250 | 980.960,65 | | 1,69 | 1,66 |
| MEAD JOHNSON NUTRITION CO - | 3.275,00 | USD | 70,760 | 219.709,88 | | 0,38 | 0,37 |
| MGM RESORTS INTERNATIONAL - | 6.620,00 | USD | 28,830 | 180.947,71 | | 0,31 | 0,31 |
| MICHAEL KORS HOLDINGS LTD - | 4.385,00 | USD | 42,980 | 178.684,33 | | 0,31 | 0,30 |
| MICROSOFT CORP - | 3.356,00 | USD | 62,140 | 197.716,84 | | 0,34 | 0,34 |
| MONSANTO NEW | 565,00 | USD | 105,210 | 56.358,05 | | 0,10 | 0,10 |
| MOTOROLA SOLUTIONS INC - | 7.883,00 | USD | 82,890 | 619.504,02 | | 1,07 | 1,05 |

| | | | | | | | |
|---------------------------------|----------------|-----|-----------|---------------|--|-------|-------|
| NAVIENT CORP WHEN DISTRIBUTE | 7.634,00 | USD | 16,430 | 118.915,97 | | 0,21 | 0,20 |
| NORTHROP GRUMMAN CORPORATION - | 2.771,00 | USD | 232,580 | 611.025,53 | | 1,05 | 1,04 |
| PROLOGIS TRUST - | 14.025,00 | USD | 52,790 | 701.948,09 | | 1,21 | 1,19 |
| PRUDENTIAL FINANCIAL INC - | 2.989,00 | USD | 104,060 | 294.890,11 | | 0,51 | 0,50 |
| QORVO INC - | 6.037,00 | USD | 52,730 | 301.807,07 | | 0,52 | 0,51 |
| QUANTA SERVICES INC - | 18.386,00 | USD | 34,850 | 607.491,92 | | 1,05 | 1,03 |
| REGIONS FINANCIAL CORPORATION - | 39.361,00 | USD | 14,360 | 535.884,29 | | 0,92 | 0,91 |
| SBA COMMUNICATIONS CORP. - | 5.732,00 | USD | 103,260 | 561.162,66 | | 0,97 | 0,95 |
| SEALED AIR CORPORATION - | 188,00 | USD | 45,340 | 8.081,46 | | 0,01 | 0,01 |
| SERVICENOW INC - | 6.207,00 | USD | 74,340 | 437.476,54 | | 0,75 | 0,74 |
| SIGNATURE BANK/NEW YORK NY - | 4.568,00 | USD | 150,200 | 650.498,79 | | 1,12 | 1,10 |
| SPLUNK INC - | 2.512,00 | USD | 51,150 | 121.819,20 | | 0,21 | 0,21 |
| SYSCO CORPORATION - | 12.828,00 | USD | 55,370 | 673.416,79 | | 1,16 | 1,14 |
| TERADATA CORP - | 6.005,00 | USD | 27,170 | 154.686,75 | | 0,27 | 0,26 |
| TESORO CORP - | 221,00 | USD | 87,450 | 18.323,25 | | 0,03 | 0,03 |
| TEXAS INSTRUMENTS - | 717,00 | USD | 72,970 | 49.603,69 | | 0,09 | 0,08 |
| THE MACERICH CO - | 8.484,00 | USD | 70,840 | 569.809,49 | | 0,98 | 0,97 |
| THERMO ELECTRONIC - | 5.875,00 | USD | 141,100 | 785.932,69 | | 1,35 | 1,33 |
| TOLL BROTHERS - | 19.753,00 | USD | 31,000 | 580.557,48 | | 1,00 | 0,99 |
| TYSON FOODS INC -A- | 8.907,00 | USD | 61,680 | 520.866,33 | | 0,90 | 0,88 |
| UNDER ARMOUR INC -A- | 1.362,00 | USD | 29,050 | 37.512,30 | | 0,07 | 0,06 |
| UNITED PARCEL SERVICE "B" | 3.428,00 | USD | 114,640 | 372.586,79 | | 0,64 | 0,63 |
| UNITER RENTALS INC - | 4.337,00 | USD | 105,580 | 434.131,75 | | 0,75 | 0,74 |
| VALERO ENERGY CORPORATION - | 10.931,00 | USD | 68,320 | 708.040,69 | | 1,22 | 1,20 |
| VARIAN MEDICAL SYSTEMS - | 644,00 | USD | 89,780 | 54.817,08 | | 0,09 | 0,09 |
| VERTEX PHARMAC. - | 6.050,00 | USD | 73,670 | 422.567,91 | | 0,73 | 0,72 |
| WESTROCK CO - | 7.342,00 | USD | 50,770 | 353.404,45 | | 0,61 | 0,60 |
| XEROX CORPORATION - | 52.055,00 | USD | 8,730 | 430.851,05 | | 0,74 | 0,73 |
| Total shares | | | | 58.141.102,43 | | 99,99 | 98,60 |
| Options and futures | | | | | | | |
| Exchange-listed futures | | | | | | | |
| <u>Germany</u> | | | | | | | |
| EURO - STOXX 50 MAR 17 | 8,00 | EUR | 3.277,000 | 262.160,00 | | 0,45 | 0,45 |
| <u>Japan</u> | | | | | | | |
| TOKYO PRICE INDEX MAR 17 | 1,00 | JPY | 1.518,000 | 123.393,77 | | 0,21 | 0,21 |
| <u>U.S.A.</u> | | | | | | | |
| STAND & POORS MAR 17 | 5,00 | USD | 2.236,200 | 530.030,81 | | 0,91 | 0,90 |
| Suspense accounts (futures) | | | | | | | |
| <u>Germany</u> | | | | | | | |
| EURO - STOXX 50 MAR 17 | -259.600,00 | EUR | 1,000 | -259.600,00 | | -0,45 | -0,44 |
| <u>Japan</u> | | | | | | | |
| TOKYO PRICE INDEX MAR 17 | -15.505.000,00 | JPY | 1,000 | -126.035,60 | | -0,22 | -0,21 |
| <u>U.S.A.</u> | | | | | | | |
| STAND & POORS MAR 17 | -564.687,50 | USD | 1,000 | -535.375,68 | | -0,92 | -0,91 |
| Total options and futures | | | | -5.426,70 | | -0,01 | -0,01 |
| Rights | | | | | | | |
| <u>Canada</u> | | | | | | | |
| YAMANA GOLD INC CP 23/11/16 | 975,00 | CAD | 0,010 | 6,89 | | | |
| <u>France</u> | | | | | | | |
| TOTAL CP 21/12/16 | 2.354,00 | EUR | 0,610 | 1.435,94 | | 0,00 | 0,00 |

| | | | | | | | |
|---|---------------|-----|-------|---------------|--|--------|-------|
| <u>Spain</u> | | | | | | | |
| REPSOL YPF SA CP 19/12/16 | 27.937,00 | EUR | 0,352 | 9.833,82 | | 0,02 | 0,02 |
| <u>U.S.A.</u> | | | | | | | |
| SAFEWAY INC. CVR A - CP 02/02/2015 | 1.698,00 | USD | 0,000 | 0,16 | | | |
| SAFEWAY INC. CVR B - CP 02/02/2015 | 1.698,00 | USD | 0,000 | 0,16 | | | |
| Total rights | | | | 11.276,97 | | 0,02 | 0,02 |
| TOTAL SECURITIES PORTFOLIO | | | | 58.146.952,70 | | 100,00 | 98,61 |
| COLLATERAL RECEIVED | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING | 999,02 | EUR | 1,000 | 999,02 | | | 0,00 |
| TOTAL RECEIVED COLLATERAL | | | | 999,02 | | | 0,00 |
| CASH ATBANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP AUD | 11.267,58 | AUD | 1,000 | 7.735,53 | | | 0,01 |
| KBC GROUP CAD | 2.018,65 | CAD | 1,000 | 1.427,16 | | | 0,00 |
| KBC GROUP CHF | 42.733,76 | CHF | 1,000 | 39.863,58 | | | 0,07 |
| KBC GROUP DKK | 5.455,06 | DKK | 1,000 | 733,65 | | | 0,00 |
| KBC GROUP EURO | 147.318,07 | EUR | 1,000 | 147.318,07 | | | 0,25 |
| KBC GROUP GBP | 36.470,55 | GBP | 1,000 | 42.725,57 | | | 0,07 |
| KBC GROUP HKD | 171.715,79 | HKD | 1,000 | 20.998,18 | | | 0,04 |
| KBC GROUP ILS | 2.946,28 | ILS | 1,000 | 725,80 | | | 0,00 |
| KBC GROUP JPY | 14.648.915,00 | JPY | 1,000 | 119.076,73 | | | 0,20 |
| KBC GROUP NOK | -25.605,06 | NOK | 1,000 | -2.820,25 | | | -0,01 |
| KBC GROUP SEK | 161.771,49 | SEK | 1,000 | 16.882,85 | | | 0,03 |
| KBC GROUP SGD | 4.232,34 | SGD | 1,000 | 2.777,49 | | | 0,01 |
| KBC GROUP USD | 571.510,88 | USD | 1,000 | 541.844,87 | | | 0,92 |
| Total demand accounts | | | | 939.289,23 | | | 1,59 |
| Managed futures accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EURO FUT REK | -113,04 | EUR | 1,000 | -113,04 | | | |
| KBC GROUP JPY FUT REK | 165.000,00 | JPY | 1,000 | 1.341,24 | | | 0,00 |
| KBC GROUP USD FUT REK | 3.362,50 | USD | 1,000 | 3.187,96 | | | 0,01 |
| Total managed futures accounts | | | | 4.416,16 | | | 0,01 |
| TOTAL CASH AT BANK AND IN HAND | | | | 943.705,39 | | | 1,60 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR RECEIVABLE | 13.974,61 | EUR | 1,000 | 13.974,61 | | | 0,02 |
| <u>Netherlands</u> | | | | | | | |
| KBC CLEARING NV DEKKING EUR | 19.169,25 | EUR | 1,000 | 19.169,25 | | | 0,03 |
| KBC CLEARING NV DEKKING JPY | 660.000,00 | JPY | 1,000 | 5.364,95 | | | 0,01 |
| KBC CLEARING NV DEKKING USD | 23.750,00 | USD | 1,000 | 22.517,18 | | | 0,04 |
| Total receivables | | | | 61.025,99 | | | 0,10 |

| | | | | | | | |
|---|-------------|-----|-------|----------------------|--|--|---------------|
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING TEGENP | -999,02 | EUR | 1,000 | -999,02 | | | 0,00 |
| KBC GROUP EUR PAYABLE | -136.244,93 | EUR | 1,000 | -136.244,93 | | | -0,23 |
| Payables | | | | -137.243,95 | | | -0,23 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -76.217,96 | | | -0,13 |
| OTHER | | | | | | | |
| Interest receivable | | EUR | | 37.313,10 | | | 0,06 |
| Expenses payable | | EUR | | -83.552,67 | | | -0,14 |
| TOTAL OTHER | | | | -46.239,57 | | | -0,08 |
| TOTAL NET ASSETS | | | | 58.969.199,58 | | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Australia | 0,62 | 0,31 | 1,02 | 0,25 |
| Austria | 0,07 | 0,06 | 0,05 | 0,07 |
| Belgium | 0,36 | 1,57 | 0,60 | 0,61 |
| Bermuda | 0,24 | 1,59 | 0,34 | 0,40 |
| Canada | 6,10 | 2,09 | 0,49 | 2,75 |
| Switzerland | 3,14 | 3,77 | 3,72 | 4,02 |
| Germany | 2,56 | 1,96 | 3,45 | 3,26 |
| Denmark | 1,98 | 1,35 | 2,09 | 0,83 |
| Spain | 1,39 | 0,84 | 0,72 | 0,88 |
| Finland | 1,43 | 0,35 | 1,03 | 1,20 |
| France | 3,43 | 3,93 | 3,82 | 3,72 |
| U.K. | 5,88 | 5,42 | 4,03 | 4,94 |
| Hong Kong | 0,00 | 0,00 | 0,32 | 0,23 |
| Ireland | 0,00 | 0,00 | 0,52 | 0,07 |
| Italy | 1,59 | 1,66 | 0,14 | 0,36 |
| Japan | 11,78 | 11,84 | 11,64 | 11,80 |
| Netherlands | 2,70 | 2,28 | 1,50 | 2,21 |
| Norway | 1,58 | 0,00 | 0,00 | 0,00 |
| Singapore | 0,00 | 0,00 | 0,00 | 0,13 |
| Sweden | 1,84 | 3,06 | 3,70 | 3,43 |
| U.S.A. | 53,31 | 57,92 | 60,82 | 58,84 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Cyclicals | 15,10 | 16,00 | 17,48 | 21,83 |
| Consum(cycl) | 12,55 | 16,36 | 18,88 | 15,04 |
| Cons.goods | 13,45 | 15,68 | 14,22 | 10,99 |
| Pharma | 15,65 | 9,01 | 14,10 | 8,18 |
| Financials | 17,96 | 18,40 | 12,99 | 17,60 |
| Technology | 17,22 | 17,12 | 13,85 | 16,60 |
| Telecomm. | 3,10 | 4,35 | 3,53 | 3,62 |
| Utilities | 2,80 | 0,05 | 3,43 | 3,15 |
| Real est. | 2,17 | 3,02 | 1,52 | 2,99 |
| Various | 0,00 | 0,01 | 0,00 | 0,00 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|-------------------|-------------------|-------------------|-------------------|
| AUD | 0,59 | 0,29 | 0,25 | 0,26 |
| CAD | 5,74 | 1,97 | 0,49 | 2,71 |
| CHF | 2,96 | 3,61 | 3,51 | 4,03 |
| DKK | 1,85 | 1,27 | 2,21 | 0,82 |
| EUR | 13,57 | 13,79 | 10,68 | 11,41 |
| GBP | 5,50 | 5,02 | 3,96 | 4,44 |
| HKD | -0,01 | -0,01 | 0,35 | 0,26 |
| JPY | 11,55 | 11,62 | 11,97 | 11,84 |
| NOK | 1,54 | 0,27 | -0,01 | 0,00 |
| SEK | 1,70 | 2,87 | 4,25 | 3,41 |
| SGD | 0,01 | 0,01 | 0,01 | 0,13 |
| USD | 55,00 | 59,29 | 62,33 | 60,69 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND QUANT GLOBAL 1 (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|----------------|
| Purchases | 49.702.273,52 | 28.793.900,73 | 78.496.174,25 |
| Sales | 40.392.869,68 | 32.426.037,59 | 72.818.907,27 |
| Total 1 | 90.095.143,21 | 61.219.938,32 | 151.315.081,53 |
| Subscriptions | 9.333.054,60 | 7.185.502,49 | 16.518.557,09 |
| Redemptions | 4.550.363,41 | 7.789.039,57 | 12.339.402,98 |
| Total 2 | 13.883.418,01 | 14.974.542,06 | 28.857.960,07 |
| Monthly average of total assets | 52.479.199,24 | 55.660.992,48 | 54.083.136,00 |
| Turnover rate | 145,22 % | 83,08 % | 226,42 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|----------------|
| Purchases | 49.702.273,52 | 28.793.900,73 | 78.496.174,25 |
| Sales | 40.392.869,68 | 32.426.037,59 | 72.818.907,27 |
| Total 1 | 90.095.143,21 | 61.219.938,32 | 151.315.081,53 |
| Subscriptions | 9.333.054,60 | 7.185.502,49 | 16.518.557,09 |
| Redemptions | 4.550.363,41 | 7.789.039,57 | 12.339.402,98 |
| Total 2 | 13.883.418,01 | 14.974.542,06 | 28.857.960,07 |
| Monthly average of total assets | 54.890.973,34 | 54.638.401,04 | 53.154.175,67 |
| Corrected turnover rate | 138,84 % | 84,64 % | 230,38 % |

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%), reason: The fund is regularly rebalanced to reflect quantitative views in a timely and adequate manner. In the event of strong quantitative signals the monthly turnover could be significant.

The detailed list of transactions is available for consultation free of charge at the registered office of the Beveik or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

| NAME | Currency | Value in currency | In the currency of the sub-fund | Lot-size | Transaction date |
|---------------------------------------|----------|-------------------|---------------------------------|-----------|------------------|
| COLLATER ONTVANGEN SECURITIES LENDING | EUR | 999,02 | 999,02 | N/A | 30.12.2016 |
| KBCCLEAR DEKKING EUR | EUR | 19.169,25 | 19.169,25 | N/A | 30.12.2016 |
| KBCCLEAR DEKKING JPY | JPY | 660.000,00 | 5.364,95 | N/A | 20.12.2016 |
| KBCCLEAR DEKKING USD | USD | 23.750,00 | 22.517,18 | N/A | 19.12.2016 |
| EUROSTOX 17/03/2017 | EUR | 262.160,00 | 262.160,00 | 10,00 | 19.12.2016 |
| TOPIX 17/03/2017 | JPY | 15.180.000,00 | 123.393,77 | 10.000,00 | 20.12.2016 |
| STPOORS 17/03/2017 | USD | 559.050,00 | 530.030,81 | 50,00 | 19.12.2016 |

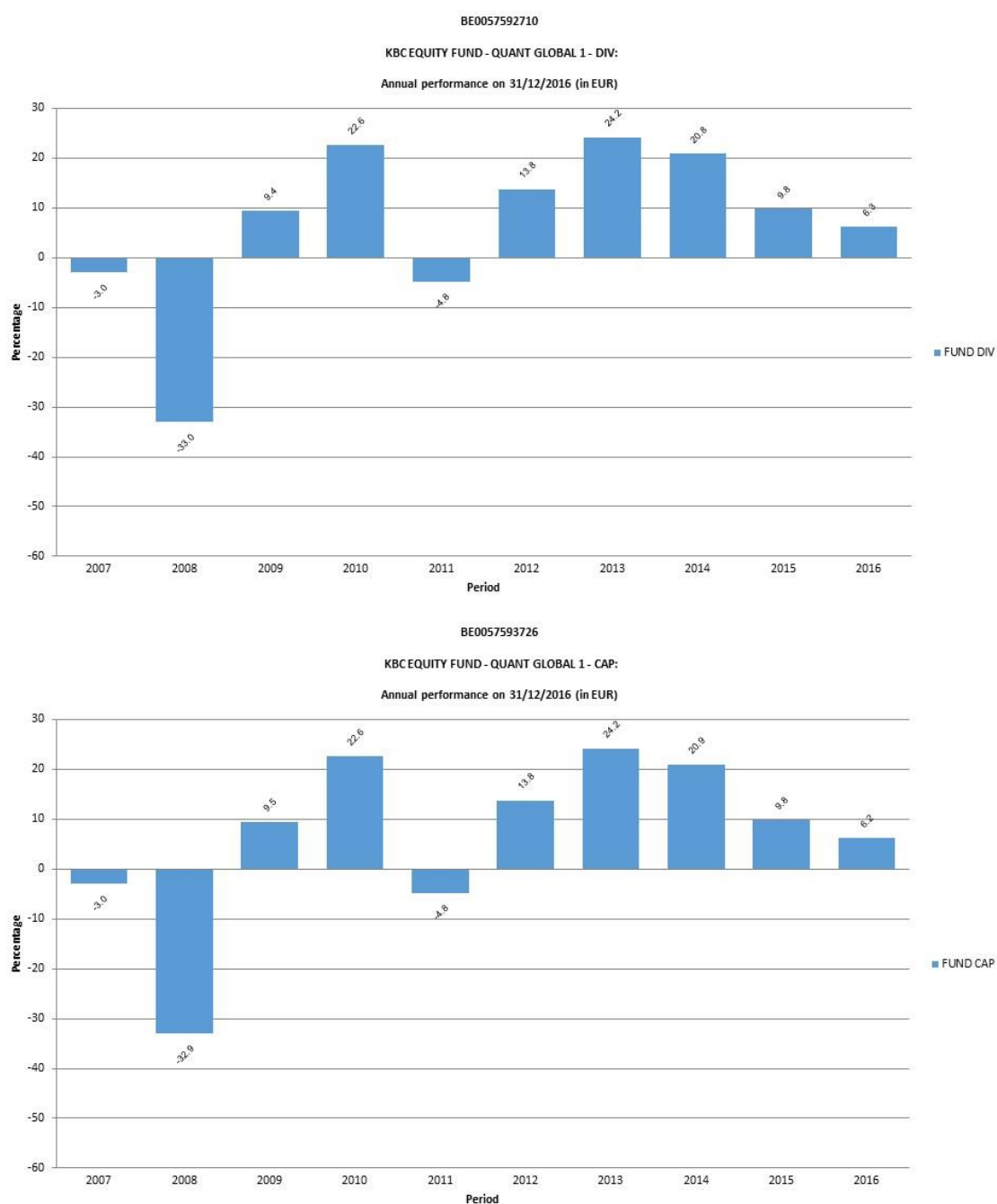
2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|----------|-------------|----------|---------------|----------|-----------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 2.176,46 | 647,89 | 468,14 | 130,50 | 3.626,19 | 1.027,39 | 4.653,58 |
| 2015 - 12 | 5.126,85 | 2.179,33 | 2.197,37 | 200,67 | 6.555,67 | 3.006,05 | 9.561,72 |
| 2016 - 12 | 2.089,13 | 1.265,18 | 1.476,19 | 1.006,46 | 7.168,61 | 3.264,78 | 10.433,39 |

| Period | Amounts received and paid by the UCI (in the currency of the sub-fund) | | | |
|-----------|---|---------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 10.444.852,99 | 2.689.936,85 | 2.231.223,04 | 519.692,80 |
| 2015 - 12 | 28.651.997,83 | 10.362.345,30 | 11.991.591,48 | 956.076,47 |
| 2016 - 12 | 11.152.114,44 | 5.490.298,22 | 8.034.213,96 | 4.463.557,09 |

| Period | Net asset value End of period (in the currency of the sub-fund) | | |
|-----------|--|----------------|--------------|
| Year | Of the sub-fund | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 23.019.859,53 | 5.112,59 | 4.361,20 |
| 2015 - 12 | 50.984.470,59 | 5.613,30 | 4.719,01 |
| 2016 - 12 | 58.969.199,58 | 5.977,81 | 4.936,51 |

2.4.5 PERFORMANCE FIGURES



| Cap Div | ISIN code | Cur-rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE0057593726 | EUR | 6.24% | | 12.17% | | 14.80% | | 5.19% | | 31/10/2002 | 6.35% |
| DIV | BE0057592710 | EUR | 6.25% | | 12.12% | | 14.77% | | 5.16% | | 31/10/2002 | 6.33% |

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- the return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NAV}(D) / \text{NAV}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NAV}(D) / \text{NAV}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NAV}(D) / \text{NAV}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NAV}(D) / \text{NAV}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NAV}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares.

Dividend on ex-dividend date 31/03/2017: 63.0788 EUR net (90.1126 EUR gross).

2.4.6 COSTS

Ongoing charges: *

Distribution: 1.823%

Capitalization: 1.822%

* The following are not included in the charges shown: entry and exit charges, performance fees, transaction costs paid when buying or selling assets, interest paid, payments made with a view to providing collateral in the context of derivative financial instruments, or commissions relating to Commission Sharing Agreements or similar fees received by the Management Company or any person associated with it.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

The Management Company, or where applicable, the appointed manager has entered into a Commission Sharing Agreement with one or more brokers for transactions in shares on behalf of one or more sub-funds. This agreement specifically concerns the execution of orders and the delivery of research reports.

For more information, please see the 'General' section of the annual report.

| Broker | Commission gross in EUR paid during the period: 1-01-16 - 31-12-16 | CSA Credits in EUR accrued during the period: 1-01-16 - 31-12-16 | Percentage |
|------------------------------------|---|---|------------|
| CITI | 23.818 | 7.831 | 32,88% |
| CSFBSAS | 1.605 | 331 | 20,65% |
| EQ CSA GOLDMAN SACHS INTERNATIONAL | 339 | 85 | 25,00% |
| HSBC | 209 | 52 | 25,00% |
| INSTINET | 10.964 | 2.736 | 24,96% |
| MACQUARIE | 1.425 | 356 | 25,00% |
| MERRILL | 2.729 | 682 | 25,00% |
| MORGAN STANLEY | 6.065 | 1.516 | 25,00% |
| SOCGEN | 6 | 1 | 25,01% |
| UBSWDR | 2.611 | 653 | 25,00% |

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.5% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Exercising voting rights.

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Financial derivatives on financial indices

The following financial indices were used as the underlying for financial derivatives:

The **Euro Stoxx 50** is a weighted equity index computed by Stoxx Ltd. The dividend is not reinvested. The main purpose of this index is to provide a continuous indication of market trends on the European stock markets. The base value of the index is 1000, calculated on the basis of the underlying prices recorded on 31 December 1991.

The Euro Stoxx 50 consists solely of shares from countries participating in the Economic and Monetary Union, with the exception of Luxembourg. On 10 April 1998, the following stock exchanges were included in the index: Austria (Vienna), Belgium (Brussels), Finland (Helsinki), France (Paris), Germany (Frankfurt), Italy (Milan), Ireland (Dublin), the Netherlands (Amsterdam), Portugal (Lisbon) and Spain (Madrid).

The index consists of the 50 largest European shares in terms of shares that are freely negotiable, and the shares are accordingly weighted on the basis of this criterion.

The Euro Stoxx 50 is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Stoxx Limited has all proprietary rights with respect to the index. In no way Stoxx Limited endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Stoxx Limited disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

The S&P 500 is an equity index computed by Standard & Poor's that is made up of 500 shares. The dividend is not reinvested. The S&P 500 serves primarily as a continuous indicator of market trends on the US stock markets. The value of the S&P 500 index is calculated on the basis of the market value of the shares of 500 companies at a given point in time, compared to the market value of the shares of 500 similar companies during the reference period from 1941 to 1943. The index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Standard & Poor's has all proprietary rights with respect to the index. In no way Standard & Poor's endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Standard & Poor's disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

The TOPIX Index (Tokyo Stock Price Index) is a capitalisation-weighted index of all shares listed on the 'First Section' of the Tokyo Stock Exchange. The index was developed with a starting value of 100 on 4 January 1968.

Tokyo Stock Exchange holds all ownership rights with regard to the index. Tokyo Stock Exchange in no way underwrites, guarantees or collaborates in the issue and offering of shares of this institution for collective investment. Tokyo Stock Exchange disclaims any liability for the issue and offering of shares of this institution for collective investment.

The value and, if available for distribution, the composition of the aforementioned financial indices may be obtained from the branches providing the financial service.

Securities lending

Pursuant to the Royal Decree of 7 March 2006 on securities lending, the collective investment undertaking has entered into securities lending arrangements, whereby the title to the securities that have been lent has been transferred, without recognition of that transfer of ownership in the accounts. The securities lending system can be managed by either a principal or an agent.

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 6,870.27 EUR and from bond lending to 0.00 EUR. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/12/2016

| Name | Currency | Quantity | Price | Value in currency of the portfolio |
|----------------------------|----------|----------|-------|------------------------------------|
| TOTAL SA-SCRIP CP 21/12/16 | EUR | 2,200 | 0.61 | 1,342.00 |
| Total | | | | 1,342.00 |

Details of collateral received for securities lent

| Name | Currency | Nominal value | Currency fund | Value in currency fund |
|--------------------------|----------|---------------|---------------|------------------------|
| SCHWEIZ 2002 3% 08/01/18 | CHF | 1000 | EUR | 999.02 |
| Total | | | | 999.02 |

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank

The amount in securities lent on a traded basis, as given in the annual report, can differ from the amount in securities lent on a settled basis.

The position held as collateral is determined on the basis of the settled positions.

Transparency of securities financing transactions and of reuseGlobal data:

| | | |
|---|----------|-----|
| 1) The amount of securities and commodities on loan as a proportion of total lendable assets defined as excluding cash and cash equivalents; | 0,00 | % |
| 2) The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) and as a proportion of the collective investment undertaking's assets under management (AUM). | | |
| The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) | 1.342,00 | EUR |
| proportion of the collective investment undertaking's assets under management (AUM) | 0,00 | % |

Concentration data:

1) Ten largest collateral issuers across all SFTs and total return swaps (break down of volumes of the collateral securities and commodities received per issuer's name);

| <u>name collateral issuer</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-------------------------------|--|-----------------|
| SWISS CONFEDERATION | 999,02 | EUR |

2) Top 10 counterparties of each type of SFTs and total return swaps separately (Name of counterparty and gross volume of outstanding transactions).

| <u>type SFT (lending program)</u> | <u>name counterparty</u> | <u>Country of counterparty</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-----------------------------------|----------------------------------|--------------------------------|--|-----------------|
| equity (Goldman Sachs) | Citigroup Global Markets Limited | UK | 1.342,00 | EUR |

Aggregate transaction data for each type of SFTs and total return swaps separately to be broken down according to the below categories:

| | | | |
|--|-------------------------------|--------------------------|---------------------------------|
| 1) Type and quality of collateral; | <u>equity (Goldman Sachs)</u> | <u>equity (KBC Bank)</u> | <u>bonds (Société Générale)</u> |
| type | bonds | Nil | Nil |
| quality – investment grade bonds (at least BBB- rating by Standard & Poor's): see table below | | | |
| 2) Maturity tenor of the collateral broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open maturity; | open maturity | Nil | Nil |
| 3) Currency of the collateral: see table below | | | |
| 4) Maturity tenor of the SFTs and total return swaps broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open transactions; | open maturity | Nil | Nil |
| 5) Country in which the counterparties are established: see table above | | | |
| 6) Settlement and clearing (e.g., tri-party, Central Counterparty, bilateral). | tri-party | Nil | Nil |

| <u>collateral</u> | <u>quality</u> | <u>Currency</u> |
|--------------------------|------------------|-----------------|
| SCHWEIZ 2002 3% 08/01/18 | investment grade | CHF |

Data on reuse of collateral:

| | |
|---|-----|
| 1) Share of collateral received that is reused, compared to the maximum amount specified in the prospectus or in the disclosure to investors; | Nil |
| 2) Cash collateral reinvestment returns to the collective investment undertaking. | Nil |

Safekeeping of collateral received by the collective investment undertaking as part of SFTs and total return swaps:

1) Number and names of custodians and the amount of collateral assets safe-kept by each of the custodians.

| <u>number</u> | <u>Name collateral custodian</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|---------------|----------------------------------|--|-----------------|
| 1 | Bank of New York | 999,02 | EUR |

Safekeeping of collateral granted by the collective investment undertaking as part of SFTs and total return swaps:

1) The proportion of collateral held in segregated accounts or in pooled accounts, or in any other accounts.

Nil

Data on return and cost for each type of SFTs and total return swaps:

1) Data on return and cost for each type of SFTs and total return swaps broken down between the collective investment undertaking, the manager of the collective investment undertaking and third parties (e.g. agent lender) in absolute terms and as a percentage of overall returns generated by that type of SFTs and total return swaps.

| <u>Lending program: equity (Goldman Sachs)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 1.547,03 | 402,23 | 139,23 |
| percentage of overall returns | 100,00% | 26,00% | 9,00% |
| cost (EUR) | 541,46 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 4.985,85 | 1.745,05 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 1.745,05 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 337,39 | 118,09 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 118,09 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND BUYBACK AMERICA

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 26 June 1998

Initial subscription price: 500 USD

Currency: USD

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 827.56 USD

Currency: USD

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED:

At least 75% of the assets are invested in the shares of US companies that pursue a policy of buying back their own shares. More particularly, companies are selected whose share buyback policy can be considered to be an important indicator for achieving a capital gain on the investment in the short or medium term.

RISK CONCENTRATION:

Shares in US companies that pursue a policy of buying back their own shares.

Lending financial instruments:

The sub-fund may lend financial instruments within the limits set by law and regulations. This takes place within the framework of a securities lending system managed by either a principal or an agent. If it is managed by a principal, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to whom title to the loaned securities is transferred. If it is managed by an agent, the sub-fund has a relationship with the agent (as manager of the system) and with one or more counterparties to whom title to the loaned securities is transferred. The agent acts as intermediary between the sub-fund and the counterparty or counterparties.

This lending does not affect the sub-fund's risk profile since:

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

If the sub-fund receives collateral in the form of cash, it can reinvest this cash in

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- short term money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

Reinvesting in this way can eliminate the credit risk to which the sub-fund is exposed concerning the collateral in respect of the financial institution where the cash account is held, but there is still a credit risk in respect of the issuer or issuers of the debt instrument or instruments. The management company may delegate implementation of the reinvestment policy to a third party, including the agent managing the securities lending system.

By lending securities, the sub-fund can generate additional income, which might consist of a fee paid by the principal or (if the sub-fund uses an agent) the counterparty to the management company as well as income generated through reinvestments. After deducting the direct and indirect charges – set at a flat rate of 35% of the fee received and consisting of the charges for the clearing services provided by KBC Bank NV, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management, the charges associated with cash and custody accounts and cash and securities transactions, the fee paid for any management of reinvestments and, if the sub-fund uses an agent, the fee paid to the agent – this income is paid to the sub-fund. The relationship with the counterparty or counterparties is governed by standard international agreements.

General strategy for hedging the exchange rate risk:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database. In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

In line with the defined strategy, the fund was and is invested in a selection of shares issued by US companies that pursue a policy of buying back their own shares.

2.1.8 FUTURE POLICY

The fund will continue investing in a selection of shares issued by US companies that pursue a policy of buying back their own shares.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 5 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 5 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 5,350,693.10 USD.

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 | | 31/12/2016 (in the currency of the sub-fundt) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|---|
| TOTAL NET ASSETS | | 834.313.592,67 | 580.593.403,82 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | 839.376.111,46 | 575.149.129,37 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 73.680,85 | 345.348,81 |
| B. Payables | | | |
| a) Accounts payable (-) | | -1.171.160,66 | -277.656,29 |
| d) Borrowings (-) | | -4.239.140,99 | -874.160,04 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 542,39 | 6.326.176,15 |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | 1.180.777,60 | 835.709,02 |
| C. Accrued expense (-) | | -907.217,98 | -911.143,20 |
| TOTAL SHAREHOLDERS' EQUITY | | 834.313.592,67 | 580.593.403,82 |
| A. Capital | | 774.008.192,02 | 653.416.251,33 |
| B. Income equalization | | 3.192.185,94 | -4.946.489,78 |
| D. Result of the book year | | 57.113.214,71 | -67.876.357,73 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|----------------|--|--|
| I. Net gains(losses) on investments | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | | -39.806,37 |
| C. Shares and similar instruments | | | |
| a) Shares | 54.645.788,95 | -70.515.852,59 | |
| F. Derivative financial instruments | | | |
| l) Financial indices | | | |
| Futures and forward contracts | 31.110,58 | -16.125,45 | |
| H. Foreign exchange positions and transactions | | | |
| b) Other foreign exchange positions and transactions | -1.901,94 | 46.937,66 | |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | 21.305.457,12 | 71.107.903,54 | |
| Unrealised gains on investments | 47.043.223,96 | -41.311.853,55 | |
| Realised losses on investments | -38.022.601,65 | -80.688.324,07 | |
| Unrealised losses on investments | 24.348.918,16 | -19.632.572,67 | |
| II. Investment income and expenses | | | |
| A. Dividends | 12.214.120,86 | 16.241.042,22 | |
| B. Interests | | | |
| a) Securities and money market instruments | 653,98 | 687,32 | |
| b) Cash at bank and in hand and deposits | 7.055,62 | 305,46 | |
| C. Interest on borrowings (-) | -12.031,28 | -8.104,13 | |
| III. Other income | | | |
| A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges | 1.345.302,79 | 2.389.138,30 | |

| | | |
|---|---------------|----------------|
| IV. Operating expenses | | |
| A. Investment transaction and delivery costs (-) | -370.221,62 | -735.598,00 |
| B. Financial expenses (-) | -8.395,45 | -6.479,31 |
| C. Custodian's fee (-) | -459.738,09 | -655.410,46 |
| D. Manager's fee (-) | | |
| a) Financial management | | |
| Classic Shares | -3.140.224,61 | -3.390.043,43 |
| Institutional B Shares | -6.109.544,14 | -9.812.825,39 |
| b) Administration and accounting management | -616.652,03 | -880.192,41 |
| E. Administrative expenses (-) | -3,17 | -3.787,55 |
| F. Formation and organisation expenses (-) | -9.350,81 | -14.355,01 |
| G. Remuneration, social security charges and pension | -52,57 | -60,52 |
| H. Services and sundry goods (-) | -27.500,60 | -27.199,77 |
| J. Taxes | | |
| Classic Shares | -208.321,15 | -156.087,13 |
| Institutional B Shares | -61.889,17 | -34.082,19 |
| K. Other expenses (-) | -104.991,44 | -258.458,98 |
| Income and expenditure for the period | | |
| Subtotal II + III + IV | 2.438.217,12 | 2.648.489,02 |
| V. Profit (loss) on ordinary activities before tax | 57.113.214,71 | -67.876.357,73 |
| VII. Result of the book year | 57.113.214,71 | -67.876.357,73 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | 60.305.400,65 | -72.822.847,51 |
| Profit for the period available for appropriation | 57.113.214,71 | -67.876.357,73 |
| Income on the creation of shares (income on the cancellation of shares) | 3.192.185,94 | -4.946.489,78 |
| II. (Appropriations to) Deductions from capital | -58.741.574,46 | 74.163.273,75 |
| IV. (Dividends to be paid out) | -1.563.826,19 | -1.340.426,24 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND BUYBACK AMERICA

| Name | Quantity on 31/12/2016 | 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>Bermuda</u> | | | | | | | |
| ASPEN INSURANCE HOLDINGS LTD - | 6.122,00 | USD | 55,000 | 336.710,00 | | 0,04 | 0,04 |
| ASSURED GUARANTY LTD - | 5.204,00 | USD | 37,770 | 196.555,08 | | 0,02 | 0,02 |
| AXIS CAPITAL HOLDINGS LTD - | 3.442,00 | USD | 65,270 | 224.659,34 | | 0,03 | 0,03 |
| MARVELL TECHNOLOGY GROUP LTD. - | 70.076,00 | USD | 13,870 | 971.954,12 | | 0,12 | 0,12 |
| RENAISSANCE HOLDINGS LTD - | 13.835,00 | USD | 136,220 | 1.884.603,70 | | 0,23 | 0,23 |
| TEXTAINER GROUP HOLDINGS LTD - | 19.973,00 | USD | 7,450 | 148.798,85 | | 0,02 | 0,02 |
| WHITE MOUNTAINS INSURANCE GROUP - | 2.051,00 | USD | 836,050 | 1.714.738,55 | | 0,20 | 0,21 |
| <u>Netherlands</u> | | | | | | | |
| VOYA FINANCIAL INC - | 4.244,00 | USD | 39,220 | 166.449,68 | | 0,02 | 0,02 |
| <u>Switzerland</u> | | | | | | | |
| ALLIED WORLD ASSURANCE CO HOLDING - | 6.993,00 | USD | 53,710 | 375.594,03 | | 0,05 | 0,05 |
| <u>U.K.</u> | | | | | | | |
| AMDOCS - | 8.393,00 | USD | 58,250 | 488.892,25 | | 0,06 | 0,06 |
| <u>U.S.A.</u> | | | | | | | |
| ACCO BRANDS CORP - | 25.515,00 | USD | 13,050 | 332.970,75 | | 0,04 | 0,04 |
| ACTUANT CORP - | 6.453,00 | USD | 25,950 | 167.455,35 | | 0,02 | 0,02 |
| ACXIOM CORP. - | 39.775,00 | USD | 26,800 | 1.065.970,00 | | 0,13 | 0,13 |
| ADOBE SYSTEMS - | 91.033,00 | USD | 102,950 | 9.371.847,35 | | 1,12 | 1,12 |
| ADVANCED ENERGY INDUSTRIES - | 63.786,00 | USD | 54,750 | 3.492.283,50 | | 0,42 | 0,42 |
| AGCO CORP - | 4.393,00 | USD | 57,860 | 254.178,98 | | 0,03 | 0,03 |
| AGILENT TECHNOLOGIES - | 118.597,00 | USD | 45,560 | 5.403.279,32 | | 0,64 | 0,65 |
| ALLERGAN PLC - | 27.023,00 | USD | 210,010 | 5.675.100,23 | | 0,68 | 0,68 |
| ALLSCRIPTS HEALTHCARE SOLUTIONS INC - | 141.090,00 | USD | 10,210 | 1.440.528,90 | | 0,17 | 0,17 |
| ALLSTATE CORPORATION - | 80.842,00 | USD | 74,120 | 5.992.009,04 | | 0,71 | 0,72 |
| AMC NETWORKS INC - | 43.846,00 | USD | 52,340 | 2.294.899,64 | | 0,27 | 0,28 |
| AMERICAN INT. GROUP - | 78.791,00 | USD | 65,310 | 5.145.840,21 | | 0,61 | 0,62 |
| AMERIPRISE FINANCIAL INC - | 24.785,00 | USD | 110,940 | 2.749.647,90 | | 0,33 | 0,33 |
| AMERISOURCEBERGEN CORP - | 87.181,00 | USD | 78,190 | 6.816.682,39 | | 0,81 | 0,82 |
| ANNALY CAPITAL MANAGEMENT INC - | 255.524,00 | USD | 9,970 | 2.547.574,28 | | 0,30 | 0,31 |
| ANTHEM INC - | 46.464,00 | USD | 143,770 | 6.680.129,28 | | 0,80 | 0,80 |
| ANWORTH MORTGAGE ASSET CORP - | 61.947,00 | USD | 5,170 | 320.265,99 | | 0,04 | 0,04 |
| APOLLO INVESTMENT CORP - | 53.442,00 | USD | 5,860 | 313.170,12 | | 0,04 | 0,04 |
| APPLE INC - | 263.180,00 | USD | 115,820 | 30.481.507,60 | | 3,63 | 3,65 |
| ARROW ELECTRONICS INC - | 4.676,00 | USD | 71,300 | 333.398,80 | | 0,04 | 0,04 |
| ASHLAND GLOBAL HOLDINGS INC ASHLAND GLOBAL HOLDINGS INC | 36.637,00 | USD | 109,290 | 4.004.057,73 | | 0,48 | 0,48 |
| ASPEN TECHNOLOGY INC - | 52.060,00 | USD | 54,680 | 2.846.640,80 | | 0,34 | 0,34 |
| ASSURANT INC - | 12.999,00 | USD | 92,860 | 1.207.087,14 | | 0,14 | 0,15 |
| AT&T INC - | 601.119,00 | USD | 42,530 | 25.565.591,07 | | 3,05 | 3,06 |
| AUTOZONE INC. - | 14.034,00 | USD | 789,790 | 11.083.912,86 | | 1,32 | 1,33 |

| | | | | | | | |
|---------------------------------|------------|-----|---------|---------------|--|------|------|
| AVNET INC. - | 6.928,00 | USD | 47,610 | 329.842,08 | | 0,04 | 0,04 |
| BANK OF AMERICA CORP - | 494.387,00 | USD | 22,100 | 10.925.952,70 | | 1,30 | 1,31 |
| BANK OF NEW YORK MELLON CORP - | 121.300,00 | USD | 47,380 | 5.747.194,00 | | 0,69 | 0,69 |
| BARNES & NOBLE INC - | 44.563,00 | USD | 11,150 | 496.877,45 | | 0,06 | 0,06 |
| BEMIS COMPANY, INC. - | 89.699,00 | USD | 47,820 | 4.289.406,18 | | 0,51 | 0,51 |
| BENCHMARK ELECTRONICS INC - | 11.368,00 | USD | 30,500 | 346.724,00 | | 0,04 | 0,04 |
| BIOGEN INC - | 38.153,00 | USD | 283,580 | 10.819.427,74 | | 1,29 | 1,30 |
| BJ'S RESTAURANTS INC - | 5.934,00 | USD | 39,300 | 233.206,20 | | 0,03 | 0,03 |
| BOB EVANS FARMS INC - | 4.688,00 | USD | 53,210 | 249.448,48 | | 0,03 | 0,03 |
| BRADY CORP - | 28.089,00 | USD | 37,550 | 1.054.741,95 | | 0,13 | 0,13 |
| BRIGGS & STRATTON CORPORATION - | 15.418,00 | USD | 22,260 | 343.204,68 | | 0,04 | 0,04 |
| BRINKER INTERNATIONAL INC. - | 21.675,00 | USD | 49,530 | 1.073.562,75 | | 0,13 | 0,13 |
| BUNGE LTD. - | 38.273,00 | USD | 72,240 | 2.764.841,52 | | 0,33 | 0,33 |
| CA INC - | 145.857,00 | USD | 31,770 | 4.633.876,89 | | 0,55 | 0,56 |
| CABELA'S INC - | 17.149,00 | USD | 58,550 | 1.004.073,95 | | 0,12 | 0,12 |
| CABOT CORP - | 41.103,00 | USD | 50,540 | 2.077.345,62 | | 0,25 | 0,25 |
| CALPINE CORP - | 118.854,00 | USD | 11,430 | 1.358.501,22 | | 0,16 | 0,16 |
| CAPELLA EDUCATION CO - | 3.334,00 | USD | 87,800 | 292.725,20 | | 0,04 | 0,04 |
| CAPITAL ONE FINANCIAL CORP - | 15.959,00 | USD | 87,240 | 1.392.263,16 | | 0,17 | 0,17 |
| CBS CORP - | 86.557,00 | USD | 63,620 | 5.506.756,34 | | 0,66 | 0,66 |
| CENTURY ALUMINIUM COMP. - | 21.953,00 | USD | 8,560 | 187.917,68 | | 0,02 | 0,02 |
| CENTURYLINK INC - | 63.264,00 | USD | 23,780 | 1.504.417,92 | | 0,18 | 0,18 |
| CHESAPEAKE LODGING TRUST - | 166.588,00 | USD | 25,860 | 4.307.965,68 | | 0,51 | 0,52 |
| CHICO'S FAS INC. - | 106.896,00 | USD | 14,390 | 1.538.233,44 | | 0,18 | 0,18 |
| CHILDREN'S PLACE - | 17.303,00 | USD | 100,950 | 1.746.737,85 | | 0,21 | 0,21 |
| CHIMERA INVESTMENT CORP - | 19.063,00 | USD | 17,020 | 324.452,26 | | 0,04 | 0,04 |
| CHURCHILL DOWNS INC - | 4.272,00 | USD | 150,450 | 642.722,40 | | 0,08 | 0,08 |
| CINTAS CORPORATION - | 45.554,00 | USD | 115,560 | 5.264.220,24 | | 0,63 | 0,63 |
| CIRCOR INTERNATIONAL - | 2.895,00 | USD | 64,880 | 187.827,60 | | 0,02 | 0,02 |
| CISCO SYSTEMS INC - | 393.570,00 | USD | 30,220 | 11.893.685,40 | | 1,42 | 1,43 |
| CITIGROUP INC - | 136.812,00 | USD | 59,430 | 8.130.737,16 | | 0,97 | 0,98 |
| COMERICA INC - | 10.094,00 | USD | 68,110 | 687.502,34 | | 0,08 | 0,08 |
| COMPUTER SCIENCES - | 35.673,00 | USD | 59,420 | 2.119.689,66 | | 0,25 | 0,25 |
| CONSECO INC - | 12.352,00 | USD | 19,150 | 236.540,80 | | 0,03 | 0,03 |
| COOPER TIRE RUBBER - | 9.459,00 | USD | 38,850 | 367.482,15 | | 0,04 | 0,04 |
| CORELOGIC INC - | 34.334,00 | USD | 36,830 | 1.264.521,22 | | 0,15 | 0,15 |
| CORNING INC - | 123.816,00 | USD | 24,270 | 3.005.014,32 | | 0,36 | 0,36 |
| CREE RESEARCH INC - | 6.515,00 | USD | 26,390 | 171.930,85 | | 0,02 | 0,02 |
| CROCS IN - | 42.836,00 | USD | 6,860 | 293.854,96 | | 0,04 | 0,04 |
| CSG SYSTEMS INTL INC - | 27.294,00 | USD | 48,400 | 1.321.029,60 | | 0,16 | 0,16 |
| CSX - | 196.264,00 | USD | 35,930 | 7.051.765,52 | | 0,84 | 0,85 |
| CVS HEALTH CORP - | 118.243,00 | USD | 78,910 | 9.330.555,13 | | 1,11 | 1,12 |
| DANA HOLDING CORP - | 9.847,00 | USD | 18,980 | 186.896,06 | | 0,02 | 0,02 |
| DARDEN RESTAURANTS - | 40.512,00 | USD | 72,720 | 2.946.032,64 | | 0,35 | 0,35 |
| DELTA AIR LINES INC - | 8.751,00 | USD | 49,190 | 430.461,69 | | 0,05 | 0,05 |
| DEVRY EDUCATION GROUP INC - | 6.991,00 | USD | 31,200 | 218.119,20 | | 0,03 | 0,03 |
| DICE HOLDINGS INC - | 112.169,00 | USD | 6,250 | 701.056,25 | | 0,08 | 0,08 |
| DILLARDS INC "A" | 5.111,00 | USD | 62,690 | 320.408,59 | | 0,04 | 0,04 |
| DOMINO'S PIZZA INC - | 12.878,00 | USD | 159,240 | 2.050.692,72 | | 0,24 | 0,25 |
| DUKE ENERGY HOLDING CORP - | 292.581,00 | USD | 77,620 | 22.710.137,22 | | 2,71 | 2,72 |
| DYNEX CAPITAL INC - | 24.308,00 | USD | 6,820 | 165.780,56 | | 0,02 | 0,02 |
| E.W.SCRIPPS COMPANY (THE) - | 9.058,00 | USD | 19,330 | 175.091,14 | | 0,02 | 0,02 |
| E-TRADE GROUP INC. - | 43.918,00 | USD | 34,650 | 1.521.758,70 | | 0,18 | 0,18 |
| EATON CORP. - | 72.617,00 | USD | 67,090 | 4.871.874,53 | | 0,58 | 0,58 |
| EBIX INC - | 7.413,00 | USD | 57,050 | 422.911,65 | | 0,05 | 0,05 |
| ENCORE CAPITAL GROUP INC - | 8.922,00 | USD | 28,650 | 255.615,30 | | 0,03 | 0,03 |
| ENPRO INDUSTRIES INC - | 3.087,00 | USD | 67,360 | 207.940,32 | | 0,03 | 0,03 |
| EXXON MOBIL CORP - | 443.026,00 | USD | 90,260 | 39.987.526,76 | | 4,77 | 4,80 |

| | | | | | | | |
|----------------------------------|------------|-----|---------|---------------|--|------|------|
| FIFTH THIRD BANCORPORATION - | 49.642,00 | USD | 26,970 | 1.338.844,74 | | 0,16 | 0,16 |
| FIRST CASH FINANCIAL SERVICES - | 11.862,00 | USD | 47,000 | 557.514,00 | | 0,07 | 0,07 |
| FIRST HORIZON NATL CORP - | 25.450,00 | USD | 20,010 | 509.254,50 | | 0,06 | 0,06 |
| FIRSTCOM CORP - | 13.910,00 | USD | 14,180 | 197.243,80 | | 0,02 | 0,02 |
| FISERV INC - | 97.488,00 | USD | 106,280 | 10.361.024,64 | | 1,23 | 1,24 |
| FORRESTER RESEARCH INC - | 17.244,00 | USD | 42,950 | 740.629,80 | | 0,09 | 0,09 |
| FRESH DEL MONTE PRODUCE INC - | 47.149,00 | USD | 60,630 | 2.858.643,87 | | 0,34 | 0,34 |
| FTDCOS INC - | 7.232,00 | USD | 23,840 | 172.410,88 | | 0,02 | 0,02 |
| FULTON FINANCIAL CORP - | 9.564,00 | USD | 18,800 | 179.803,20 | | 0,02 | 0,02 |
| GAMESTOP CORPORATION - | 15.449,00 | USD | 25,260 | 390.241,74 | | 0,05 | 0,05 |
| GAP INC - | 62.713,00 | USD | 22,440 | 1.407.279,72 | | 0,17 | 0,17 |
| GATX CORP - | 3.286,00 | USD | 61,580 | 202.351,88 | | 0,02 | 0,02 |
| GEN. MOTORS - | 132.088,00 | USD | 34,840 | 4.601.945,92 | | 0,55 | 0,55 |
| GENERAL ELEC CAP CORP - | 774.535,00 | USD | 31,600 | 24.475.306,00 | | 2,92 | 2,93 |
| GENESCO INC - | 15.979,00 | USD | 62,100 | 992.295,90 | | 0,12 | 0,12 |
| GLOBAL PAYMENTS INC - | 36.735,00 | USD | 69,410 | 2.549.776,35 | | 0,30 | 0,31 |
| GOLDMAN SACHS - | 25.716,00 | USD | 239,450 | 6.157.696,20 | | 0,73 | 0,74 |
| GOODYEAR T&R - | 34.548,00 | USD | 30,870 | 1.066.496,76 | | 0,13 | 0,13 |
| GRAHAM HOLDINGS CO B | 1.655,00 | USD | 511,950 | 847.277,25 | | 0,10 | 0,10 |
| GRIFFON CORP - | 8.464,00 | USD | 26,200 | 221.756,80 | | 0,03 | 0,03 |
| GROUP 1 AUTOMOTIVE INC. - | 4.372,00 | USD | 77,940 | 340.753,68 | | 0,04 | 0,04 |
| HANCOCK HOLDING CO - | 5.003,00 | USD | 43,100 | 215.629,30 | | 0,03 | 0,03 |
| HARMONIC INC. - | 63.045,00 | USD | 5,000 | 315.225,00 | | 0,04 | 0,04 |
| HARTFORD FIN. SERV. GR. - | 22.364,00 | USD | 47,650 | 1.065.644,60 | | 0,13 | 0,13 |
| HCA HOLDINGS INC - | 86.475,00 | USD | 74,020 | 6.400.879,50 | | 0,76 | 0,77 |
| HEWLETT PACKARD - | 126.313,00 | USD | 14,840 | 1.874.484,92 | | 0,22 | 0,23 |
| HOST HOTELS & RESORTS INC - | 720.156,00 | USD | 18,840 | 13.567.739,04 | | 1,62 | 1,63 |
| HUMANA INC. - | 29.313,00 | USD | 204,030 | 5.980.731,39 | | 0,71 | 0,72 |
| HUNTSMAN CORP - | 11.524,00 | USD | 19,080 | 219.877,92 | | 0,03 | 0,03 |
| HYATT HOTELS CORP - | 14.970,00 | USD | 55,260 | 827.242,20 | | 0,10 | 0,10 |
| IAC/INTERACTIVE CORP - | 40.469,00 | USD | 64,790 | 2.621.986,51 | | 0,31 | 0,31 |
| ILLINOIS TOOL WORKS INC - | 113.741,00 | USD | 122,460 | 13.928.722,86 | | 1,66 | 1,67 |
| INGERSOLL RAND PLC - | 55.865,00 | USD | 75,040 | 4.192.109,60 | | 0,50 | 0,50 |
| INNOVIVA INC - | 29.628,00 | USD | 10,700 | 317.019,60 | | 0,04 | 0,04 |
| INSIGHT ENTERPRISES INC - | 6.399,00 | USD | 40,440 | 258.775,56 | | 0,03 | 0,03 |
| INSITUFORM TECHN. CORP. - | 7.650,00 | USD | 23,700 | 181.305,00 | | 0,02 | 0,02 |
| INTERNATIONAL BANCSHARES CORP - | 4.621,00 | USD | 40,800 | 188.536,80 | | 0,02 | 0,02 |
| INTL SPEEDWAY CORP - | 4.429,00 | USD | 36,800 | 162.987,20 | | 0,02 | 0,02 |
| INVESTMENT TECHNOLOGY GROUP - | 12.255,00 | USD | 19,740 | 241.913,70 | | 0,03 | 0,03 |
| ISTAR FINANCIAL INC - | 26.588,00 | USD | 12,370 | 328.893,56 | | 0,04 | 0,04 |
| ITRON INC - | 7.017,00 | USD | 62,850 | 441.018,45 | | 0,05 | 0,05 |
| JABIL CIRCUIT - | 14.563,00 | USD | 23,670 | 344.706,21 | | 0,04 | 0,04 |
| JPMORGAN CHASE & CO - | 237.906,00 | USD | 86,290 | 20.528.908,74 | | 2,45 | 2,46 |
| JUNIPER NETWORKS INC. - | 8.703,00 | USD | 28,260 | 245.946,78 | | 0,03 | 0,03 |
| KADANT INC - | 3.567,00 | USD | 61,200 | 218.300,40 | | 0,03 | 0,03 |
| KBR INC - | 19.406,00 | USD | 16,690 | 323.886,14 | | 0,04 | 0,04 |
| KEMPER CORPORATION - | 4.178,00 | USD | 44,300 | 185.085,40 | | 0,02 | 0,02 |
| KEYCORP - | 99.207,00 | USD | 18,270 | 1.812.511,89 | | 0,22 | 0,22 |
| KIMBERLEY-CLARK CORP - | 159.720,00 | USD | 114,120 | 18.227.246,40 | | 2,17 | 2,19 |
| KRATON PERFORMANCE POLYMERS IN - | 5.243,00 | USD | 28,480 | 149.320,64 | | 0,02 | 0,02 |
| KROGER CY - | 138.308,00 | USD | 34,510 | 4.773.009,08 | | 0,57 | 0,57 |
| KULICKE & SOFFA IND - | 10.665,00 | USD | 15,950 | 170.106,75 | | 0,02 | 0,02 |
| LAM RESEARCH CORP - | 46.224,00 | USD | 105,730 | 4.887.263,52 | | 0,58 | 0,59 |
| LEGG MASON INC. - | 10.326,00 | USD | 29,910 | 308.850,66 | | 0,04 | 0,04 |
| LIFEPOINT HOSPITALS INC - | 27.576,00 | USD | 56,800 | 1.566.316,80 | | 0,19 | 0,19 |
| LINCOLN NATIONAL CORPORATION - | 2.886,00 | USD | 66,270 | 191.255,22 | | 0,02 | 0,02 |
| LOWE'S CIE - | 185.664,00 | USD | 71,120 | 13.204.423,68 | | 1,57 | 1,58 |
| MAGELLAN HEALTH INC - | 18.698,00 | USD | 75,250 | 1.407.024,50 | | 0,17 | 0,17 |

| | | | | | | | |
|----------------------------------|--------------|-----|---------|---------------|--|------|------|
| MANPOWER GROUP - | 1.879,00 | USD | 88,870 | 166.986,73 | | 0,02 | 0,02 |
| MARRIOTT INTERNATIONAL - | 50.472,00 | USD | 82,680 | 4.173.024,96 | | 0,50 | 0,50 |
| MARRIOTT VACATIONS WORLDWIDE C - | 2.455,00 | USD | 84,850 | 208.306,75 | | 0,03 | 0,03 |
| MASTEC INC - | 5.222,00 | USD | 38,250 | 199.741,50 | | 0,02 | 0,02 |
| MBIA INC - | 25.433,00 | USD | 10,700 | 272.133,10 | | 0,03 | 0,03 |
| MERCK & CO - | 330.653,00 | USD | 58,870 | 19.465.542,11 | | 2,32 | 2,33 |
| METLIFE INC. - | 40.120,00 | USD | 53,890 | 2.162.066,80 | | 0,26 | 0,26 |
| MOBILE MINI INC - | 7.540,00 | USD | 30,250 | 228.085,00 | | 0,03 | 0,03 |
| MOODY S CORP - | 44.885,00 | USD | 94,270 | 4.231.308,95 | | 0,50 | 0,51 |
| MOOG INC - | 5.058,00 | USD | 65,680 | 332.209,44 | | 0,04 | 0,04 |
| MORGAN STANLEY - | 84.728,00 | USD | 42,250 | 3.579.758,00 | | 0,43 | 0,43 |
| MOTOROLA SOLUTIONS INC - | 12.126,00 | USD | 82,890 | 1.005.124,14 | | 0,12 | 0,12 |
| MOVADO GROUP - | 6.569,00 | USD | 28,750 | 188.858,75 | | 0,02 | 0,02 |
| MYR GROUP INC/DELAWARE - | 5.641,00 | USD | 37,680 | 212.552,88 | | 0,03 | 0,03 |
| MYRIAD GENETICS INC - | 126.534,00 | USD | 16,670 | 2.109.321,78 | | 0,25 | 0,25 |
| NASDAQ INC - | 54.846,00 | USD | 67,120 | 3.681.263,52 | | 0,44 | 0,44 |
| NAVIENT CORP WHEN DISTRIBUTE | 10.814,00 | USD | 16,430 | 177.674,02 | | 0,02 | 0,02 |
| NEUSTAR INC - | 7.515,00 | USD | 33,400 | 251.001,00 | | 0,03 | 0,03 |
| NORTHERN TRUST CORPORATION - | 49.996,00 | USD | 89,050 | 4.452.143,80 | | 0,53 | 0,53 |
| NORTHROP GRUMMAN CORPORATION - | 39.514,00 | USD | 232,580 | 9.190.166,12 | | 1,10 | 1,10 |
| NRG ENERGY INC - | 91.748,00 | USD | 12,260 | 1.124.830,48 | | 0,13 | 0,14 |
| NU SKIN ENTERPRISES INC "A" | 22.193,00 | USD | 47,780 | 1.060.381,54 | | 0,13 | 0,13 |
| OFFICE DEPOT - | 46.206,00 | USD | 4,520 | 208.851,12 | | 0,03 | 0,03 |
| ORACLE CORP - | 458.744,00 | USD | 38,450 | 17.638.706,80 | | 2,10 | 2,11 |
| OSHKOSH CORP - | 8.710,00 | USD | 64,610 | 562.753,10 | | 0,07 | 0,07 |
| PEPSICO INC - | 294.573,00 | USD | 104,630 | 30.821.172,99 | | 3,67 | 3,69 |
| PFIZER - | 584.693,00 | USD | 32,480 | 18.990.828,64 | | 2,26 | 2,28 |
| PHILLIPS VAN HEUSEN - | 13.124,00 | USD | 90,240 | 1.184.309,76 | | 0,14 | 0,14 |
| PICO HOLDINGS INC - | 13.943,00 | USD | 15,150 | 211.236,45 | | 0,03 | 0,03 |
| PIPER JAFFRAY CO - | 3.241,00 | USD | 72,500 | 234.972,50 | | 0,03 | 0,03 |
| PLEXUS CORP - | 6.290,00 | USD | 54,040 | 339.911,60 | | 0,04 | 0,04 |
| PRINCIPAL FINANCIAL GROUP INC - | 44.371,00 | USD | 57,860 | 2.567.306,06 | | 0,31 | 0,31 |
| PROGRESSIVE CORPOH - | 13.129,00 | USD | 31,930 | 419.208,97 | | 0,05 | 0,05 |
| PULTE GROUP INC - | 96.355,00 | USD | 18,380 | 1.771.004,90 | | 0,21 | 0,21 |
| QORVO INC - | 6.736,00 | USD | 52,730 | 355.189,28 | | 0,04 | 0,04 |
| QUANTA SERVICES INC - | 24.660,00 | USD | 34,850 | 859.401,00 | | 0,10 | 0,10 |
| RED ROBIN GOURMET BURGERS INC - | 3.118,00 | USD | 56,400 | 175.855,20 | | 0,02 | 0,02 |
| REDWOOD TRUST INC - | 21.326,00 | USD | 15,210 | 324.368,46 | | 0,04 | 0,04 |
| REGIONS FINANCIAL CORPORATION - | 13.558,00 | USD | 14,360 | 194.692,88 | | 0,02 | 0,02 |
| REPUBLIC SERVICES INC. - | 135.576,00 | USD | 57,050 | 7.734.610,80 | | 0,92 | 0,93 |
| ROYAL CARIBBEAN CRUISES LTD - | 11.582,00 | USD | 82,040 | 950.187,28 | | 0,11 | 0,11 |
| SALLY BEAUTY CO INC - | 59.239,00 | USD | 26,420 | 1.565.094,38 | | 0,19 | 0,19 |
| SANMINA CORP - | 5.461,00 | USD | 36,650 | 200.145,65 | | 0,02 | 0,02 |
| SBA COMMUNICATIONS CORP. - | 33.972,00 | USD | 103,260 | 3.507.948,72 | | 0,42 | 0,42 |
| SIRIUS XM HOLDING INC - | 2.012.715,00 | USD | 4,450 | 8.956.581,75 | | 1,07 | 1,07 |
| SOTHEBY'S - | 8.587,00 | USD | 39,860 | 342.277,82 | | 0,04 | 0,04 |
| SOUTHWEST AIRLINES - | 23.782,00 | USD | 49,840 | 1.185.294,88 | | 0,14 | 0,14 |
| STATE STREET CORPORATION - | 35.995,00 | USD | 77,720 | 2.797.531,40 | | 0,33 | 0,34 |
| SUNTRUST BANKS - | 47.846,00 | USD | 54,850 | 2.624.353,10 | | 0,31 | 0,32 |
| SUPERIOR ENERGY SYSTEMS - | 817.001,00 | USD | 16,880 | 13.790.976,88 | | 1,64 | 1,65 |
| SYMANTEC CORPORATION - | 124.163,00 | USD | 23,890 | 2.966.254,07 | | 0,35 | 0,36 |
| SYNCHRONOSS TECHNOLOGIES INC - | 7.523,00 | USD | 38,300 | 288.130,90 | | 0,03 | 0,04 |
| SYNOPSYS INC - | 98.303,00 | USD | 58,860 | 5.786.114,58 | | 0,69 | 0,69 |
| TECH DATA CORP - | 3.743,00 | USD | 84,680 | 316.957,24 | | 0,04 | 0,04 |
| TELETECH HOLDINGS INC - | 33.321,00 | USD | 30,500 | 1.016.290,50 | | 0,12 | 0,12 |
| TERADATA CORP - | 24.326,00 | USD | 27,170 | 660.937,42 | | 0,08 | 0,08 |
| TERADYNE INC - | 79.647,00 | USD | 25,400 | 2.023.033,80 | | 0,24 | 0,24 |
| TETRA TECH INC. - | 21.930,00 | USD | 43,150 | 946.279,50 | | 0,11 | 0,11 |

| | | | | | | | |
|-----------------------------------|---------------|-----|---------|----------------|--|--------|--------|
| TEXAS INSTRUMENTS - | 192.828,00 | USD | 72,970 | 14.070.659,16 | | 1,68 | 1,69 |
| THE CHEESECAKE FACTORY INC. - | 20.797,00 | USD | 59,880 | 1.245.324,36 | | 0,15 | 0,15 |
| THE FINISH LINE INC -A- | 36.624,00 | USD | 18,810 | 688.897,44 | | 0,08 | 0,08 |
| THE MOSAIC COMPANY - | 29.012,00 | USD | 29,330 | 850.921,96 | | 0,10 | 0,10 |
| THE VALSPAR CORPORATION - | 78.281,00 | USD | 103,610 | 8.110.694,41 | | 0,97 | 0,97 |
| THERMO ELECTRONIC - | 71.933,00 | USD | 141,100 | 10.149.746,30 | | 1,21 | 1,22 |
| TIME WARNER INC - | 75.766,00 | USD | 96,530 | 7.313.691,98 | | 0,87 | 0,88 |
| TIMKEN COMPANY - | 6.423,00 | USD | 39,700 | 254.993,10 | | 0,03 | 0,03 |
| TIVO CORP TIVO CORP | 8.105,00 | USD | 20,900 | 169.394,50 | | 0,02 | 0,02 |
| TRAVELERS COS INC - | 52.024,00 | USD | 122,420 | 6.368.778,08 | | 0,76 | 0,76 |
| TRINITY INDUSTRIES INC - | 6.578,00 | USD | 27,760 | 182.605,28 | | 0,02 | 0,02 |
| UNITED CONTINENTAL HOLDINGS INC - | 2.950,00 | USD | 72,880 | 214.996,00 | | 0,03 | 0,03 |
| UNIVERSAL CORPORATION - | 34.114,00 | USD | 63,750 | 2.174.767,50 | | 0,26 | 0,26 |
| UNUM GROUP - | 5.078,00 | USD | 43,930 | 223.076,54 | | 0,03 | 0,03 |
| VALIDUS HOLDINGS LTD - | 14.254,00 | USD | 55,010 | 784.112,54 | | 0,09 | 0,09 |
| VCA ANTECH INC - | 77.705,00 | USD | 68,650 | 5.334.448,25 | | 0,64 | 0,64 |
| VEECO INSTRUMENTS INC - | 8.299,00 | USD | 29,150 | 241.915,85 | | 0,03 | 0,03 |
| VERISIGN INC. - | 73.690,00 | USD | 76,070 | 5.605.598,30 | | 0,67 | 0,67 |
| VIACOM B | 42.231,00 | USD | 35,100 | 1.482.308,10 | | 0,18 | 0,18 |
| VIRTUS INVESTMENT PARTNERS INC - | 1.818,00 | USD | 118,050 | 214.614,90 | | 0,03 | 0,03 |
| VISA INC - | 280.097,00 | USD | 78,020 | 21.853.167,94 | | 2,60 | 2,62 |
| VISHAY INTERTECHNOLOGIE INC. - | 20.775,00 | USD | 16,200 | 336.555,00 | | 0,04 | 0,04 |
| VISTA OUTDOOR INC - | 21.018,00 | USD | 36,900 | 775.564,20 | | 0,09 | 0,09 |
| VITAMIN SHOPPE INC - | 10.498,00 | USD | 23,750 | 249.327,50 | | 0,03 | 0,03 |
| WAL-MART STORES - | 166.246,00 | USD | 69,120 | 11.490.923,52 | | 1,37 | 1,38 |
| WASHINGTON FEDERAL INC. - | 5.600,00 | USD | 34,350 | 192.360,00 | | 0,02 | 0,02 |
| WENDY'S COMPANY - | 80.376,00 | USD | 13,520 | 1.086.683,52 | | 0,13 | 0,13 |
| WESCO INTERNATIONAL INC - | 3.123,00 | USD | 66,550 | 207.835,65 | | 0,03 | 0,03 |
| WEST UNION COMPANY - | 224.211,00 | USD | 21,720 | 4.869.862,92 | | 0,58 | 0,58 |
| WESTROCK CO - | 26.656,00 | USD | 50,770 | 1.353.325,12 | | 0,16 | 0,16 |
| WYNDHAM WORLDWIDE CORP - | 24.551,00 | USD | 76,370 | 1.874.959,87 | | 0,22 | 0,23 |
| XL GROUP PLC "A" | 11.417,00 | USD | 37,260 | 425.397,42 | | 0,05 | 0,05 |
| XYLEM INC/NY - | 98.094,00 | USD | 49,520 | 4.857.614,88 | | 0,58 | 0,58 |
| YAHOO INC. - | 188.162,00 | USD | 38,670 | 7.276.224,54 | | 0,87 | 0,87 |
| YUM! BRANDS INC - | 88.181,00 | USD | 63,330 | 5.584.502,73 | | 0,67 | 0,67 |
| ZUMIEZ INC - | 20.115,00 | USD | 21,850 | 439.512,75 | | 0,05 | 0,05 |
| Total shares | | | | 839.376.111,46 | | 100,00 | 100,61 |
| TOTAL SECURITIES PORTFOLIO | | | | 839.376.111,46 | | 100,00 | 100,61 |
| CASH ATBANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EURO | -222.656,18 | EUR | 1,000 | -234.846,61 | | | -0,03 |
| KBC GROUP USD | -4.004.294,38 | USD | 1,000 | -4.004.294,38 | | | -0,48 |
| Total demand accounts | | | | -4.239.140,99 | | | -0,51 |
| Managed futures accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP USD FUTREK | 542,39 | USD | 1,000 | 542,39 | | | |
| Total managed futures accounts | | | | 542,39 | | | |
| TOTAL CASH AT BANK AND IN HAND | | | | -4.238.598,60 | | | -0,51 |

| | | | | | | | |
|---------------------------------------|-------------|-----|-------|-----------------------|--|--|---------------|
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP USD RECEIVABLE | 73.680,85 | USD | 1,000 | 73.680,85 | | | 0,01 |
| Total receivables | | | | 73.680,85 | | | 0,01 |
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR PAYABLE | -994.851,79 | EUR | 1,000 | -1.049.319,93 | | | -0,13 |
| KBC GROUP USD PAYABLE | -121.840,73 | USD | 1,000 | -121.840,73 | | | -0,02 |
| Payables | | | | -1.171.160,66 | | | -0,14 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -1.097.479,81 | | | -0,13 |
| OTHER | | | | | | | |
| Interest receiv able | | USD | | 1.180.777,60 | | | 0,14 |
| Ex penses payable | | USD | | -907.217,98 | | | -0,11 |
| TOTAL OTHER | | | | 273.559,62 | | | 0,03 |
| TOTAL NET ASSETS | | | | 834.313.592,67 | | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|-------------------|-------------------|-------------------|-------------------|
| Bahamas | 0,03 | 0,00 | 0,00 | 0,00 |
| Bermuda | 0,31 | 0,08 | 0,25 | 0,65 |
| Switzerland | 0,00 | 0,01 | 0,01 | 0,04 |
| U.K. | 0,01 | 0,02 | 0,02 | 0,06 |
| Netherlands | 0,00 | 0,00 | 0,00 | 0,02 |
| U.S.A. | 99,65 | 99,89 | 99,72 | 99,23 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|-------------------|-------------------|-------------------|-------------------|
| Cyclicals | 16,85 | 14,12 | 14,08 | 13,76 |
| Consum(cycl) | 12,82 | 12,86 | 12,43 | 12,91 |
| Cons.goods | 11,19 | 12,46 | 13,11 | 12,40 |
| Pharma | 12,27 | 12,67 | 13,21 | 12,29 |
| Financials | 17,50 | 18,12 | 16,65 | 18,16 |
| Technology | 22,24 | 22,49 | 21,31 | 21,59 |
| Telecomm. | 2,56 | 2,97 | 4,10 | 3,70 |
| Utilities | 2,87 | 2,26 | 2,78 | 3,06 |
| Real est. | 1,70 | 2,05 | 2,33 | 2,13 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|-------------------|-------------------|-------------------|-------------------|
| EUR | 0,00 | -0,15 | -0,12 | -0,15 |
| USD | 100,00 | 100,15 | 100,12 | 100,15 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND BUYBACK AMERICA (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|------------------|
| Purchases | 308.522.902,18 | 364.278.910,48 | 672.801.812,66 |
| Sales | 371.594.866,48 | 92.231.699,43 | 463.826.565,91 |
| Total 1 | 680.117.768,67 | 456.510.609,90 | 1.136.628.378,57 |
| Subscriptions | 367.860.764,69 | 442.051.852,20 | 809.912.616,89 |
| Redemptions | 442.389.772,07 | 171.753.860,35 | 614.143.632,42 |
| Total 2 | 810.250.536,76 | 613.805.712,55 | 1.424.056.249,31 |
| Monthly average of total assets | 523.459.346,71 | 705.894.280,10 | 615.424.497,56 |
| Turnover rate | -24,86 % | -22,28 % | -46,70 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|------------------|
| Purchases | 308.522.902,18 | 364.278.910,48 | 672.801.812,66 |
| Sales | 371.594.866,48 | 92.231.699,43 | 463.826.565,91 |
| Total 1 | 680.117.768,67 | 456.510.609,90 | 1.136.628.378,57 |
| Subscriptions | 367.860.764,69 | 442.051.852,20 | 809.912.616,89 |
| Redemptions | 442.389.772,07 | 171.753.860,35 | 614.143.632,42 |
| Total 2 | 810.250.536,76 | 613.805.712,55 | 1.424.056.249,31 |
| Monthly average of total assets | 488.596.410,95 | 693.755.138,91 | 601.099.756,86 |
| Corrected turnover rate | -26,63 % | -22,67 % | -47,82 % |

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|-----------|-------------|-----------|---------------|-----------|------------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 45.096,32 | 55.736,25 | 20.477,97 | 13.710,67 | 99.607,49 | 82.375,26 | 181.982,76 |
| 2015 - 12 | 22.105,11 | 17.723,67 | 33.146,88 | 47.646,33 | 88.565,72 | 52.452,60 | 141.018,32 |
| 2016 - 12 | 15.629,88 | 19.004,16 | 15.749,07 | 12.579,76 | 88.446,54 | 58.877,00 | 147.323,54 |

| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|---------------|----------------|---------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 66.153.691,60 | 72.392.502,30 | 29.435.681,02 | 17.274.871,55 |
| 2015 - 12 | 34.538.331,14 | 24.108.165,57 | 52.461.986,50 | 66.540.608,13 |
| 2016 - 12 | 24.758.273,38 | 25.326.869,44 | 24.906.878,31 | 16.259.762,42 |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 268.585.389,42 | 1.562,18 | 1.371,54 |
| 2015 - 12 | 202.469.099,78 | 1.510,38 | 1.309,79 |
| 2016 - 12 | 233.063.618,84 | 1.682,59 | 1.430,85 |

Institutional B Shares

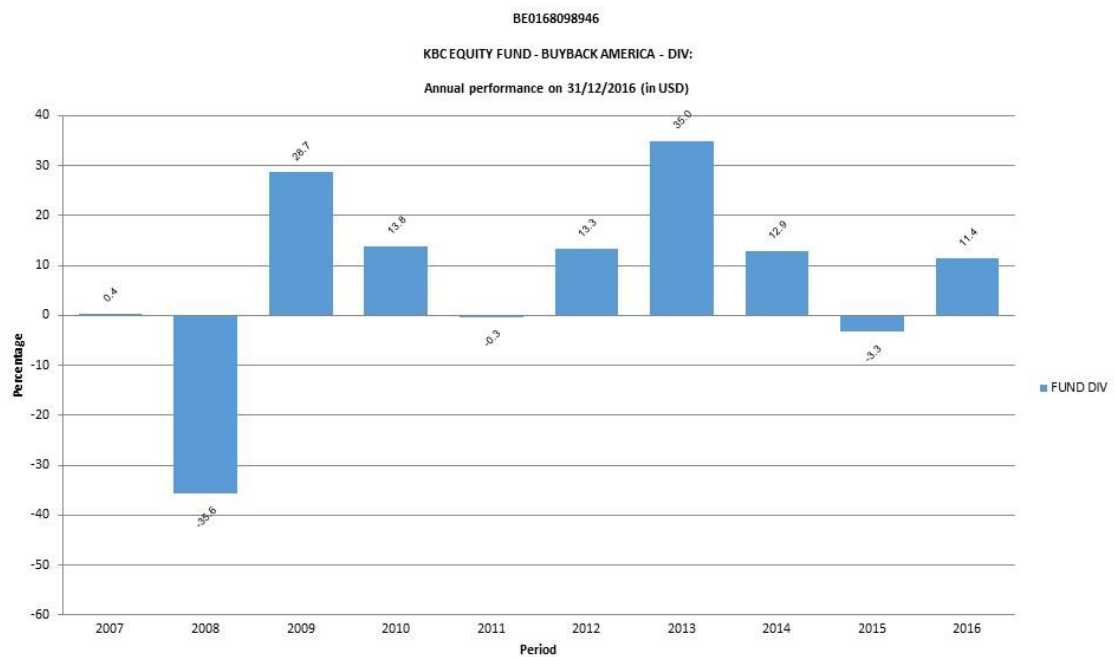
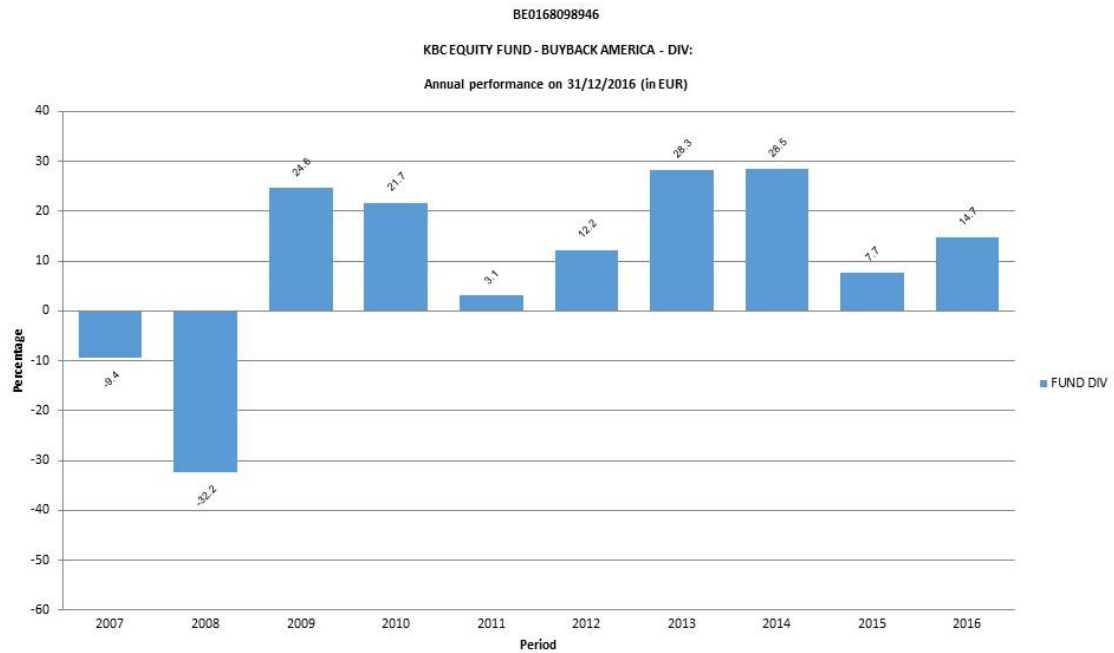
| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|------|-------------|------|---------------|------|------------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 748.192,00 | | 387.512,31 | | 368.313,69 | | 368.313,69 |
| 2015 - 12 | 708.062,16 | | 826.909,13 | | 249.466,72 | | 249.466,72 |
| 2016 - 12 | 494.978,73 | | 388.406,56 | | 356.038,88 | | 356.038,88 |

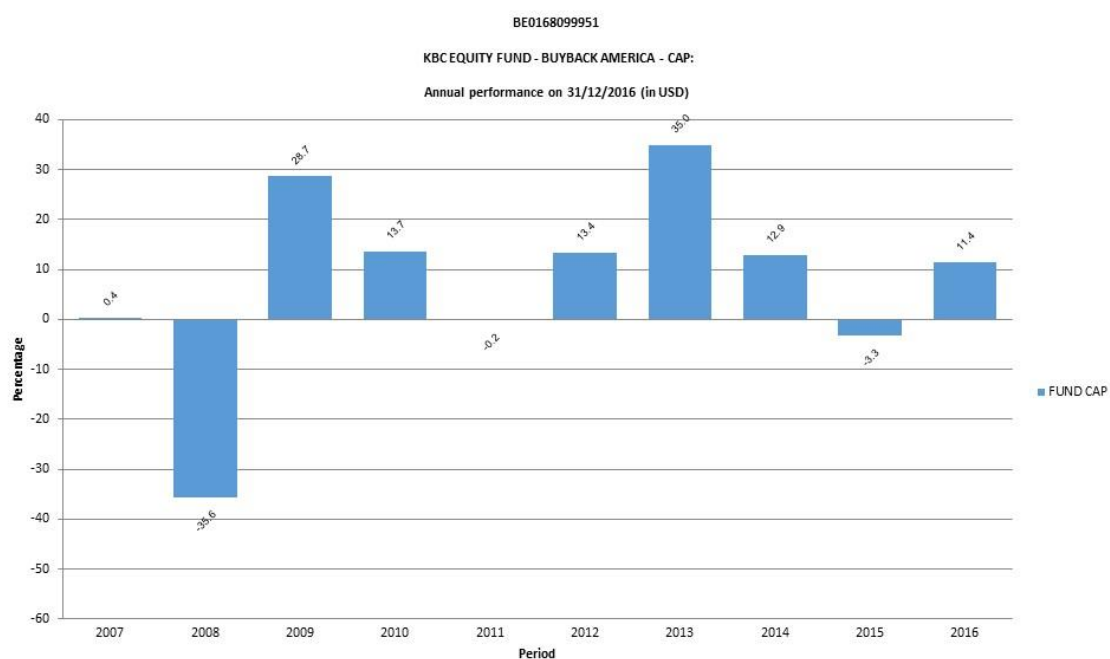
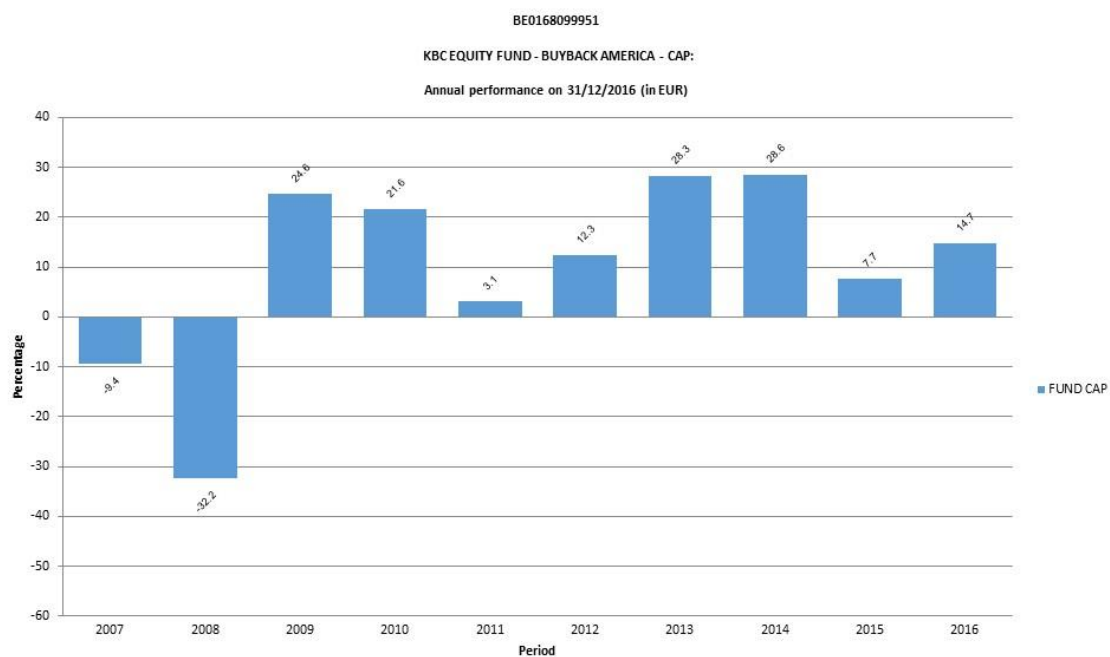
| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|--------------|------------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 1.117.223.636,28 | | 565.612.986,92 | |
| 2015 - 12 | 1.126.554.919,06 | | 1.262.583.603,26 | |
| 2016 - 12 | 767.093.747,08 | | 578.209.101,87 | |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 577.279.164,95 | 1.567,36 | |
| 2015 - 12 | 378.124.304,04 | 1.515,73 | |
| 2016 - 12 | 601.249.973,83 | 1.688,72 | |

2.4.5 PERFORMANCE FIGURES

Classic Shares



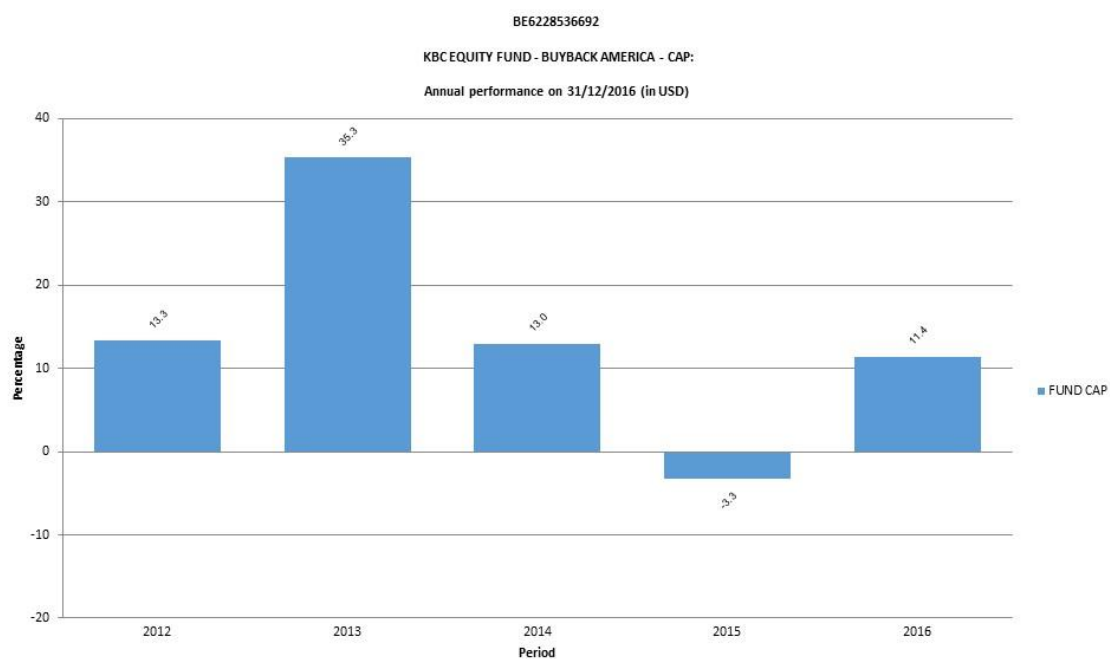
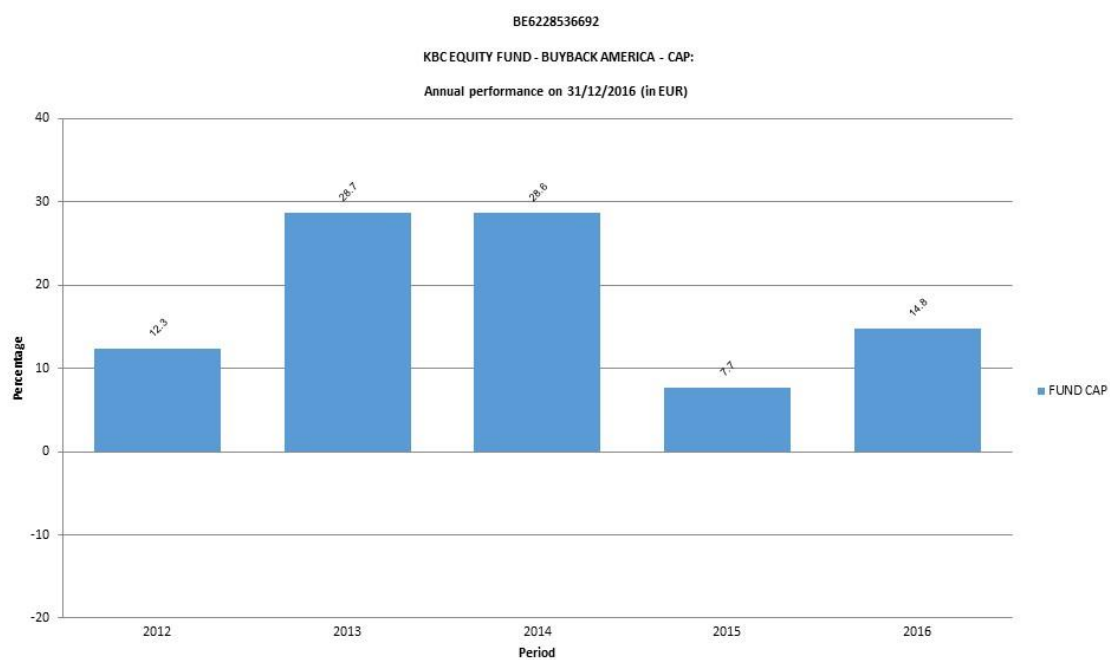


| Cap Div | ISIN code | Cur- rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|---------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE0168099951 | EUR | 14.73% | | 16.70% | | 18.03% | | 8.19% | | 26/06/1998 | 7.03% |
| CAP | BE0168099951 | USD | 11.40% | | 6.75% | | 13.23% | | 5.80% | | 26/06/1998 | 6.77% |
| DIV | BE0168098946 | EUR | 14.71% | | 16.67% | | 18.00% | | 8.18% | | 26/06/1998 | 0.84% |
| DIV | BE0168098946 | USD | 11.37% | | 6.72% | | 13.19% | | 5.79% | | 26/06/1998 | 0.59% |

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares



| Cap Div | ISIN code | Cur- rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|---------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE6228536692 | EUR | 14.75% | | 16.73% | | 18.11% | | | | 25/11/2011 | |
| CAP | BE6228536692 | USD | 11.41% | | 6.77% | | 13.30% | | | | 25/11/2011 | |

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 USD 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:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

Institutional B Shares

- The bar chart shows the performance for full financial years.
 - The figures do not take account of any restructuring.
 - Calculated in USD and in EUR.
 - The return is calculated as the change in the net asset value between two dates expressed as a percentage.
 - Calculation method for date D, where NAV stands for net asset value:
Capitalisation units (CAP)
 Return on date D over a period of X years:

$$\left[\frac{NIW(D)}{NIW(Y)} \right]^{1/X} - 1$$
 where $Y = D - X$
 Return on date D since the start date S of the unit:

$$\left[\frac{NIW(D)}{NIW(S)} \right]^{1/F} - 1$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 - If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
 - The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalization shares.

Dividend on ex-dividend date 31/03/2017: 18.5926 USD net (26.5609 USD gross).

2.4.6 COSTS

Ongoing Charges: *

Classic Shares Distribution: 1.778%

Classic Shares Capitalization: 1.758%

Institutional B Shares Capitalization: 1.737%

* The following are not included in the charges shown: entry and exit charges, performance fees, transaction costs paid when buying or selling assets, interest paid, payments made with a view to providing collateral in the context of derivative financial instruments, or commissions relating to Commission Sharing Agreements or similar fees received by the Management Company or any person associated with it.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

The Management Company, or where applicable, the appointed manager has entered into a Commission Sharing Agreement with one or more brokers for transactions in shares on behalf of one or more sub-funds. This agreement specifically concerns the execution of orders and the delivery of research reports.

For more information, please see the 'General' section of the annual report.

| Broker | Commission gross in EUR paid during the period: 1-01-16 - 31-12-16 | CSA Credits in EUR accrued during the period: 1-01-16 - 31-12-16 | Percentage |
|------------------------------------|---|---|------------|
| CITI | 28 | 7 | 25.00% |
| CITI | 35,341 | 8,835 | 25.00% |
| CSFBSAS | 657 | 386 | 58.82% |
| CSFBSAS | 41,039 | 16,994 | 41.41% |
| EQ CSA GOLDMAN SACHS INTERNATIONAL | 4,890 | 1,222 | 25.00% |
| EQ CSA GOLDMAN SACHS INTERNATIONAL | 46,673 | 15,240 | 32.65% |
| HSBC | 23,416 | 7,214 | 30.81% |
| INSTINET | 1,680 | 336 | 20.00% |
| INSTINET | 15,574 | 3,894 | 25.00% |
| MACQUARIE | 53,732 | 14,358 | 26.72% |
| MERRILL | 2,954 | 739 | 25.00% |
| MERRILL | 39,837 | 10,819 | 27.16% |
| UBSWDR | 22,060 | 5,515 | 25.00% |

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.5% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Exercising voting rights.

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

Pursuant to the Royal Decree of 7 March 2006 on securities lending, the collective investment undertaking has entered into securities lending arrangements, whereby the title to the securities that have been lent has been transferred, without recognition of that transfer of ownership in the accounts. The securities lending system can be managed by either a principal or an agent.

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 653.98 USD and from bond lending to 0.00 USD. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Transparency of securities financing transactions and of reuse

Global data:

| | | |
|---|------|-----|
| 1) The amount of securities and commodities on loan as a proportion of total lendable assets defined as excluding cash and cash equivalents; | 0,00 | % |
| 2) The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) and as a proportion of the collective investment undertaking's assets under management (AUM). | | |
| The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) | 0,00 | USD |
| proportion of the collective investment undertaking's assets under management (AUM) | 0,00 | % |

Concentration data:

1) Ten largest collateral issuers across all SFTs and total return swaps (break down of volumes of the collateral securities and commodities received per issuer's name);

| <u>name collateral issuer</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-------------------------------|--|-----------------|
| Nil | Nil | Nil |

2) Top 10 counterparties of each type of SFTs and total return swaps separately (Name of counterparty and gross volume of outstanding transactions).

| <u>type SFT (lending program)</u> | <u>name counterparty</u> | <u>Country of counterparty</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-----------------------------------|--------------------------|--------------------------------|--|-----------------|
| Nil | Nil | Nil | Nil | Nil |

Aggregate transaction data for each type of SFTs and total return swaps separately to be broken down according to the below categories:

| 1) Type and quality of collateral; | <u>equity (Goldman Sachs)</u> | <u>equity (KBC Bank)</u> | <u>bonds (Société Générale)</u> |
|--|-------------------------------|--------------------------|---------------------------------|
| type | Nil | Nil | Nil |
| quality – investment grade bonds (at least BBB- rating by Standard & Poor's): see table below | | | |
| 2) Maturity tenor of the collateral broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open maturity; | Nil | Nil | Nil |
| 3) Currency of the collateral: see table below | | | |
| 4) Maturity tenor of the SFTs and total return swaps broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open transactions; | Nil | Nil | Nil |
| 5) Country in which the counterparties are established: see table above | | | |
| 6) Settlement and clearing (e.g., tri-party, Central Counterparty, bilateral). | Nil | Nil | Nil |

| <u>collateral</u> | <u>quality</u> | <u>Currency</u> |
|-------------------|----------------|-----------------|
| Nil | Nil | Nil |

Data on reuse of collateral:

| | |
|---|-----|
| 1) Share of collateral received that is reused, compared to the maximum amount specified in the prospectus or in the disclosure to investors; | Nil |
| 2) Cash collateral reinvestment returns to the collective investment undertaking. | Nil |

Safekeeping of collateral received by the collective investment undertaking as part of SFTs and total return swaps:

1) Number and names of custodians and the amount of collateral assets safe-kept by each of the custodians.

| <u>number</u> | <u>Name collateral custodian</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|---------------|----------------------------------|--|-----------------|
| Nil | Nil | Nil | Nil |

Safekeeping of collateral granted by the collective investment undertaking as part of SFTs and total return swaps:

1) The proportion of collateral held in segregated accounts or in pooled accounts, or in any other accounts.

Data on return and cost for each type of SFTs and total return swaps:

1) Data on return and cost for each type of SFTs and total return swaps broken down between the collective investment undertaking, the manager of the collective investment undertaking and third parties (e.g. agent lender) in absolute terms and as a percentage of overall returns generated by that type of SFTs and total return swaps.

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 34,58 | 12,10 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 12,10 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 565,84 | 198,04 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 198,04 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND BUYBACK EUROPE

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 30 June 2000

Initial subscription price: 500 EUR

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 459.08 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

A least 75% of the assets are invested in shares of European companies with a policy of share buy-backs. More specifically, this involves companies whose buy-back policy may be considered as an indicator of a capital gain on the investment in the short or medium term.

RISK CONCENTRATION

Shares of European companies with a policy of share buy-backs.

Lending financial instruments:

The sub-fund may lend financial instruments within the limits set by law and regulations. This takes place within the framework of a securities lending system managed by either a principal or an agent. If it is managed by a principal, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to whom title to the loaned securities is transferred. If it is managed by an agent, the sub-fund has a relationship with the agent (as manager of the system) and with one or more counterparties to whom title to the loaned securities is transferred. The agent acts as intermediary between the sub-fund and the counterparty or counterparties.

This lending does not affect the sub-fund's risk profile since:

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

If the sub-fund receives collateral in the form of cash, it can reinvest this cash in

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- short term money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

Reinvesting in this way can eliminate the credit risk to which the sub-fund is exposed concerning the collateral in respect of the financial institution where the cash account is held, but there is still a credit risk in respect of the issuer or issuers of the debt instrument or instruments. The management company may delegate implementation of the reinvestment policy to a third party, including the agent managing the securities lending system.

By lending securities, the sub-fund can generate additional income, which might consist of a fee paid by the principal or (if the sub-fund uses an agent) the counterparty to the management company as well as income generated through reinvestments. After deducting the direct and indirect charges – set at a flat rate of 35% of the fee received and consisting of the charges for the clearing services provided by KBC Bank NV, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management, the charges associated with cash and custody accounts and cash and securities transactions, the fee paid for any management of reinvestments and, if the sub-fund uses an agent, the fee paid to the agent – this income is paid to the sub-fund. The relationship with the counterparty or counterparties is governed by standard international agreements.

General strategy for hedging the exchange rate risk:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database. In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

In line with the defined strategy, the fund was and is invested in a selection of shares issued by European companies that pursue a policy of buying back their own shares.

2.1.8 FUTURE POLICY

The fund will continue investing in a selection of shares issued by European companies that pursue a policy of buying back their own shares.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 412,081.88 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 | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|---|
| TOTAL NET ASSETS | | 97.901.607,20 | 102.466.054,24 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | | |
| a) Collateral received in the form of bonds | | 807.583,28 | 7.076.235,67 |
| C. Shares and similar instruments | | | |
| a) Shares | | 98.440.070,46 | 100.817.746,85 |
| Of which securities lent | | 733.682,27 | 6.467.468,92 |
| D. Other securities | | 43.443,38 | 63.168,01 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 13.659,24 | 230.926,00 |
| B. Payables | | | |
| a) Accounts payable (-) | | -342.575,86 | -72.043,70 |
| d) Borrowings (-) | | -327.215,04 | -25.182,75 |
| e) Collateral (-) | | -807.583,28 | -7.076.235,67 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 151.958,87 | 1.555.628,98 |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | 49.841,15 | 41.546,34 |
| C. Accrued expense (-) | | -127.575,00 | -145.735,49 |
| TOTAL SHAREHOLDERS' EQUITY | | 97.901.607,20 | 102.466.054,24 |
| A. Capital | | 94.788.908,13 | 93.453.451,20 |
| B. Income equalization | | -243.493,94 | -39.647,70 |
| D. Result of the book year | | 3.356.193,01 | 9.052.250,74 |

Off-balance-sheet headings

| | | |
|--------------------------------------|------------|--------------|
| I Collateral (+/-) | | |
| I.A Collateral (+/-) | | |
| I.A.A Securities/market instruments | 807.583,28 | 7.076.235,67 |
| IX Financial instruments lent | 733.682,27 | 6.467.468,92 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|--|
| I. Net gains(losses) on investments | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | 5.344.645,42 | 5.278.203,44 |
| D. Other securities | | 7.398,98 | 11.206,71 |
| H. Foreign exchange positions and transactions | | | |
| b) Other foreign exchange positions and transactions | | -3.699.749,21 | 2.211.798,49 |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | | 6.352.887,95 | 7.475.738,89 |
| Unrealised gains on investments | | -4.294.714,69 | 3.741.723,99 |
| Realised losses on investments | | -2.949.801,76 | -1.696.165,08 |
| Unrealised losses on investments | | 2.543.923,69 | -2.020.089,16 |
| II. Investment income and expenses | | | |
| A. Dividends | | 3.440.781,52 | 3.423.540,30 |
| B. Interests | | | |
| a) Securities and money market instruments | | 43.558,90 | 47.328,75 |
| b) Cash at bank and in hand and deposits | | 152,49 | 324,03 |
| C. Interest on borrowings (-) | | -945,08 | -751,70 |
| III. Other income | | | |
| A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges | | 20.275,82 | 44.660,89 |
| IV. Operating expenses | | | |
| A. Investment transaction and delivery costs (-) | | -91.583,51 | -79.519,25 |
| B. Financial expenses (-) | | -2.030,83 | -759,69 |
| C. Custodian's fee (-) | | -81.416,96 | -73.941,43 |
| D. Manager's fee (-) | | | |
| a) Financial management | | | |
| Classic Shares | | -1.327.927,54 | -1.439.052,43 |
| Institutional B Shares | | -86.922,34 | -131.887,05 |
| b) Administration and accounting management | | -94.323,31 | -104.729,31 |
| E. Administrative expenses (-) | | -2,41 | -2.209,93 |
| F. Formation and organisation expenses (-) | | -3.832,42 | -3.674,76 |
| G. Remuneration, social security charges and pension | | -9,07 | -5,76 |
| H. Services and sundry goods (-) | | -8.359,90 | -5.491,22 |
| J. Taxes | | | |
| Classic Shares | | -81.059,15 | -89.390,82 |
| Institutional B Shares | | -905,97 | -409,82 |
| K. Other expenses (-) | | -21.552,42 | -32.988,70 |
| Income and expenditure for the period | | | |
| Subtotal II + III + IV | | 1.703.897,82 | 1.551.042,10 |
| V. Profit (loss) on ordinary activities before tax | | 3.356.193,01 | 9.052.250,74 |
| VII. Result of the book year | | 3.356.193,01 | 9.052.250,74 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | 3.112.699,07 | 9.012.603,04 |
| Profit for the period available for appropriation | 3.356.193,01 | 9.052.250,74 |
| Income on the creation of shares (income on the cancellation of shares) | -243.493,94 | -39.647,70 |
| II. (Appropriations to) Deductions from capital | -2.289.774,38 | -8.112.338,51 |
| IV. (Dividends to be paid out) | -822.924,69 | -900.264,53 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND BUYBACK EUROPE

| Name | Quantity on 31/12/2016 | 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> | | | | | | | |
| EVN(ENERG.VERS.NIEDEROST) (WIEN) | 3.095,00 | EUR | 11,205 | 34.679,48 | | 0,04 | 0,04 |
| IMMOFINANZAG - | 198.142,00 | EUR | 1,853 | 367.157,13 | | 0,37 | 0,38 |
| <u>Belgium</u> | | | | | | | |
| AGEAS NV - | 23.720,00 | EUR | 37,610 | 892.109,20 | | 0,91 | 0,91 |
| BREDERODE - | 276,00 | EUR | 41,760 | 11.525,76 | | 0,01 | 0,01 |
| SOFINA - | 1.942,00 | EUR | 125,350 | 243.429,70 | | 0,25 | 0,25 |
| <u>Bermuda</u> | | | | | | | |
| STOLT-NIELSEN LTD - | 1.514,00 | NOK | 106,000 | 17.676,40 | | 0,02 | 0,02 |
| <u>Denmark</u> | | | | | | | |
| A.P. MOLLER-MAERSK A/S-B- | 404,00 | DKK | 11.270,000 | 612.339,37 | | 0,62 | 0,63 |
| D/S NORDEN - | 2.498,00 | DKK | 110,500 | 37.122,88 | | 0,04 | 0,04 |
| DFDS A/S - | 2.983,00 | DKK | 322,600 | 129.420,93 | | 0,13 | 0,13 |
| GN-GREAT NORDIC LTD - | 7.292,00 | DKK | 146,300 | 143.475,55 | | 0,15 | 0,15 |
| NKT HOLDING A/S - | 2.010,00 | DKK | 498,900 | 134.864,13 | | 0,14 | 0,14 |
| SYDBANK A/S - | 55.942,00 | DKK | 219,200 | 1.649.170,05 | | 1,68 | 1,69 |
| TDC AS "B" | 24.501,00 | DKK | 36,260 | 119.480,91 | | 0,12 | 0,12 |
| <u>Finland</u> | | | | | | | |
| KEMIRA (HEL) | 98.490,00 | EUR | 12,130 | 1.194.683,70 | | 1,21 | 1,22 |
| NOKIA "A" | 153.616,00 | EUR | 4,588 | 704.790,21 | | 0,72 | 0,72 |
| <u>France</u> | | | | | | | |
| ALSTOM - | 11.384,00 | EUR | 26,175 | 297.976,20 | | 0,30 | 0,30 |
| AXA - | 66.700,00 | EUR | 23,985 | 1.599.799,50 | | 1,62 | 1,63 |
| BNP PARIBAS SA - | 61.062,00 | EUR | 60,550 | 3.697.304,10 | | 3,75 | 3,78 |
| BOIRON SA - | 2.613,00 | EUR | 84,170 | 219.936,21 | | 0,22 | 0,23 |
| BOURBON CORP - | 1.683,00 | EUR | 12,250 | 20.616,75 | | 0,02 | 0,02 |
| CIE DE ST-GOBAIN - | 35.146,00 | EUR | 44,255 | 1.555.386,23 | | 1,58 | 1,59 |
| DERICHEBOURG - | 7.050,00 | EUR | 4,201 | 29.617,05 | | 0,03 | 0,03 |
| ETAB ECON CASINO GUICH-P (PAR) | 4.180,00 | EUR | 45,590 | 190.566,20 | | 0,19 | 0,20 |
| EURAZEO (PAR) | 3.480,00 | EUR | 55,580 | 193.418,40 | | 0,20 | 0,20 |
| FFP (PAR) | 680,00 | EUR | 72,250 | 49.130,00 | | 0,05 | 0,05 |
| L'OREAL - | 12.024,00 | EUR | 173,400 | 2.084.961,60 | | 2,12 | 2,13 |
| LAGARDERE S.C.A. - | 462,00 | EUR | 26,395 | 12.194,49 | | 0,01 | 0,01 |
| MERSEN (PAR) | 517,00 | EUR | 20,320 | 10.505,44 | | 0,01 | 0,01 |
| MICHELIN (PAR) | 11.712,00 | EUR | 105,700 | 1.237.958,40 | | 1,26 | 1,26 |
| NEXANS SA (PAR) | 3.189,00 | EUR | 49,210 | 156.930,69 | | 0,16 | 0,16 |
| NRJ GROUP (PAR) | 1.550,00 | EUR | 9,550 | 14.802,50 | | 0,02 | 0,02 |
| RALLYE - | 543,00 | EUR | 18,420 | 10.002,06 | | 0,01 | 0,01 |
| RENAULT (PAR) | 9.161,00 | EUR | 84,510 | 774.196,11 | | 0,79 | 0,79 |
| SANOFI - | 27.258,00 | EUR | 76,900 | 2.096.140,20 | | 2,13 | 2,14 |

| | | | | | | | |
|--|------------|-----|---------|--------------|--|------|------|
| SAVENCIA SA (PAR) | 188,00 | EUR | 66,900 | 12.577,20 | | 0,01 | 0,01 |
| SCHNEIDER ELECTRIC SE - | 22.722,00 | EUR | 66,110 | 1.502.151,42 | | 1,53 | 1,53 |
| SOCIETE GENERALE SA - | 46.423,00 | EUR | 46,745 | 2.170.043,14 | | 2,20 | 2,22 |
| TELEVISION FRANCAISE (TF1) (PAR) | 2.172,00 | EUR | 9,451 | 20.527,57 | | 0,02 | 0,02 |
| TOTAL - | 45.177,00 | EUR | 48,720 | 2.201.023,44 | | 2,24 | 2,25 |
| VIVENDI SA - | 21.153,00 | EUR | 18,055 | 381.917,42 | | 0,39 | 0,39 |
| <u>Germany</u> | | | | | | | |
| DEUTSCHE BANK AG REG | 45.677,00 | EUR | 17,250 | 787.928,25 | | 0,80 | 0,81 |
| DEUTSCHE TELEKOMINT FINREG | 149.093,00 | EUR | 16,355 | 2.438.416,02 | | 2,48 | 2,49 |
| FRESENIUS MEDICAL CARE AG & CO - | 14.382,00 | EUR | 80,450 | 1.157.031,90 | | 1,18 | 1,18 |
| HOCHTIEF AG - | 8.621,00 | EUR | 133,050 | 1.147.024,05 | | 1,17 | 1,17 |
| INFINEON TECHNOLOGIES AG - | 82.272,00 | EUR | 16,510 | 1.358.310,72 | | 1,38 | 1,39 |
| PRINCESS PRIVATE EQUITY HOLDING - | 37.327,00 | EUR | 8,600 | 321.012,20 | | 0,33 | 0,33 |
| RHOEN-KLINIKUM AG - | 10.579,00 | EUR | 25,660 | 271.457,14 | | 0,28 | 0,28 |
| SOFTWARE AG NOM | 14.383,00 | EUR | 34,485 | 495.997,76 | | 0,50 | 0,51 |
| SUDZUCKER AG (FRA) | 11.905,00 | EUR | 22,690 | 270.124,45 | | 0,27 | 0,28 |
| <u>Ireland</u> | | | | | | | |
| C&C GROUP PLC - | 75.779,00 | EUR | 3,850 | 291.749,15 | | 0,30 | 0,30 |
| <u>Italy</u> | | | | | | | |
| ASTM SPA - | 19.640,00 | EUR | 10,350 | 203.274,00 | | 0,21 | 0,21 |
| BPER BANCA - | 106.568,00 | EUR | 5,060 | 539.234,08 | | 0,55 | 0,55 |
| CIR SPA (MIL) NOM | 62.704,00 | EUR | 1,033 | 64.773,23 | | 0,07 | 0,07 |
| DEA CAPITAL SPA - | 15.131,00 | EUR | 1,198 | 18.126,94 | | 0,02 | 0,02 |
| EDITORIALE L'ESPRESSO (MIL) | 14.147,00 | EUR | 0,739 | 10.454,63 | | 0,01 | 0,01 |
| PIAGGIO & C SPA - | 176.624,00 | EUR | 1,586 | 280.125,66 | | 0,28 | 0,29 |
| RECORDATI SPA - | 31.027,00 | EUR | 26,920 | 835.246,84 | | 0,85 | 0,85 |
| UNICREDIT SPA - | 357.660,00 | EUR | 2,734 | 977.842,44 | | 0,99 | 1,00 |
| <u>Luxembourg</u> | | | | | | | |
| SUBSEA 7 SA - | 1.215,00 | NOK | 109,300 | 14.627,11 | | 0,02 | 0,02 |
| <u>Netherlands</u> | | | | | | | |
| AEGON - | 74.297,00 | EUR | 5,228 | 388.424,72 | | 0,39 | 0,40 |
| ASM INTERNATIONAL - | 540,00 | EUR | 42,635 | 23.022,90 | | 0,02 | 0,02 |
| BINCK NV - | 11.079,00 | EUR | 5,498 | 60.912,34 | | 0,06 | 0,06 |
| CORBION NV (AMS)NRC | 7.324,00 | EUR | 25,430 | 186.249,32 | | 0,19 | 0,19 |
| KON. AHOLD DELHAIZE NV - | 46.658,00 | EUR | 20,030 | 934.559,74 | | 0,95 | 0,96 |
| KONINKLIJKE D.S.M. NV (AMS) | 41.011,00 | EUR | 56,960 | 2.335.986,56 | | 2,37 | 2,39 |
| KONINKLIJKE PHILIPS ELECTRONICS N.V. - | 60.389,00 | EUR | 29,000 | 1.751.281,00 | | 1,78 | 1,79 |
| MUNICH RE FINANCE BV REG | 11.170,00 | EUR | 179,650 | 2.006.690,50 | | 2,04 | 2,05 |
| RANDSTAD HOLDING (AMS) | 8.704,00 | EUR | 51,530 | 448.517,12 | | 0,46 | 0,46 |
| REPSOL INTERNATIONAL FINANCE B - | 45.129,00 | EUR | 13,420 | 605.631,18 | | 0,62 | 0,62 |
| ROYAL DUTCH SHELL PLC -A- | 50.885,00 | EUR | 25,985 | 1.322.246,73 | | 1,34 | 1,35 |
| ROYAL DUTCH SHELL PLC -B- | 76.699,00 | GBP | 23,540 | 2.115.152,84 | | 2,15 | 2,16 |
| <u>Norway</u> | | | | | | | |
| ORKLA ASA "A" | 63.418,00 | NOK | 78,200 | 546.237,21 | | 0,56 | 0,56 |
| TELENOR A/S - | 11.755,00 | NOK | 129,000 | 167.022,25 | | 0,17 | 0,17 |
| TOMRA SYSTEMS - | 1.005,00 | NOK | 90,500 | 10.017,90 | | 0,01 | 0,01 |
| YARA INTL ASA - | 36.360,00 | NOK | 340,000 | 1.361.647,76 | | 1,38 | 1,39 |
| <u>Portugal</u> | | | | | | | |
| PHAROL SGPS SA - | 79.883,00 | EUR | 0,207 | 16.535,78 | | 0,02 | 0,02 |
| SEMAPA-SOCIEDADE DE INV. - | 14.623,00 | EUR | 13,400 | 195.948,20 | | 0,20 | 0,20 |
| <u>Spain</u> | | | | | | | |
| ACCIONA SA - | 10.901,00 | EUR | 69,930 | 762.306,93 | | 0,77 | 0,78 |
| IBERDROLA SA - | 474.172,00 | EUR | 6,234 | 2.955.988,25 | | 3,00 | 3,02 |

| | | | | | | | |
|-------------------------------------|------------|-----|-----------|--------------|--|------|------|
| <u>Sweden</u> | | | | | | | |
| BURE EQUITY AB - | 6.802,00 | SEK | 103,500 | 73.471,82 | | 0,08 | 0,08 |
| EAST CAPITAL EXPLORER AB - | 2.918,00 | SEK | 66,750 | 20.327,33 | | 0,02 | 0,02 |
| FABEGE AB - | 52.473,00 | SEK | 148,900 | 815.406,98 | | 0,83 | 0,83 |
| KINNEVIK AB -B- | 28.737,00 | SEK | 218,300 | 654.694,96 | | 0,67 | 0,67 |
| ORESUND INVESTMENT AB - | 3.830,00 | SEK | 152,500 | 60.955,44 | | 0,06 | 0,06 |
| RATOS AB - | 56.739,00 | SEK | 43,140 | 255.449,85 | | 0,26 | 0,26 |
| SWEDISH MATCH AB - | 41.348,00 | SEK | 289,800 | 1.250.537,51 | | 1,27 | 1,28 |
| TELIA CO AB - | 216.921,00 | SEK | 36,710 | 831.055,09 | | 0,84 | 0,85 |
| <u>Switzerland</u> | | | | | | | |
| ADECCO GROUP AG REG | 15.838,00 | CHF | 66,650 | 984.704,01 | | 1,00 | 1,01 |
| BALOISE HLDG REG | 5.036,00 | CHF | 128,300 | 602.722,76 | | 0,61 | 0,62 |
| BB BIOTECH AG - | 18.883,00 | CHF | 55,100 | 970.572,11 | | 0,99 | 0,99 |
| FORBO HOLDING - | 559,00 | CHF | 1.313,000 | 684.670,71 | | 0,70 | 0,70 |
| LOGITECH INTERNATIONAL SA REG | 13.596,00 | CHF | 25,400 | 322.144,03 | | 0,33 | 0,33 |
| NESTLE AG REG | 78.127,00 | CHF | 73,050 | 5.323.859,47 | | 5,41 | 5,44 |
| NOVARTIS AG REG | 60.369,00 | CHF | 74,100 | 4.172.894,50 | | 4,24 | 4,26 |
| THE SWATCH GROUP AG REG | 11.732,00 | CHF | 62,250 | 681.265,86 | | 0,69 | 0,70 |
| <u>U.K.</u> | | | | | | | |
| ASTRAZENECA PLC - | 37.351,00 | GBP | 44,375 | 1.941.718,16 | | 1,97 | 1,98 |
| AUTO TRADER GROUP PLC - | 76.562,00 | GBP | 4,090 | 366.844,63 | | 0,37 | 0,38 |
| BAE SYSTEMS PLC - | 174.916,00 | GBP | 5,915 | 1.212.076,08 | | 1,23 | 1,24 |
| BILLITON PLC - | 125.842,00 | GBP | 13,065 | 1.926.107,93 | | 1,96 | 1,97 |
| BP PLC - | 354.574,00 | GBP | 5,096 | 2.116.810,10 | | 2,15 | 2,16 |
| CARNIVAL PLC PLC | 7.592,00 | GBP | 41,250 | 366.881,44 | | 0,37 | 0,38 |
| CLS HOLDING PLC - | 8.945,00 | GBP | 15,290 | 160.226,16 | | 0,16 | 0,16 |
| COATS GROUP PLC - | 124.487,00 | GBP | 0,545 | 79.481,51 | | 0,08 | 0,08 |
| COMPASS GROUP - | 61.561,00 | GBP | 15,010 | 1.082.510,09 | | 1,10 | 1,11 |
| COMPUTACENTER PLC - | 34.009,00 | GBP | 8,000 | 318.734,77 | | 0,32 | 0,33 |
| ENTERPRISE INSS PLC - | 17.266,00 | GBP | 1,215 | 24.576,14 | | 0,03 | 0,03 |
| GRIFFIN MINING LTD - | 137.492,00 | GBP | 0,544 | 87.583,50 | | 0,09 | 0,09 |
| INCHCAPE PLC - | 70.570,00 | GBP | 7,020 | 580.367,15 | | 0,59 | 0,59 |
| INTERCONTINENTAL HOTELS GROUP PLC - | 13.517,00 | GBP | 36,380 | 576.087,70 | | 0,59 | 0,59 |
| KINGFISHER PLC - | 132.067,00 | GBP | 3,503 | 541.975,99 | | 0,55 | 0,55 |
| MAN GROUP PLC - | 257.666,00 | GBP | 1,183 | 357.098,03 | | 0,36 | 0,37 |
| MARKS&SPENCER - | 101.739,00 | GBP | 3,500 | 417.158,51 | | 0,42 | 0,43 |
| MEGGITT PLC - | 94.534,00 | GBP | 4,586 | 507.887,68 | | 0,52 | 0,52 |
| MITIE GROUP PLC - | 102.471,00 | GBP | 2,244 | 269.382,53 | | 0,27 | 0,28 |
| MORRISON SUPERMARKETS - | 171.273,00 | GBP | 2,307 | 462.894,58 | | 0,47 | 0,47 |
| NEXT PLC - | 10.294,00 | GBP | 49,830 | 600.925,52 | | 0,61 | 0,61 |
| NOVAE GROUP PLC - | 21.568,00 | GBP | 6,875 | 173.711,34 | | 0,18 | 0,18 |
| PENDRAGON PLC - | 108.343,00 | GBP | 0,313 | 39.664,00 | | 0,04 | 0,04 |
| PERSIMMON - | 35.429,00 | GBP | 17,760 | 737.135,71 | | 0,75 | 0,75 |
| RIGHTMOVE GROUP PLC - | 10.080,00 | GBP | 39,030 | 460.897,84 | | 0,47 | 0,47 |
| ROYAL BANK OF SCOTLAND GROUP PLC - | 376.744,00 | GBP | 2,246 | 991.292,20 | | 1,01 | 1,01 |
| SAGE GROUP - | 127.914,00 | GBP | 6,550 | 981.533,15 | | 1,00 | 1,00 |
| SMITH&NEPHEW PLC - | 56.290,00 | GBP | 12,210 | 805.179,12 | | 0,82 | 0,82 |
| SPIRENT COMMUNICATIONS PLC - | 57.952,00 | GBP | 0,988 | 67.042,64 | | 0,07 | 0,07 |
| SPORTS DIRECT INTERNATIONAL PLC - | 31.323,00 | GBP | 2,786 | 102.232,75 | | 0,10 | 0,10 |
| TRINITY MIRROR PLC - | 15.093,00 | GBP | 1,060 | 18.742,48 | | 0,02 | 0,02 |
| UNILEVER PLC - | 50.535,00 | GBP | 32,925 | 1.949.232,52 | | 1,98 | 1,99 |
| VESUVIUS PLC - | 62.844,00 | GBP | 3,953 | 291.028,97 | | 0,30 | 0,30 |
| VODAFONE GROUP PLC - | 669.592,00 | GBP | 1,999 | 1.567.689,33 | | 1,59 | 1,60 |
| WETHERSPOON PLC - | 9.898,00 | GBP | 8,880 | 102.968,88 | | 0,11 | 0,11 |
| WILLIAM HILL PLC - | 30.604,00 | GBP | 2,902 | 104.045,00 | | 0,11 | 0,11 |

| | | | | | | | |
|---|-------------|-----|--------|----------------------|--|--------|---------------|
| WPP GROUP PLC - | 86.341,00 | GBP | 18,160 | 1.836.870,38 | | 1,87 | 1,88 |
| Total shares | | | | 98.440.070,46 | | 99,96 | 100,55 |
| Rights | | | | | | | |
| <u>France</u> | | | | | | | |
| TOTAL CP 21/12/16 | 45.177,00 | EUR | 0,610 | 27.557,97 | | 0,03 | 0,03 |
| <u>Spain</u> | | | | | | | |
| REPSOL YPF SA CP 19/12/16 | 45.129,00 | EUR | 0,352 | 15.885,41 | | 0,02 | 0,02 |
| Total rights | | | | 43.443,38 | | 0,04 | 0,04 |
| TOTAL SECURITIES PORTFOLIO | | | | 98.483.513,84 | | 100,00 | 100,59 |
| COLLATERAL RECEIVED | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING | 807.583,28 | EUR | 1,000 | 807.583,28 | | | 0,83 |
| TOTAL RECEIVED COLLATERAL | | | | 807.583,28 | | | 0,83 |
| CASH ATBANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP AUD | -3,91 | AUD | 1,000 | -2,68 | | | |
| KBC GROUP CHF | -4.180,50 | CHF | 1,000 | -3.899,72 | | | 0,00 |
| KBC GROUP DKK | 63.096,69 | DKK | 1,000 | 8.485,81 | | | 0,01 |
| KBC GROUP EURO | -323.312,64 | EUR | 1,000 | -323.312,64 | | | -0,33 |
| KBC GROUP GBP | 26.479,40 | GBP | 1,000 | 31.020,85 | | | 0,03 |
| KBC GROUP NOK | 60.141,24 | NOK | 1,000 | 6.624,21 | | | 0,01 |
| KBC GROUP SEK | 761.721,70 | SEK | 1,000 | 79.495,06 | | | 0,08 |
| KBC GROUP USD | 27.774,67 | USD | 1,000 | 26.332,94 | | | 0,03 |
| Total demand accounts | | | | -175.256,17 | | | -0,18 |
| TOTAL CASH AT BANK AND IN HAND | | | | -175.256,17 | | | -0,18 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR RECEIVABLE | 13.659,24 | EUR | 1,000 | 13.659,24 | | | 0,01 |
| Total receivables | | | | 13.659,24 | | | 0,01 |
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING TEGENP | -807.583,28 | EUR | 1,000 | -807.583,28 | | | -0,83 |
| KBC GROUP EUR PAYABLE | -342.575,86 | EUR | 1,000 | -342.575,86 | | | -0,35 |
| Payables | | | | -1.150.159,14 | | | -1,18 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -1.136.499,90 | | | -1,16 |
| OTHER | | | | | | | |
| Interest receivable | | EUR | | 49.841,15 | | | 0,05 |
| Ex penses payable | | EUR | | -127.575,00 | | | -0,13 |
| TOTAL OTHER | | | | -77.733,85 | | | -0,08 |
| TOTAL NET ASSETS | | | | 97.901.607,20 | | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|----------------------------|---------------|---------------|---------------|---------------|
| Austria | 0,44 | 0,55 | 0,45 | 0,41 |
| Belgium | 1,37 | 1,43 | 1,24 | 1,16 |
| Bermuda | 0,02 | 0,01 | 0,02 | 0,02 |
| Switzerland | 14,38 | 14,38 | 14,82 | 13,95 |
| Cayman Islands | 0,01 | 0,00 | 0,00 | 0,00 |
| Germany | 13,20 | 13,07 | 10,23 | 10,41 |
| Denmark | 2,09 | 2,42 | 2,55 | 2,87 |
| Spain | 5,53 | 5,48 | 4,30 | 4,41 |
| Finland | 2,08 | 2,10 | 1,83 | 1,93 |
| France | 15,61 | 15,01 | 19,37 | 20,88 |
| U.K. | 29,59 | 28,93 | 29,53 | 24,61 |
| Ireland | 0,03 | 0,15 | 0,38 | 0,30 |
| Italy | 2,47 | 2,83 | 2,68 | 2,97 |
| Jersey/The Channel Islands | 0,48 | 0,54 | 0,00 | 0,00 |
| Luxembourg | 0,03 | 0,01 | 0,01 | 0,01 |
| Netherlands | 5,02 | 5,50 | 5,85 | 9,71 |
| Norway | 2,11 | 2,27 | 2,11 | 2,12 |
| Portugal | 0,05 | 0,08 | 0,01 | 0,22 |
| Sweden | 5,49 | 5,24 | 4,62 | 4,02 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Cyclicals | 21,31 | 20,14 | 23,18 | 24,34 |
| Consum(cycl) | 14,36 | 15,89 | 14,14 | 14,74 |
| Cons.goods | 13,22 | 13,78 | 15,07 | 13,39 |
| Pharma | 13,38 | 14,04 | 14,69 | 12,81 |
| Financials | 21,46 | 19,60 | 16,70 | 19,17 |
| Technology | 5,29 | 4,94 | 5,63 | 5,18 |
| Telecomm. | 5,94 | 6,10 | 5,79 | 5,22 |
| Utilities | 2,71 | 2,79 | 2,78 | 3,04 |
| Real est. | 2,33 | 2,72 | 2,02 | 2,11 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| AUD | 0,00 | 0,00 | -0,01 | 0,00 |
| CHF | 14,44 | 14,14 | 14,76 | 14,02 |
| DKK | 2,10 | 2,37 | 2,52 | 2,89 |
| EUR | 47,29 | 48,25 | 47,90 | 49,85 |
| GBP | 28,47 | 27,83 | 28,01 | 26,92 |
| NOK | 2,18 | 2,25 | 2,22 | 2,17 |
| SEK | 5,52 | 5,15 | 4,58 | 4,12 |
| USD | 0,00 | 0,01 | 0,02 | 0,03 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND BUYBACK EUROPE (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 25.523.539,71 | 7.726.960,09 | 33.250.499,80 |
| Sales | 28.678.711,23 | 8.657.708,63 | 37.336.419,86 |
| Total 1 | 54.202.250,94 | 16.384.668,72 | 70.586.919,66 |
| Subscriptions | 6.080.235,93 | 6.645.175,97 | 12.725.411,90 |
| Redemptions | 11.161.275,57 | 8.311.696,40 | 19.472.971,97 |
| Total 2 | 17.241.511,50 | 14.956.872,37 | 32.198.383,87 |
| Monthly average of total assets | 95.041.135,85 | 93.225.793,83 | 94.129.760,06 |
| Turnover rate | 38,89 % | 1,53 % | 40,78 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 25.523.539,71 | 7.726.960,09 | 33.250.499,80 |
| Sales | 28.678.711,23 | 8.657.708,63 | 37.336.419,86 |
| Total 1 | 54.202.250,94 | 16.384.668,72 | 70.586.919,66 |
| Subscriptions | 6.080.235,93 | 6.645.175,97 | 12.725.411,90 |
| Redemptions | 11.161.275,57 | 8.311.696,40 | 19.472.971,97 |
| Total 2 | 17.241.511,50 | 14.956.872,37 | 32.198.383,87 |
| Monthly average of total assets | 94.297.222,78 | 100.055.805,75 | 95.164.817,65 |
| Corrected turnover rate | 39,20 % | 1,43 % | 40,34 % |

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

| NAME | Currency | Value in currency | In the currency of the sub-fund | Lot-size | Transaction date |
|--|----------|-------------------|---------------------------------|----------|------------------|
| COLLATER ONTVANGEN SECURITIES LENDING | EUR | 807.583,28 | 807.583,28 | N/A | 31.12.2016 |

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|-----------|-------------|----------|---------------|-----------|------------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 11.367,56 | 8.036,61 | 11.157,05 | 6.786,62 | 77.288,18 | 33.372,31 | 110.660,49 |
| 2015 - 12 | 14.807,33 | 15.495,23 | 9.861,05 | 6.486,20 | 82.234,46 | 42.381,35 | 124.615,81 |
| 2016 - 12 | 5.874,59 | 2.864,98 | 17.300,30 | 6.368,24 | 70.808,75 | 38.878,09 | 109.686,84 |

| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|---------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 8.738.711,67 | 4.628.540,03 | 8.583.359,64 | 3.888.790,81 |
| 2015 - 12 | 13.184.330,90 | 10.153.460,37 | 8.895.578,65 | 4.288.907,17 |
| 2016 - 12 | 4.851.216,77 | 1.690.783,00 | 13.959.420,57 | 3.707.872,96 |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 80.856.068,50 | 792,34 | 587,83 |
| 2015 - 12 | 98.423.803,61 | 871,70 | 630,95 |
| 2016 - 12 | 89.249.202,97 | 911,37 | 635,74 |

Institutional B Shares

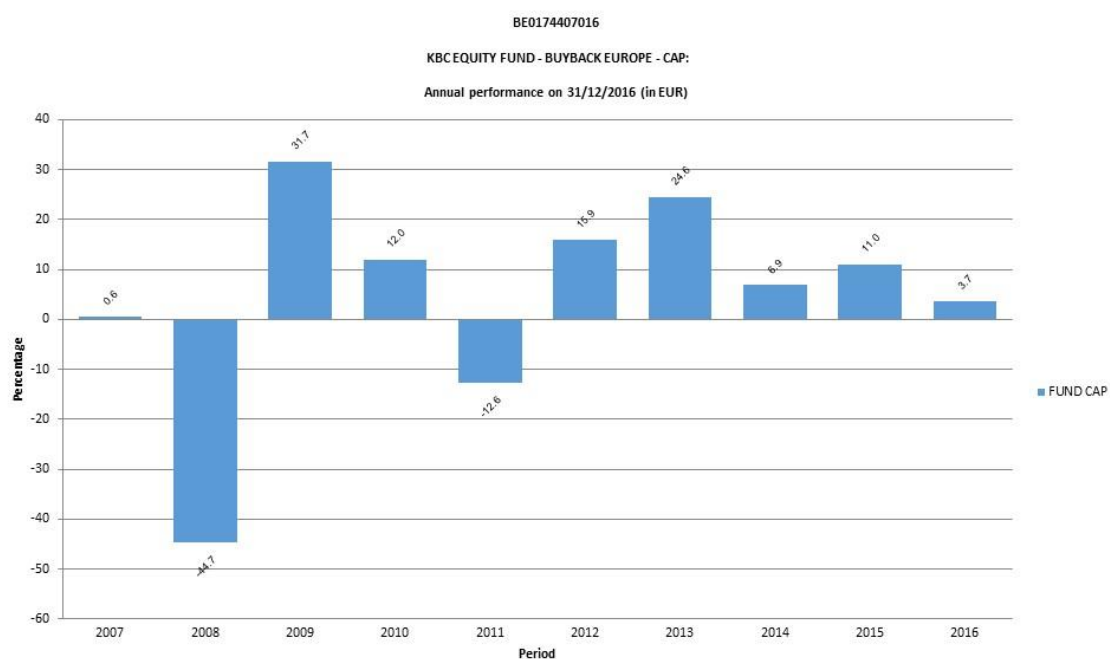
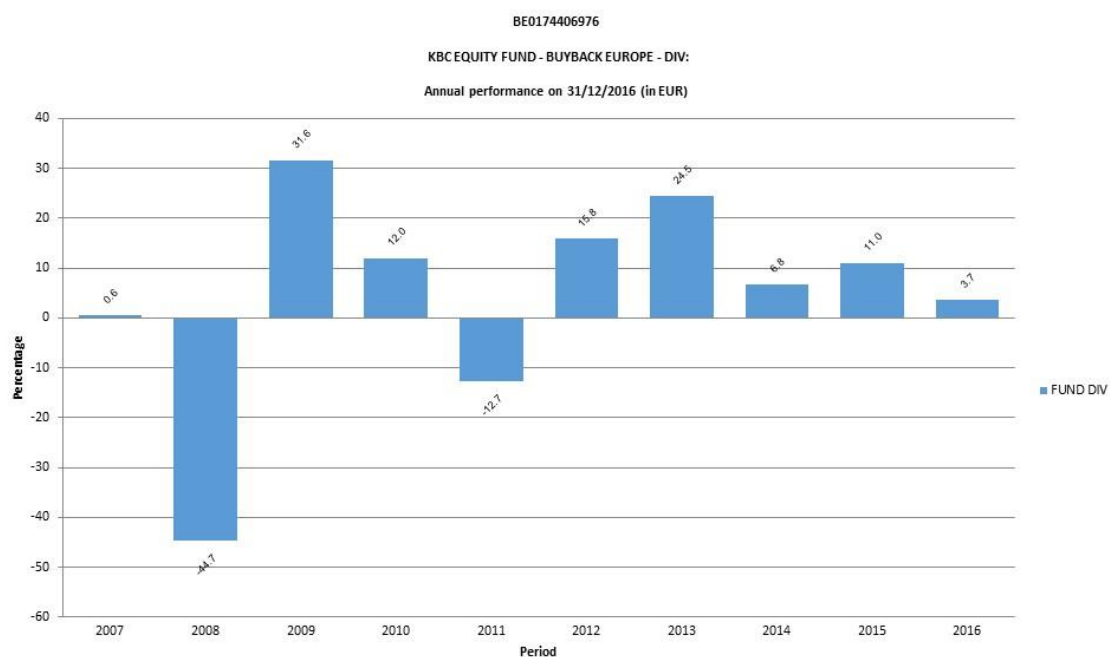
| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|------|-------------|------|---------------|------|-----------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 13.674,00 | | 14.539,00 | | 13.723,00 | | 13.723,00 |
| 2015 - 12 | 10.187,72 | | 19.286,92 | | 4.623,80 | | 4.623,80 |
| 2016 - 12 | 7.702,00 | | 2.862,80 | | 9.463,00 | | 9.463,00 |

| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 10.669.787,07 | | 10.970.958,21 | |
| 2015 - 12 | 9.190.533,74 | | 17.089.321,17 | |
| 2016 - 12 | 6.441.658,65 | | 2.321.472,34 | |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 10.897.306,16 | 794,09 | |
| 2015 - 12 | 4.042.250,64 | 874,23 | |
| 2016 - 12 | 8.652.404,23 | 914,34 | |

2.4.5 PERFORMANCE FIGURES

Classic Shares

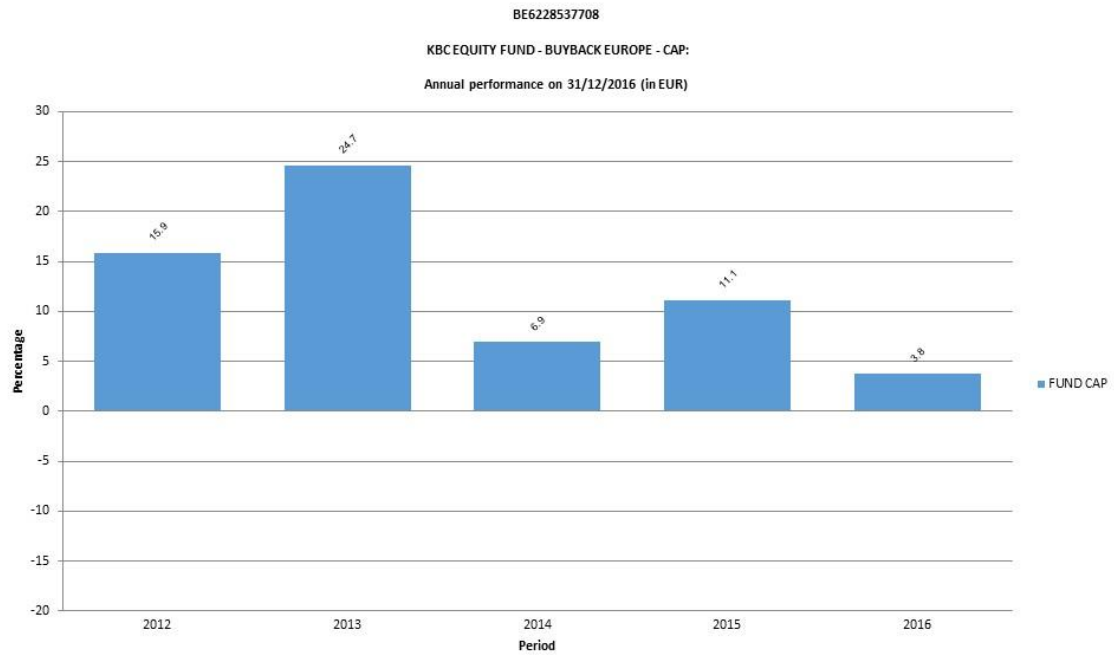


| Cap Div | ISIN code | Currency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE0174407016 | EUR | 3.73% | | 7.17% | | 12.18% | | 2.45% | | 30/06/2000 | 3.69% |
| DIV | BE0174406976 | EUR | 3.73% | | 7.15% | | 12.15% | | 2.44% | | 30/06/2000 | 3.67% |

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares



| Cap Div | ISIN code | Cur-rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE6228537708 | EUR | 3.77% | | 7.23% | | 12.23% | | | | 24/11/2011 | |

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [\text{Wi} / \text{NIW}(\text{Di})] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

Institutional 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:

$$\left[\frac{NIW(D)}{NIW(Y)} \right]^{1/X} - 1$$
 where $Y = D - X$
 Return on date D since the start date S of the unit:

$$\left[\frac{NIW(D)}{NIW(S)} \right]^{1/F} - 1$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 - If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
 - The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalization shares.

Dividend on ex-dividend date 31/03/2017: 14.8168 EUR net (21.1668 EUR gross).

2.4.6 COSTS

Ongoing Charges: *

Classic Shares Distribution: 1.819%

Classic Shares Capitalization: 1.817%

Institutional B Shares Capitalization: 1.776%

* The following are not included in the charges shown: entry and exit charges, performance fees, transaction costs paid when buying or selling assets, interest paid, payments made with a view to providing collateral in the context of derivative financial instruments, or commissions relating to Commission Sharing Agreements or similar fees received by the Management Company or any person associated with it.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

The Management Company, or where applicable, the appointed manager has entered into a Commission Sharing Agreement with one or more brokers for transactions in shares on behalf of one or more sub-funds. This agreement specifically concerns the execution of orders and the delivery of research reports.

For more information, please see the 'General' section of the annual report.

| Broker | Commission gross in EUR paid during the period: 1-01-16 | CSA Credits in EUR accrued during the period: 1-01-16 | Percentage |
|----------------|--|--|------------|
| | - 31-12-16 | - 31-12-16 | |
| CARNEGIE | 138 | 23 | 16.67% |
| CITI | 656 | 164 | 25.00% |
| CITI | 2,935 | 734 | 25.00% |
| CSFBSAS | 1,884 | 452 | 23.99% |
| DEUTSCHE | 1,910 | 478 | 25.00% |
| HSBC | 2,391 | 753 | 31.47% |
| HSBC | 5,115 | 2,140 | 41.84% |
| INSTINET | 628 | 155 | 24.66% |
| MORGAN STANLEY | 2,072 | 518 | 25.00% |
| SOCGEN | 41 | 8 | 20.15% |
| UBSWDR | 2,823 | 706 | 25.00% |
| UBSWDR | 6,532 | 1,630 | 24.95% |

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.5% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Exercising voting rights.

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

Pursuant to the Royal Decree of 7 March 2006 on securities lending, the collective investment undertaking has entered into securities lending arrangements, whereby the title to the securities that have been lent has been transferred, without recognition of that transfer of ownership in the accounts. The securities lending system can be managed by either a principal or an agent.

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 43,550.95 EUR and from bond lending to 0.00 EUR. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/12/2016

| Name | Currency | Quantity | Price | Value in currency of the portfolio |
|----------------------------|----------|----------|-------|------------------------------------|
| BB BIOTECH AG | CHF | 12,700 | 55.1 | 652,770.52 |
| BOURBON CORP | EUR | 1,590 | 12.25 | 19,477.50 |
| D/S NORDEN | DKK | 2,373 | 110.5 | 35,265.25 |
| TOTAL SA-SCRIP CP 21/12/16 | EUR | 42,900 | 0.61 | 26,169.00 |
| Total | | | | 733,682.27 |

Details of collateral received for securities lent

| Name | Currency | Nominal value | Currency fund | Value in currency fund |
|-------------------------------------|----------|---------------|---------------|------------------------|
| SCHWEIZ 2002 3% 08/01/18 | CHF | 1000 | EUR | 999.02 |
| UNITED STATES TREAS B 0.0 23MAR17 | USD | 785600 | EUR | 743,951.84 |
| UNITED STATES T 0.68367 31OCT17 FRN | USD | 65900 | EUR | 62,632.42 |
| Total | | | | 807,583.28 |

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank

The amount in securities lent on a traded basis, as given in the annual report, can differ from the amount in securities lent on a settled basis.

The position held as collateral is determined on the basis of the settled positions.

Transparency of securities financing transactions and of reuseGlobal data:

| | | |
|---|------------|-----|
| 1) The amount of securities and commodities on loan as a proportion of total lendable assets defined as excluding cash and cash equivalents; | 0,74 | % |
| 2) The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) and as a proportion of the collective investment undertaking's assets under management (AUM). | | |
| The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) | 733.682,27 | EUR |
| proportion of the collective investment undertaking's assets under management (AUM) | 0,75 | % |

Concentration data:

1) Ten largest collateral issuers across all SFTs and total return swaps (break down of volumes of the collateral securities and commodities received per issuer's name);

| <u>name collateral issuer</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-------------------------------|--|-----------------|
| UNITED STATES OF AMERICA | 806.584,26 | EUR |
| SWISS CONFEDERATION | 999,02 | EUR |

2) Top 10 counterparties of each type of SFTs and total return swaps separately (Name of counterparty and gross volume of outstanding transactions).

| <u>type SFT (lending program)</u> | <u>name counterparty</u> | <u>Country of counterparty</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-----------------------------------|----------------------------------|--------------------------------|--|-----------------|
| equity (Goldman Sachs) | Deutsche Bank AG | Germany | 652.770,52 | EUR |
| equity (Goldman Sachs) | UBS AG | Switzerland | 54.742,75 | EUR |
| equity (Goldman Sachs) | Citigroup Global Markets Limited | UK | 26.169,00 | EUR |

Aggregate transaction data for each type of SFTs and total return swaps separately to be broken down according to the below categories:

| 1) Type and quality of collateral; | <u>equity (Goldman Sachs)</u> | <u>equity (KBC Bank)</u> | <u>bonds (Société Générale)</u> |
|--|-------------------------------|--------------------------|---------------------------------|
| type | bonds | Nil | Nil |
| quality – investment grade bonds (at least BBB- rating by Standard & Poor's): see table below | | | |
| 2) Maturity tenor of the collateral broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open maturity; | open maturity | Nil | Nil |
| 3) Currency of the collateral: see table below | | | |
| 4) Maturity tenor of the SFTs and total return swaps broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open transactions; | open maturity | Nil | Nil |
| 5) Country in which the counterparties are established: see table above | | | |
| 6) Settlement and clearing (e.g., tri-party, Central Counterparty, bilateral). | tri-party | Nil | Nil |

| <u>collateral</u> | <u>quality</u> | <u>Currency</u> |
|-------------------------------------|------------------|-----------------|
| UNITED STATES TREAS B 0.0 23MAR17 | investment grade | USD |
| UNITED STATES T 0.68367 31OCT17 FRN | investment grade | USD |
| SCHWEIZ 2002 3% 08/01/18 | investment grade | CHF |

Data on reuse of collateral:

| | |
|---|-----|
| 1) Share of collateral received that is reused, compared to the maximum amount specified in the prospectus or in the disclosure to investors; | Nil |
| 2) Cash collateral reinvestment returns to the collective investment undertaking. | Nil |

Safekeeping of collateral received by the collective investment undertaking as part of SFTs and total return swaps:

| |
|--|
| 1) Number and names of custodians and the amount of collateral assets safe-kept by each of the custodians. |
|--|

| <u>number</u> | <u>Name collateral custodian</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|---------------|----------------------------------|--|-----------------|
| 1 | Bank of New York | 807.583,28 | EUR |

Safekeeping of collateral granted by the collective investment undertaking as part of SFTs and total return swaps:

| | |
|--|-----|
| 1) The proportion of collateral held in segregated accounts or in pooled accounts, or in any other accounts. | Nil |
|--|-----|

Data on return and cost for each type of SFTs and total return swaps:

| |
|---|
| 1) Data on return and cost for each type of SFTs and total return swaps broken down between the collective investment undertaking, the manager of the collective investment undertaking and third parties (e.g. agent lender) in absolute terms and as a percentage of overall returns generated by that type of SFTs and total return swaps. |
|---|

| <u>Lending program: equity (Goldman Sachs)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 37.080,28 | 9.640,87 | 3.337,23 |
| percentage of overall returns | 100,00% | 26,00% | 9,00% |
| cost (EUR) | 12.978,10 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 5.461,34 | 1.911,47 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 1.911,47 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 1.009,33 | 353,26 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 353,26 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND EMERGING EUROPE

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 6 October 1995

Initial subscription price: 20000 BEF

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 1218.24 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of companies in European countries where conditions are such as to ensure accelerated economic growth in the short or medium term (so-called Emerging Markets).

RISK CONCENTRATION

Shares of European Emerging Markets.

Lending financial instruments:

The sub-fund may lend financial instruments within the limits set by law and regulations. This takes place within the framework of a securities lending system managed by either a principal or an agent. If it is managed by a principal, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to whom title to the loaned securities is transferred. If it is managed by an agent, the sub-fund has a relationship with the agent (as manager of the system) and with one or more counterparties to whom title to the loaned securities is transferred. The agent acts as intermediary between the sub-fund and the counterparty or counterparties.

This lending does not affect the sub-fund's risk profile since:

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

If the sub-fund receives collateral in the form of cash, it can reinvest this cash in

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- short term money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

Reinvesting in this way can eliminate the credit risk to which the sub-fund is exposed concerning the collateral in respect of the financial institution where the cash account is held, but there is still a credit risk in respect of the issuer or issuers of the debt instrument or instruments. The management company may delegate implementation of the reinvestment policy to a third party, including the agent managing the securities lending system.

By lending securities, the sub-fund can generate additional income, which might consist of a fee paid by the principal or (if the sub-fund uses an agent) the counterparty to the management company as well as income generated through reinvestments. After deducting the direct and indirect charges – set at a flat rate of 35% of the fee received and consisting of the charges for the clearing services provided by KBC Bank NV, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management, the charges associated with cash and custody accounts and cash and securities transactions, the fee paid for any management of reinvestments and, if the sub-fund uses an agent, the fee paid to the agent – this income is paid to the sub-fund. The relationship with the counterparty or counterparties is governed by standard international agreements.

Volatility of the net asset value:

The volatility of the net asset value may be high due to the composition of the portfolio.

General strategy for hedging the exchange rate risk:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database. In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to CSOB Asset Management a.s., Radlicka 333/150 , 150 57 Praha 5, CZECH REPUBLIC..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

Emerging Europe outperformed global equities on strong performance, especially thanks to the return of investors to Russia. In total, the market increased value for its investors by 29 % on total return basis in 2016.

After very difficult past years, Russian market experienced strong equity rally during the year. There were several reasons to that. First, oil price has eventually bottomed out and raised from its lows at 28 usd/barrel reached in January to nearly 57 usd by the end of the year. The oil cartel OPEC unexpectedly managed to reach an agreement over oil production cuts lately, which supported the oil price rise. Second, rise of populist parties with pro-Russian views across Europe and especially victory of Mr. Trump in US elections brought current sanctions against Russia into the question. Therefore, hopes of softening of current approach towards Russia have been on the rise and so was the sentiment in the financial markets. Third, the real economy was bleak on one hand, on the other the longest recession in its modern history eventually eased, thus it couldn't prevent Russian stocks from their rally. All in all, MSCI Russia increased sharply during the year by stellar 60 % on a total return basis (in eur) supported also by strong ruble appreciation.

Central European equity markets had rather lacklustre performance in 2016 with Hungary being the exception. Hungarian market, increasing by superb 38.3 % in 2016, enjoyed easing in controversial domestic policy coupled with lower corporate taxation plans. Sector taxes, introduced at the peak of the crisis, are to be gradually abolished in Hungary, which has been largely appreciated by investors. Poland was awaiting concrete steps from the new government, which made a lot of controversial promises during an election campaign in the year before. Even though many promises have been smooth out, some issues still remain. Moreover, obvious push by government to interfere in the independent institutions like constitutional court or media, has made investors cautious regarding Polish assets. Only thanks to a Christmas rally, Poland managed to close the year in positive territory increasing by 2 % in total. Czech market became the loser of the year, falling by 2 %. Czech market experienced unusual situation when economy is fast growing, businesses glow and unemployment reaches record lows, but stocks do not follow due to a low representativeness of the economy in the equity market.

Unlike Russia, Turkey faced difficult times and the list of hot issues has been getting longer month by month. July attempted coup made the perspective even worse as the government has further tightened its grip on opposition and remnants of independent media. Syrian conflict spilled over into Turkish soil, leveraging on Kurdish minority and terrorist attacks happening with a scary frequency. Consequently, tourist arrivals fell down significantly as visitors changed their travel preferences. Putting all above mentioned pieces together, domestic as well as geopolitical issues have influenced trading with the biggest market caps. Not to forget, period of cheap oil proved to be rather missed opportunity for Turkish economy as inflation still remains around 8 %, far away from Turkish central bank target. MSCI Turkey recorded a loss of 5,95 % in eur on a total return basis mainly due to large lira depreciation.

2.1.8 FUTURE POLICY

The recession seems to end in the most important market, Russia, nevertheless both independent and governmental economists forecast only moderate trajectory of economic growth (1-1,5 % p.a.) in following years. Structural issues of Russian economy remain unsolved and oil price is the key determinant. Expectation of any sort of meaningful economic reforms would be a naïve hope. Oil price is getting closer to 60 usd/barrel and further growth will depend on ability of OPEC members to keep their promises. US unconventional drillers may also come back to the market putting a cap on a significant oil price growth. On the political side, it will be interesting to watch renewal of Russian sanctions. Current US sanctions are due to expire on March 31, 2017 and the new U.S. administration's stance toward Vladimir Putin is a wild card and will definitely be a source of a political noise. Should any sanctions, or its part, be abolished, it would likely cheer sentiment on the Russian equity market.

Doubts about political stability is troubling investors in Turkey. Valuation-wise, MSCI Turkey remains very cheap with significant discount to MSCI Emerging Market universe. However, valuation itself is not usually a sufficient trigger, as we have seen in emerging markets history many times before. Necessary economic reforms (labor market, education system) remain of low priority as long as domestic politics is focused on a constitutional referendum (switch into presidential system). Currently, the president rules in the state of emergency and very weak system of checks and balances became an issue for investors. Referendum is likely to be held in the first half of 2017. Taking all pieces together, TRY is likely to depreciate further and deepen its all-time lows against major currencies unless we see a turnaround in both current domestic and foreign policy.

Economic perspective in the central Europe remains positive, regional countries being the leaders of growth in the EU once again. Valuation gaps between countries seem closed, further growth in the equity market has to be accompanied by growing profits, which are currently projected to increase most by 10 % in Hungary in 2017. Czech and Polish market has less bright consensus with earnings to grow up to 5 %. Unfortunately, economic fundamentals may not prove good enough to offset political games, which especially for Poland may still play a big role in the first half of the New Year at least.

Other than that the general investment climate will be important. The list of already expected events is quite big. Namely, Brexit development, elections in France and Germany, US under new Trump policy, development in China and geopolitical events. And we are also sure, there will be some new, unexpected events happening in the world as well.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 0.00 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 | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|---|
| TOTAL NET ASSETS | | 24.651.021,60 | 20.843.777,64 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | | |
| a) Collateral received in the form of bonds | | 5.805.876,00 | 5.751.311,35 |
| C. Shares and similar instruments | | | |
| a) Shares | | 24.307.612,19 | 20.609.231,07 |
| Of which securities lent | | 4.771.648,12 | 4.264.357,89 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 571,10 | 3.658,89 |
| B. Payables | | | |
| a) Accounts payable (-) | | -35.806,98 | -9.716,68 |
| e) Collateral (-) | | -5.805.876,00 | -5.751.311,35 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 316.014,13 | 178.351,73 |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | 92.167,61 | 88.655,98 |
| C. Accrued expense (-) | | -29.536,45 | -26.403,35 |
| TOTAL SHAREHOLDERS' EQUITY | | 24.651.021,60 | 20.843.777,64 |
| A. Capital | | 18.823.371,19 | 21.966.297,36 |
| B. Income equalization | | -86.591,00 | -46.090,59 |
| D. Result of the book year | | 5.914.241,41 | -1.076.429,13 |

Off-balance-sheet headings

| | | |
|--------------------------------------|--------------|--------------|
| I Collateral (+/-) | | |
| I.A Collateral (+/-) | | |
| I.A.A Securities/market instruments | 5.805.876,00 | 5.751.311,35 |
| IX Financial instruments lent | 4.771.648,12 | 4.264.357,89 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|--|
| I. Net gains(losses) on investments | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | 5.841.876,95 | -2.845.915,79 |
| D. Other securities | | -2.044,66 | |
| E. Open-end undertakings for collective investment | | | -0,45 |
| H. Foreign exchange positions and transactions | | | |
| b) Other foreign exchange positions and transactions | | -153.312,61 | 1.474.045,75 |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | | 2.332.545,70 | 2.153.929,30 |
| Unrealised gains on investments | | 593.332,64 | 664.899,83 |
| Realised losses on investments | | -4.099.347,14 | -4.011.821,22 |
| Unrealised losses on investments | | 6.859.988,48 | -178.878,40 |
| II. Investment income and expenses | | | |
| A. Dividends | | 673.245,07 | 823.795,48 |
| B. Interests | | | |
| a) Securities and money market instruments | | 6.753,52 | 6.890,13 |
| b) Cash at bank and in hand and deposits | | 1.157,57 | 1.525,67 |
| C. Interest on borrowings (-) | | -172,72 | -222,18 |
| III. Other income | | | |
| A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges | | 3.007,28 | |
| IV. Operating expenses | | | |
| A. Investment transaction and delivery costs (-) | | -39.676,26 | -48.892,48 |
| B. Financial expenses (-) | | -1.236,02 | -196,05 |
| C. Custodian's fee (-) | | -17.237,32 | -21.985,61 |
| D. Manager's fee (-) | | | |
| a) Financial management | | | |
| Classic Shares | | -339.524,58 | -411.462,14 |
| Institutional B Shares | | -6.785,94 | |
| b) Administration and accounting management | | -21.644,30 | -25.716,25 |
| E. Administrative expenses (-) | | 0,19 | -552,83 |
| F. Formation and organisation expenses (-) | | -3.005,77 | -2.293,42 |
| G. Remuneration, social security charges and pension | | -1,97 | |
| H. Services and sundry goods (-) | | -4.763,72 | -3.285,92 |
| J. Taxes | | | |
| Classic Shares | | -17.797,76 | -19.371,15 |
| K. Other expenses (-) | | -4.595,54 | -2.791,89 |
| Income and expenditure for the period | | | |
| Subtotal II + III + IV | | 227.721,73 | 295.441,36 |
| V. Profit (loss) on ordinary activities before tax | | 5.914.241,41 | -1.076.429,13 |
| VII. Result of the book year | | 5.914.241,41 | -1.076.429,13 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | 5.827.650,41 | -1.122.519,72 |
| Profit for the period available for appropriation | 5.914.241,41 | -1.076.429,13 |
| Income on the creation of shares (income on the cancellation of shares) | -86.591,00 | -46.090,59 |
| II. (Appropriations to) Deductions from capital | -5.723.541,60 | 1.257.390,32 |
| IV. (Dividends to be paid out) | -104.108,81 | -134.870,60 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND EMERGING EUROPE

| Name | Quantity on 31/12/2016 | 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> | | | | | | | |
| DO & CO RESTAURANTS & CATERING AG - | 3.000,00 | TRY | 233,200 | 188.561,26 | | 0,78 | 0,77 |
| ERSTE GROUP BANK AG - | 10.000,00 | EUR | 27,825 | 278.250,00 | | 1,15 | 1,13 |
| VIENNA INSURANCE GROUP AG WIEN - | 13.000,00 | EUR | 21,300 | 276.900,00 | | 1,14 | 1,12 |
| <u>Czech Republic</u> | | | | | | | |
| KOMERCNI BANKA - | 6.000,00 | CZK | 885,000 | 196.517,46 | | 0,81 | 0,80 |
| MONETA MONEY BANK AS - | 219.000,00 | CZK | 82,800 | 671.090,47 | | 2,76 | 2,72 |
| PEGAS NONWOVENS SA - | 14.000,00 | CZK | 769,000 | 398.438,22 | | 1,64 | 1,62 |
| <u>Greece</u> | | | | | | | |
| NAT. BK GREECE - | 500.000,00 | EUR | 0,248 | 124.000,00 | | 0,51 | 0,50 |
| <u>Hungary</u> | | | | | | | |
| GEDEON RICHTER - | 40.000,00 | HUF | 6.210,000 | 804.234,89 | | 3,31 | 3,26 |
| MAGYAR TELEKOM TELECOM. - | 170.000,00 | HUF | 498,000 | 274.100,34 | | 1,13 | 1,11 |
| OTP BANK PLC - | 41.000,00 | HUF | 8.400,000 | 1.115.050,30 | | 4,59 | 4,52 |
| <u>Netherlands</u> | | | | | | | |
| X5 RETAIL GROUP NV -GDR- | 20.000,00 | USD | 32,450 | 615.311,69 | | 2,53 | 2,50 |
| <u>Poland</u> | | | | | | | |
| ALIOR BANK SA - | 25.000,00 | PLN | 54,190 | 307.698,42 | | 1,27 | 1,25 |
| ASSECO POLAND SA - | 23.000,00 | PLN | 53,960 | 281.881,05 | | 1,16 | 1,14 |
| BANK HANDLOWY W WARSZAWIE - | 5.000,00 | PLN | 76,390 | 86.750,63 | | 0,36 | 0,35 |
| CCC SA - | 10.000,00 | PLN | 203,550 | 462.314,18 | | 1,90 | 1,88 |
| CYFROWY POLSAT SA - | 125.000,00 | PLN | 24,600 | 698.411,26 | | 2,87 | 2,83 |
| ENERGA SA - | 50.000,00 | PLN | 9,100 | 103.342,15 | | 0,43 | 0,42 |
| MBANK - | 6.000,00 | PLN | 335,250 | 456.863,17 | | 1,88 | 1,85 |
| POLSKI KONCERN NAFTOWY ORLEN SA - | 15.000,00 | PLN | 85,300 | 290.607,22 | | 1,20 | 1,18 |
| POWOSZECHNA KASA OSZCZEDNOSCI BANK - | 90.000,00 | PLN | 28,140 | 575.218,32 | | 2,37 | 2,33 |
| POWSZECHNY BANK KREDYTOWY SA - | 105.000,00 | PLN | 33,210 | 791.998,36 | | 3,26 | 3,21 |
| <u>Russia</u> | | | | | | | |
| GAZPROM ADR NEW | 410.000,00 | USD | 5,050 | 1.963.024,41 | | 8,08 | 7,96 |
| JSC MMC NORILSK NICKEL ADR NEW | 84.000,00 | USD | 16,790 | 1.337.150,98 | | 5,50 | 5,42 |
| LUKOIL PJSC - | 44.500,00 | USD | 56,100 | 2.366.864,19 | | 9,74 | 9,60 |
| MAGNIT PJSC - | 7.000,00 | USD | 44,150 | 293.007,82 | | 1,21 | 1,19 |
| MOBILE TELESYSTEMS ADR | 90.000,00 | USD | 9,110 | 777.340,60 | | 3,20 | 3,15 |
| NOVATEK OAO - | 13.500,00 | USD | 129,800 | 1.661.341,55 | | 6,84 | 6,74 |
| OGK-5 OJSC - | 13.179,00 | USD | 0,808 | 10.091,35 | | 0,04 | 0,04 |
| PHOSAGRO PJSC - | 10.000,00 | USD | 15,250 | 144.584,02 | | 0,60 | 0,59 |
| RENFIN LTD - | 6.000,00 | USD | 15,649 | 89.021,85 | | 0,37 | 0,36 |
| ROSNEFT OIL COMPANY - | 20.000,00 | USD | 6,500 | 123.251,96 | | 0,51 | 0,50 |
| SBERBANK PAO ADR | 215.000,00 | USD | 11,575 | 2.359.445,37 | | 9,71 | 9,57 |
| SEVERSTAL - | 10.000,00 | USD | 15,200 | 144.109,98 | | 0,59 | 0,59 |

| | | | | | | | |
|---|---------------|-----|--------|---------------|--|--------|--------|
| SISTEMA PJSC FC - | 40.000,00 | USD | 9,000 | 341.313,11 | | 1,40 | 1,39 |
| SURGUTNEFTEGAZ OIL ADR NEW | 70.000,00 | USD | 5,045 | 334.818,68 | | 1,38 | 1,36 |
| TATNEFT - | 28.000,00 | USD | 41,220 | 1.094.249,82 | | 4,50 | 4,44 |
| <u>Turkey</u> | | | | | | | |
| AKBANK T.A.S. - | 100.000,00 | TRY | 7,820 | 210.770,31 | | 0,87 | 0,86 |
| ARCELIK AS - | 35.000,00 | TRY | 21,200 | 199.989,22 | | 0,82 | 0,81 |
| EMLAK KONUT GAYRIMENKUL YATIRI - | 300.000,00 | TRY | 2,990 | 241.765,94 | | 1,00 | 0,98 |
| ENKA INSAAT VE SANAYIAS - | 100.000,00 | TRY | 5,380 | 145.005,66 | | 0,60 | 0,59 |
| KOC HOLDING A.S. - | 70.000,00 | TRY | 13,800 | 260.363,32 | | 1,07 | 1,06 |
| TAV HAVALIMANLARI HOLD - | 20.000,00 | TRY | 14,030 | 75.629,35 | | 0,31 | 0,31 |
| TOFAS TURKOTOMOBIL FABRIKASI AS - | 85.000,00 | TRY | 24,640 | 564.497,87 | | 2,32 | 2,29 |
| TUPRAS-TURKIYE PETROL RAF. A.S. - | 15.000,00 | TRY | 70,750 | 286.035,79 | | 1,18 | 1,16 |
| TURK HAVA YOLLARIAO - | 60.000,00 | TRY | 5,010 | 81.019,89 | | 0,33 | 0,33 |
| TURKIYE GARANTI BANKASI A.S. - | 100.000,00 | TRY | 7,620 | 205.379,76 | | 0,85 | 0,83 |
| Total shares | | | | 24.307.612,19 | | 100,00 | 98,61 |
| TOTAL SECURITIES PORTFOLIO | | | | 24.307.612,19 | | 100,00 | 98,61 |
| COLLATERAL RECEIVED | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING | 5.805.876,00 | EUR | 1,000 | 5.805.876,00 | | | 23,56 |
| TOTAL RECEIVED COLLATERAL | | | | 5.805.876,00 | | | 23,55 |
| CASH AT BANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP CZK | 286.408,83 | CZK | 1,000 | 10.599,69 | | | 0,04 |
| KBC GROUP EURO | 94.495,02 | EUR | 1,000 | 94.495,02 | | | 0,38 |
| KBC GROUP GBP | 1.090,75 | GBP | 1,000 | 1.277,82 | | | 0,01 |
| KBC GROUP HUF | 52.719,34 | HUF | 1,000 | 170,69 | | | 0,00 |
| KBC GROUP PLN | 12.543,79 | PLN | 1,000 | 2.849,02 | | | 0,01 |
| KBC GROUP TRY | 6.007,12 | TRY | 1,000 | 1.619,08 | | | 0,01 |
| KBC GROUP USD | 216.226,71 | USD | 1,000 | 205.002,81 | | | 0,83 |
| Total demand accounts | | | | 316.014,13 | | | 1,28 |
| TOTAL CASH AT BANK AND IN HAND | | | | 316.014,13 | | | 1,28 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR RECEIVABLE | 571,10 | EUR | 1,000 | 571,10 | | | 0,00 |
| Total receivables | | | | 571,10 | | | 0,00 |
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING TEGENP | -5.805.876,00 | EUR | 1,000 | -5.805.876,00 | | | -23,55 |
| KBC GROUP EUR PAYABLE | -35.806,98 | EUR | 1,000 | -35.806,98 | | | -0,15 |
| Payables | | | | -5.841.682,98 | | | -23,70 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -5.841.111,88 | | | -23,70 |
| OTHER | | | | | | | |
| Interest receiv able | | EUR | | 92.167,61 | | | 0,37 |

| | | | | | | | |
|-------------------------|--|-----|--|----------------------|--|--|---------------|
| Ex penses payable | | EUR | | -29.536,45 | | | -0,12 |
| TOTAL OTHER | | | | 62.631,16 | | | 0,25 |
| TOTAL NET ASSETS | | | | 24.651.021,60 | | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|----------------|---------------|---------------|---------------|---------------|
| Austria | 3,12 | 4,68 | 3,94 | 3,06 |
| Czech Republic | 4,09 | 6,27 | 6,43 | 5,21 |
| Greece | 0,00 | 0,00 | 0,46 | 0,51 |
| Hungary | 2,52 | 5,26 | 6,55 | 9,02 |
| Poland | 21,17 | 18,15 | 13,47 | 16,68 |
| Russia | 49,25 | 46,48 | 50,91 | 56,18 |
| Turkey | 19,85 | 19,16 | 18,24 | 9,34 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Cyclicals | 38,37 | 38,08 | 40,86 | 40,73 |
| Consum(cycl) | 9,25 | 11,37 | 7,87 | 6,20 |
| Cons.goods | 6,80 | 3,81 | 4,59 | 8,51 |
| Pharma | 0,00 | 1,69 | 2,15 | 3,31 |
| Financials | 33,77 | 31,57 | 30,66 | 32,57 |
| Technology | 1,89 | 2,25 | 2,00 | 1,16 |
| Telecomm. | 5,49 | 5,58 | 6,67 | 5,73 |
| Utilities | 2,14 | 4,43 | 2,55 | 0,43 |
| Real est. | 1,19 | 0,80 | 2,24 | 0,99 |
| Unit trusts | 1,10 | 0,42 | 0,41 | 0,37 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| CZK | 4,02 | 6,22 | 6,39 | 5,19 |
| EUR | 2,30 | 1,60 | 2,25 | 3,00 |
| GBP | 0,01 | 0,01 | 0,01 | 0,01 |
| HUF | 2,55 | 5,22 | 6,59 | 8,92 |
| PLN | 20,59 | 18,03 | 13,38 | 16,50 |
| TRY | 22,19 | 22,07 | 20,02 | 10,01 |
| USD | 48,34 | 46,85 | 51,36 | 56,37 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND EMERGING EUROPE (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 7.010.249,83 | 8.673.143,85 | 15.683.393,68 |
| Sales | 8.597.464,22 | 9.252.386,38 | 17.849.850,61 |
| Total 1 | 15.607.714,05 | 17.925.530,23 | 33.533.244,28 |
| Subscriptions | 205.947,33 | 3.196.315,25 | 3.402.262,58 |
| Redemptions | 1.546.679,21 | 3.745.837,60 | 5.292.516,81 |
| Total 2 | 1.752.626,54 | 6.942.152,85 | 8.694.779,39 |
| Monthly average of total assets | 20.771.466,65 | 22.446.383,34 | 21.605.478,66 |
| Turnover rate | 66,70 % | 48,93 % | 114,96 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 7.010.249,83 | 8.673.143,85 | 15.683.393,68 |
| Sales | 8.597.464,22 | 9.252.386,38 | 17.849.850,61 |
| Total 1 | 15.607.714,05 | 17.925.530,23 | 33.533.244,28 |
| Subscriptions | 205.947,33 | 3.196.315,25 | 3.402.262,58 |
| Redemptions | 1.546.679,21 | 3.745.837,60 | 5.292.516,81 |
| Total 2 | 1.752.626,54 | 6.942.152,85 | 8.694.779,39 |
| Monthly average of total assets | 20.518.456,14 | 21.940.864,54 | 21.201.188,92 |
| Corrected turnover rate | 67,53 % | 50,06 % | 117,16 % |

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: Implementation of CEE strategy and stock pick lists.

The detailed list of transactions is available for consultation free of charge at the registered office of the Beveik or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

| NAME | Currency | Value in currency | In the currency of the sub-fund | Lot-size | Transaction date |
|--|----------|-------------------|---------------------------------|----------|------------------|
| COLLATER ONTVANGEN SECURITIES LENDING | EUR | 5.805.876,00 | 5.805.876,00 | N/A | 31.12.2016 |

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|--------|-------------|----------|---------------|----------|-----------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 2.673,47 | 198,08 | 5.998,75 | 2.122,56 | 20.138,39 | 4.958,48 | 25.096,86 |
| 2015 - 12 | 522,55 | 256,70 | 4.575,26 | 919,72 | 16.085,67 | 4.295,46 | 20.381,13 |
| 2016 - 12 | 282,18 | 115,35 | 3.662,67 | 712,00 | 12.705,19 | 3.698,81 | 16.403,99 |

| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 3.157.881,43 | 219.211,78 | 7.803.979,43 | 2.278.057,00 |
| 2015 - 12 | 642.112,70 | 247.020,14 | 5.579.725,17 | 900.188,81 |
| 2016 - 12 | 325.614,38 | 102.145,00 | 4.613.747,24 | 620.895,82 |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 27.658.743,86 | 1.147,29 | 918,45 |
| 2015 - 12 | 20.843.777,64 | 1.073,41 | 832,82 |
| 2016 - 12 | 21.445.443,00 | 1.385,87 | 1.037,55 |

Institutional B Shares

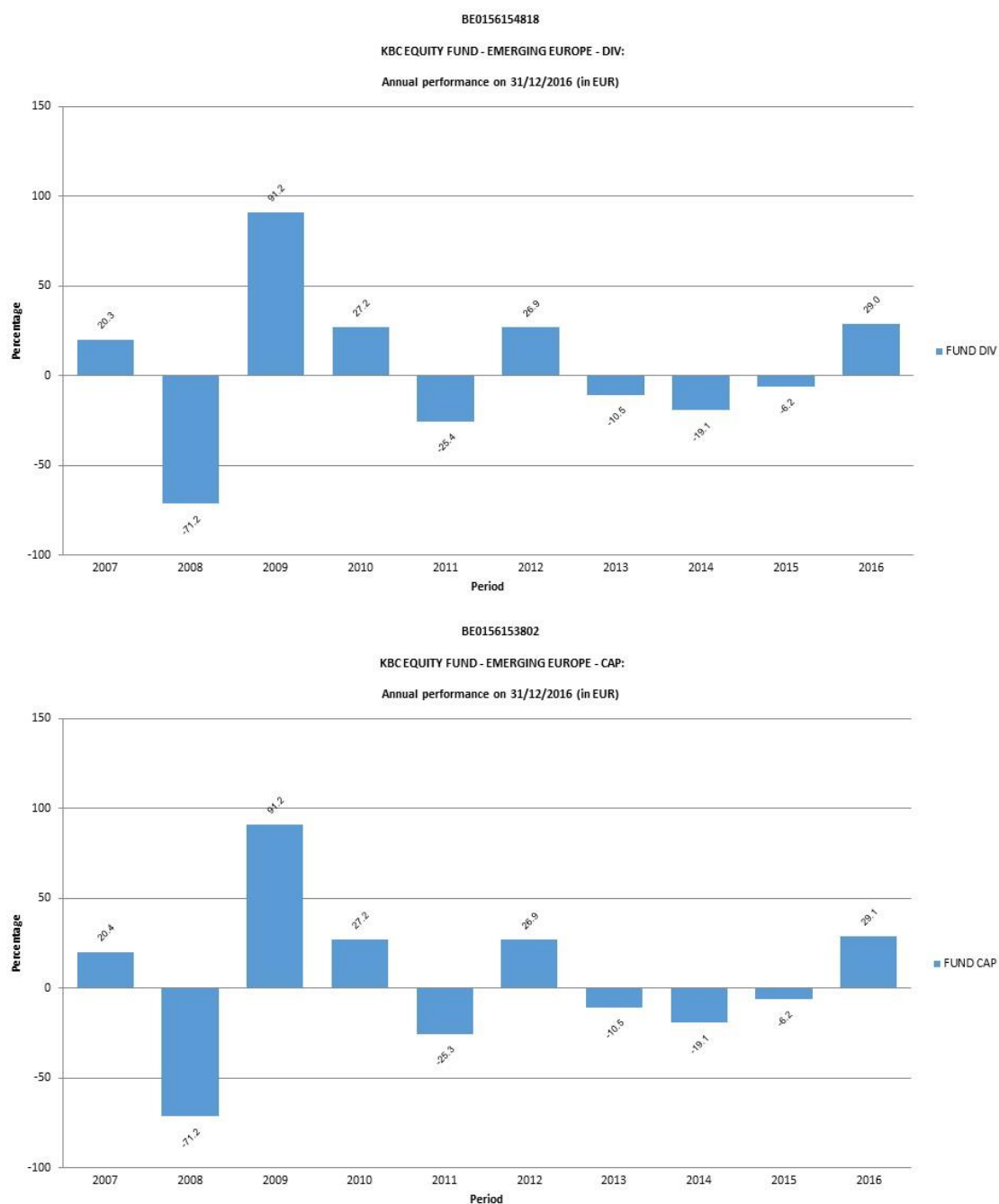
| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|------|-------------|------|---------------|------|----------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2016 - 12 | 2.426,00 | | 112,00 | | 2.314,00 | | 2.314,00 |

| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2016 - 12 | 2.980.387,87 | | 150.650,72 | |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2016 - 12 | 3.205.578,60 | 1.385,30 | |

2.4.5 PERFORMANCE FIGURES

Classic Shares



| Cap Div | ISIN code | Cur- rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|---------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE0156153802 | EUR | 29.05% | | -0.70% | | 2.15% | | -3.50% | | 06/10/1995 | 4.95% |
| DIV | BE0156154818 | EUR | 29.02% | | -0.72% | | 2.14% | | -3.52% | | 06/10/1995 | 4.94% |

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

Dividend on ex-dividend date 31/03/2017: 19.7026 EUR net (28.1466 EUR gross).

2.4.6 COSTS

Ongoing Charges: *

Classic Shares Distribution: 1.946%

Classic Shares Capitalization: 1.919%

Institutional B Shares Capitalization: 0.322%

* The following are not included in the charges shown: entry and exit charges, performance fees, transaction costs paid when buying or selling assets, interest paid, payments made with a view to providing collateral in the context of derivative financial instruments, or commissions relating to Commission Sharing Agreements or similar fees received by the Management Company or any person associated with it.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

The Management Company, or where applicable, the appointed manager has entered into a Commission Sharing Agreement with one or more brokers for transactions in shares on behalf of one or more sub-funds. This agreement specifically concerns the execution of orders and the delivery of research reports.

For more information, please see the 'General' section of the annual report.

| Broker | Commission gross in EUR paid during the period: 1-01-16 - 31-12-16 | CSA Credits in EUR accrued during the period: 1-01-16 - 31-12-16 | Percentage |
|------------------------------------|---|---|------------|
| CITI | 123 | 26 | 21.35% |
| CSFBSAS | 19,475 | 2,257 | 11.59% |
| EQ CSA GOLDMAN SACHS INTERNATIONAL | 307 | 19 | 6.25% |
| HSBC | 523 | 33 | 6.25% |
| INSTINET | 428 | 103 | 24.03% |
| MORGAN STANLEY | 96 | 19 | 20.00% |
| UBSWDR | 273 | 43 | 15.68% |
| WOOD | 47 | 3 | 6.25% |

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.6% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

CSOB Asset Management a.s. receives a fee from the management company of max. 1.6% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Exercising voting rights.

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

Pursuant to the Royal Decree of 7 March 2006 on securities lending, the collective investment undertaking has entered into securities lending arrangements, whereby the title to the securities that have been lent has been transferred, without recognition of that transfer of ownership in the accounts. The securities lending system can be managed by either a principal or an agent.

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 6,753.52 EUR and from bond lending to 0.00 EUR. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/12/2016

| Name | Currency | Quantity | Price | Value in currency of the portfolio |
|----------------------------------|----------|----------|--------|------------------------------------|
| CYFROWY POLSAT SA | PLN | 124,999 | 24.6 | 698,405.67 |
| ENERGA SA | PLN | 49,999 | 9.1 | 103,340.09 |
| GEDEON RICHTER | HUF | 39,999 | 6210 | 804,214.78 |
| MBANK | PLN | 5,999 | 335.25 | 456,787.02 |
| OTP BANK RT. | HUF | 40,999 | 8400 | 1,115,023.10 |
| POLSKI KONCERN NAFTOWY ORLEN SA | PLN | 14,999 | 85.3 | 290,587.85 |
| POWSZECHNA KASA OSZCZEDNOSCI BK | PLN | 79,999 | 28.14 | 511,298.79 |
| POWSZECHNY ZAKLAD UBEZPIECZEN SA | PLN | 104,999 | 33.21 | 791,990.82 |
| Total | | | | 4,771,648.12 |

Details of collateral received for securities lent

| Name | Currency | Nominal value | Currency fund | Value in currency fund |
|---|----------|---------------|---------------|------------------------|
| FLEMISH COMMUNITY 2010 3,1155% 18/08/2020 | EUR | 4000000 | EUR | 4,626,896.00 |
| FRANCE 2014 2,375% 25/01/2024 | EUR | 1000000 | EUR | 1,178,980.00 |
| Total | | | | 5,805,876.00 |

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank

The amount in securities lent on a traded basis, as given in the annual report, can differ from the amount in securities lent on a settled basis.

The position held as collateral is determined on the basis of the settled positions.

Transparency of securities financing transactions and of reuse

Global data:

| | | |
|---|--------------|-----|
| 1) The amount of securities and commodities on loan as a proportion of total lendable assets defined as excluding cash and cash equivalents; | 19,63 | % |
| 2) The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) and as a proportion of the collective investment undertaking's assets under management (AUM). | | |
| The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) | 4.771.648,12 | EUR |
| proportion of the collective investment undertaking's assets under management (AUM) | 19,36 | % |

Concentration data:

1) Ten largest collateral issuers across all SFTs and total return swaps (break down of volumes of the collateral securities and commodities received per issuer's name);

| <u>name collateral issuer</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|--------------------------------|--|-----------------|
| FLEMISH COMMUNITY | 4.626.896,00 | EUR |
| CAISSE D AMORTISSEMENT DE LA D | 1.178.980,00 | EUR |

2) Top 10 counterparties of each type of SFTs and total return swaps separately (Name of counterparty and gross volume of outstanding transactions).

| <u>type SFT (lending program)</u> | <u>name counterparty</u> | <u>Country of counterparty</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-----------------------------------|--------------------------|--------------------------------|--|-----------------|
| equity (KBC Bank) | KBC Bank NV | Belgium | 4.771.648,12 | EUR |

Aggregate transaction data for each type of SFTs and total return swaps separately to be broken down according to the below categories:

| | | | |
|--|-------------------------------|--------------------------|---------------------------------|
| 1) Type and quality of collateral; | <u>equity (Goldman Sachs)</u> | <u>equity (KBC Bank)</u> | <u>bonds (Société Générale)</u> |
| type | Nil | bonds | Nil |
| quality – investment grade bonds (at least BBB- rating by Standard & Poor's): see table below | | | |
| 2) Maturity tenor of the collateral broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open maturity; | Nil | open maturity | Nil |
| 3) Currency of the collateral: see table below | | | |
| 4) Maturity tenor of the SFTs and total return swaps broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open transactions; | Nil | open maturity | Nil |
| 5) Country in which the counterparties are established: see table above | | | |
| 6) Settlement and clearing (e.g., tri-party, Central Counterparty, bilateral). | Nil | bilateral | Nil |

| <u>collateral</u> | <u>quality</u> | <u>Currency</u> |
|---|------------------|-----------------|
| FRANCE 2014 2,375% 25/01/2024 | investment grade | EUR |
| FLEMISH COMMUNITY 2010 3,1155% 18/08/2020 | investment grade | EUR |

Data on reuse of collateral:

| | |
|---|-----|
| 1) Share of collateral received that is reused, compared to the maximum amount specified in the prospectus or in the disclosure to investors; | Nil |
| 2) Cash collateral reinvestment returns to the collective investment undertaking. | Nil |

Safekeeping of collateral received by the collective investment undertaking as part of SFTs and total return swaps:

1) Number and names of custodians and the amount of collateral assets safe-kept by each of the custodians.

| <u>number</u> | <u>Name collateral custodian</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|---------------|----------------------------------|--|-----------------|
| 1 | KBC Bank | 5.805.876,00 | EUR |

Safekeeping of collateral granted by the collective investment undertaking as part of SFTs and total return swaps:

1) The proportion of collateral held in segregated accounts or in pooled accounts, or in any other accounts.

Data on return and cost for each type of SFTs and total return swaps:

1) Data on return and cost for each type of SFTs and total return swaps broken down between the collective investment undertaking, the manager of the collective investment undertaking and third parties (e.g. agent lender) in absolute terms and as a percentage of overall returns generated by that type of SFTs and total return swaps.

| <u>Lending program: equity (Goldman Sachs)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 3.283,86 | 853,80 | 295,55 |
| percentage of overall returns | 100,00% | 26,00% | 9,00% |
| cost (EUR) | 1.149,35 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 2.323,83 | 813,34 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 813,34 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 1.145,81 | 401,03 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 401,03 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND PHARMA

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 27 February 1998

Initial subscription price: 20000 BEF

Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 576.88 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of companies in the pharmaceutical and healthcare sector where conditions are such as to allow accelerated economic growth in the short or medium term.

Lending financial instruments:

The sub-fund may lend financial instruments within the limits set by law and regulations. This takes place within the framework of a securities lending system managed by either a principal or an agent. If it is managed by a principal, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to whom title to the loaned securities is transferred. If it is managed by an agent, the sub-fund has a relationship with the agent (as manager of the system) and with one or more counterparties to whom title to the loaned securities is transferred. The agent acts as intermediary between the sub-fund and the counterparty or counterparties.

This lending does not affect the sub-fund's risk profile since:

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

If the sub-fund receives collateral in the form of cash, it can reinvest this cash in

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- short term money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

Reinvesting in this way can eliminate the credit risk to which the sub-fund is exposed concerning the collateral in respect of the financial institution where the cash account is held, but there is still a credit risk in respect of the issuer or issuers of the debt instrument or instruments. The management company may delegate implementation of the reinvestment policy to a third party, including the agent managing the securities lending system.

By lending securities, the sub-fund can generate additional income, which might consist of a fee paid by the principal or (if the sub-fund uses an agent) the counterparty to the management company as well as income generated through reinvestments. After deducting the direct and indirect charges – set at a flat rate of 35% of the fee received and consisting of the charges for the clearing services provided by KBC Bank NV, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management, the charges associated with cash and custody accounts and cash and securities transactions, the fee paid for any management of reinvestments and, if the sub-fund uses an agent, the fee paid to the agent – this income is paid to the sub-fund. The relationship with the counterparty or counterparties is governed by standard international agreements.

General strategy for hedging the exchange rate risk:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database. In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The US elections have weighed on the pharmaceutical and biotech sector. Firstly, there was the conviction that Hillary Clinton would win. Her focus was on continuing to reform the sector, which gave rise to the necessary concern and caused shares to fall considerably in price. After the elections, the sector picked up for a little while, but slipped back to its old levels just as quickly as it had gone up, because the market was unable to assess what president-elect Donald Trump is planning to do. His statements on the sector indicate that he also intends to implement reforms. It is certain that he will tackle Obamacare either by abolishing it or at least by thoroughly reforming it. In principle, that should have few consequences for the sector. However, the pressure on prices exerted by health insurers is something that hangs over the sector like the sword of Damocles. The lack of drugs becoming generic and the popularity of new drugs are leading to more expensive health insurance. Insurers are, therefore, forced to put pressure on drugs that have been on the market for a time. Figures have been disappointing over the past half year due in part to pricing pressure. Towards the end of the year, takeover activity appeared to hesitantly get under way. The interest shown in Actelion by both Johnson & Johnson and Sanofi could herald the start of more acquisitions in the sector. In the medical equipment and services sector, the consolidation movement continued unabated. Particularly in the case of the US health insurance companies it was a matter of waiting to see whether the takeovers of Humana by Aetna and Cigna by Anthem would be approved. At the time of writing no decision has as yet been taken but the market appears to be assuming that the deals will not proceed, given the heavy discounts on the takeover price at which Humana and Cigna are trading. Hospitals were under pressure. For some time now, they have been troubled by the rising costs of nursing staff as well as the upward trend in outstanding unpaid invoices. Increases in the price of drugs are a major factor for distributors and there lies the rub: due to the enormous political focus on price increases in recent years, they have been fairly limited in historical terms.

2.1.8 FUTURE POLICY

We believe that 2017 will continue to be a difficult year for the health care sector. We do not expect much clarity about the health care policy to be implemented under President Trump, and that could keep investors away from the sector. Moreover, cyclical shares are performing better in response to Donald Trump at the moment, with the result that more defensive shares are finding the going difficult. We believe that pressure will continue to be exerted on the price of drugs. However, the success of cancer immunotherapy will become clearer in the course of 2017. With this treatment, the immune system is stimulated to fight cancer cells, and up to 20% of certain cancers can be cured in this way using monotherapy. Combining different drugs is expected to increase this survival rate, although it is not certain at the moment whether this will actually turn out to be the case. If it transpires that immunoncology can cure more people, that would be an extra boost for the sector. Pricing pressure can only be averted by launching innovative drugs on the market. We believe that the quest for improved drugs will result in acquisitions within the biotech sector. Many of the larger pharmaceutical companies have significant cash surpluses and a limited pipeline. A potential cash repatriation holiday, where cash abroad can be repatriated to the US at a lower tax rate, could stimulate takeovers in the sector, certainly if it was to be combined with a cut in US corporation tax rates. We remain positive towards pharmaceutical shares, which are currently trading at a discount relative to the US S&P 500, but expect to find more solace in US biotech shares. European pharma companies have more diversified income and are therefore less sensitive to the pricing pressure that will be witnessed primarily in the US. 2017 will be more a year for picking the best shares in the sector, rather than playing the sector itself. We have chosen quality names like Roche, Celgene and Johnson & Johnson but expect the sector as a whole to turn in a mixed performance. In the medical sector, we are opting for established players like Medtronic, Fresenius and Abbott, which have already proven in the past that they can survive difficult times. We are slightly positive about US health insurance companies, though hospitals may remain in more troubled waters. We are positive on CROs that test new drugs on patients and coordinate all research on behalf of the pharmaceutical industry. The number of trials continues to increase, especially in oncology.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 170,561.56 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 | | 31/12/2016 (in the currency of the sub-fundt) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|---|
| TOTAL NET ASSETS | | 317.475.042,71 | 85.990.948,94 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | | |
| a) Collateral received in the form of bonds | | 2.413.672,15 | 5.016.613,36 |
| C. Shares and similar instruments | | | |
| a) Shares | | 316.398.888,74 | 86.327.190,09 |
| Of which securities lent | | 2.209.160,60 | 844.800,82 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 669.127,56 | 16.871,11 |
| B. Payables | | | |
| a) Accounts payable (-) | | -493.684,12 | -13.600,58 |
| d) Borrowings (-) | | -170.561,56 | -483.412,68 |
| e) Collateral (-) | | -2.413.672,15 | -5.016.613,36 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 1.280.717,73 | 198.528,82 |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | 248.712,42 | 50.218,65 |
| C. Accrued expense (-) | | -458.158,06 | -104.846,47 |
| TOTAL SHAREHOLDERS' EQUITY | | 317.475.042,71 | 85.990.948,94 |
| A. Capital | | 319.347.378,68 | 71.778.911,26 |
| B. Income equalization | | 2.875.809,44 | -80.952,01 |
| D. Result of the book year | | -4.748.145,41 | 14.292.989,67 |

Off-balance-sheet headings

| | | |
|--------------------------------------|--------------|--------------|
| I Collateral (+/-) | | |
| I.A Collateral (+/-) | | |
| I.A.A Securities/market instruments | 2.413.672,15 | 5.016.613,36 |
| IX Financial instruments lent | 2.209.160,60 | 844.800,82 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|--|--|--|--|
| I. Net gains(losses) on investments | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | -17.405.121,68 | 8.647.085,58 |
| D. Other securities | | -701,19 | |
| G. Receivables, deposits, cash at bank and in hand and payables | | | -0,01 |
| H. Foreign exchange positions and transactions | | | |
| b) Other foreign exchange positions and transactions | | 13.506.551,62 | 6.020.049,16 |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | | 22.449.744,76 | 20.047.744,74 |
| Unrealised gains on investments | | -3.229.140,90 | -3.120.812,54 |
| Realised losses on investments | | -14.852.581,45 | -2.358.271,29 |
| Unrealised losses on investments | | -8.267.293,66 | 98.473,82 |
| II. Investment income and expenses | | | |
| A. Dividends | | 2.271.164,96 | 1.281.799,08 |
| B. Interests | | | |
| a) Securities and money market instruments | | 67.180,94 | 22.898,11 |
| b) Cash at bank and in hand and deposits | | 994,83 | 388,57 |
| C. Interest on borrowings (-) | | -2.082,33 | -1.471,38 |
| III. Other income | | | |
| A. Income received to cover the acquisition and realizaion of assets, to discourage withdrawals and for delivery charges | | 356.094,13 | 7.583,22 |

| | | |
|---|---------------|---------------|
| IV. Operating expenses | | |
| A. Investment transaction and delivery costs (-) | -463.555,83 | -77.959,76 |
| B. Financial expenses (-) | -2.607,29 | -780,09 |
| C. Custodian's fee (-) | -70.737,54 | -70.013,16 |
| D. Manager's fee (-) | | |
| a) Financial management | | |
| Classic Shares | -1.532.572,22 | -1.200.698,08 |
| Institutional B Shares | -916.954,15 | -158.612,29 |
| b) Administration and accounting management | -163.301,95 | -90.620,62 |
| E. Administrative expenses (-) | 1,31 | -685,05 |
| F. Formation and organisation expenses (-) | -4.890,81 | -3.509,14 |
| G. Remuneration, social security charges and pension | -7,37 | -4,90 |
| H. Services and sundry goods (-) | -8.041,20 | -5.096,07 |
| J. Taxes | | |
| Classic Shares | -191.713,19 | -63.867,43 |
| Institutional B Shares | -9.907,53 | -811,02 |
| K. Other expenses (-) | -177.938,92 | -12.685,03 |
| Income and expenditure for the period | | |
| Subtotal II + III + IV | -848.874,15 | -374.145,04 |
| V. Profit (loss) on ordinary activities before tax | -4.748.145,41 | 14.292.989,69 |
| VII. Result of the book year | -4.748.145,41 | 14.292.989,69 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | -1.872.335,97 | 14.212.037,68 |
| Profit for the period available for appropriation | -4.748.145,41 | 14.292.989,69 |
| Income on the creation of shares (income on the cancellation of shares) | 2.875.809,44 | -80.952,01 |
| II. (Appropriations to) Deductions from capital | 3.889.792,51 | -14.023.269,08 |
| IV. (Dividends to be paid out) | -2.017.456,54 | -188.768,60 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND PHARMA

| Name | Quantity on 31/12/2016 | 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> | | | | | | | |
| CSL LIMITED - | 18.980,00 | AUD | 100,410 | 1.308.376,91 | | 0,41 | 0,41 |
| <u>Belgium</u> | | | | | | | |
| AGFA GEVAERT - | 539.744,00 | EUR | 3,673 | 1.982.479,71 | | 0,63 | 0,62 |
| GALAPAGOS GENOMICS NV - | 59.023,00 | EUR | 60,940 | 3.596.861,62 | | 1,14 | 1,13 |
| IBA ION BEAM - | 2.114,00 | EUR | 41,640 | 88.026,96 | | 0,03 | 0,03 |
| U.C.B. - | 107,00 | EUR | 60,910 | 6.517,37 | | 0,00 | 0,00 |
| <u>Denmark</u> | | | | | | | |
| GENMAB A/S - | 11.658,00 | DKK | 1.173,000 | 1.839.115,33 | | 0,58 | 0,58 |
| NOVO NORDISK A/S "B" | 140.747,00 | DKK | 254,700 | 4.821.198,28 | | 1,52 | 1,52 |
| <u>France</u> | | | | | | | |
| ESSILOR (PAR) | 63.522,00 | EUR | 107,350 | 6.819.086,70 | | 2,16 | 2,15 |
| IPSEN - | 35.508,00 | EUR | 68,700 | 2.439.399,60 | | 0,77 | 0,77 |
| SANOFI - | 164.771,00 | EUR | 76,900 | 12.670.889,90 | | 4,01 | 3,99 |
| <u>Germany</u> | | | | | | | |
| BAYER AG - | 23.067,00 | EUR | 99,130 | 2.286.631,71 | | 0,72 | 0,72 |
| DRAEGERWERK AG PREF | 566,00 | EUR | 79,490 | 44.991,34 | | 0,01 | 0,01 |
| FRESENIUS MEDICAL CARE AG & CO - | 118.662,00 | EUR | 80,450 | 9.546.357,90 | | 3,02 | 3,01 |
| FRESENIUS SE & CO KGAA (FRA) | 74.096,00 | EUR | 74,260 | 5.502.368,96 | | 1,74 | 1,73 |
| MERCK KGAA - | 54.631,00 | EUR | 99,150 | 5.416.663,65 | | 1,71 | 1,71 |
| <u>Hong Kong</u> | | | | | | | |
| CHINA PHARMACEUTICAL_GROUP LTD - | 20.000,00 | HKD | 8,280 | 20.250,32 | | 0,01 | 0,01 |
| <u>India</u> | | | | | | | |
| CADILA HEALTHCARE LTD - | 1.819,00 | INR | 356,650 | 9.062,49 | | 0,00 | 0,00 |
| DIVIS LABORATORIES LTD - | 1.428,00 | INR | 783,700 | 15.633,30 | | 0,01 | 0,01 |
| <u>Ireland</u> | | | | | | | |
| JAZZ PHARMACEUTICALS PLC - | 38.641,00 | USD | 109,030 | 3.994.338,21 | | 1,26 | 1,26 |
| <u>Japan</u> | | | | | | | |
| ALFRESA HOLDINGS CORP - | 72.800,00 | JPY | 1.934,000 | 1.144.482,88 | | 0,36 | 0,36 |
| DAINIPPON SUMITOMO PHARMA CO L - | 2.000,00 | JPY | 2.010,000 | 32.677,40 | | 0,01 | 0,01 |
| SHIONOGI & CO - | 3.000,00 | JPY | 5.599,000 | 136.537,89 | | 0,04 | 0,04 |
| SUZUKEN CO LTD - | 22.500,00 | JPY | 3.820,000 | 698.662,34 | | 0,22 | 0,22 |
| TAISHO PHARM. - | 400,00 | JPY | 9.700,000 | 31.539,38 | | 0,01 | 0,01 |
| TAKEDA PHARMACEUTICAL CO LTD - | 8.095,00 | JPY | 4.835,000 | 318.152,09 | | 0,10 | 0,10 |
| TANABE SEIYAKU CO LTD - | 400,00 | JPY | 2.293,000 | 7.455,65 | | 0,00 | 0,00 |
| <u>Jersey/The Channel Islands</u> | | | | | | | |
| SHIRE LTD - | 216.809,00 | GBP | 46,840 | 11.897.063,68 | | 3,76 | 3,75 |

| | | | | | | | |
|---------------------------------------|------------|-----|-------------|----------------|--|--------|-------|
| <u>South Korea</u> | | | | | | | |
| CELLTRION INC - | 34.939,00 | KRW | 107.400,000 | 2.945.575,57 | | 0,93 | 0,93 |
| <u>Switzerland</u> | | | | | | | |
| ACTELION LTD - | 17.821,00 | CHF | 220,500 | 3.665.606,81 | | 1,16 | 1,16 |
| LONZA AG - | 24.070,00 | CHF | 176,300 | 3.958.527,05 | | 1,25 | 1,25 |
| NOVARTIS AG REG | 90.474,00 | CHF | 74,100 | 6.253.846,46 | | 1,98 | 1,97 |
| ROCHE HOLDING GENOTS | 81.443,00 | CHF | 232,600 | 17.671.307,65 | | 5,59 | 5,57 |
| STRAUMANN HOLDING AG REG | 475,00 | CHF | 397,500 | 176.131,06 | | 0,06 | 0,06 |
| <u>U.K.</u> | | | | | | | |
| ASTRAZENECA PLC - | 174.528,00 | GBP | 44,375 | 9.072.961,57 | | 2,87 | 2,86 |
| CAMBIAN GROUP PLC - | 83.389,00 | GBP | 1,238 | 120.892,56 | | 0,04 | 0,04 |
| GLAXOSMITHKLINE PLC - | 381.095,00 | GBP | 15,620 | 6.973.645,62 | | 2,20 | 2,20 |
| <u>U.S.A.</u> | | | | | | | |
| ABBOTT LAB. - | 334.737,00 | USD | 38,410 | 12.189.853,68 | | 3,85 | 3,84 |
| ABBVIE INC - | 40.641,00 | USD | 62,620 | 2.412.836,62 | | 0,76 | 0,76 |
| AETNA INC NEW | 13.601,00 | USD | 124,010 | 1.599.108,80 | | 0,51 | 0,50 |
| ALEXION PHARMACEUTICALS INC - | 5.610,00 | USD | 122,350 | 650.754,68 | | 0,21 | 0,21 |
| ALKERMES INC - | 28.400,00 | USD | 55,580 | 1.496.536,62 | | 0,47 | 0,47 |
| ALLERGAN PLC - | 58.576,00 | USD | 210,010 | 11.662.996,69 | | 3,69 | 3,67 |
| AMGEN - | 25.526,00 | USD | 146,210 | 3.538.427,55 | | 1,12 | 1,12 |
| ANTHEM INC - | 8.665,00 | USD | 143,770 | 1.181.101,73 | | 0,37 | 0,37 |
| BARD (C.R.) INC. - | 103,00 | USD | 224,660 | 21.938,83 | | 0,01 | 0,01 |
| BECTON DICKINSON - | 52,00 | USD | 165,550 | 8.161,74 | | 0,00 | 0,00 |
| BIAGEN INC - | 24.688,00 | USD | 283,580 | 6.637.613,69 | | 2,10 | 2,09 |
| BIOMARIN PHARMACEUTICAL INC - | 47.214,00 | USD | 82,840 | 3.708.184,65 | | 1,17 | 1,17 |
| BOSTON SCIENTIFIC - | 126.819,00 | USD | 21,630 | 2.600.706,30 | | 0,82 | 0,82 |
| BRISTOL-MYERSSQUIBB CO - | 53.464,00 | USD | 58,440 | 2.962.252,82 | | 0,94 | 0,93 |
| CELGENE CORPORATION - | 100.625,00 | USD | 115,750 | 11.042.753,02 | | 3,49 | 3,48 |
| CERNER CORP - | 72.492,00 | USD | 47,370 | 3.255.696,65 | | 1,03 | 1,03 |
| CIGNA CORP. - | 5.081,00 | USD | 133,390 | 642.573,68 | | 0,20 | 0,20 |
| CVS HEALTH CORP - | 62.082,00 | USD | 78,910 | 4.644.598,83 | | 1,47 | 1,46 |
| DANAHER CORPORATION - | 92.838,00 | USD | 77,840 | 6.851.395,99 | | 2,17 | 2,16 |
| EDWARDS LIFESCIENCES CORP. - | 15.450,00 | USD | 93,700 | 1.372.519,55 | | 0,43 | 0,43 |
| EXELIXIS INC - | 148.251,00 | USD | 14,910 | 2.095.683,73 | | 0,66 | 0,66 |
| GILEAD SCIENCES - | 165.310,00 | USD | 71,610 | 11.223.369,61 | | 3,55 | 3,54 |
| HENRY SCHEIN INC. - | 26.227,00 | USD | 151,710 | 3.772.361,38 | | 1,19 | 1,19 |
| HUMANA INC. - | 4.126,00 | USD | 204,030 | 798.130,15 | | 0,25 | 0,25 |
| ILLUMINA INC - | 286,00 | USD | 128,040 | 34.718,60 | | 0,01 | 0,01 |
| INCYTE CORP - | 18.446,00 | USD | 100,270 | 1.753.572,33 | | 0,55 | 0,55 |
| INTUITIVE SURGICAL INC - | 50,00 | USD | 634,170 | 30.062,57 | | 0,01 | 0,01 |
| JOHNSON & JOHNSON - | 224.117,00 | USD | 115,210 | 24.480.227,13 | | 7,74 | 7,72 |
| LABORATORY CORP OF AMERICA HOLDINGS - | 8.400,00 | USD | 128,380 | 1.022.414,79 | | 0,32 | 0,32 |
| LILLY (ELI) & CO - | 88.237,00 | USD | 73,550 | 6.152.956,96 | | 1,95 | 1,94 |
| MCKESSON CORP - | 20.987,00 | USD | 140,450 | 2.794.618,77 | | 0,88 | 0,88 |
| MEDTRONIC PLC - | 223.909,00 | USD | 71,230 | 15.121.154,84 | | 4,78 | 4,76 |
| MERCK & CO - | 211.910,00 | USD | 58,870 | 11.827.581,61 | | 3,74 | 3,73 |
| PFIZER - | 647.379,00 | USD | 32,480 | 19.935.406,42 | | 6,30 | 6,28 |
| QUEST DIAGNOSTICS INC - | 14.466,00 | USD | 91,900 | 1.260.417,54 | | 0,40 | 0,40 |
| STRYKER CORPORATION - | 86,00 | USD | 119,810 | 9.768,82 | | 0,00 | 0,00 |
| UNITEDHEALTH GROUP INC. - | 53.338,00 | USD | 160,040 | 8.093.115,45 | | 2,56 | 2,55 |
| Total shares | | | | 316.398.888,74 | | 100,00 | 99,66 |
| TOTAL SECURITIES PORTFOLIO | | | | 316.398.888,74 | | 100,00 | 99,66 |

| | | | | | | |
|---|---------------|-----|-------|-----------------------|--|---------------|
| COLLATERAL RECEIVED | | | | | | |
| <u>Belgium</u> | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING | 2.413.672,15 | EUR | 1,000 | 2.413.672,15 | | 0,76 |
| TOTAL RECEIVED COLLATERAL | | | | 2.413.672,15 | | 0,76 |
| CASH ATBANK AND IN HAND | | | | | | |
| Demand accounts | | | | | | |
| <u>Belgium</u> | | | | | | |
| KBC GROUP AUD | 97.303,83 | AUD | 1,000 | 66.802,03 | | 0,02 |
| KBC GROUP CAD | 9.639,20 | CAD | 1,000 | 6.814,80 | | 0,00 |
| KBC GROUP CHF | 10.138,21 | CHF | 1,000 | 9.457,29 | | 0,00 |
| KBC GROUP DKK | -1.268.219,02 | DKK | 1,000 | -170.561,56 | | -0,05 |
| KBC GROUP EURO | 694.948,62 | EUR | 1,000 | 694.948,62 | | 0,22 |
| KBC GROUP GBP | 41.324,54 | GBP | 1,000 | 48.412,07 | | 0,02 |
| KBC GROUP HKD | 639.093,73 | HKD | 1,000 | 78.151,27 | | 0,03 |
| KBC GROUP HUF | 1.629.136,94 | HUF | 1,000 | 5.274,59 | | 0,00 |
| KBC GROUP ILS | 319.957,49 | ILS | 1,000 | 78.819,88 | | 0,03 |
| KBC GROUP JPY | 8.291.900,00 | JPY | 1,000 | 67.402,42 | | 0,02 |
| KBC GROUP SEK | 879.659,98 | SEK | 1,000 | 91.803,38 | | 0,03 |
| KBC GROUP USD | 140.103,90 | USD | 1,000 | 132.831,38 | | 0,04 |
| Total demand accounts | | | | 1.110.156,17 | | 0,35 |
| TOTAL CASH AT BANK AND IN HAND | | | | 1.110.156,17 | | 0,35 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | |
| Receivables | | | | | | |
| <u>Belgium</u> | | | | | | |
| KBC GROUP EUR RECEIVABLE | 669.127,56 | EUR | 1,000 | 669.127,56 | | 0,21 |
| Total receivables | | | | 669.127,56 | | 0,21 |
| Payables | | | | | | |
| <u>Belgium</u> | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING TEGENP | -2.413.672,15 | EUR | 1,000 | -2.413.672,15 | | -0,76 |
| KBC GROUP EUR PAYABLE | -493.684,12 | EUR | 1,000 | -493.684,12 | | -0,16 |
| Payables | | | | -2.907.356,27 | | -0,92 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -2.238.228,71 | | -0,71 |
| OTHER | | | | | | |
| Interest receiv able | | EUR | | 248.712,42 | | 0,08 |
| Ex penses payable | | EUR | | -458.158,06 | | -0,14 |
| TOTAL OTHER | | | | -209.445,64 | | -0,07 |
| TOTAL NET ASSETS | | | | 317.475.042,71 | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|----------------------------|---------------|---------------|---------------|---------------|
| Australia | 0,89 | 0,90 | 0,52 | 0,41 |
| Belgium | 1,57 | 2,32 | 2,42 | 1,79 |
| Brazil | 0,00 | 0,02 | 0,00 | 0,00 |
| Canada | 2,14 | 0,00 | 0,01 | 0,00 |
| Switzerland | 12,56 | 11,98 | 8,67 | 10,03 |
| China | 0,11 | 0,12 | 0,05 | 0,00 |
| Germany | 4,13 | 3,68 | 5,37 | 7,21 |
| Denmark | 3,90 | 3,74 | 4,39 | 2,11 |
| Spain | 1,10 | 0,37 | 0,10 | 0,00 |
| France | 3,89 | 2,47 | 1,82 | 6,93 |
| U.K. | 2,24 | 1,53 | 1,29 | 5,11 |
| Hong Kong | 0,10 | 0,12 | 0,03 | 0,01 |
| Hungary | 0,20 | 0,00 | 0,07 | 0,00 |
| India | 0,15 | 0,08 | 0,08 | 0,01 |
| Ireland | 1,61 | 0,57 | 1,39 | 1,26 |
| Israel | 1,53 | 1,68 | 1,45 | 0,00 |
| Jersey/The Channel Islands | 1,27 | 1,12 | 2,21 | 3,76 |
| Japan | 2,13 | 1,94 | 2,86 | 0,75 |
| South Korea | 0,34 | 0,00 | 0,68 | 0,93 |
| Sweden | 0,00 | 0,28 | 0,13 | 0,00 |
| Taiwan | 0,00 | 0,00 | 0,11 | 0,00 |
| U.S.A. | 60,14 | 67,08 | 66,35 | 59,69 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Cyclicals | 3,72 | 2,66 | 1,66 | 4,14 |
| Consum(cycl) | 0,00 | 0,00 | 0,00 | 0,04 |
| Cons.goods | 0,00 | 0,00 | 0,00 | 1,47 |
| Pharma | 96,28 | 96,87 | 97,96 | 94,35 |
| Technology | 0,00 | 0,47 | 0,38 | 0,00 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| AUD | 0,90 | 0,91 | 0,54 | 0,43 |
| BRL | 0,00 | 0,02 | 0,00 | 0,00 |
| CAD | 2,15 | 0,04 | 0,01 | 0,00 |
| CHF | 12,62 | 12,03 | 8,81 | 9,99 |
| DKK | 3,92 | 3,78 | 4,50 | 2,04 |
| EUR | 10,32 | 8,31 | 8,08 | 16,14 |
| GBP | 3,53 | 2,71 | 3,61 | 8,85 |
| HKD | 0,22 | 0,24 | 0,09 | 0,03 |
| HUF | 0,20 | 0,01 | 0,08 | 0,00 |
| ILS | 1,53 | 1,70 | 1,48 | 0,02 |
| INR | 0,15 | 0,08 | 0,08 | 0,01 |
| JPY | 2,14 | 1,96 | 2,98 | 0,77 |
| KRW | 0,34 | 0,00 | 0,69 | 0,93 |
| SEK | 0,00 | 0,28 | 0,14 | 0,03 |
| TWD | 0,00 | 0,00 | 0,11 | 0,00 |
| USD | 61,98 | 67,93 | 68,80 | 60,76 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND PHARMA (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|----------------|
| Purchases | 19.374.805,64 | 466.385.744,51 | 485.760.550,15 |
| Sales | 20.475.633,96 | 231.599.617,41 | 252.075.251,37 |
| Total 1 | 39.850.439,60 | 697.985.361,92 | 737.835.801,52 |
| Subscriptions | 4.938.759,54 | 330.207.308,95 | 335.146.068,49 |
| Redemptions | 6.535.809,82 | 94.882.231,93 | 101.418.041,75 |
| Total 2 | 11.474.569,36 | 425.089.540,88 | 436.564.110,24 |
| Monthly average of total assets | 77.681.482,70 | 249.463.319,15 | 164.276.424,84 |
| Turnover rate | 36,53 % | 109,39 % | 183,39 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|----------------|
| Purchases | 19.374.805,64 | 466.385.744,51 | 485.760.550,15 |
| Sales | 20.475.633,96 | 231.599.617,41 | 252.075.251,37 |
| Total 1 | 39.850.439,60 | 697.985.361,92 | 737.835.801,52 |
| Subscriptions | 4.938.759,54 | 330.207.308,95 | 335.146.068,49 |
| Redemptions | 6.535.809,82 | 94.882.231,93 | 101.418.041,75 |
| Total 2 | 11.474.569,36 | 425.089.540,88 | 436.564.110,24 |
| Monthly average of total assets | 79.023.811,52 | 247.313.692,67 | 162.920.014,75 |
| Corrected turnover rate | 35,91 % | 110,34 % | 184,92 % |

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Beveik or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

| NAME | Currency | Value in currency | In the currency of the sub-fund | Lot-size | Transaction date |
|--|----------|-------------------|---------------------------------|----------|------------------|
| COLLATER ONTVANGEN SECURITIES LENDING | EUR | 2.413.672,15 | 2.413.672,15 | N/A | 30.12.2016 |

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|-----------|-------------|-----------|---------------|------------|------------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 8.201,83 | 1.979,30 | 24.599,06 | 11.613,74 | 49.781,30 | 13.448,50 | 63.229,80 |
| 2015 - 12 | 2.582,10 | 649,29 | 9.122,77 | 3.430,13 | 43.240,63 | 10.667,67 | 53.908,30 |
| 2016 - 12 | 36.198,56 | 99.025,71 | 7.314,85 | 2.222,94 | 72.124,35 | 107.470,44 | 179.594,78 |

| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|----------------|----------------|---------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 8.563.762,97 | 1.801.216,74 | 26.698.698,61 | 10.891.348,77 |
| 2015 - 12 | 3.734.621,69 | 795.697,61 | 13.115.950,39 | 4.307.728,22 |
| 2016 - 12 | 48.868.839,04 | 112.203.693,92 | 9.763.580,50 | 2.490.825,58 |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 76.302.238,49 | 1.243,04 | 1.072,39 |
| 2015 - 12 | 76.011.471,61 | 1.452,31 | 1.238,57 |
| 2016 - 12 | 220.780.905,39 | 1.361,69 | 1.140,50 |

Institutional B Shares

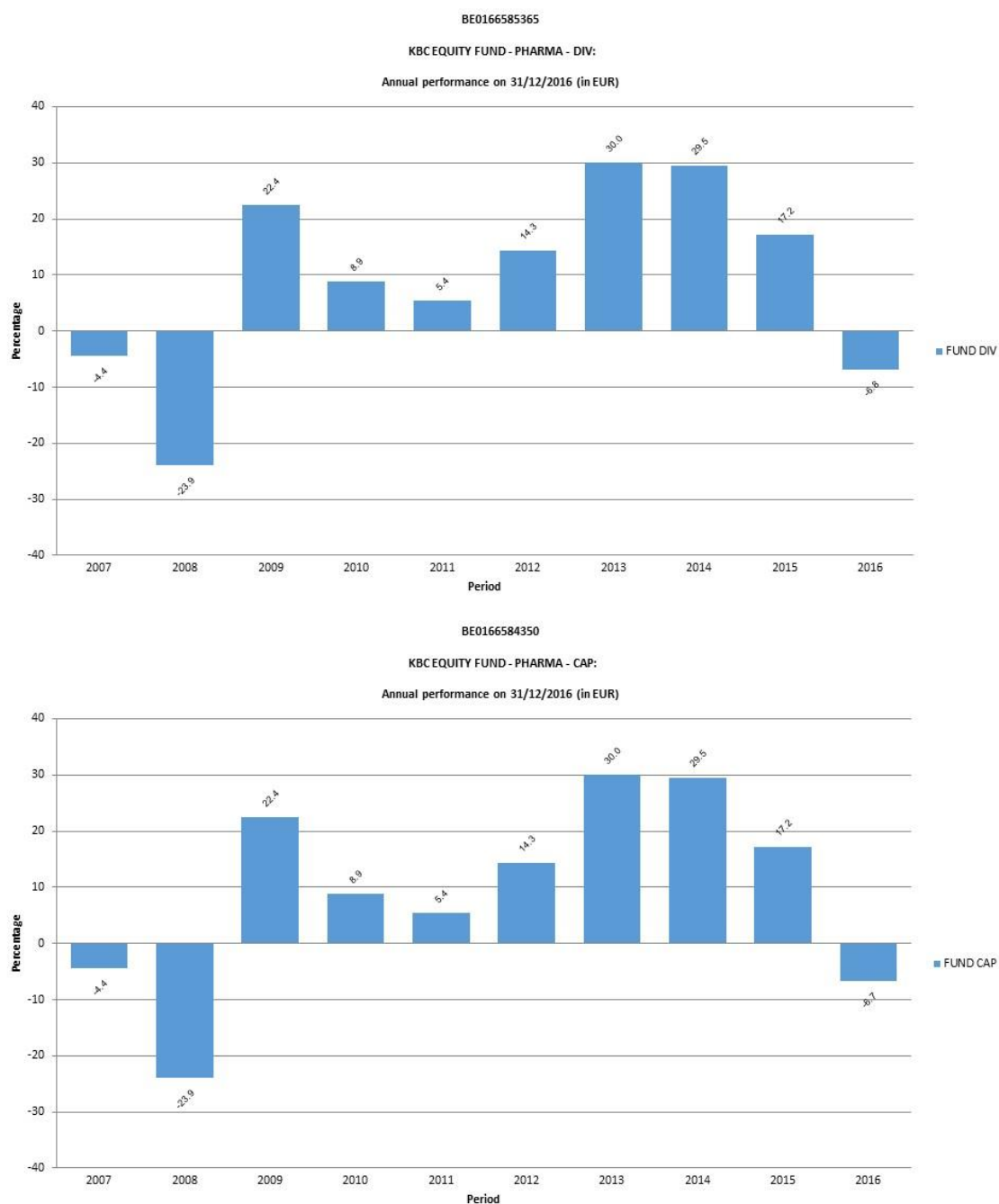
| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|------|-------------|------|---------------|------|-----------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 5.588,00 | | 61.670,00 | | 7.841,01 | | 7.841,01 |
| 2015 - 12 | 1.651,00 | | 2.641,00 | | 6.851,01 | | 6.851,01 |
| 2016 - 12 | 130.295,15 | | 66.401,65 | | 70.744,51 | | 70.744,51 |

| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 5.746.348,95 | | 63.141.372,60 | |
| 2015 - 12 | 2.515.904,73 | | 3.809.386,00 | |
| 2016 - 12 | 178.496.498,17 | | 90.892.965,04 | |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 9.769.251,88 | 1.245,92 | |
| 2015 - 12 | 9.979.477,31 | 1.456,64 | |
| 2016 - 12 | 96.694.137,32 | 1.366,81 | |

2.4.5 PERFORMANCE FIGURES

Classic Shares

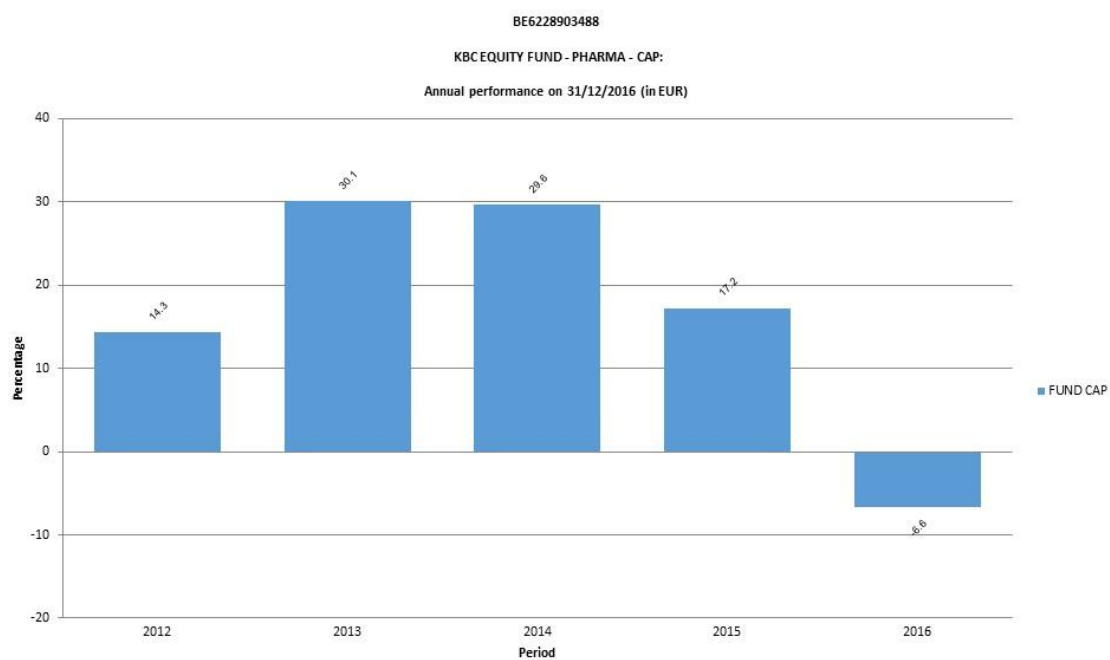


| Cap Div | ISIN code | Cur- rency | 1 Year | | 3 Years * | | 5 Years * | | 10 Years * | | Since launch* | |
|---------|--------------|---------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE0166584350 | EUR | -6.67% | | 12.31% | | 16.06% | | 7.96% | | 27/02/1998 | 5.51% |
| DIV | BE0166585365 | EUR | -6.82% | | 12.24% | | 16.02% | | 7.94% | | 27/02/1998 | 5.49% |

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares



| Cap Div | ISIN code | Cur-rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE6228903488 | EUR | -6.60% | | 12.40% | | 16.12% | | | | 25/11/2011 | |

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [\text{Wi} / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

Institutional B Shares

- The bar chart shows the performance for full financial years.
 - The figures do not take account of any restructuring.
 - Calculated in EUR.
 - The return is calculated as the change in the net asset value between two dates expressed as a percentage.
 - Calculation method for date D, where NAV stands for net asset value:
Capitalisation units (CAP)
 Return on date D over a period of X years:

$$\left[\frac{NIW(D)}{NIW(Y)} \right]^{1/X} - 1$$
 where $Y = D - X$
 Return on date D since the start date S of the unit:

$$\left[\frac{NIW(D)}{NIW(S)} \right]^{1/F} - 1$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 - If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
 - The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalization shares.

Dividend on ex-dividend date 31/03/2017: 13.1405 EUR net (18.7722 EUR 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.

2.4.6 COSTS

Ongoing Charges: *

Classic Shares Distribution: 2.091%

Classic Shares Capitalization: 1.844%

Institutional B Shares Capitalization: 1.778%

* The following are not included in the charges shown: entry and exit charges, performance fees, transaction costs paid when buying or selling assets, interest paid, payments made with a view to providing collateral in the context of derivative financial instruments, or commissions relating to Commission Sharing Agreements or similar fees received by the Management Company or any person associated with it.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

The Management Company, or where applicable, the appointed manager has entered into a Commission Sharing Agreement with one or more brokers for transactions in shares on behalf of one or more sub-funds. This agreement specifically concerns the execution of orders and the delivery of research reports.

For more information, please see the 'General' section of the annual report.

| Broker | Commission gross in EUR paid during the period: 1-01-16 - 31-12-16 | CSA Credits in EUR accrued during the period: 1-01-16 - 31-12-16 | Percentage |
|------------------------------------|---|---|------------|
| CITI | 0 | 0 | 26.65% |
| CITI | 42,744 | 15,178 | 35.51% |
| CSFBSAS | 934 | 198 | 21.20% |
| CSFBSAS | 43,727 | 16,578 | 37.91% |
| EQ CSA GOLDMAN SACHS INTERNATIONAL | 6,262 | 1,565 | 25.00% |
| HSBC | 259 | 65 | 25.00% |
| HSBC | 60,848 | 15,033 | 24.71% |
| INSTINET | 462 | 92 | 20.00% |
| INSTINET | 32,465 | 7,943 | 24.47% |
| MACQUARIE | 20,755 | 4,797 | 23.11% |
| MERRILL | 12,803 | 3,201 | 25.00% |
| MORGAN STANLEY | 4,039 | 1,010 | 25.00% |
| SOCGEN | 3,552 | 592 | 16.67% |
| UBSWDR | 2,969 | 742 | 25.00% |

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Exercising voting rights.

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

Pursuant to the Royal Decree of 7 March 2006 on securities lending, the collective investment undertaking has entered into securities lending arrangements, whereby the title to the securities that have been lent has been transferred, without recognition of that transfer of ownership in the accounts. The securities lending system can be managed by either a principal or an agent.

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 67,180.94 EUR and from bond lending to 0.00 EUR. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/12/2016

| Name | Currency | Quantity | Price | Value in currency of the portfolio |
|---------------|----------|----------|--------|------------------------------------|
| CELLTRION INC | KRW | 26,204 | 107400 | 2,209,160.60 |
| Total | | | | 2,209,160.60 |

Details of collateral received for securities lent

| Name | Currency | Nominal value | Currency fund | Value in currency fund |
|---------------------------------------|----------|---------------|---------------|------------------------|
| OESTERREICH 1997 6.25% 15/07/27 | EUR | 102737 | EUR | 167,756.39 |
| REPUBLIC OF AUSTRIA 3.65 20APR22 144A | EUR | 357000 | EUR | 440,875.66 |
| UNITED KINGDOM GILT 1.5 22JAN21 | GBP | 1455288.32 | EUR | 1,787,453.56 |
| UNITED STATES TREAS NT 1.75 31MAR22 | USD | 18800 | EUR | 17,586.54 |
| Total | | | | 2,413,672.15 |

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank

The amount in securities lent on a traded basis, as given in the annual report, can differ from the amount in securities lent on a settled basis.

The position held as collateral is determined on the basis of the settled positions.

Transparency of securities financing transactions and of reuseGlobal data:

| | | |
|---|--------------|-----|
| 1) The amount of securities and commodities on loan as a proportion of total lendable assets defined as excluding cash and cash equivalents; | 0,70 | % |
| 2) The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) and as a proportion of the collective investment undertaking's assets under management (AUM). | | |
| The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) | 2.209.160,60 | EUR |
| proportion of the collective investment undertaking's assets under management (AUM) | 0,70 | % |

Concentration data:

1) Ten largest collateral issuers across all SFTs and total return swaps (break down of volumes of the collateral securities and commodities received per issuer's name);

| <u>name collateral issuer</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|---------------------------------|--|-----------------|
| UNITED KINGDOM OF GREAT BRITAIN | 1.787.453,56 | EUR |
| REPUBLIC OF AUSTRIA | 608.632,05 | EUR |
| UNITED STATES OF AMERICA | 17.586,54 | EUR |

2) Top 10 counterparties of each type of SFTs and total return swaps separately (Name of counterparty and gross volume of outstanding transactions).

| <u>type SFT (lending program)</u> | <u>name counterparty</u> | <u>Country of counterparty</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-----------------------------------|----------------------------------|--------------------------------|--|-----------------|
| equity (Goldman Sachs) | Citigroup Global Markets Limited | UK | 1.559.665,36 | EUR |
| equity (Goldman Sachs) | Merrill Lynch International | UK | 544.365,36 | EUR |

Aggregate transaction data for each type of SFTs and total return swaps separately to be broken down according to the below categories:

| | | | |
|--|-------------------------------|--------------------------|---------------------------------|
| 1) Type and quality of collateral; | <u>equity (Goldman Sachs)</u> | <u>equity (KBC Bank)</u> | <u>bonds (Société Générale)</u> |
| type | bonds | Nil | Nil |
| quality – investment grade bonds (at least BBB- rating by Standard & Poor's): see table below | | | |
| 2) Maturity tenor of the collateral broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open maturity; | open maturity | Nil | Nil |
| 3) Currency of the collateral: see table below | | | |
| 4) Maturity tenor of the SFTs and total return swaps broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open transactions; | open maturity | Nil | Nil |
| 5) Country in which the counterparties are established: see table above | | | |
| 6) Settlement and clearing (e.g., tri-party, Central Counterparty, bilateral). | tri-party | Nil | Nil |

| <u>collateral</u> | <u>quality</u> | <u>Currency</u> |
|---------------------------------------|------------------|-----------------|
| UNITED STATES TREAS NT 1.75 31MAR22 | investment grade | USD |
| UNITED KINGDOM GILT 1.5 22JAN21 | investment grade | GBP |
| REPUBLIC OF AUSTRIA 3.65 20APR22 144A | investment grade | EUR |
| OESTERREICH 1997 6.25% 15/07/27 | investment grade | EUR |

Data on reuse of collateral:

| | |
|---|-----|
| 1) Share of collateral received that is reused, compared to the maximum amount specified in the prospectus or in the disclosure to investors; | Nil |
| 2) Cash collateral reinvestment returns to the collective investment undertaking. | Nil |

Safekeeping of collateral received by the collective investment undertaking as part of SFTs and total return swaps:

| |
|--|
| 1) Number and names of custodians and the amount of collateral assets safe-kept by each of the custodians. |
|--|

| <u>number</u> | <u>Name collateral custodian</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|---------------|----------------------------------|--|-----------------|
| 1 | Bank of New York | 2.413.672,15 | EUR |

Safekeeping of collateral granted by the collective investment undertaking as part of SFTs and total return swaps:

| | |
|--|-----|
| 1) The proportion of collateral held in segregated accounts or in pooled accounts, or in any other accounts. | Nil |
|--|-----|

Data on return and cost for each type of SFTs and total return swaps:

| |
|---|
| 1) Data on return and cost for each type of SFTs and total return swaps broken down between the collective investment undertaking, the manager of the collective investment undertaking and third parties (e.g. agent lender) in absolute terms and as a percentage of overall returns generated by that type of SFTs and total return swaps. |
|---|

| <u>Lending program: equity (Goldman Sachs)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 61.491,87 | 15.987,89 | 5.534,27 |
| percentage of overall returns | 100,00% | 26,00% | 9,00% |
| cost (EUR) | 21.522,15 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 263,52 | 92,23 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 92,23 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 5.425,54 | 1.898,94 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 1.898,94 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND FOOD & PERSONAL PRODUCTS

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 26 February 1999

Initial subscription price: 500 EUR

Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 887.07 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

The assets are for at least 85% invested in shares of companies chiefly from the 1) food retailing, 2) food, beverages and tobacco and 3) household and personal products sectors. As a result, the entire Consumer Staples sector is considered.

The regional allocation may change from time to time. In principle, the sub-fund invests worldwide. No more than 15% of the assets are invested in shares from other sectors and other instruments to the extent that they are permitted under the applicable regulations.

Lending financial instruments:

The sub-fund may lend financial instruments within the limits set by law and regulations. This takes place within the framework of a securities lending system managed by either a principal or an agent. If it is managed by a principal, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to whom title to the loaned securities is transferred. If it is managed by an agent, the sub-fund has a relationship with the agent (as manager of the system) and with one or more counterparties to whom title to the loaned securities is transferred. The agent acts as intermediary between the sub-fund and the counterparty or counterparties.

This lending does not affect the sub-fund's risk profile since:

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

If the sub-fund receives collateral in the form of cash, it can reinvest this cash in

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- short term money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

Reinvesting in this way can eliminate the credit risk to which the sub-fund is exposed concerning the collateral in respect of the financial institution where the cash account is held, but there is still a credit risk in respect of the issuer or issuers of the debt instrument or instruments. The management company may delegate implementation of the reinvestment policy to a third party, including the agent managing the securities lending system.

By lending securities, the sub-fund can generate additional income, which might consist of a fee paid by the principal or (if the sub-fund uses an agent) the counterparty to the management company as well as income generated through reinvestments. After deducting the direct and indirect charges – set at a flat rate of 35% of the fee received and consisting of the charges for the clearing services provided by KBC Bank NV, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management, the charges associated with cash and custody accounts and cash and securities transactions, the fee paid for any management of reinvestments and, if the sub-fund uses an agent, the fee paid to the agent – this income is paid to the sub-fund. The relationship with the counterparty or counterparties is governed by standard international agreements.

General strategy for hedging the exchange rate risk:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database. In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

KBC Equity Fund Food & Personal Products recorded a moderate increase in 2016, which was mainly due to its strong performance in the emerging markets and the United States. For the first nine months of 2016, the Consumer Staples sector could put down stronger results than the broad share market, which is also reflected in the fund. The extremely low interest rates on the bond markets also fuelled a further flight to shares with below-average risk and solid dividend yields. Additionally, uncertainty about global economic growth and the Brexit caused a flight to high-quality, defensive shares. Since September, however, the sector has considerably lagged behind the broad share market as a result of a forthcoming rate hike in the United States, as well as the election of Trump, which put pressure on shares with heavy exposure to emerging markets. Of the segments in which the Fund invests (Food, Beverages & Tobacco, Food Distribution and Household & Personal Care Products), the Food, Beverages & Tobacco segment recorded the strongest performance, while Food Distribution lagged behind the other subsectors.

Both the Food, Beverages & Tobacco segment, as the Household & Personal Products segment recorded relatively strong performances over the first nine months of 2016 owing to global interest rate cuts, which caused investors to look for companies with relatively high, low-risk dividend yields. Additionally, uncertainty about global economic growth and the Brexit caused a flight to more defensive shares. In the last quarter, the performance of these subsectors fell, owing to the general pressure on the sector in the run-up to the first rate hike in the US. Tobacco shares continued to perform strongly this year, with those listed on the UK market benefiting from a strong rally after Brexit. There was a general revival in acquisition activity within the segment, fuelled in part by the historically low interest rates at which companies are able to borrow. There was no substantial structural improvement in the results of emerging markets yet, but the basis for comparison will be milder and in some countries recovery seems to be in sight.

The Food Distribution segment underperformed the other segments. During the first half of the year, the British market experienced a volatile course and problems in terms of price wars and the rise of discounters such as Aldi and Lidl continued to weigh on shares. The increased uncertainty following the Brexit took that another step further. Sales figures on the European market were slightly more positive than a year ago, though the structural problems for this segment remain as the low inflation rate, weak volume growth and continuing growth of discounters continue to weigh on results. To make matters worse, this segment has a much lower exposure to the emerging markets, so that growth in the long term will be more limited than for the Food, Beverages & Tobacco segment.

Throughout the year, we have maintained an overweight position in the Food, Beverages & Tobacco segment as well as the Household & Personal Products segment, and an underweight position in the Food Distribution segment as we saw better prospects for structural earnings growth in the former segment.

2.1.8 FUTURE POLICY

Going forward, we are continuing to have a preference for the food, beverages and tobacco producers and producers of household and personal products over food retailers. We are also maintaining a clear preference for the tobacco names due to the attractive growth and strong cash flows while they are valued at a discount against the rest of the sector.

The valuation of the Food, Beverages & Tobacco segment and the Household & Personal Products segment remains on the high side, although it has fallen somewhat in the last three months of the year. Nevertheless, we remain overweight in these segments because over the long term these companies can deliver consistent and relatively stable earnings growth. In the long term, that earnings growth will spring primarily from the growth in incomes in emerging markets, which generates an ever larger group of consumers able to afford high-quality brand products. In addition, companies within this sector have healthy balance sheets. We therefore expect consolidation to remain a theme. That should form an additional source of earnings growth.

The operating environment for food retailers will remain difficult for some time. This segment generally has the least exposure to the emerging markets. The drive for expansion in the past decade has not resulted in profitable growth. The majority of retailers, therefore, are forced to focus on their activities in the core countries. Given the low inflation rate, weak volume growth and unrelenting competition, we expect little from this segment in terms of sales and earnings growth, but we do believe that much of the bad news has already been priced in.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 5 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 5 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 668,525.33 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 | | 31/12/2016 (in the currency of the sub-fundt) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|--|
| TOTAL NET ASSETS | | 79.595.504,89 | 62.883.452,78 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | | |
| a) Collateral received in the form of bonds | | | 3.965.613,20 |
| C. Shares and similar instruments | | | |
| a) Shares | | 80.389.658,94 | 62.992.818,76 |
| Of which securities lent | | | 2.591.491,08 |
| D. Other securities | | 3,14 | 3,04 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 56.039,01 | 108.522,56 |
| B. Payables | | | |
| a) Accounts payable (-) | | -376.531,47 | -29.397,33 |
| d) Borrowings (-) | | -643.023,88 | -304.592,56 |
| e) Collateral (-) | | | -3.965.613,20 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 145.272,76 | 105.654,25 |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | 138.853,57 | 102.368,06 |
| C. Accrued expense (-) | | -114.767,18 | -91.924,00 |
| TOTAL SHAREHOLDERS' EQUITY | | 79.595.504,89 | 62.883.452,78 |
| A. Capital | | 78.405.503,68 | 52.569.853,25 |
| B. Income equalization | | 98.517,57 | 54.205,81 |
| D. Result of the book year | | 1.091.483,64 | 10.259.393,72 |

Off-balance-sheet headings

| | | | |
|-------|-------------------------------|--|--------------|
| I | Collateral (+/-) | | |
| I.A | Collateral (+/-) | | |
| I.A.A | Securities/market instruments | | 3.965.613,20 |
| IX | Financial instruments lent | | 2.591.491,08 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|--|
| I. Net gains(losses) on investments | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | 660.982,14 | 6.775.683,65 |
| D. Other securities | | 0,06 | -521,49 |
| H. Foreign exchange positions and transactions | | | |
| b) Other foreign exchange positions and transactions | | 380.917,08 | 3.262.080,03 |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | | 6.135.476,07 | 6.301.387,21 |
| Unrealised gains on investments | | -2.918.188,46 | 4.825.351,92 |
| Realised losses on investments | | -1.693.885,81 | -895.433,44 |
| Unrealised losses on investments | | -481.502,52 | -194.063,50 |
| II. Investment income and expenses | | | |
| A. Dividends | | 1.466.930,78 | 1.274.472,42 |
| B. Interests | | | |
| a) Securities and money market instruments | | 5.866,21 | 13.800,51 |
| b) Cash at bank and in hand and deposits | | 817,66 | 566,90 |
| C. Interest on borrowings (-) | | -468,98 | -660,09 |
| III. Other income | | | |
| A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges | | 17.501,25 | 11.274,93 |
| IV. Operating expenses | | | |
| A. Investment transaction and delivery costs (-) | | -120.890,64 | -50.496,28 |
| B. Financial expenses (-) | | -1.770,88 | -418,39 |
| C. Custodian's fee (-) | | -51.743,11 | -40.380,41 |
| D. Manager's fee (-) | | | |
| a) Financial management | | | |
| Classic Shares | | -981.531,38 | -742.939,89 |
| Institutional B Shares | | -132.319,79 | -116.985,60 |
| b) Administration and accounting management | | -74.256,61 | -57.328,29 |
| E. Administrative expenses (-) | | 0,07 | -695,15 |
| F. Formation and organisation expenses (-) | | -3.670,97 | -2.925,72 |
| G. Remuneration, social security charges and pension | | -6,49 | -2,86 |
| H. Services and sundry goods (-) | | -6.840,53 | -4.183,33 |
| J. Taxes | | | |
| Classic Shares | | -50.958,22 | -43.905,77 |
| Institutional B Shares | | -227,04 | -625,40 |
| K. Other expenses (-) | | -16.846,97 | -16.416,05 |
| Income and expenditure for the period | | | |
| Subtotal II + III + IV | | 49.584,36 | 222.151,53 |
| V. Profit (loss) on ordinary activities before tax | | 1.091.483,64 | 10.259.393,72 |
| VII. Result of the book year | | 1.091.483,64 | 10.259.393,72 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | 1.190.001,21 | 10.313.599,53 |
| Profit for the period available for appropriation | 1.091.483,64 | 10.259.393,72 |
| Income on the creation of shares (income on the cancellation of shares) | 98.517,57 | 54.205,81 |
| II. (Appropriations to) Deductions from capital | -721.951,91 | -10.028.636,36 |
| IV. (Dividends to be paid out) | -468.049,30 | -284.963,17 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND FOOD & PERSONAL PRODUCTS

| Name | Quantity on 31/12/2016 | Currency | Price in currency | Evaluation (in the currency of the sub-fund) | % owned by UCI | % portfolio | % Net assets |
|--------------------------------|---------------------------|----------|----------------------|--|----------------------|----------------|--------------------|
| NET ASSETS | | | | | | | |
| SECURITIES PORTFOLIO | | | | | | | |
| Shares | | | | | | | |
| Exchange-listed shares | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| ANHEUSER-BUSCH INBEV NV - | 28.252,00 | EUR | 100,550 | 2.840.738,60 | | 3,53 | 3,57 |
| ONTEX GROUP NV - | 19.032,00 | EUR | 28,250 | 537.654,00 | | 0,67 | 0,68 |
| <u>Cayman Islands</u> | | | | | | | |
| HENGAN INT GROUP COMPANY LTD - | 12.000,00 | HKD | 56,950 | 83.569,24 | | 0,10 | 0,11 |
| <u>China</u> | | | | | | | |
| WH GROUP LTD - | 270.500,00 | HKD | 6,270 | 207.398,82 | | 0,26 | 0,26 |
| <u>France</u> | | | | | | | |
| CARREFOUR - | 29.983,00 | EUR | 22,890 | 686.310,87 | | 0,85 | 0,86 |
| DANONE SA - | 12.661,00 | EUR | 60,200 | 762.192,20 | | 0,95 | 0,96 |
| PERNOD RICARD SA - | 297,00 | EUR | 102,950 | 30.576,15 | | 0,04 | 0,04 |
| <u>Germany</u> | | | | | | | |
| HENKEL KGAA (FRA) | 12.958,00 | EUR | 98,980 | 1.282.582,84 | | 1,60 | 1,61 |
| HENKEL KGAA PREF | 13.491,00 | EUR | 113,250 | 1.527.855,75 | | 1,90 | 1,92 |
| <u>Ireland</u> | | | | | | | |
| GLANBIA PLC - | 66.657,00 | EUR | 15,780 | 1.051.847,46 | | 1,31 | 1,32 |
| GREENCORE GROUP PLC - | 218.984,00 | GBP | 2,465 | 632.375,30 | | 0,79 | 0,79 |
| KERRY GROUP PLC - | 14.502,00 | EUR | 67,900 | 984.685,80 | | 1,23 | 1,24 |
| <u>Italy</u> | | | | | | | |
| DAVIDE CAMPARI - MILANO SPA - | 75.024,00 | EUR | 9,290 | 696.972,96 | | 0,87 | 0,88 |
| <u>Japan</u> | | | | | | | |
| JAPAN TOBACCO - | 49.491,00 | JPY | 3.844,000 | 1.546.432,83 | | 1,92 | 1,94 |
| KAO CORP - | 10.480,00 | JPY | 5.541,000 | 472.031,40 | | 0,59 | 0,59 |
| KOSE CORP - | 2.900,00 | JPY | 9.710,000 | 228.896,25 | | 0,29 | 0,29 |
| SEVEN & I HOLDINGS CO LTD - | 28.296,00 | JPY | 4.453,000 | 1.024.234,02 | | 1,27 | 1,29 |
| <u>Malaysia</u> | | | | | | | |
| PPB GROUP BHD - | 35.000,00 | MYR | 15,860 | 117.316,37 | | 0,15 | 0,15 |
| <u>Netherlands</u> | | | | | | | |
| KON. Ahold DELHAIZE NV - | 99.322,00 | EUR | 20,030 | 1.989.419,66 | | 2,48 | 2,50 |
| REFRESCO GROUP NV - | 27.582,00 | EUR | 14,430 | 398.008,26 | | 0,50 | 0,50 |
| UNILEVER CVA | 50.868,00 | EUR | 39,115 | 1.989.701,82 | | 2,48 | 2,50 |
| WESSANEN (AMS) | 123.607,00 | EUR | 13,310 | 1.645.209,17 | | 2,05 | 2,07 |
| <u>Singapore</u> | | | | | | | |
| GOLDEN AGRI-RESOURCES LTD - | 2.965.600,00 | SGD | 0,430 | 836.860,48 | | 1,04 | 1,05 |
| <u>Sweden</u> | | | | | | | |
| BIOGAIA AB - | 735,00 | SEK | 300,000 | 23.011,90 | | 0,03 | 0,03 |

| | | | | | | | |
|------------------------------------|-------------|-----|---------|---------------|--|--------|--------|
| <u>Switzerland</u> | | | | | | | |
| NESTLE AG REG | 83.723,00 | CHF | 73,050 | 5.705.191,37 | | 7,10 | 7,17 |
| <u>Taiwan</u> | | | | | | | |
| PRESIDENT CHAIN STORE CORP - | 61.000,00 | TWD | 231,000 | 414.519,81 | | 0,52 | 0,52 |
| PRESIDENT ENTERPRISES - | 404.392,00 | TWD | 53,400 | 635.253,83 | | 0,79 | 0,80 |
| <u>Thailand</u> | | | | | | | |
| CHAROEN POKHAND FOODS PCL - | 909.000,00 | THB | 29,500 | 710.552,36 | | 0,88 | 0,89 |
| CP ALL PCL - | 81.600,00 | THB | 62,500 | 135.138,89 | | 0,17 | 0,17 |
| <u>U.K.</u> | | | | | | | |
| BRITISH AMERICAN TOBACCO PLC - | 54.413,00 | GBP | 46,215 | 2.945.989,68 | | 3,67 | 3,70 |
| DIAGEO - | 98.732,00 | GBP | 21,100 | 2.440.540,30 | | 3,04 | 3,07 |
| IMPERIAL BRANDS PLC - | 53.205,00 | GBP | 35,425 | 2.208.044,90 | | 2,75 | 2,77 |
| RECKITT BENCKISER PLC - | 26.965,00 | GBP | 68,860 | 2.175.269,33 | | 2,71 | 2,73 |
| UNILEVER PLC - | 42.967,00 | GBP | 32,925 | 1.657.320,14 | | 2,06 | 2,08 |
| <u>U.S.A.</u> | | | | | | | |
| ALTRIA GROUP INC - | 46.320,00 | USD | 67,620 | 2.969.574,21 | | 3,69 | 3,73 |
| AMAZON COMM. INC. - | 2.802,00 | USD | 749,870 | 1.992.069,91 | | 2,48 | 2,50 |
| AVON PRODUCTS INC - | 37.905,00 | USD | 5,040 | 181.124,63 | | 0,23 | 0,23 |
| COCA-COLA CO - | 64.658,00 | USD | 41,460 | 2.541.569,74 | | 3,16 | 3,19 |
| COLGATE - PALMOLIVE - | 4.741,00 | USD | 65,440 | 294.146,52 | | 0,37 | 0,37 |
| CONSTELLATION BRANDS INC "A" | 13.333,00 | USD | 153,310 | 1.937.977,94 | | 2,41 | 2,44 |
| COSTCO WHOLESALE CORPORATION - | 12.396,00 | USD | 160,110 | 1.881.700,46 | | 2,34 | 2,36 |
| CVS HEALTH CORP - | 15.274,00 | USD | 78,910 | 1.142.708,07 | | 1,42 | 1,44 |
| ESTEE LAUDER - | 30.424,00 | USD | 76,490 | 2.206.334,92 | | 2,75 | 2,77 |
| KRAFT HEINZ CO/THE - | 25.887,00 | USD | 87,320 | 2.143.117,17 | | 2,67 | 2,69 |
| KROGER CY - | 39.267,00 | USD | 34,510 | 1.284.763,38 | | 1,60 | 1,61 |
| MOLSON COORS BREWING CO "B" | 25.509,00 | USD | 97,310 | 2.353.430,47 | | 2,93 | 2,96 |
| MONDELEZ INTERNATIONAL INC "A" | 76.409,00 | USD | 44,330 | 3.211.387,50 | | 4,00 | 4,04 |
| PEPSICO INC - | 49.613,00 | USD | 104,630 | 4.921.553,15 | | 6,12 | 6,18 |
| PHILIP MORRIS INTERNATIONAL IN - | 32.305,00 | USD | 91,490 | 2.802.165,87 | | 3,49 | 3,52 |
| PROCTER & GAMBLE CO/THE - | 59.918,00 | USD | 84,080 | 4.776.397,67 | | 5,94 | 6,00 |
| REYNOLDS AMERICAN INC - | 27.462,00 | USD | 56,040 | 1.459.085,55 | | 1,82 | 1,83 |
| WAL-MART STORES - | 8.346,00 | USD | 69,120 | 546.931,05 | | 0,68 | 0,69 |
| WALGREENS BOOTS ALLIANCE INC - | 14.273,00 | USD | 82,760 | 1.119.917,97 | | 1,39 | 1,41 |
| Total shares | | | | 80.389.658,94 | | 100,00 | 101,00 |
| Rights | | | | | | | |
| <u>U.S.A.</u> | | | | | | | |
| SAFEWAY INC. CVR A - CP 02/02/2015 | 16.561,00 | USD | 0,000 | 1,57 | | | |
| SAFEWAY INC. CVR B - CP 02/02/2015 | 16.561,00 | USD | 0,000 | 1,57 | | | |
| Total rights | | | | 3,14 | | | |
| TOTAL SECURITIES PORTFOLIO | | | | 80.389.662,08 | | 100,00 | 101,00 |
| CASH AT BANK AND IN HAND | | | | | | | |
| Demand accounts | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP AUD | 62.696,32 | AUD | 1,000 | 43.042,92 | | | 0,05 |
| KBC GROUP CAD | 12.796,61 | CAD | 1,000 | 9.047,06 | | | 0,01 |
| KBC GROUP CHF | 3.498,16 | CHF | 1,000 | 3.263,21 | | | 0,00 |
| KBC GROUP DKK | 12.283,89 | DKK | 1,000 | 1.652,05 | | | 0,00 |
| KBC GROUP EURO | -515.857,69 | EUR | 1,000 | -515.857,69 | | | -0,65 |
| KBC GROUP GBP | -107.621,02 | GBP | 1,000 | -126.078,98 | | | -0,16 |
| KBC GROUP HKD | -8.890,84 | HKD | 1,000 | -1.087,21 | | | 0,00 |

| | | | | | | | |
|--------------------------------|-------------|-----|-------|----------------------|--|--|---------------|
| KBC GROUP JPY | 4.892,00 | JPY | 1,000 | 39,77 | | | |
| KBC GROUP MXN | 8.463,65 | MXN | 1,000 | 389,50 | | | |
| KBC GROUP PLN | 8.803,35 | PLN | 1,000 | 1.999,47 | | | 0,00 |
| KBC GROUP SEK | 5.676,94 | SEK | 1,000 | 592,46 | | | 0,00 |
| KBC GROUP SGD | 8.614,32 | SGD | 1,000 | 5.653,18 | | | 0,01 |
| KBC GROUP USD | 83.950,86 | USD | 1,000 | 79.593,14 | | | 0,10 |
| Total demand accounts | | | | -497.751,12 | | | -0,63 |
| TOTAL CASH AT BANK AND IN HAND | | | | -497.751,12 | | | -0,63 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | | |
| Receivables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR RECEIVABLE | 56.039,01 | EUR | 1,000 | 56.039,01 | | | 0,07 |
| Total receivables | | | | 56.039,01 | | | 0,07 |
| Payables | | | | | | | |
| <u>Belgium</u> | | | | | | | |
| KBC GROUP EUR PAYABLE | -376.531,47 | EUR | 1,000 | -376.531,47 | | | -0,47 |
| Payables | | | | -376.531,47 | | | -0,47 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -320.492,46 | | | -0,40 |
| OTHER | | | | | | | |
| Interest receivable | | EUR | | 138.853,57 | | | 0,18 |
| Expenses payable | | EUR | | -114.767,18 | | | -0,14 |
| TOTAL OTHER | | | | 24.086,39 | | | 0,03 |
| TOTAL NET ASSETS | | | | 79.595.504,89 | | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|----------------|---------------|---------------|---------------|---------------|
| Australia | 0,95 | 1,66 | 0,25 | 0,00 |
| Belgium | 3,84 | 4,29 | 5,34 | 4,20 |
| Brazil | 0,00 | 0,00 | 0,02 | 0,00 |
| Canada | 0,18 | 0,05 | 0,00 | 0,00 |
| Switzerland | 8,06 | 7,50 | 6,88 | 7,10 |
| China | 0,06 | 0,01 | 0,00 | 0,26 |
| Cayman Islands | 0,05 | 0,02 | 0,00 | 0,10 |
| Germany | 1,03 | 1,83 | 3,51 | 3,50 |
| Denmark | 0,11 | 0,09 | 0,00 | 0,00 |
| Spain | 0,58 | 0,06 | 0,00 | 0,00 |
| France | 2,65 | 3,38 | 1,27 | 1,84 |
| U.K. | 15,44 | 16,19 | 16,80 | 14,21 |
| Hong Kong | 0,05 | 0,01 | 0,00 | 0,00 |
| India | 0,00 | 0,74 | 0,02 | 0,00 |
| Ireland | 2,52 | 1,43 | 1,25 | 3,32 |
| Italy | 0,00 | 0,00 | 0,00 | 0,87 |
| Japan | 5,15 | 4,26 | 5,79 | 4,07 |
| South Korea | 1,01 | 0,34 | 2,14 | 0,00 |
| Mexico | 0,03 | 0,03 | 0,00 | 0,00 |
| Malaysia | 0,00 | 0,00 | 0,88 | 0,15 |
| Netherlands | 5,91 | 5,73 | 5,72 | 7,49 |
| Philippines | 0,00 | 0,10 | 0,00 | 0,00 |
| Poland | 0,06 | 0,03 | 0,00 | 0,00 |
| Portugal | 0,37 | 0,33 | 0,00 | 0,00 |
| Russia | 0,02 | 0,01 | 0,00 | 0,00 |
| Singapore | 0,16 | 0,63 | 0,51 | 1,04 |
| Sweden | 2,32 | 1,87 | 0,00 | 0,03 |
| Thailand | 0,00 | 0,27 | 0,05 | 1,05 |
| Taiwan | 0,20 | 1,25 | 0,65 | 1,31 |
| U.S.A. | 49,25 | 47,89 | 48,92 | 49,46 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Cyclicals | 2,38 | 3,67 | 3,77 | 3,50 |
| Consum(cycl) | 15,37 | 13,67 | 14,98 | 13,63 |
| Cons.goods | 82,13 | 82,58 | 81,25 | 82,84 |
| Pharma | 0,12 | 0,08 | 0,00 | 0,03 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| AUD | 0,97 | 1,68 | 0,31 | 0,05 |
| BRL | 0,00 | 0,00 | 0,01 | 0,00 |
| CAD | 0,19 | 0,06 | 0,01 | 0,01 |
| CHF | 7,99 | 7,47 | 6,84 | 7,17 |
| DKK | 0,11 | 0,09 | 0,00 | 0,00 |
| EUR | 16,89 | 16,76 | 17,80 | 19,59 |
| GBP | 15,52 | 16,24 | 16,66 | 15,00 |
| HKD | 0,17 | 0,07 | 0,04 | 0,36 |
| INR | 0,00 | 0,74 | 0,02 | 0,00 |
| JPY | 5,14 | 4,26 | 5,80 | 4,11 |
| KRW | 1,00 | 0,34 | 2,13 | 0,00 |
| MXN | 0,03 | 0,03 | 0,00 | 0,00 |
| MYR | 0,00 | 0,00 | 0,88 | 0,15 |
| PHP | 0,00 | 0,10 | 0,00 | 0,00 |
| PLN | 0,05 | 0,03 | 0,00 | 0,00 |
| SEK | 2,32 | 1,89 | 0,05 | 0,03 |
| SGD | 0,16 | 0,64 | 0,52 | 1,06 |
| THB | 0,00 | 0,27 | 0,05 | 1,06 |
| TWD | 0,20 | 1,26 | 0,64 | 1,32 |
| USD | 49,26 | 48,07 | 48,24 | 50,09 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND FOOD & PERSONAL PRODUCTS (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 28.393.660,62 | 29.611.315,40 | 58.004.976,02 |
| Sales | 19.635.525,68 | 22.031.327,40 | 41.666.853,08 |
| Total 1 | 48.029.186,30 | 51.642.642,80 | 99.671.829,09 |
| Subscriptions | 20.641.574,08 | 20.705.477,63 | 41.347.051,71 |
| Redemptions | 11.015.910,43 | 14.448.609,10 | 25.464.519,53 |
| Total 2 | 31.657.484,51 | 35.154.086,73 | 66.811.571,24 |
| Monthly average of total assets | 66.596.317,46 | 81.795.241,26 | 74.227.052,86 |
| Turnover rate | 24,58 % | 20,16 % | 44,27 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|---------------|
| Purchases | 28.393.660,62 | 29.611.315,40 | 58.004.976,02 |
| Sales | 19.635.525,68 | 22.031.327,40 | 41.666.853,08 |
| Total 1 | 48.029.186,30 | 51.642.642,80 | 99.671.829,09 |
| Subscriptions | 20.641.574,08 | 20.705.477,63 | 41.347.051,71 |
| Redemptions | 11.015.910,43 | 14.448.609,10 | 25.464.519,53 |
| Total 2 | 31.657.484,51 | 35.154.086,73 | 66.811.571,24 |
| Monthly average of total assets | 65.236.299,75 | 84.409.522,21 | 76.520.638,64 |
| Corrected turnover rate | 25,10 % | 19,53 % | 42,94 % |

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|-----------|-------------|----------|---------------|-----------|-----------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 8.855,64 | 2.046,27 | 9.237,25 | 1.527,05 | 23.112,76 | 7.259,20 | 30.371,95 |
| 2015 - 12 | 10.070,66 | 4.293,16 | 10.322,82 | 2.063,76 | 22.860,60 | 9.488,59 | 32.349,19 |
| 2016 - 12 | 11.530,82 | 10.685,24 | 7.862,91 | 3.249,74 | 26.528,51 | 16.924,09 | 43.452,60 |

| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|---------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 11.647.137,66 | 2.181.636,76 | 12.033.337,54 | 1.571.196,93 |
| 2015 - 12 | 17.590.459,29 | 5.713.919,08 | 17.265.721,10 | 2.727.098,10 |
| 2016 - 12 | 21.031.504,46 | 14.870.162,03 | 14.240.221,38 | 4.470.449,89 |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 43.068.681,43 | 1.494,91 | 1.173,31 |
| 2015 - 12 | 54.849.746,47 | 1.817,64 | 1.401,41 |
| 2016 - 12 | 72.711.139,16 | 1.850,70 | 1.395,34 |

Institutional B Shares

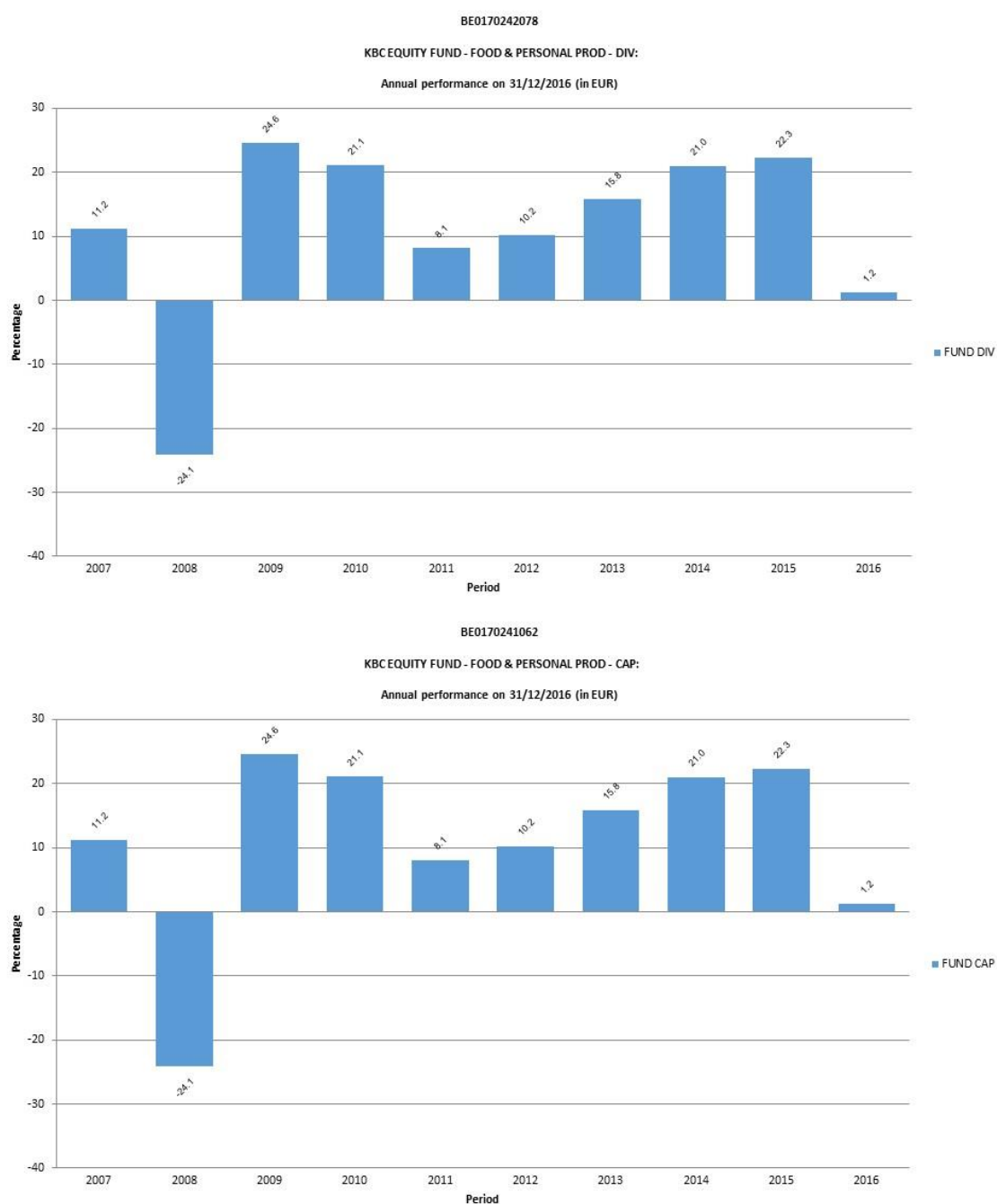
| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|------|-------------|------|---------------|------|----------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 312,00 | | 2.844,00 | | 5.005,00 | | 5.005,00 |
| 2015 - 12 | 1.974,00 | | 2.574,00 | | 4.405,00 | | 4.405,00 |
| 2016 - 12 | 3.154,00 | | 3.854,00 | | 3.705,00 | | 3.705,00 |

| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 414.311,58 | | 3.738.147,94 | |
| 2015 - 12 | 3.401.486,41 | | 4.471.928,50 | |
| 2016 - 12 | 5.836.059,30 | | 7.061.215,35 | |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 7.501.500,76 | 1.498,80 | |
| 2015 - 12 | 8.033.706,32 | 1.823,77 | |
| 2016 - 12 | 6.884.365,73 | 1.858,13 | |

2.4.5 PERFORMANCE FIGURES

Classic Shares

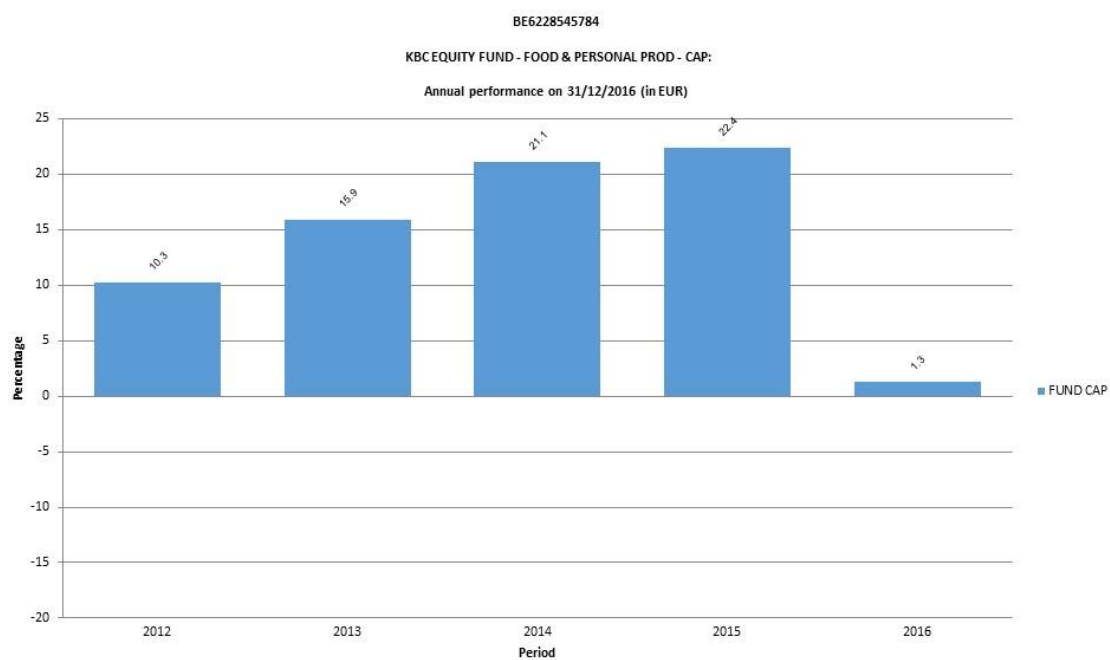


| Cap Div | ISIN code | Currency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE0170241062 | EUR | 1.23% | | 14.44% | | 13.85% | | 10.17% | | 26/02/1999 | 7.61% |
| DIV | BE0170242078 | EUR | 1.19% | | 14.40% | | 13.81% | | 10.15% | | 26/02/1999 | 7.60% |

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares



| Cap Div | ISIN code | Cur-rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE6228545784 | EUR | 1.30% | | 14.53% | | 13.93% | | | | 25/11/2011 | |

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

Institutional B Shares

- The bar chart shows the performance for full financial years.
 - The figures do not take account of any restructuring.
 - Calculated in EUR.
 - The return is calculated as the change in the net asset value between two dates expressed as a percentage.
 - Calculation method for date D, where NAV stands for net asset value:
Capitalisation units (CAP)
 Return on date D over a period of X years:

$$\left[\frac{NIW(D)}{NIW(Y)} \right]^{1/X} - 1$$
 where $Y = D - X$
 Return on date D since the start date S of the unit:

$$\left[\frac{NIW(D)}{NIW(S)} \right]^{1/F} - 1$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 - If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
 - The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalization shares.

Dividend on ex-dividend date 31/03/2017: 19.3591 EUR net (27.6558 EUR gross).

2.4.6 COSTS

Ongoing Charges: *

Classic Shares Distribution: 1.817%

Classic Shares Capitalization: 1.775%

Institutional B Shares Capitalization: 1.716%

* The following are not included in the charges shown: entry and exit charges, performance fees, transaction costs paid when buying or selling assets, interest paid, payments made with a view to providing collateral in the context of derivative financial instruments, or commissions relating to Commission Sharing Agreements or similar fees received by the Management Company or any person associated with it.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

The Management Company, or where applicable, the appointed manager has entered into a Commission Sharing Agreement with one or more brokers for transactions in shares on behalf of one or more sub-funds. This agreement specifically concerns the execution of orders and the delivery of research reports.

For more information, please see the 'General' section of the annual report.

| | Commission gross in EUR paid during the period: 1-01-16 - | CSA Credits in EUR accrued during the period: 1-01-16 - | |
|------------------------------------|---|---|------------|
| Broker | 31-12-16 | 31-12-16 | Percentage |
| CITI | 10,636 | 2,659 | 25.00% |
| CSFBSAS | 566 | 94 | 16.67% |
| CSFBSAS | 4,445 | 1,250 | 28.11% |
| DEUTSCHE | 74 | 18 | 25.00% |
| EQ CSA GOLDMAN SACHS INTERNATIONAL | 1,562 | 386 | 24.73% |
| HSBC | 1,611 | 388 | 24.06% |
| INSTINET | 7,613 | 1,660 | 21.80% |
| MACQUARIE | 10,751 | 2,633 | 24.49% |
| MERRILL | 346 | 177 | 51.24% |
| MORGAN STANLEY | 250 | 50 | 20.00% |

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Exercising voting rights.

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

Pursuant to the Royal Decree of 7 March 2006 on securities lending, the collective investment undertaking has entered into securities lending arrangements, whereby the title to the securities that have been lent has been transferred, without recognition of that transfer of ownership in the accounts. The securities lending system can be managed by either a principal or an agent.

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 5,866.21 EUR and from bond lending to 0.00 EUR. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Transparency of securities financing transactions and of reuse

Global data:

| | | |
|---|------|-----|
| 1) The amount of securities and commodities on loan as a proportion of total lendable assets defined as excluding cash and cash equivalents; | 0,00 | % |
| 2) The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) and as a proportion of the collective investment undertaking's assets under management (AUM). | | |
| The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) | 0,00 | EUR |
| proportion of the collective investment undertaking's assets under management (AUM) | 0,00 | % |

Concentration data:

1) Ten largest collateral issuers across all SFTs and total return swaps (break down of volumes of the collateral securities and commodities received per issuer's name);

| <u>name collateral issuer</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-------------------------------|--|-----------------|
| Nil | Nil | Nil |

2) Top 10 counterparties of each type of SFTs and total return swaps separately (Name of counterparty and gross volume of outstanding transactions).

| <u>type SFT (lending program)</u> | <u>name counterparty</u> | <u>Country of counterparty</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-----------------------------------|--------------------------|--------------------------------|--|-----------------|
| Nil | Nil | Nil | Nil | Nil |

Aggregate transaction data for each type of SFTs and total return swaps separately to be broken down according to the below categories:

| 1) Type and quality of collateral; | <u>equity (Goldman Sachs)</u> | <u>equity (KBC Bank)</u> | <u>bonds (Société Générale)</u> |
|--|-------------------------------|--------------------------|---------------------------------|
| type | Nil | Nil | Nil |
| quality – investment grade bonds (at least BBB- rating by Standard & Poor's): see table below | | | |
| 2) Maturity tenor of the collateral broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open maturity; | Nil | Nil | Nil |
| 3) Currency of the collateral: see table below | | | |
| 4) Maturity tenor of the SFTs and total return swaps broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open transactions; | Nil | Nil | Nil |
| 5) Country in which the counterparties are established: see table above | | | |
| 6) Settlement and clearing (e.g., tri-party, Central Counterparty, bilateral). | Nil | Nil | Nil |

| <u>collateral</u> | <u>quality</u> | <u>Currency</u> |
|-------------------|----------------|-----------------|
| Nil | Nil | Nil |

Data on reuse of collateral:

| | |
|---|-----|
| 1) Share of collateral received that is reused, compared to the maximum amount specified in the prospectus or in the disclosure to investors; | Nil |
| 2) Cash collateral reinvestment returns to the collective investment undertaking. | Nil |

Safekeeping of collateral received by the collective investment undertaking as part of SFTs and total return swaps:

1) Number and names of custodians and the amount of collateral assets safe-kept by each of the custodians.

| <u>number</u> | <u>Name collateral custodian</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|---------------|----------------------------------|--|-----------------|
| Nil | Nil | Nil | Nil |

Safekeeping of collateral granted by the collective investment undertaking as part of SFTs and total return swaps:

1) The proportion of collateral held in segregated accounts or in pooled accounts, or in any other accounts.

Data on return and cost for each type of SFTs and total return swaps:

1) Data on return and cost for each type of SFTs and total return swaps broken down between the collective investment undertaking, the manager of the collective investment undertaking and third parties (e.g. agent lender) in absolute terms and as a percentage of overall returns generated by that type of SFTs and total return swaps.

| <u>Lending program: equity (Goldman Sachs)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 3.570,14 | 928,24 | 321,31 |
| percentage of overall returns | 100,00% | 26,00% | 9,00% |
| cost (EUR) | 1.249,55 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 2.055,55 | 719,44 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 719,44 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 240,52 | 84,18 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 84,18 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND NEW MARKETS

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 17 April 1991

Initial subscription price: 20000 BEF

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 1254.36 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of companies in countries where conditions are such as to allow an accelerated economic growth in the short or medium term. More particularly, this involves countries in Asia, Latin America, Central Europe and Eastern Europe.

RISK CONCENTRATION

Emerging market shares.

Lending financial instruments:

The sub-fund may lend financial instruments within the limits set by law and regulations. This takes place within the framework of a securities lending system managed by either a principal or an agent. If it is managed by a principal, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to whom title to the loaned securities is transferred. If it is managed by an agent, the sub-fund has a relationship with the agent (as manager of the system) and with one or more counterparties to whom title to the loaned securities is transferred. The agent acts as intermediary between the sub-fund and the counterparty or counterparties.

This lending does not affect the sub-fund's risk profile since:

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

If the sub-fund receives collateral in the form of cash, it can reinvest this cash in

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- short term money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

Reinvesting in this way can eliminate the credit risk to which the sub-fund is exposed concerning the collateral in respect of the financial institution where the cash account is held, but there is still a credit risk in respect of the issuer or issuers of the debt instrument or instruments. The management company may delegate implementation of the reinvestment policy to a third party, including the agent managing the securities lending system.

By lending securities, the sub-fund can generate additional income, which might consist of a fee paid by the principal or (if the sub-fund uses an agent) the counterparty to the management company as well as income generated through reinvestments. After deducting the direct and indirect charges – set at a flat rate of 35% of the fee received and consisting of the charges for the clearing services provided by KBC Bank NV, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management, the charges associated with cash and custody accounts and cash and securities transactions, the fee paid for any management of reinvestments and, if the sub-fund uses an agent, the fee paid to the agent – this income is paid to the sub-fund. The relationship with the counterparty or counterparties is governed by standard international agreements.

Volatility of the net asset value:

The volatility of the net asset value may be high due to the composition of the portfolio.

General strategy for hedging the exchange rate risk:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database. In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

In line with the defined strategy, the fund was and is invested in a selection of shares from regions within the Emerging Markets. Active positions in stocks from the Emerging Asia region were taken based on quantitative analysis and a stringent risk framework. Approximately once a month, the fund was rebalanced to reflect recommendations originated by forementioned analysis.

2.1.8 FUTURE POLICY

The fund will continue investing in a selection of stocks from the Emergin Markets region.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 2,035,693.16 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 | | 31/12/2016 (in the currency of the sub-fundt) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|---|
| TOTAL NET ASSETS | | 636.865.214,37 | 86.770.016,76 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | | |
| a) Collateral received in the form of bonds | | 13.916.566,14 | 8.322.982,07 |
| C. Shares and similar instruments | | | |
| a) Shares | | 636.571.537,33 | 86.118.654,16 |
| Of which securities lent | | 11.643.602,97 | 7.484.136,14 |
| D. Other securities | | 16.089,55 | 2.644,03 |
| E. Open-end undertakings for collective investment | | | 801.066,67 |
| F. Derivative financial instruments | | | |
| j) Foreign exchange | | | |
| Futures and forward contracts (+/-) | | | 782,74 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 768,03 | 863.286,84 |
| B. Payables | | | |
| a) Accounts payable (-) | | -941.569,24 | -1.229.109,20 |
| d) Borrowings (-) | | -1.690.983,53 | -612.298,81 |
| e) Collateral (-) | | -13.916.566,14 | -8.322.982,07 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 1.263.476,43 | 663.777,48 |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | 2.292.193,42 | 258.063,13 |
| C. Accrued expense (-) | | -646.297,62 | -96.850,28 |
| TOTAL SHAREHOLDERS' EQUITY | | 636.865.214,37 | 86.770.016,76 |
| A. Capital | | 598.157.350,14 | 93.986.339,10 |
| B. Income equalization | | 5.921.943,05 | 204.169,32 |
| D. Result of the book year | | 32.785.921,18 | -7.420.491,66 |

Off-balance-sheet headings

| | | | |
|------------|--|---------------|--------------|
| I | Collateral (+/-) | | |
| I.A | Collateral (+/-) | | |
| I.A.A | Securities/market instruments | 13.916.566,14 | 8.322.982,07 |
| III | Notional amounts of futures and forward contracts | | |
| III.A | Purchased futures and forward contracts | | 96.240,67 |
| IX | Financial instruments lent | 11.643.602,97 | 7.484.136,14 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|--|--|--|--|
| I. Net gains(losses) on investments | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | 10.284.501,67 | -7.565.527,21 |
| D. Other securities | | 1.729,29 | -755,71 |
| E. Open-end undertakings for collective investment | | -126.405,01 | -127.722,89 |
| G. Receivables, deposits, cash at bank and in hand and payables | | -0,03 | 0,02 |
| H. Foreign exchange positions and transactions | | | |
| a) Derivative financial instruments | | | |
| Futures and forward contracts | | -782,74 | 782,74 |
| b) Other foreign exchange positions and transactions | | 19.737.733,83 | -152.660,45 |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | | 24.009.811,89 | 12.107.973,86 |
| Unrealised gains on investments | | 42.912.790,91 | -3.110.935,24 |
| Realised losses on investments | | -21.855.026,12 | -8.633.932,73 |
| Unrealised losses on investments | | -15.170.799,67 | -8.208.989,39 |
| II. Investment income and expenses | | | |
| A. Dividends | | 8.279.573,77 | 2.134.396,97 |
| B. Interests | | | |
| a) Securities and money market instruments | | 49.403,01 | 9.045,90 |
| b) Cash at bank and in hand and deposits | | 14.341,36 | 1.794,51 |
| C. Interest on borrowings (-) | | -13.145,91 | -1.985,37 |
| III. Other income | | | |
| A. Income received to cover the acquisition and realizaion of assets, to discourage withdrawals and for delivery charges | | 1.901.492,56 | 223.469,36 |

| | | |
|---|---------------|---------------|
| IV. Operating expenses | | |
| A. Investment transaction and delivery costs (-) | -1.341.490,12 | -316.311,28 |
| B. Financial expenses (-) | -3.445,70 | -633,93 |
| C. Custodian's fee (-) | -71.325,66 | -60.575,01 |
| D. Manager's fee (-) | | |
| a) Financial management | | |
| Classic Shares | -616.726,00 | -754.129,95 |
| Institutional B Shares | -4.526.307,84 | -644.470,07 |
| b) Administration and accounting management | -321.770,87 | -87.796,93 |
| E. Administrative expenses (-) | 0,23 | -868,80 |
| F. Formation and organisation expenses (-) | -7.334,02 | -3.385,28 |
| G. Remuneration, social security charges and pension | -22,88 | -4,89 |
| H. Services and sundry goods (-) | -11.515,53 | -5.030,94 |
| J. Taxes | | |
| Classic Shares | -37.115,00 | -33.853,06 |
| Institutional B Shares | -61.896,61 | -5.512,69 |
| K. Other expenses (-) | -343.570,62 | -28.756,70 |
| Income and expenditure for the period | | |
| Subtotal II + III + IV | 2.889.144,17 | 425.391,84 |
| V. Profit (loss) on ordinary activities before tax | 32.785.921,18 | -7.420.491,66 |
| VII. Result of the book year | 32.785.921,18 | -7.420.491,66 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|
| I. Profit to be appropriated | 38.707.864,23 | -7.216.322,34 |
| Profit for the period available for appropriation | 32.785.921,18 | -7.420.491,66 |
| Income on the creation of shares (income on the cancellation of shares) | 5.921.943,05 | 204.169,32 |
| II. (Appropriations to) Deductions from capital | -38.489.324,40 | 7.425.728,23 |
| IV. (Dividends to be paid out) | -218.539,83 | -209.405,89 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND NEW MARKETS

| Name | Quantity on 31/12/2016 | 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>Bermuda</u> | | | | | | | |
| NINE DRAGONS PAPER HOLDINGS - | 2.020.000,00 | HKD | 7,030 | 1.736.513,55 | | 0,27 | 0,27 |
| <u>Brazil</u> | | | | | | | |
| AMBEV SA - | 2.529.555,00 | BRL | 16,400 | 12.084.448,13 | | 1,90 | 1,90 |
| BANCO BRADESCO S.A. - | 192.052,00 | BRL | 29,140 | 1.630.223,80 | | 0,26 | 0,26 |
| BANCO BRADESCO S.A. PREF | 609.333,00 | BRL | 29,000 | 5.147.442,98 | | 0,81 | 0,81 |
| BANCO DO BRASIL SA - | 338.100,00 | BRL | 28,090 | 2.766.532,38 | | 0,44 | 0,43 |
| BANCO SANTANDER BRASIL SA - | 286.300,00 | BRL | 29,530 | 2.462.768,80 | | 0,39 | 0,39 |
| BB SEGURIDADE PARTICIPACOES SA - | 90.900,00 | BRL | 28,300 | 749.357,69 | | 0,12 | 0,12 |
| BM&F BOVESPA SA - | 164.300,00 | BRL | 16,500 | 789.696,76 | | 0,12 | 0,12 |
| BRF SA - | 52.100,00 | BRL | 48,250 | 732.274,46 | | 0,12 | 0,12 |
| CETIP SA - BALCAO ORGANIZADO DE ATI - | 11.607,00 | BRL | 44,600 | 150.797,34 | | 0,02 | 0,02 |
| CIA DE CONCESSOES RODOVIARIAS - | 75.900,00 | BRL | 15,960 | 352.869,00 | | 0,06 | 0,06 |
| COMPANHIA BRASILEIRA DE MEIOS - | 286.443,00 | BRL | 27,890 | 2.327.156,42 | | 0,37 | 0,37 |
| CPFL ENERGIA SA - | 17.633,00 | BRL | 25,210 | 129.490,50 | | 0,02 | 0,02 |
| CSN-CIA SIDERURGICA NACIONAL S.A. - | 36.400,00 | BRL | 10,850 | 115.045,59 | | 0,02 | 0,02 |
| EMBRAER AIRCRAFT CORP-SP ADR - | 37.138,00 | BRL | 16,000 | 173.092,14 | | 0,03 | 0,03 |
| FIBRIA CELULOSE SA - | 47.800,00 | BRL | 31,890 | 444.039,15 | | 0,07 | 0,07 |
| ITAU UNIBANCO HOLDINGS SA PREF PREF | 1.273.209,00 | BRL | 33,850 | 12.554.436,38 | | 1,97 | 1,97 |
| ITAUSA-INVESTIMENTOS ITAU SA - | 772.456,00 | BRL | 8,280 | 1.863.129,04 | | 0,29 | 0,29 |
| KLABIN SA - | 50.100,00 | BRL | 17,720 | 258.607,01 | | 0,04 | 0,04 |
| KROTON EDUCACIONAL SA - | 25.500,00 | BRL | 13,330 | 99.016,87 | | 0,02 | 0,02 |
| LOJAS AMERICANAS SA -PREF- | 51.100,00 | BRL | 17,000 | 253.051,36 | | 0,04 | 0,04 |
| LOJAS RENNER SA - | 70.300,00 | BRL | 23,170 | 474.482,51 | | 0,08 | 0,08 |
| PETROBRAS-PETROLEO BRASILEIROS.A. - | 337.529,00 | BRL | 16,940 | 1.665.571,75 | | 0,26 | 0,26 |
| PETROBRAS-PETROLEO BRASILEIROS.A. PREF | 475.985,00 | BRL | 14,870 | 2.061.783,61 | | 0,32 | 0,32 |
| RAIADROGASIL SA - | 12.500,00 | BRL | 61,190 | 222.807,25 | | 0,04 | 0,04 |
| TELEF BRASIL PREF | 22.990,00 | BRL | 44,080 | 295.202,07 | | 0,05 | 0,05 |
| ULTRAPAR PARTICIPACOES SA - | 40.900,00 | BRL | 68,450 | 815.521,86 | | 0,13 | 0,13 |
| VALE SA - | 210.500,00 | BRL | 25,680 | 1.574.657,00 | | 0,25 | 0,25 |
| VALE SA PREF A | 239.468,00 | BRL | 23,340 | 1.628.122,90 | | 0,26 | 0,26 |
| WEG SA - | 148.260,00 | BRL | 15,500 | 669.413,62 | | 0,11 | 0,11 |
| <u>British Virgin Islands</u> | | | | | | | |
| QINQIN FOODSTUFFS GROUP CO LTD - | 120.600,00 | HKD | 2,640 | 38.933,43 | | 0,01 | 0,01 |
| <u>Cayman Islands</u> | | | | | | | |
| AAC TECHNOLOGY HOLDINGS_INC - | 364.000,00 | HKD | 70,450 | 3.135.839,76 | | 0,49 | 0,49 |
| CHAODA MODERN AGRICULTURE HLDS - | 636,00 | HKD | 0,232 | 18,04 | | | |
| HENGAN INT GROUP COMPANY LTD - | 1.314.000,00 | HKD | 56,950 | 9.150.831,84 | | 1,44 | 1,44 |
| TENCENT HOLDINGS - | 652.700,00 | HKD | 189,700 | 15.140.925,57 | | 2,38 | 2,38 |
| XINAO GAS HOLDINGS LTD - | 872.000,00 | HKD | 31,900 | 3.401.564,02 | | 0,53 | 0,53 |

| | | | | | | | |
|--|---------------|-----|------------|---------------|--|------|------|
| <u>Chile</u> | | | | | | | |
| AGUAS ANDINAS SA - | 168.770,00 | CLP | 348,730 | 83.310,47 | | 0,01 | 0,01 |
| BANCO DE CHILE - | 12.244.417,00 | CLP | 78,500 | 1.360.575,94 | | 0,21 | 0,21 |
| BANCO DE CREDITO E INVERSIONES - | 3.940,00 | CLP | 33.894,000 | 189.031,45 | | 0,03 | 0,03 |
| BANCO SANTANDER CHILE - | 14.293.150,00 | CLP | 37,260 | 753.851,53 | | 0,12 | 0,12 |
| COLBUN SA - | 116.576,00 | CLP | 131,780 | 21.745,71 | | 0,00 | 0,00 |
| COPEC-CIA DE PETROLEOS DE CHILE S.A. - | 28.438,00 | CLP | 6.418,400 | 258.369,26 | | 0,04 | 0,04 |
| EMPRESA NACIONAL DE TELECOM SA - | 9.986,00 | CLP | 7.106,900 | 100.458,52 | | 0,02 | 0,02 |
| EMPRESAS CMPC S.A. - | 78.764,00 | CLP | 1.369,400 | 152.676,82 | | 0,02 | 0,02 |
| ENEL AMERICA SA - | 2.907.412,00 | CLP | 108,870 | 448.053,44 | | 0,07 | 0,07 |
| ENEL CHILE SA - | 1.018.615,00 | CLP | 62,010 | 89.410,15 | | 0,01 | 0,01 |
| ENEL GENERACION CHILE SA - | 143.865,00 | CLP | 441,930 | 89.996,09 | | 0,01 | 0,01 |
| LATAM AIRLINES GROUP SA - | 2.980,00 | CLP | 5.643,400 | 23.805,22 | | 0,00 | 0,00 |
| SACIFALABELLA - | 241.920,00 | CLP | 5.299,500 | 1.814.770,40 | | 0,29 | 0,29 |
| <u>China</u> | | | | | | | |
| AIR CHINA LTD - | 536.000,00 | HKD | 4,950 | 324.445,29 | | 0,05 | 0,05 |
| AVICHINA IND&TECH CO LTD - | 804.000,00 | HKD | 5,340 | 525.011,46 | | 0,08 | 0,08 |
| BYD CO LTD - | 1.289.000,00 | HKD | 40,850 | 6.438.970,85 | | 1,01 | 1,01 |
| CHINA AIRLINES LTD - | 988.000,00 | TWD | 9,300 | 270.298,34 | | 0,04 | 0,04 |
| CHINA CINDA ASSET MANAGEMENT C - | 14.609.000,00 | HKD | 2,810 | 5.019.937,27 | | 0,79 | 0,79 |
| CHINA CITIC BANK CHINA CITIC BANK | 298.000,00 | HKD | 4,930 | 179.653,08 | | 0,03 | 0,03 |
| CHINA COAL ENERGY CO - | 1.748.000,00 | HKD | 3,680 | 786.612,29 | | 0,12 | 0,12 |
| CHINA COMMUNICATIONS SERVICES - | 2.526.000,00 | HKD | 4,940 | 1.525.920,04 | | 0,24 | 0,24 |
| CHINA EVERBRIGHT BANK CO LTD - | 3.206.000,00 | HKD | 3,530 | 1.383.915,92 | | 0,22 | 0,22 |
| CHINA GAS HOLDINGS LTD - | 1.584.000,00 | HKD | 10,520 | 2.037.710,10 | | 0,32 | 0,32 |
| CHINA HUIZHAN DAIRY HOLDINGS C - | 273.000,00 | HKD | 3,010 | 100.484,86 | | 0,02 | 0,02 |
| CHINA LIFE INSURANCE CO LTD - | 4.786.990,00 | TWD | 32,050 | 4.513.298,24 | | 0,71 | 0,71 |
| CHINA MEDICAL SYSTEM HOLDINGS - | 1.693.000,00 | HKD | 12,280 | 2.542.300,05 | | 0,40 | 0,40 |
| CHINA PETROLEUM & CHEMICAL COR "A" | 1.548.000,00 | HKD | 5,500 | 1.041.130,40 | | 0,16 | 0,16 |
| CHINA RAILWAY CONSTRUCTION COR - | 244.500,00 | HKD | 9,980 | 298.387,68 | | 0,05 | 0,05 |
| CHINA RESOURCES GAS GROUP LTD - | 238.000,00 | HKD | 21,800 | 634.461,00 | | 0,10 | 0,10 |
| CHINA SHENHUA ENERGY CO LTD - | 449.000,00 | HKD | 14,600 | 801.623,94 | | 0,13 | 0,13 |
| CHINA SOUTHERN AIRLINES CO LTD - | 2.952.000,00 | HKD | 4,030 | 1.454.765,12 | | 0,23 | 0,23 |
| CHINA TELECOM CORP LTD - | 19.620.000,00 | HKD | 3,580 | 8.589.215,73 | | 1,35 | 1,35 |
| CHINA VANKE CO LTD - | 623.000,00 | HKD | 17,700 | 1.348.443,62 | | 0,21 | 0,21 |
| CHONGQING RURAL COMMERCIAL BANK - | 2.683.000,00 | HKD | 4,550 | 1.492.806,61 | | 0,24 | 0,23 |
| DONGFENG MOTOR CORP - | 606.000,00 | HKD | 7,570 | 560.970,45 | | 0,09 | 0,09 |
| GUANGZHOU AUTOMOBILE GROUP CORP - | 5.302.000,00 | HKD | 9,380 | 6.081.546,65 | | 0,96 | 0,96 |
| GUANGZHOU R&F PROPERTIES - | 3.124.800,00 | HKD | 9,380 | 3.584.235,57 | | 0,56 | 0,56 |
| HAITIAN INTERNATIONAL HOLDINGS - | 362.000,00 | HKD | 15,220 | 673.743,68 | | 0,11 | 0,11 |
| HUADIAN POWER INTL CORP - | 592.000,00 | HKD | 3,510 | 254.097,45 | | 0,04 | 0,04 |
| JIANGSU EXPRESSWAY COMP LTD - | 456.000,00 | HKD | 9,800 | 546.465,06 | | 0,09 | 0,09 |
| LONGFOR PROPERTIES CO LTD - | 94.500,00 | HKD | 9,840 | 113.709,93 | | 0,02 | 0,02 |
| NETEASE.COM -ADR- | 71.863,00 | USD | 215,340 | 14.671.702,70 | | 2,31 | 2,30 |
| PEOPLE S INSURANCE CO GROUP OF CHINA - | 76.000,00 | HKD | 3,060 | 28.438,49 | | 0,00 | 0,00 |
| PICC PROPERTY & CASUALTY -H- | 5.334.000,00 | HKD | 12,080 | 7.879.368,77 | | 1,24 | 1,24 |
| SHANDONG WEIGAO GP MEDICAL -H - | 3.172.000,00 | HKD | 5,180 | 2.009.252,05 | | 0,32 | 0,32 |
| SHANGHAI FOSUN PHARMACEUTICAL - | 598.000,00 | HKD | 23,750 | 1.736.745,89 | | 0,27 | 0,27 |
| SINOPHARM GROUP CO - | 1.187.600,00 | HKD | 31,950 | 4.639.941,79 | | 0,73 | 0,73 |
| SINOTRANS LTD - | 1.201.000,00 | HKD | 3,460 | 508.148,43 | | 0,08 | 0,08 |
| TAL EDUCATION GROUP - | 54.110,00 | USD | 70,150 | 3.598.783,12 | | 0,57 | 0,57 |
| TRAVELSKY TECHNOLOGY LTD - | 1.901.000,00 | HKD | 16,300 | 3.789.144,80 | | 0,60 | 0,60 |
| VIPSHOP HOLDINGS LTD - | 513.761,00 | USD | 11,010 | 5.362.890,36 | | 0,84 | 0,84 |
| WANT WANT CHINA HOLDINGS LTD - | 5.299.000,00 | HKD | 4,970 | 3.220.488,77 | | 0,51 | 0,51 |
| WEICHAI POWER CO LTD - | 1.308.000,00 | HKD | 11,940 | 1.909.780,93 | | 0,30 | 0,30 |
| YANZHOU COAL MINING CO LTD - | 2.456.000,00 | HKD | 5,290 | 1.588.749,82 | | 0,25 | 0,25 |

| | | | | | | | |
|---------------------------------------|---------------|-----|------------|---------------|--|------|------|
| ZHEJIANG EXPRESSWAY CO. - | 566.000,00 | HKD | 7,400 | 512.176,48 | | 0,08 | 0,08 |
| <u>Colombia</u> | | | | | | | |
| BANCOLOMBIA SA PREF | 62.950,00 | COP | 27.180,000 | 540.362,18 | | 0,09 | 0,09 |
| GRUPO DE INVERSIONES SURAMERIC - | 7.491,00 | COP | 38.200,000 | 90.373,88 | | 0,01 | 0,01 |
| INVERSIONES ARGOS SA - | 25.743,00 | COP | 19.280,000 | 156.749,42 | | 0,03 | 0,03 |
| <u>Czech Republic</u> | | | | | | | |
| KOMERCNI BANKA - | 26.940,00 | CZK | 885,000 | 882.363,39 | | 0,14 | 0,14 |
| <u>Hong Kong</u> | | | | | | | |
| ALIBABA GROUP HOLDING LTD - | 145.822,00 | USD | 87,810 | 12.139.966,65 | | 1,91 | 1,91 |
| BEIJING ENTERPRISES HOLD LTD - | 623.500,00 | HKD | 36,650 | 2.794.357,18 | | 0,44 | 0,44 |
| BEIJING ENTERPRISES WATER GROUP LTD - | 3.928.000,00 | HKD | 5,160 | 2.478.521,34 | | 0,39 | 0,39 |
| CHIANE LONGYUAN POWER GROUP CORP - | 2.045.000,00 | HKD | 6,060 | 1.515.435,36 | | 0,24 | 0,24 |
| CHINA EVERBRIGHT INTL - | 2.068.000,00 | HKD | 8,790 | 2.222.853,75 | | 0,35 | 0,35 |
| CHINA MENGNIU DAIRY CO LTD - | 72.000,00 | HKD | 14,940 | 131.539,01 | | 0,02 | 0,02 |
| CHINA MERCHANTS HLDGS INTL - | 560.000,00 | HKD | 19,240 | 1.317.542,33 | | 0,21 | 0,21 |
| CHINA RESOURCES BEIJING LAND - | 1.752.000,00 | HKD | 17,440 | 3.736.388,82 | | 0,59 | 0,59 |
| HUANENG RENEWABLES CORP LTD - | 2.996.000,00 | HKD | 2,520 | 923.238,34 | | 0,15 | 0,15 |
| SHANGAI INDUSTRIAL HOLDING - | 7.000,00 | HKD | 21,000 | 17.975,82 | | 0,00 | 0,00 |
| SHANGAI PHARMACEUTICALS HOLDING - | 862.500,00 | HKD | 17,780 | 1.875.263,68 | | 0,30 | 0,29 |
| SINO BIOPHARMACEUTICAL - | 6.718.000,00 | HKD | 5,460 | 4.485.430,41 | | 0,71 | 0,70 |
| SINO-OCEAN GROUP HOLDING LTD - | 3.220.000,00 | HKD | 3,470 | 1.366.333,85 | | 0,22 | 0,22 |
| SINOPEC SHANGHAI PETROCHEMICAL - | 5.080.000,00 | HKD | 4,200 | 2.609.062,51 | | 0,41 | 0,41 |
| <u>Hungary</u> | | | | | | | |
| GEDEON RICHTER - | 39.997,00 | HUF | 6.210,000 | 804.174,57 | | 0,13 | 0,13 |
| OTP BANK PLC - | 86.001,00 | HUF | 8.400,000 | 2.338.913,19 | | 0,37 | 0,37 |
| <u>India</u> | | | | | | | |
| ASHOK LEYLAND LTD. - | 1.321.214,00 | INR | 80,100 | 1.478.353,16 | | 0,23 | 0,23 |
| ASIAN PAINTS LTD - | 65.933,00 | INR | 891,050 | 820.686,75 | | 0,13 | 0,13 |
| AUROBINDO PHARMA LTD - | 17.836,00 | INR | 669,300 | 166.759,58 | | 0,03 | 0,03 |
| BAJAJ AUTO LTD. - | 19.529,00 | INR | 2.632,200 | 718.077,64 | | 0,11 | 0,11 |
| BHARAT PETROLEUM CORP. LTD. - | 234.574,00 | INR | 635,500 | 2.082.418,14 | | 0,33 | 0,33 |
| BHARTI INFRA TEL LTD - | 127.267,00 | INR | 343,450 | 610.593,02 | | 0,10 | 0,10 |
| BNI TBK PT - | 13.697.600,00 | IDR | 5.525,000 | 5.325.728,57 | | 0,84 | 0,84 |
| BOSCH LTD - | 870,00 | INR | 21.049,950 | 255.824,91 | | 0,04 | 0,04 |
| BUMISERPONG DAMAI PT - | 2.441.100,00 | IDR | 1.755,000 | 301.484,48 | | 0,05 | 0,05 |
| DIVIS LABORATORIES LTD - | 52.457,00 | INR | 783,700 | 574.282,80 | | 0,09 | 0,09 |
| EICHER MOTORS LTD - | 4.507,00 | INR | 21.803,050 | 1.372.705,33 | | 0,22 | 0,22 |
| HAVELLS INDIA LTD - | 352.035,00 | INR | 342,250 | 1.683.068,58 | | 0,26 | 0,26 |
| HCL TECHNOLOGIES LTD - | 379.799,00 | INR | 827,950 | 4.392.688,81 | | 0,69 | 0,69 |
| HERO MOTOCORP LTD. - | 129.631,00 | INR | 3.043,650 | 5.511.579,70 | | 0,87 | 0,87 |
| INFOSYS LTD - | 97.402,00 | INR | 1.010,600 | 1.375.053,76 | | 0,22 | 0,22 |
| JSW STEEL LTD - | 139.011,00 | INR | 1.627,500 | 3.160.404,53 | | 0,50 | 0,50 |
| LIC HOUSING FINANCE LTD - | 146.479,00 | INR | 559,700 | 1.145.257,60 | | 0,18 | 0,18 |
| PIRAMAL ENTERPRISES LTD - | 11.016,00 | INR | 1.624,850 | 250.040,13 | | 0,04 | 0,04 |
| SHREE CEMENT LTD - | 1.538,00 | INR | 14.733,400 | 316.542,35 | | 0,05 | 0,05 |
| SHRIRAM TRANSPORT FINANCE CO LTD - | 264.408,00 | INR | 853,450 | 3.152.282,89 | | 0,50 | 0,50 |
| SIEMENS INDIA LTD - | 21.948,00 | INR | 1.112,500 | 341.088,82 | | 0,05 | 0,05 |
| TATA CONSULTANCY SVS LTD - | 42.366,00 | INR | 2.365,550 | 1.399.980,88 | | 0,22 | 0,22 |
| TATA MOTORS LTD - | 572.067,00 | INR | 299,100 | 2.390.208,68 | | 0,38 | 0,38 |
| TECH MAHINDRA LTD - | 387.779,00 | INR | 488,900 | 2.648.358,87 | | 0,42 | 0,42 |
| UNITED SPIRITS LTD - | 18.685,00 | INR | 1.942,800 | 507.100,11 | | 0,08 | 0,08 |
| WIPRO LTD - | 404.484,00 | INR | 474,450 | 2.680.799,34 | | 0,42 | 0,42 |
| YES BANK LTD - | 229.608,00 | INR | 1.156,450 | 3.709.252,40 | | 0,58 | 0,58 |

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|---|---------------|-----|------------|--------------|--|------|------|
| <u>Indonesia</u> | | | | | | | |
| ADARO ENERGY PT - | 14.108.800,00 | IDR | 1.695,000 | 1.682.914,48 | | 0,26 | 0,26 |
| GLOBAL MEDIACOM TBK PT - | 1.749.200,00 | IDR | 615,000 | 75.703,66 | | 0,01 | 0,01 |
| INDO FOOD - | 260.300,00 | IDR | 8.575,000 | 157.076,26 | | 0,03 | 0,03 |
| MATAHARI DEPARTMENT STORE TBK - | 1.156.700,00 | IDR | 15.125,000 | 1.231.171,02 | | 0,19 | 0,19 |
| PT BANK CENTRAL ASIA TBK - | 5.578.100,00 | IDR | 15.500,000 | 6.084.435,07 | | 0,96 | 0,96 |
| PT BANK DANAMON INDONESIA TBK - | 197.900,00 | IDR | 3.710,000 | 51.668,04 | | 0,01 | 0,01 |
| PT BANK RAKYAT INDONESIA - | 4.556.900,00 | IDR | 11.675,000 | 3.743.938,05 | | 0,59 | 0,59 |
| PT KALBE FARMA FOREIGN | 1.461.400,00 | IDR | 1.515,000 | 155.805,94 | | 0,02 | 0,02 |
| PT SEMEN INDONESIA FOREIGN | 528.600,00 | IDR | 9.175,000 | 341.299,38 | | 0,05 | 0,05 |
| SURYA CITRA MEDIA TBK PT - | 2.255.300,00 | IDR | 2.800,000 | 444.390,35 | | 0,07 | 0,07 |
| TELEKOMUNIKASI INDONESIA PERSE'B' SCRIPLESS | 17.868.100,00 | IDR | 3.980,000 | 5.004.534,80 | | 0,79 | 0,79 |
| WASKITA KARYA PERSERO TBK PT - | 11.193.300,00 | IDR | 2.550,000 | 2.008.632,99 | | 0,32 | 0,32 |
| <u>Malaysia</u> | | | | | | | |
| AIRASIA BHD - | 6.440.600,00 | MYR | 2,290 | 3.117.088,96 | | 0,49 | 0,49 |
| ALLIANCE FINANCIAL GROUP BHD - | 174.300,00 | MYR | 3,720 | 137.033,80 | | 0,02 | 0,02 |
| BERJAYA SPORTS TOTO BHD - | 179.000,00 | MYR | 2,960 | 111.977,85 | | 0,02 | 0,02 |
| DIGI.COM BHD - | 585.800,00 | MYR | 4,830 | 597.976,18 | | 0,09 | 0,09 |
| PETRONAS GAS BHD - | 41.000,00 | MYR | 21,300 | 184.565,64 | | 0,03 | 0,03 |
| SAPURAKENCANA PETROLEUM BHD - | 1.207.300,00 | MYR | 1,620 | 413.349,68 | | 0,07 | 0,07 |
| WESTPORTS HOLDINGS BHD - | 643.700,00 | MYR | 4,300 | 584.977,76 | | 0,09 | 0,09 |
| <u>Mexico</u> | | | | | | | |
| ALFA SA DE CV - | 148.600,00 | MXN | 25,700 | 175.753,59 | | 0,03 | 0,03 |
| AMERICA MOVIL S.A. DE C.V. -L- | 8.654.000,00 | MXN | 13,030 | 5.189.357,28 | | 0,82 | 0,82 |
| ARCA CONTINENTAL SAB DE CV - | 83.200,00 | MXN | 108,070 | 413.790,72 | | 0,07 | 0,07 |
| BIMBO - | 67.300,00 | MXN | 47,010 | 145.598,73 | | 0,02 | 0,02 |
| CEMEX S.A. DE C.V. CPO | 673.387,00 | MXN | 16,540 | 512.569,19 | | 0,08 | 0,08 |
| EL PUERTO DE LIVERPOOL SAB DE - | 6.200,00 | MXN | 149,550 | 42.670,76 | | 0,01 | 0,01 |
| FEMSA - | 407.100,00 | MXN | 157,670 | 2.953.945,21 | | 0,46 | 0,46 |
| FIBRA UNO ADMINISTRACION - | 326.800,00 | MXN | 31,760 | 477.655,53 | | 0,08 | 0,08 |
| GRUPO AEROPORTUARIO DE SURESTE SA -B- | 31.100,00 | MXN | 298,670 | 427.468,64 | | 0,07 | 0,07 |
| GRUPO AEROPORTUARIO DEL PACIFICO SA -B- | 39.300,00 | MXN | 170,480 | 308.331,75 | | 0,05 | 0,05 |
| GRUPO CARSO SA SERA1 | 29.500,00 | MXN | 83,630 | 113.536,73 | | 0,02 | 0,02 |
| GRUPO FIN.INBURSA 'O' | 279.900,00 | MXN | 31,370 | 404.082,17 | | 0,06 | 0,06 |
| GRUPO FINANC NORTE "O" | 765.032,00 | MXN | 102,300 | 3.601.699,71 | | 0,57 | 0,57 |
| GRUPO TELEvisa S.A. -CPO- | 732.900,00 | MXN | 86,520 | 2.918.189,55 | | 0,46 | 0,46 |
| GRUPOMEXICO SA -B- | 1.361.090,00 | MXN | 56,430 | 3.534.672,32 | | 0,56 | 0,56 |
| MEXICHEM SAB DE CV - | 28.290,00 | MXN | 47,100 | 61.320,56 | | 0,01 | 0,01 |
| PROMOTORAY OPERADORA DE INFRA - | 23.700,00 | MXN | 172,980 | 188.667,24 | | 0,03 | 0,03 |
| WAL-MART DE MEXICO SA DE CV "V" | 1.530.352,00 | MXN | 37,050 | 2.609.346,86 | | 0,41 | 0,41 |
| <u>Peru</u> | | | | | | | |
| CREDICORP LTD. - | 16.857,00 | USD | 157,860 | 2.522.916,35 | | 0,40 | 0,40 |
| SOUTHERN COPPER CORP (NYSE) | 86.785,00 | USD | 31,940 | 2.628.028,35 | | 0,41 | 0,41 |
| <u>Philippines</u> | | | | | | | |
| ALLIANCE GLOBAL GROUP INC - | 1.946.000,00 | PHP | 12,780 | 474.306,01 | | 0,08 | 0,07 |
| AYALA LAND - | 2.651.000,00 | PHP | 32,000 | 1.617.873,81 | | 0,25 | 0,25 |
| BANK OF THE PHILIPPINE ISLAND - | 273.100,00 | PHP | 88,800 | 462.508,38 | | 0,07 | 0,07 |
| BDO UNIBANK INC - | 649.680,00 | PHP | 112,100 | 1.388.960,99 | | 0,22 | 0,22 |
| DMCI HOLDINGS INC - | 182.860,00 | PHP | 13,260 | 46.243,13 | | 0,01 | 0,01 |
| GLOBE TELECOM INC - | 21.340,00 | PHP | 1.509,000 | 614.141,71 | | 0,10 | 0,10 |
| GT CAPITAL HOLDINGS INC - | 25.045,00 | PHP | 1.270,000 | 606.610,18 | | 0,10 | 0,10 |
| MEGAWORLD CORP - | 4.884.000,00 | PHP | 3,570 | 332.528,45 | | 0,05 | 0,05 |
| METROP. BANK & TRUST - | 174.900,00 | PHP | 72,600 | 242.165,00 | | 0,04 | 0,04 |
| ROBINSONS LAND CORP - | 443.100,00 | PHP | 26,000 | 219.715,17 | | 0,04 | 0,03 |

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|-------------------------------------|--------------|-----|-------------|---------------|--|------|------|
| <u>Poland</u> | | | | | | | |
| ALIOR BANK SA - | 46.103,00 | PLN | 54,190 | 567.432,82 | | 0,09 | 0,09 |
| BANK HANDLOWY W WARSZAWIE - | 1.768,00 | PLN | 76,390 | 30.675,02 | | 0,01 | 0,01 |
| BANK ZACHODNI - | 1.976,00 | PLN | 316,000 | 141.820,87 | | 0,02 | 0,02 |
| CCC SA - | 1.859,00 | PLN | 203,550 | 85.944,21 | | 0,01 | 0,01 |
| CYFROWY POLSAT SA - | 136.845,00 | PLN | 24,600 | 764.592,71 | | 0,12 | 0,12 |
| POLISH OIL & GAS - | 211.551,00 | PLN | 5,630 | 270.513,90 | | 0,04 | 0,04 |
| POLSKI KONCERN NAFTOWY ORLEN SA - | 11.599,00 | PLN | 85,300 | 224.716,88 | | 0,04 | 0,04 |
| POWOSZECHNA KASA OSZCZEDNOSCIBANK - | 190.782,00 | PLN | 28,140 | 1.219.347,80 | | 0,19 | 0,19 |
| POWSZECHNY BANK KREDYTOWY SA - | 140.424,00 | PLN | 33,210 | 1.059.195,98 | | 0,17 | 0,17 |
| <u>Russia</u> | | | | | | | |
| GAZPROM ADR NEW | 1.072.220,00 | USD | 5,050 | 5.133.643,99 | | 0,81 | 0,81 |
| JSC MMC NORILSK NICKEL ADR NEW | 247.082,00 | USD | 16,790 | 3.933.165,94 | | 0,62 | 0,62 |
| LUKOIL PJSC - | 115.000,00 | USD | 56,100 | 6.116.615,31 | | 0,96 | 0,96 |
| MAGNIT PJSC - | 3.151,00 | USD | 44,150 | 131.895,38 | | 0,02 | 0,02 |
| MOBILE TELESYSTEMS ADR | 44.895,00 | USD | 9,110 | 387.763,40 | | 0,06 | 0,06 |
| NOVATEK OAO - | 25.540,00 | USD | 129,800 | 3.143.012,09 | | 0,49 | 0,49 |
| OGK-5 OJSC - | 2.216,00 | USD | 0,808 | 1.696,82 | | | |
| SBERBANK PAO ADR | 548.522,00 | USD | 11,575 | 6.019.570,66 | | 0,95 | 0,95 |
| SEVERSTAL - | 9.523,00 | USD | 15,200 | 137.235,93 | | 0,02 | 0,02 |
| SISTEMA PJSC FC - | 19.971,00 | USD | 9,000 | 170.409,10 | | 0,03 | 0,03 |
| SURGUTNEFTEGAZ OIL ADR NEW | 232.513,00 | USD | 5,045 | 1.112.138,50 | | 0,18 | 0,18 |
| TATNEFT - | 8.195,00 | USD | 41,220 | 320.263,47 | | 0,05 | 0,05 |
| <u>South Africa</u> | | | | | | | |
| ANGLOGOLD ASHANTI LTD - | 47.719,00 | ZAR | 152,580 | 504.791,77 | | 0,08 | 0,08 |
| ASPEN PHARMA CARE HOLD LTD - | 1.247,00 | ZAR | 283,580 | 24.516,89 | | 0,00 | 0,00 |
| BARCLAYS AFRICA GROUP LTD - | 107.046,00 | ZAR | 168,690 | 1.251.938,80 | | 0,20 | 0,20 |
| BID CORP LTD - | 64.641,00 | ZAR | 245,150 | 1.098.659,92 | | 0,17 | 0,17 |
| BIDVEST GROUP LTD - | 103.701,00 | ZAR | 181,250 | 1.303.119,61 | | 0,21 | 0,21 |
| CAPITEC BANK HOLDINGS LTD - | 12.996,00 | ZAR | 695,000 | 626.206,87 | | 0,10 | 0,10 |
| DICOVERY LTD - | 45.009,00 | ZAR | 114,500 | 357.296,01 | | 0,06 | 0,06 |
| FIRSTRAND LTD. - | 2.128.336,00 | ZAR | 53,170 | 7.845.672,41 | | 1,23 | 1,23 |
| GOLD FIELDS LTD - | 10.560,00 | ZAR | 43,590 | 31.913,48 | | 0,01 | 0,01 |
| MEDICLINIC INTERNATIONAL LTD - | 11.984,00 | GBP | 7,710 | 108.243,49 | | 0,02 | 0,02 |
| MTN GROUPLTD. - | 174.881,00 | ZAR | 126,170 | 1.529.755,59 | | 0,24 | 0,24 |
| NASPERS LTD N | 74.530,00 | ZAR | 2.014,090 | 10.407.185,93 | | 1,64 | 1,63 |
| NEDBANK GROUP LTD - | 42.650,00 | ZAR | 238,130 | 704.135,87 | | 0,11 | 0,11 |
| NEW EUROPE PROPERTY INVESTMENT - | 28.673,00 | ZAR | 159,000 | 316.077,50 | | 0,05 | 0,05 |
| REMGRO LIMITED / | 59.526,00 | ZAR | 223,050 | 920.517,92 | | 0,15 | 0,15 |
| RESILIENT REIT LTD - | 10.875,00 | ZAR | 114,410 | 86.261,41 | | 0,01 | 0,01 |
| RMB HOLDINGS LTD - | 17.174,00 | ZAR | 66,400 | 79.061,10 | | 0,01 | 0,01 |
| SANLAM LIMITED - | 87.494,00 | ZAR | 62,900 | 381.550,68 | | 0,06 | 0,06 |
| SASOL LTD - | 51.928,00 | ZAR | 398,900 | 1.436.114,12 | | 0,23 | 0,23 |
| SHOPRITE HOLDINGS LTD - | 48.867,00 | ZAR | 171,460 | 580.900,59 | | 0,09 | 0,09 |
| STANDARD BANK GROUP LTD - | 312.939,00 | ZAR | 151,750 | 3.292.393,30 | | 0,52 | 0,52 |
| STEINHOFF INTL HOLD LTD - | 1.140.780,00 | ZAR | 71,280 | 5.637.582,48 | | 0,89 | 0,89 |
| TIGER BRANDS LTD. - | 8.171,00 | ZAR | 397,830 | 225.369,98 | | 0,04 | 0,04 |
| VODACOM GROUP PTY LTD - | 187.303,00 | ZAR | 152,400 | 1.979.032,92 | | 0,31 | 0,31 |
| WOOLWORTHS HOLDINGS LTD - | 129.934,00 | ZAR | 71,020 | 639.774,31 | | 0,10 | 0,10 |
| <u>South Korea</u> | | | | | | | |
| BGF RETAIL CO LTD - | 8.227,00 | KRW | 81.800,000 | 528.263,03 | | 0,08 | 0,08 |
| CJ CHEILJEDANG CORP - | 5.259,00 | KRW | 357.500,000 | 1.475.824,22 | | 0,23 | 0,23 |
| CJ CORP - | 3.360,00 | KRW | 187.000,000 | 493.215,03 | | 0,08 | 0,08 |
| CJ E&M CORP - | 23.320,00 | KRW | 70.900,000 | 1.297.867,02 | | 0,20 | 0,20 |
| CJ KOREA EXPRESS CORP - | 1.675,00 | KRW | 179.000,000 | 235.354,91 | | 0,04 | 0,04 |

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|--------------------------------------|--------------|-----|---------------|---------------|--|------|------|
| DAELIM INDUSTRIAL CO - | 7.324,00 | KRW | 87.100,000 | 500.751,09 | | 0,08 | 0,08 |
| DC CHEMICAL CO LTD - | 33.525,00 | KRW | 78.700,000 | 2.071.089,83 | | 0,33 | 0,33 |
| DONGBU INSURANCE CO LTD - | 16.447,00 | KRW | 62.500,000 | 806.904,48 | | 0,13 | 0,13 |
| GS ENGINEERING & CONSTRUCTION CO - | 42.986,00 | KRW | 26.500,000 | 894.186,95 | | 0,14 | 0,14 |
| HANA FINANCIAL GROUP INC - | 369.537,00 | KRW | 31.250,000 | 9.064.907,30 | | 1,42 | 1,42 |
| HANWHA CHEMICAL CORP - | 85.819,00 | KRW | 24.700,000 | 1.663.932,94 | | 0,26 | 0,26 |
| HANWHA LIFE INSURANCE CO LTD - | 86.353,00 | KRW | 6.530,000 | 442.635,28 | | 0,07 | 0,07 |
| HYOSUNG CORP - | 27.798,00 | KRW | 145.500,000 | 3.174.913,96 | | 0,50 | 0,50 |
| HYUNDAI DEPARTMENT STORE CO LTD - | 6.083,00 | KRW | 109.000,000 | 520.474,83 | | 0,08 | 0,08 |
| HYUNDAI DEVELOPMENT CO - | 62.169,00 | KRW | 44.950,000 | 2.193.607,87 | | 0,35 | 0,34 |
| HYUNDAI HEAVY INDUSTRIES - | 27.260,00 | KRW | 145.500,000 | 3.113.466,96 | | 0,49 | 0,49 |
| HYUNDAI MARINE & FIRE INSURANCE CO - | 124.680,00 | KRW | 31.500,000 | 3.082.923,61 | | 0,48 | 0,48 |
| HYUNDAI STEEL CO - | 118.358,00 | KRW | 57.000,000 | 5.295.755,07 | | 0,83 | 0,83 |
| KANGWON LAND INC - | 5.366,00 | KRW | 35.750,000 | 150.585,14 | | 0,02 | 0,02 |
| KOREA AEROSPACE INDUSTRIES LTD - | 1.670,00 | KRW | 67.000,000 | 87.830,77 | | 0,01 | 0,01 |
| KOREA AIR - | 28.527,00 | KRW | 27.350,000 | 612.447,48 | | 0,10 | 0,10 |
| KOREA ELECTRIC POWER (KEPCO) CORP - | 282.526,00 | KRW | 44.050,000 | 9.769.216,86 | | 1,54 | 1,53 |
| KOREA INVESTMENT HOLDINGS CO LTD - | 17.329,00 | KRW | 41.900,000 | 569.958,12 | | 0,09 | 0,09 |
| LG ELECTRONICS INC NEW | 92.255,00 | KRW | 51.600,000 | 3.736.758,50 | | 0,59 | 0,59 |
| LG HOUSEHOLD & HEALTH CARE LTD - | 3.766,00 | KRW | 857.000,000 | 2.533.474,60 | | 0,40 | 0,40 |
| LG PHILIPS LCD CO LTD - | 147.221,00 | KRW | 31.450,000 | 3.634.509,68 | | 0,57 | 0,57 |
| LG UPLUS LTD - | 459.528,00 | KRW | 11.450,000 | 4.130.217,12 | | 0,65 | 0,65 |
| LOTTE CHEMICAL CORP - | 15.390,00 | KRW | 369.000,000 | 4.457.798,18 | | 0,70 | 0,70 |
| LOTTE CHILSUNG BEVERAGE CO LTD - | 1.075,00 | KRW | 1.460.000,000 | 1.232.017,10 | | 0,19 | 0,19 |
| LOTTE CONFECTIONERY CO LTD - | 1.110,00 | KRW | 178.500,000 | 155.530,88 | | 0,02 | 0,02 |
| LOTTE SHOPPING CO LTD - | 2.246,00 | KRW | 221.500,000 | 390.516,06 | | 0,06 | 0,06 |
| NCSOFT CORP - | 1.688,00 | KRW | 247.500,000 | 327.946,55 | | 0,05 | 0,05 |
| NHN CORP - | 7.333,00 | KRW | 775.000,000 | 4.461.067,60 | | 0,70 | 0,70 |
| ORION CORP/REPUBLIC OF SOUTH K - | 103,00 | KRW | 655.000,000 | 52.958,29 | | 0,01 | 0,01 |
| PACIFIC CORP - | 13.559,00 | KRW | 133.000,000 | 1.415.580,98 | | 0,22 | 0,22 |
| SAMSUNG CARD CO - | 12.451,00 | KRW | 39.700,000 | 388.016,47 | | 0,06 | 0,06 |
| SAMSUNG ELECTRONICS - | 11.589,00 | KRW | 1.802.000,000 | 16.392.914,22 | | 2,58 | 2,57 |
| SAMSUNG ELECTRONICS PREF | 12.824,00 | KRW | 1.433.000,000 | 14.425.308,73 | | 2,27 | 2,27 |
| SHINHAN FINANCIAL GROUP CO LTD. - | 80.365,00 | KRW | 45.250,000 | 2.854.571,66 | | 0,45 | 0,45 |
| SHINSEGAE CO LTD - | 3.216,00 | KRW | 176.000,000 | 444.307,99 | | 0,07 | 0,07 |
| SK ENERGY CO LTD - | 4.326,00 | KRW | 146.500,000 | 497.484,50 | | 0,08 | 0,08 |
| SK HYNIX INC - | 45.385,00 | KRW | 44.700,000 | 1.592.484,74 | | 0,25 | 0,25 |
| WOORIBANK - | 88.168,00 | KRW | 12.750,000 | 882.422,54 | | 0,14 | 0,14 |
| YUHAN CORPORATION - | 3.289,00 | KRW | 199.500,000 | 515.065,18 | | 0,08 | 0,08 |
| <u>Taiwan</u> | | | | | | | |
| ACER INC. - | 290.000,00 | TWD | 13,100 | 111.756,49 | | 0,02 | 0,02 |
| CHAILEASE HOLDING CO LTD - | 1.007.000,00 | TWD | 55,100 | 1.632.242,00 | | 0,26 | 0,26 |
| CHANG HWA COMMERCIAL BANK - | 786.080,00 | TWD | 17,150 | 396.583,23 | | 0,06 | 0,06 |
| CHIMEI INNOLUX CORPORATION - | 4.620.000,00 | TWD | 11,600 | 1.576.534,37 | | 0,25 | 0,25 |
| COMPAL ELECTRONICS - | 1.901.000,00 | TWD | 18,450 | 1.031.767,79 | | 0,16 | 0,16 |
| CTBC FINANCIAL HOLDINGS CO LTD - | 6.673.000,00 | TWD | 17,650 | 3.464.729,34 | | 0,54 | 0,54 |
| E SUN FINANCIAL HOLDING CO LTD - | 5.365.100,00 | TWD | 18,350 | 2.896.125,44 | | 0,46 | 0,46 |
| FAR EASTERN TEXTILE LTD. - | 858.000,00 | TWD | 24,200 | 610.809,99 | | 0,10 | 0,10 |
| FENG TAY ENTERPRISE CO LTD - | 74.000,00 | TWD | 120,500 | 262.314,47 | | 0,04 | 0,04 |
| FORMOSA TAFFETA CO LTD - | 168.000,00 | TWD | 29,500 | 145.792,36 | | 0,02 | 0,02 |
| FOXCONN TECHNOLOGY CO LTD - | 84.284,00 | TWD | 85,300 | 211.493,80 | | 0,03 | 0,03 |
| FUBON FINANCIAL HOLDING CO - | 2.637.000,00 | TWD | 51,000 | 3.956.250,52 | | 0,62 | 0,62 |
| HIGHWEALTH CONSTRUCTION CORP - | 980.430,00 | TWD | 45,400 | 1.309.410,81 | | 0,21 | 0,21 |
| HOTAI MOTOR CO LTD - | 40.000,00 | TWD | 369,000 | 434.200,02 | | 0,07 | 0,07 |
| HTC CORPORATION - | 723.000,00 | TWD | 79,000 | 1.680.230,51 | | 0,26 | 0,26 |
| HUA NAN FINANCIAL HOLDING - | 1.975.079,00 | TWD | 16,250 | 944.150,69 | | 0,15 | 0,15 |
| LARGAN PRECISION CO LTD - | 49.000,00 | TWD | 3.790,000 | 5.463.095,20 | | 0,86 | 0,86 |

| | | | | | | | |
|---|---------------|-----|---------|----------------|--|--------|-------|
| LITE-ON TECHNOLOGY CORP - | 2.454.487,00 | TWD | 48,600 | 3.509.138,30 | | 0,55 | 0,55 |
| PEGATRON CORP - | 479.000,00 | TWD | 77,000 | 1.084.999,95 | | 0,17 | 0,17 |
| PHISON ELECTRONICS CORP - | 309.000,00 | TWD | 255,500 | 2.322.484,71 | | 0,37 | 0,37 |
| POU CHEN CORP. - | 1.324.000,00 | TWD | 40,200 | 1.565.732,32 | | 0,25 | 0,25 |
| POWERTECH TECHNOLOGY INC - | 1.610.000,00 | TWD | 87,000 | 4.120.487,56 | | 0,65 | 0,65 |
| PRESIDENT CHAIN STORE CORP - | 477.000,00 | TWD | 231,000 | 3.241.409,03 | | 0,51 | 0,51 |
| PRESIDENT ENTERPRISES - | 732.326,00 | TWD | 53,400 | 1.150.400,84 | | 0,18 | 0,18 |
| RADIANT OPTO-ELECTRONICS CORP - | 1.241.000,00 | TWD | 56,200 | 2.051.689,22 | | 0,32 | 0,32 |
| REALTEK SEMICONDUCTOR CORP. - | 1.133.000,00 | TWD | 102,000 | 3.399.644,93 | | 0,53 | 0,53 |
| RUENTEX INDUSTRIES LTD - | 932.000,00 | TWD | 53,700 | 1.472.291,07 | | 0,23 | 0,23 |
| STANDARD FOODS CORP - | 125.430,00 | TWD | 76,600 | 282.640,03 | | 0,04 | 0,04 |
| TAISHIN_FINANCIAL HOLD CO - | 6.112.854,00 | TWD | 11,800 | 2.121.922,46 | | 0,33 | 0,33 |
| TAIWAN BUSINESS BANK - | 2.584.050,00 | TWD | 8,150 | 619.529,51 | | 0,10 | 0,10 |
| TAIWAN COOPERATIVE FINANCIAL HOLDING - | 115.560,00 | TWD | 14,050 | 47.762,53 | | 0,01 | 0,01 |
| TAIWAN SEMICONDUCTOR - | 3.947.000,00 | TWD | 181,500 | 21.074.012,57 | | 3,31 | 3,31 |
| UNITED MICRO ELECTRONICS - | 9.188.000,00 | TWD | 11,400 | 3.081.266,89 | | 0,48 | 0,48 |
| VANGUARD INTERNATIONAL SELECTION - | 255.000,00 | TWD | 56,200 | 421.579,98 | | 0,07 | 0,07 |
| WISTRON CORP - | 1.044.000,00 | TWD | 24,950 | 766.257,13 | | 0,12 | 0,12 |
| WPG HOLDINGS CO LTD - | 92.000,00 | TWD | 38,000 | 102.843,04 | | 0,02 | 0,02 |
| YULON MOTOR CO LTD - | 1.014.000,00 | TWD | 26,800 | 799.422,24 | | 0,13 | 0,13 |
| <u>Thailand</u> | | | | | | | |
| AIRPORTS OF THAILAND PCL - | 3.700,00 | THB | 398,000 | 39.020,69 | | 0,01 | 0,01 |
| BANPU POWER PCL-NVDR BANPU POWER PCL-NVDR | 1.898,00 | THB | 24,400 | 1.227,15 | | | |
| CENTRAL PATTANA PCL - | 1.796.700,00 | THB | 56,750 | 2.701.790,19 | | 0,42 | 0,42 |
| CHAROEN POKHAND FOODS PCL - | 4.654.800,00 | THB | 29,500 | 3.638.590,90 | | 0,57 | 0,57 |
| ELECTRIC GENERATING PUBLIC - | 60.700,00 | THB | 199,000 | 320.075,15 | | 0,05 | 0,05 |
| ENERGY ABSOLUTE PCL - | 31.900,00 | THB | 29,750 | 25.147,10 | | 0,00 | 0,00 |
| IRPC PLC - | 8.850.200,00 | THB | 4,800 | 1.125.652,94 | | 0,18 | 0,18 |
| PTT EXPLORATION PRODUCTION - | 278.700,00 | THB | 96,250 | 710.800,78 | | 0,11 | 0,11 |
| PTT PLC - | 901.400,00 | THB | 372,000 | 8.885.271,05 | | 1,40 | 1,40 |
| ROBINSON DEPARTM. STORES - | 128.600,00 | THB | 63,500 | 216.383,87 | | 0,03 | 0,03 |
| THAI OIL PUBLIC CO LTD - | 526.500,00 | THB | 72,250 | 1.007.967,23 | | 0,16 | 0,16 |
| TMB BANK PCL - | 19.197.100,00 | THB | 2,100 | 1.068.230,83 | | 0,17 | 0,17 |
| <u>Turkey</u> | | | | | | | |
| AKBANK T.A.S. - | 303.388,00 | TRY | 7,820 | 639.451,82 | | 0,10 | 0,10 |
| ARCELİK AS - | 24.500,00 | TRY | 21,200 | 139.992,45 | | 0,02 | 0,02 |
| EMLAK KONUT GAYRIMENKUL YATIRI - | 400.891,00 | TRY | 2,990 | 323.072,63 | | 0,05 | 0,05 |
| TOFAS TURKOTOMOBİL FABRIKASI AS - | 68.264,00 | TRY | 24,640 | 453.351,56 | | 0,07 | 0,07 |
| TUPRAS-TURKIYE PETROL RAF. A.S. - | 39.847,00 | TRY | 70,750 | 759.844,55 | | 0,12 | 0,12 |
| YAPI VE KREDİ BANKASI A.S. - | 998.972,00 | TRY | 3,430 | 923.528,10 | | 0,15 | 0,15 |
| <u>Zaire</u> | | | | | | | |
| GROWTHPOINT PROPERTIES LTD - | 55.820,00 | ZAR | 25,890 | 100.194,80 | | 0,02 | 0,02 |
| Total shares | | | | 636.571.537,33 | | 100,00 | 99,95 |
| Warrants | | | | | | | |
| <u>Thailand</u> | | | | | | | |
| BANPU PUBLIC CO LTD NVDR | 44.000,00 | THB | 13,800 | 16.089,48 | | 0,00 | 0,00 |
| Total Warrants | | | | 16.089,48 | | 0,00 | 0,00 |
| Rights | | | | | | | |
| <u>Taiwan</u> | | | | | | | |
| TAISHIN_FINANCIAL HOLD CO CP 23/11/16 | 232.018,00 | TWD | 0,000 | 0,07 | | | |
| Total rights | | | | 0,07 | | | |
| TOTAL SECURITIES PORTFOLIO | | | | 636.587.626,88 | | 100,00 | 99,96 |

| | | | | | | |
|---|----------------|-----|-------|-----------------------|--|---------------|
| COLLATERAL RECEIVED | | | | | | |
| <u>Belgium</u> | | | | | | |
| COLLATERAL ONTVANGEN SECURITIES LENDING | 13.916.566,14 | EUR | 1,000 | 13.916.566,14 | | 2,19 |
| TOTAL RECEIVED COLLATERAL | | | | 13.916.566,14 | | 2,19 |
| CASH ATBANK AND IN HAND | | | | | | |
| Demand accounts | | | | | | |
| <u>Belgium</u> | | | | | | |
| KBC GROUP CZK | 6.979.041,79 | CZK | 1,000 | 258.286,92 | | 0,04 |
| KBC GROUP EURO | -1.373.160,13 | EUR | 1,000 | -1.373.160,13 | | -0,22 |
| KBC GROUP HKD | 226.832,36 | HKD | 1,000 | 27.738,09 | | 0,00 |
| KBC GROUP HUF | 54.185.462,30 | HUF | 1,000 | 175.434,13 | | 0,03 |
| KBC GROUP MXN | -316.672,38 | MXN | 1,000 | -14.573,45 | | 0,00 |
| KBC GROUP PLN | 1.976.565,62 | PLN | 1,000 | 448.928,68 | | 0,07 |
| KBC GROUP TRY | 4.728,40 | TRY | 1,000 | 1.274,43 | | |
| KBC GROUP USD | -319.852,88 | USD | 1,000 | -303.249,95 | | -0,05 |
| KBC GROUP ZAR | 209.763,55 | ZAR | 1,000 | 14.542,98 | | 0,00 |
| Total demand accounts | | | | -764.778,30 | | -0,07 |
| TOTAL CASH AT BANK AND IN HAND | | | | -764.778,30 | | -0,07 |
| OTHER RECEIVABLES AND PAYABLES | | | | | | |
| Receivables | | | | | | |
| <u>Belgium</u> | | | | | | |
| KBC GROUP EUR RECEIVABLE | 768,03 | EUR | 1,000 | 768,03 | | |
| KBC GROUP CLP TE BETALEN | 238.267.186,00 | CLP | 1,000 | 337.271,20 | | 0,05 |
| Total receivables | | | | 338.039,23 | | |
| Payables | | | | | | |
| <u>Belgium</u> | | | | | | |
| COLLATERAL RECEIVED SECURITIES LENDING TEGENP | -13.916.566,14 | EUR | 1,000 | -13.916.566,14 | | -2,19 |
| KBC GROUP EUR PAYABLE | -941.569,24 | EUR | 1,000 | -941.569,24 | | -0,15 |
| Payables | | | | -14.858.135,38 | | -2,33 |
| TOTAL RECEIVABLES AND PAYABLES | | | | -14.520.096,15 | | -2,33 |
| OTHER | | | | | | |
| Interest receiv able | | EUR | | 2.292.193,42 | | 0,36 |
| Ex penses payable | | EUR | | -646.297,62 | | -0,10 |
| TOTAL OTHER | | | | 1.645.895,80 | | 0,26 |
| TOTAL NET ASSETS | | | | 636.865.214,37 | | 100,00 |

Geographic breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|------------------------|---------------|---------------|---------------|---------------|
| Austria | 0,27 | 0,34 | 0,00 | 0,00 |
| Belgium | -0,03 | 0,00 | 0,00 | 0,00 |
| Bermuda | 0,00 | 0,00 | 0,13 | 0,27 |
| Brazil | 7,97 | 5,86 | 6,70 | 8,56 |
| Chile | 1,30 | 0,84 | 1,05 | 0,85 |
| China | 14,85 | 14,83 | 16,66 | 16,84 |
| Colombia | 0,67 | 0,52 | 0,12 | 0,12 |
| Czech Republic | 0,38 | 0,36 | 0,23 | 0,14 |
| Cayman Islands | 3,60 | 6,08 | 5,22 | 4,88 |
| Hong Kong | 5,35 | 5,82 | 4,54 | 5,50 |
| Hungary | 0,17 | 0,19 | 0,28 | 0,49 |
| India | 6,00 | 8,16 | 7,78 | 7,60 |
| Indonesia | 2,47 | 2,33 | 2,12 | 3,30 |
| South Korea | 16,68 | 17,84 | 18,61 | 17,67 |
| Mexico | 4,86 | 4,83 | 5,18 | 3,78 |
| Malta | 0,00 | 0,08 | 0,10 | 0,00 |
| Malaysia | 3,01 | 2,30 | 1,49 | 0,81 |
| Peru | 0,47 | 0,44 | 0,97 | 0,81 |
| Philippines | 1,72 | 2,13 | 2,22 | 0,94 |
| Poland | 1,54 | 1,31 | 0,67 | 0,69 |
| Russia | 3,61 | 3,40 | 2,59 | 4,18 |
| Thailand | 1,21 | 0,77 | 1,75 | 3,10 |
| Turkey | 1,55 | 1,42 | 1,18 | 0,51 |
| Taiwan | 14,09 | 13,21 | 11,46 | 12,43 |
| U.S.A. | 0,00 | 0,00 | 1,41 | 0,00 |
| British Virgin Islands | 0,00 | 0,00 | 0,05 | 0,01 |
| South Africa | 8,09 | 6,80 | 7,43 | 6,50 |
| Zaire | 0,17 | 0,14 | 0,06 | 0,02 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Sector breakdown (as a % of securities portfolio)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| Cyclicals | 20,83 | 18,03 | 16,52 | 17,33 |
| Consum(cycl) | 11,45 | 13,00 | 13,37 | 13,89 |
| Cons.goods | 8,22 | 8,82 | 8,38 | 7,60 |
| Pharma | 2,54 | 2,92 | 3,42 | 3,12 |
| Financials | 25,49 | 25,91 | 23,99 | 23,69 |
| Technology | 18,02 | 20,23 | 20,57 | 23,41 |
| Telecomm. | 7,72 | 6,40 | 6,08 | 4,83 |
| Utilities | 3,42 | 2,14 | 4,35 | 3,31 |
| Real est. | 2,31 | 2,55 | 3,32 | 2,82 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

Currency breakdown (as a % of net assets)

| | 30/06/2015 | 31/12/2015 | 30/06/2016 | 31/12/2016 |
|--------------|---------------|---------------|---------------|---------------|
| BRL | 7,92 | 5,78 | 7,04 | 8,58 |
| CLP | 0,00 | 0,81 | 1,11 | 0,90 |
| CNY | 0,63 | 0,92 | 0,23 | 0,00 |
| COP | 0,66 | 0,53 | 0,12 | 0,12 |
| CZK | 0,39 | 0,34 | 0,20 | 0,18 |
| EUR | 0,48 | -0,28 | -0,94 | -0,36 |
| GBP | 0,00 | 0,00 | 0,06 | 0,02 |
| HKD | 22,48 | 25,21 | 24,06 | 21,13 |
| HUF | 0,16 | 0,19 | 0,27 | 0,52 |
| IDR | 3,03 | 2,46 | 2,79 | 4,19 |
| INR | 5,39 | 8,03 | 7,49 | 6,73 |
| KRW | 16,60 | 17,61 | 18,72 | 17,72 |
| MXN | 4,83 | 4,77 | 5,21 | 3,79 |
| MYR | 2,99 | 2,30 | 1,50 | 0,81 |
| PHP | 1,71 | 2,14 | 2,23 | 0,95 |
| PLN | 1,54 | 1,30 | 0,66 | 0,76 |
| THB | 1,20 | 0,77 | 1,76 | 3,11 |
| TRY | 1,81 | 1,73 | 1,25 | 0,51 |
| TWD | 14,58 | 13,97 | 12,44 | 13,25 |
| USD | 5,38 | 4,37 | 6,22 | 10,58 |
| ZAR | 8,22 | 7,05 | 7,58 | 6,51 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 |

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND NEW MARKETS (IN THE CURRENCY OF THE SUB-FUND)

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|------------------|
| Purchases | 241.781.197,87 | 550.278.434,82 | 792.059.632,69 |
| Sales | 59.758.673,65 | 213.858.898,05 | 273.617.571,70 |
| Total 1 | 301.539.871,52 | 764.137.332,86 | 1.065.677.204,39 |
| Subscriptions | 230.783.893,19 | 495.642.479,55 | 726.426.372,74 |
| Redemptions | 50.050.831,06 | 163.913.094,06 | 213.963.925,12 |
| Total 2 | 280.834.724,25 | 659.555.573,61 | 940.390.297,86 |
| Monthly average of total assets | 169.885.904,99 | 475.440.717,11 | 323.307.941,46 |
| Turnover rate | 12,19 % | 22,00 % | 38,75 % |

| | 1st half of year | 2 nd half of year | Year |
|--|------------------|------------------------------|------------------|
| Purchases | 241.781.197,87 | 550.278.434,82 | 792.059.632,69 |
| Sales | 59.758.673,65 | 213.858.898,05 | 273.617.571,70 |
| Total 1 | 301.539.871,52 | 764.137.332,86 | 1.065.677.204,39 |
| Subscriptions | 230.783.893,19 | 495.642.479,55 | 726.426.372,74 |
| Redemptions | 50.050.831,06 | 163.913.094,06 | 213.963.925,12 |
| Total 2 | 280.834.724,25 | 659.555.573,61 | 940.390.297,86 |
| Monthly average of total assets | 168.663.630,44 | 473.949.783,62 | 322.115.712,88 |
| Corrected turnover rate | 12,28 % | 22,07 % | 38,90 % |

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

| NAME | Currency | Value in currency | In the currency of the sub-fund | Lot-size | Transaction date |
|--|----------|-------------------|---------------------------------|----------|------------------|
| COLLATER ONTVANGEN SECURITIES LENDING | EUR | 13.916.566,14 | 13.916.566,14 | N/A | 31.12.2016 |

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|----------|-------------|----------|---------------|----------|-----------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 995,87 | 1.949,00 | 6.087,29 | 2.068,00 | 25.759,08 | 9.476,91 | 35.235,99 |
| 2015 - 12 | 429,96 | 1.477,30 | 5.488,46 | 3.505,28 | 20.700,58 | 7.448,93 | 28.149,52 |
| 2016 - 12 | 893,39 | 1.899,00 | 2.156,52 | 613,19 | 19.437,45 | 8.734,75 | 28.172,20 |

| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 1.460.793,58 | 2.104.777,63 | 8.718.367,99 | 2.097.499,26 |
| 2015 - 12 | 704.221,61 | 1.662.454,73 | 9.217.211,42 | 4.184.308,79 |
| 2016 - 12 | 1.406.394,55 | 2.037.113,86 | 3.260.221,87 | 652.728,93 |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 51.107.783,18 | 1.567,76 | 1.131,58 |
| 2015 - 12 | 37.942.553,53 | 1.461,40 | 1.032,46 |
| 2016 - 12 | 41.515.419,94 | 1.631,91 | 1.121,42 |

Institutional B Shares

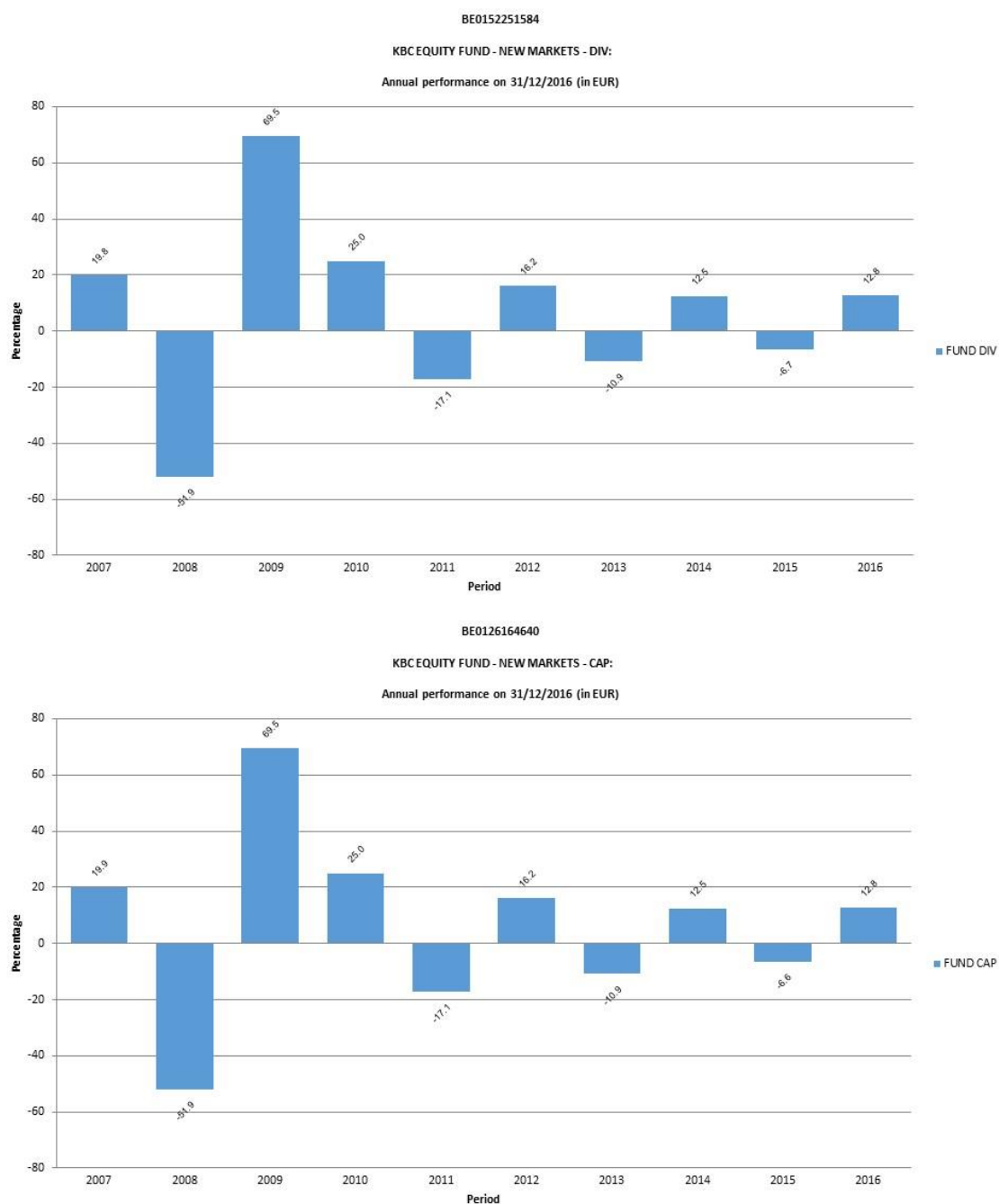
| Period | Change in number of shares in circulation | | | | | | |
|-----------|---|------|-------------|------|---------------|------|------------|
| Year | Subscriptions | | Redemptions | | End of period | | |
| | Cap. | Dis. | Cap. | Dis. | Cap. | Dis. | Total |
| 2014 - 12 | 12.904,61 | | 4.744,00 | | 15.542,61 | | 15.542,61 |
| 2015 - 12 | 36.800,00 | | 18.961,00 | | 33.381,61 | | 33.381,61 |
| 2016 - 12 | 468.161,96 | | 136.907,15 | | 364.636,41 | | 364.636,41 |

| Period | Amounts received and paid by the UCI (in the currency of the class) | | | |
|-----------|--|--------------|----------------|--------------|
| Year | Subscriptions | | Redemptions | |
| | Capitalization | Distribution | Capitalization | Distribution |
| 2014 - 12 | 19.304.291,87 | | 6.579.136,02 | |
| 2015 - 12 | 59.674.043,13 | | 29.713.704,96 | |
| 2016 - 12 | 732.090.131,53 | | 214.097.767,27 | |

| Period | Net asset value End of period (in the currency of the class) | | |
|-----------|---|----------------|--------------|
| Year | Of the class | Of one share | |
| | | Capitalization | Distribution |
| 2014 - 12 | 24.390.482,58 | 1.569,27 | |
| 2015 - 12 | 48.827.463,22 | 1.462,71 | |
| 2016 - 12 | 595.349.794,43 | 1.632,72 | |

2.4.5 PERFORMANCE FIGURES

Classic Shares

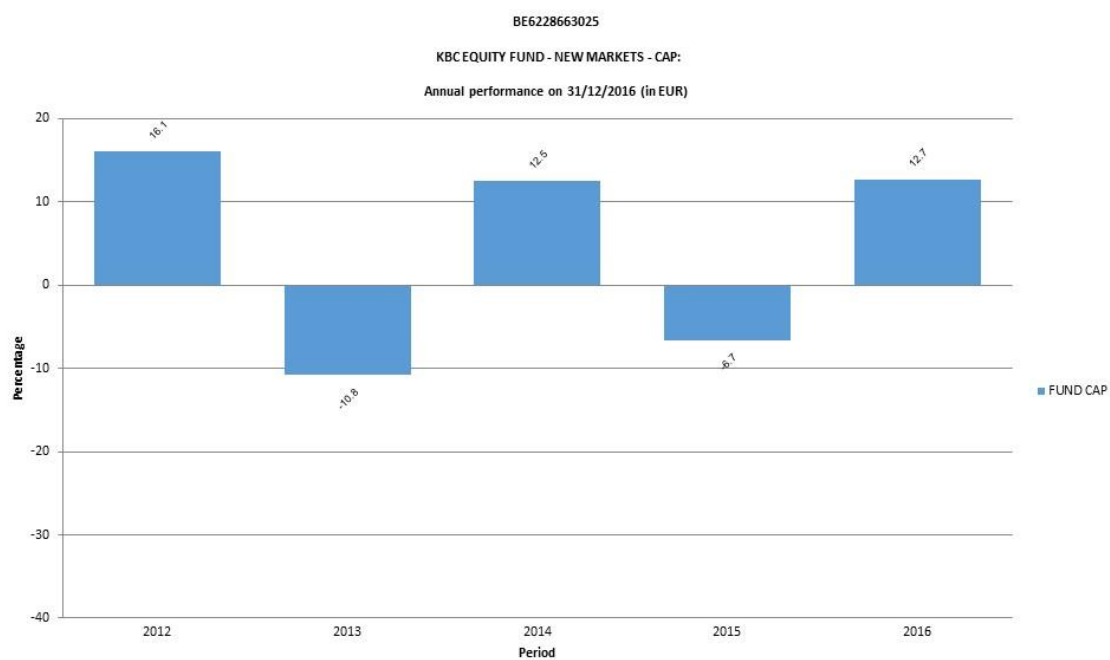


| Cap Div | ISIN code | Cur-rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE0126164640 | EUR | 12.77% | | 5.81% | | 4.17% | | 2.19% | | 17/04/1991 | 4.75% |
| DIV | BE0152251584 | EUR | 12.75% | | 5.78% | | 4.15% | | 2.17% | | 17/04/1991 | 4.74% |

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares



| Cap Div | ISIN code | Cur-rency | 1 Year | | 3 Years* | | 5 Years* | | 10 Years* | | Since launch* | |
|---------|--------------|-----------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|---------------|
| | | | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Share classes | Bench mark | Launch Date | Share classes |
| CAP | BE6228663025 | EUR | 12.73% | | 5.80% | | 4.17% | | | | 24/11/2011 | |

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

Institutional B Shares

- The bar chart shows the performance for full financial years.
 - The figures do not take account of any restructuring.
 - Calculated in EUR.
 - The return is calculated as the change in the net asset value between two dates expressed as a percentage.
 - Calculation method for date D, where NAV stands for net asset value:
Capitalisation units (CAP)
 Return on date D over a period of X years:

$$\left[\frac{NIW(D)}{NIW(Y)} \right]^{1/X} - 1$$
 where $Y = D - X$
 Return on date D since the start date S of the unit:

$$\left[\frac{NIW(D)}{NIW(S)} \right]^{1/F} - 1$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 - If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
 - The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalization shares.

Dividend on ex-dividend date 31/03/2017: 17.5137 EUR net (25.0196 EUR gross).

2.4.6 COSTS

Ongoing Charges: *

Classic Shares Distribution: 1.871%

Classic Shares Capitalization: 1.850%

Institutional B Shares Capitalization: 1.857%

* The following are not included in the charges shown: entry and exit charges, performance fees, transaction costs paid when buying or selling assets, interest paid, payments made with a view to providing collateral in the context of derivative financial instruments, or commissions relating to Commission Sharing Agreements or similar fees received by the Management Company or any person associated with it.

EXISTENCE OF COMMISSION SHARING AGREEMENTS

The Management Company, or where applicable, the appointed manager has entered into a Commission Sharing Agreement with one or more brokers for transactions in shares on behalf of one or more sub-funds. This agreement specifically concerns the execution of orders and the delivery of research reports.

For more information, please see the 'General' section of the annual report.

| Broker | Commission gross in EUR paid during the period: 1-01-16 - 31-12-16 | CSA Credits in EUR accrued during the period: 1-01-16 - 31-12-16 | Percentage |
|------------------------------------|---|---|------------|
| CITI | 102,837 | 27,662 | 26.90% |
| CSFBSAS | 18,848 | 4,683 | 24.85% |
| EQ CSA GOLDMAN SACHS INTERNATIONAL | 1,158 | 289 | 25.00% |
| HSBC | 895 | 314 | 35.06% |
| HSBC | 29,630 | 7,408 | 25.00% |
| INSTINET | 777 | 107 | 13.79% |
| INSTINET | 108,507 | 31,718 | 29.23% |
| MACQUARIE | 2,320 | 473 | 20.38% |
| MACQUARIE | 70,806 | 19,112 | 26.99% |
| MERRILL | 4,482 | 3,201 | 71.43% |
| MORGAN STANLEY | 1,391 | 348 | 25.00% |

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.6% per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.6% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1786 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Exercising voting rights.

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

Pursuant to the Royal Decree of 7 March 2006 on securities lending, the collective investment undertaking has entered into securities lending arrangements, whereby the title to the securities that have been lent has been transferred, without recognition of that transfer of ownership in the accounts. The securities lending system can be managed by either a principal or an agent.

For the period from 1 January 2016 to 31 December 2016, the fee for securities lent from stock lending comes to 49,403.01 EUR and from bond lending to 0.00 EUR. Direct and indirect charges are deducted from this income. These charges are set at a flat rate of 35% of the fee received and consist of the charges for the clearing services provided by KBC Bank, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management and the charges associated with cash and custody accounts and cash and securities transactions. The undertaking for collective investment receives 65% of the fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/12/2016

| Name | Currency | Quantity | Price | Value in currency of the portfolio |
|----------------------------------|----------|----------|-------|------------------------------------|
| BANK ZACHODNI | PLN | 1,975 | 316 | 141,749.09 |
| BYD CO LTD | HKD | 965,000 | 40.85 | 4,820,486.33 |
| CYFROWY POLSAT SA | PLN | 136,844 | 24.6 | 764,587.12 |
| GEDEON RICHTER | HUF | 39,996 | 6210 | 804,154.46 |
| OTP BANK RT. | HUF | 86,000 | 8400 | 2,338,886.00 |
| POLISH OIL & GAS | PLN | 211,550 | 5.63 | 270,512.62 |
| POLSKI KONCERN NAFTOWY ORLEN SA | PLN | 11,598 | 85.3 | 224,697.50 |
| POWSZECHNA KASA OSZCZEDNOSCI BK | PLN | 190,781 | 28.14 | 1,219,341.41 |
| POWSZECHNY ZAKLAD UBEZPIECZEN SA | PLN | 140,423 | 33.21 | 1,059,188.44 |
| Total | | | | 11,643,602.97 |

Details of collateral received for securities lent

| Name | Currency | Nominal value | Currency fund | Value in currency fund |
|---|----------|---------------|---------------|------------------------|
| REPUBLIC OF AUSTRIA 3.65 20APR22 144A | EUR | 174000 | EUR | 214,880.58 |
| FLEMISH COMMUNITY 2010 3,1155% 18/08/2020 | EUR | 7150000 | EUR | 8,270,576.60 |
| GERMANY 2013 0,25% 13/04/2018 | EUR | 1034033 | EUR | 1,051,019.86 |
| FRANCE GOVERNMENT BOND 0.0 25APR23 | EUR | 960 | EUR | 936.96 |
| FRANCE 2011 2,25% 25/10/2022 | EUR | 1007989 | EUR | 1,144,672.31 |
| UNITED KINGDOM GIL 1.125 22NOV37 IL | GBP | 871628.8 | EUR | 2,244,544.54 |
| NEDERLAND 2004 3 3/4% 15/01/23 | EUR | 31 | EUR | 39.69 |
| NETHERLANDS GOVER 1.25 15JAN19 144A | EUR | 940300 | EUR | 989,895.60 |
| Total | | | | 13,916,566.14 |

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank

The amount in securities lent on a traded basis, as given in the annual report, can differ from the amount in securities lent on a settled basis.

The position held as collateral is determined on the basis of the settled positions.

Transparency of securities financing transactions and of reuse

Global data:

| | | |
|---|---------------|-----|
| 1) The amount of securities and commodities on loan as a proportion of total lendable assets defined as excluding cash and cash equivalents; | 1,83 | % |
| 2) The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) and as a proportion of the collective investment undertaking's assets under management (AUM). | | |
| The amount of assets engaged in each type of SFTs and total return swaps expressed as an absolute amount (in the collective investment undertaking's currency) | 11.643.602,98 | EUR |
| proportion of the collective investment undertaking's assets under management (AUM) | 1,83 | % |

Concentration data:

1) Ten largest collateral issuers across all SFTs and total return swaps (break down of volumes of the collateral securities and commodities received per issuer's name);

| <u>name collateral issuer</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|---------------------------------|--|-----------------|
| FLEMISH COMMUNITY | 8.270.576,60 | EUR |
| UNITED KINGDOM OF GREAT BRITAIN | 2.244.544,54 | EUR |
| FRENCH REPUBLIC | 1.145.609,27 | EUR |
| FEDERAL REPUBLIC OF GERMANY | 1.051.019,86 | EUR |
| KINGDOM OF THE NETHERLANDS | 989.935,29 | EUR |
| REPUBLIC OF AUSTRIA | 214.880,58 | EUR |

2) Top 10 counterparties of each type of SFTs and total return swaps separately (Name of counterparty and gross volume of outstanding transactions).

| <u>type SFT (lending program)</u> | <u>name counterparty</u> | <u>Country of counterparty</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|-----------------------------------|---------------------------------------|--------------------------------|--|-----------------|
| equity (KBC Bank) | KBC Bank NV | Belgium | 6.823.116,65 | EUR |
| equity (Goldman Sachs) | Goldman, Sachs International LTD | UK | 1.938.185,18 | EUR |
| equity (Goldman Sachs) | Merrill Lynch International | UK | 1.088.980,33 | EUR |
| equity (Goldman Sachs) | Nomura International PLC | UK | 899.158,07 | EUR |
| equity (Goldman Sachs) | Credit Suisse Securities (Europe) Ltd | UK | 894.162,75 | EUR |

Aggregate transaction data for each type of SFTs and total return swaps separately to be broken down according to the below categories:

| | | | |
|--|-------------------------------|--------------------------|---------------------------------|
| 1) Type and quality of collateral; | <u>equity (Goldman Sachs)</u> | <u>equity (KBC Bank)</u> | <u>bonds (Société Générale)</u> |
| type | bonds | bonds | Nil |
| quality – investment grade bonds (at least BBB- rating by Standard & Poor's): see table below | | | |
| 2) Maturity tenor of the collateral broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open maturity; | open maturity | open maturity | Nil |
| 3) Currency of the collateral: see table below | | | |
| 4) Maturity tenor of the SFTs and total return swaps broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open transactions; | open maturity | open maturity | Nil |
| 5) Country in which the counterparties are established: see table above | | | |
| 6) Settlement and clearing (e.g., tri-party, Central Counterparty, bilateral). | tri-party | bilateral | Nil |

| <u>collateral</u> | <u>quality</u> | <u>Currency</u> |
|---|------------------|-----------------|
| UNITED KINGDOM GIL 1.125 22NOV37 IL | investment grade | GBP |
| REPUBLIC OF AUSTRIA 3.65 20APR22 144A | investment grade | EUR |
| NETHERLANDS GOVERNMENT 1.25 15JAN19 144A | investment grade | EUR |
| NEDERLAND 2004 3 3/4% 15/01/23 | investment grade | EUR |
| GERMANY 2013 0,25% 13/04/2018 | investment grade | EUR |
| FRANCE GOVERNMENT BOND 0.0 25APR23 | investment grade | EUR |
| FRANCE 2011 2,25% 25/10/2022 | investment grade | EUR |
| FLEMISH COMMUNITY 2010 3,1155% 18/08/2020 | investment grade | EUR |

Data on reuse of collateral:

| | |
|---|-----|
| 1) Share of collateral received that is reused, compared to the maximum amount specified in the prospectus or in the disclosure to investors; | Nil |
| 2) Cash collateral reinvestment returns to the collective investment undertaking. | Nil |

Safekeeping of collateral received by the collective investment undertaking as part of SFTs and total return swaps:

1) Number and names of custodians and the amount of collateral assets safe-kept by each of the custodians.

| <u>number</u> | <u>Name collateral custodian</u> | <u>Market value on a settled basis</u> | <u>currency</u> |
|---------------|----------------------------------|--|-----------------|
| 1 | Bank of New York | 5.645.989,54 | EUR |
| 2 | KBC Bank | 8.270.576,60 | EUR |

Safekeeping of collateral granted by the collective investment undertaking as part of SFTs and total return swaps:

| | |
|--|-----|
| 1) The proportion of collateral held in segregated accounts or in pooled accounts, or in any other accounts. | Nil |
|--|-----|

Data on return and cost for each type of SFTs and total return swaps:

1) Data on return and cost for each type of SFTs and total return swaps broken down between the collective investment undertaking, the manager of the collective investment undertaking and third parties (e.g. agent lender) in absolute terms and as a percentage of overall returns generated by that type of SFTs and total return swaps.

| <u>Lending program: equity (Goldman Sachs)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 46.824,94 | 12.174,48 | 4.214,24 |
| percentage of overall returns | 100,00% | 26,00% | 9,00% |
| cost (EUR) | 16.388,73 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (KBC Bank)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|---|--|---|---------------------|
| return (EUR) | 1.081,09 | 378,38 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 378,38 | | |
| percentage of overall returns | 35,00 % | | |

| <u>Lending program: equity (Citigroup)</u> | <u>collective investment undertaking</u> | <u>manager of the collective investment undertaking</u> | <u>agent lender</u> |
|--|--|---|---------------------|
| return (EUR) | 1.496,95 | 523,93 | 0,00 |
| percentage of overall returns | 100,00% | 35,00% | 0,00% |
| cost (EUR) | 523,93 | | |
| percentage of overall returns | 35,00 % | | |

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2 INFORMATION ON KBC EQUITY FUND NEW ASIA

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 28 January 1994

Initial subscription price: 20000 BEF

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 444.36 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivatives may be used to achieve the investment objectives as well as to hedge in risks.

It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, affect liquidity risk. Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. As a result, they have no effect on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of companies in Asian countries where conditions are such as to allow on accelerated economic growth in the short or medium term.

RISK CONCENTRATION

Asian shares.

Lending financial instruments:

The sub-fund may lend financial instruments within the limits set by law and regulations. This takes place within the framework of a securities lending system managed by either a principal or an agent. If it is managed by a principal, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to whom title to the loaned securities is transferred. If it is managed by an agent, the sub-fund has a relationship with the agent (as manager of the system) and with one or more counterparties to whom title to the loaned securities is transferred. The agent acts as intermediary between the sub-fund and the counterparty or counterparties.

This lending does not affect the sub-fund's risk profile since:

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of the sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. margin management system is used to ensure that the sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%, in case the principal or the counterparty does not return similar securities. When calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times equal the actual value of the loaned securities.

If the sub-fund receives collateral in the form of cash, it can reinvest this cash in

- Deposits with credit institutions which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered country is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- short term money market funds as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European Money Market Funds.
- government bonds that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

Reinvesting in this way can eliminate the credit risk to which the sub-fund is exposed concerning the collateral in respect of the financial institution where the cash account is held, but there is still a credit risk in respect of the issuer or issuers of the debt instrument or instruments. The management company may delegate implementation of the reinvestment policy to a third party, including the agent managing the securities lending system.

By lending securities, the sub-fund can generate additional income, which might consist of a fee paid by the principal or (if the sub-fund uses an agent) the counterparty to the management company as well as income generated through reinvestments. After deducting the direct and indirect charges – set at a flat rate of 35% of the fee received and consisting of the charges for the clearing services provided by KBC Bank NV, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management, the charges associated with cash and custody accounts and cash and securities transactions, the fee paid for any management of reinvestments and, if the sub-fund uses an agent, the fee paid to the agent – this income is paid to the sub-fund. The relationship with the counterparty or counterparties is governed by standard international agreements.

Volatility of the net asset value:

The volatility of the net asset value may be high due to the composition of the portfolio.

General strategy for hedging the exchange rate risk:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

Social, ethical and environmental aspects:

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database. In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

Where relevant, please refer to 'Information concerning the Bevek – Tax treatment' in the prospectus to find out more about the application of European and Belgian tax provisions.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

Active positions in stocks from the Emerging Asia region were taken based on quantitative analysis and a stringent risk framework. Approximately once a month, the fund was rebalanced to reflect recommendations originated by forementioned analysis.

2.1.8 FUTURE POLICY

The fund will continue its active stock selection strategy based on quantitative analysis within the limits defined by the stringent risk framework.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

Leveraged finance

The total amount of leveraged finance used by the sub-fund is 1,963,404.56 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 | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|---|--|
| TOTAL NET ASSETS | | 234.731.911,76 | 225.707.056,03 |
| II. Securities, money market instruments, UCIs and derivatives | | | |
| A. Bonds and other debt instruments | | | |
| a) Bonds | | | |
| a) Collateral received in the form of bonds | | 1.424.245,73 | 33.055.592,10 |
| C. Shares and similar instruments | | | |
| a) Shares | | 236.760.099,48 | 223.606.911,89 |
| Of which securities lent | | 1.225.102,87 | 30.601.481,04 |
| D. Other securities | | 48.433,79 | 8.028,50 |
| E. Open-end undertakings for collective investment | | | 2.616.228,76 |
| IV. Receivables and payables within one year | | | |
| A. Receivables | | | |
| a) Accounts receivable | | 12.238,78 | 78.134,49 |
| B. Payables | | | |
| a) Accounts payable (-) | | -443.740,98 | -111.669,36 |
| d) Borrowings (-) | | -2.015.343,15 | -877.580,94 |
| e) Collateral (-) | | -1.424.245,73 | -33.055.592,10 |
| V. Deposits and cash at bank and in hand | | | |
| A. Demand balances at banks | | 16.344,27 | 78.731,78 |
| VI. Accruals and deferrals | | | |
| B. Accrued income | | 668.863,20 | 693.799,18 |
| C. Accrued expense (-) | | -314.983,63 | -385.528,27 |
| TOTAL SHAREHOLDERS' EQUITY | | 234.731.911,76 | 225.707.056,03 |
| A. Capital | | 211.278.216,05 | 227.721.840,40 |
| B. Income equalization | | -988.565,16 | -224.899,77 |
| D. Result of the book year | | 24.442.260,87 | -1.789.884,60 |

Off-balance-sheet headings

| | | | |
|-------|-------------------------------|--------------|---------------|
| I | Collateral (+/-) | | |
| I.A | Collateral (+/-) | | |
| I.A.A | Securities/market instruments | 1.424.245,73 | 33.055.592,10 |
| IX | Financial instruments lent | 1.225.102,87 | 30.601.481,04 |

2.3 PROFIT AND LOSS ACCOUNT

| Income Statement | | 31/12/2016 (in the currency of the sub-fund) | 31/12/2015 (in the currency of the sub-fund) |
|---|--|--|--|
| I. Net gains(losses) on investments | | | |
| C. Shares and similar instruments | | | |
| a) Shares | | 15.820.534,47 | -22.341.820,01 |
| D. Other securities | | 5.272,64 | -637,76 |
| E. Open-end undertakings for collective investment | | -407.584,23 | -676.343,36 |
| H. Foreign exchange positions and transactions | | | |
| b) Other foreign exchange positions and transactions | | 7.411.984,04 | 20.072.130,75 |
| Det.section I gains and losses on investments | | | |
| Realised gains on investments | | 35.560.225,72 | 89.354.513,08 |
| Unrealised gains on investments | | 12.826.900,37 | -28.313.507,54 |
| Realised losses on investments | | -39.764.137,36 | -50.382.541,48 |
| Unrealised losses on investments | | 14.207.218,19 | -13.605.134,44 |
| II. Investment income and expenses | | | |
| A. Dividends | | 5.993.785,13 | 5.499.099,96 |
| B. Interests | | | |
| a) Securities and money market instruments | | 41.245,09 | 23.060,24 |
| b) Cash at bank and in hand and deposits | | 715,67 | 247,67 |
| C. Interest on borrowings (-) | | -5.070,93 | -6.048,65 |
| III. Other income | | | |
| A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges | | 1.672.775,62 | 2.731.464,91 |
| IV. Operating expenses | | | |
| A. Investment transaction and delivery costs (-) | | -1.314.080,46 | -1.981.999,99 |
| B. Financial expenses (-) | | -3.743,66 | -1.974,67 |
| C. Custodian's fee (-) | | -180.980,69 | -213.362,95 |
| D. Manager's fee (-) | | | |
| a) Financial management | | | |
| Classic Shares | | -1.476.664,98 | -2.254.621,98 |
| Institutional B Shares | | -2.697.845,58 | -2.060.340,76 |
| b) Administration and accounting management | | -261.989,61 | -271.169,23 |
| E. Administrative expenses (-) | | -0,46 | -2.612,83 |
| F. Formation and organisation expenses (-) | | -6.296,22 | -8.722,81 |
| G. Remuneration, social security charges and pension | | -25,33 | -15,10 |
| H. Services and sundry goods (-) | | -13.998,97 | -10.045,41 |
| J. Taxes | | | |
| Classic Shares | | -75.454,28 | -78.958,35 |
| Institutional B Shares | | -13.286,70 | -12.502,00 |
| K. Other expenses (-) | | -47.029,69 | -194.712,27 |
| Income and expenditure for the period | | | |
| Subtotal II + III + IV | | 1.612.053,95 | 1.156.785,78 |
| V. Profit(loss) on ordinary activities before tax | | 24.442.260,87 | -1.789.884,60 |
| VII. Result of the book year | | 24.442.260,87 | -1.789.884,60 |

Appropriation Account

| | 31/12/2016 (in the currency of the sub-fundm) | 31/12/2015 (in the currency of the sub-fund) |
|--|--|---|
| I. Profit to be appropriated | 23.453.695,71 | -2.014.784,37 |
| Profit for the period available for appropriation | 24.442.260,87 | -1.789.884,60 |
| Income on the creation of shares (income on the cancellation of shares) | -988.565,16 | -224.899,77 |
| II. (Appropriations to) Deductions from capital | -23.025.718,37 | 2.447.264,52 |
| IV. (Dividends to be paid out) | -427.977,34 | -432.480,15 |

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND NEW ASIA

| Name | Quantity on 31/12/2016 | 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>Bermuda</u> | | | | | | | |
| NINE DRAGONS PAPER HOLDINGS - | 1.718.000,00 | HKD | 7,030 | 1.476.896,17 | | 0,62 | 0,63 |
| <u>British Virgin Islands</u> | | | | | | | |
| QINQIN FOODSTUFFS GROUP CO LTD - | 67.200,00 | HKD | 2,640 | 21.694,25 | | 0,01 | 0,01 |
| <u>Cayman Islands</u> | | | | | | | |
| AAC TECHNOLOGY HOLDINGS_INC - | 10.000,00 | HKD | 70,450 | 86.149,44 | | 0,04 | 0,04 |
| BAIDU.COM INC - | 15.202,00 | USD | 164,410 | 2.369.623,91 | | 1,00 | 1,01 |
| HENGAN INT GROUP COMPANY LTD - | 462.000,00 | HKD | 56,950 | 3.217.415,76 | | 1,36 | 1,37 |
| TENCENT HOLDINGS - | 600.725,00 | HKD | 189,700 | 13.935.242,09 | | 5,89 | 5,94 |
| XINAO GAS HOLDINGS LTD - | 280.000,00 | HKD | 31,900 | 1.092.245,33 | | 0,46 | 0,47 |
| <u>China</u> | | | | | | | |
| BYD CO LTD - | 327.000,00 | HKD | 40,850 | 1.633.470,50 | | 0,69 | 0,70 |
| CHINA AIRLINES LTD - | 392.000,00 | TWD | 9,300 | 107.243,87 | | 0,05 | 0,05 |
| CHINA CINDA ASSET MANAGEMENT C - | 3.980.000,00 | HKD | 2,810 | 1.367.605,61 | | 0,58 | 0,58 |
| CHINA CITIC BANK CHINA CITIC BANK | 3.373.000,00 | HKD | 4,930 | 2.033.455,82 | | 0,86 | 0,87 |
| CHINA COAL ENERGY CO - | 1.748.000,00 | HKD | 3,680 | 786.612,29 | | 0,33 | 0,34 |
| CHINA COMMUNICATIONS SERVICES - | 1.042.000,00 | HKD | 4,940 | 629.457,12 | | 0,27 | 0,27 |
| CHINA CONSTRUCTION BANK - | 3.322.362,00 | HKD | 5,970 | 2.425.452,44 | | 1,02 | 1,03 |
| CHINA EVERBRIGHT BANK CO LTD - | 450.000,00 | HKD | 3,530 | 194.248,96 | | 0,08 | 0,08 |
| CHINA GAS HOLDINGS LTD - | 1.106.000,00 | HKD | 10,520 | 1.422.795,06 | | 0,60 | 0,61 |
| CHINA LIFE INSURANCE CO LTD - | 1.387.170,00 | TWD | 32,050 | 1.307.859,83 | | 0,55 | 0,56 |
| CHINA MEDICAL SYSTEM HOLDINGS - | 666.000,00 | HKD | 12,280 | 1.000.101,50 | | 0,42 | 0,43 |
| CHINA PETROLEUM & CHEMICAL COR "A" | 2.960.000,00 | HKD | 5,500 | 1.990.791,98 | | 0,84 | 0,85 |
| CHINA RESOURCES GAS GROUP LTD - | 168.000,00 | HKD | 21,800 | 447.854,82 | | 0,19 | 0,19 |
| CHINA TELECOM CORP LTD - | 9.287.547,00 | HKD | 3,580 | 4.065.889,13 | | 1,72 | 1,73 |
| CHONGQING RURAL COMMERCIAL BANK - | 1.529.944,00 | HKD | 4,550 | 851.252,52 | | 0,36 | 0,36 |
| DONGFENG MOTOR CORP - | 258.000,00 | HKD | 7,570 | 238.829,00 | | 0,10 | 0,10 |
| GUANGZHOU AUTOMOBILE GROUP CORP - | 2.324.000,00 | HKD | 9,380 | 2.665.694,91 | | 1,13 | 1,14 |
| GUANGZHOU R&F PROPERTIES - | 921.200,00 | HKD | 9,380 | 1.056.642,92 | | 0,45 | 0,45 |
| HAITIAN INTERNATIONAL HOLDINGS - | 238.000,00 | HKD | 15,220 | 442.958,55 | | 0,19 | 0,19 |
| HUADIAN POWER INTL CORP - | 608.000,00 | HKD | 3,510 | 260.964,95 | | 0,11 | 0,11 |
| ICBC - | 1.696.183,00 | HKD | 4,650 | 964.488,69 | | 0,41 | 0,41 |
| JD.COM INC - | 1.738,00 | USD | 25,440 | 41.919,62 | | 0,02 | 0,02 |
| JIANGSU EXPRESSWAY COMP LTD - | 235.227,00 | HKD | 9,800 | 281.893,28 | | 0,12 | 0,12 |
| NETEASE.COM -ADR- | 9.276,00 | USD | 215,340 | 1.893.807,86 | | 0,80 | 0,81 |
| PEOPLE S INSURANCE CO GROUP OF CHINA - | 62.000,00 | HKD | 3,060 | 23.199,82 | | 0,01 | 0,01 |
| PICC PROPERTY & CASUALTY-H- | 1.358.000,00 | HKD | 12,080 | 2.006.033,52 | | 0,85 | 0,86 |
| SHANDONG WEIGAO GP MEDICAL-H- | 536.000,00 | HKD | 5,180 | 339.520,52 | | 0,14 | 0,15 |
| SINOPHARM GROUP CO - | 652.000,00 | HKD | 31,950 | 2.547.357,74 | | 1,08 | 1,09 |
| TAL EDUCATION GROUP - | 25.231,00 | USD | 70,150 | 1.678.079,78 | | 0,71 | 0,72 |
| TRAVELSKY TECHNOLOGY LTD - | 506.000,00 | HKD | 16,300 | 1.008.578,26 | | 0,43 | 0,43 |
| VIPSHOP HOLDINGS LTD - | 88.798,00 | USD | 11,010 | 926.917,26 | | 0,39 | 0,40 |

| | | | | | | | |
|---------------------------------------|--------------|-----|------------|--------------|--|------|------|
| WANT WANT CHINA HOLDINGS LTD - | 3.843.611,00 | HKD | 4,970 | 2.335.970,20 | | 0,99 | 1,00 |
| WEICHAI POWER CO LTD - | 70.000,00 | HKD | 11,940 | 102.205,40 | | 0,04 | 0,04 |
| ZHEJIANG EXPRESSWAY CO. - | 690.851,00 | HKD | 7,400 | 625.154,83 | | 0,26 | 0,27 |
| <u>Hong Kong</u> | | | | | | | |
| ALIBABA GROUP HOLDING LTD - | 103.196,00 | USD | 87,810 | 8.591.268,79 | | 3,63 | 3,66 |
| BEIJING CAPITAL INTL.AIRPORT-H- | 8.994,00 | HKD | 7,840 | 8.622,64 | | 0,00 | 0,00 |
| BEIJING ENTERPRISES HOLD LTD - | 515.500,00 | HKD | 36,650 | 2.310.330,60 | | 0,98 | 0,98 |
| BEIJING ENTERPRISES WATER GROUP LTD - | 742.000,00 | HKD | 5,160 | 468.193,19 | | 0,20 | 0,20 |
| CHIANE LONGYUAN POWER GROUP CORP - | 360.000,00 | HKD | 6,060 | 266.775,91 | | 0,11 | 0,11 |
| CHINA EVERBRIGHT INTL - | 2.230.000,00 | HKD | 8,790 | 2.396.984,46 | | 1,01 | 1,02 |
| CHINA MERCHANTS HLDGS INTL - | 386.000,00 | HKD | 19,240 | 908.163,10 | | 0,38 | 0,39 |
| CHINA MOBILE LTD. - | 204.401,00 | HKD | 82,200 | 2.054.595,42 | | 0,87 | 0,88 |
| CHINA RESOURCES BEIJING LAND - | 860.000,00 | HKD | 17,440 | 1.834.072,14 | | 0,77 | 0,78 |
| HUANENG RENEWABLES CORP LTD - | 1.200.000,00 | HKD | 2,520 | 369.788,39 | | 0,16 | 0,16 |
| SHANGAI PHARMACEUTICALS HOLDING - | 423.260,00 | HKD | 17,780 | 920.259,83 | | 0,39 | 0,39 |
| SINO BIOPHARMACEUTICAL - | 2.661.396,00 | HKD | 5,460 | 1.776.943,52 | | 0,75 | 0,76 |
| SINO-OCEAN GROUP HOLDING LTD - | 1.750.000,00 | HKD | 3,470 | 742.572,74 | | 0,31 | 0,32 |
| SINOPEC SHANGHAI PETROCHEMICAL - | 1.026.000,00 | HKD | 4,200 | 526.948,45 | | 0,22 | 0,22 |
| <u>India</u> | | | | | | | |
| ASHOK LEYLAND LTD. - | 564.121,00 | INR | 80,100 | 631.214,98 | | 0,27 | 0,27 |
| ASIAN PAINTS LTD - | 44.725,00 | INR | 891,050 | 556.704,76 | | 0,24 | 0,24 |
| BAJAJ AUTO LTD. - | 33.498,00 | INR | 2.632,200 | 1.231.715,12 | | 0,52 | 0,53 |
| BHARAT PETROLEUM CORP. LTD. - | 125.296,00 | INR | 635,500 | 1.112.308,54 | | 0,47 | 0,47 |
| BHARTI INFRATEL LTD - | 51.006,00 | INR | 343,450 | 244.713,14 | | 0,10 | 0,10 |
| BNITBK PT - | 5.624.300,00 | IDR | 5.525,000 | 2.186.769,60 | | 0,92 | 0,93 |
| BOSCH LTD - | 870,00 | INR | 21.049,950 | 255.824,91 | | 0,11 | 0,11 |
| DIVIS LABORATORIES LTD - | 33.236,00 | INR | 783,700 | 363.857,31 | | 0,15 | 0,16 |
| EICHER MOTORS LTD - | 2.457,00 | INR | 21.803,050 | 748.333,04 | | 0,32 | 0,32 |
| HAVELLS INDIA LTD - | 64.191,00 | INR | 342,250 | 306.895,21 | | 0,13 | 0,13 |
| HCL TECHNOLOGIES LTD - | 72.405,00 | INR | 827,950 | 837.423,57 | | 0,35 | 0,36 |
| HERO MOTOCORP LTD. - | 48.039,00 | INR | 3.043,650 | 2.042.495,83 | | 0,86 | 0,87 |
| INFOSYS LTD - | 148.421,00 | INR | 1.010,600 | 2.095.304,56 | | 0,89 | 0,89 |
| JSW STEEL LTD - | 54.875,00 | INR | 1.627,500 | 1.247.578,96 | | 0,53 | 0,53 |
| LIC HOUSING FINANCE LTD - | 2.455,00 | INR | 559,700 | 19.194,61 | | 0,01 | 0,01 |
| MARUTI UDYOG LTD - | 3.278,00 | INR | 5.319,550 | 243.588,26 | | 0,10 | 0,10 |
| PIRAMAL ENTERPRISES LTD - | 3.245,00 | INR | 1.624,850 | 73.654,70 | | 0,03 | 0,03 |
| SHREE CEMENT LTD - | 807,00 | INR | 14.733,400 | 166.092,12 | | 0,07 | 0,07 |
| SHRIRAM TRANSPORT FINANCE CO LTD - | 133.130,00 | INR | 853,450 | 1.587.181,25 | | 0,67 | 0,68 |
| SIEMENS INDIA LTD - | 34.004,00 | INR | 1.112,500 | 528.448,34 | | 0,22 | 0,23 |
| TATA CONSULTANCY SVS LTD - | 66.548,00 | INR | 2.365,550 | 2.199.073,02 | | 0,93 | 0,94 |
| TATA MOTORS LTD - | 269.659,00 | INR | 299,100 | 1.126.688,45 | | 0,48 | 0,48 |
| TECH MAHINDRA LTD - | 96.794,00 | INR | 488,900 | 661.060,16 | | 0,28 | 0,28 |
| WIPRO LTD - | 116.638,00 | INR | 474,450 | 773.041,89 | | 0,33 | 0,33 |
| YES BANK LTD - | 59.775,00 | INR | 1.156,450 | 965.648,25 | | 0,41 | 0,41 |
| ZEE ENTERTAINMENT ENTERPRISES - | 116.721,00 | INR | 453,050 | 738.699,23 | | 0,31 | 0,32 |
| <u>Indonesia</u> | | | | | | | |
| ADARO ENERGY PT - | 4.027.400,00 | IDR | 1.695,000 | 480.393,07 | | 0,20 | 0,21 |
| GLOBAL MEDIACOM TBK PT - | 1.422.400,00 | IDR | 615,000 | 61.560,07 | | 0,03 | 0,03 |
| INDO FOOD - | 260.300,00 | IDR | 8.575,000 | 157.076,26 | | 0,07 | 0,07 |
| MATAHARI DEPARTMENT STORE TBK - | 63.200,00 | IDR | 15.125,000 | 67.268,96 | | 0,03 | 0,03 |
| PT BANK CENTRAL ASIA TBK - | 4.609.404,00 | IDR | 15.500,000 | 5.027.808,63 | | 2,12 | 2,14 |
| PT BANK RAKYAT INDONESIA - | 2.867.800,00 | IDR | 11.675,000 | 2.356.177,57 | | 1,00 | 1,00 |
| PT KALBE FARMA FOREIGN | 1.461.400,00 | IDR | 1.515,000 | 155.805,94 | | 0,07 | 0,07 |
| PT SEMEN INDONESIA FOREIGN | 288.811,00 | IDR | 9.175,000 | 186.475,62 | | 0,08 | 0,08 |
| SURYA CITRA MEDIA TBK PT - | 540.700,00 | IDR | 2.800,000 | 106.540,98 | | 0,05 | 0,05 |
| TELEKOMUNIKASI INDONESIA PERSE 'B' | 9.970.100,00 | IDR | 3.980,000 | 2.792.446,45 | | 1,18 | 1,19 |

| | | | | | | | |
|---------------------------------------|--------------|-----|---------------|---------------|--|------|------|
| SCRIPLESS | | | | | | | |
| WASKITA KARYA PERSERO TBK PT - | 5.683.200,00 | IDR | 2.550,000 | 1.019.847,86 | | 0,43 | 0,43 |
| <u>Malaysia</u> | | | | | | | |
| AIRASIA BHD - | 2.426.200,00 | MYR | 2,290 | 1.174.219,99 | | 0,50 | 0,50 |
| ALLIANCE FINANCIAL GROUP BHD - | 187.429,00 | MYR | 3,720 | 147.355,76 | | 0,06 | 0,06 |
| BERJAYA SPORTS TOTO BHD - | 179.167,00 | MYR | 2,960 | 112.082,32 | | 0,05 | 0,05 |
| BRITISH AMERICAN TOBACCO (MALAYSIA) - | 18.163,00 | MYR | 44,600 | 171.202,39 | | 0,07 | 0,07 |
| LAFARGE MALAYAN CEMENT BHD - | 12.500,00 | MYR | 7,190 | 18.994,43 | | 0,01 | 0,01 |
| PETRONAS GAS BHD - | 113.645,00 | MYR | 21,300 | 511.584,44 | | 0,22 | 0,22 |
| WESTPORTS HOLDINGS BHD - | 193.000,00 | MYR | 4,300 | 175.393,36 | | 0,07 | 0,08 |
| <u>Philippines</u> | | | | | | | |
| ALLIANCE GLOBAL GROUP INC - | 1.173.287,00 | PHP | 12,780 | 285.969,72 | | 0,12 | 0,12 |
| AYALA CORP PREFERRED | 6.482,00 | PHP | 0,000 | 0,00 | | | |
| AYALA LAND - | 2.344.000,00 | PHP | 32,000 | 1.430.515,36 | | 0,60 | 0,61 |
| BANK OF THE PHILIPPINE ISLAND - | 272.700,00 | PHP | 88,800 | 461.830,96 | | 0,20 | 0,20 |
| BDO UNIBANK INC - | 536.922,00 | PHP | 112,100 | 1.147.893,91 | | 0,49 | 0,49 |
| DMCI HOLDINGS INC - | 1.014.775,00 | PHP | 13,260 | 256.624,56 | | 0,11 | 0,11 |
| GLOBE TELECOM INC - | 14.790,00 | PHP | 1.509,000 | 425.639,92 | | 0,18 | 0,18 |
| GT CAPITAL HOLDINGS INC - | 8.860,00 | PHP | 1.270,000 | 214.596,38 | | 0,09 | 0,09 |
| JG SUMMIT HOLDINGS INC "B" | 253.500,00 | PHP | 67,650 | 327.062,46 | | 0,14 | 0,14 |
| MEGAWORLD CORP - | 5.968.000,00 | PHP | 3,570 | 406.332,88 | | 0,17 | 0,17 |
| <u>South Korea</u> | | | | | | | |
| BGF RETAIL CO LTD - | 362,00 | KRW | 81.800,000 | 23.244,34 | | 0,01 | 0,01 |
| CJ CHEILJEDANG CORP - | 3.953,00 | KRW | 357.500,000 | 1.109.323,66 | | 0,47 | 0,47 |
| CJ E&M CORP - | 29.665,00 | KRW | 70.900,000 | 1.650.995,94 | | 0,70 | 0,70 |
| COWAY CO LTD - | 5.499,00 | KRW | 88.300,000 | 381.153,44 | | 0,16 | 0,16 |
| DC CHEMICAL CO LTD - | 7.426,00 | KRW | 78.700,000 | 458.759,52 | | 0,19 | 0,20 |
| DONGBU INSURANCE CO LTD - | 23.616,00 | KRW | 62.500,000 | 1.158.622,01 | | 0,49 | 0,49 |
| HANA FINANCIAL GROUP INC - | 135.214,00 | KRW | 31.250,000 | 3.316.859,68 | | 1,40 | 1,41 |
| HANKOOK TIRE WORLDWIDE CO LTD - | 2.481,00 | KRW | 58.000,000 | 112.956,23 | | 0,05 | 0,05 |
| HANWHA LIFE INSURANCE CO LTD - | 93.341,00 | KRW | 6.530,000 | 478.454,94 | | 0,20 | 0,20 |
| HYOSUNG CORP - | 12.976,00 | KRW | 145.500,000 | 1.482.037,69 | | 0,63 | 0,63 |
| HYUNDAI DEVELOPMENT CO - | 33.176,00 | KRW | 44.950,000 | 1.170.601,66 | | 0,49 | 0,50 |
| HYUNDAI HEAVY INDUSTRIES - | 18.003,00 | KRW | 145.500,000 | 2.056.190,23 | | 0,87 | 0,88 |
| HYUNDAI MARINE & FIRE INSURANCE CO - | 77.205,00 | KRW | 31.500,000 | 1.909.024,04 | | 0,81 | 0,81 |
| HYUNDAI STEEL CO - | 64.608,00 | KRW | 57.000,000 | 2.890.790,17 | | 1,22 | 1,23 |
| KOREA AIR - | 21.825,00 | KRW | 27.350,000 | 468.561,93 | | 0,20 | 0,20 |
| KOREA ELECTRIC POWER (KEPCO) CORP - | 64.743,00 | KRW | 44.050,000 | 2.238.690,98 | | 0,95 | 0,95 |
| KOREA INVESTMENT HOLDINGS CO LTD - | 18.726,00 | KRW | 41.900,000 | 615.906,03 | | 0,26 | 0,26 |
| LG ELECTRONICS INC NEW | 65.921,00 | KRW | 51.600,000 | 2.670.108,48 | | 1,13 | 1,14 |
| LG PHILIPS LCD CO LTD - | 43.670,00 | KRW | 31.450,000 | 1.078.100,53 | | 0,46 | 0,46 |
| LG UPLUS LTD - | 203.867,00 | KRW | 11.450,000 | 1.832.347,48 | | 0,77 | 0,78 |
| LOTTE CHEMICAL CORP - | 3.524,00 | KRW | 369.000,000 | 1.020.745,99 | | 0,43 | 0,44 |
| LOTTE CHILSUNG BEVERAGE CO LTD - | 234,00 | KRW | 1.460.000,000 | 268.178,61 | | 0,11 | 0,11 |
| NHN CORP - | 2.973,00 | KRW | 775.000,000 | 1.808.639,57 | | 0,76 | 0,77 |
| PACIFIC CORP - | 13.559,00 | KRW | 133.000,000 | 1.415.580,98 | | 0,60 | 0,60 |
| SAMSUNG ELECTRONICS - | 9.975,00 | KRW | 1.802.000,000 | 14.109.873,10 | | 5,96 | 6,02 |
| SAMSUNG ELECTRONICS PREF | 3.634,00 | KRW | 1.433.000,000 | 4.087.770,74 | | 1,73 | 1,74 |
| SHINHAN FINANCIAL GROUP CO LTD. - | 134.137,00 | KRW | 45.250,000 | 4.764.557,69 | | 2,01 | 2,03 |
| SHINSEGAE CO LTD - | 1.867,00 | KRW | 176.000,000 | 257.936,26 | | 0,11 | 0,11 |
| SK HYNIX INC - | 27.267,00 | KRW | 44.700,000 | 956.754,03 | | 0,40 | 0,41 |
| <u>Taiwan</u> | | | | | | | |
| CHAILEASE HOLDING CO LTD - | 534.480,00 | TWD | 55,100 | 866.336,35 | | 0,37 | 0,37 |
| CHANG HWA COMMERCIAL BANK - | 1.193.706,00 | TWD | 17,150 | 602.233,60 | | 0,25 | 0,26 |
| CHIMEI INNOLUX CORPORATION - | 723.000,00 | TWD | 11,600 | 246.717,39 | | 0,10 | 0,11 |