

Information concerning the sub-fund Buyback 100 Timing USD 2

1. Basic details

Name

Buyback 100 Timing USD 2

Date of incorporation

2 December 2019

Life

Limited to 30 January 2026

Delegation of the management of the investment portfolio

In this regard, please see 'Information concerning the Bevek – B. Serviceproviders to the Bevek – Management company - Delegation of the management of the investment portfolio'.

Stock exchange listing

Not applicable.

2. Investment information

Object of the sub-fund

Description of the sub-fund's object

The object of the sub-fund is twofold (before deducting charges and taxes):

- (1) To repay per share the initial subscription price of 1000 USD at Maturity.(i.e. the capital protection). This capital protection is provided through a financial mechanism that will be explained in more detail under the heading *Capital protection*. However, the capital protection does not apply to shareholders who sell their shares before Maturity.
- (2) To provide a potential return through an investment in swaps. The various types of swaps in which the sub-fund may invest are explained in more detail under the *Potential return*.

Capital Protection

The financial mechanism used to achieve capital protection

The financial mechanism used to achieve capital protection at Maturity consists of an investment of the total amount of the subscriptions in bonds and other debt instruments, deposits and/or liquid assets (including cash deposited on a time-deposit account or current account). These investments can have different maturities and coupon payment dates. Using the swaps described under the heading *Permitted swap transactions* (2), these investments are matched with the due dates of the obligations of the sub-fund.

Criteria the investments must meet

The investments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area.
- (2) An investment in debt instruments issued or guaranteed by a Member State of the European Economic Area.
- (3) An investment under an investment strategy with an analogous structure and identical counterparty risk as a direct investment in deposits and/or debt instruments as stated under (1) and (2) above.

The investments under (3) may consist of:

- (A) An investment in notes listed on a stock exchange that are issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management NV or a subsidiary.

The underlying assets of the bonds issued by the SPVs consist of a diversified portfolio of deposits issued by financial institutions, bonds, other debt instruments and financial derivatives. When selecting these underlying assets, account is taken of criteria relating to allocation and creditworthiness (see *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to limit the counterparty risk.

Further details of the criteria these underlying deposits, bonds, other debt instruments and financial derivatives must meet are provided in the base prospectuses for the SPVs, which can be viewed at or downloaded from <http://www.kbc.be/prospectus/spv>.

Investors are provided with information on the investments made by both the sub-fund and the SPVs in the annual and half-yearly reports on the open-ended investment company under Belgian law (bevek) to which the sub-fund belongs. These reports can also be viewed at or downloaded from <http://www.kbc.be/>.

- (B) An investment in:

- deposits with financial institutions under prudential supervision in Switzerland, the United States of America, Japan, Canada or Australia and/or
- debt instruments issued by financial institutions under prudential supervision in Switzerland, the United States of America, Japan, Canada or Australia and/or
- debt instruments issued or guaranteed by Switzerland, the United States of America, Japan, Canada or Australia.

Prudential supervision of financial institutions in Switzerland, the United States of America, Japan, Canada and Australia can be equated to prudential supervision of financial institutions in the member states of the European Economic Area.

The investments in debt instruments issued by financial institutions under prudential supervision in Switzerland, the United States of America, Japan, Canada or Australia or issued or guaranteed by Switzerland, the United States of America, Japan, Canada or Australia have a minimum credit rating as set out under the heading *Characteristics of the bonds and other debt instruments*.

- (C) The investments may also consist of a combination of the investments specified under (A) and (B).

No formal guarantee

No formal guarantee of repayment of the initial subscription price is provided to the sub-fund or to its shareholders. In other words, the capital protection is not binding for the sub-fund as regards the result generated, although achieving this objective through the operation of the financial mechanism is still the top priority.

If the financial mechanism fails and, as a result, the amount per share payable (before deducting charges and taxes) at Maturity is lower than the initial subscription price, KBC Asset Management NV may decide (but is not obliged) to use the management fee it has received during the current financial year from the sub-fund – and possibly also from other sub-funds of the bevek – to cover the shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

The capital protection does not apply to shareholders who sell their shares before Maturity.

Potential return

To achieve a potential return, the sub-fund concludes swaps with one or more prime counterparties. Consequently, the sub-fund transfers a portion of the future income from the investments that were made to achieve capital protection to this counterparty (these counterparties) during the life of the sub-fund. In exchange, the counterparty (counterparties) undertake to provide a potential return as specified under the heading *Selected strategy*.

Sub-fund's investment policy

Permitted asset classes

Pursuant to the provisions of the Royal Decree of 12 November 2012 on undertakings for collective investment complying with the conditions of Directive 2009/65/EC, the sub-fund may invest in transferable securities (including bonds and other debt instruments), money market instruments, units (shares) in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as and to the extent permitted by the applicable legislation.

The investment limits and restrictions set out in the Royal Decree of 12 November 2012 on undertakings for collective investment complying with the conditions of Directive 2009/65/EC will be respected at all times.

Characteristics of the bonds and other debt instruments

During the sub-fund's life, the average credit rating of the bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, an average credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the long-term bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the short-term bonds and other debt instruments shall be at least 'A-1' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

When selecting the bonds and other debt instruments, all maturities are taken into consideration.

Permitted swap transactions

The swaps described below have been concluded with a prime counterparty or prime counterparties within the limits laid down by law.

(1) To achieve a potential return, the sub-fund concludes swaps. Under such swap contracts, the sub-fund transfers a portion of the future income from the investments described under the heading 'Permitted asset classes' to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertake to provide a potential return as specified under the heading *Selected strategy*.

The swaps under (1) are essential to achieve the sub-fund's investment objectives, since this technique facilitates achievement of the goal of generating a potential return.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) If necessary, the sub-fund also concludes swaps to match the due dates of the commitments of the sub-fund with those of the cash flows stemming from the deposits, bonds and other debt instruments described under the heading *Criteria the investments must meet*.

These swaps are essential to achieve the sub-fund's investment objectives, since there are not enough bonds and other debt instruments available on the market whose coupon payments and maturity dates always perfectly match the due dates of the sub-fund's obligations.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) In addition, the sub-fund may conclude swaps to protect itself against the credit risk in respect of issuers of bonds and other debt instruments. Through this type of swap, one or more counterparties takes over the risk of an issuer of a bond or other debt instrument in the sub-fund's portfolio defaulting, in exchange for a fee payable by the sub-fund.

The swaps under (3) serve to hedge the credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

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.

Selected strategy

Investment objectives and strategy:

The sub-fund has two investment objectives: firstly, it seeks to pay back at Maturity at least 100% of the initial subscription price, and secondly, to generate a potential capital gain that is contingent on the evolution of a basket of 30 shares in companies that, at the time of the formation of the fund, buy back their own shares.

If the End Value of the basket of 30 shares in companies that, at the time of the formation of the fund, buy back their own shares has risen relative to its Minimum Starting Value, 100% of the increase $(=(\text{Value at Maturity minus the Minimum Starting Value}) \div \text{Initial Value})$ will be taken into account at Maturity with regard to 100% of the initial subscription price. The capital gain is capped at 100% (yield to maturity of 12.10% before taxes and charges). Negative performances of the basket are not taken into account.

Maturity

Friday 30 January 2026 (payment with a value date of D+1 banking day)

Currency

USD, for all shares in the basket, changes in the value of the currency in which they are expressed relative to USD are irrelevant. The investor pays the subscription amount in USD and will be paid in USD at Maturity (or earlier). The investor is not protected against any decline in the value of the currency in which the sub-fund is denominated relative to the euro.

Starting Value

Value of the basket based on the weighted average of the Value of the shares included in the basket during the first 10 Valuation Days, starting from Wednesday 8 January 2020 inclusive.

Minimum Starting Value

The lowest value of the Starting Value and the lowest Value of the basket on the Initial Observation Days and is always lower than or equal to the Starting Value.

Initial Observation Dates

The first Valuation Day of each month from and including February 2020 up to and including April 2020 (inclusive).

End Value

Value of the basket based on the weighted average of the Value of the shares included in the basket on the last Valuation Day of the month for the last 12 months before Maturity, more specifically from January 2025 through December 2025 (inclusive).

Value

For all the shares, except for those listed on the Milan stock exchange, the closing price, namely the price of a share in the basket as calculated and notified at closing of the stock exchange by the authority of the stock exchange on which the share is listed (or its legal successor). The reference price is used for shares listed on the Milan stock exchange.

Valuation day

A Valuation Day is set separately for each share in the basket.

A Valuation Day is a day that is a planned trading day both

- i) for the stock exchange on which the share is listed and
- ii) for the stock exchange whose activities have a substantial influence on the trading of options and futures on the share concerned

hereinafter referred to as 'the stock exchanges concerned'.

If on the Valuation Day,

- a) one of the stock exchanges concerned is unexpectedly closed or
- b) there is an event that disrupts the market for a stock exchange concerned or
- c) one of the stock exchanges concerned closes early,

the original Valuation Day is replaced by the following trading day when no event as referred to in a), b) or c) above occurs. An extraordinary closure that has been announced in advance is not considered as early closure.

If a valuation is made on consecutive Valuation Days, the trading day that replaces the original Valuation Day (i) may not coincide with another original Valuation Day and (ii) may not be a trading day that already replaces another original Valuation Day.

However, if an event as referred to under a), b) or c) above occurs on each of the eight trading days following the original Valuation Day,

- (i) the eighth trading day shall be considered as the original Valuation Day and
- (ii) the Bevek shall assess, in good faith and in consultation with the prime counterparty or counterparties with which it has concluded a swap agreement, the price of the share as it would have been traded on that eighth trading day and
- (iii) the Bevek will notify shareholders of any changes regarding setting the Starting Value and/or End Value and conditions of payment.

Relevant basket

In the table below, the columns from left to right reflect the number of the share, the name of the share, the Bloomberg code, the exchange on which it trades (City-MIC Code) and its initial weighting in the basket.

(i)	Name	Bloomberg Code	Exchange	Initial Weighting Coefficients
1	AXA SA	CS FP Equity	PARIS - XPAR	2.0000%
2	BP PLC	BP/ LN Equity	LONDON - XLON	2.0000%
3	CARNIVAL PLC	CCL LN Equity	LONDON - XLON	2.0000%
4	CITIZENS FINANCIAL GROUP	CFG UN Equity	NEW YORK - XNYS	2.0000%

(i)	Name	Bloomberg Code	Exchange	Initial Weighting Coefficients
5	COMPAGNIE DE SAINT-GOBAIN	SGO FP Equity	PARIS - XPAR	2.0000%
6	DARDEN RESTAURANTS INC	DRI UN Equity	NEW YORK - XNYS	2.0000%
7	DEUTSCHE TELEKOM AG-REG	DTE GY Equity	FRANKFURT - XETR	4.0000%
8	EATON CORP	ETN UN Equity	NEW YORK - XNYS	2.0000%
9	EXXON MOBIL CORP	XOM UN Equity	NEW YORK - XNYS	2.0000%
10	FORTUM OYJ	FORTUM FH Equity	HELSINKI - XHEL	8.0000%
11	GENERAL MOTORS CO	GM UN Equity	NEW YORK - XNYS	2.0000%
12	HOST HOTELS & RESORTS INC	HST UN Equity	NEW YORK - XNYS	2.0000%
13	IBERDROLA SA (SQ)	IBE SQ Equity	MADRID - XMAD	8.0000%
14	KONINKLIJKE AHOLD DELHAIZE NV	AD NA Equity	AMSTERDAM - XAMS	2.0000%
15	METLIFE INC	MET UN Equity	NEW YORK - XNYS	2.0000%
16	MICHELIN (CGDE)-B	ML FP Equity	PARIS - XPAR	2.0000%
17	MUENCHENER RUECKVER AG-REG	MUV2 GY Equity	FRANKFURT - XETR	3.0000%
18	NOVARTIS AG-REG	NOVN SE Equity	ZURICH - XVTX	8.0000%
19	PRINCIPAL FINANCIAL GROUP	PFG UW Equity	NEW YORK - XNGS	2.0000%
20	ROYAL DUTCH SHELL PLC-A (LONDON)	RDSA LN Equity	LONDON - XLON	2.0000%
21	SANOFI	SAN FP Equity	PARIS - XPAR	4.0000%
22	SIEMENS AG-REG	SIE GY Equity	FRANKFURT - XETR	2.0000%
23	SWISS RE AG	SREN SE Equity	ZURICH - XVTX	8.0000%
24	TELENOR ASA	TEL NO Equity	OSLO - XOSL	2.0000%
25	TELIA CO AB	TELIA SS Equity	STOCKHOLM - XSTO	8.0000%
26	TOTAL SA	FP FP Equity	PARIS - XPAR	3.0000%
27	UNILEVER PLC	ULVR LN Equity	LONDON - XLON	3.0000%
28	VODAFONE GROUP PLC	VOD LN Equity	LONDON - XLON	2.0000%
29	WALGREENS BOOTS ALLIANCE INC (UW)	WBA UW Equity	NEW YORK - XNGS	2.0000%
30	WPP PLC	WPP LN Equity	LONDON - XLON	5.0000%

Basket composition methodology

KBC Asset Management used the following methodology to determine the composition of the sub-fund's basket.

Step 1 :

The starting point is the global equities universe from which a selection of potential investments is derived in accordance with the economic criteria for the composition of the basket and subject to restrictions regarding stock market capitalisation and liquid assets.

The economic criteria for the composition of the basket determine the size of the final selection.

Step 2 :

The selection of shares obtained in step 1 is reduced to a short list using a quantitative selection based on past financial data. The shares selected are those of companies that achieve a good score in terms of management quality, a healthy balance-sheet structure and a positive trend in profitability.

Step 3 :

The selection of shares obtained in step 2 is then verified by KBC Asset Management analysts. Shares that are permanently monitored by the analysts and those for which there is a negative recommendation, when the product is launched, are then withdrawn from the selection.

Step 4 :

The last reduction of the selection provides the final basket. This selection was made using the technical parameters of options (including the term, volatility, dividend yield and interest rate).

The final basket must satisfy the legal requirements concerning the quantity of shares and adequate distribution in the weighting. In addition, care is taken to ensure compliance with the geographical and/or sector spread. The analysts make a qualitative assessment of each share used taking account of specific knowledge of these shares and the sectors/regions from which they come, in accordance with the term of the sub-fund.

For the sub-fund Perspective Buyback 100 Timing USD 2, about 229 equities were selected during step 1. The initial selection was reduced by a maximum 20% in step 2. This was again reduced by 10% (indicative) in step 3. The final basket set up during step 4 is described above under *Relevant basket*. This basket makes it possible to offer the sub-fund Perspective Buyback 100 Timing USD 2 under the conditions set out in the investment policy referred to above. Here the selection process uses parameters that could affect the potential return on the investments.

Selection criteria for the basket :

A share/issuer may only form part of the basket if (i) it is listed on a stock exchange, (ii) the issuer is a company that, at the time of the formation of the fund, buys back its own shares, and (iii) the Board of Directors of the Bevek has approved its inclusion in the basket (the 'Selection criteria').

Modifications to the basket due to mergers, acquisitions, demergers, nationalisation, bankruptcy or disqualification :

Mergers or acquisitions

If, during the life of the sub-fund, one or more issuers of shares in the basket are involved in a merger or acquisition, the shares of the relevant issuers which still meet the selection criteria after these operations will be given a weighting in the basket equal to the sum of the weightings of the shares of all issuers involved in the operation. If, after the operation, none of the issuers involved in the operation meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

Demergers

If an issuer of a share in the basket proceeds to a demerger, then the share from the issuer concerned can be substituted either by one of the shares that came about as a result of the demerger and that meets the selection criteria, or by a basket of shares arising from the demerger which meet the selection criteria. This basket of shares will, when calculating the number of shares in the basket, be considered as one share. If, after the operation, none of the shares resulting from the demerger meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy or disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the selection criteria ('disqualification'), this share will be sold at the last known price before removal. The amount thus realised will then be invested until Maturity at the rate of interest in force on money or bond markets at the moment of removal, and this for a term equal to the term remaining until Maturity of the sub-fund. The realised amount plus the interest will be taken into account at Maturity as the result achieved for that share in order to calculate the final increase in the value of the basket at Maturity.

Volatility of the net asset value

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

3. Risk profile

Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

Risk type	Concise definition of the risk		Explanation:
Market risk	The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio	high	the level of the risk reflects the volatility of the stock market and the exchange rate risk in relation to the euro.
Credit risk	The risk that an issuer or a counterparty will default	low	
Settlement risk	The risk that settlement of a transaction via a payment system will not take place as expected	low	
Liquidity risk	The risk that a position cannot be liquidated in a timely manner at a reasonable price	low	
Exchange or currency risk	The risk that the value of an investment will be affected by changes in exchange rates	none	
Custody risk	The risk of loss of assets held in custody with a custodian or sub-custodian	low	
Concentration risk	The risk relating to a large concentration of investments in specific assets or in specific markets	low	
Performance risk	Risks to return	high	the level of the risk reflects the volatility of the stock market and the exchange rate risk in relation to the euro.
Capital risk	Risks to capital	none	
Flexibility risk	Inflexibility both within the product and constraints on switching to other providers	low	
Inflation risk	Risk of inflation	moderate	there is no protection against an increase of the inflation.
Environmental factors	Uncertainty regarding the immutability of environmental factors, such as the tax regime	low	

Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at www.kbc.be/riskprofile.

4. Information concerning the trading of shares

How to buy and sell shares and switch between sub-funds

If it turns out that units are being held by persons other than those permitted to hold them, the Company may, in accordance with Article 8.2 of the Articles of Association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those units.

Cut-off time for receiving orders at the financial service providers in Belgium ⁽¹⁾ Date of published net asset value	Date the net asset value is calculated	Actual values used	Date of payment or repayment of the orders.
D (the 16 th of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET)	D+1 banking day at the earliest and D+4 banking days at the latest	D if maximum 20% of the actual values are already known on D (the 16 th of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET) D + 1 if more than 20% of the actual values are already known on D (the 16 th of the month (if this is not a banking day, the previous banking day) 6 am CET and on the last banking day of the month at 6 am CET)	D + 5 banking days

⁽¹⁾ The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

Calculation of the net asset value

The net asset value is calculated biweekly, as described above.

Publication of the net asset value

In the 'Information concerning the Bevek - I. Additional information – Publication of the net asset value' is stated where investors may find the result of the calculation of the net asset value.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors may decide to refuse the orders placed during the initial subscription period and to not proceed with the commercialisation of the sub-fund.

5. Types of shares and fees and charges

Units may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered units are issued. Instead, confirmation is supplied of entry in the register of shareholders.

Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed 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, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information concerning the type of shares and/or the type of shareclass, and the fees and charges associated with these, is stated below grouped per type of shares and/or the type of shareclass.