

# **KBC Select Immo**

## **Semi-annual report**

### **28 February 2019**

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



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# 1. General information on the Bevek

## 1.1. Organisation of the Bevek

### Registered office

2 Havenlaan - B-1080 Brussels, Belgium.

### Date of incorporation

2 March 1995

### Life

Unlimited.

### Board of directors of the Bevek

Name	Function	Mandat
Patrick Dallemagne	Financial Director CBC Banque SA, Avenue Albert 1er 60, B-5000 Namur	Chairman appointed 10/04/2018
Jean-Louis Claessens	/	Independent Director
Jozef Walravens	/	Independent Director
Carine Vansteenkiste	General Manager KBC Private Banking - West Region KBC Bank NV, Havenlaan 2, B-1080 Brussels	Non-executive director
Tom Mermuys	Head of Asset Allocation and Strategy Portfolios KBC Asset Management NV, Havenlaan 2, 1080 Brussels	Natural person to whom the executive management of the Bevek has been entrusted
Wilfried Kupers	General Manager Group Legal KBC Group NV, Havenlaan 2, 1080 Brussels	Natural person to whom the executive management of the Bevek has been entrusted

### Management type

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

### Date of incorporation of the management company

30 december 1999.

### Names and positions of the directors of the management company

Name	Title	
Stefan Van Riet	<i>Non-Executive Director</i>	
Pierre Konings	<i>Non-Executive Director</i>	
Katrien Mattelaer	<i>Non-Executive Director</i>	
Johan Daemen	<i>Non-Executive Director</i>	
André Van Poeck	<i>Independent Director</i>	
Luc Popelier	<i>Chairman</i>	
Johan Lema	<i>President of the Executive Committee</i>	
Tiny Ergo	<i>Managing Director</i>	
Linda Demunter	<i>Managing Director</i>	
Frank Van de Vel	<i>Managing Director</i>	
Chris Sterckx	<i>Managing Director</i>	
Klaus Vandewalle	<i>Managing Director</i>	

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

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

These persons may also be directors of various beveks.

## Auditor of the management company

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

## Status of the Bevek

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

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

## Financial portfolio management

Management of the investment policy has not been delegated.

## Financial service providers

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

## Custodian

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

### Custodian's activities

The custodian:

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

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

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

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

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

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

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

### ***Custody tasks delegated by the custodian***

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

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

### ***List of sub-custodians and sub-sub-custodians***

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

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

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

## Conflicts of interest

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

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

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

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

## Administration and accounting management

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

## Accredited auditor of the the Bevek

Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, Gateway Building, Luchthaven Nationaal 1 J, 1930 Zaventem, represented by Maurice Vrolix, company auditor and recognized auditor.

## Distributor

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

## Promoter

KBC

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

## List of sub-funds and share classes of KBC Select Immo

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

	<b>Name</b>
1	Belgium Plus
2	Europe Plus
	Classic Shares
	Institutional B Shares
3	World Plus
	Classic Shares
	Institutional B Shares

## Sub-funds and share classes liquidated during the reporting period

Not applicable

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



## 1.2. Management report

### 1.2.1. Information for the shareholders

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

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

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

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

There were no refunds this period.

#### 1.2.1.1. Securities Financing Transactions (SFTs)

##### General

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

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

This takes place within the framework of a securities lending system managed by either a 'principal' or an 'agent'. If it is managed by a principal, a 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, a 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 a sub-fund and the counterparty or counterparties.

The sub-funds use the lending of financial instruments to generate additional income. This might consist of a fee paid by the principal or, in the event that the fund performs the securities lending through an agent, by the counterparty, as well as income generated through reinvestments.

**The sub-funds are not permitted to agree forms of SFTs other than lending financial instruments.**

##### General information on the SFTs used

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

## Criteria for the selection of counterparties

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

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

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

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

## Description of acceptable financial collateral and its valuation

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

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

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

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

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

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

## Reuse of financial collateral

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

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

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

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

## Policy on the diversification of collateral and the correlation policy

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

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

## Holding of the financial collateral

The financial collateral will be held in the following manner:

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

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

## Influence of SFTs on a sub-fund's risk profile

**This lending does not affect a 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 a sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. A margin management system is used to ensure that a sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds, in case the principal or the counterparty (if a sub-fund uses an agent) does not return similar securities. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%. Furthermore, when calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times exceed the actual value of the loaned securities.
- The criteria met by the collateral are such as to limit the credit risk. A rating of at least investment grade is required in the case of collateral in the form of bonds and other debt instruments. In the case of collateral in the form of participation rights in monetary undertakings for collective investment, the inherent diversification of these undertakings limits the credit risk. In the case of cash that is reinvested, a rating of at least investment grade is required when reinvesting in either deposits or government bonds. In the case of reinvestment in short-term money-market funds, the inherent diversification of these funds limits the credit risk.
- The criteria met by these types of collateral are such as to limit the liquidity risk. It must be possible to value the financial collateral on a daily basis by market price or to withdraw it on demand (on reinvestment of cash in deposits).
- In the case of reinvestment of cash, there are additional criteria to limit the market risk associated with the initial values in cash. When reinvesting bonds, only bonds with a remaining term to maturity of no more than one year may be considered. The shortness of this remaining term results in a low sensitivity to interest rate movements. In the case of reinvestment in short-term money-market funds, the low duration of these funds limits the market risk with respect to the initial value in cash.

- The custody of financial collateral consisting of securities occurs by placing the securities in custody accounts which, in the event of the custodian's bankruptcy, are held outside its insolvent estate. The custody of financial collateral consisting of cash occurs by holding it in cash accounts, whether or not segregated. The extent to which the custody of financial collateral consisting of cash occurs in non-segregated accounts has no influence, however, on the sub-fund's risk profile.
- Operational risks are limited by operational controls, in the shape of daily control of the market values of loaned securities and collateral and reconciliation of internal and external data.

### **Distribution policy for returns on the utilised SFTs**

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

#### **1.2.1.2. General strategy for hedging the exchange rate risk**

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

#### **1.2.1.3. Social, ethical and environmental aspects**

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

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

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

#### **1.2.1.4. Synthetic risk and reward indicator**

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

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

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

#### **1.2.1.5. Ongoing charges**

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

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

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

#### **1.2.1.6. Existence of fee sharing agreements and rebates**

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

In principle, the percentage share amounts to between 35% and 70%. 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 Groep 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 a sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the General Meeting.

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

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

#### **1.2.1.7. Existence of Commission Sharing Agreements**

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

#### **What the Commission Sharing Agreement entails:**

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

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

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

#### **Goods and services eligible for a Commission Sharing Agreement:**

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

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

Broker	Commission gross in EUR paid during the period: 1-09-2018 - 28-02-2019	CSA Credits in EUR accrued during the period: 1-09-2018 - 28-02-2019	Percentage
CARNEGIE	3,106.55	845.77	27.23%
CITI	5,108.86	1,823.79	35.70%
CSFBSAS	5,171.64	1,361.51	26.33%
DEUTSCHE	289.35	111.57	38.56%
EQ CSA GOLDMAN SACHS INTERNATIONAL	4,607.36	1,683.83	36.55%
EQ CSA ING	205.84	58.81	28.57%
EQ CSA KBCSEC	5,070.36	1,375.45	27.13%
HSBC	6,269.86	2,007.47	32.02%
INSTINET	2,011.14	724.77	36.04%
MACQUARIE	10,548.87	3,848.95	36.49%
MERRILL	9,163.89	3,442.00	37.56%
MORGAN STANLEY	702.95	194.17	27.62%
SOCGEN	4,727.04	1,280.57	27.09%
UBSWDR	2,048.02	756.98	36.96%

#### 1.2.1.8. Recurrent fees and charges

Recurrent fees and charges paid by the Bevek	
Fees paid to directors who are not responsible for the executive management of the Bevek, insofar as the General Meeting has approved said fees.	250 EUR per meeting attended, linked to the director's actual attendance of/participation in the meetings of the Board of Directors. This fee is divided across all the sub-funds marketed.
Recurrent fees and charges paid by the sub-fund	
Fee paid to the statutory auditor of the Bevek	Fee of the statutory auditor: 1844 EUR /year (excluding VAT) for non-structured sub-funds These amounts can be indexed on an annual basis in accordance with the decision of the General Meeting.

## 1.2.2. General market overview

1 September 2018 – 28 February 2019

### General overview

#### The economic context

Low interest rates, strong job creation and a robust fiscal plan created a very favourable economic environment in the US. This was much less the case in the euro area, where economic growth stalled, particularly in the former powerhouse Germany. Industry in particular had a very difficult time, due among other things to the continuing uncertainty about the outcome of Brexit and slowing international trade. Simultaneously, inflation figures increased somewhat and the US central bank (the Federal Reserve or Fed) introduced a more stringent policy, which just poured oil on the fire.

#### Monetary policy

An increase in underlying inflation through mounting labour costs and sharply rising oil prices pushed US inflation above the central bank's target of 2%. The Federal Reserve also continued its policy of systematically raising the base rate, hiking it by 0.25% per quarter. However, in the middle of the reporting period, the Fed took its foot off the pedal by announcing that key rates were not far from a 'neutral' level.

Apart from a number of emerging countries that had to contend with a flight of capital, monetary policy in the rest of the world remained accommodative. In June, the European Central Bank (ECB) revealed its plans to phase out its bond purchase programme as of September and to bring it to a halt at the end of December. At the same time, the Frankfurt bankers made it clear that it would be some time before interest rates would be hiked for the first time. At just 1%, core inflation in the euro area is incidentally still well below the ECB's objective.

#### Foreign exchange markets

During the reporting period, the euro lost some ground vis-à-vis most currencies, particularly against safe haven currencies such as the Japanese yen and the Swiss franc. The euro also weakened vis-à-vis most of the dollar currencies: it lost approximately 2.5% of its value vis-à-vis the US dollar.

#### Stock markets

The international stock markets closed the reporting period with a loss of 0.8% (in euro terms). During the first half of the reporting period, markets experienced a significant correction. Protracted trade disputes between the US and its main trading partners coupled with economic indicators tumbling from their fairly heady heights saw investors having to just make the best of a bad job. From the end of December, however, the markets were able to recover. In particular, the about-face of the US central bank, which made further interest rate increases dependent on economic revival, was able to restore confidence.

#### Bond markets

At the very beginning of the reporting period, bond yields went up even more, driven by a new rate hike by the US central bank. However, the growth fears that led to the stock market correction also pushed interest rates down from the start of October. The Federal Reserve's about-face triggered a further fall in long-term rates during the second half of the reporting period, even in the face of the stock market recovery. The market was clearly speculating on an interest rate cut: the US ten-year yield, which was still above 3.2% at the beginning of October 2018, slumped to 2.7% at the end of February 2019.

In the euro area, bond yields also fell. The German ten-year yield was near 0.6% at the beginning of October 2018, but was flirting around zero just before the end of the reporting period. Such low levels have not been seen since mid-2016.

During the reporting period, the spread between corporate and government bond yields first widened and then narrowed again. The extra return to be gained at the beginning of September was 1.4%; the spread widened to 1.7% at the end of December 2018 due to rising economic uncertainty and then narrowed to 1.5% at the end of the reporting period.



## Projections

### The economic context

For 2019, we are counting on a positive but somewhat slowing growth in the world economy. The effects of any tightening of monetary policy and the disappearance of tax incentives are pushing growth down slightly in the US. A sharp increase in jobs and higher wages, however, are underpinning consumption growth, which should help the economy maintain its pace.

In Europe, a slight recovery seems possible following the weak figures in the second half of the year, boosted here too by private consumption. A weaker euro and receding uncertainty surrounding the trade dispute with the US could provide an additional stimulus. However, the trade conflict, combined with the Brexit issue, remains one of the key risks for the economy.

We are expecting the Chinese economy to continue its soft landing and a slight return to growth in most of the other growth markets.

### Monetary policy

We believe the US central bank will pursue its tightening policy in 2019, albeit at a much slower pace. We expect one rate hike of 0.25%. As for the European Central Bank, it has postponed its first, perhaps rather modest, rate hike until 2020. The Bank of Japan will meanwhile continue to create money at a pace.

### Foreign exchange markets

We expect the US dollar to weaken slightly against the euro by early 2020. The slowing pace of rate hikes in the US and the emerging adjustment of interest-rate policy in the euro area should ensure this.

### Stock markets

Shares continue to be preferable to bonds. They offer the prospect of higher returns and their relative valuation also remains interesting. This has a lot to do with the fact that bonds are heavily overpriced due to the low level of interest rates. The price-earnings ratios of shares are close to the historical average. Dividend yields also exceed government bond yields, except in the US.

2019 won't be a bull market at any rate. The economic cycle is entering its eleventh year, with profit margins in the US in particular at very high levels. But it will not be a bear market either. We only see those in economic recessions, which is not the scenario for 2019!

At regional level, we prefer the US. Economic growth remains far and away the strongest in the world, while we are still waiting for growth to pick up in Europe and Asia. The prospect of a trade war may weigh marginally on growth and on earnings as a result of higher import costs, but American companies are usually on the 'right' side of such conflicts. Cheap valuations benefit the euro area, but the slowdown in growth is proving more stubborn than anticipated. The political problems in Italy appear to have eased for the moment. However, reaching agreement on Brexit continues to be a fraught process.

Following the stock market recovery at the beginning of the year, with cyclical (sensitive to changes in the economic climate) and growth-oriented sectors taking the lead, we no longer have an explicit preference for these sectors. An environment of slower growth leads to lower credit growth. The accommodative policy of the central banks has further reduced interest rates and flattened the yield curve. A rise in interest rates will be slower and less pronounced. This is detrimental to banks' interest margin and income. Communication services is easily the sector with the strongest forecast earnings growth. Media firms and businesses active in Internet access, social media and online games are seeing vigorous revenue growth as they seize ground from their more traditional rivals in the area of advertising and leisure.

Demand for oil continues to rise and is strong enough to absorb the growing supply, particularly in the US, in the coming months, especially now that the OPEC countries are scaling back their increased production. If the sanctions against Iran also start to bite and production in Venezuela collapses, the price could hover around 65 dollars until the end of 2019. Oil companies are already profitable at an oil price around 50 dollars. The impressive cash flows can be used to pay out a high dividend. Within materials, we are upbeat about the mining and metals sub-sector. Companies in this sub-sector have slashed costs and their investment budgets, while metal prices have fallen due to the trade conflict and the slowdown of growth in China. The markets are in equilibrium, however, or even experiencing supply shortages. Higher metal prices will translate into strong growth in cash flow and earnings of mining companies.

Defensive sectors like utilities, health care and consumer staples (e.g., food) normally lag behind in the event of robust growth and interest-rate increases. But growth is easing and interest rates are likely to rise more slowly and to a lesser extent. In this phase of the cycle, KBC Asset Management is most positive about utilities. Electricity prices hit bottom in 2017 and have been rising again for a year now. These higher prices will feed through increasingly into the long-term contracts the utilities sign. This ought to result in solid earnings growth, which has not been seen in the sector in recent years



## Bond markets

Owing to the extremely low level of interest rates (even negative in some cases), we are invested below the benchmark level for bonds. The US central bank (the Federal Reserve or Fed) has been normalising its policy for some time now, although it has paused its series of rate hikes for 2019. The European Central Bank (ECB) ended its bond purchase programme in December 2018, but does not expect to hike rates before 2020. The very low level of interest rates raises the likelihood of an increase in bond yields. Economic growth is expected to pick up later this year, pushing up inflation and, hence, interest rates. We are limiting the duration considerably on account of this asymmetrical risk.

The bond portfolio risk was reduced in 2018 by substantially increasing holdings of euro-area government bonds, but with a cautious attitude being adopted towards peripheral countries. In Italy, in particular, interest rates rose sharply due to political risk, weak economic growth and fiscal policy, which means further turbulence and lower credit ratings cannot be ruled out. We are therefore investing primarily in safer havens via the core countries of the euro area and maintaining short maturities.

Corporate bonds were reduced substantially in 2018 and the outlook is negative. The credit premium rose sharply at the end of 2018, even though companies in the euro area remained financially healthy. Nevertheless, investor nervousness has increased, and the projected yields are negative. In December, the ECB discontinued its corporate bond purchase programme, removing a significant source of support for this market.

For high-interest bonds, the current yield is higher than that on traditional bonds, but volatility can run high despite the good currency diversification. This theme is being included to a limited extent in the strategy.

### 1.3. Aggregate balance sheet (in EUR)

Balance sheet layout		28/02/2019	28/02/2018
	<b>TOTAL NET ASSETS</b>	296,317,247.35	297,875,970.44
<b>II.</b>	<b>Securities, money market instruments, UCIs and derivatives</b>		
A.	Bonds and other debt instruments		
	a) Bonds		
	Collateral received in the form of bonds	2,677,737.30	1,318,204.80
C.	Shares and similar instruments		
	a) Shares	274,346,339.13	265,531,683.72
	Of which securities lent	1,841,360.80	1,155,203.94
	b) Closed-end undertakings for collective investment	7,129,077.00	5,298,537.60
D.	Other securities	14,391,100.03	28,950,859.51
<b>IV.</b>	<b>Receivables and payables within one year</b>		
A.	Receivables		
	a) Accounts receivable	1,546.93	350.05
B.	Payables		
	a) Accounts payable (-)	-1.18	-1.18
	c) Borrowings (-)	-1,160,966.53	-2,031,008.18
	d) Collateral (-)	-2,677,737.30	-1,318,204.80
<b>V.</b>	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	1,698,777.19	291,174.21
<b>VI.</b>	<b>Accruals and deferrals</b>		
B.	Accrued income	396,953.52	288,013.39
C.	Accrued expense (-)	-485,578.74	-453,638.68
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	296,317,247.35	297,875,970.44
<b>A.</b>	<b>Capital</b>	294,089,566.85	302,114,120.58
<b>B.</b>	<b>Income equalization</b>	-64,780.15	-180,443.32
<b>D.</b>	<b>Result of the period</b>	2,292,460.65	-4,057,706.82
<b>Off-balance-sheet headings</b>			
I.	Collateral (+/-)		
I.A.	Collateral (+/-)		
I.A.a.	Securities/money market instruments	2,677,737.30	1,318,204.80
IX.	Financial instruments lent	1,841,360.80	1,155,203.94

## 1.4. Aggregate profit and loss account (in EUR)

Income Statement	28/02/2019	28/02/2018
<b>I. Net gains(losses) on investments</b>		
C. Shares and similar instruments		
a) Shares	836,860.96	-3,811,614.68
b) Closed-end undertakings for collective investment	-26,492.08	608,227.60
D. Other securities	401,975.25	655,454.04
G. Receivables, deposits, cash at bank and in hand and payables	0.01	
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts		3,962.99
b) Other foreign exchange positions and transactions	1,649,682.67	-1,338,295.56
<b>Det. section I gains and losses on investments</b>		
Realised gains on investments	9,275,197.92	9,369,406.52
Unrealised gains on investments	-2,500,049.89	-9,017,527.42
Realised losses on investments	-4,386,230.94	-4,808,688.39
Unrealised losses on investments	473,109.72	574,543.68
<b>II. Investment income and expenses</b>		
A. Dividends	1,241,112.50	1,384,142.65
B. Interests		
a) Securities and money market instruments	44,893.34	9,024.01
b) Cash at bank and in hand and deposits	3,771.61	1,748.24
C. Interest on borrowings (-)	-2,332.23	-4,842.00
F. Other investment income	695,196.18	1,300,130.62
<b>III. Other income</b>		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	12,411.39	26,256.43
B. Other		178.60
<b>IV. Operating expenses</b>		
A. Investment transaction and delivery costs (-)	-126,897.39	-94,688.37
B. Financial expenses (-)	-1,368.07	-1,486.09
C. Custodian's fee (-)		-114,025.71
D. Manager's fee (-)		
a) Financial management	-2,157,100.92	-2,403,152.00
b) Administration and accounting management	-144,447.42	-160,210.23
E. Administrative expenses (-)	-1,998.35	-1,936.35
F. Formation and organisation expenses (-)	-15,664.99	-17,364.84
H. Services and sundry goods (-)	-12,756.44	-15,951.13
J. Taxes	-108,988.40	-126,318.56
K. Other expenses (-)	4,603.03	43,053.52
<b>Income and expenditure for the period</b>		
Subtotal II + III + IV	-569,566.16	-175,441.13

<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	2,292,460.65	-4,057,706.82
<b>VII.</b>	<b>Result of the period</b>	2,292,460.65	-4,057,706.82

## 1.5. Summary of recognition and valuation rules

### 1.5.1. Summary of the rules

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

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

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

#### Differences

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

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

This tolerance limit is:

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

## 1.5.2. Exchange rates

1 EUR =	28/02/2019		28/02/2018	
		1.600550	AUD	1.565200
	1.499650	CAD	1.562800	CAD
	1.134350	CHF	1.152650	CHF
	0.856100	GBP	0.885200	GBP
	8.938600	HKD	9.544100	HKD
	126.760100	JPY	130.142800	JPY
	21.942250	MXN	23.011150	MXN
	9.731750	NOK	9.619500	NOK
	1.670850	NZD	1.688700	NZD
	58.893550	PHP	63.519400	PHP
	10.511000	SEK	10.105400	SEK
	1.538600	SGD	1.613400	SGD
	6.073850	TRY	4.642550	TRY
	35.045200	TWD	35.608300	TWD
	1.138700	USD	1.219650	USD

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# 2. Information on KBC Select Immo Belgium Plus

## 2.1. Management report

### 2.1.1. Launch date and subscription price

#### Capitalisation

Launch date:	24 March 1995
Initial subscription price:	20 000 BEF
Currency:	EUR

### 2.1.2. Stock exchange listing

Not applicable.

### 2.1.3. Goal and key principles of the investment policy

#### Object of the sub-fund

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

#### Sub-fund's investment policy

##### Permitted asset classes

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

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

##### Restrictions of the investment policy

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

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

##### Permitted derivatives transactions

**Derivatives 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. The use of derivatives does not, therefore, affect the 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 are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors.**

### **Strategy selected**

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

### **Securities Financing Transactions (SFTs)**

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.1. Securities Financing Transactions (SFTs)'.

### **General strategy for hedging the exchange risk**

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

### **Social, ethical and environmental aspects**

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

## **2.1.4. Financial portfolio management**

There is no delegation of the management of the asset allocation.

## **2.1.5. Distributors**

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

## **2.1.6. Index and benchmark**

Not applicable.

## **2.1.7. Policy pursued during the financial year**

During the reporting period, there was once again considerable commotion on the global listed property market, as a result of which the fund had to relinquish part of the previously accumulated gains.

An overall downtrend was recorded between late August and early January, interrupted only by an upward interlude between mid-October and early December. However, a substantial recovery followed from January onwards.

European property market sentiment was coloured by the initially strong American economy and job figures. At the same time, US interest rates continued to move unimpeded towards their peak of over 3.2% in November, which affected European and Belgian property shares. Due to the trade sanctions between the major global powers, the US and China, investor sentiment in the property market reversed. This was even more the case when the IMF also significantly reduced its growth prospects for the global economy. Rising interest rates, the prospect of the US Federal Reserve hiking rates further and a growing risk of a slowdown in economic growth all contributed to an unfavourable environment for real estate and a global correction at the end of 2018 ... including in Europe. Belgian property shares accordingly struggled to record sustainable gains.

In the previous reporting period, the fund was mainly invested in Belgian real estate, but where regional emphases stretched from Scandinavia to Southern Europe, with German and French real estate as important segments. The fact that European property shares underperformed is partly due to the disappointing and downwardly revised growth prospects and increasing uncertainty. For example, the Brexit negotiations weighed heavily on the sentiment of property shares on the European continent. We positioned the fund partly in real estate segments that are less dependent on the economic cycle or have good fundamentals and growth prospects. German residential property is sensitive to interest rates, but still has a favourable outlook, and industrial property is still growing strongly.

Our selection of Belgian property shares focused on niches with growth prospects, such as industrial property, care facilities and student housing. What is worth mentioning is that Belgian property companies are already realising their growth plans beyond Belgian borders. That is why we approach Belgian companies from a European perspective. With this view of the portfolio, we are reducing our overweighting in traditional real estate niches such as retail property and office property

## 2.1.8. Future policy

The gearing ratio of property companies has been kept under control in an environment of rising interest rates. Borrowing costs, which represent the average for recent years, have generally declined a little further, while portfolio valuations rose slightly. As a result, property companies continue to focus on refinancing and acquiring cheap capital to ensure their future growth.

Property companies are also likely to be willing to sell buildings and thus recycle the capital invested. In this way, property companies are already anticipating the financing needs of future projects.

In operational terms, we see that property companies are still generally doing well, with rising operational cash flows and dividends as a result. The current market conditions are challenging property companies to buy real estate aggressively, which is why they are paying higher dividends.

The valuation of the real estate market had become a little less challenging in the past few quarters and is now on the fair side. Property companies are generally making a little more profit than they were a year ago, while prices have not risen to the same degree. At the same time, there is also the impact of buildings sold that no longer generate rental income. The disadvantage of this is that future cash flows may decline, remain stable or at least rise less rapidly on a recurrent basis.

In general, we believe that retail property companies are less well positioned, with a general derating as a result. Polarisation has continued to intensify between companies that can benefit from a multi-channel sales strategy on the part of tenants (via both physical stores and online means), and companies that are positioned weakly in this regard. The logistical property sector has emerged as the winner of the trend towards increased online sales. The capacity to align the distribution network with growing online sales has so far been insufficient, resulting in scarcity. This certainly hasn't done the logistical property companies any harm. In any case, their valuation has increased, which could trigger headwinds.

The office market remains mixed, depending on the region. In Europe, the recovery is not, however, proceeding at a uniform rate: it is primarily the major cities like Paris, Barcelona and Berlin that are leading the way. Rents are barely rising, at any rate, and a certain level of vacancies remains. Demand for top-end space is limited, but several construction projects are on hold until tenants signal their agreement to use the buildings in the future. In Scandinavia, the real estate market continues to have a favourable outlook and, in Southern Europe, we see further gradual improvement of the market. This is positive for the emphases placed in the real estate portfolio. In the short term, the Belgian office market seems to be getting no further than offering better office buildings in the replacement market.

In the residential market, the fund invests primarily in niches like residential care facilities, senior citizens' homes and student accommodation. Growth is currently to be found abroad to a significant extent. In addition, the foreign market is even more fragmented and there are usually several investment opportunities available compared with the Belgian market. German residential property shares, which are characterised by scarcity and fair value, still offer growth potential

## 2.1.9. Synthetic risk and reward indicator (SRRI)

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

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

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

## 2.2. Balance sheet

<b>Balance sheet layout</b>		<b>28/02/2019</b> (in the currency of the sub-fund)	<b>28/02/2018</b> (in the currency of the sub-fund)
	<b>TOTAL NET ASSETS</b>	172,045,625.77	155,984,638.79
<b>II.</b>	<b>Securities, money market instruments, UCIs and derivatives</b>		
A.	Bonds and other debt instruments		
	a) Bonds		
	Collateral received in the form of bonds	1,991,527.97	1,318,204.80
C.	Shares and similar instruments		
	a) Shares	149,049,833.70	122,452,271.26
	Of which securities lent	1,841,360.80	1,155,203.94
	b) Closed-end undertakings for collective investment	7,129,077.00	5,298,537.60
D.	Other securities	14,381,728.82	28,843,994.96
<b>IV.</b>	<b>Receivables and payables within one year</b>		
B.	Payables		
	a) Accounts payable (-)	-1.18	-1.18
	c) Borrowings (-)	-1.41	-593,554.36
	d) Collateral (-)	-1,991,527.97	-1,318,204.80
<b>V.</b>	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	1,510,042.10	42,150.38
<b>VI.</b>	<b>Accruals and deferrals</b>		
B.	Accrued income	265,484.22	186,238.90
C.	Accrued expense (-)	-290,537.48	-244,998.77
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	172,045,625.77	155,984,638.79
<b>A.</b>	<b>Capital</b>	168,669,541.36	157,767,406.60
<b>B.</b>	<b>Income equalization</b>	8,056.37	-67,543.87
<b>D.</b>	<b>Result of the period</b>	3,368,028.04	-1,715,223.94
<b>Off-balance-sheet headings</b>			
I.	Collateral (+/-)		
I.A.	Collateral (+/-)		
I.A.a.	Securities/money market instruments	1,991,527.97	1,318,204.80
IX.	Financial instruments lent	1,841,360.80	1,155,203.94

## 2.3. Profit and loss account

<b>Income Statement</b>		<b>28/02/2019</b> (in the currency of the fund)	<b>28/02/2018</b> (in the currency of the fund)
<b>I.</b>	<b>Net gains(losses) on investments</b>		
C.	Shares and similar instruments		
	a) Shares	3,497,985.42	-2,604,157.32
	b) Closed-end undertakings for collective investment	-26,492.08	608,227.60
D.	Other securities	416,925.83	650,378.57
H.	Foreign exchange positions and transactions		
	b) Other foreign exchange positions and transactions	54,386.21	-264,539.51
	<b>Det.section I gains and losses on investments</b>		
	Realised gains on investments	686,579.85	3,799,826.98
	Unrealised gains on investments	4,439,556.36	-3,218,213.29
	Realised losses on investments	-74,691.56	-2,423,410.83
	Unrealised losses on investments	-1,108,639.27	231,706.48
<b>II.</b>	<b>Investment income and expenses</b>		
A.	Dividends	88,331.73	50,714.89
B.	Interests		
	a) Securities and money market instruments	44,416.76	8,829.79
	b) Cash at bank and in hand and deposits	762.25	6.97
C.	Interest on borrowings (-)	-1,254.56	-3,111.61
F.	Other investment income	692,092.21	1,293,983.21
<b>IV.</b>	<b>Operating expenses</b>		
A.	Investment transaction and delivery costs (-)	-3,913.24	-13,153.12
B.	Financial expenses (-)	-752.83	-684.91
C.	Custodian's fee (-)		-52,512.62
D.	Manager's fee (-)		
	a) Financial management	-1,219,443.32	-1,228,558.12
	b) Administration and accounting management	-81,296.32	-81,903.93
F.	Formation and organisation expenses (-)	-5,657.77	-8,180.45
H.	Services and sundry goods (-)	-5,591.06	-3,439.15
J.	Taxes	-71,265.34	-74,117.74
K.	Other expenses (-)	-11,205.85	6,993.51
	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	-574,777.34	-105,133.28
<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	3,368,028.04	-1,715,223.94
<b>VII.</b>	<b>Result of the period</b>	3,368,028.04	-1,715,223.94

## 2.4. Composition of the assets and key figures

### 2.4.1. Composition of the assets of KBC Select Immo Belgium Plus

Name	Quantity on 28/02/2019	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Investment funds</b>							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
LEASINVEST REAL ESTATE -	45,038.00	EUR	94.000	4,233,572.00		2.48	2.46
VASTNED RETAIL BELGIUM NV -	60,958.00	EUR	47.500	2,895,505.00		1.70	1.68
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
WAREHOUSES ESTATES BELGIUM -	38,933.00	EUR	50.500	1,966,116.50		1.15	1.14
Total investment funds				9,095,193.50		5.33	5.29
<b>Shares</b>							
Exchange-listed shares							
<u>Belgium</u>							
AEDIFICA -	147,117.00	EUR	80.700	11,872,341.90		6.96	6.90
ASCENCIO -	69,255.00	EUR	51.600	3,573,558.00		2.10	2.08
ATENOR GROUP (BRU)	76,200.00	EUR	58.800	4,480,560.00		2.63	2.60
BANIMMO SA/NV -	53,469.00	EUR	3.550	189,814.95		0.11	0.11
BEFIMMO -	98,191.00	EUR	47.850	4,698,439.35		2.76	2.73
CARE PROPERTIES INVEST -	443,956.00	EUR	20.900	9,278,680.40		5.44	5.39
CIE IMMOBILIERE DE BELGIQUE SA (BRU)	56,200.00	EUR	55.000	3,091,000.00		1.81	1.80
COFINIMMO -	69,284.00	EUR	114.200	7,912,232.80		4.64	4.60
HOME INVEST BELGIUM -	36,278.00	EUR	96.600	3,504,454.80		2.06	2.04
IMMO MECHELEN CITY CENTER NV -	1,000.00	EUR	720.200	720,200.00		0.42	0.42
INTERVEST -	181,945.00	EUR	22.500	4,093,762.50		2.40	2.38
MONTEA SCA M	143,420.00	EUR	58.400	8,375,728.00		4.91	4.87
QRF COMM VA -	218,877.00	EUR	15.350	3,359,761.95		1.97	1.95
QRF COMM VA NOMINATIEF 3	43,226.00	EUR	15.350	663,519.10		0.39	0.39
RETAIL ESTATES -	103,097.00	EUR	80.400	8,288,998.80		4.86	4.82
SHURGARD SELF STORAGE EUROPE S -	6,000.00	EUR	27.280	163,680.00		0.10	0.10
VGP NV -	127,166.00	EUR	69.600	8,850,753.60		5.19	5.14
WAREHOUSE DISTR. DE PAUW -	99,056.00	EUR	129.600	12,837,657.60		7.53	7.46
WERELDHAVE BELGIUM -	45,297.00	EUR	82.200	3,723,413.40		2.18	2.16
XIOR STUDENT HOUSING NV -	313,091.00	EUR	40.400	12,648,876.40		7.42	7.35
<u>Canada</u>							
DREAM GLOBAL REAL ESTATE INVESTM -	205,945.00	CAD	13.550	1,860,804.02		1.09	1.08
<u>Cyprus</u>							
AROUNDTOWN PROPERTY HOLD SA -	118,921.00	EUR	7.400	880,015.40		0.52	0.51
<u>Finland</u>							
SUOMEN HOIVATILAT OYJ -	12,964.00	EUR	7.980	103,452.72		0.06	0.06
<u>France</u>							
GECINA REG	25,751.00	EUR	130.400	3,357,930.40		1.97	1.95
ICADE EMGP -	46,786.00	EUR	74.850	3,501,932.10		2.05	2.04
KLEPIERRE (CIE FONCIERE) -	28,528.00	EUR	30.690	875,524.32		0.51	0.51
UNIBAIL-RODAMCO SE -	5,488.00	EUR	142.000	779,296.00		0.46	0.45
<u>Germany</u>							
ADO PROPERTIES SA -	69,972.00	EUR	50.450	3,530,087.40		2.07	2.05
ALSTRIA OFFICE AG -	234,165.00	EUR	13.310	3,116,736.15		1.83	1.81
DEUTSCHE WOHNEN AG -	68,247.00	EUR	41.000	2,798,127.00		1.64	1.63
LEG IMMOBILIEN AG -	4,471.00	EUR	98.160	438,873.36		0.26	0.26
TLG IMMOBILIEN AG -	63,028.00	EUR	25.500	1,607,214.00		0.94	0.93
VONOVIA SE -	62,247.00	EUR	42.640	2,654,212.08		1.56	1.54
<u>Ireland</u>							
GREEN REIT PLC -	502,313.00	EUR	1.474	740,409.36		0.43	0.43
<u>Netherlands</u>							
WERELDHAVE NV (AMS)	9,875.00	EUR	25.650	253,293.75		0.15	0.15

<u>Spain</u>							
ARIMA REAL ESTATE SOCIMI SA -	20,000.00	EUR	9.600	192,000.00		0.11	0.11
INMOBILIARIA COLONIAL SOCIMI SA -	157,314.00	EUR	9.065	1,426,051.41		0.84	0.83
MERLIN PROPERTIES SOCIMI SA -	98,165.00	EUR	11.410	1,120,062.65		0.66	0.65
<u>Sweden</u>							
FABEGE AB -	351,142.00	SEK	124.080	4,145,152.64		2.43	2.41
HEMBLA AB -	203,402.00	SEK	170.000	3,289,728.86		1.93	1.91
KLOVERN AB -	1,592.00	SEK	340.000	51,496.53		0.03	0.03
Total shares				149,049,833.70		87.39	86.63
<b>Real estate certificates</b>							
<u>Belgium</u>							
BRUSSELS NORTH DISTRIBUTION OP NAAM	2.00	EUR	109,259.259	218,518.52		0.13	0.13
DIEGEM KENNEDY DIEGEM KENNEDY (TOONDER)	8,239.00	EUR	124.900	1,029,051.10		0.60	0.60
IMMO ANTARES ANTARES (OP NAAM)	9,339.00	EUR	53.200	496,834.80		0.29	0.29
IMMO ANTARES ANTARES (TOONDER)	19,212.00	EUR	53.200	1,022,078.40		0.60	0.59
IMMO BASILIX BASILIX (TOONDER)	18,578.00	EUR	17.500	325,115.00		0.19	0.19
IMMO BEAULIEU BEAULIEULAAN (TOONDER)	52,042.00	EUR	75.000	3,903,150.00		2.29	2.27
IMMO GENK ZUID GENK LOGISTICS (TOONDER)	19,901.00	EUR	60.000	1,194,060.00		0.70	0.69
IMMO ZENOBE GRAMME ZENOBE GRAMME	2,285.00	EUR	158.000	361,030.00		0.21	0.21
<u>Luxembourg</u>							
IMMO LUX-AIRPORT LUX AIRPORT	13,708.00	EUR	250.000	3,427,000.00		2.01	1.99
Total real estate certificates				11,976,837.82		7.02	6.96
<b>Rights</b>							
<u>Belgium</u>							
AEDIFICA CP 29/10/2018	16.00	EUR	1.750	28.00			
COFINIMMO RTS 33 CP 21/06/2018	64,336.00	EUR	2.740	176,280.64		0.10	0.10
LEASINVEST REAL ESTATE CP 23	29,472.00	EUR	2.646	77,982.91		0.05	0.05
MONTEA SCA CP 22/02/2019	143,420.00	EUR	0.400	57,368.00		0.03	0.03
XIOR STUDENT HOUSING NV CP 06/12/2018	313,091.00	EUR	0.406	127,114.95		0.08	0.07
Total rights				438,774.50		0.26	0.26
TOTAL SECURITIES PORTFOLIO				170,560,639.52		100.00	99.14
COLLATERAL RECEIVED							
<u>Belgium</u>							
COLLATERAL ONTVANGEN SECURITIES LENDING	1,991,527.97	EUR	1.000	1,991,527.97			1.16
TOTAL RECEIVED COLLATERAL				1,991,527.97			1.16
CASH AT BANK AND IN HAND							
<b>Demand accounts</b>							
<u>Belgium</u>							
KBC GROUP CAD	206,191.10	CAD	1.000	137,492.81			0.08
KBC GROUP CHF	36,225.59	CHF	1.000	31,935.11			0.02
KBC GROUP EURO	1,259,416.14	EUR	1.000	1,259,416.14			0.73
KBC GROUP GBP	-1.21	GBP	1.000	-1.41			
KBC GROUP SEK	853,472.63	SEK	1.000	81,198.04			0.05
Total demand accounts				1,510,040.69			0.88
TOTAL CASH AT BANK AND IN HAND				1,510,040.69			0.88
OTHER RECEIVABLES AND PAYABLES							
<b>Payables</b>							
<u>Belgium</u>							
COLLATERAL ONTVANGEN SECURITIES LENDING TEGENP	-1,991,527.97	EUR	1.000	-1,991,527.97			-1.16
KBC GROUP EUR PAYABLE	-1.18	EUR	1.000	-1.18			
Payables				-1,991,529.15			-1.16
TOTAL RECEIVABLES AND PAYABLES				-1,991,529.15			-1.16
OTHER							
Interest receivable		EUR		265,484.22			0.16
Expenses payable		EUR		-290,537.48			-0.17
TOTAL OTHER				-25,053.26			-0.02
TOTAL NET ASSETS				172,045,625.77			100.00

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

	31/08/2017	28/02/2018	31/08/2018	28/02/2019
Belgium	76.99	81.15	74.16	76.71
Canada	0.00	1.04	1.20	1.08
Switzerland	1.74	0.61	0.61	0.00
Cyprus	0.00	0.00	0.55	0.51
Germany	4.91	5.14	8.74	8.20
Spain	1.29	0.87	1.59	1.59

Finland	0.28	0.07	0.06	0.06
France	8.49	6.00	6.06	4.94
Ireland	0.00	0.00	0.46	0.43
Luxembourg	1.69	1.93	1.81	1.99
Netherlands	1.98	0.34	0.31	0.15
Sweden	2.63	2.85	4.45	4.34
TOTAL	100.00	100.00	100.00	100.00

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

	31/08/2017	28/02/2018	31/08/2018	28/02/2019
Consum(cycl)	0.51	0.51	0.43	0.51
Financials	0.00	0.00	0.04	0.88
Real est.	99.49	99.49	99.53	98.61
TOTAL	100.00	100.00	100.00	100.00

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

	31/08/2017	28/02/2018	31/08/2018	28/02/2019
CANADIAN DOLLAR	0.00	1.07	1.25	1.16
SWISS FRANC	1.82	0.61	0.63	0.02
EURO	95.49	95.46	93.62	94.43
SWEDISH KRONA	2.69	2.86	4.50	4.39
TOTAL	100.00	100.00	100.00	100.00

### 2.4.2. Changes in the composition of the assets of KBC Select Immo Belgium Plus (in the currency of the sub-fund)

	<b>1<sup>st</sup> half of year</b>
<b>Purchases</b>	5,325,292.70
<b>Sales</b>	5,269,743.25
<b>Total 1</b>	10,595,035.95
<b>Subscriptions</b>	11,902,545.96
<b>Redemptions</b>	9,800,432.26
<b>Total 2</b>	21,702,978.22
<b>Monthly average of total assets</b>	163,827,334.85
<b>Turnover rate</b>	-6.78%

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

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

### 2.4.3. Amount of commitments in respect of financial derivatives positions

Nil



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

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		Totaal
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	
2017 - 08*	12,806.31		14,216.02		70,694.85		70,694.85
2018 - 08*	3,728.98		8,986.94		65,436.89		65,436.89
2019 - 02*	4,711.68		3,900.45		66,248.12		66,248.12

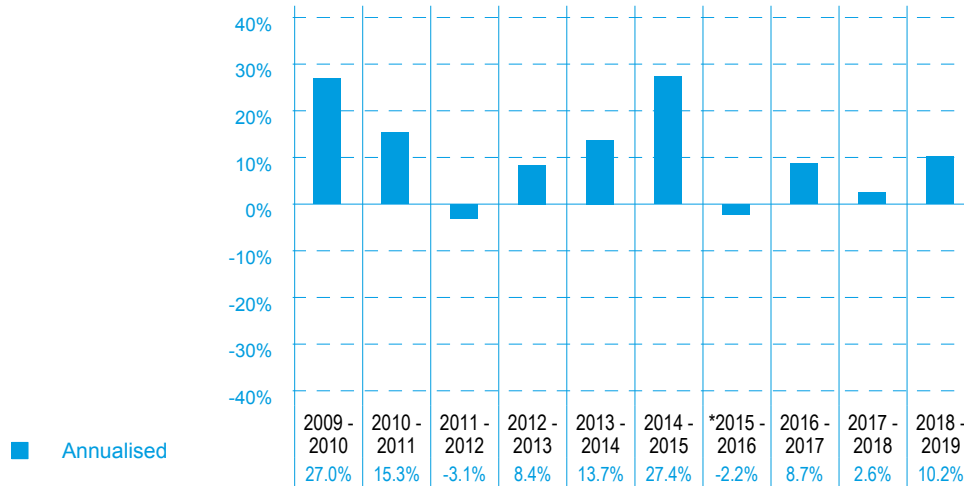
Period	Amounts received and paid by the UCITS (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2017 - 08*	29,732,803.32		33,167,228.19	
2018 - 08*	9,015,871.30		21,536,757.01	
2019 - 02*	11,936,219.49		9,826,049.42	

Period	Net asset value End of period (in the currency of the sub-fund)		
	Of the sub-fund	Of one share	
		Capitalization	Distribution
2017 - 08*	168,491,011.52	2,383.36	
2018 - 08*	166,567,427.66	2,545.47	
2019 - 02*	172,045,625.77	2,596.99	

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

## 2.4.5. Performance figures

BE0153263034  
KBC Select Immo Belgium Plus CAP  
Annual performance on 28/02/2019 (in EUR)



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	Starting date	Share classes
CAP	BE0153263034	EUR	10.16%		7.09%		8.88%		10.34%		24/03/1995	7.16%

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(period of 12 months prior to the half-yearly closing).
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:  
Capitalisation units (CAP)  
Return on date D over a period of X years :  
$$[\text{NIW}(D) / \text{NIW}(Y)]^{1 / X} - 1$$
  
where Y = D-X  
Return on date D since the start date S of the unit:  
$$[\text{NIW}(D) / \text{NIW}(S)]^{1 / F} - 1$$
  
where F = 1 if the unit has existed for less than one year on date D  
where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation shares.

## 2.4.6. Costs

### Ongoing Charges:

Capitalisation : 1.725%

Percentage calculated at reporting date: 28 February 2019 (period of 12 months prior to the half-yearly closing).

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

### Existence of Commission Sharing Agreements

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

Broker	Commission gross in EUR paid during the period 1-09-2018 - 28-02-2019	CSA Credits in EUR accrued during the period: 1-09-2018 - 28-02-2019	Percentage
EQ CSA KBCSEC	2.533,81	723,95	28,57%
MERRILL	461,42	131,84	28,57%

### Existence of 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 70% if the distributor is an entity of KBC Groep NV or to between 35% and 70% if the distributor is not an entity of KBC Groep 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.

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

## 2.4.7. Notes to the financial statements and other data

Fee for managing the investment portfolio	1.50%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The management fee is payable at the end of each month
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund and is payable at the end of each month.
Custodian's fee	Max 0.04%	per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year
Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges' for this non-structured sub-fund.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	

### 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 undertaking for collective investment in transferable securities(UCITS) has entered into securities lending transactions, whereby the title to the securities that have been lent has been transferred, without recognition of that transfer of ownership in the accounts. For the period from 01/09/2018 to 28/02/2019, the realised net income for the UCITS amounts to 28.870,89 EUR and for the Management Company 11.548,36 EUR. Direct and indirect costs and charges are deducted from the gross income. These 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 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. The undertaking for collective investment in transferable securities will thus receive 65% of the fee received for securities lent. The number of securities lent varied between 1 and 3, with a market value fluctuating between 116.421,60 and 4.081.723,92 EUR. The detailed list of securities lending transactions carried out may be obtained from the registered office of the undertaking for collective investment in transferable securities at Havenlaan 2, 1080 Brussels. During the reporting period, securities lending transactions were effected in relation to the following securities lending systems:

Manager of the securities lending system: Goldman Sachs

Type of securities lending transactions effected: the lending transactions are effected through the agency of a Lending Agent.

Nature of the lent securities: the securities lending applies only to the equity portion of the portfolio.

Nature of the financial collateral: government bonds issued by Austria, Belgium, Germany, the Netherlands, Luxembourg, the UK, France, the US and Switzerland and supranational bonds denominated in EUR, USD or GBP issued by the EIB or the KFW.

Reinvestment of the financial collateral received: no reinvestment takes place.

- Section II, entitled 'Income and expenditure relative to the investments', contains the net results of transactions in respect of the lending of securities including the result generated by reinvesting financial guarantees tendered in the context of lending bonds

Overview of securities lent as at 28/02/2019

Name	Currency	Quantity	Price	Value in currency of the portfolio
COFINIMMO	EUR	16,124.00	114.2	1,841,360.80
			<b>Total</b>	<b>1,841,360.80</b>

### 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	19,000.00	EUR	19,168.15
DEUTSCHE BUNDESREP UBLIK 0.0 04JUL22	EUR	169.00	EUR	170.20
EUROPEAN INVESTMENT BAN 0.0 15MAR38	GBP	2,000,000.00	EUR	1,972,189.61
			<b>Total</b>	<b>1,991,527.96</b>

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;	1,08	%
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)	1.841.360,80	EUR
proportion of the collective investment undertaking's assets under management (AUM)	1,07	%

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>
EUROPEAN INVESTMENT BANK	1.972.189,61	EUR
REPUBLIC OF AUSTRIA	19.168,15	EUR
FEDERAL REPUBLIC OF GERMANY	170,20	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)	UBS AG	Switzerland	1.841.360,80	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 – Bloomberg composite rating: 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: see table below;			
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

collateral	quality	Currency	Maturity tenor
REPUBLIC OF AUSTRI 0.0 15JUL23 144A	AA+	EUR	above one year
EUROPEAN INVESTMENT BAN 0.0 15MAR38	AAA	EUR	above one year
DEUTSCHE BUNDESREPUBLIK 0.0 04JUL22	NR	EUR	above one year

Data on reuse of collateral:

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

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

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

<u>number</u>	<u>Name collateral custodian</u>	<u>Market value on a settled basis</u>	<u>currency</u>
1	Bank of New York	1.991.527,97	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
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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	44.416,76	11.548,36	3.997,51
percentage of overall returns	100,00%	26,00%	9,00%
cost EUR	15.545,87		
percentage of overall returns	35,00 %		

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# 2. Information on KBC Select Immo Europe Plus

## 2.1. Management report

### 2.1.1. Launch date and subscription price

#### Classic Shares Distribution

Launch date:	1 September 2014
Initial subscription price:	1 037.98 EUR
Currency:	EUR

#### Classic Shares Capitalisation

Launch date:	6 March 1998
Initial subscription price:	20 000 BEF
Currency:	EUR

#### Institutional B Shares Capitalisation

Launch date:	23 May 2017
Initial subscription price:	1 288.32 EUR
Currency:	EUR

### 2.1.2. Stock exchange listing

Not applicable.

### 2.1.3. Goal and key principles of the investment policy

#### Object of the sub-fund

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

#### Sub-fund's investment policy

##### Permitted asset classes

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

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

##### Restrictions of the investment policy

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

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

##### Permitted derivatives transactions

**Derivatives 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. The use of derivatives does not, therefore, affect the 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 are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors.**

### **Strategy selected**

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

### **Volatility of the net asset value**

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

### **Securities Financing Transactions (SFTs)**

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.1. Securities Financing Transactions (SFTs)'.

### **General strategy for hedging the exchange risk**

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

### **Social, ethical and environmental aspects**

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

## **2.1.4. Financial portfolio management**

There is no delegation of the management of the asset allocation.

## **2.1.5. Distributors**

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

## 2.1.6. Index and benchmark

Not applicable.

## 2.1.7. Policy pursued during the financial year

The gearing ratio of property companies has been kept under control in an environment of rising interest rates. Borrowing costs, which represent the average for recent years, have generally declined a little further, while portfolio valuations rose slightly. As a result, property companies continue to focus on refinancing and acquiring cheap capital to ensure their future growth.

Property companies are also likely to be willing to sell buildings and thus recycle the capital invested. In this way, property companies are already anticipating the financing needs of future projects.

In operational terms, we see that property companies are still generally doing well, with rising operational cash flows and dividends as a result. The current market conditions are challenging property companies to buy real estate aggressively, which is why they are paying higher dividends.

The valuation of the real estate market had become a little less challenging in the past few quarters and is now on the fair side. Property companies are generally making a little more profit than they were a year ago, while prices have not risen to the same degree. At the same time, there is also the impact of buildings sold that no longer generate rental income. The disadvantage of this is that future cash flows may decline, remain stable or at least rise less rapidly on a recurrent basis.

In general, we believe that retail property companies are less well positioned, with a general derating as a result. Polarisation has continued to intensify between companies that can benefit from a multi-channel sales strategy on the part of tenants (via both physical stores and online means), and companies that are positioned weakly in this regard. The logistical property sector has emerged as the winner of the trend towards increased online sales. The capacity to align the distribution network with growing online sales has so far been insufficient, resulting in scarcity. This certainly hasn't done the logistical property companies any harm. In any case, their valuation has increased, which could trigger headwinds.

The office market remains mixed, depending on the region. In Europe, the recovery is not, however, proceeding at a uniform rate: it is primarily the major cities like Paris, Barcelona and Berlin that are leading the way. Rents are barely rising, at any rate, and a certain level of vacancies remains. Demand for top-end space is limited, but several construction projects are on hold until tenants signal their agreement to use the buildings in the future. In Scandinavia, the real estate market continues to have a favourable outlook and, in Southern Europe, we see further gradual improvement of the market. This is positive for the emphases placed in the real estate portfolio.

In the residential market, the fund invests primarily in niches like residential care facilities, senior citizens' homes and student accommodation. Growth is currently to be found abroad to a significant extent. What's more, the international market is even more fragmented. German residential property shares, characterised by scarcity and fair valuation, still offer growth potential.

## 2.1.8. Future policy

The gearing ratio of property companies has been kept under control in an environment of rising interest rates. Borrowing costs, which represent the average for recent years, have generally declined a little further, while portfolio valuations rose slightly. As a result, property companies continue to focus on refinancing and acquiring cheap capital to ensure their future growth.

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## 2.1.9. Synthetic risk and reward indicator (SRRI)

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

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

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

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

## 2.2. Balance sheet

<b>Balance sheet layout</b>		<b>28/02/2019</b> (in the currency of the sub-fund)	<b>28/02/2018</b> (in the currency of the sub-fund)
	<b>TOTAL NET ASSETS</b>	52,345,184.24	58,086,040.03
<b>II.</b>	<b>Securities, money market instruments, UCIs and derivatives</b>		
C.	Shares and similar instruments		
	a) Shares	52,740,238.77	58,557,176.59
D.	Other securities	1,154.80	
<b>IV.</b>	<b>Receivables and payables within one year</b>		
B.	Payables		
	c) Borrowings (-)	-384,324.61	-442,963.22
<b>V.</b>	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	53,191.55	51,799.94
<b>VI.</b>	<b>Accruals and deferrals</b>		
B.	Accrued income	16,011.71	2,525.29
C.	Accrued expense (-)	-81,087.98	-82,498.57
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	52,345,184.24	58,086,040.03
<b>A.</b>	<b>Capital</b>	54,910,626.81	55,976,643.71
<b>B.</b>	<b>Income equalization</b>	-17,968.59	-5,608.83
<b>D.</b>	<b>Result of the period</b>	-2,547,473.98	2,115,005.15
<hr/>			
	<b>Off-balance-sheet headings</b>		
<b>IX.</b>	Financial instruments lent		

## 2.3. Profit and loss account

<b>Income Statement</b>		<b>28/02/2019</b> (in the currency of the fund)	<b>28/02/2018</b> (in the currency of the fund)
<b>I.</b>	<b>Net gains(losses) on investments</b>		
C.	Shares and similar instruments		
	a) Shares	-2,739,179.48	2,257,999.49
D.	Other securities	-3,678.42	
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	462,416.14	235,123.89
	<b>Det.section I gains and losses on investments</b>		
	Realised gains on investments	3,783,165.37	1,885,045.41
	Unrealised gains on investments	-4,575,752.50	1,045,016.62
	Realised losses on investments	-1,741,198.47	-362,598.39
	Unrealised losses on investments	253,343.85	-74,340.26
<b>II.</b>	<b>Investment income and expenses</b>		
A.	Dividends	238,234.54	186,111.41
B.	Interests		
	a) Securities and money market instruments	185.88	109.84
	b) Cash at bank and in hand and deposits	382.03	154.83
C.	Interest on borrowings (-)	-362.49	-556.11
F.	Other investment income	10.63	1,880.63
<b>III.</b>	<b>Other income</b>		
A.	Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	10,900.29	18,971.56
B.	Other		178.60
<b>IV.</b>	<b>Operating expenses</b>		
A.	Investment transaction and delivery costs (-)	-77,625.28	-53,390.43
B.	Financial expenses (-)	-269.10	-391.44
C.	Custodian's fee (-)		-23,843.98
D.	Manager's fee (-)		
	a) Financial management		
	Classic Shares	-342,918.95	-359,426.81
	Institutional B Shares	-51,133.25	-88,936.09
	b) Administration and accounting management	-26,910.76	-29,890.85
E.	Administrative expenses (-)	-999.51	-940.85
F.	Formation and organisation expenses (-)	-4,402.71	-3,749.61
H.	Services and sundry goods (-)	-2,929.22	-6,581.85
J.	Taxes		
	Classic Shares	-14,974.36	-23,953.65
	Institutional B Shares	-21.93	-523.44
K.	Other expenses (-)	5,801.96	6,660.01
	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	-267,032.23	-378,118.18
<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	-2,547,473.98	2,115,005.15
<b>VII.</b>	<b>Result of the period</b>	-2,547,473.98	2,115,005.15

## 2.4. Composition of the assets and key figures

### 2.4.1. Composition of the assets of KBC Select Immo Europe Plus

Name	Quantity on 28/02/2019	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Belgium</u>							
AEDIFICA -	8,385.00	EUR	80.700	676,669.50		1.28	1.29
COFINIMMO -	553.00	EUR	114.200	63,152.60		0.12	0.12
MONTEA SCA M	2,887.00	EUR	58.400	168,600.80		0.32	0.32
RETAIL ESTATES -	2,953.00	EUR	80.400	237,421.20		0.45	0.45
SHURGARD SELF STORAGE EUROPE S -	36,205.00	EUR	27.280	987,672.40		1.87	1.89
VGP NV -	1,834.00	EUR	69.600	127,646.40		0.24	0.24
WAREHOUSE DISTR. DE PAUW -	1,648.00	EUR	129.600	213,580.80		0.41	0.41
XIOR STUDENT HOUSING NV -	29,202.00	EUR	40.400	1,179,760.80		2.24	2.25
<u>Canada</u>							
DREAM GLOBAL REAL ESTATE INVESTM -	60,517.00	CAD	13.550	546,797.82		1.04	1.05
<u>Cyprus</u>							
AROWNTOWN PROPERTY HOLD SA -	337,068.00	EUR	7.400	2,494,303.20		4.73	4.76
<u>Finland</u>							
KOJAMO OYJ -	13,270.00	EUR	9.471	125,680.17		0.24	0.24
<u>France</u>							
COVIVIO -	927.00	EUR	89.000	82,503.00		0.16	0.16
GECINA REG	22,577.00	EUR	130.400	2,944,040.80		5.58	5.62
ICADE EMGP -	19,861.00	EUR	74.850	1,486,595.85		2.82	2.84
KLEPIERRE (GIE FONCIERE) -	22,709.00	EUR	30.690	696,939.21		1.32	1.33
UNIBAIL-RODAMCO SE -	24,462.00	EUR	142.000	3,473,604.00		6.59	6.64
<u>Germany</u>							
ADO PROPERTIES SA -	28,942.00	EUR	50.450	1,460,123.90		2.77	2.79
ALSTRIA OFFICE AG -	5,706.00	EUR	13.310	75,946.86		0.14	0.14
DEUTSCHE WOHNEN AG -	92,998.00	EUR	41.000	3,812,918.00		7.23	7.28
GSW IMMOBILIEN AG -	2.00	EUR	99.000	198.00			
LEG IMMOBILIEN AG -	9,190.00	EUR	98.160	902,090.40		1.71	1.72
TAG IMMOBILIEN AG -	14,759.00	EUR	20.360	300,493.24		0.57	0.57
TLG IMMOBILIEN AG -	35,983.00	EUR	25.500	917,566.50		1.74	1.75
VIB VERMOEGEN AG -	42,926.00	EUR	22.700	974,420.20		1.85	1.86
VONOVIA SE -	109,581.00	EUR	42.640	4,672,533.84		8.86	8.93
<u>Guernsey The Channel Islands</u>							
MEDICX FUND LTD -	175,561.00	GBP	0.936	191,946.15		0.36	0.37
<u>Ireland</u>							
GREEN REIT PLC -	721,059.00	EUR	1.474	1,062,840.97		2.02	2.03
IRISH RESIDENTIAL PROPERTIES R -	389,975.00	EUR	1.560	608,361.00		1.15	1.16
<u>Netherlands</u>							
NSI NV -	737.00	EUR	36.650	27,011.05		0.05	0.05
<u>Norway</u>							
ENTRA ASA -	5,271.00	NOK	120.000	64,995.50		0.12	0.12
<u>Spain</u>							
ARIMA REAL ESTATE SOCIMI SA -	20,000.00	EUR	9.600	192,000.00		0.36	0.37
INMOBILIARIA COLONIAL SOCIMI SA -	235,523.00	EUR	9.065	2,135,016.00		4.05	4.08
MERLIN PROPERTIES SOCIMI SA -	90,645.00	EUR	11.410	1,034,259.45		1.96	1.98
<u>Sweden</u>							
CATENA AB -	67,855.00	SEK	258.500	1,668,777.23		3.16	3.19
FABEGE AB -	137,984.00	SEK	124.080	1,628,870.20		3.09	3.11
FASTIGHETS AB BALDER -B-	9,092.00	SEK	271.800	235,106.61		0.45	0.45
HEMBLA AB -	19,826.00	SEK	170.000	320,656.46		0.61	0.61
HUFVUDSTADEN AB "A"	31,754.00	SEK	149.200	450,737.02		0.86	0.86
NYFOSA AB -	5,486.00	SEK	53.330	27,834.50		0.05	0.05
<u>Switzerland</u>							
PSP SWISS PROPERTY AG -	6,358.00	CHF	101.600	569,465.16		1.08	1.09
SWISS PRIME SITE -	9,871.00	CHF	84.250	733,135.06		1.39	1.40
<u>U.K.</u>							



BIG YELLOW GROUP PLC -	85,582.00	GBP	9.805	980,179.31		1.86	1.87
BRITISH LAND CO PLC -	56,275.00	GBP	6.042	397,165.69		0.75	0.76
DERWENT LONDON PLC -	38,922.00	GBP	32.660	1,484,864.53		2.82	2.84
GREAT PORTLAND ESTATES -	19,410.00	GBP	7.618	172,719.75		0.33	0.33
HAMMERSON PLC -	170,489.00	GBP	3.817	760,140.77		1.44	1.45
LAND SECURITIES GROUP PLC -	117,125.00	GBP	8.996	1,230,763.35		2.33	2.35
LONDON METRIC PROPERTY PLC -	329,526.00	GBP	1.925	740,961.98		1.41	1.42
NEWRIVER REIT PLC -	10,315.00	GBP	2.190	26,386.93		0.05	0.05
PHOENIX SPREE DEUTSCHLAND LTD -	150,661.00	GBP	3.500	615,948.49		1.17	1.18
SAFESTORE HOLDINGS PLC -	132,818.00	GBP	6.125	950,251.43		1.80	1.82
SEGRO PLC -	433,004.00	GBP	6.610	3,343,250.13		6.34	6.39
TRITAX BIG BOX REIT PLC -	689,570.00	GBP	1.423	1,146,195.67		2.17	2.19
UNITE GROUP PLC -	119,236.00	GBP	9.155	1,275,091.20		2.42	2.44
WORKSPACE GROUP PLC -	3,842.00	GBP	9.815	44,047.69		0.08	0.08
Total shares				52,740,238.77		100.00	100.76
<b>Rights</b>							
Belgium							
MONTEA SCA CP 22/02/2019	2,887.00	EUR	0.400	1,154.80		0.00	0.00
Total rights				1,154.80		0.00	0.00
<b>TOTAL SECURITIES PORTFOLIO</b>				<b>52,741,393.57</b>		<b>100.00</b>	<b>100.76</b>
<b>CASH AT BANK AND IN HAND</b>							
<b>Demand accounts</b>							
Belgium							
KBC GROUP AUD	4,260.26	AUD	1.000	2,661.75			0.01
KBC GROUP CAD	41,118.59	CAD	1.000	27,418.79			0.05
KBC GROUP CHF	249.56	CHF	1.000	220.00			
KBC GROUP EURO	-361,223.46	EUR	1.000	-361,223.46			-0.69
KBC GROUP GBP	-2,132.07	GBP	1.000	-2,490.45			-0.01
KBC GROUP HKD	1,714.12	HKD	1.000	191.77			
KBC GROUP JPY	195,703.00	JPY	1.000	1,543.88			0.00
KBC GROUP NOK	12,743.40	NOK	1.000	1,309.47			0.00
KBC GROUP SEK	-216,639.07	SEK	1.000	-20,610.70			-0.04
KBC GROUP SGD	22,853.88	SGD	1.000	14,853.69			0.03
KBC GROUP TRY	1,301.38	TRY	1.000	214.26			
KBC GROUP USD	5,440.64	USD	1.000	4,777.94			0.01
Total demand accounts				-331,133.06			-0.63
<b>TOTAL CASH AT BANK AND IN HAND</b>				<b>-331,133.06</b>			<b>-0.63</b>
<b>OTHER</b>							
Interest receivable		EUR		16,011.71			0.03
Expenses payable		EUR		-81,087.98			-0.15
<b>TOTAL OTHER</b>				<b>-65,076.27</b>			<b>-0.12</b>
<b>TOTAL NET ASSETS</b>				<b>52,345,184.24</b>			<b>100.00</b>

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

	31/08/2017	28/02/2018	31/08/2018	28/02/2019
Austria	4.90	5.34	0.00	0.00
Belgium	1.85	1.80	3.03	6.33
Canada	0.00	0.71	1.03	1.05
Switzerland	2.43	2.48	2.44	2.48
Cyprus	4.15	4.18	5.82	4.76
Germany	21.80	20.26	22.84	25.04
Spain	7.25	7.30	7.02	6.41
Finland	0.00	0.00	0.00	0.24
France	17.77	17.17	16.62	16.56
U.K.	24.20	26.36	26.21	25.14
Ireland	3.09	3.93	4.15	3.19
Italy	3.54	3.26	3.75	0.00
Netherlands	0.00	1.46	1.41	0.05
Norway	0.00	0.00	0.00	0.12
Sweden	8.96	5.69	5.62	8.26
Guernsey The Channel Islands	0.06	0.06	0.06	0.37
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

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

	31/08/2017	28/02/2018	31/08/2018	28/02/2019
Consum(cycl)	0.00	0.00	0.00	1.88
Financials	0.07	0.07	0.55	-0.26
Real est.	99.93	99.93	99.45	98.38
TOTAL	100.00	100.00	100.00	100.00

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

	31/08/2017	28/02/2018	31/08/2018	28/02/2019
AUSTRALIAN DOLLAR	0.00	0.00	0.00	0.01
CANADIAN DOLLAR	0.00	0.72	1.05	1.10
SWISS FRANC	2.51	2.49	2.45	2.48
EURO	64.32	64.39	64.56	62.52
POUND STERLING	24.26	26.65	26.28	25.51
NORWEGIAN KRONE	-0.08	0.00	0.00	0.12
SWEDISH KRONA	8.96	5.72	5.63	8.22
SINGAPORE DOLLAR	0.02	0.02	0.02	0.03
US DOLLAR	0.01	0.01	0.01	0.01
TOTAL	100.00	100.00	100.00	100.00

### 2.4.2. Changes in the composition of the assets of KBC Select Immo Europe Plus (in the currency of the sub-fund)

	1 <sup>st</sup> half of year
<b>Purchases</b>	23,745,534.97
<b>Sales</b>	30,898,036.89
<b>Total 1</b>	54,643,571.86
<b>Subscriptions</b>	3,068,508.23
<b>Redemptions</b>	10,168,690.07
<b>Total 2</b>	13,237,198.30
<b>Monthly average of total assets</b>	54,321,991.14
<b>Turnover rate</b>	76.22%

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

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

### 2.4.3. Amount of commitments in respect of financial derivatives positions

Nil

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

### Classic Shares

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2017 - 08*	19,515.12	1,607.00	40,528.00	6,732.85	25,334.04	11,355.18	36,689.22
2018 - 08*	1,243.21	4,864.00	5,753.32	2,590.86	20,823.93	13,628.32	34,452.25
2019 - 02*	476.16	542.00	2,032.90	1,171.00	19,267.19	12,999.32	32,266.51

Period	Amounts received and paid by the UCITS (in the currency of the class)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2017 - 08*	23,535,940.40	1,787,852.42	50,447,630.46	7,805,938.98
2018 - 08*	1,717,806.58	6,180,634.23	7,963,435.51	3,335,214.90
2019 - 02*	688,072.00	693,596.74	2,902,530.85	1,497,341.28

Period	Net asset value End of period (in the currency of the class)		
	Of the class	Of one share	
		Capitalization	Distribution
2017 - 08*	46,729,088.93	1,299.55	1,215.85
2018 - 08*	50,508,575.14	1,520.71	1,382.52
2019 - 02*	45,043,615.19	1,464.38	1,294.62

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

### Institutional B Shares

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2017 - 08*	10,085.22		486.00		9,599.22		9,599.22
2018 - 08*	4,324.70		6,047.00		7,876.93		7,876.93
2019 - 02*	1,167.76		4,069.00		4,975.69		4,975.69

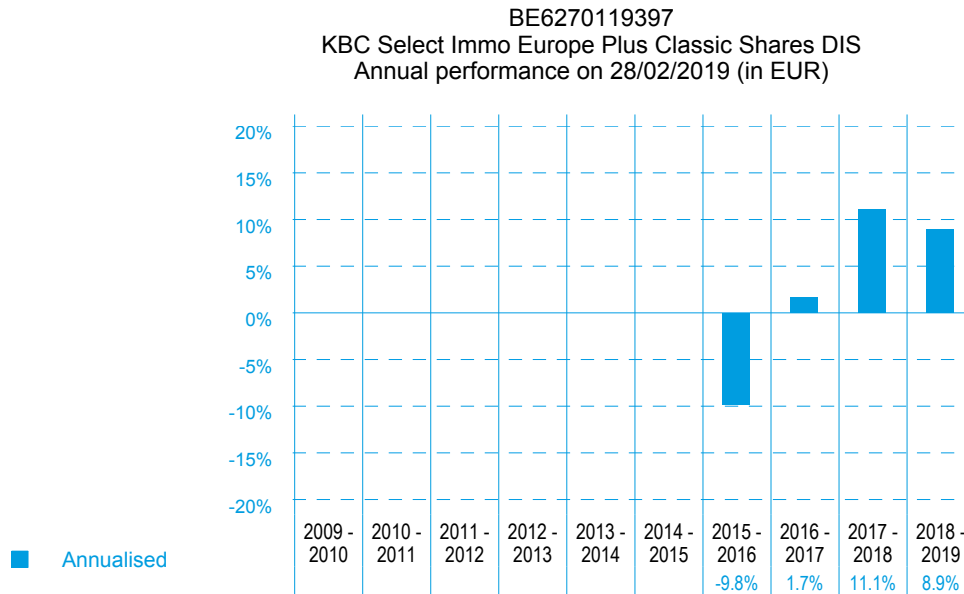
Period	Amounts received and paid by the UCITS (in the currency of the class)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2017 - 08*	13,032,514.93		630,641.60	
2018 - 08*	6,095,363.63		8,439,830.50	
2019 - 02*	1,697,176.96		5,808,741.52	

Period	Net asset value End of period (in the currency of the class)		
	Of the class	Of one share	
		Capitalization	Distribution
2017 - 08*	12,472,136.90	1,299.29	
2018 - 08*	11,984,147.70	1,521.42	
2019 - 02*	7,301,569.05	1,467.45	

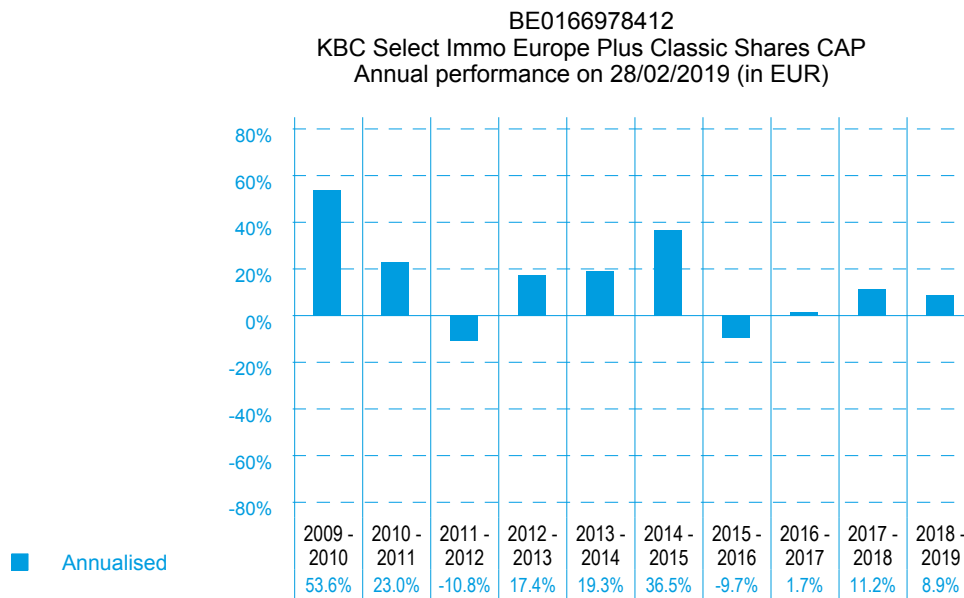
\*The financial year does not coincide with the calendar year.

## 2.4.5. Performance figures

### Classic Shares



### 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	Starting date	Share classes
DIS	BE6270119397	EUR	8.91%		7.16%						01/09/2014	8.61%
CAP	BE0166978412	EUR	8.93%		7.18%		8.69%		13.59%		06/03/1998	5.30%

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 (period of 12 months prior to the half-yearly closing).
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

### Capitalisation units (CAP)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

### Distribution units (DIV)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

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

For dividend i on date Di with value Wi:

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

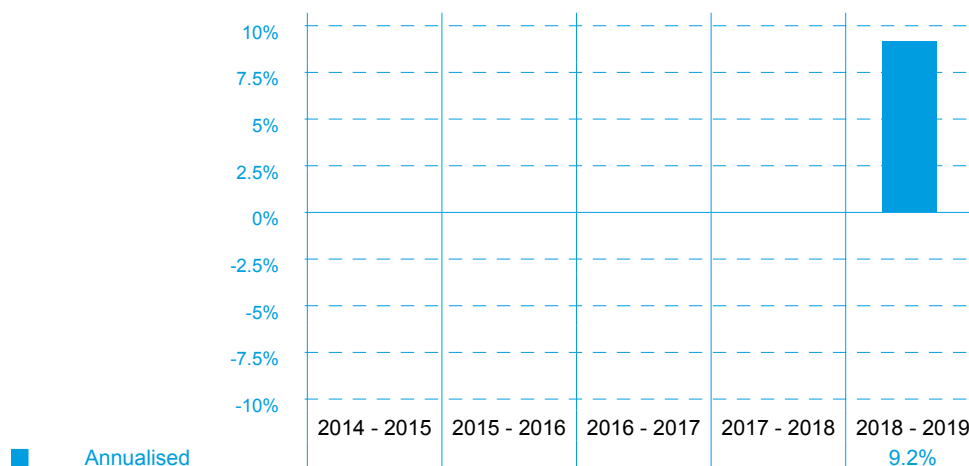
i = 1 ... N

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

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

## Institutional B Shares

BE6294997851  
KBC Select Immo Europe Plus Institutional B Shares CAP  
Annual performance on 28/02/2019 (in EUR)



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	Starting date	Share classes
CAP	BE6294997851	EUR	9.15%								23/05/2017	7.63%

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

\* Return on annual basis.

## Institutional B Shares

- The bar chart shows the performance for full financial years(period of 12 months prior to the half-yearly closing).
- 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 nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation shares.

## 2.4.6. Costs

### Ongoing Charges:

Classic Shares Distribution : 1.729%  
Classic Shares Capitalisation : 1.714%  
Institutional B Shares Capitalisation : 1.513%

Percentage calculated at reporting date: 28 February 2019 (period of 12 months prior to the half-yearly closing).

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

### Existence of Commission Sharing Agreements

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

Broker	Commission gross in EUR paid during the period 1-09-2018 - 28-02-2019	CSA Credits in EUR accrued during the period: 1-09-2018 - 28-02-2019	Percentage
CARNEGIE	2.436,24	668,07	27,42%
CITI	911,95	167,84	18,40%
CSFBSAS	1.139,59	304,26	26,70%
DEUTSCHE	289,35	111,57	38,56%
EQ CSA GOLDMAN SACHS INTERNATIONAL	1.516,49	517,68	34,14%
EQ CSA ING	181,24	51,78	28,57%
EQ CSA KBCSEC	2.318,77	603,27	26,02%
HSBC	3.421,50	971,47	28,39%
INSTINET	608,26	229,19	37,68%
MACQUARIE	3.547,85	1.119,48	31,55%
MERRILL	4.317,46	1.619,00	37,50%
MORGAN STANLEY	516,07	147,45	28,57%
SOCGEN	3.853,02	1.052,04	27,30%
UBSWDR	1.143,88	396,20	34,64%

### Existence of 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 70% if the distributor is an entity of KBC Groep NV or to between 35% and 70% if the distributor is not an entity of KBC Groep 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.

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

## 2.4.7. Notes to the financial statements and other data

### Classic Shares

Fee for managing the investment portfolio	Max 1.50%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The management fee is payable at the end of each month
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund and is payable at the end of each month.
Custodian's fee	Max 0.04%	per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year
Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges' for this non-structured sub-fund.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	

### Institutional B Shares

Fee for managing the investment portfolio	Max 1.50%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The management fee is payable at the end of each month
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund and is payable at the end of each month.
Custodian's fee	Max 0.04%	per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year
Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges' for this non-structured sub-fund.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	

### 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 undertaking for collective investment in transferable securities(UCITS) has entered into securities lending transactions, whereby the title to the securities that have been lent has been transferred, without recognition of that transfer of ownership in the accounts. For the period from 01/09/2018 to 28/02/2019, the realised net income for the UCITS amounts to 120,82 EUR and for the Management Company 48,33 EUR. Direct and indirect costs and charges are deducted from the gross income. These 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 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. The undertaking for collective investment in transferable securities will thus receive 65% of the fee received for securities lent. The number of securities lent varied between 0 and 1, with a market value fluctuating between 0,00 and 247.940,00 EUR. The detailed list of securities lending transactions carried out may be obtained from the registered office of the undertaking for collective investment in transferable securities at Havenlaan 2, 1080 Brussels. During the reporting period, securities lending transactions were effected in relation to the following securities lending systems:

Manager of the securities lending system: Goldman Sachs

Type of securities lending transactions effected: the lending transactions are effected through the agency of a Lending Agent.

Nature of the lent securities: the securities lending applies only to the equity portion of the portfolio.

Nature of the financial collateral: government bonds issued by Austria, Belgium, Germany, the Netherlands, Luxembourg, the UK, France, the US and Switzerland and supranational bonds denominated in EUR, USD or GBP issued by the EIB or the KFW.

Reinvestment of the financial collateral received: no reinvestment takes place.

- Section II, entitled 'Income and expenditure relative to the investments', contains the net results of transactions in respect of the lending of securities including the result generated by reinvesting financial guarantees tendered in the context of lending bonds

### **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);

name collateral issuer	Market value on a settled basis	currency
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:

<u>1) Type and quality of collateral;</u>	<u>equity (Goldman Sachs)</u>	<u>equity (KBC Bank)</u>	<u>bonds (Société Générale)</u>
type	Nil	Nil	Nil
quality – Bloomberg composite rating: 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: see table below;			
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>	<u>Maturity tenor</u>
Nil	Nil	Nil	Nil

Data on reuse of collateral:

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

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

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

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

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

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

Nil

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

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

<u>Lending program: equity (Goldman Sachs)</u>	<u>collective investment undertaking</u>	<u>manager of the collective investment undertaking</u>	<u>agent lender</u>
return EUR	185,88	48,33	16,73
percentage of overall returns	100,00%	26,00%	9,00%
cost EUR	65,06		
percentage of overall returns	35,00 %		

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# 2. Information on KBC Select Immo World Plus

## 2.1. Management report

### 2.1.1. Launch date and subscription price

#### Classic Shares Capitalisation

Launch date:	6 March 1998
Initial subscription price:	20 000 BEF
Currency:	EUR

#### Classic Shares Distribution

Launch date:	6 March 1998
Initial subscription price:	20 000 BEF
Currency:	EUR

#### Institutional B Shares Capitalisation

Launch date:	23 May 2017
Initial subscription price:	1 492.85 EUR
Currency:	EUR

### 2.1.2. Stock exchange listing

Not applicable.

### 2.1.3. Goal and key principles of the investment policy

#### Object of the sub-fund

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

#### Sub-fund's investment policy

##### Permitted asset classes

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

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

##### Restrictions of the investment policy

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

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

##### Permitted derivatives transactions

**Derivatives 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. The use of derivatives does not, therefore, affect the 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 are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors.**

### **Strategy selected**

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

### **Volatility of the net asset value**

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

### **Securities Financing Transactions (SFTs)**

A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.1. Securities Financing Transactions (SFTs)'.

### **General strategy for hedging the exchange risk**

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

### **Social, ethical and environmental aspects**

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

## **2.1.4. Financial portfolio management**

There is no delegation of the management of the asset allocation.

## **2.1.5. Distributors**

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

## **2.1.6. Index and benchmark**

Not applicable.

## **2.1.7. Policy pursued during the financial year**

During the reporting period, there was once again considerable commotion on the global listed property market, as a result of which the fund had to relinquish part of the previously accumulated gains.

An overall downtrend was recorded between late August and early January, interrupted only by an upward interlude between mid-October and early December. However, a substantial recovery followed from January onwards.

The sentiment in the property market was coloured by the initially strong American economy and job figures. At the same time, US interest rates continued to move unimpeded towards their peak of over 3.2% in November. Due to the trade sanctions between the major global powers, the US and China, investor sentiment in the property market reversed. This was even more the case when the IMF also significantly reduced its growth prospects for the global economy. Rising interest rates, the prospect of the US Federal Reserve hiking rates further and a growing risk of a slowdown in economic growth all contributed to an unfavourable real estate environment and a severe correction at the end of 2018.

In the previous reporting period, the fund was mainly invested in North American real estate. However, over the past few months, we became a little more cautious about American real estate because of the expected rise in interest rates. Because of this risk, there was less invested in US health care property. We also reduced our exposure to retail property, but maintained the logistical property segment and some specific real estate niches such as data centres.

The remainder was invested in Asia and Europe, which, due to a slower growing economy, had a lower risk of interest-rate rises. European real estate closed with barely positive figures. The fact that European property shares underperformed is partly due to the disappointing and downwardly revised growth prospects and increasing uncertainty. For example, the Brexit negotiations weighed heavily on sentiment. We positioned the fund in real estate segments that are less sensitive to the economic cycle to counter this issue, or in segments that have good fundamentals and growth prospects, such as German residential and industrial property. The weighting of European real estate shares was reduced throughout the reporting period.

Asian real estate performed extremely well during the past reporting period, driven by an improvement in the balance between supply and demand for real estate. Asian property companies held up relatively well during the severe correction at the end of 2018. The weight of Asian shares was raised over the reporting period.

## 2.1.8. Future policy

The gearing ratio of property companies has been kept under control in an environment of rising interest rates. Borrowing costs, which represent the average for recent years, have generally declined a little further, while portfolio valuations rose slightly. As a result, property companies continue to focus on refinancing and acquiring cheap capital to ensure their future growth.

Property companies are also likely to be willing to sell buildings and thus recycle the capital invested. In this way, property companies are already anticipating the financing needs of future projects.

In operational terms, we see that property companies are still generally doing well, with rising operational cash flows and dividends as a result. The current market conditions are challenging property companies to buy real estate aggressively, which is why they are paying higher dividends.

The valuation of the real-estate market had become a little less challenging in the past few quarters and is now on the fair side. Property companies are generally making a little more profit than they were a year ago, while prices have not risen to the same degree. At the same time, there is also the impact of buildings sold that no longer generate rental income. The disadvantage of this is that future cash flows may decrease or remain stable on a recurrent basis.

In general, we believe that retail property companies are less well positioned, with a general derating as a result. Polarisation has continued to intensify between companies that can benefit from a multi-channel sales strategy on the part of tenants (via both physical stores and online means), and companies that are positioned weakly in this regard. The logistical property sector has emerged as the winner of the trend towards increased online sales. The capacity to align the distribution network with growing online sales has so far been insufficient, resulting in scarcity. This certainly hasn't done the logistical property companies any harm. In any case, their valuation has increased, which could trigger headwinds.

The office market remains mixed, depending on the region. The North American coastal areas generally have different and better drivers compared with other regions in the US. In Europe, the recovery is not, however, proceeding at a uniform rate: it is primarily the major cities like Paris, Barcelona and Berlin that are leading the way.

Rents are barely rising, at any rate, and a certain level of vacancies remains. Demand for top-end space is limited, but several construction projects are on hold until tenants signal their agreement to use the buildings in the future.

In the residential market, the fund invests primarily in niches like residential care facilities, senior citizens' homes and student accommodation. Growth is currently to be found abroad to a significant extent. What's more, the international market is even more fragmented. German residential property shares, characterised by scarcity and fair valuation, still offer growth potential.

## 2.1.9. Synthetic risk and reward indicator (SRRI)

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

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

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

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



## 2.2. Balance sheet

<b>Balance sheet layout</b>		<b>28/02/2019</b> (in the currency of the sub-fund)	<b>28/02/2018</b> (in the currency of the sub-fund)
	<b>TOTAL NET ASSETS</b>	71,926,437.34	83,805,291.62
<b>II.</b>	<b>Securities, money market instruments, UCIs and derivatives</b>		
A.	Bonds and other debt instruments		
	a) Bonds		
	Collateral received in the form of bonds	686,209.33	
C.	Shares and similar instruments		
	a) Shares	72,556,266.66	84,522,235.87
D.	Other securities	8,216.41	106,864.55
<b>IV.</b>	<b>Receivables and payables within one year</b>		
A.	Receivables		
	a) Accounts receivable	1,546.93	350.05
B.	Payables		
	c) Borrowings (-)	-776,640.51	-994,490.60
	d) Collateral (-)	-686,209.33	
<b>V.</b>	<b>Deposits and cash at bank and in hand</b>		
A.	Demand balances at banks	135,543.54	197,223.89
<b>VI.</b>	<b>Accruals and deferrals</b>		
B.	Accrued income	115,457.59	99,249.20
C.	Accrued expense (-)	-113,953.28	-126,141.34
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	71,926,437.34	83,805,291.62
<b>A.</b>	<b>Capital</b>	70,509,398.68	88,370,070.27
<b>B.</b>	<b>Income equalization</b>	-54,867.93	-107,290.62
<b>D.</b>	<b>Result of the period</b>	1,471,906.59	-4,457,488.03
<b>Off-balance-sheet headings</b>			
I.	Collateral (+/-)		
I.A.	Collateral (+/-)		
I.A.a.	Securities/money market instruments	686,209.33	
IX.	Financial instruments lent		

## 2.3. Profit and loss account

<b>Income Statement</b>		<b>28/02/2019</b> (in the currency of the fund)	<b>28/02/2018</b> (in the currency of the fund)
<b>I.</b>	<b>Net gains(losses) on investments</b>		
C.	Shares and similar instruments		
	a) Shares	78,055.02	-3,465,456.85
D.	Other securities	-11,272.16	5,075.47
H.	Foreign exchange positions and transactions		
	a) Derivative financial instruments		
	Futures and forward contracts		3,962.99
	b) Other foreign exchange positions and transactions	1,132,880.32	-1,308,879.94
	<b>Det.section I gains and losses on investments</b>		
	Realised gains on investments	4,805,452.70	3,684,534.13
	Unrealised gains on investments	-2,363,853.75	-6,844,330.75
	Realised losses on investments	-2,570,340.91	-2,022,679.17
	Unrealised losses on investments	1,328,405.14	417,177.46
<b>II.</b>	<b>Investment income and expenses</b>		
A.	Dividends	914,546.23	1,147,316.35
B.	Interests		
	a) Securities and money market instruments	290.70	84.38
	b) Cash at bank and in hand and deposits	2,627.33	1,586.44
C.	Interest on borrowings (-)	-715.18	-1,174.28
F.	Other investment income	3,093.34	4,266.78
<b>III.</b>	<b>Other income</b>		
A.	Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	1,511.10	7,284.87
<b>IV.</b>	<b>Operating expenses</b>		
A.	Investment transaction and delivery costs (-)	-45,358.87	-28,144.82
B.	Financial expenses (-)	-346.14	-409.74
C.	Custodian's fee (-)		-37,669.11
D.	Manager's fee (-)		
	a) Financial management		
	Classic Shares	-538,920.17	-661,227.88
	Institutional B Shares	-4,685.23	-65,003.10
	b) Administration and accounting management	-36,240.34	-48,415.45
E.	Administrative expenses (-)	-998.84	-995.50
F.	Formation and organisation expenses (-)	-5,604.51	-5,434.78
H.	Services and sundry goods (-)	-4,236.16	-5,930.13
J.	Taxes		
	Classic Shares	-22,818.89	-27,400.35
	Institutional B Shares	92.12	-323.38
K.	Other expenses (-)	10,006.92	29,400.00
	<b>Income and expenditure for the period</b>		
	Subtotal II + III + IV	272,243.41	307,810.33
<b>V.</b>	<b>Profit (loss) on ordinary activities before tax</b>	1,471,906.59	-4,457,488.03
<b>VII.</b>	<b>Result of the period</b>	1,471,906.59	-4,457,488.03

## 2.4. Composition of the assets and key figures

### 2.4.1. Composition of the assets of KBC Select Immo World Plus

Name	Quantity on 28/02/2019	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Australia</u>							
CHARTER HALL RETAIL REIT -	50,918.00	AUD	4.550	144,748.31		0.20	0.20
GOODMAN GROUP -	118,056.00	AUD	12.800	944,123.46		1.30	1.31
MIRVAC GROUP -	114,530.00	AUD	2.570	183,900.60		0.25	0.26
ONEMARKET LTD -	3,331.00	AUD	0.655	1,363.16		0.00	0.00
<u>Austria</u>							
CA IMMOBILIEN ANLAGEN AG -	850.00	EUR	29.680	25,228.00		0.04	0.04
<u>Belgium</u>							
AEDIFICA -	2,997.00	EUR	80.700	241,857.90		0.33	0.34
INTERVEST -	4,369.00	EUR	22.500	98,302.50		0.14	0.14
MONTEA SCA M	8,500.00	EUR	58.400	496,400.00		0.68	0.69
RETAIL ESTATES -	608.00	EUR	80.400	48,883.20		0.07	0.07
SHURGARD SELF STORAGE EUROPE S -	4,712.00	EUR	27.280	128,543.36		0.18	0.18
VGP NV -	2,329.00	EUR	69.600	162,098.40		0.22	0.23
WAREHOUSE DISTR. DE PAUW -	1,095.00	EUR	129.600	141,912.00		0.20	0.20
XIOR STUDENT HOUSING NV -	11,863.00	EUR	40.400	479,265.20		0.66	0.67
<u>Bermuda</u>							
ROAD KING INFRASTRUCTURE -	190,000.00	HKD	15.020	319,267.00		0.44	0.44
<u>Canada</u>							
ALLIED PROPERTIES REAL ESTATE -	3,105.00	CAD	48.010	99,403.89		0.14	0.14
BOARDWALK REAL ESTATE INVESTMENTS -	675.00	CAD	41.170	18,530.82		0.03	0.03
BROOKFIELD ASSET MANAGEMENT -	1,518.00	CAD	59.440	60,167.32		0.08	0.08
CHARTWELL RETIREMENT RESIDENCES -	4,537.00	CAD	15.000	45,380.59		0.06	0.06
CHOICE PROPERTIES REAL ESTATE -	10,749.00	CAD	13.510	96,835.25		0.13	0.14
COLLIERS INTERNATIONAL GROUP I -	748.00	CAD	89.910	44,845.58		0.06	0.06
DREAM GLOBAL REAL ESTATE INVESTM -	89,423.00	CAD	13.550	807,976.29		1.11	1.12
DREAM OFFICE REAL ESTATE INVES -	8,748.00	CAD	24.850	144,959.02		0.20	0.20
H&R REAL ESTATE INV. TRUST -	22,388.00	CAD	22.710	339,033.43		0.47	0.47
<u>Cayman Islands</u>							
SHIMAO PROPERTY HOLDINGS LTD -	7,781.00	HKD	18.560	16,156.37		0.02	0.02
<u>China</u>							
AGILE GROUP HOLDINGS LTD -	16,000.00	HKD	9.810	17,559.80		0.02	0.02
CHINA AOYUAN GROUP LTD -	10,000.00	HKD	6.170	6,902.65		0.01	0.01
FUTURE LAND HOLDINGS CO LTD -	134,000.00	HKD	6.760	101,340.25		0.14	0.14
GUANGZHOU R&F PROPERTIES -	6,400.00	HKD	14.680	10,510.82		0.01	0.02
LOGAN PROPERTY HOLDINGS CO LTD -	92,000.00	HKD	11.180	115,069.47		0.16	0.16
LONGFOR PROPERTIES CO LTD -	52,500.00	HKD	23.300	136,850.29		0.19	0.19
POWERLONG REAL ESTATE HOLDINGS -	357,000.00	HKD	3.660	146,177.25		0.20	0.20
YUZHOU PROPERTIES CO LTD -	275,000.00	HKD	3.830	117,831.65		0.16	0.16
<u>Cyprus</u>							
AROUNDTOWN PROPERTY HOLD SA -	160,940.00	EUR	7.400	1,190,956.00		1.64	1.66
<u>Finland</u>							
CITYCON OYJ (HEL)	950.00	EUR	1.692	1,607.40		0.00	0.00
<u>France</u>							
COVIVIO -	1,687.00	EUR	89.000	150,143.00		0.21	0.21
GECINA REG	3,062.00	EUR	130.400	399,284.80		0.55	0.56
ICADE EMGP -	2,036.00	EUR	74.850	152,394.60		0.21	0.21
UNIBAIL-RODAMCO SE -	1,995.00	EUR	142.000	283,290.00		0.39	0.39
<u>Germany</u>							
ADO PROPERTIES SA -	10,216.00	EUR	50.450	515,397.20		0.71	0.72
ALSTRIA OFFICE AG -	12,758.00	EUR	13.310	169,808.98		0.23	0.24
DEUTSCHE WOHNEN AG -	28,440.00	EUR	41.000	1,166,040.00		1.61	1.62
LEG IMMOBILIEN AG -	5,871.00	EUR	98.160	576,297.36		0.79	0.80
TAG IMMOBILIEN AG -	14,078.00	EUR	20.360	286,628.08		0.40	0.40
TLG IMMOBILIEN AG -	8,068.00	EUR	25.500	205,734.00		0.28	0.29
VIB VERMOEGEN AG -	2,833.00	EUR	22.700	64,309.10		0.09	0.09
VONOVIA SE -	36,968.00	EUR	42.640	1,576,315.52		2.17	2.19

<u>Hong Kong</u>							
CHINA OVERSEAS LAND & INVEST LTD -	13,081.00	HKD	28.900	42,293.08		0.06	0.06
CHINA OVERSEAS PROPERTY HOLDING -	400,000.00	HKD	2.950	132,011.72		0.18	0.18
CHINA RESOURCES BEIJING LAND -	44,171.00	HKD	29.300	144,788.93		0.20	0.20
CK ASSET HOLDINGS LTD -	176,831.00	HKD	65.150	1,288,852.80		1.78	1.79
CK HUTCHISON HOLDINGS LTD -	17,500.00	HKD	83.550	163,574.27		0.23	0.23
HANG LUNG PROPERTIES LTD -	116,787.00	HKD	18.540	242,233.79		0.33	0.34
HENDERSON LAND -	43,234.00	HKD	44.400	214,752.82		0.30	0.30
HONG KONG LAND HOLDINGS -	35,200.00	USD	7.170	221,642.22		0.31	0.31
JIAYUAN INTERNATIONAL GROUP LT -	42,000.00	HKD	3.820	17,949.12		0.03	0.03
KERRY PROPERTIES LTD -	490.00	HKD	32.800	1,798.04		0.00	0.00
NEW WORLD DEV -	292,000.00	HKD	12.540	409,648.04		0.56	0.57
SINO LAND CO. -	84,000.00	HKD	14.620	137,390.64		0.19	0.19
SINO-OCEAN GROUP HOLDING LTD -	28,500.00	HKD	3.670	11,701.50		0.02	0.02
SUN HUNG KAI PROPS -	112,744.00	HKD	130.000	1,639,710.92		2.26	2.28
SWIRE PACIFIC LTD -	1,500.00	HKD	93.350	15,665.20		0.02	0.02
SWIRE PROPERTIES LTD -	201,400.00	HKD	31.500	709,742.02		0.98	0.99
THE LINK REIT -	127,961.00	HKD	88.750	1,270,505.31		1.75	1.77
WHARF (HOLDINGS) LTD. -	10,021.00	HKD	24.550	27,522.83		0.04	0.04
WHARF REAL ESTATE INVESTMENT CO LTD -	80,000.00	HKD	55.150	493,589.60		0.68	0.69
<u>Ireland</u>							
GREEN REIT PLC -	80,584.00	EUR	1.474	118,780.82		0.16	0.17
HIBERNIA REIT PLC -	26,994.00	EUR	1.284	34,660.30		0.05	0.05
IRISH RESIDENTIAL PROPERTIES R -	218,529.00	EUR	1.560	340,905.24		0.47	0.47
<u>Japan</u>							
AEON MALL CO LTD -	8,600.00	JPY	1,816.000	123,205.96		0.17	0.17
AEON REIT INVESTMENT CORP -	90.00	JPY	128,700.000	91,377.33		0.13	0.13
COMFORIA RESIDENTIAL REIT INC -	60.00	JPY	287,800.000	136,225.83		0.19	0.19
DAIWA HOUSE -	11,700.00	JPY	3,445.000	317,974.66		0.44	0.44
DAIWA HOUSE REIT INVESTMENT CO -	100.00	JPY	248,400.000	195,960.72		0.27	0.27
DAIWA OFFICE INVESTMENT CORP -	42.00	JPY	743,000.000	246,181.57		0.34	0.34
FRONTIER REAL ESTATE INVESTMENT -	14.00	JPY	460,000.000	50,804.63		0.07	0.07
GLP J-REIT -	284.00	JPY	116,300.000	260,564.64		0.36	0.36
HULIC CO LTD -	6,142.00	JPY	1,023.000	49,568.17		0.07	0.07
HULIC REIT INC -	48.00	JPY	176,900.000	66,986.38		0.09	0.09
INVESCO OFFICE J-REIT INC -	405.00	JPY	16,070.000	51,343.84		0.07	0.07
INVINCIBLE INVESTMENT CORP -	137.00	JPY	50,700.000	54,795.63		0.08	0.08
JAPAN LOGISTICS FUND INC -	20.00	JPY	223,200.000	35,216.13		0.05	0.05
JAPAN REAL ESTATE INV CORP -	44.00	JPY	645,000.000	223,887.49		0.31	0.31
JAPAN RENTAL HOUSING INVESTMEN -	256.00	JPY	87,900.000	177,519.58		0.25	0.25
JAPAN RETAIL FD INV CORP -	76.00	JPY	224,400.000	134,540.76		0.19	0.19
KENEDIX OFFICE INVESTMENT CORP -	10.00	JPY	743,000.000	58,614.66		0.08	0.08
KENEDIX RETAIL REIT CORP -	49.00	JPY	255,800.000	98,881.27		0.14	0.14
MCUBS MIDCITY INVESTMENT CORP -	349.00	JPY	98,000.000	269,816.76		0.37	0.38
MITSUBISHI ESTATE -	56,087.00	JPY	1,913.000	846,436.94		1.17	1.18
mitsui fudosan -	47,412.00	JPY	2,637.500	986,502.46		1.36	1.37
NIPPON BUILDING FUND INC -	59.00	JPY	725,000.000	337,448.46		0.47	0.47
NIPPON REIT INVESTMENT CORP -	5.00	JPY	412,500.000	16,270.89		0.02	0.02
NOMURA REAL ESTATE HOLD INC -	19,600.00	JPY	2,109.000	326,099.46		0.45	0.45
NOMURA REAL ESTATE MASTER FUND -	419.00	JPY	152,600.000	504,412.67		0.70	0.70
ORIX JREIT INC -	147.00	JPY	182,600.000	211,755.91		0.29	0.29
PREMIER INVESTMENT CORP -	134.00	JPY	132,700.000	140,279.16		0.19	0.20
SUMITOMO REALTY & DEV. -	27,158.00	JPY	4,164.000	892,125.46		1.23	1.24
TOKYO TATEMONO CO LTD -	45,900.00	JPY	1,293.000	468,197.01		0.65	0.65
TOKYU FUDOSAN HOLDINGS CORP -	45,960.00	JPY	615.000	222,983.42		0.31	0.31
UNITED URBAN INVESTMENT CORP -	103.00	JPY	172,600.000	140,247.60		0.19	0.20
<u>Mexico</u>							
FIBRA UNO ADMINISTRACION -	78,400.00	MXN	26.680	95,328.05		0.13	0.13
<u>Netherlands</u>							
EUROCOMMERCIAL PROPERTIES NV CERT.	1,657.00	EUR	25.680	42,551.76		0.06	0.06
WERELDHAVE NV (AMS)	234.00	EUR	25.650	6,002.10		0.01	0.01
<u>Norway</u>							
ENTRA ASA -	1,292.00	NOK	120.000	15,931.36		0.02	0.02
NORWEGIAN PROPERTY ASA -	40,461.00	NOK	10.000	41,576.28		0.06	0.06
<u>Philippines</u>							
MEGAWORLD CORP -	306,000.00	PHP	5.170	26,862.36		0.04	0.04
ROBINSONS LAND CORP -	82,600.00	PHP	23.400	32,819.21		0.05	0.05
<u>Singapore</u>							
CAPITALAND LTD -	2,600.00	SGD	3.420	5,779.28		0.01	0.01
CAPITAMALL TRUST -	34,466.00	SGD	2.400	53,762.12		0.07	0.08
CDL HOSPITALITY TRUSTS -	56,100.00	SGD	1.580	57,609.52		0.08	0.08
CITY DEVELOPMENTS LTD -	373.00	SGD	8.920	2,162.46		0.00	0.00
K-REIT ASIA -	101,400.00	SGD	1.230	81,062.00		0.11	0.11
MAPLETREE COMMERCIAL TRUST -	56,694.00	SGD	1.770	65,220.58		0.09	0.09
MAPLETREE INDUSTRIAL TRUST -	34,000.00	SGD	2.000	44,196.02		0.06	0.06
MAPLETREE LOGISTICS TRUST -	38,300.00	SGD	1.380	34,352.01		0.05	0.05
UOL GROUP LTD -	8,800.00	SGD	6.630	37,920.19		0.05	0.05

WING TAI HOLDINGS LTD -	145,500.00	SGD	2.020	191,024.31	0.26	0.27
<u>Spain</u>						
ARIMA REAL ESTATE SOCIMI SA -	11,968.00	EUR	9.600	114,892.80	0.16	0.16
INMOBILIARIA COLONIAL SOCIMI SA -	67,512.00	EUR	9.065	611,996.28	0.84	0.85
LAR ESPANA REAL ESTATE SOCIMI -	4,260.00	EUR	7.900	33,654.00	0.05	0.05
MERLIN PROPERTIES SOCIMI SA -	48,470.00	EUR	11.410	553,042.70	0.76	0.77
<u>Sweden</u>						
CATENA AB -	32,918.00	SEK	258.500	809,561.70	1.12	1.13
FABEGE AB -	68,013.00	SEK	124.080	802,878.23	1.11	1.12
FASTIGHETS AB BALDER -B-	5,952.00	SEK	271.800	153,910.53	0.21	0.21
HEMBLA AB -	44,211.00	SEK	170.000	715,048.04	0.99	0.99
HEMFOSA FASTIGHETER AB -	25,628.00	SEK	78.900	192,374.58	0.27	0.27
HUFVUDSTADEN AB "A"	1,423.00	SEK	149.200	20,198.99	0.03	0.03
NYFOSA AB -	12,073.00	SEK	53.330	61,255.17	0.08	0.09
PANDOX AB -	5,443.00	SEK	159.800	82,750.59	0.11	0.12
WALLENSTAM AB -B-	2,046.00	SEK	86.400	16,818.04	0.02	0.02
WIHLBORGS FASTIGHETER -	4,382.00	SEK	122.680	51,144.87	0.07	0.07
<u>Switzerland</u>						
PSP SWISS PROPERTY AG -	2,368.00	CHF	101.600	212,093.97	0.29	0.30
SWISS PRIME SITE -	4,784.00	CHF	84.250	355,315.38	0.49	0.49
<u>Taiwan</u>						
HIGHWEALTH CONSTRUCTION CORP -	408,000.00	TWD	47.750	555,910.65	0.77	0.77
RUENTEX DEVELOPMENT CO LTD -	358,000.00	TWD	48.500	495,445.88	0.68	0.69
<u>U.K.</u>						
BIG YELLOW GROUP PLC -	15,043.00	GBP	9.805	172,289.00	0.24	0.24
CAPITAL & REGIONAL PLC -	18,133.00	GBP	0.316	6,682.58	0.01	0.01
DERWENT LONDON PLC -	998.00	GBP	32.660	38,073.45	0.05	0.05
EMPIRIC STUDENT PROPERTY PLC -	41,614.00	GBP	0.966	46,956.11	0.07	0.07
HAMMERSON PLC -	2,752.00	GBP	3.817	12,270.04	0.02	0.02
LONDON METRIC PROPERTY PLC -	17,512.00	GBP	1.925	39,376.94	0.05	0.06
PHOENIX SPREE DEUTSCHLAND LTD -	10,549.00	GBP	3.500	43,127.56	0.06	0.06
SAFESTORE HOLDINGS PLC -	3,072.00	GBP	6.125	21,978.74	0.03	0.03
SEGREO PLC -	95,275.00	GBP	6.610	735,624.05	1.01	1.02
ST MODWEN PROPERTIES PLC -	1,722.00	GBP	4.070	8,186.59	0.01	0.01
TRITAX BIG BOX REIT PLC -	14,198.00	GBP	1.423	23,599.76	0.03	0.03
UNITE GROUP PLC -	41,182.00	GBP	9.155	440,393.89	0.61	0.61
WORKSPACE GROUP PLC -	1,781.00	GBP	9.815	20,418.78	0.03	0.03
<u>U.S.A.</u>						
ALEXANDRIA REAL ESTATE EQUITIES INC -	8,075.00	USD	135.890	963,653.07	1.33	1.34
AMERICAN NATIONAL INSURANCE -	16,856.00	USD	21.840	323,294.14	0.45	0.45
AMERICAN TOWER CORP CL A	5,116.00	USD	176.150	791,414.24	1.09	1.10
AMERICOLD REALTY TRUST -	33,886.00	USD	28.750	855,556.78	1.18	1.19
APARTMENT INVNT & MGMT CIE -	8,167.00	USD	48.930	350,936.43	0.48	0.49
AVALONBAY COMMUNITIES INC -	8,944.00	USD	194.630	1,528,735.15	2.11	2.13
BOSTON PROPERTIES INC -	9,887.00	USD	132.690	1,152,108.57	1.59	1.60
BRAEMAR HOTELS & RESORTS INC -	37,196.00	USD	13.020	425,302.47	0.59	0.59
BRIXMOR PROPERTY GROUP INC -	7,752.00	USD	17.460	118,863.55	0.16	0.17
BROOKFIELD PROPERTY REIT INC -	728.00	USD	19.620	12,543.57	0.02	0.02
CAMDEN PROPERTY TRUST -	8,560.00	USD	98.090	737,376.31	1.02	1.02
CARETRUST REIT INC -	10,334.00	USD	22.340	202,741.34	0.28	0.28
CB RICHARD ELLIS GROUP INC -	5,541.00	USD	49.760	242,135.91	0.33	0.34
CHESAPEAKE LODGING TRUST -	10,050.00	USD	30.120	265,834.72	0.37	0.37
CORPORATE OFFICE PROPERTIES TR -	8,893.00	USD	25.990	202,976.26	0.28	0.28
CROWN CASTLE INTL CORP -	1,049.00	USD	118.750	109,395.58	0.15	0.15
CUBESMART -	10,954.00	USD	30.640	294,748.89	0.41	0.41
CYRUSONE INC -	13,157.00	USD	49.840	575,871.50	0.79	0.80
DIAMONDROCK HOSPITALITY CO -	26,101.00	USD	10.690	245,033.54	0.34	0.34
DIGITAL INSIGHT -	17,794.00	USD	113.120	1,767,680.06	2.44	2.46
DUKE REALTY CORP -	27,369.00	USD	29.570	710,723.92	0.98	0.99
EASTGROUP PROPERTIES INC -	5,563.00	USD	105.660	516,190.90	0.71	0.72
EMPIRE STATE REALTY TRUST INC -	1,063.00	USD	15.220	14,208.18	0.02	0.02
EPR PROPERTIES -	248.00	USD	73.480	16,003.37	0.02	0.02
EQUINIX INC -	2,026.00	USD	423.500	753,500.48	1.04	1.05
EQUITY LIFESTYLE PROPERTIES INC -	8,369.00	USD	108.640	798,461.54	1.10	1.11
EQUITY RESIDENTIAL -	28,216.00	USD	73.690	1,825,974.39	2.52	2.54
ESSEX PROPERTY TRUST INC -	3,521.00	USD	279.840	865,299.59	1.19	1.20
EXTRA SPACE STORAGE INC -	6,825.00	USD	95.940	575,033.37	0.79	0.80
FED REALTY INVS. -	240.00	USD	133.590	28,156.32	0.04	0.04
HCP INC -	21,612.00	USD	30.770	584,000.39	0.81	0.81
HERSHA HOSPITALITY TRUST -	7,209.00	USD	18.850	119,337.53	0.16	0.17
HFF INC -	1,465.00	USD	45.200	58,152.28	0.08	0.08
HIGHWOODS PROPERTIES INC -	3,137.00	USD	46.310	127,579.23	0.18	0.18
HOSPITALITY PROPERTIES TRUST -	2,370.00	USD	27.070	56,341.35	0.08	0.08
HOST HOTELS & RESORTS INC -	20,339.00	USD	19.610	350,265.91	0.48	0.49
HUDSON PACIFIC PROPERTIES INC -	12,655.00	USD	33.220	369,192.15	0.51	0.51
INVITATION HOMES INC -	9,231.00	USD	23.000	186,452.09	0.26	0.26
IRON MOUNTAIN INC -	2,297.00	USD	35.420	71,449.67	0.10	0.10
JONES LANG LASALLE INC -	733.00	USD	165.120	106,290.47	0.15	0.15

KENNEDY-WILSON HOLDINGS INC -	19,043.00	USD	20.780	347,513.43		0.48	0.48
KILROY REALTY CORP -	10,310.00	USD	73.710	667,383.95		0.92	0.93
KIMCO REALTY -	639.00	USD	17.590	9,870.91		0.01	0.01
KITE REALTY GROUP TRUST -	3,152.00	USD	15.740	43,569.40		0.06	0.06
LEXINGTON REALTY TRUST -	26,603.00	USD	9.290	217,038.61		0.30	0.30
LIBERTY PROPERTY TRUST -	13,092.00	USD	47.330	544,168.23		0.75	0.76
LIFE STORAGE INC -	1,892.00	USD	97.600	162,166.68		0.22	0.23
MACK-CALI REALTY CORP -	1,377.00	USD	21.010	25,406.84		0.04	0.04
MID AMERICA APARTMENT COMMUNITIES -	8,190.00	USD	103.580	744,990.08		1.03	1.04
MONMOUTH REAL ESTATE INVESTMEN -	12,236.00	USD	13.260	142,486.48		0.20	0.20
OMEGA HEALTHCARE INVESTORS INC -	8,802.00	USD	35.900	277,502.24		0.38	0.39
PEBBLEBROOK HOTEL TRUST -	18,767.00	USD	32.010	527,559.21		0.73	0.73
PHYSICIANS REALTY TRUST -	16,541.00	USD	18.070	262,488.69		0.36	0.37
POTLATCHDELTIC CORPORATION -	2,305.00	USD	35.990	72,852.33		0.10	0.10
PROLOGIS TRUST -	50,882.00	USD	70.060	3,130,581.29		4.32	4.35
PUBLIC STORAGE INC -	5,076.00	USD	211.490	942,762.13		1.30	1.31
QTS REALTY TRUST INC -	14,047.00	USD	41.730	514,781.16		0.71	0.72
RE/MAX HOLDINGS INC -	13,794.00	USD	39.230	475,224.92		0.66	0.66
REALITY INCOME CORP. -	6,025.00	USD	69.160	365,933.96		0.50	0.51
REGENCY CENTERS CORP -	3,644.00	USD	65.230	208,745.17		0.29	0.29
RETAIL PROPERTIES OF AMERICA I -	2,677.00	USD	12.460	29,292.54		0.04	0.04
RETAIL VALUE INC -	34.00	USD	31.130	929.50		0.00	0.00
REXFORD INDUSTRIAL REALTY INC -	12,334.00	USD	34.280	371,308.97		0.51	0.52
RLJ LODGING TRUST -	2,209.00	USD	18.570	36,024.53		0.05	0.05
RYMAN HOSPITALITY PROPERTIES -	2,414.00	USD	80.990	171,695.67		0.24	0.24
SBA COMMUNICATIONS CORP. -	923.00	USD	180.560	146,357.14		0.20	0.20
SENIOR HOUSING PROPERTIES TRUST -	3,636.00	USD	12.950	41,350.84		0.06	0.06
SIMON PROPERTY GROUP INC -	17,547.00	USD	181.160	2,791,617.21		3.85	3.88
SITE CENTERS CORP -	347.00	USD	13.350	4,068.19		0.01	0.01
SL GREEN REALTY CORP -	3,843.00	USD	90.720	306,171.04		0.42	0.43
STAG INDUSTRIAL INC -	8,395.00	USD	27.680	204,069.20		0.28	0.28
SUMMIT HOTEL PROPERTIES INC -	3,268.00	USD	11.390	32,688.61		0.05	0.05
SUN COMMUNITIES INC. -	4,995.00	USD	113.570	498,184.03		0.69	0.69
SUNSTONE HOTEL INVESTORS INC -	1,198.00	USD	15.050	15,833.76		0.02	0.02
TANGER FACTORY OUTLET CENTERS -	1,115.00	USD	21.590	21,140.64		0.03	0.03
TAUBMAN CENTERS INC -	752.00	USD	53.380	35,252.27		0.05	0.05
TERRENO REALTY CORP -	8,038.00	USD	40.900	288,710.11		0.40	0.40
THE MACERICH CO -	255.00	USD	43.600	9,763.77		0.01	0.01
UDR INC -	2,521.00	USD	44.420	98,342.69		0.14	0.14
VENTAS INC -	13,840.00	USD	62.750	762,676.74		1.05	1.06
VORNADO REALTY TRUST -	3,766.00	USD	67.310	222,613.03		0.31	0.31
WELLTOWER INC -	17,355.00	USD	74.310	1,132,563.49		1.56	1.58
WEYERHAEUSER COMPANY -	8,087.00	USD	24.890	176,767.74		0.24	0.25
Total shares				72,556,266.66		99.99	100.88
<b>Rights</b>							
<u>Belgium</u>							
MONTEA SCA CP 22/02/2019	8,500.00	EUR	0.400	3,400.00		0.01	0.01
XIOR STUDENT HOUSING NV CP 06/12/2018	11,863.00	EUR	0.406	4,816.38		0.01	0.01
<u>China</u>							
CHINA AOYUAN GROUP LTD CP 25/02/2019	10,000.00	HKD	0.000	0.01			
<u>Italy</u>							
BENI STABILI SPA CP 12/10/18	2,162.00	EUR	0.000	0.02			
Total rights				8,216.41		0.01	0.01
TOTAL SECURITIES PORTFOLIO				72,564,483.07		100.00	100.89
<b>COLLATERAL RECEIVED</b>							
<u>Belgium</u>							
COLLATERAL ONTVANGEN SECURITIES LENDING	686,209.33	EUR	1.000	686,209.33			0.95
TOTAL RECEIVED COLLATERAL				686,209.33			0.95
<b>CASH AT BANK AND IN HAND</b>							
<b>Demand accounts</b>							
<u>Belgium</u>							
KBC GROUP AUD	8,381.74	AUD	1.000	5,236.79			0.01
KBC GROUP CAD	52,803.64	CAD	1.000	35,210.64			0.05
KBC GROUP CHF	2,048.97	CHF	1.000	1,806.29			0.00
KBC GROUP EURO	-756,418.77	EUR	1.000	-756,418.77			-1.05
KBC GROUP GBP	3,972.74	GBP	1.000	4,640.51			0.01
KBC GROUP HKD	-164,918.48	HKD	1.000	-18,450.15			-0.03
KBC GROUP JPY	931,981.00	JPY	1.000	7,352.32			0.01
KBC GROUP MXN	-38,872.61	MXN	1.000	-1,771.59			-0.00
KBC GROUP NOK	38,614.03	NOK	1.000	3,967.84			0.01
KBC GROUP NZD	662.54	NZD	1.000	396.53			0.00
KBC GROUP SEK	17,202.62	SEK	1.000	1,636.63			0.00
KBC GROUP SGD	34,002.22	SGD	1.000	22,099.45			0.03
KBC GROUP TRY	33,518.43	TRY	1.000	5,518.48			0.01
KBC GROUP USD	54,291.01	USD	1.000	47,678.06			0.07
Total demand accounts				-641,096.97			-0.89

TOTAL CASH AT BANK AND IN HAND				-641,096.97		-0.89
OTHER RECEIVABLES AND PAYABLES						
<b>Receivables</b>						
<u>Belgium</u>						
KBC GROUP JPY RECEIVABLE	193,288.00	JPY	1.000	1,524.83		0.00
KBC GROUP SGD TE ONTVANGEN	34.00	SGD	1.000	22.10		
Total receivables				1,546.93		0.00
<b>Payables</b>						
<u>Belgium</u>						
COLLATERAL ONTVANGEN SECURITIES LENDING TEGENP	-686,209.33	EUR	1.000	-686,209.33		-0.95
Payables				-686,209.33		-0.95
TOTAL RECEIVABLES AND PAYABLES				-684,662.40		-0.95
OTHER						
Interest receivable		EUR		115,457.59		0.16
Expenses payable		EUR		-113,953.28		-0.16
TOTAL OTHER				1,504.31		0.00
TOTAL NET ASSETS				71,926,437.34		100.00

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

	31/08/2017	28/02/2018	31/08/2018	28/02/2019
Australia	2.57	2.23	1.66	1.80
Austria	0.38	0.05	0.03	0.04
Belgium	1.24	1.44	0.20	1.64
Bermuda	0.00	0.00	0.21	0.44
Canada	1.57	3.00	2.73	2.30
Switzerland	0.51	0.67	0.75	0.79
China	0.84	1.38	1.79	0.91
Cayman Islands	0.02	0.02	0.15	0.02
Cyprus	0.38	1.54	2.34	1.65
Germany	4.91	5.78	6.39	6.33
Spain	1.13	1.41	1.95	1.83
Finland	0.05	0.06	0.03	0.00
France	4.69	5.34	4.09	1.37
U.K.	5.94	7.54	6.84	2.24
Hong Kong	8.86	10.19	9.60	9.97
Ireland	1.89	1.52	1.43	0.69
Italy	0.05	0.06	0.08	0.00
Japan	7.32	7.85	7.15	10.80
Luxembourg	0.01	0.00	0.00	0.00
Mexico	0.00	0.00	0.00	0.13
Netherlands	0.48	0.51	0.14	0.07
Norway	0.08	0.07	0.08	0.08
Philippines	0.00	0.00	0.00	0.08
Singapore	2.29	0.44	0.34	0.80
Sweden	3.99	2.63	2.38	4.03
Taiwan	0.00	0.00	0.00	1.46
U.S.A.	50.80	46.27	49.64	50.53
TOTAL	100.00	100.00	100.00	100.00

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

	31/08/2017	28/02/2018	31/08/2018	28/02/2019
Consum(cycl)	0.00	0.00	0.21	0.62
Pharma	0.04	0.05	0.06	0.06
Financials	0.08	0.11	(0.31)	-0.72
Telecomm.	0.00	0.00	0.00	0.20
Real est.	99.88	99.84	100.04	99.84
TOTAL	100.00	100.00	100.00	100.00

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

	31/08/2017	28/02/2018	31/08/2018	28/02/2019
AUSTRALIAN DOLLAR	2.61	2.23	1.95	1.81
CANADIAN DOLLAR	1.61	3.03	2.92	2.35
SWISS FRANC	0.55	0.67	0.78	0.79
EURO	14.62	16.72	16.08	13.45
POUND STERLING	5.96	7.62	6.84	2.25
HONG KONG DOLLAR	9.64	11.60	11.75	11.00
JAPANESE YEN	7.39	7.97	7.17	10.81
MEXICAN PESO	0.00	0.00	0.00	0.13
NORWEGIAN KRONE	0.08	0.07	0.08	0.09
PESO	0.00	0.00	0.00	0.08
SWEDISH KRONA	4.01	2.66	2.38	4.03
SINGAPORE DOLLAR	2.39	0.52	0.35	0.83
NEW TURKISH LIRA	0.01	0.01	0.00	0.01
NEW TAIWAN DOLLAR	0.00	0.00	0.00	1.46
US DOLLAR	51.13	46.90	49.70	50.91
TOTAL	100.00	100.00	100.00	100.00

### 2.4.2. Changes in the composition of the assets of KBC Select Immo World Plus (in the currency of the sub-fund)

	1 <sup>st</sup> half of year
<b>Purchases</b>	27,911,090.33
<b>Sales</b>	36,514,539.56
<b>Total 1</b>	64,425,629.89
<b>Subscriptions</b>	1,351,065.41
<b>Redemptions</b>	9,366,843.72
<b>Total 2</b>	10,717,909.13
<b>Monthly average of total assets</b>	73,098,206.71
<b>Turnover rate</b>	73.47%

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

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

### 2.4.3. Amount of commitments in respect of financial derivatives positions

Nil



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

### Classic Shares

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2017 - 08*	35,234.94	28,687.48	46,360.12	36,017.51	40,657.91	40,776.63	81,434.54
2018 - 08*	726.46	485.00	10,958.19	12,998.74	30,426.19	28,262.89	58,689.08
2019 - 02*	441.84	651.00	3,235.84	2,797.80	27,632.19	26,116.09	53,748.28

Period	Amounts received and paid by the UCITS (in the currency of the class)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2017 - 08*	52,086,766.26	28,339,166.20	69,114,875.00	35,615,214.71
2018 - 08*	1,087,298.39	475,159.58	16,293,127.71	12,437,103.97
2019 - 02*	706,081.36	655,940.53	5,152,303.34	2,772,296.61

Period	Net asset value End of period (in the currency of the class)		
	Of the class	Of one share	
		Capitalization	Distribution
2017 - 08*	99,238,217.25	1,473.15	964.84
2018 - 08*	77,762,105.71	1,608.00	1,020.30
2019 - 02*	71,926,437.34	1,644.89	1,013.72

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

### Institutional B Shares

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Totaal
2017 - 08*	6,940.88		400.00		6,540.88		6,540.88
2018 - 08*	3,075.00		8,653.89		962.00		962.00
2019 - 02*	0.00		962.00		0.00		0.00

Period	Amounts received and paid by the UCITS (in the currency of the class)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2017 - 08*	10,357,083.63		606,345.54	
2018 - 08*	4,501,691.72		13,052,692.56	
2019 - 02*	0.00		1,511,090.38	

Period	Net asset value End of period (in the currency of the class)		
	Of the class	Of one share	
		Capitalization	Distribution
2017 - 08*	9,635,317.69	1,473.09	
2018 - 08*	1,547,353.19	1,608.48	
2019 - 02*	0.00	0.00	

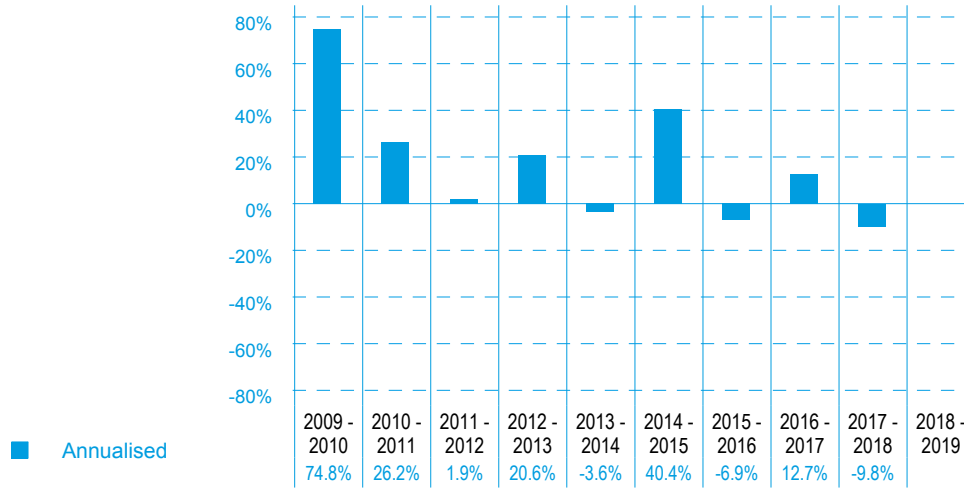
\*The financial year does not coincide with the calendar year.

## 2.4.5. Performance figures

### Classic Shares

BE0166979428  
KBC Select Immo World Plus Classic Shares CAP  
Annual performance on 28/02/2019 (in EUR)

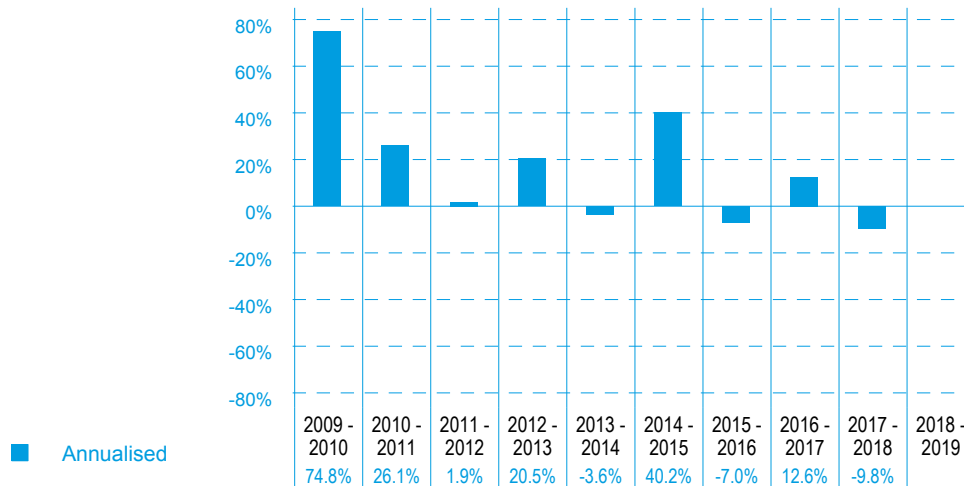
The cumulative returns are shown where they relate to a period of at least one year.



### Classic Shares

BE0940483689  
KBC Select Immo World Plus Classic Shares DIS  
Annual performance on 28/02/2019 (in EUR)

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 (period of 12 months prior to the half-yearly closing).
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

### Capitalisation units (CAP)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

### Distribution units (DIV)

Return on date D over a period of X years :

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

where Y = D-X

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

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

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

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

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

For dividend i on date Di with value Wi:

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

i = 1 ... N

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

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

**Institutional B Shares**

BE6294993819  
KBC Select Immo World Plus Institutional B Shares CAP  
Annual performance on 28/02/2019 (in EUR)

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

## 2.4.6. Costs

### Ongoing Charges:

Classic Shares Capitalisation : 1.694%  
Classic Shares Distribution : 1.712%  
Institutional B Shares Capitalisation : 1.228%

Percentage calculated at reporting date: 28 February 2019 (period of 12 months prior to the half-yearly closing).

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

### Existence of Commission Sharing Agreements

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

Broker	Commission gross in EUR paid during the period 1-09-2018 - 28-02-2019	CSA Credits in EUR accrued during the period: 1-09-2018 - 28-02-2019	Percentage
CARNEGIE	670,31	177,70	26,51%
CITI	4.196,91	1.655,95	39,46%
CSFBSAS	4.032,06	1.057,25	26,22%
EQ CSA GOLDMAN SACHS INTERNATIONAL	3.090,87	1.166,15	37,73%
EQ CSA ING	24,60	7,03	28,57%
EQ CSA KBCSEC	217,78	48,24	22,15%
HSBC	2.848,36	1.036,00	36,37%
INSTINET	1.402,88	495,58	35,33%
MACQUARIE	7.001,02	2.729,47	38,99%
MERRILL	4.385,01	1.691,16	38,57%
MORGAN STANLEY	186,88	46,72	25,00%
SOCGEN	874,02	228,53	26,15%
UBSWDR	904,14	360,78	39,90%

### Existence of 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 70% if the distributor is an entity of KBC Groep NV or to between 35% and 70% if the distributor is not an entity of KBC Groep 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.

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

## 2.4.7. Notes to the financial statements and other data

### Classic Shares

Fee for managing the investment portfolio	Max 1.50%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The management fee is payable at the end of each month
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund and is payable at the end of each month.
Custodian's fee	Max 0.04%	per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year
Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges' for this non-structured sub-fund.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	

### Institutional B Shares

Fee for managing the investment portfolio	Max 1.50%	per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The management fee is payable at the end of each month
Administration fee	0.10%	per year calculated on the basis of the average total net assets of the sub-fund and is payable at the end of each month.
Custodian's fee	Max 0.04%	per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year
Fee paid to the bevek's statutory auditor	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges' for this non-structured sub-fund.	
Fee paid to the independent directors	A more detailed explanation can be found in this report's General information on the Bevek under 'Information for shareholders – 1.2.1.8. Recurrent fees and charges'.	

### 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 undertaking for collective investment in transferable securities(UCITS) has entered into securities lending transactions, whereby the title to the securities that have been lent has been transferred, without recognition of that transfer of ownership in the accounts. For the period from 01/09/2018 to 28/02/2019, the realised net income for the UCITS amounts to 188,96 EUR and for the Management Company 75,58 EUR. Direct and indirect costs and charges are deducted from the gross income. These 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 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. The undertaking for collective investment in transferable securities will thus receive 65% of the fee received for securities lent. The number of securities lent varied between 0 and 1, with a market value fluctuating between 0,00 and 62.642,32 EUR. The detailed list of securities lending transactions carried out may be obtained from the registered office of the undertaking for collective investment in transferable securities at Havenlaan 2, 1080 Brussels. During the reporting period, securities lending transactions were effected in relation to the following securities lending systems:

Manager of the securities lending system: Goldman Sachs

Type of securities lending transactions effected: the lending transactions are effected through the agency of a Lending Agent.

Nature of the lent securities: the securities lending applies only to the equity portion of the portfolio.

Nature of the financial collateral: government bonds issued by Austria, Belgium, Germany, the Netherlands, Luxembourg, the UK, France, the US and Switzerland and supranational bonds denominated in EUR, USD or GBP issued by the EIB or the KFW.

Reinvestment of the financial collateral received: no reinvestment takes place.

- Section II, entitled 'Income and expenditure relative to the investments', contains the net results of transactions in respect of the lending of securities including the result generated by reinvesting financial guarantees tendered in the context of lending bonds

### **Details of collateral received for securities lent**

<b>Name</b>	<b>Currency</b>	<b>Nominal value</b>	<b>Currency fund</b>	<b>Value in currency fund</b>
REPUBLIC OF AUSTRI 1.5 20FEB47 144A	EUR	649,000.00	EUR	686,209.33
			<b>Total</b>	<b>686,209.33</b>

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	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>
REPUBLIC OF AUSTRIA	686.209,00	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 (Goldman Sachs)	UBS AG	Switzerland	627.897,60	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 – Bloomberg composite rating: 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: see table below;			
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>	<u>Maturity tenor</u>
REPUBLIC OF AUSTRI 1.5 20FEB47 144A	AA+	EUR	above one year

Data on reuse of collateral:

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

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

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

<u>number</u>	<u>Name collateral custodian</u>	<u>Market value on a settled basis</u>	<u>currency</u>
1	Bank of New York	686.209,00	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.	Nil
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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	290,70	75,58	26,16
percentage of overall returns	100,00%	26,00%	9,00%
cost EUR	101,75		
percentage of overall returns	35,00 %		