

Incorporation Fund Rules of UBB ExpertEase Fund

(Amended on 16.11.2021) These Rules of umbrella common fund UBB ExpertEase (the “**Umbrella Fund**”, respectively the “**Umbrella Fund Rules**”) detail the guiding rules and principles of the activities of the Umbrella Fund and each of its investment compartments listed below (together referred to as the “**Sub-Funds**”, each being a “**Sub-Fund**”):

Sub-Fund name	ISIN code
UBB ExpertEase Defensive Balanced (LEVA)	BG9000003210
UBB ExpertEase Defensive Balanced (EUR)	BG9000004218
UBB ExpertEase Defensive Tolerant (LEVA)	BG9000006213
UBB ExpertEase Defensive Tolerant (EUR)	BG9000005215
UBB ExpertEase Dynamic Balanced (LEVA)	BG9000007211
UBB ExpertEase Dynamic Balanced (EUR)	BG9000008219
UBB ExpertEase Dynamic Tolerant (LEVA)	BG9000010215
UBB ExpertEase Dynamic Tolerant (EUR)	BG9000009217
UBB ExpertEase Highly Dynamic Tolerant (LEVA)	BG9000011213
UBB ExpertEase Highly Dynamic Tolerant (EUR)	BG9000012211
UBB ExpertEase SRI Defensive Conservative (LEVA)	BG9000006221
UBB ExpertEase SRI Defensive Balanced (LEVA)	BG9000005223
UBB ExpertEase SRI Dynamic Balanced (LEVA)	BG9000003228
UBB ExpertEase SRI Defensive Tolerant (LEVA)	BG9000004226
UBB ExpertEase SRI Dynamic Tolerant (LEVA)	BG9000002220
UBB ExpertEase SRI Highly Dynamic Tolerant (LEVA)	BG9000001222

I. General provisions

Status

Art. 1. (1) (Amended on 16.11.2021) The Umbrella Fund is an umbrella collective investment scheme established as a common (contractual) fund in accordance with the Activities of Collective Investment Schemes and Other Undertakings for Collective Investment Act („**ACISOU CIA**”). The Umbrella Fund consists of sixteen investment compartments – the Sub-Funds. The Umbrella Fund and each of its Sub-Funds are established as a separate pool of assets for the purpose of collective investment in transferable securities or other legally provided liquid financial assets of funds raised through public offering of units, and operates on the principle of risk allocation. Investors in the Sub-Funds of the Umbrella Fund have rights only with respect 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.

(2) The units of each Sub-Fund are dematerialized, registered and freely transferable and are subject to redemption based on the net asset value of the respective Sub-Fund at the request of their holders.

(3) In accordance with the applicable law, Section XV "Company" of the Obligations and Contracts Act shall apply to the Umbrella Fund, with the exception of Art. 359, para. 2 and 3, Art. 360, 362, Art. 363, letters "c" and "d" and Art. 364, insofar as the ACISOU CIA or the present Umbrella Fund Rules do not provide otherwise.

(4) (Amended on 16.11.2021, 08.02.2022) The Umbrella Fund and the Sub-Funds are organized and managed by a licensed management company, after obtaining an authorization from the Financial Supervision Commission ("FSC"), and are deemed established in the Republic of Bulgaria on the day of their registration with the Register under Art. 30, para. 1, item 4 of the Financial Supervision Commission Act. The Umbrella Fund and the Sub-Funds, specified in items 1 to 10 in the table at the beginning of these Umbrella Fund Rules, are registered with the register under Art. 30, para. 1, item 4 of the Financial Supervision Commission Act on 18.02.2021 and the Sub-Funds, specified in items 11 to 16 in the table at the beginning of these Umbrella Fund Rules, are registered in the register under Art. 30, para. 1, item 4 of the Financial Supervision Commission Act of 08.03.2022.

(5) The Umbrella Fund and the Sub-Funds are not legal entities, they have no legal personality and no governing bodies. All decisions regarding their establishment, operation, transformation and termination are taken by the management company, which acts in the name and on behalf of the Umbrella Fund and its Sub-Funds.

Name

Art. 2. (1) The name of the Umbrella Fund is ОББ ЕкспертИйз, which is written in Latin as follows: UBB ExpertEase

(2) (Amended on 16.11.2021) The names of the Sub-Funds in Cyrillic and Latin are written as follows:

Sub-Fund name	Sub-Fund name in Latin
ОББ ЕкспертИйз Дефанзивен Балансиран (ЛЕВА)	UBB ExpertEase Defensive Balanced (LEVA)
ОББ ЕкспертИйз Дефанзивен Балансиран (ЕВРО)	UBB ExpertEase Defensive Balanced (EUR)
ОББ ЕкспертИйз Дефанзивен Толерантен (ЛЕВА)	UBB ExpertEase Defensive Tolerant (LEVA)
ОББ ЕкспертИйз Дефанзивен Толерантен (ЕВРО)	UBB ExpertEase Defensive Tolerant (EUR)
ОББ ЕкспертИйз Динамичен Балансиран (ЛЕВА)	UBB ExpertEase Dynamic Balanced (LEVA)
ОББ ЕкспертИйз Динамичен Балансиран (ЕВРО)	UBB ExpertEase Dynamic Balanced (EUR)
ОББ ЕкспертИйз Динамичен Толерантен (ЛЕВА)	UBB ExpertEase Dynamic Tolerant (LEVA)

ОББ ЕкспертИйз Динамичен Толерантен (ЕВРО)	UBB ExpertEase Dynamic Tolerant (EUR)
ОББ ЕкспертИйз Силно Динамичен Толерантен (ЛЕВА)	UBB ExpertEase Highly Dynamic Tolerant (LEVA)
ОББ ЕкспертИйз Силно Динамичен Толерантен (ЕВРО)	UBB ExpertEase Highly Dynamic Tolerant (EUR)
ОББ ЕкспертИйз Ес Ер Ай Дефанзивен Консервативен	UBB ExpertEase SRI Defensive Conservative
ОББ ЕкспертИйз Ес Ер Ай Дефанзивен Балансиран	UBB ExpertEase SRI Defensive Balanced
ОББ ЕкспертИйз Ес Ер Ай Динамичен Балансиран	UBB ExpertEase SRI Dynamic Balanced
ОББ ЕкспертИйз Ес Ер Ай Дефанзивен Толерантен	UBB ExpertEase SRI Defensive Tolerant
ОББ ЕкспертИйз Ес Ер Ай Динамичен Толерантен	UBB ExpertEase SRI Dynamic Tolerant
ОББ ЕкспертИйз Ес Ер Ай Силно Динамичен Толерантен	UBB ExpertEase SRI Highly Dynamic Tolerant

Management company

Art. 3 The Umbrella Fund and the Sub-Funds are organized and managed by KBC Asset Management NV, a limited liability company established under the laws of the Kingdom of Belgium, with seat and registered address in Brussels 1080, Havenlaan 2, registered with the Register of Legal Entities Brussels, identification No. 0469.444.267 (“**KBC AM**” or the “**Management Company**”) through KBC Asset Management – KLON (the “**Branch**”), a branch of a foreign legal entity, established under the laws of Bulgaria, with seat and registered address in Sofia 1463, Triaditsa district, 89B Vitosha Blvd., Millennium Center, 6th floor, registered with the Bulgarian Commercial Register and the Register of Non-Profit Legal Entities at the Registry Agency with UIC (ЕИК) 205422541. The Management Company is licensed in Belgium and is subject to supervision by the Belgian Financial Services and Markets Authority. Through the Branch, the Management Company is also subject to supervision by the FSC in accordance with Chapter 12, Section VII of ACISOUCIA.

Art. 4 (1) (*Amended on 16.11.2021*) In connection with the organization and management of the Umbrella Fund and the Sub-Funds, the Branch may perform the following activities and services:

- a) Management of investments through investing in transferable securities or other liquid financial assets under Art. 38, para. 1 of the ACISOUCIA of funds, raised through public offering of units of the Sub-Funds, carried out on the principle of risk allocation in accordance with the risk profiles and the investment objectives, policies and restrictions of each Sub-Fund;
- b) issuance and redemption of units in the Sub-Funds;
- c) exercising rights – if any – under securities / financial instruments held in the Sub-Funds’ portfolios, such as participation in general meetings, receipt of dividends, interests, principals, subscription rights, as well as control of the payments in connection to such

securities or financial instrument, in compliance with the requirements of the applicable legislation;

- d) (*Amended on 16.11.2021, 08.02.2022*) determining the net asset value of the Sub-Funds in accordance with Rules for valuation of the portfolio and determination of the net asset value of the investment compartments of umbrella fund UBB ExpertEase, adopted by the Management Company, including as subsequently amended by a decision of the Branch's senior management, and approved by the Deputy Chairman of the Financial Supervision Commission, Head of the Investment Supervision Department, as well as calculating the issue price and the redemption price of the units of the Sub-Funds under the supervision of the custodian bank of the Umbrella Fund and the Sub-Funds (the “**Custodian**”);
- e) administration of the units in the Sub-Funds;
- f) bookkeeping and maintaining accounts of the Umbrella Fund and Sub-Funds in connection with the management of their assets;
- g) complying with information requests from investors;
- h) monitoring and assessing the risk of each exposure in a Sub-Fund's portfolio and its impact on the risk profile of the portfolio as a whole;
- i) arranging the provision of legal services and the compliance of the Umbrella Fund and Sub-Funds with legal requirements;
- j) making other payments;
- k) issuance, sale and redemption of units in the Sub-Funds;
- l) performing contracts in the name and on behalf of the Umbrella Fund and the Sub-Funds;
- m) advertising and marketing the activity the Umbrella Fund and the units in the Sub-Funds;
- n) disclosing information on the Umbrella Fund and Sub-Funds and maintaining relations with investors and unitholders in the Sub-Funds;
- o) carrying out any other activities and functions related with the management and internal organization of the Umbrella Fund and the Sub-Funds in accordance with the applicable law.

(2) (*Amended on 16.11.2021*) In carrying out the activities and functions, described in paragraph 1 the Branch's senior management takes all decisions related to the Umbrella Fund and its Sub-Funds, but not limited to, the following:

- a) prepares, amends, supplements, respectively updates, and implements these Umbrella Fund Rules, the Rules for valuation of the portfolio and determination of the net asset value of the investment compartments of the Umbrella Fund, the Rules for risk management of the Umbrella Fund, the Prospectus of the Umbrella Fund (the “**Prospectus**”), the Key Investor Information Documents of each Sub-Fund, The Rules for maintaining and managing the liquidity of the Umbrella Fund and its investment compartments, in accordance with the provisions of the applicable Bulgarian legislation and legislation of the European Union;
- b) determines the accounting policy of the Umbrella Fund;
- c) selects and enters into contracts for execution of investment orders with investment firms;
- d) selects and enters into a custody agreement with a Custodian;
- e) appoints and dismisses registered auditors of the annual financial statements of the Umbrella Fund;
- f) prepares and adopts the annual financial report after certification by the appointed auditors;

- g) monitors and analyzes the financial markets in view of possible changes in the investment objectives and policy of the Umbrella Fund and its Sub-Funds;
- h) takes investment decisions and makes trading orders for their implementation in accordance with applicable law and these Umbrella Fund Rules;
- i) structures and manages the portfolio of transferable securities, financial instruments or other liquid financial assets of each Sub-Fund and evaluates its effectiveness;
- j) manages the activity of issuing (selling) and redeeming units in the Sub-Funds in accordance with applicable law, these Umbrella Fund Rules and the Prospectus of the Umbrella Fund;
- k) decides to suspend the sale and redemption of units in the Sub-Funds in the cases provided by the applicable law and these Umbrella Fund Rules;
- l) introduces Rules for the collateralization and for reinvestment of the cash collateral and other rules and procedures to be applied when Sub-Funds invests in derivative financial instruments that require assets as collateral.

(3) The Management Company is obliged to implement the investment policy of each Sub-Fund in order to achieve the investment objectives of such Sub-Fund, as well as to comply with the investment restrictions provided for in the ACISOU CIA, in its implementing acts and in these Umbrella Fund Rules.

(4) *(Amended on 16.11.2021)* The Branch is obliged to comply with these Umbrella Fund Rules and the Rules for valuation of the portfolio and determination of the net asset value of the investment compartments of the Umbrella Fund.

(5) *(Amended on 16.11.2021)* The Branch is obliged to:

- a) act loyally and fairly in the best interests of the Umbrella Fund, its Sub-Funds and of market integrity;
- b) act with due skill, care and attention in the best interests of the Umbrella Fund, its Sub-Funds and of market integrity;
- c) dispose of and make effective use of the resources and procedures necessary for the proper conduct of its business;
- d) avoid conflicts of interest and, where unavoidable, ensures that the Umbrella Fund and/or its Sub-Funds are treated fairly;
- e) comply with all regulatory requirements in carrying out its activities in the best interests of investors and market integrity.

(6) *(Amended on 16.11.2021)* The Branch is obliged:

- a) not to carry out any activity at the expense of the Umbrella Fund or its Sub-Funds outside the investment objectives and restrictions, determined in these Umbrella Fund Rules and the Prospectus, as well as in violation of the investment restrictions, contained in the applicable law;
- b) not to provide false or misleading information, including on:
 - the net asset value of any of the Sub-Funds;
 - the volume, dynamics and structure of the Sub-Funds' assets;
- c) not to incur expenses at the expense of the Umbrella Fund and/or the Sub-Funds, which are not explicitly stated in these Umbrella Fund Rules;

- d) not to use the assets of the Umbrella Fund and its Sub-Funds for purposes contrary to the law and these Umbrella Fund Rules;
- e) not to invest the funds of the Umbrella Fund and its Sub-Funds in transferable securities, financial instruments and other liquid financial assets in violation of a statutory prohibition or investment restrictions;
- f) not to provide loans and not to be a guarantor of third parties with the assets of the Umbrella Fund and its Sub-Funds;
- g) not to use the assets of the Umbrella Fund and its Sub-Funds as collateral to its own liabilities or liabilities of third parties.

Art. 5 The Management Company separates its property from the property of the Umbrella Fund and makes a separate balance sheet for it.

Art. 6. The Management Company, the Branch, as well as the members of their management and supervisory bodies shall act in the interest of all unitholders and shall treat them fairly.

Term

Art. 7 The existence of the Umbrella Fund and the Sub-Funds is not limited in time.

II. MAIN OBJECTIVES AND RESTRICTIONS OF THE INVESTMENT ACTIVITY AND INVESTMENT POLICY

Main goals and direction of the investment activity

Art. 8. (1) *(Amended as of November 20, 2020, 16.11.2021, 18.03.2022)* The Umbrella Fund is a feeder collective investment scheme within the meaning of article 67 of ACISOUCIA and each Sub-Fund invests by way of derogation from Art. 4, para. 1, item 1, Art. 38, 45, 48 and Art. 49, para. 2, item 3 of ACISOUCIA, at least 85% of its assets in shares of certain investment compartments (together referred to as the **“Master Sub-Funds”**, each being a **“Master Sub-Fund”**) of umbrella fund Horizon N.V., an open-ended investment company duly incorporated and existing under the laws of Belgium, having its seat and registered office at Havenlaan 2, B-1080, Brussels, Belgium, which is managed by KBC AM (the **“Master Umbrella Fund”**). For the designated Major Sub-Funds, as set out below, there are two feeder Sub-Funds, one of which with units denominated in Euro (EUR), investing in the corresponding Institutional F shares BG class of the respective Master Sub-Fund, denominated in Euro, and one with units denominated in Bulgarian lev (BGN), investing in the corresponding Institutional F shares BG class of the respective Master Sub-Fund, denominated in Bulgarian lev, and for the other Main Sub-Funds there is only one corresponding Sub-Fund, whose units are denominated in Bulgarian lev and which invests in the corresponding class of shares of the respective Main Sub-Fund denominated in EUR, as follows:

Sub-Fund name	Master Sub-Fund name
UBB ExpertEase Defensive Balanced (EUR) ISIN BG9000004218	Horizon KBC ExpertEase Defensive Balanced Institutional F shares BG class in EUR ISIN BE6324083714
UBB ExpertEase Defensive Balanced (LEVA) ISIN BG9000003210	Horizon KBC ExpertEase Defensive Balanced Institutional F shares BG class in LEVA ISIN BE6324084720
UBB ExpertEase Defensive Tolerant (EUR) ISIN BG9000005215	Horizon KBC ExpertEase Defensive Tolerant Institutional F shares BG class in EUR ISIN BE6324087756
UBB ExpertEase Defensive Tolerant (LEVA) ISIN BG9000006213	Horizon KBC ExpertEase Defensive Tolerant Institutional F shares BG class in LEVA ISIN BE6324086741
UBB ExpertEase Dynamic Balanced (EUR) ISIN BG9000008219	Horizon KBC ExpertEase Dynamic Balanced Institutional F shares BG class in EUR ISIN BE6324090784
UBB ExpertEase Dynamic Balanced (LEVA) ISIN BG9000007211	Horizon KBC ExpertEase Dynamic Balanced Institutional F shares BG class in LEVA ISIN BE6324088762
UBB ExpertEase Dynamic Tolerant (EUR) ISIN BG9000009217	Horizon KBC ExpertEase Dynamic Tolerant Institutional F shares BG class in EUR ISIN BE6324092806
UBB ExpertEase Dynamic Tolerant (LEVA) ISIN BG9000010215	Horizon KBC ExpertEase Dynamic Tolerant Institutional F shares BG class in LEVA ISIN BE6324091790
UBB ExpertEase Highly Dynamic Tolerant (EUR) ISIN BG9000011213	Horizon KBC ExpertEase Highly Dynamic Tolerant Institutional F shares BG class in EUR ISIN BE6324094828
UBB ExpertEase Highly Dynamic Tolerant (LEVA) ISIN BG9000012211	Horizon KBC ExpertEase Highly Dynamic Tolerant Institutional F shares BG class in LEVA ISIN BE6324093812
UBB ExpertEase SRI Defensive Conservative (LEVA) ISIN BG9000006221	Horizon KBC ExpertEase SRI Defensive Conservative Institutional F shares BG class in EUR ISIN BE6331692176
UBB ExpertEase SRI Defensive Balanced	Horizon KBC ExpertEase SRI Defensive

(LEVA) ISIN BG9000005223	Balanced Institutional F shares BG class in EUR ISIN BE6331693182
UBB ExpertEase SRI Dynamic Balanced (LEVA) ISIN BG9000003228	Horizon KBC ExpertEase SRI Dynamic Balanced Institutional F shares BG class in EUR ISIN BE6331694198
UBB ExpertEase SRI Defensive Tolerant (LEVA) ISIN BG9000004226	Horizon KBC ExpertEase SRI Defensive Tolerant Institutional F shares BG class in EUR ISIN BE6331695203
UBB ExpertEase SRI Dynamic Tolerant (LEVA) ISIN BG9000002220	Horizon KBC ExpertEase SRI Dynamic Tolerant Institutional F shares BG class in EUR ISIN BE6331696219
UBB ExpertEase SRI Highly Dynamic Tolerant (LEVA) ISIN BG9000001222	Horizon KBC ExpertEase SRI Highly Dynamic Tolerant Institutional F shares BG class in EUR ISIN BE6331698231

(2) The investment objective of the Sub-Funds is to invest all or substantially all, but in any event at least 85%, of their assets in corresponding Master Sub-Funds' share classes in order to provide investors with an opportunity to invest in a well-diversified collective investment schemes with a large investor base, high net asset value and a global outlook. This allows investors to benefit from professional asset management based in a leading European market and cost-lowering economies of scale.

The investment objective of the Master Sub-Funds is to generate the highest possible return for their shareholders in accordance with their respective investment policy. This is reflected in their pursuit of capital gains and income. To this end, the assets of each of the Master Sub-Funds are invested, either directly or indirectly via correlated financial instruments, mainly in shares and bonds.

(3) The financial objective of the Umbrella Fund and its Sub-Funds is to increase the value of the units issued by the Sub-Funds in the long term.

Strategy and policy to achieve the objectives

Art. 9. (1) (*Amended as of November 20, 2020*) All or substantially all funds attracted by the Sub-Funds shall be invested in shares from the respective Institutional F shares BG class in the corresponding Master Sub-Funds. Each Sub-Fund may hold ancillary liquid assets (cash) up to an amount necessary for the Sub-Fund to fulfil redemption orders submitted by investors and to meet other ongoing expenses. The Sub-Funds may also make limited use of derivatives (e.g. futures) to hedge market risk resulting from the timing difference between the fulfilment of redemption and subscription orders in the Sub-Funds and their fulfilment in the corresponding Master Sub-Funds. The portfolio of the Sub-Funds shall be structured as follows:

Asset class	Percentage of Sub-Fund's assets
Shares in a corresponding Master Sub-Fund	At least 85%
Ancillary liquid assets under Art. 38, para. 4 of ACISOUCIA – cash	Up to 15%
Derivatives in accordance with Art. 38, para. 1, items 7 and 8 and Art. 42 and 43 of ACISOUCIA	

(2) *(Amended as of November 20, 2020)* As the Sub-Funds are feeder sub-funds which invests all or substantially all of their assets in shares from the respective Institutional F shares BG class issued by their corresponding Master Sub-Funds, their investment policy and performance depend substantially on the investment policy of their corresponding Master Sub-Funds for the respective share class.

***(Amended as of November 20, 2020)* Investment policy of Master Sub-Fund Horizon KBC ExpertEase Defensive Balanced**

Art. 10. (1) *(Amended as of November 20, 2020)* Horizon KBC ExpertEase Defensive Balanced is the Master Sub-Fund of the Sub-Funds UBB ExpertEase Defensive Balanced (LEVA) and UBB ExpertEase Defensive Balanced (EUR). The investment objective of this Master Sub-Fund, both in respect of its Institutional F shares BG class in EUR and Institutional F shares BG class in LEVA, is to generate the highest possible return for its shareholders in accordance with its investment policy. This is reflected in its pursuit of capital gains and income. To this end, the assets of the Master Sub-Fund are invested, either directly or indirectly via correlated financial instruments, primarily in bonds.

(2) *(Amended as of November 20, 2020)* This Master Sub-Fund (both in respect of its Institutional F shares BG class in EUR and Institutional F shares BG class in LEVA) invests directly or indirectly in various asset classes, such as shares and/or share-related investments (the “stock component”), bonds and/or bond-related investments (the “bond component”), money market instruments, cash and cash equivalents, and/or alternative investments, including indirectly in real estate, through investments in liquid financial instruments, such as units or shares of real estate investment funds (including special purpose vehicles that invest in real estate and other real estate investment funds), and financial instruments that are linked to price movements on the commodity market. The Master Sub-Fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

The target allocation of this Master Sub-Fund's assets is 30% for the stock component and 70% for the bond component. This allocation may be significantly deviated from in line with the investment view of KBC AM, pursuant to which the Master Sub-Fund may invest a sizeable portion of its assets in asset classes that are not included in the target allocation (such as money market instruments and cash). The stock component can amount to a maximum of 45% of the Master Sub-Fund. When applying KBC AM's investment view, an analysis is made of the financial and economic developments and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio can also be converted into investments with a lower level of risk (such as money market instruments and cash). If the stock component outperforms the bond component, or vice versa, the managers of the Master Sub-

Fund can likewise use part of the portfolio to buy additional assets in the best-performing of these two classes and sell assets in the worst-performing one.

The managers of the Master Sub-Fund pay twice as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that can be converted into investments with a lower level of risk, such as cash and money market instruments, in times of uncertain and/or volatile markets. This part of the portfolio will ultimately amount to between 5% and 40% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. However, under certain market conditions, the Master Sub-Fund's assets will not be invested in these asset classes in accordance with the pre-set target allocation.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

The bond component is invested in bonds and debt securities issued by both companies and governments. All maturities are taken into consideration when selecting the bonds and debt instruments. The Master Sub-Fund invests, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the rating agencies Moody's (Moody's Investors Service); S&P (Standard & Poor's, a Division of the McGraw-Hill Companies); Fitch (Fitch Ratings), and/or in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the Master Sub-Fund can invest up to 50% of the assets invested in bonds and debt instruments in securities that have a lower rating (or money market instruments whose issuer has a lower rating) and in securities for which no credit rating of any of the above-mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

(3) The Master Sub-Fund will invest primarily in units of undertakings for collective investment managed by a member of the KBC group based on criteria such as how transparent the investment policy of those undertakings for collective investment is and whether or not their strategy is in line with the Master Sub-Fund's investment strategy.

(4) This Master Sub-Fund can use derivatives both to achieve its investment objectives and to hedge risks. Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

(5) *(New as of November 20, 2020)* The UBB Expert Defensive Balanced (LEVA) and the UBB Expert Defensive Balanced (EUR) as Feeder Sub-Funds of the Master Sub-Fund Horizon KBC ExpertEase Defensive Balanced, they have the same risk profile as their Master Sub-Fund. According to the internal methodology of the Management Company, this risk profile is defensive. According to the Methodology for Classification of Collective Investment Schemes of the Bulgarian Association of Management Companies, the risk profile of these Sub-Funds, determined according to the geographical and market risk to which they are exposed, corresponds to a global mixed "balanced" fund.

(Amended as of November 20, 2020) Investment policy of Master Sub-Fund Horizon KBC ExpertEase Defensive Tolerant

Art. 11. (1) *(Amended as of November 20, 2020)* Horizon KBC ExpertEase Defensive Tolerant is the Master Sub-Fund of the Sub-Funds UBB ExpertEase Defensive Tolerant (LEVA) and UBB ExpertEase Defensive Tolerant (EUR). The investment objective of this Master Sub-Fund, both in respect of its Institutional F shares BG class in EUR and Institutional F shares BG class in LEVA, is to generate the highest possible return for its shareholders in accordance with its investment policy. This is reflected in its pursuit of capital gains and income. To this end, the assets of the Master Sub-Fund are invested, either directly or indirectly via correlated financial instruments, primarily in bonds.

(2) *(Amended as of November 20, 2020)* This Master Sub-Fund (both in respect of its Institutional F shares BG class in EUR and Institutional F shares BG class in LEVA) invests directly or indirectly in various asset classes, such as shares and/or share-related investments (the “stock component”), bonds and/or bond-related investments (the “bond component”), money market instruments, cash and cash equivalents, and/or alternative investments, including indirectly in real estate, through investments in liquid financial instruments, such as units or shares of real estate investment funds (including special purpose vehicles that invest in real estate and other real estate investment funds), and financial instruments that are linked to price movements on the commodity market. The Master Sub-Fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

The target allocation of the Master Sub-Funds assets is 30% for the stock component and 70% for the bond component. This allocation may be significantly deviated from in line with the investment view of KBC AM, pursuant to which the Master Sub-Fund may invest a sizeable portion of its assets in asset classes that are not included in the target allocation (such as money market instruments and cash). The stock component can amount to a maximum of 45% of the Master Sub-Fund. When applying KBC AM’s investment view, an analysis is made of the financial and economic developments and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio can also be converted into investments with a lower level of risk (such as money market instruments and cash). If the stock component outperforms the bond component, or vice versa, the managers of the Master Sub-Fund can likewise use part of the portfolio to buy additional assets in the best-performing of these two classes and sell assets in the worst-performing one.

The managers of the Master Sub-Fund pay one-and-a-half times as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that can be converted into investments with a lower level of risk, such as cash and money market instruments, in times of uncertain and/or volatile markets. This part of the portfolio will ultimately amount to between 5% and 40% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. However, under certain market conditions, the Master Sub-Fund’s assets will not be invested in these asset classes in accordance with the pre-set target allocation.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

The bond component is invested in bonds and debt securities issued by both companies and governments. All maturities are taken into consideration when selecting the bonds and debt instruments. The Master Sub-Fund invests, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the rating agencies Moody's (Moody's Investors Service); S&P (Standard & Poor's, a Division of the McGraw-Hill Companies); Fitch (Fitch Ratings), and/or in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the Master Sub-Fund can invest up to 50% of the assets invested in bonds and debt instruments in securities that have a lower rating (or money market instruments whose issuer has a lower rating) and in securities for which no credit rating of any of the above-mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

(3) The Master Sub-Fund will invest primarily in units of undertakings for collective investment managed by a member of the KBC group based on criteria such as how transparent the investment policy of those undertakings for collective investment is and whether or not their strategy is in line with the Master Sub-Fund's investment strategy.

(4) This Master Sub-Fund can use derivatives both to achieve its investment objectives and to hedge risks. Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

(5) *(New as of November 20, 2020)* The UBB ExpertEase Defensive Tolerant (LEVA) and UBB ExpertEase Defensive Tolerant (EUR) as Feeder Sub-Funds of the Master Sub-Fund Horizon KBC ExpertEase Defensive Tolerant, they have the same risk profile as their Master Sub-Fund. According to the internal methodology of the Management Company, this risk profile is defensive. According to the Methodology for Classification of Collective Investment Schemes of the Bulgarian Association of Management Companies, the risk profile of these Sub-Funds, determined according to the geographical and market risk to which they are exposed, corresponds to a global mixed "balanced" fund.

***(Amended as of November 20, 2020)* Investment policy of Master Sub-Fund Horizon KBC ExpertEase Dynamic Balanced**

Art. 12. (1) *(Amended as of November 20, 2020)* Horizon KBC ExpertEase Dynamic Balanced is the Master Sub-Fund of the Sub-Funds UBB ExpertEase Dynamic Balanced (LEVA) and UBB ExpertEase Dynamic Balanced (EUR). The investment objective of this Master Sub-Fund, both in respect of its Institutional F shares BG class in EUR and Institutional F shares BG class in LEVA, is to generate the highest possible return for its shareholders in accordance with its investment policy. This is reflected in its pursuit of capital gains and income. To this end, the assets of the Master Sub-Fund are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

(2) *(Amended as of November 20, 2020)* This Master Sub-Fund invests, both in respect of its Institutional F shares BG class in EUR and Institutional F shares BG class in LEVA, directly or indirectly in various asset classes, such as shares and/or share-related investments (the "stock component"), bonds and/or bond-related investments (the "bond component"), money market

instruments, cash and cash equivalents, and/or alternative investments, including indirectly in real estate, through investments in liquid financial instruments, such as units or shares of real estate investment funds (including special purpose vehicles that invest in real estate and other real estate investment funds), and financial instruments that are linked to price movements on the commodity market. The Master Sub-Fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

The target allocation of the Master Sub-Funds assets is 55% for the stock component and 45% for the bond component. This allocation may be significantly deviated from in line with the investment view of KBC AM, pursuant to which the Master Sub-Fund may invest a sizeable portion of its assets in asset classes that are not included in the target allocation (such as money market instruments and cash). The stock component can amount to a maximum of 70% of the Master Sub-Fund. When applying KBC AM's investment view, an analysis is made of the financial and economic developments and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio can also be converted into investments with a lower level of risk (such as money market instruments and cash). If the stock component outperforms the bond component, or vice versa, the managers of the Master Sub-Fund can likewise use part of the portfolio to buy additional assets in the best-performing of these two classes and sell assets in the worst-performing one.

The managers of the Master Sub-Fund pay twice as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that can be converted into investments with a lower level of risk, such as cash and money market instruments, in times of uncertain and/or volatile markets. This part of the portfolio will ultimately amount to between 25% and 65% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. However, under certain market conditions, the Master Sub-Fund's assets will not be invested in these asset classes in accordance with the pre-set target allocation.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

The bond component is invested in bonds and debt securities issued by both companies and governments. All maturities are taken into consideration when selecting the bonds and debt instruments. The Master Sub-Fund invests, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the rating agencies Moody's (Moody's Investors Service); S&P (Standard & Poor's, a Division of the McGraw-Hill Companies); Fitch (Fitch Ratings), and/or in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the Master Sub-Fund can invest up to 50% of the assets invested in bonds and debt instruments in securities that have a lower rating (or money market instruments whose issuer has a lower rating) and in securities for which no credit rating of any of the above-mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

(3) The Master Sub-Fund will invest primarily in units of undertakings for collective investment managed by a member of the KBC group based on criteria such as how transparent the investment

policy of those undertakings for collective investment is and whether or not their strategy is in line with the Master Sub-Fund's investment strategy.

(4) This Master Sub-Fund can use derivatives both to achieve its investment objectives and to hedge risks. Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

(5) *(New as of November 20, 2020)* The UBB ExpertEase Dynamic Balanced (LEVA) and UBB ExpertEase Dynamic Balanced (EUR) as Feeder Sub-Funds of the Master Sub-Fund Horizon KBC ExpertEase Dynamic Balanced, they have the same risk profile as their Master Sub-Fund. According to the internal methodology of the Management Company, this risk profile is dynamic. According to the Methodology for Classification of Collective Investment Schemes of the Bulgarian Association of Management Companies, the risk profile of these Sub-Funds, determined according to the geographical and market risk to which they are exposed, corresponds to a global equity fund.

***(Amended as of November 20, 2020)* Investment policy of Master Sub-Fund Horizon KBC ExpertEase Dynamic Tolerant**

Art. 13. (1) *(Amended as of November 20, 2020)* Horizon KBC ExpertEase Dynamic Tolerant is the Master Sub-Fund of the Sub-Funds UBB ExpertEase Dynamic Tolerant (LEVA) and UBB ExpertEase Dynamic Tolerant (EUR). The investment objective of this Master Sub-Fund, both in respect of its Institutional F shares BG class in EUR and Institutional F shares BG class in LEVA, is to generate the highest possible return for its shareholders in accordance with its investment policy. This is reflected in its pursuit of capital gains and income. To this end, the assets of the Master Sub-Fund are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

(2) *(Amended as of November 20, 2020)* This Master Sub-Fund invests, both in respect of its Institutional F shares BG class in EUR and Institutional F shares BG class in LEVA, directly or indirectly in various asset classes, such as shares and/or share-related investments (the "stock component"), bonds and/or bond-related investments (the "bond component"), money market instruments, cash and cash equivalents, and/or alternative investments, including indirectly in real estate, through investments in liquid financial instruments, such as units or shares of real estate investment funds (including special purpose vehicles that invest in real estate and other real estate investment funds), and financial instruments that are linked to price movements on the commodity market. The Master Sub-Fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

The target allocation of the Master Sub-Funds assets is 55% for the stock component and 45% for the bond component. This allocation may be significantly deviated from in line with the investment view of KBC AM, pursuant to which the Master Sub-Fund may invest a sizeable portion of its assets in asset classes that are not included in the target allocation (such as money market instruments and cash). The stock component can amount to a maximum of 70% of the Master Sub-Fund. When applying KBC AM's investment view, an analysis is made of the financial and economic developments and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio can also be converted into

investments with a lower level of risk (such as money market instruments and cash). If the stock component outperforms the bond component, or vice versa, the managers of the Master Sub-Fund can likewise use part of the portfolio to buy additional assets in the best-performing of these two classes and sell assets in the worst-performing one.

The managers of the Master Sub-Fund pay one-and-a-half times as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that can be converted into investments with a lower level of risk, such as cash and money market instruments, in times of uncertain and/or volatile markets. This part of the portfolio will ultimately amount to between 5% and 35% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. However, under certain market conditions, the Master Sub-Fund's assets will not be invested in these asset classes in accordance with the pre-set target allocation.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

The bond component is invested in bonds and debt securities issued by both companies and governments. All maturities are taken into consideration when selecting the bonds and debt instruments. The Master Sub-Fund invests, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the rating agencies Moody's (Moody's Investors Service); S&P (Standard & Poor's, a Division of the McGraw-Hill Companies); Fitch (Fitch Ratings), and/or in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the Master Sub-Fund can invest up to 50% of the assets invested in bonds and debt instruments in securities that have a lower rating (or money market instruments whose issuer has a lower rating) and in securities for which no credit rating of any of the above-mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

(3) The Master Sub-Fund will invest primarily in units of undertakings for collective investment managed by a member of the KBC group based on criteria such as how transparent the investment policy of those undertakings for collective investment is and whether or not their strategy is in line with the Master Sub-Fund's investment strategy.

(4) This Master Sub-Fund can use derivatives both to achieve its investment objectives and to hedge risks. Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

(5) *(New as of November 20, 2020)* The UBB ExpertEase Dynamic Tolerant (LEVA) and UBB ExpertEase Dynamic Tolerant (EUR) as Feeder Sub-Funds of the Master Sub-Fund Horizon KBC ExpertEase Dynamic Tolerant, they have the same risk profile as their Master Sub-Fund. According to the internal methodology of the Management Company, this risk profile is dynamic. According to the Methodology for Classification of Collective Investment Schemes of the Bulgarian Association of Management Companies, the risk profile of these Sub-Funds, determined

according to the geographical and market risk to which they are exposed, corresponds to a global equity fund.

(Amended as of November 20, 2020) Investment policy of Master Sub-Fund Horizon KBC ExpertEase Highly Dynamic Tolerant

Art. 14. (1) *(Amended as of November 20, 2020)* Horizon KBC ExpertEase Highly Dynamic Tolerant is the Master Sub-Fund of the Sub-Funds UBB ExpertEase Highly Dynamic Tolerant (LEVA) and UBB ExpertEase Highly Dynamic Tolerant (EUR). The investment objective of this Master Sub-Fund, both in respect of its Institutional F shares BG class in EUR and Institutional F shares BG class in LEVA, is to generate the highest possible return for its shareholders in accordance with its investment policy. This is reflected in its pursuit of capital gains and income. To this end, the assets of the Master Sub-Fund are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

(2) *(Amended as of November 20, 2020)* This Master Sub-Fund invests, both in respect of its Institutional F shares BG class in EUR and Institutional F shares BG class in LEVA, directly or indirectly in various asset classes, such as shares and/or share-related investments (the “stock component”), bonds and/or bond-related investments (the “bond component”), money market instruments, cash and cash equivalents, and/or alternative investments, including indirectly in real estate, through investments in liquid financial instruments, such as units or shares of real estate investment funds (including special purpose vehicles that invest in real estate and other real estate investment funds), and financial instruments that are linked to price movements on the commodity market. The Master Sub-Fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

The target allocation of the Master Sub-Funds assets is 75% for the stock component and 25% for the bond component. This allocation may be significantly deviated from in line with the investment view of KBC AM, pursuant to which the Master Sub-Fund may invest a sizeable portion of its assets in asset classes that are not included in the target allocation (such as money market instruments and cash). The stock component can amount to a maximum of 90% of the Master Sub-Fund. When applying KBC AM's investment view, an analysis is made of the financial and economic developments and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio can also be converted into investments with a lower level of risk (such as money market instruments and cash). If the stock component outperforms the bond component, or vice versa, the managers of the Master Sub-Fund can likewise use part of the portfolio to buy additional assets in the best-performing of these two classes and sell assets in the worst-performing one.

The managers of the Master Sub-Fund pay one-and-a-half times as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that can be converted into investments with a lower level of risk, such as cash and money market instruments, in times of uncertain and/or volatile markets. This part of the portfolio will ultimately amount to between 5% and 30% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. However, under certain market conditions, the Master Sub-Fund's assets will not be invested in these asset classes in accordance with the pre-set target allocation.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

The bond component is invested in bonds and debt securities issued by both companies and governments. All maturities are taken into consideration when selecting the bonds and debt instruments. The Master Sub-Fund invests, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the rating agencies Moody's (Moody's Investors Service); S&P (Standard & Poor's, a Division of the McGraw-Hill Companies); Fitch (Fitch Ratings), and/or in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the Master Sub-Fund can invest up to 50% of the assets invested in bonds and debt instruments in securities that have a lower rating (or money market instruments whose issuer has a lower rating) and in securities for which no credit rating of any of the above-mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

(3) The Master Sub-Fund will invest primarily in units of undertakings for collective investment managed by a member of the KBC group based on criteria such as how transparent the investment policy of those undertakings for collective investment is and whether or not their strategy is in line with the Master Sub-Fund's investment strategy.

(4) This Master Sub-Fund can use derivatives both to achieve its investment objectives and to hedge risks. Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

(5) *(New as of November 20, 2020)* The UBB ExpertEase Highly Dynamic Tolerant (LEVA) and UBB ExpertEase Highly Dynamic Tolerant (EUR) as Feeder Sub-Funds of the Master Sub-Fund Horizon KBC ExpertEase Highly Dynamic Tolerant, they have the same risk profile as their Master Sub-Fund. According to the internal methodology of the Management Company, this risk profile is dynamic. According to the Methodology for Classification of Collective Investment Schemes of the Bulgarian Association of Management Companies, the risk profile of these Sub-Funds, determined according to the geographical and market risk to which they are exposed, corresponds to a global equity fund.

***(Amended on 18.03.2022)* Investment Policy of Master Sub-Fund Horizon KBC ExpertEase SRI Defensive Conservative**

Art. 14a. (1) *(New from 16.11.2021, 18.03.2022)* Horizon KBC ExpertEase SRI Defensive Conservative is the Master Sub-Fund of the Feeder Sub-Fund UBB ExpertEase SRI Expert Defensive Conservative. The investment objective of this Master Sub-Fund is to generate the highest possible return for its shareholders in accordance with its investment policy. This is reflected in his quest to generate capital gains and income. For this purpose, the assets of the Master Sub-Fund are mainly invested directly or indirectly, through related financial instruments, in bonds.

(2) This Master Sub-Fund invests directly or indirectly in various asset classes, such as shares and / or equity-related investments ('share component'), bonds and / or bond-related investments

('bond component'), money market instruments, cash and cash equivalents and / or alternative investments, including indirectly in real estate, through investments in liquid financial instruments, such as units or shares of real estate investment funds (including special investment vehicles, investing in real estate and other real estate investment funds), and financial instruments that are related to the movement of prices in commodity markets. The Master sub-fund may use loans of up to 10% of its net assets, as long as these are short-term loans aimed at resolving temporary liquidity problems.

The target allocation of the Master Sub-Fund's assets is 30% for the equity component and 70% for the bond component. This distribution can be significantly changed in accordance with the investment attitude of KBC AM, according to which the Sub-Fund may invest a significant part of its assets in asset classes not included in the target distribution (such as money market instruments and money). The equity component may amount to a maximum of 45% of the assets of the Master Sub-Fund. When applying the investment attitude of KBC AM, an analysis of financial and economic developments and prospects for specific regions, sectors and topics is made. If financial market conditions are uncertain, volatile, or both, part of the portfolio can also be converted into lower-risk investments (such as money market instruments and money). If the equity component performs better than the bond component or vice versa, the Master Sub-Fund managers may also use part of its assets to buy additional assets in the better performing of these two components and sell assets in the worse performing component.

Managers of the Master Sub-Fund pay twice and a half more attention to the risk of downgrading than to the potential for growth. The more attention is paid to the risk of downgrading, the greater the part of the portfolio that can be converted into lower risk investments, such as money and money market instruments, in a situation of uncertainty and / or variable markets. This part of the portfolio can be between 60% and 95% of all assets. This limit is indicative and may be revised annually on the basis of the long-term trend of the financial markets. However, under certain market conditions and in accordance with the pre-set target allocation, the assets of the Sub-Fund will not be invested in these asset classes.

Within the upper limits, the Master Sub-Fund invests (directly or indirectly) in socially responsible assets. Socially responsible investment (SRI) has a positive impact on society, the environment and the world. It is in line with today's social and economic needs without compromising the needs of future generations. The Master sub-fund promotes a combination of environmental and social characteristics, but does not aim to invest in economic activities that contribute to the achievement of environmental or social objectives. Issuers in which they invest must follow good corporate governance practices.

KBC AM analysts compile a list of issuers (companies, governments, supranational organizations and / or government agencies) of a socially responsible nature. They are assisted by an advisory board (the "Advisory Board"), composed of 12 people who are not affiliated with KBC AM and whose sole responsibility is to monitor the methodology and activities of KBC AM analysts. In addition, KBC AM works with a data provider with experience in SRI, which provides data to analysts who process and supplement data with publicly available information (including annual reports, press releases, etc.).

Master Sub-Fund managers seek to invest as much as possible in assets that are part of this list. In order to create the list with socially responsible orientation, the issuers are subject to negative and positive review.

Negative review

The negative review includes specific criteria that preclude the inclusion of some issuers in the list of socially responsible targets.

In addition to the exclusion criteria set out in the prospectus of the Master Umbrella Fund, issuers are assessed against additional exclusion criteria set out on the KBC AM website.

The most important exclusion criteria are related to certain activities (tobacco, gambling, weapons, leather processing and adult entertainment). Issuers participating in such activities are excluded from the list of socially responsible targets. Checking for such activities ensures that issuers that seriously violate basic principles of environment, social aspects or good corporate governance are excluded. This list of criteria is not exhaustive and can be adjusted under the supervision of the Advisory Board.

Positive review

The positive review includes a comparison between governments as well as companies within the same industry, using criteria for SRI. Based on these criteria, issuers belonging to the best class in their group are included in the list of socially responsible orientation.

Issuers are selected on the basis of a series of criteria that are tested as much as possible against objective indicators, such as globally recognized indicators. The Advisory Board shall supervise any changes to the list of criteria at any time. Currently, the main criteria used are the following:

- For shares and bonds issued by companies, the selection is based on the following criteria related to the issuer:
 - Respect for the environment (e.g. reducing greenhouse gas emissions);
 - Attention to society (e.g. working conditions); and
 - Corporate governance (e.g. independence and diversity in the governing body).
- For bonds issued by national governments, supranational organizations and / or government agencies, the selection is based on the following criteria regarding the issuer:
 - Overall economic performance and stability (e.g. quality of institutions and government);
 - Socio-economic development and population health (e.g. education and employment);
 - Equality, freedom and rights of all citizens;
 - Environmental policy (e.g. on climate change); and
 - Security, peace and international relations.

This list is not exhaustive and may be modified under the supervision of the Advisory Board.

The subsector in which the issuer operates determines which criteria are most appropriate for this positive review, but good corporate governance is always taken into account.

The master sub-fund may temporarily make very limited investments in assets that do not meet the above criteria. Reasons for this include the following:

- Events occurred after the investment of the master Sub-Fund, as a result of which the issuer can no longer be considered socially responsible, based on the above criteria;
- Corporate events, such as the merger of one company with another, where the new company can no longer be considered a socially responsible issuer based on the above criteria;
- Inaccurate data, as a result of which the assets of the master Sub-Fund are invested (unintentionally and incorrectly) in assets issued by issuers that are not socially responsible;
- Planned update of the socially responsible list, in which investments are no longer categorized as socially responsible, but the managers of the master Sub-Fund choose not to sell them immediately, in the interest of the clients of the master Sub-Fund due to transaction costs.

In these cases, the relevant investments are replaced by socially responsible investments as soon as possible, always taking into account only the interest of investors in the Master Sub-Fund.

In addition, in order to effectively manage the portfolio, the Master Sub-Fund managers can make significant use of derivatives related to assets issued by non-socially responsible issuers, insofar as there is no working and comparable socially responsible alternative in the market of these derivatives. In addition, counterparties with which derivative contracts are concluded may not necessarily fall into the category of socially responsible issuers.

The equity component is invested in a global selection of equities that can come from any region, sector or topic.

The bond component consists of bonds and debt securities issued by companies and government securities. All maturities are taken into account when choosing bonds and debt instruments. The master sub-fund invests, directly and / or indirectly, at least 50% of the assets invested in bonds and debt instruments in securities with an investment rating (minimum rating - long-term BBB- / Baa3, short-term A3 / F3 / P3), provided by at least one of Moody's, Moody's Investors Service; Standard & Poor's; Fitch (Fitch, Fitch Ratings), and / or government securities issued in local currency or non-subordinated corporate bonds that do not have an investment rating from one of the above rating agencies, but whose issuer has an investment rating of at least one of the rating agencies mentioned above and / or in money market instruments whose issuer has received an investment rating from one of the aforementioned rating agencies.

This means that the Sub-Fund may invest up to 50% of the assets invested in bonds and debt instruments, in instruments that do not have a credit rating from the above-mentioned rating agencies and / or that do not meet the above credit rating requirements.

The socially responsible nature is guaranteed by the above-mentioned review of the SRI.

(3) The master sub-fund will invest mainly in units of collective investment undertakings.

(4) This Master Sub-Fund may enter into derivative transactions both to achieve investment objectives and to hedge risks. In order to achieve the objectives, derivative instruments accepted or not accepted for trading on a regulated market may be used: these may be forward contracts, futures, options or securities swaps, indices, currencies or interest rates, or other transactions involving derivatives financial instruments. Transactions in derivatives that are not accepted for

trading on a regulated market will be concluded only with first-class financial institutions specializing in such transactions.

(5) *(Amended on 18.03.2022)* As a feeder sub-fund of Horizon KBC Expertise SRI Defensive Conservative, the UBB ExpertEase Sub-Fund has the same risk profile with its Horizon KBC ExpertEase SRI Defensive Conservative. According to the internal methodology of the Management Company, this risk profile is defensive. According to the Methodology for Classification of Collective Investment Schemes of the Bulgarian Association of Management Companies, the risk profile of this Sub-Fund, determined according to the geographical and market risk to which it is exposed, corresponds to a global mixed "balanced" fund.

Investment Policy of the Master Sub-Fund Horizon KBC ExpertEase SRI Defensive Balanced

Art. 14b. (1) (New, 16.11.2021) Horizon KBC ExpertEase SRI Defensive Balanced is Master Sub-Fund of the UBB ExpertEase SRI Defensive Balanced sub-fund. The investment goal of this Master Sub-Fund is to generate the highest possible return for its shareholders in accordance with its investment policy. This is reflected in its aim to generate capital gains and income. For this purpose, the assets of the Master Sub-Fund are mainly invested directly or indirectly, through related financial instruments, in bonds.

(2) This Master Sub-Fund invests directly or indirectly in various asset classes, such as share and/or share-related investments ('stock component'), bonds and/or bond-related investments ('bond component'), money market instruments, cash and cash equivalents and/or alternative investments, including indirectly in real estate, through investments in liquid financial instruments, such as units or shares of real estate investment funds (including special purpose investment vehicles, investing in real estate and other real estate investment funds), and financial instruments that are related to the movement of prices in commodity markets. The Master Sub-Fund may use loans of up to 10% of its net assets, as long as these are short-term loans aimed at resolving temporary liquidity problems.

The target allocation of the Master Sub-Fund's assets is 30% for the stock component and 70% for the bond component. This allocation can be significantly changed in accordance with the investment attitude of KBC AM, according to which the Master Sub-Fund may invest a significant part of its assets in asset classes not included in the target allocation (such as money market instruments and money). The stock component may amount to a maximum of 45% of the assets of the Master Sub-Fund. When applying the investment attitude of KBC AM, an analysis of financial and economic developments and prospects for specific regions, sectors and topics is made. Should financial market conditions are uncertain, volatile, or both, part of the portfolio can also be turned into lower-risk investments (such as money market instruments and money). Should the stock component performs better than the bond component or vice versa, the Master Sub-Fund managers may also use part of its assets to buy additional assets in the better performing of the two components and sell assets in the worse performing component.

Master Sub-Fund managers shall pay twice as much attention to the downgrade risk as to the growth potential. The more attention is paid to the downgrade risk, the greater is the part of the portfolio that can be converted into lower risk investments, such as money and money market instruments, in a situation of uncertainty and/or volatile markets. This part of the portfolio can be between 40% and 80% of all assets. This limit is indicative and may be revised annually on the basis of the long-term trend of the financial markets. However, under certain market conditions

and in accordance with the pre-set target allocation, the assets of the Master Sub-Fund will not be invested in these asset classes.

Within the investment ceilings, the Master Sub-Fund shall make (directly or indirectly) socially responsible investments (SRI). SRI shall have a positive impact on society, the environment and the world. It is in line with today's social and economic needs without compromising the needs of future generations. The Master Sub-Fund shall promote a combination of environmental and social characteristics, but its aim is not to invest in economic activities that contribute to the achievement of environmental or social goals. Issuers in which they shall invest should follow good corporate governance practices.

KBC AM analysts shall compile a list of issuers (companies, governments, supranational organizations and/or government agencies) having a socially responsible behaviour. They are assisted by an Advisory Board composed of 12 people who are not affiliated with KBC AM and whose sole responsibility is to monitor the methodology and activities of KBC AM analysts. In addition, KBC AM shall work with a data provider experienced in SRI, which provides data to analysts who shall process and supplement data with publicly available information (including annual reports, press releases, etc.)

Master Sub-Fund managers seek to invest as much as possible in assets that are part of this list. In order to create the list of social responsibility behaviour, the issuers are subject to negative and positive review.

Negative review

The negative review shall include specific criteria that preclude the inclusion of some issuers in the list of social responsibility behaviour.

In addition to the exclusion criteria set out in the Master Umbrella prospectus, issuers shall be assessed against additional exclusion criteria set out on the KBC AM website.

The most important exclusion criteria are related to certain activities (tobacco, gambling, weapons, leather processing and adult entertainment). Issuers participating in such activities are excluded from the list of social responsibility behaviour. Verification of existence of such activities ensures that issuers that seriously violate basic principles of environment, social aspects or good corporate governance are excluded. This list of criteria is not exhaustive and can be adjusted under the supervision of the Advisory Board.

Positive review

The positive review includes a comparison between governments as well as between companies within the same industry, using criteria for SRI. Based on such criteria, issuers belonging to the best class in their group are included in the list of social responsibility behaviour.

Issuers are selected on the basis of a series of criteria that are tested as much as possible against objective indicators, such as globally recognized indicators. The Advisory Board shall supervise any changes to the list of criteria at any time. Currently, the main criteria used are the following:

- For shares and bonds issued by companies, the selection is based on the following criteria related to the issuer:
- Respect for the environment (e.g. reducing greenhouse gas emissions);

- Attention to society (e.g. working conditions); and
- Corporate governance (e.g. independence and diversity in the governing body).
- For bonds issued by national governments, supranational organizations and/or government agencies, the selection is based on the following criteria as regards the issuer:
 - Overall economic performance and stability (e.g. quality of institutions and government);
 - Socio-economic development and population health (e.g. education and employment);
 - Equality, freedom and rights of all citizens;
 - Environmental policy (e.g. on climate change); and
 - Security, peace and international relations.

This list is not exhaustive and may be modified under the supervision of the Advisory Board.

The subsector in which the issuer operates determines which criteria are most appropriate for this positive review, but good corporate governance is always taken into account.

The Master Sub-Fund may temporarily make very limited investments in assets that do not meet the above criteria. Reasons for the above shall include the following:

- Events occurred after the investment of the Master Sub-Fund, as a result of which the issuer can no longer be considered socially responsible, based on the above criteria;
- Corporate events, such as merger of one company with another, where the new company can no longer be considered a socially responsible issuer based on the above criteria;
- Inaccurate data, as a result of which the assets of the Master Sub-Fund are invested (unintentionally and incorrectly) in assets issued by issuers that are not socially responsible;
- Planned update of the list of social responsibility behaviour, in which investments are no longer categorized as socially responsible, but the managers of the Master Sub-Fund choose not to sell them immediately, in the interest of the clients of the Master Sub-Fund due to transaction costs.

In these cases, the relevant investments are replaced by socially responsible investments as soon as possible, always taking into account only the interest of investors in the Master Sub-Fund.

In addition, in order to effectively manage the portfolio, the Master Sub-Fund managers can make significant use of derivatives related to assets issued by non-socially responsible issuers, insofar as there is no working and comparable socially responsible alternative on the market of these derivatives. In addition, counterparties with which derivative contracts are concluded may not necessarily fall into the category of socially responsible issuers.

The stock component is invested in a global selection of shares that can come from any region, sector or topic.

The bond component consists of bonds and debt securities issued by companies and government securities. All maturities are taken into account when choosing bonds and debt instruments. The Master Sub-Fund shall invest, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments, in securities having an investment rating (minimum rating - long-term BBB-/Baa3, short-term A3/F3/P3), provided by at least one of the following rating agencies:

Moody's, Moody's Investors Service; Standard & Poor's; Fitch (Fitch, Fitch Ratings), and/or in government securities issued in local currency or non-subordinated corporate bonds that do not have an investment rating from one of the above rating agencies, but whose issuer has an investment rating of at least one of the rating agencies mentioned above and/or in money market instruments whose issuer has received an investment rating from one of the above-mentioned rating agencies.

This means that the Master Sub-Fund may invest up to 50% of the assets invested in bonds and debt instruments in instruments that do not have a credit rating from the above-mentioned rating agencies and/or that do not meet the above credit rating requirements.

The socially responsible nature is guaranteed by the above-mentioned review of the SRI.

(3) The Master Sub-Fund will invest mainly in units of collective investment undertakings.

(4) This Master Sub-Fund may enter into derivative transactions both to achieve investment goals and to hedge risks. In order to achieve the goals, derivative instruments, accepted or not, may be used for trading on a regulated market: these may be forward contracts, futures, options or swaps with securities, indices, currencies or interest rates or other transactions involving derivative financial instruments. Transactions in derivatives that are not accepted for trading on a regulated market will be concluded only with first-class financial institutions specializing in such transactions.

(5) As Feeder Sub-Fund of Horizon KBC ExpertEase SRI Defensive Balanced, the UBB ExpertEase Defensive Balanced Sub-Fund has the same risk profile as its Master Sub-Fund. According to the internal methodology of the Management Company, this risk profile is defensive. According to the Methodology for Classification of Collective Investment Schemes of the Bulgarian Association of Management Companies, the risk profile of this Sub-Fund, determined according to the geographical and market risk to which it is exposed, corresponds to a global mixed "balanced" fund.

Investment Policy of the Master Sub-Fund Horizon KBC ExpertEase SRI Dynamic Balanced

Art. 14c. (1) (New, 16.11.2021) Horizon KBC ExpertEase SRI Dynamic Balanced is Master Sub-Fund of the Feeder sub-fund UBB ExpertEase SRI Dynamic Balanced. The investment goal of this Master Sub-Fund is to generate the highest possible return for its shareholders in accordance with its investment policy. This is reflected in its aim to generate capital gains and income. For this purpose, the assets of the Master Sub-Fund are mainly invested directly or indirectly, through related financial instruments, in shares.

(2) This Master Sub-Fund invests directly or indirectly in various asset classes, such as share and/or share-related investments ('stock component'), bonds and/or bond-related investments ('bond component'), money market instruments, cash and cash equivalents and/or alternative investments, including indirectly in real estate, through investments in liquid financial instruments, such as units or shares of real estate investment funds (including special purpose investment vehicles, investing in real estate and other real estate investment funds), and financial instruments that are related to the movement of prices in commodity markets. The Master Sub-Fund may use loans of up to 10% of its net assets, as long as these are short-term loans aimed at resolving temporary liquidity problems.

The target allocation of the Master Sub-Fund's assets is 55% for the stock component and 45% for the bond component. This allocation can be significantly changed in accordance with the

investment attitude of KBC AM, according to which the Master Sub-Fund may invest a significant part of its assets in asset classes not included in the target allocation (such as money market instruments and money) . The stock component may amount to a maximum of 70% of the assets of the Master Sub-Fund. When applying the investment attitude of KBC AM, an analysis of financial and economic developments and prospects for specific regions, sectors and topics is made. Should financial market conditions are uncertain, volatile, or both, part of the portfolio can also be turned into lower-risk investments (such as money market instruments and money). Should the stock component performs better than the bond component or vice versa, the Master Sub-Fund managers may also use part of its assets to buy additional assets in the better performing of the two components and sell assets in the worse performing component.

Master Sub-Fund managers shall pay twice as much attention to the downgrade risk as to the growth potential. The more attention is paid to the downgrade risk, the greater is the part of the portfolio that can be converted into lower risk investments, such as money and money market instruments, in a situation of uncertainty and/or volatile markets. This part of the portfolio can be between 25% and 65% of all assets. This limit is indicative and may be revised annually on the basis of the long-term trend of the financial markets. However, under certain market conditions and in accordance with the pre-set target allocation, the assets of the Master Sub-Fund will not be invested in these asset classes.

Within the investment ceilings, the Master Sub-Fund shall make (directly or indirectly) socially responsible investments (SRI). SRI shall have a positive impact on society, the environment and the world. It is in line with today's social and economic needs without compromising the needs of future generations. The Master Sub-Fund shall promote a combination of environmental and social characteristics, but its aim is not to invest in economic activities that contribute to the achievement of environmental or social goals. Issuers in which they shall invest should follow good corporate governance practices.

KBC AM analysts shall compile a list of issuers (companies, governments, supranational organizations and/or government agencies) having a socially responsible behaviour. They are assisted by an Advisory Board composed of 12 people who are not affiliated with KBC AM and whose sole responsibility is to monitor the methodology and activities of KBC AM analysts. In addition, KBC AM shall work with a data provider experienced in SRI, which provides data to analysts who shall process and supplement data with publicly available information (including annual reports, press releases, etc.)

Master Sub-Fund managers seek to invest as much as possible in assets that are part of this list. In order to create the list of social responsibility behaviour, the issuers are subject to negative and positive review.

Negative review

The negative review shall include specific criteria that preclude the inclusion of some issuers in the list of social responsibility behaviour.

In addition to the exclusion criteria set out in the Master Umbrella prospectus, issuers shall be assessed against additional exclusion criteria set out on the KBC AM website.

The most important exclusion criteria are related to certain activities (tobacco, gambling, weapons, leather processing and adult entertainment). Issuers participating in such activities are excluded from the list of social responsibility behaviour. Verification of existence of such activities ensures

that issuers that seriously violate basic principles of environment, social aspects or good corporate governance are excluded. This list of criteria is not exhaustive and can be adjusted under the supervision of the Advisory Board.

Positive review

The positive review includes a comparison between governments as well as between companies within the same industry, using criteria for SRI. Based on such criteria, issuers belonging to the best class in their group are included in the list of social responsibility behaviour.

Issuers are selected on the basis of a series of criteria that are tested as much as possible against objective indicators, such as globally recognized indicators. The Advisory Board shall supervise any changes to the list of criteria at any time. Currently, the main criteria used are the following:

- For shares and bonds issued by companies, the selection is based on the following criteria related to the issuer:
 - Respect for the environment (e.g. reducing greenhouse gas emissions);
 - Attention to society (e.g. working conditions); and
 - Corporate governance (e.g. independence and diversity in the governing body).
- For bonds issued by national governments, supranational organizations and/or government agencies, the selection is based on the following criteria as regards the issuer:
 - Overall economic performance and stability (e.g. quality of institutions and government);
 - Socio-economic development and population health (e.g. education and employment);
 - Equality, freedom and rights of all citizens;
 - Environmental policy (e.g. on climate change); and
 - Security, peace and international relations.

This list is not exhaustive and may be modified under the supervision of the Advisory Board.

The subsector in which the issuer operates determines which criteria are most appropriate for this positive review, but good corporate governance is always taken into account.

The Master Sub-Fund may temporarily make very limited investments in assets that do not meet the above criteria. Reasons for the above shall include the following:

- Events occurred after the investment of the Master Sub-Fund, as a result of which the issuer can no longer be considered socially responsible, based on the above criteria;
- Corporate events, such as merger of one company with another, where the new company can no longer be considered a socially responsible issuer based on the above criteria;
- Inaccurate data, as a result of which the assets of the Master Sub-Fund are invested (unintentionally and incorrectly) in assets issued by issuers that are not socially responsible;

- Planned update of the list of social responsibility behaviour, in which investments are no longer categorized as socially responsible, but the managers of the Master Sub-Fund choose not to sell them immediately, in the interest of the clients of the Master Sub-Fund due to transaction costs.

In these cases, the relevant investments are replaced by socially responsible investments as soon as possible, always taking into account only the interest of investors in the Master Sub-Fund.

In addition, in order to effectively manage the portfolio, the Master Sub-Fund managers can make significant use of derivatives related to assets issued by non-socially responsible issuers, insofar as there is no working and comparable socially responsible alternative on the market of these derivatives. In addition, counterparties with which derivative contracts are concluded may not necessarily fall into the category of socially responsible issuers.

The stock component is invested in a global selection of shares that can come from any region, sector or topic.

The bond component consists of bonds and debt securities issued by companies and government securities. All maturities are taken into account when choosing bonds and debt instruments. The Master Sub-Fund shall invest, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments, in securities having an investment rating (minimum rating - long-term BBB-/Baa3, short-term A3/F3/P3), provided by at least one of the following rating agencies: Moody's, Moody's Investors Service; Standard & Poor's; Fitch (Fitch, Fitch Ratings), and/or in government securities issued in local currency or non-subordinated corporate bonds that do not have an investment rating from one of the above rating agencies, but whose issuer has an investment rating of at least one of the rating agencies mentioned above and/or in money market instruments whose issuer has received an investment rating from one of the above-mentioned rating agencies.

This means that the Master Sub-Fund may invest up to 50% of the assets invested in bonds and debt instruments in instruments that do not have a credit rating from the above-mentioned rating agencies and/or that do not meet the above credit rating requirements.

The socially responsible nature is guaranteed by the above-mentioned review of the SRI.

(3) The Master Sub-Fund will invest mainly in units of collective investment undertakings.

(4) This Master Sub-Fund may enter into derivative transactions both to achieve investment goals and to hedge risks. In order to achieve the goals, derivative instruments, accepted or not, may be used for trading on a regulated market: these may be forward contracts, futures, options or swaps with securities, indices, currencies or interest rates or other transactions involving derivative financial instruments. Transactions in derivatives that are not accepted for trading on a regulated market will be concluded only with first-class financial institutions specializing in such transactions.

(5) As Feeder Sub-Fund of Horizon KBC ExpertEase SRI Dynamic Balanced, the UBB ExpertEase Defensive Balanced Sub-Fund has the same risk profile as its Master Sub-Fund. According to the internal methodology of the Management Company, this risk profile is dynamic. According to the Methodology for Classification of Collective Investment Schemes of the Bulgarian Association of Management Companies, the risk profile of this Sub-Fund, determined according to the geographical and market risk to which it is exposed, corresponds to a global share fund.

Investment Policy of the Master Sub-Fund Horizon KBC ExpertEase SRI Defensive Tolerant

Art. 14d. (1) *(New, 16.11.2021)* Horizon KBC ExpertEase SRI Defensive Tolerant is Master Sub-Fund of the Feeder sub-fund UBB ExpertEase SRI Defensive Tolerant. The investment goal of this Master Sub-Fund is to generate the highest possible return for its shareholders in accordance with its investment policy. This is reflected in its aim to generate capital gains and income. For this purpose, the assets of the Master Sub-Fund are mainly invested directly or indirectly, through related financial instruments, in bonds.

(2) This Master Sub-Fund invests directly or indirectly in various asset classes, such as share and/or share-related investments ('stock component'), bonds and/or bond-related investments ('bond component'), money market instruments, cash and cash equivalents and/or alternative investments, including indirectly in real estate, through investments in liquid financial instruments, such as units or shares of real estate investment funds (including special purpose investment vehicles, investing in real estate and other real estate investment funds), and financial instruments that are related to the movement of prices in commodity markets. The Master Sub-Fund may use loans of up to 10% of its net assets, as long as these are short-term loans aimed at resolving temporary liquidity problems.

The target allocation of the Master Sub-Fund's assets is 30% for the stock component and 70% for the bond component. This allocation can be significantly changed in accordance with the investment attitude of KBC AM, according to which the Master Sub-Fund may invest a significant part of its assets in asset classes not included in the target allocation (such as money market instruments and money). The stock component may amount to a maximum of 45% of the assets of the Master Sub-Fund. When applying the investment attitude of KBC AM, an analysis of financial and economic developments and prospects for specific regions, sectors and topics is made. Should financial market conditions are uncertain, volatile, or both, part of the portfolio can also be turned into lower-risk investments (such as money market instruments and money). Should the stock component performs better than the bond component or vice versa, the Master Sub-Fund managers may also use part of its assets to buy additional assets in the better performing of the two components and sell assets in the worse performing component.

Master Sub-Fund managers pay one and a half times more attention to the downgrade risk than to the growth potential. The more attention is paid to the downgrade risk, the greater is the part of the portfolio that can be converted into lower risk investments, such as money and money market instruments, in a situation of uncertainty and/or volatile markets. This part of the portfolio can be between 5% and 40% of all assets. This limit is indicative and may be revised annually on the basis of the long-term trend of the financial markets. However, under certain market conditions and in accordance with the pre-set target allocation, the assets of the Master Sub-Fund will not be invested in these asset classes.

Within the investment ceilings, the Master Sub-Fund shall make (directly or indirectly) socially responsible investments (SRI). SRI shall have a positive impact on society, the environment and the world. It is in line with today's social and economic needs without compromising the needs of future generations. The Master Sub-Fund shall promote a combination of environmental and social characteristics, but its aim is not to invest in economic activities that contribute to the achievement of environmental or social goals. Issuers in which they shall invest should follow good corporate governance practices.

KBC AM analysts shall compile a list of issuers (companies, governments, supranational organizations and/or government agencies) having a socially responsible behaviour. They are assisted by an Advisory Board composed of 12 people who are not affiliated with KBC AM and whose sole responsibility is to monitor the methodology and activities of KBC AM analysts. In addition, KBC AM shall work with a data provider experienced in SRI, which provides data to analysts who shall process and supplement data with publicly available information (including annual reports, press releases, etc.)

Master Sub-Fund managers seek to invest as much as possible in assets that are part of this list. In order to create the list of social responsibility behaviour, the issuers are subject to negative and positive review.

Negative review

The negative review shall include specific criteria that preclude the inclusion of some issuers in the list of social responsibility behaviour.

In addition to the exclusion criteria set out in the Master Umbrella prospectus, issuers shall be assessed against additional exclusion criteria set out on the KBC AM website.

The most important exclusion criteria are related to certain activities (tobacco, gambling, weapons, leather processing and adult entertainment). Issuers participating in such activities are excluded from the list of social responsibility behaviour. Verification of existence of such activities ensures that issuers that seriously violate basic principles of environment, social aspects or good corporate governance are excluded. This list of criteria is not exhaustive and can be adjusted under the supervision of the Advisory Board.

Positive review

The positive review includes a comparison between governments as well as between companies within the same industry, using criteria for SRI. Based on such criteria, issuers belonging to the best class in their group are included in the list of social responsibility behaviour.

Issuers are selected on the basis of a series of criteria that are tested as much as possible against objective indicators, such as globally recognized indicators. The Advisory Board shall supervise any changes to the list of criteria at any time. Currently, the main criteria used are the following:

- For shares and bonds issued by companies, the selection is based on the following criteria related to the issuer:
 - Respect for the environment (e.g. reducing greenhouse gas emissions);
 - Attention to society (e.g. working conditions); and
 - Corporate governance (e.g. independence and diversity in the governing body).
- For bonds issued by national governments, supranational organizations and/or government agencies, the selection is based on the following criteria as regards the issuer:
 - Overall economic performance and stability (e.g. quality of institutions and government);
 - Socio-economic development and population health (e.g. education and employment);
 - Equality, freedom and rights of all citizens;

- Environmental policy (e.g. on climate change); and
- Security, peace and international relations.

This list is not exhaustive and may be modified under the supervision of the Advisory Board.

The subsector in which the issuer operates determines which criteria are most appropriate for this positive review, but good corporate governance is always taken into account.

The Master Sub-Fund may temporarily make very limited investments in assets that do not meet the above criteria. Reasons for the above shall include the following:

- Events occurred after the investment of the Master Sub-Fund, as a result of which the issuer can no longer be considered socially responsible, based on the above criteria;
- Corporate events, such as merger of one company with another, where the new company can no longer be considered a socially responsible issuer based on the above criteria;
- Inaccurate data, as a result of which the assets of the Master Sub-Fund are invested (unintentionally and incorrectly) in assets issued by issuers that are not socially responsible;
- Planned update of the list of social responsibility behaviour, in which investments are no longer categorized as socially responsible, but the managers of the Master Sub-Fund choose not to sell them immediately, in the interest of the clients of the Master Sub-Fund due to transaction costs.

In these cases, the relevant investments are replaced by socially responsible investments as soon as possible, always taking into account only the interest of investors in the Master Sub-Fund.

In addition, in order to effectively manage the portfolio, the Master Sub-Fund managers can make significant use of derivatives related to assets issued by non-socially responsible issuers, insofar as there is no working and comparable socially responsible alternative on the market of these derivatives. In addition, counterparties with which derivative contracts are concluded may not necessarily fall into the category of socially responsible issuers.

The stock component is invested in a global selection of shares that can come from any region, sector or topic.

The bond component consists of bonds and debt securities issued by companies and government securities. All maturities are taken into account when choosing bonds and debt instruments. The Master Sub-Fund shall invest, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments, in securities having an investment rating (minimum rating - long-term BBB-/Baa3, short-term A3/F3/P3), provided by at least one of the following rating agencies: Moody's, Moody's Investors Service; Standard & Poor's; Fitch (Fitch, Fitch Ratings), and/or in government securities issued in local currency or non-subordinated corporate bonds that do not have an investment rating from one of the above rating agencies, but whose issuer has an investment rating of at least one of the rating agencies mentioned above and/or in money market instruments whose issuer has received an investment rating from one of the above-mentioned rating agencies.

This means that the Master Sub-Fund may invest up to 50% of the assets invested in bonds and debt instruments in instruments that do not have a credit rating from the above-mentioned rating agencies and/or that do not meet the above credit rating requirements.

The socially responsible nature is guaranteed by the above-mentioned review of the SRI.

(3) The Master Sub-Fund will invest mainly in units of collective investment undertakings.

(4) This Master Sub-Fund may enter into derivative transactions both to achieve investment goals and to hedge risks. In order to achieve the goals, derivative instruments, accepted or not, may be used for trading on a regulated market: these may be forward contracts, futures, options or swaps with securities, indices, currencies or interest rates or other transactions involving derivative financial instruments. Transactions in derivatives that are not accepted for trading on a regulated market will be concluded only with first-class financial institutions specializing in such transactions.

(5) As Feeder Sub-Fund of Horizon KBC ExpertEase SRI Defensive Tolerant, the UBB ExpertEase Defensive Tolerant Sub-Fund has the same risk profile as its Master Sub-Fund. According to the internal methodology of the Management Company, this risk profile is defensive. According to the Methodology for Classification of Collective Investment Schemes of the Bulgarian Association of Management Companies, the risk profile of this Sub-Fund, determined according to the geographical and market risk to which it is exposed, corresponds to a global mixed "balanced" fund.

Investment Policy of the Master Sub-Fund Horizon KBC ExpertEase SRI Dynamic Tolerant

Art. 14e. (1) *(New, 16.11.2021)* Horizon KBC ExpertEase SRI Dynamic Tolerant is Master Sub-Fund of the Feeder sub-fund UBB ExpertEase SRI Dynamic Tolerant. The investment goal of this Master Sub-Fund is to generate the highest possible return for its shareholders in accordance with its investment policy. This is reflected in its aim to generate capital gains and income. For this purpose, the assets of the Master Sub-Fund are mainly invested directly or indirectly, through related financial instruments, in shares.

(2) This Master Sub-Fund invests directly or indirectly in various asset classes, such as share and/or share-related investments ('stock component'), bonds and/or bond-related investments ('bond component'), money market instruments, cash and cash equivalents and/or alternative investments, including indirectly in real estate, through investments in liquid financial instruments, such as units or shares of real estate investment funds (including special purpose investment vehicles, investing in real estate and other real estate investment funds), and financial instruments that are related to the movement of prices in commodity markets. The Master Sub-Fund may use loans of up to 10% of its net assets, as long as these are short-term loans aimed at resolving temporary liquidity problems.

The target allocation of the Master Sub-Fund's assets is 55% for the stock component and 45% for the bond component. This allocation can be significantly changed in accordance with the investment attitude of KBC AM, according to which the Master Sub-Fund may invest a significant part of its assets in asset classes not included in the target allocation (such as money market instruments and money). The stock component may amount to a maximum of 70% of the assets of the Master Sub-Fund. When applying the investment attitude of KBC AM, an analysis of financial and economic developments and prospects for specific regions, sectors and topics is made. Should financial market conditions are uncertain, volatile, or both, part of the portfolio can also be turned into lower-risk investments (such as money market instruments and money). Should the stock component performs better than the bond component or vice versa, the Master Sub-Fund managers may also use part of its assets to buy additional assets in the better performing of the two components and sell assets in the worse performing component.

Master Sub-Fund managers pay one and a half times more attention to the downgrade risk than to the growth potential. The more attention is paid to the downgrade risk, the greater is the part of the portfolio that can be converted into lower risk investments, such as money and money market instruments, in a situation of uncertainty and/or volatile markets. This part of the portfolio can be between 5% and 35% of all assets. This limit is indicative and may be revised annually on the basis of the long-term trend of the financial markets. However, under certain market conditions and in accordance with the pre-set target allocation, the assets of the Master Sub-Fund will not be invested in these asset classes.

Within the investment ceilings, the Master Sub-Fund shall make (directly or indirectly) socially responsible investments (SRI). SRI shall have a positive impact on society, the environment and the world. It is in line with today's social and economic needs without compromising the needs of future generations. The Master Sub-Fund shall promote a combination of environmental and social characteristics, but its aim is not to invest in economic activities that contribute to the achievement of environmental or social goals. Issuers in which they shall invest should follow good corporate governance practices.

KBC AM analysts shall compile a list of issuers (companies, governments, supranational organizations and/or government agencies) having a socially responsible behaviour. They are assisted by an Advisory Board composed of 12 people who are not affiliated with KBC AM and whose sole responsibility is to monitor the methodology and activities of KBC AM analysts. In addition, KBC AM shall work with a data provider experienced in SRI, which provides data to analysts who shall process and supplement data with publicly available information (including annual reports, press releases, etc.)

Master Sub-Fund managers seek to invest as much as possible in assets that are part of this list. In order to create the list of social responsibility behaviour, the issuers are subject to negative and positive review.

Negative review

The negative review shall include specific criteria that preclude the inclusion of some issuers in the list of social responsibility behaviour.

In addition to the exclusion criteria set out in the Master Umbrella prospectus, issuers shall be assessed against additional exclusion criteria set out on the KBC AM website.

The most important exclusion criteria are related to certain activities (tobacco, gambling, weapons, leather processing and adult entertainment). Issuers participating in such activities are excluded from the list of social responsibility behaviour. Verification of existence of such activities ensures that issuers that seriously violate basic principles of environment, social aspects or good corporate governance are excluded. This list of criteria is not exhaustive and can be adjusted under the supervision of the Advisory Board.

Positive review

The positive review includes a comparison between governments as well as between companies within the same industry, using criteria for SRI. Based on such criteria, issuers belonging to the best class in their group are included in the list of social responsibility behaviour.

Issuers are selected on the basis of a series of criteria that are tested as much as possible against objective indicators, such as globally recognized indicators. The Advisory Board shall supervise any changes to the list of criteria at any time. Currently, the main criteria used are the following:

- For shares and bonds issued by companies, the selection is based on the following criteria related to the issuer:
 - Respect for the environment (e.g. reducing greenhouse gas emissions);
 - Attention to society (e.g. working conditions); and
 - Corporate governance (e.g. independence and diversity in the governing body).
- For bonds issued by national governments, supranational organizations and/or government agencies, the selection is based on the following criteria as regards the issuer:
 - Overall economic performance and stability (e.g. quality of institutions and government);
 - Socio-economic development and population health (e.g. education and employment);
 - Equality, freedom and rights of all citizens;
 - Environmental policy (e.g. on climate change); and
 - Security, peace and international relations.

This list is not exhaustive and may be modified under the supervision of the Advisory Board.

The subsector in which the issuer operates determines which criteria are most appropriate for this positive review, but good corporate governance is always taken into account.

The Master Sub-Fund may temporarily make very limited investments in assets that do not meet the above criteria. Reasons for the above shall include the following:

- Events occurred after the investment of the Master Sub-Fund, as a result of which the issuer can no longer be considered socially responsible, based on the above criteria;
- Corporate events, such as merger of one company with another, where the new company can no longer be considered a socially responsible issuer based on the above criteria;
- Inaccurate data, as a result of which the assets of the Master Sub-Fund are invested (unintentionally and incorrectly) in assets issued by issuers that are not socially responsible;
- Planned update of the list of social responsibility behaviour, in which investments are no longer categorized as socially responsible, but the managers of the Master Sub-Fund choose not to sell them immediately, in the interest of the clients of the Master Sub-Fund due to transaction costs.

In these cases, the relevant investments are replaced by socially responsible investments as soon as possible, always taking into account only the interest of investors in the Master Sub-Fund.

In addition, in order to effectively manage the portfolio, the Master Sub-Fund managers can make significant use of derivatives related to assets issued by non-socially responsible issuers, insofar as there is no working and comparable socially responsible alternative on the market of these derivatives. In addition, counterparties with which derivative contracts are concluded may not necessarily fall into the category of socially responsible issuers.

The stock component is invested in a global selection of shares that can come from any region, sector or topic.

The bond component consists of bonds and debt securities issued by companies and government securities. All maturities are taken into account when choosing bonds and debt instruments. The Master Sub-Fund shall invest, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments, in securities having an investment rating (minimum rating - long-term BBB-/Baa3, short-term A3/F3/P3), provided by at least one of the following rating agencies: Moody's, Moody's Investors Service; Standard & Poor's; Fitch (Fitch, Fitch Ratings), and/or in government securities issued in local currency or non-subordinated corporate bonds that do not have an investment rating from one of the above rating agencies, but whose issuer has an investment rating of at least one of the rating agencies mentioned above and/or in money market instruments whose issuer has received an investment rating from one of the above-mentioned rating agencies.

This means that the Master Sub-Fund may invest up to 50% of the assets invested in bonds and debt instruments in instruments that do not have a credit rating from the above-mentioned rating agencies and/or that do not meet the above credit rating requirements.

The socially responsible nature is guaranteed by the above-mentioned review of the SRI.

(3) The Master Sub-Fund will invest mainly in units of collective investment undertakings.

(4) This Master Sub-Fund may enter into derivative transactions both to achieve investment goals and to hedge risks. In order to achieve the goals, derivative instruments, accepted or not, may be used for trading on a regulated market: these may be forward contracts, futures, options or swaps with securities, indices, currencies or interest rates or other transactions involving derivative financial instruments. Transactions in derivatives that are not accepted for trading on a regulated market will be concluded only with first-class financial institutions specializing in such transactions.

(5) As Feeder Sub-Fund of Horizon KBC ExpertEase SRI Dynamic Tolerant, the UBB ExpertEase Dynamic Tolerant Sub-Fund has the same risk profile as its Master Sub-Fund. According to the internal methodology of the Management Company, this risk profile is dynamic. According to the Methodology for Classification of Collective Investment Schemes of the Bulgarian Association of Management Companies, the risk profile of this Sub-Fund, determined according to the geographical and market risk to which it is exposed, corresponds to a global share fund.

Investment Policy of the Master Sub-Fund Horizon KBC ExpertEase SRI Highly Dynamic Tolerant

Art. 14f. (1) *(New, 16.11.2021)* Horizon KBC ExpertEase SRI Highly Dynamic Tolerant is Master Sub-Fund of the Feeder sub-fund UBB ExpertEase SRI Highly Dynamic Tolerant sub-fund. The investment goal of this Master Sub-Fund is to generate the highest possible return for its shareholders in accordance with its investment policy. This is reflected in its aim to generate capital gains and income. For this purpose, the assets of the Master Sub-Fund are mainly invested directly or indirectly, through related financial instruments, in shares.

(2) This Master Sub-Fund invests directly or indirectly in various asset classes, such as share and/or share-related investments ('stock component'), bonds and/or bond-related investments

('bond component'), money market instruments, cash and cash equivalents and/or alternative investments, including indirectly in real estate, through investments in liquid financial instruments, such as units or shares of real estate investment funds (including special purpose investment vehicles, investing in real estate and other real estate investment funds), and financial instruments that are related to the movement of prices in commodity markets. The Master Sub-Fund may use loans of up to 10% of its net assets, as long as these are short-term loans aimed at resolving temporary liquidity problems.

The target allocation of the Master Sub-Fund's assets is 75% for the stock component and 25% for the bond component. This allocation can be significantly changed in accordance with the investment attitude of KBC AM, according to which the Master Sub-Fund may invest a significant part of its assets in asset classes not included in the target allocation (such as money market instruments and money). The stock component may amount to a maximum of 90% of the assets of the Master Sub-Fund. When applying the investment attitude of KBC AM, an analysis of financial and economic developments and prospects for specific regions, sectors and topics is made. Should financial market conditions are uncertain, volatile, or both, part of the portfolio can also be turned into lower-risk investments (such as money market instruments and money). Should the stock component performs better than the bond component or vice versa, the Master Sub-Fund managers may also use part of its assets to buy additional assets in the better performing of the two components and sell assets in the worse performing component.

Master Sub-Fund managers pay one and a half times more attention to the downgrade risk than to the growth potential. The more attention is paid to the downgrade risk, the greater is the part of the portfolio that can be converted into lower risk investments, such as money and money market instruments, in a situation of uncertainty and/or volatile markets. This part of the portfolio can be between 5% and 30% of all assets. This limit is indicative and may be revised annually on the basis of the long-term trend of the financial markets. However, under certain market conditions and in accordance with the pre-set target allocation, the assets of the Master Sub-Fund will not be invested in these asset classes.

Within the investment ceilings, the Master Sub-Fund shall make (directly or indirectly) socially responsible investments (SRI). SRI shall have a positive impact on society, the environment and the world. It is in line with today's social and economic needs without compromising the needs of future generations. The Master Sub-Fund shall promote a combination of environmental and social characteristics, but its aim is not to invest in economic activities that contribute to the achievement of environmental or social goals. Issuers in which they shall invest should follow good corporate governance practices.

KBC AM analysts shall compile a list of issuers (companies, governments, supranational organizations and/or government agencies) having a socially responsible behaviour. They are assisted by an Advisory Board composed of 12 people who are not affiliated with KBC AM and whose sole responsibility is to monitor the methodology and activities of KBC AM analysts. In addition, KBC AM shall work with a data provider experienced in SRI, which provides data to analysts who shall process and supplement data with publicly available information (including annual reports, press releases, etc.)

Master Sub-Fund managers seek to invest as much as possible in assets that are part of this list. In order to create the list of social responsibility behaviour, the issuers are subject to negative and positive review.

Negative review

The negative review shall include specific criteria that preclude the inclusion of some issuers in the list of social responsibility behaviour.

In addition to the exclusion criteria set out in the Master Umbrella prospectus, issuers shall be assessed against additional exclusion criteria set out on the KBC AM website.

The most important exclusion criteria are related to certain activities (tobacco, gambling, weapons, leather processing and adult entertainment). Issuers participating in such activities are excluded from the list of social responsibility behaviour. Verification of existence of such activities ensures that issuers that seriously violate basic principles of environment, social aspects or good corporate governance are excluded. This list of criteria is not exhaustive and can be adjusted under the supervision of the Advisory Board.

Positive review

The positive review includes a comparison between governments as well as between companies within the same industry, using criteria for SRI. Based on such criteria, issuers belonging to the best class in their group are included in the list of social responsibility behaviour.

Issuers are selected on the basis of a series of criteria that are tested as much as possible against objective indicators, such as globally recognized indicators. The Advisory Board shall supervise any changes to the list of criteria at any time. Currently, the main criteria used are the following:

- For shares and bonds issued by companies, the selection is based on the following criteria related to the issuer:
 - Respect for the environment (e.g. reducing greenhouse gas emissions);
 - Attention to society (e.g. working conditions); and
 - Corporate governance (e.g. independence and diversity in the governing body).
- For bonds issued by national governments, supranational organizations and/or government agencies, the selection is based on the following criteria as regards the issuer:
 - Overall economic performance and stability (e.g. quality of institutions and government);
 - Socio-economic development and population health (e.g. education and employment);
 - Equality, freedom and rights of all citizens;
 - Environmental policy (e.g. climate change); and
 - Security, peace and international relations.

This list is not exhaustive and may be modified under the supervision of the Advisory Board.

The subsector in which the issuer operates determines which criteria are most appropriate for this positive review, but good corporate governance is always taken into account.

The Master Sub-Fund may temporarily make very limited investments in assets that do not meet the above criteria. Reasons for the above shall include the following:

- Events occurred after the investment of the Master Sub-Fund, as a result of which the issuer can no longer be considered socially responsible, based on the above criteria;
- Corporate events, such as merger of one company with another, where the new company can no longer be considered a socially responsible issuer based on the above criteria;
- Inaccurate data, as a result of which the assets of the Master Sub-Fund are invested (unintentionally and incorrectly) in assets issued by issuers that are not socially responsible;
- Planned update of the list of social responsibility behaviour, in which investments are no longer categorized as socially responsible, but the managers of the Master Sub-Fund choose not to sell them immediately, in the interest of the clients of the Master Sub-Fund due to transaction costs.

In these cases, the relevant investments are replaced by socially responsible investments as soon as possible, always taking into account only the interest of investors in the Master Sub-Fund.

In addition, in order to effectively manage the portfolio, the Master Sub-Fund managers can make significant use of derivatives related to assets issued by non-socially responsible issuers, insofar as there is no working and comparable socially responsible alternative on the market of these derivatives. In addition, counterparties with which derivative contracts are concluded may not necessarily fall into the category of socially responsible issuers.

The stock component is invested in a global selection of shares that can come from any region, sector or topic.

The bond component consists of bonds and debt securities issued by companies and government securities. All maturities are taken into account when choosing bonds and debt instruments. The Master Sub-Fund shall invest, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments, in securities having an investment rating (minimum rating - long-term BBB-/Baa3, short-term A3/F3/P3), provided by at least one of the following rating agencies: Moody's, Moody's Investors Service; Standard & Poor's; Fitch (Fitch, Fitch Ratings), and/or in government securities issued in local currency or non-subordinated corporate bonds that do not have an investment rating from one of the above rating agencies, but whose issuer has an investment rating of at least one of the rating agencies mentioned above and/or in money market instruments whose issuer has received an investment rating from one of the above-mentioned rating agencies.

This means that the Master Sub-Fund may invest up to 50% of the assets invested in bonds and debt instruments in instruments that do not have a credit rating from the above-mentioned rating agencies and/or that do not meet the above credit rating requirements.

The socially responsible nature is guaranteed by the above-mentioned review of the SRI.

(3) The Master Sub-Fund will invest mainly in units of collective investment undertakings.

(4) This Master Sub-Fund may enter into derivative transactions both to achieve investment goals and to hedge risks. In order to achieve the goals, derivative instruments, accepted or not, may be used for trading on a regulated market: these may be forward contracts, futures, options or swaps with securities, indices, currencies or interest rates or other transactions involving derivative financial instruments. Transactions in derivatives that are not accepted for trading on a regulated market will be concluded only with first-class financial institutions specializing in such transactions.

(5) As Feeder Sub-Fund of Horizon KBC ExpertEase SRI Highly Dynamic Tolerant, the UBB ExpertEase Highly Dynamic Tolerant Sub-Fund has the same risk profile as its Master Sub-Fund. According to the internal methodology of the Management Company, this risk profile is dynamic. According to the Methodology for Classification of Collective Investment Schemes of the Bulgarian Association of Management Companies, the risk profile of this Sub-Fund, determined according to the geographical and market risk to which it is exposed, corresponds to a global share fund.

(Amended as of November 20, 2020) Ancillary liquid assets and techniques for effective portfolio management

Art. 15. Each Sub-Fund can hold ancillary liquid assets under Art. 38, para. 4 of ACISOU CIA - cash up to an amount necessary for the Sub-Fund to fulfil redemption orders submitted by investors and to meet other ongoing expenses, but in any event not more than 15% of its net assets.

Investment in derivatives

Art. 16. (1) Each Sub-Fund can use financial derivative instruments, which meet the conditions under Art. 38, para. 1, items 7 and 8, and Art. 42 and 43 of ACISOU CIA.

(2) Derivatives can be used by the Sub-Funds only for risk hedging purposes.

(3) The total exposure to derivative instruments of each Sub-Fund shall not exceed the total net value of its portfolio in accordance with Art. 43 of ACISOU CIA. For this purpose, each Sub-Fund shall calculate its total risk exposure by combining either its own risk exposure to derivative instruments with the actual risk exposure to derivative financial instruments of its corresponding Master Sub-Fund in proportion to the amount of its investment in the Master Sub-Fund, or with the maximum total exposure of the Master Sub-Fund to derivative financial instruments, provided for in the Master Umbrella Fund's Articles of Association, in proportion to the amount of its investment in the Master Sub-Fund.

(4) *(New as of November 20, 2020)* The Management Company, when acting on behalf of the Sub-Funds, does not intend to use techniques and tools for effective portfolio management within the meaning of Art. 50, para. 1 of Ordinance № 44 - repo transactions.

(New as of November 20, 2020) Policy for the Use of Collateral

Art. 16a. (1) *(Amended on 16.11.2021)* In case it takes a decision to conclude transactions in OTC derivative financial instruments for the account of a given Sub-fund, the Management Company or the Branch, acting on behalf of the Sub-fund, may receive collateral for the purpose of reduction of the counterparty bankruptcy risk under such a transaction (credit risk). Any collateral received for such purpose shall be in compliance with the applicable legislation, more specifically with regard to liquidity, valuation, quality of the issuer, the correlation and the risk linked to the management of the collateral. Upon receiving and the management of collateral, the Management Company or the Branch acting on behalf of the Sub-funds shall take into account the applicable sections of the Guidelines for Competent Authorities and UCITS Management Companies (Ref. No.: ESMA/2014/937). Taken that the investment objective of the Sub-funds is to invest at least 85% of their assets in the relevant Master Sub-funds of the Master Umbrella Fund and that in that connection the former can have only limited positions in derivatives for the purpose of risk hedging, the Management Company and the Branch does not envisage receiving collateral in the amount of and over 30% of the assets of the respective Sub-Funds.

(2) In the case where transactions in OTC derivatives are entered into for the account of a Sub-fund, any collateral used to reduce the risk exposition to the counterparty, shall at all times meet the following criteria:

- a) liquidity – any received collateral other than cash, should be highly liquid and traded on a regulated market or on a multilateral trading facility (MTF) with transparent pricing in order that it can be sold quickly and at a price that is close to its pre-sale valuation;
- b) valuation – assets received as collateral should be valued on at least a daily basis. Assets that exhibit high volatility should not be accepted as collateral unless suitably conservative percentage rate has been provided for reduction of the valuation of the collateral (haircut);
- c) high credit rating of the issuer of the assets provided as collateral;
- d) correlation – assets provided as collateral should be issued by an issuer that is not related to the counterparty to the transaction and that is not expected to display a high correlation with the performance of the counterparty;
- e) collateral diversification – assets received as collateral should be sufficiently well diversified with regard to the geographical location, markets and issuers. The exposure to a given issuer should not exceed 20% net asset value of the relevant Sub-fund;
- f) risks linked to the management of the collateral should be identified, managed and mitigated by the risk management process;
- g) the collateral received should be held by the Depositary;
- h) in case of default of the counterparty, the Management Company acting for the account of a Sub-fund may proceed with the enforcement of the collateral at any time without notice to the counterparty or its approval;
- i) assets received from non-cash collateral cannot be sold, reinvested or pledged prior to the default of the counterparty;
- j) cash collateral may be deposited only with a credit institution within the meaning of Art. 38, paragraph 1, item 6 of the LACISOUCL.

(3) (*Amended on 16.11.2021*) The Management Company or the Branch acting on behalf of the Sub-funds may only accept the following types of collateral:

- a) cash;
- b) bonds issued or guaranteed by a state which is part of the European Economic Area or another state that is party to Convention of the Organization for Economic Cooperation and Development, their central banks, their municipal bodies, by the European Central Bank, the European Investment Bank or by an international public organization of which at least one state which is part of the European Economic Area is a member, as well as qualified debt securities issued or guaranteed by third countries with a credit rating not lower than investment grade assigned by a credit rating agency registered or certified in accordance with Regulation (EU) 1060/2009.

(4) (*Amended on 16.11.2021*) The Management Company or the branch shall determine the required level of collateral in accordance with limits of counterparty risk applicable to the relevant

Sub-fund, taking into account the nature and the characteristics, the counterparty, its creditworthiness and prevailing market conditions.

(5) (*Amended on 16.11.2021*) The Management company or the Branch shall decide on the reduction of the valuation of the collateral provided (haircut), applicable to an asset received as collateral, based on the following factors:

- a) type of collateral received;
- b) the maturity of the asset provided as collateral (if applicable);
- c) the credit rating of the issuer of the asset provided as collateral (if applicable).

The Management company or the Branch may decide to further reduce the valuation of the collateral provided if it is denominated in a currency other than the euro.

(6) (*Amended on 16.11.2021*) The non-cash security shall be kept by the Depository for the account [of] the Sub-Funds. Assets received as collateral cannot be sold, reinvested or pledged by the Management Company prior to the counterparty's default on an OTC derivative transaction. The Management Company, acting on behalf of the Sub-Fund, may sell financial instruments received as collateral when the counterparty has defaulted on the derivative contract and the terms and conditions of the contract provide this right to the Management Company / Branch / Sub-Fund.

(7) (*Amended on 16.11.2021*) In the case where the Management Company or the Branch acting on behalf of a Sub-Fund decides to enter into transactions with OTC derivative financial instruments, it may also provide collateral for the account of a Sub-Fund in order to reduce the Sub-Fund's exposure to the counterparty to the transaction with OTC derivative instruments. The collateral provided must be sufficiently liquid so that it can be sold at a price close to its pre-sale valuation. In calculating the risk exposure of the Sub-Fund to the counterparty, the Management Company or the Branch shall take into account the investment and concentration limits applicable to the Sub-Fund. The collateral provided may be reflected at net value if the Management Company or the Branch can ensure the application of the netting agreements with the counterparty to the OTC derivatives transaction on behalf of the Sub-Fund.

Restrictions on the investment activity

Art. 17. The Sub-Funds cannot invest in assets other than those listed in Art. 9, para. 1 of these Umbrella Fund Rules.

Art. 18. (1) (*Amended on 16.11.2021*) The Management Company, the Branch and the Custodian, when acting on behalf of the Sub-Funds, cannot use loans, except in the cases and in accordance with the requirements of ACISOUCA.

(2) (*Amended on 16.11.2021*) Notwithstanding paragraph 1, upon approval by the FSC the Management Company, the Branch and the Custodian, when acting on behalf of the Sub-Funds, may enter into loan agreements and borrow amounts of up to 10% of the net assets of the respective Sub-Funds, provided that:

- a) the loan is for a term not longer than three months and is necessary to cover the obligations for redemption of the units in the Sub-Funds;

- b) the conditions of the loan agreement are not be less favourable than the normal market conditions.

III. UMBRELLA FUND ASSETS. RIGHTS OF UNITHOLDERS

Art. 19. (1) (*Amended on 16.11.2021*) The Umbrella Fund consists of sixteen investment compartments – the Sub-Funds. In the relationship between the unitholders of the Umbrella Fund, each Sub-Fund shall be viewed as a separate pool of assets and therefore the unitholders have rights only with respect 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. Each Sub-Fund has a separate class of units and is divided into units, the number of which changes as a result of the issuance (sale) of new units or their redemption.

(2) The Umbrella Fund and each of its Sub-Funds shall be considered an issuer of the units into which it is divided.

(3) (*Amended on 16.11.2021*) The net value of each of the Sub-Funds' assets may not be less than BGN 500,000 (five hundred thousand leva) or the equivalent in Euro, as applicable for the Sub-Funds, denominated in Euro, as the case may be, which minimum threshold must be reached until the expiration of two years as of the moment when KBC AM received approval for organization and management of the Umbrella Fund from the FSC, respectively for organization and management of the respective Sub-Funds.

(4) (*Amended on 16.11.2021*) If the net asset value of the respective Sub-Fund does not reach BGN 500,000 (five hundred thousand leva) or the equivalent in Euro, as applicable for the Sub-Funds, denominated in Euro, within the term specified in paragraph 3 above, or if for six consecutive months the average monthly net asset value of said Sub-Fund is less than BGN 500,000 (or its equivalent in Euro, for the Sub-Funds denominated in Euro), KBC AM or the Branch must publish the reasons within 10 business days for this, the measures it shall undertake to attract new investors and the period in which these measures will be implemented and in which the respective Sub-Fund is expected to recover the amount of the net asset value. The abovementioned period of 10 business days shall start running from the expiry of the initial two-year period, respectively from the expiry of 6 consecutive months referred to in the preceding sentence.

(5) (*Amended on 16.11.2021*) The disclosure under preceding paragraph shall be made on the website of the Branch, as well as by way of other appropriate means in view of the established means of communicating information to investors. KBC AM or the Branch shall submit to the FSC a copy of the information by the end of the business day following the day of its disclosure, and information regarding the results of the measures undertaken by the 10th day of each month until the minimum amount of BGN 500,000 is reached.

Structure of the property. Contributions

Art. 20. (1) The structure of the assets and liabilities of the property of each Sub-Fund, as well as its liquidity shall comply with the respective applicable legal requirements and these Umbrella Fund Rules.

(2) The contributions to the property of each Sub-Fund may be only in cash.

(3) The subscription of a unit in each Sub-Fund shall be carried out against payment of its full issue price, which is equal to the sum of the net asset value per unit, calculated on the respective day, plus the relevant issue costs, determined for the respective Sub-Fund (if any). If the amount of investment by the prospective investor does not allow the subscription of a round number of units, the investor can also acquire a fraction of a unit in which case the fraction of a unit would be cut to the fourth decimal place.

(4) The minimum subscription amount for units in Sub-Funds, denominated in Bulgarian leva, is BGN 10 and for Sub-Funds, which are denominated in Euro – EUR 10. When a subscription order is placed, the value of the order is divided by the issue price per unit in the respective Sub-Fund. The Sub-Funds may issue only units or fractions of units the issue price of which has been paid in full.

(5) (*Amended as of May 10, 2021*) The issue price includes the issue costs, which are 2,5% of the net asset value per unit for each of the Sub-Funds.

(6) The Umbrella Fund and its Sub-Funds shall not have the right to issue units, the issue price of which has not been fully paid.

Increase and decrease of the assets of the Umbrella Fund and Sub-Funds

Art. 21. The assets of the Umbrella Fund and its Sub-Funds increase or decrease according to the change in the net asset value of each of the Sub-Funds, including as a result of the issuance and redemption of units in each of the Sub-Funds and of the fluctuations in the net asset value of the Sub-Funds' investments in their corresponding Master Sub-Funds.

Units of the Sub-Funds

Art. 22. (1) Pursuant to § 1, item 4 of the Additional Provisions to ACISOUCIA the units issued by each Sub-Fund are financial instruments, which incorporate the rights of their holders over a portion of the respective Sub-Fund's assets. The units of each Sub-Fund are freely transferable and are issued in dematerialised (registered) form. They are registered with Central Depository AD and can be offered to the public in the Republic of Bulgaria.

(2) (*Amended on 16.11.2021*) The nominal value of the units in the Sub-Funds is as follows:

- UBB ExpertEase Defensive Balanced (LEVA) is denominated in Bulgarian leva and its units have a nominal value of BGN 10 each;
- UBB ExpertEase Defensive Tolerant (LEVA) is denominated in Bulgarian leva and its units have a nominal value of BGN 10 each;
- UBB ExpertEase Dynamic Balanced (LEVA) is denominated in Bulgarian leva and its units have a nominal value of BGN 10 each;
- UBB ExpertEase Dynamic Tolerant (LEVA) is denominated in Bulgarian leva and its units have a nominal value of BGN 10 each;
- UBB ExpertEase Highly Dynamic Tolerant (LEVA) is denominated in Bulgarian leva and its units have a nominal value of BGN 10 each;
- UBB ExpertEase Defensive Balanced (EUR) is denominated in Euro and its units have a nominal value of EUR 10 each;
- UBB ExpertEase Defensive Tolerant (EUR) is denominated in Euro and its units have a nominal value of EUR 10 each;

- UBB ExpertEase Dynamic Balanced (EUR) is denominated in Euro and its units have a nominal value of EUR 10 each;
- UBB ExpertEase Dynamic Tolerant (EUR) is denominated in Euro and its units have a nominal value of EUR 10 each;
- UBB ExpertEase Highly Dynamic Tolerant (EUR) is denominated in Euro and its units have a nominal value of EUR 10 each;
- UBB ExpertEase SRI Defensive Conservative is denominated in BGN and its shares have a nominal value of BGN 10 each;
- UBB ExpertEase SRI Defensive Balanced is denominated in BGN and its units have a nominal value of BGN 10 each;
- UBB ExpertEase SRI Dynamic Balanced is denominated in BGN and its shares have a nominal value of BGN 10 each;
- UBB ExpertEase SRI Defensive Tolerant is denominated in BGN and its shares have a nominal value of BGN 10 each;
- UBB ExpertEase SRI Dynamic Tolerant is denominated in BGN and its shares have a nominal value of BGN 10 each;
- UBB ExpertEase SRI Highly Dynamic Tolerant is denominated in BGN and its shares have a nominal value of BGN 10 each.

(3) The number of units in each Sub-Fund shall be determined upon their issuance and redemption and shall not be limited with a minimum or maximum size.

Type of units

Art. 23. (1) Each Sub-Fund may issue a round number of units and a fraction of units.

(2) The number of units in the respective Sub-Fund, which the investor acquires is determined by dividing the cash contribution (the amount declared for investment) with the issue price per unit, calculated for the respective day.

(3) If the amount of investment by the investor does not allow the subscription of a round number of units, the investor will acquire a fraction of a unit in which case the fraction of a unit would be cut to the fourth decimal place.

Unitholders' register

Art. 24. For each Sub-Fund a separate register of unitholders will be maintained. The unitholders' register for each Sub-Fund will be maintained by the distributor of the units in the Sub-Funds, which is United Bulgarian Bank, registered under UIC (*ЕНК*) 000694959 with the Commercial Register and Register of Non-Profit Legal Entities with the Registry Agency and holds a full banking license granted by Bulgarian National Bank on 19.11.1992 with last amendment of the banking license approved with Order ПД 22 – 2250/ 16.11.2009 r. of Bulgarian National Bank (the “**Distributor**”). The unitholders' register for each Sub-Fund will be kept at Central Depository AD.

Transfer of units

Art. 25. The units in the Sub-Funds are transferred freely, without restrictions or additional conditions, according to the will of their owners, in compliance with the requirements of the applicable legislation for disposal of financial instruments.

Unitholders' rights

Art. 26. (1) The units in each Sub-Fund give their owners equal rights to the rights of the other unitholders in that Sub-Fund, proportional to the number of units held. Each such unit provides its holder with the right to a respective portion of the assets of the respective Sub-Fund, including upon its liquidation or the liquidation of the Umbrella Fund, a redemption right, an information right and the right to lodge a complaint.

(2) Property rights on fractions of units held in a Sub-Fund are acquired and exercised by the respective holder in their proportion to a full unit.

Right to lodge a complaint

Art. 27. (1) The unitholders of the Sub-Funds have the right to file complaints free of charge against actions and omissions of KBC AM, the Branch and their third party service providers, including e.g. with regard to the unit administration activities, investor information requests, net asset valuation and unit price calculation, compliance with legal requirements, keeping a register of unitholders, distribution of payments, issuance, sale and redemption of units, performance of contracts, record keeping.

(2) (*Amended as of November 20, 2020*) The information on the Procedure for filing and reviewing complaints, requests and objections by the unitholders is provided on demand and free of charge to the investors and is published on the website of the Branch.

(3) (*New as of November 20, 2020*) The Branch and the Distributor shall maintain a special register of complaints filed by the unit-holders in the Sub-funds against actions and omissions of the Management Company, the Branch and their service providers, including the Distributor.

(4) (*New as of November 20, 2020*) The Branch and – where applicable – the Distributor shall review and register all complaints filed and, depending on the subject-matter of the complains, they shall be forwarded for the purpose of preparing a response or provision of information respectively to the Branch or to the Distributor, depending on their obligations and responsibilities to the investors.

(5) (*New as of November 20, 2020 and amended as of January 11, 2021*) In the relations between the Branch, including when acting for the account of the Umbrella Fund and the Sub-Funds, and the Distributor, the Distributor shall be liable for the non-performance of obligations and responsibilities to investors provided for in the contracts concluded with them and with the Distributor as well as of orders placed for execution. The Distributor is also responsible in connection with its relationship with the Branch, including the assessment, including the incorrect assessment of the circumstances set out in a complaint regarding the non-fulfillment of the Distributor's stated obligations. Regardless of this, the ultimate responsibility of the Branch towards the investors regarding the non-fulfillment of the obligations assigned to the Distributor does not lapse.

(6) (*New as of November 20, 2020*) The Branch should ensure that it has information on all complaints filed and responses drawn up to investors by the Distributor, and in this regard the Branch and the Distributor agree on the introduction of a procedure for providing information to the Regulatory Compliance Department in the Branch within a certain time limit after receiving of the complaint by the Distributor, respectively for coordination of the response with the Branch.

(7) (New as of November 20, 2020) Investors may file complaints:

- at the office of the Branch;
- in all offices of the Distributor;
- online via the web site of the Branch and via the web site of the Distributor.

(8) (New as of November 20, 2020) Complaints are considered only if the investor provides correct information about his name and uniform civil number (the civil identity code) / similar identification and contact details - postal address, telephone number, e-mail address, etc.

(9) (New as of November 20, 2020) Complaints are considered by the Branch and, where applicable, by the Distributor, who analyze the complaint, verify the relevant data, collect evidence and take measures to address the complaint, and a reasoned written response should be sent to the complainant no later than 10 business days from the day of submitting the complaint.

(10) (New as of November 20, 2020) Each investor has the right to file a complaint against KBC AM, the Branch or the Distributor to the FSC and / or any other competent authority, as well as to use other available means for alternative dispute resolution, such as mediation, out-of-court agreements and any other forms of out-of-court resolution of disputes, including the procedure before the *Sectoral Conciliation Commission for consideration of disputes in the field of activities and services under Art. 5 (2) and (3) of MiFIA and for activities and services under Art. 86 (1) and (2) of the LACISOUCI, including in the provision of remote financial services in these sectors.*

Redemption right

Art. 28. (1) Each holder of units in a Sub-Fund may request that they are redeemed, unless the redemption is suspended in the cases described in Art. 36 of these Umbrella Fund Rules.

(2) The request for redemption may refer to a part or to all units owned by the unitholder, but the redemption right cannot be exercised for a partial redemption of units, if this would result in the unitholder holding less than one full unit in a Sub-Fund.

Information right

Art. 29. (1) Each unitholder and investor in a Sub-Fund has the right to receive the public information regarding the activity of the Umbrella Fund and its Sub-Funds, contained in these Umbrella Fund Rules, the Prospectus, the Key Investor Information Document of the respective Sub-Fund, as well as information related to the KBC AM and the Branch.

(2) The Prospectus, the Key Investor Information Document of the respective Sub-Fund and the last published annual and semi - annual financial report of the Umbrella Fund shall be provided free of charge to any investor, who wishes to get acquainted with them, with a view to making an investment decision.

(3) (Amended on 16.11.2021) The information specified in the preceding paragraphs shall be made available to the investors and the unitholders on the website of the Branch and the Distributor, as well as in the branches of the Distributor where the sale and redemption of units in the Sub-Funds is performed. Upon the request of investors or unitholders, the information shall be provided in a paper copy free of charge.

(4) In addition, each unitholder and investor can request to be provided with a paper copy of the prospectus and the last annual and semi-annual financial statements of the Master Umbrella Fund free of charge, in order to familiarize himself with their content, with a view of making an investment decision.

Right to liquidation proceeds

Art. 30. (1) Each holder of units in a Sub-Fund shall be entitled to a part of the assets of the respective Sub-Fund, which corresponds to the units held thereby, upon liquidation of that Sub-Fund and/or the Umbrella Fund.

(2) This right may be exercised insofar as after the satisfaction of the creditors of the relevant Sub-Fund, there are assets left for distribution.

(3) Where the assets of a Sub-Fund, which remain after repayment of all obligations to the creditors of that Sub-Fund, are insufficient to repay the subscription price paid by any given unitholder, the latter will sustain a loss on her or his investment.

IV. PUBLIC OFFERING AND REDEMPTION OF UNITS

Art. 31. The Branch is obliged to permanently offer for subscription the Sub-Funds' units and at the request of their holders, to redeem the units, except in the cases of temporary suspension of the issue (sale) and redemption of the units in the respective Sub-Fund in the explicitly specified cases in these Umbrella Fund Rules. The redeemed units are cancelled.

Conditions and procedure for public offering and redemption of units

Art. 32. (1) The subscription and redemption of units in the Sub-Funds shall be carried out by the Branch, at the expense of the respective Sub-Fund.

(2) The Branch shall provide through the Distributor a network of offices, where orders for purchase and redemption of units for all Sub-Funds shall be accepted and contacts are made with investors and unitholders.

(3) The sale and redemption of units in the Sub-Funds shall be carried out by submitting a written order by the applicant to the Distributor. The written order is based on a sample with a minimum content determined by an ordinance. The necessary documents, which must be provided along with the order are specified in the Prospectus. When placing an order for the first time, a contract is concluded with the Distributor, based on which orders are accepted for each case.

(4) The purchase orders, respectively redemption orders of units in the Sub-Funds, shall be executed at issue price and redemption price, determined for the closest day, following the day of submission of the purchase order, respectively redemption order.

(5) *(Repealed on 18.03.2022)*

(6) All purchase and redemption orders received in the period between two calculations of the issue price and the redemption price of the Sub-Funds shall be executed at the same price.

(7) The purchase orders in relation to units in any Sub-Fund shall be executed within 7 days from the date of submission of their submission, and for redemption of units - within 10 days from the date of submission of the redemption order.

(8) The orders under paragraph 5 above shall be executed within 7 days from the date of submission of the respective order.

(9) When submitting purchase orders, the amount stated therein is divided by the issue price, determined in accordance with these Umbrella Fund Rules.

Terms and conditions for concluding Agreements for Systematic Investment

Art. 33. (1) Investors, who are natural persons may enter into an Agreement for Systematic Investment (Systematic Investment Plan) ("**SIP Agreement**"), by virtue of which the Distributor executes on a monthly basis, on a date chosen by the investor, an order for subscription of units in the selected by the investor Sub-Fund.

(2) Upon entering into a SIP Agreement, the investor shall be obliged to have on his account the funds required for the chosen investment, on the date(s) specified in the respective SIP Agreement and the required funds to be on its account until the execution of the order. The purchase order under such SIP Agreement is automatically generated on the investment day specified by the investor, whereby the order is considered submitted. In the cases when the investment period chosen by the investor coincides with a non-working day, the order is generated and considered submitted on the first business day which follows.

(3) In case the investor has not provided sufficient funds on his account on the day chosen for investment, the order is considered invalid and is automatically cancelled by the system.

(4) *(Repealed on 16.11.2021)*

(5) *(Amended as of November 20, 2020)* Upon placing orders, their value is divided by the last issue value determined in accordance with these Rules of the Umbrella Fund in order to determine the estimated number of units that are subject of the order. The client's account(s) is(are) blocked on the day of placing the order and is debited on the next business day, after the issue value for the day of placing the order has been calculated. In the case where after the determination of the issue value for the day of placing the order and reverse check in the system (in which the calculated number of units is multiplied by the determined issue value) a cash value less than the one specified in the order is arrived at, the investor's account will be debited with the higher value and accordingly an additional number of units in the selected Sub-Fund will be issued in addition to the estimated number.

V. CALCULATION OF THE NET VALUE OF THE ASSETS, THE ISSUE PRICE AND THE REDEMPTION PRICE OF THE UNITS IN THE SUB-FUNDS

Net asset value

Art. 34. (1) The net value of each Sub-Fund's assets shall be determined on every business day of the week and includes the value of all assets and liabilities owned by the respective Sub-Fund on the balance sheet as of the day to which the valuation refers. If a business day is officially

declared a non-business day, the calculation of the issue price and the redemption price of the units is performed on the first business day which follows.

(2) When calculating the net asset value of each Sub-Fund, a uniform and consistent valuation system shall be used, taking into account the respective costs related to the activity of sale and redemption of units in the Sub-Funds, including the fees of the Custodian, as well as other costs, if such are envisaged.

(3) *(Amended as of November 20, 2020)* The net asset value of each of the Sub-Funds shall be equal to the sum of the book value of all assets of the respective Sub-Fund, reduced with the sum of the book value of all its liabilities. The net asset value per unit is equal to the net asset value divided by the number of the respective Sub-Fund's units in circulation. The book value of assets and liabilities is determined in accordance with the Rules for valuation of the portfolio and determination of the net asset value of the investment compartments of the Umbrella Fund approved by the Deputy Chairman of the Financial Supervision Commission, Head of the Investment Supervision Department.

(4) The valuation of the Sub-Funds' assets shall be performed upon initial acquisition (recognition) - at acquisition price. The subsequent valuation of the Sub-Funds' assets is performed on a daily basis at fair value.

(5) Subsequent valuation of the financial instruments of the Sub-Funds shall be performed, at fair value in accordance with the Rules for valuation of the portfolio and determination of the net asset value of the investment compartments of the Umbrella Fund, adopted by the Management Company.

(6) *(Amended as of November 20, 2020)* For accounting purposes, the financial assets in the portfolio of a Sub-Fund, denominated in foreign currency, shall be recalculated in their leva equivalent, determined at the exchange rate published by the Bulgarian National Bank, valid for the day to which the valuation refers.

(7) *(Amended as of November 20, 2020)* The value of the liabilities is equal to the sum of the book value of short-term and long-term liabilities on the balance sheet of the respective Sub-Fund. For accounting purposes, liabilities denominated in foreign currency are calculated at the exchange rate published by the Bulgarian National Bank on the day of the valuation. Liabilities are assessed in accordance with applicable international accounting standards (IFRS) and the Umbrella Fund's accounting policy.

Conditions and procedure for determining the issue price and redemption price of the units in the Sub-Funds

Art. 35. (1) The net asset value, the net asset value per unit, the issue price and the redemption price of the units in the Sub-Funds shall be determined by the Branch under the control of the Custodian.

(2) The net asset value, the net asset value per unit, the issue price and the redemption price of the units in the Sub-Funds shall be determined each business day (being "T + 1 day on which the valuation is performed") for the previous day (being "T day for which the evaluation is carried out"). If the respective business day is officially declared a non-working day, the calculation of the

issue price and the redemption price of the units shall be performed on the first business day which follows.

(3) The determination of the net asset value, the net asset value per unit, the issue price and redemption price for each Sub-Fund is carried out as follows:

- a) Until 10:00 on the day on which the evaluation is carried out (day T+1) the Branch receives from the Distributor information on the issuance and redemption transactions for each Sub-Fund, which have been settled at the end of day T, as well as on the number of units in circulation of each Sub-Fund at the end of the day T;
- b) Between 10:00 and 13:00 on day T+1:
 - the fair value of the assets of each Sub-Fund is determined for day T in accordance with the Rules for valuation of the portfolio and determination of the net asset value of the investment compartments of the Umbrella Fund;
 - the assets of each Sub-Fund are revaluated at their fair value, a balance of the Sub-Funds is prepared and the net asset value per unit, the issue price and redemption price of each Sub-Fund is determined for day T.
- c) Until 13:00 on day T+1 the Branch provides to the Custodian all the information used for the determination of the net asset value for each Sub-Fund (including the number of issued and redeemed units with completed settlement), as well as the estimated issue price and redemption price.
- d) Until 14:00 on day T+1 the Branch receives confirmation from the Custodian for the calculated net asset value, issue price and redemption price.
- e) (*Amended as of November 20, 2020*) The Branch, by 17:00 of each respective day T+1, publishes the net asset value, issue price and redemption price of the units of each Sub-Fund for day T on the Branch's website and on the Distributor's website.

(4) (*Amended on 18.03.2022*) The Branch shall submit to the Financial Supervision Commission a summary information on the issue prices and redemption prices of the units in the Sub-Funds once a month - within up to three business days after the end of the month.

(5) (*Amended as of May 10, 2021*) The issue price for units in all Sub-Funds is equal to the net asset value per unit plus the issue costs, which are maximum 2,5% of the net asset value per unit for each of the Sub-Funds.

(6) The redemption price for all Sub-Funds shall be equal to the net asset value per unit, determined in accordance with these Umbrella Fund Rules, minus the redemption fee of 5 % of the net asset value per unit if a redemption order is submitted within one month from the date of the subscription of the units in the respective Sub-Fund and shall be equal to the net asset value per unit in the relevant Sub-Fund thereafter.

(7) (*Amended on 16.11.2021, 08.02.2022*) Upon change of the issue costs and redemption fee for some or all Sub-Funds, the Branch shall notify the unitholders, in an appropriate manner, specified in the Prospectus, immediately after the approval of the changes in the Umbrella Fund Rules by the Deputy Chairman of the Financial Supervision Commission, Head of the Investment Supervision Department.

VI. TEMPORARY SUSPENSION OF REDEMPTION

Terms and conditions

Art. 36 (1) (*Amended on 16.11.2021*) KBC AM by a decision of its competent corporate body or the Branch by decision of the Senior Management, may will suspend temporarily the redemption of units of some or all Sub-Funds in exceptional cases, if the circumstances so require and if the suspension is justified in view of the interests of the unitholders, including in the following cases:

- a) where the conclusion of transactions on a regulated market on which a significant portion of the assets of one or more Sub-Funds are admitted to trading is terminated, suspended or subject to restriction;
- b) where the assets or liabilities of one or more Sub-Funds cannot be correctly valued or KBC AM may not dispose with them without harming the interests of the unitholders;
- c) (*Amended on 16.11.2021*) where a decision is taken for the liquidation or transformation through merger or acquisition of the Umbrella Fund or one or more Sub-Funds or transformation into a collective investment scheme that is not a feeder collective investment scheme.
- d) in the case of termination of the contract with the Custodian due to culpable non-fulfilment of its obligations, revocation of its banking license or imposition of other restrictions on its activity, which make it impossible for the Custodian to fulfil its obligations under the depositary agreement and may damage the interests of the holders of units in one or more Sub-Funds;
- e) in the case where a decision is taken for the liquidation or transformation of the Master Umbrella Fund or a Master Sub-Fund.

(2) (*Amended on 16.11.2021*) KBC AM by a decision of its competent corporate body or the Branch by decision of the Senior Management may suspend temporarily the redemption of units of some or all Sub-Funds where the Master Umbrella Fund or one or more of the Master Sub-Funds have suspended temporarily the redemption of their respective units.

(3) (*Amended on 16.11.2021*) In the cases under paragraph 1 and 2 above, KBC AM or the Branch shall notify the Financial Supervision Commission, the Custodian and the Distributor of the decision taken by the end of the business day and shall notify them accordingly of the resumption of redemption by the end of the business day preceding the day of the resumption.

(4) (*Amended on 16.11.2021*) When taking a decision to temporarily suspend the redemption of one or more Sub-Funds KBC AM or the Branch shall also halt immediately the issuance of new units for the period of suspension of redemption, where such period has been set.

(5) (*Repealed on 18.03.2022*)

(6) (*Amended on 16.11.2021*) Where the initial suspension period must be extended KBC AM or the Branch shall notify the Financial Supervision Commission and the Custodian of this circumstance no later than 7 days prior to the lapsing of the time period initially set. Where the suspension period is shorter than 7 days, including where the redemption of units has been suspended due to technical reasons, KBC AM or the Branch shall issue the notification under the preceding sentence by the end of the business day preceding the end date of the initial suspension period.

(7) (*Amended on 16.11.2021*) The redemption of units shall be resumed by decision of the competent corporate body of KBC AM or the Branch by decision of the Senior Management following the end of the suspension period determined in the original suspension decision or any

subsequent decision on the extension of this period.

(8) (Amended on 16.11.2021) KBC AM or the Branch shall notify the unitholders of the decision for suspension of redemption and of the subsequent decision on resumption thereof, immediately after passing such decisions through the websites of the Branch and the Distributor.

(9) Orders made after the last publication of a redemption price and before the beginning of the suspension period shall not be executed. The Branch acting through the Distributor shall refund the amounts to the investors, who have submitted subscription orders, on their bank account or at a UBB cash desk by the end of the business day, following the day of submission of the orders.

VII. FEES AND CHARGES FOR THE UMBRELLA FUND AND SUB-FUNDS

Art. 37. (Amended as of November 20, 2020 and amended as of January 11, 2021) The following fees and charges shall be paid with the funds of each of the Sub-Funds:

a) (Amended on 16.11.2021) Remuneration of KBC AM - each Sub-Fund will owe to KBC AM a management fee for the management of the respective Sub-Fund, which will be calculated only on that part of the assets of the respective Sub-Fund that is invested (i.e. represents investments) in financial instruments, other than shares, issued by the relevant corresponding Master Sub-Fund and will be as follows:

Sub-Fund	Management Fee
UBB ExpertEase Defensive Balanced (EUR) ISIN BG9000004218	Max. 1.51% per year
UBB ExpertEase Defensive Balanced (LEVA) ISIN BG9000003210	Max. 1.51% per year
UBB ExpertEase Defensive Tolerant (EUR) ISIN BG9000005215	Max. 1.51% per year
UBB ExpertEase Defensive Tolerant (LEVA) ISIN BG9000006213	Max. 1.51% per year
UBB ExpertEase Dynamic Balanced (EUR) ISIN BG9000008219	Max. 1.69% per year
UBB ExpertEase Dynamic Balanced (LEVA) ISIN BG9000007211	Max. 1.69% per year
UBB ExpertEase Dynamic Tolerant (EUR) ISIN BG9000009217	Max. 1.69% per year
UBB ExpertEase Dynamic Tolerant (LEVA) ISIN BG9000010215	Max. 1.69% per year
UBB ExpertEase Highly Dynamic Tolerant (EUR) ISIN BG9000011213	Max. 1.83% per year
UBB ExpertEase Highly Dynamic Tolerant (LEVA) ISIN BG9000012211	Max. 1.83% per year
UBB ExpertEase SRI Defensive Conservative (LEVA) ISIN BG9000006221	Max. 1.51% годишно

UBB ExpertEase SRI Defensive Balanced (LEVA) ISIN BG9000005223	Max. 1.51% годишно
UBB ExpertEase SRI Dynamic Balanced (LEVA) ISIN BG9000003228	Max. 1.69% годишно
UBB ExpertEase SRI Defensive Tolerant (LEVA) ISIN BG9000004226	Max. 1.51% годишно
UBB ExpertEase SRI Dynamic Tolerant (LEVA) ISIN BG9000002220	Max. 1.69% годишно
UBB ExpertEase SRI Highly Dynamic Tolerant (LEVA) ISIN BG9000001222	Max. 1.83% годишно

In addition, KBC AM, which is the management company of both the Master Umbrella Fund and the Master Sub-Funds, will collect a management fee, which will be calculated and charged on the assets of the respective Master Sub-Funds that have been acquired as a result of the investments made by the Sub-Funds in their corresponding Master Sub-Funds. This management fee will be calculated on the basis of the average amount of the total assets of the respective Sub-Funds and will be equal to the same percentage indicated above for their respective corresponding Sub-Funds. In this way, this management fee will be indirectly borne by the respective Sub-Funds, as shareholders in their corresponding Master Sub-Funds, which means that it will ultimately be indirectly borne by the unit-holders of the Sub-Funds.

However, KBC AM will not charge a management fee on the assets of the Sub-Funds that are invested (i.e. represent investments) in shares issued by their corresponding Master Sub-Funds, thus avoiding double charging for the management of the same assets.

b) Remuneration of the Custodian;

c) (Amended on 16.11.2021, 21.12.2021, 08.02.2022) Other charges, including but not limited to:

- Initial charges of the Financial Supervision Commission for authorization of the organizing (establishing) and management of the Umbrella Fund and approval of investment in the Master Sub-Funds as well as for issuing a permit for the organization (creation) and management of the respective Sub-Funds and approval of investments in their corresponding Master Sub-Funds;
- Charge of the Financial Supervision Commission for ongoing supervision;
- Due commissions for the servicing investment intermediaries;
- Due remuneration of the registered auditor for audit of the annual financial statements;
- State fees;
- Due fees for Central Depository AD;
- Other necessary operational fees and costs.

These other charges, calculated on the basis of the average total net assets of each Sub-Fund, will be as follows:

Sub-Fund	Other charges
UBB ExpertEase Defensive Balanced (EUR) ISIN BG9000004218	Max. 0.25% per year
UBB ExpertEase Defensive Balanced (LEVA) ISIN BG9000003210	Max. 0.25% per year
UBB ExpertEase Defensive Tolerant (EUR) ISIN BG9000005215	Max. 0.25% per year
UBB ExpertEase Defensive Tolerant (LEVA) ISIN BG9000006213	Max. 0.25% per year
UBB ExpertEase Dynamic Balanced (EUR) ISIN BG9000008219	Max. 0.50% per year
UBB ExpertEase Dynamic Balanced (LEVA) ISIN BG9000007211	Max. 0.50% per year
UBB ExpertEase Dynamic Tolerant (EUR) ISIN BG9000009217	Max. 0.25% per year
UBB ExpertEase Dynamic Tolerant (LEVA) ISIN BG9000010215	Max. 0.25% per year
UBB ExpertEase Highly Dynamic Tolerant (EUR) ISIN BG9000011213	Max. 0.30% per year until the third anniversary of the Sub-Fund and max. 0.10% thereafter
UBB ExpertEase Highly Dynamic Tolerant (LEVA) ISIN BG9000012211	Max. 0.60% per year until the third anniversary of the Sub-Fund and max. 0.10% thereafter
UBB ExpertEase SRI Defensive Conservative (LEVA) ISIN BG9000006221	Max. 0.70% per year until the third anniversary of the Sub-Fund and max. 0.10% thereafter
UBB ExpertEase SRI Defensive Balanced (LEVA) ISIN BG9000005223	Max. 0.70% per year until the third anniversary of the Sub-Fund and max. 0.10% thereafter
UBB ExpertEase SRI Dynamic Balanced (LEVA) ISIN BG9000003228	Max. 0.70% per year until the third anniversary of the Sub-Fund and max. 0.10% thereafter
UBB ExpertEase SRI Defensive Tolerant (LEVA) ISIN BG9000004226	Max. 0.70% per year until the third anniversary of the Sub-Fund and max. 0.10% thereafter
UBB ExpertEase SRI Dynamic Tolerant (LEVA) ISIN BG9000002220	Max. 0.70% per year until the third anniversary of the Sub-Fund and max. 0.10% thereafter
UBB ExpertEase SRI Highly Dynamic Tolerant (LEVA) ISIN BG9000001222	Max. 1.40% per year until the third anniversary of the Sub-Fund and max. 0.10% thereafter

No management fee will be charged by the Management Company, which is also the management company of the Master Umbrella Fund and the Master Sub-Funds, on the assets of the respective Master Sub-Funds, which are acquired due to investments made by the Sub-Funds in the corresponding Master Sub-Funds. Fees and charges at the expense of each Sub-Fund may not exceed 5% of the average annual net asset value of the respective Sub-Fund.

d) (New as of January 11, 2021 and amended as of December 21, 2021) Other current costs and fees paid by the Master Sub-Funds in connection with their investments, which are charged on the assets of the respective Master Sub-Funds acquired as a result of the Sub-Funds' investments in their corresponding Master Sub-Funds. In this way, these costs and fees will be indirectly borne by the respective Sub-Funds, as shareholders in their corresponding Master Sub-Funds, which means that they will ultimately be indirectly borne by the unit-holders of the Sub-Funds.

The current costs and fees of the Master Sub-Funds, which will be indirectly borne by their corresponding Sub-Funds in addition to the management fee indicated after the table in item (a) above, include operational and administrative costs, as follows:

- Administrative fee in the amount specified in the part for each Master Sub-Fund of the prospectus of the Master Umbrella Fund;
- Depository fee in the amount specified in the part for each Master Sub-Fund of the prospectus of the Master Umbrella Fund;
- Other current costs and fees of the Master Sub-Funds (e.g. government duties and fees, audit fees, etc.);
- Taxes paid by the Master Sub-Funds in connection with their investments, in the case where the applicable legislation provides for such;
- Subscription and redemption fees paid by the respective Master Sub-Funds in connection with their investments in other undertakings for collective investment in pursuance of their investment objectives and policies, whose amount depends on the volume of operations performed each year;
- Other costs paid by the respective Master Sub-Funds in connection with their investments in other undertakings for collective investment in pursuance of their investment objectives and policies, the amount of which depends on the rules of these other undertakings for collective investment and the value of the Master Sub-Funds' assets, invested in them.

The exact amount of current costs and fees paid by each Master Sub-Fund shall be published in the annual financial statements of the Master Umbrella Fund.

Fees and charges borne directly or indirectly by each Sub-Fund may not exceed 5% of the average annual net assets value of the relevant Sub-Fund.

Art. 38. (Amended on 16.11.2021) All fees and expenses relating to the establishment of the Umbrella Fund and the respective Sub-Funds, including the fees of the professional advisers, any application fee(s) imposed by the Financial Supervision Commission in connection with the authorisation of the establishment and management of the Umbrella Fund and the respective Sub-Funds and the registration of the units for sale will be borne by the Sub-Funds. Such fees and expenses are estimated not to exceed €55,000 (in words: fifty five thousand euros) (exclusive of VAT, if any) and may be amortised over the first 5 (five) years or such other period as the Management Company may determine and in such manner as the Management Company in its absolute discretion deems fair.

VIII. REPLACEMENT OF KBC AM AND RULES FOR SECURING THE INTERESTS OF UNITHOLDERS IN THE EVENT OF SUCH REPLACEMENT

Art. 39. (1) (Amended as of November 20, 2020) Replacement of KBC AM as a management company of the Umbrella Fund shall be carried out after an approval is granted by the Deputy

Chairman of the Financial Supervision Commission, Head of the Investment Supervision Department, in the following cases:

- a) If the license of KBC AM as a management company is withdrawn by its competent regulator or is restricted to such extent, which makes it impossible to fulfill its obligations towards the Umbrella Fund and may harm the interests of the investors;
- b) Upon termination of the KBC AM;
- c) If KBC AM is declared insolvent.

(2) Where any of the circumstances specified in paragraph 1 above occurs, KBC AM shall submit to the Custodian within 5 days all available information and documentation in connection with the management of the Umbrella Fund. The Custodian shall manage the Umbrella Fund on an exceptional basis for a period not longer than three months, until the conclusion of an agreement with another management company or until the transformation of the Umbrella Fund is executed through a merger or acquisition.

(3) The Financial Supervision Commission shall approve another management company for the management of the Umbrella Fund under the terms and conditions specified in Chapter Five, Section I of Ordinance No 44¹.

IX. CUSTODIAN

Depository Agreement. Functions of the Custodian

Art. 40 (1) The relations between KBC AM, acting on behalf of the Umbrella Fund, and the Custodian will be settled by a depository agreement (the “**Depository Agreement**”).

(2) The Depository Agreement shall be concluded in compliance with requirements under ACISOUČIA, the acts for its implementation and in compliance with Regulation (EU) 2016/438².

(3) The minimum mandatory elements of the agreement between the Management Company and the Custodian are determined by Regulation (EU) 2016/438 and are as follows:

- a) a description of the services to be provided by the Custodian and a description of the procedures to be put in place by the Custodian for each type of assets in which the Sub-Funds may invest and which is entrusted to it;
- b) a description of the way in which the safekeeping and oversight functions will be performed depending on the type of assets and the geographical regions in which the Sub-Funds intend to invest, including in relation to safekeeping obligations, lists of countries and procedures for adding or removing countries from those lists. This will be in accordance with the information provided in these Umbrella Fund Rules, the other rules of the Umbrella Fund and in the offer documents, including the Master Umbrella Fund and Master Sub-Funds documentation, concerning the assets in which the Sub-Funds may invest;

¹ Ordinance No 44 dated 20.10.2011 on the requirements towards the activities of collective investment schemes, management companies, national investment funds and the persons managing alternative investment funds

² Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries

- c) the validity period and the conditions for amending and terminating the Depositary Agreement, including the circumstances which may lead to the termination of the Depositary Agreement, as well as information on the termination procedure and the procedures by which the Custodian transmits all relevant information to its successor;
- d) the confidentiality obligations, applicable to the parties under the relevant laws and regulations. These obligations shall not prevent the competent authorities from having access to the relevant documents and information;
- e) the means and procedures by which the Custodian transmits to KBC AM all the information necessary so that KBC AM can fulfill its obligations, exercise its rights relating to the assets and be able to be aware in a timely and accurate manner of the accounts of the Umbrella Fund and Sub-Funds;
- f) the means and procedures by which KBC AM transmits to the Custodian all information it needs to carry out its obligations - or provides access to it, including the procedures through which the Custodian will receive information from other persons designated by KBC AM;
- g) the procedures to be followed in the event of a planned amendment to these Umbrella Fund Rules and other rules of the Umbrella Fund or in the Prospectus and other offering documents, detailing the circumstances in which the Custodian must be informed or in which the prior consent of the Custodian is required in order to proceed to the amendment;
- h) all the necessary information to be exchanged between KBC AM or a third party acting on behalf of the Umbrella Fund, on the one hand, and the Custodian, on the other hand, relating to the sale, subscription, purchase, issue, cancellation and repurchase of units in the Sub-Funds;
- i) all necessary information to be exchanged between KBC AM or a third party acting on behalf of the Umbrella Fund, on the one hand, and the Custodian, on the other hand, in connection with the performance by the Custodian of its obligations;
- j) where the parties intend to entrust to a third party the performance of their respective obligations, the obligation to provide information regularly on each designated third party and, upon request, information on the third party selection criteria used and the steps taken to control the actions of the selected third party;
- k) information on the tasks and responsibilities of the parties in relation to their obligations in the field of preventing money laundering and combating the financing of terrorism;
- l) information on all cash accounts opened in the name of KBC AM (or in the name of the Umbrella Fund/Sub-Funds, as the case may be), acting on behalf of the Sub-Funds, and the procedure for notifying the Custodian on the opening of a new account;
- m) the information on the escalation procedure of the Custodian, including for the persons to be contacted within KBC AM by the Custodian when initiating such a procedure;
- n) the obligation of the Custodian to notify as soon as it learns that the division of assets is not - or no longer - sufficient to protect them from the insolvency of a third party to whom, in

accordance with Article 22a of Directive 2009/65/EU³ are delegated safekeeping functions in a specific jurisdiction;

- o) the procedures by which the Custodian is authorized, in relation to its obligations, to enquire into the conduct of KBC AM and to assess the quality of the information received, including by gaining access to the KBC AM's books or on-site visits;
- p) the procedures by which KBC AM may analyze the performance of the Custodian in relation to its contractual obligations.

(4) The information concerning the means and the procedures under par. 3, points a) - p) shall be specified in the Depositary Agreement and in any subsequent amendment thereof.

Art. 41. (1) The dematerialized financial instruments, owned the Sub-Funds, shall be kept with sub – accounts of the Custodian with the selected by the Custodian sub – custodian and their other assets shall be maintained by the Custodian, which shall make all payments on behalf of the Sub-Funds.

(2) According to the Depositary Agreement and the legislation in force, the Custodian shall act as a custodian and depositary of the Sub-Funds and will keep their assets, including shall:

- a) Ensure that the issuance, sale, redemption and cancelation of the units in the Sub-Funds are made in accordance with the legislation in force, these Umbrella Fund Rules and the other rules of the Umbrella Fund.
- b) Ensure that the net asset value of the units in the Sub-Funds is calculated in accordance with the legislation in force, these Umbrella Fund Rules and the other rules of the Umbrella Fund.
- c) Make regular reconciliations between the accounts kept with the Management Company and the Custodian for the assets of the Sub-Funds, and, in the cases specified in article 37a of ACISOUCIA, with the accounts kept with the respective sub–custodian;
- d) Ensure that the transfers of the funds in favor of the Sub-Funds arising out of transactions with their assets will be made within the customary timeframe and on customary terms;
- e) Ensure that the income of the Sub-Funds will be distributed in accordance with the legislation in force, these Umbrella Fund Rules and the other rules of the Umbrella Fund;
- f) Report to KBC AM at least monthly for the assets under custody and operations made therewith, including by submitting confirmation to KBC AM on the assets under custody until 5th day of the next month;
- g) Monitor the cash flows of the Sub-Funds, including by checks whether all payments made by investors or on their behalf in relation to the purchase of units in a Sub-Fund, are

³ Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast)

received and accounted under accounts, which are either opened in the name of the respective Sub-Funds, in the name of KBC AM, acting on its behalf, or in the name of the Custodian, acting on behalf of the Sub-Funds; or are opened with a central bank or another bank (including licensed in the Republic of Bulgaria, in member state of the European Union or in a member state of the European Economic Area or licensed in a third country); and are managed in accordance with the rules, specified in the next item below;

h) Manage the funds of the Sub-Funds, and:

- Maintain the bank accounts and information about the accounts separately, as to allow for separation of the assets of each Sub-Funds from the assets of the other Sub-Funds, as well as the assets of the Sub-Funds from the assets of the other clients of the Custodian and from its proprietary assets;
- Accurately keep information of the accounts of the Sub-Funds;
- Undertake the necessary measures to ensure that all funds of the Sub-Funds, which are transferred to a third person for safekeeping are kept in individual accounts or in accounts separated from all cash accounts of the person, in the name of which the assets of the Sub-Funds are kept. Where cash accounts are opened in the name of a custodian, acting on behalf of a Sub-Fund, funds of the respective third person and proprietary funds of the custodian may not be transferred to these cash accounts;
- Introduce proper internal organisation and undertake the necessary measures to minimise the risk of loss as a result of misuse, fraud, poor management or improper accounting policies, including due to negligence.
- Assist the Sub-Funds in receiving information regarding the participation at the general meeting of shareholders in the Master Sub-Funds and in other issuers, in which the Sub-Funds have made investments and shall provide other assistance in accordance with the Depositary Agreement and the legislation in force.

(3) Where performing its duties, the Custodian shall act independently and solely in the interest of all unitholders of the respective Sub-Fund.

(4) In case of loss of any of the financial instruments under its custody, the Custodian shall provide to the respective Sub-Fund a financial instrument of the same type or its monetary equivalent without undue delay.

(5) The Custodian shall not be liable for the losses if it proves that they are due to an external event, which is beyond its control and whose consequences are inevitable regardless of the measures taken to prevent them.

(6) The Custodian shall be liable before KBC AM and the unitholders for any other damages suffered because of negligence or willful misconduct of its employees or officers in the performance of the obligations of the Custodian under the applicable legislation.

(7) The delegation of functions according to article 37a of ACISOUCIA to a third person does not exculpate the Custodian from the responsibility under the preceding paragraphs.

(8) The responsibility of the Custodian cannot be excluded or limited by an agreement and any agreement entered into in breach of this rule is null and void.

(9) The unitholders in the Sub-Funds can hold the Custodian responsible either directly or indirectly through KBC AM, unless this will lead to the payment of double indemnification, or to unfair treatment of the unitholders.

(10) The Custodian is not liable for its obligations to its creditors with the assets of the Umbrella Fund and its Sub-Funds.

Requirements for the Custodian

Art. 42. (1) The Custodian must be a bank that meets the requirements, provided in Art. 35, paragraph 1 of ACISOUCIA.

(2) The Custodian shall not be one and the same person with KBC AM.

(3) The Custodian, when acting at the expense of the Umbrella Fund and Sub-Funds, may not use loans except in the explicitly determined cases according to the applicable legislation.

(4) The Custodian, when acting on behalf of the Umbrella Fund and Sub-Funds, may not provide loans or be a guarantor to third parties.

(5) The Custodian may not set off its receivables against the Umbrella Fund with the funds and financial instruments entrusted to it by the Umbrella Fund and Sub - Funds.

Rules for determining the remuneration of the Custodian

Art. 43. (1) The Custodian shall receive a monthly remuneration for its activity in an amount determined in the Depositary Agreement, at the expense of the Umbrella Fund and its Sub-Funds.

(2) The Custodian may also receive fees and commissions, in accordance with an annex to the Depositary Agreement and with the actual expenses incurred by it.

X. SUBSTITUTION OF THE CUSTODIAN AND RULES FOR SECURING THE INTERESTS OF UNITHOLDERS IN THE EVENT OF SUBSTITUTION

Art. 44. (1) Substitution of the Custodian shall be allowed after an approval by the Deputy Chairperson of the FSC in charge of the Investment Supervision Division.

(2) According to the applicable legislation, the Depositary Agreement may be terminated under the following conditions:

- a) Upon mutual written consent of the parties to the Depositary Agreement;
- b) Unilaterally by either of the parties with a three-month written notice;

- c) Upon termination of the Umbrella Fund;
- d) Upon withdrawal of the authorization of KBC AM to organize and manage the Umbrella Fund;
- e) Upon withdrawal of the license or insolvency of the Custodian;
- f) Upon imposition of a coercive measure on the Custodian;
- g) Upon amendment of the license of the Custodian resulting in a restriction for the Custodian to perform certain activities, which are inherent in the rendering of custody services.

(3) The Depositary Agreement may be terminated by KBC AM, on behalf of the Umbrella Fund with three - month written notice after approval by the Deputy Chairperson of the FSC in charge of the Investment Supervision Division of the substitution of the Custodian.

(4) KBC AM is required to file with the Financial Supervision Commission all necessary documents for obtaining of approval of the substitution of the Custodian as soon as possible after it discovers that the Custodian no longer meets the requirements of ACISOUCIA or other applicable legislation for a depositary of the Umbrella Fund.

(5) The Depositary Agreement shall specify terms, conditions and procedures for the transfer of the assets of the Umbrella Fund and Sub-Fund to another custodian bank, with which a depositary agreement has been executed, after approval by the Deputy Chairperson of the FSC in charge of the Investment Supervision Division of the substitution of the Custodian and the expiration of the respective notice. These periods may not exceed 10 days from the obtaining of approval of the substitution of the Custodian by the Deputy Chairperson of the FSC in charge of the Investment Supervision Division.

(6) The substitution of the Custodian shall be carried out in a manner guaranteeing without interruption the fulfillment of the obligations under Art. 41 of these Umbrella Fund Rules.

XI. TRANSFORMATION AND TERMINATION OF THE UMBRELLA FUND

Transformation of the Umbrella Fund and Sub-Funds

Art. 45. (1) Upon a decision of KBC AM, the Umbrella Fund or one or more of its Sub-Funds may be transformed by way of merger with or into another UCITS or an investment compartment thereof, including another Sub-Fund, subject to approval of the merger by the Financial Supervision Commission.

(2) The Umbrella Fund and its Sub-Funds cannot be transformed into an undertaking for collective investment, which is not a collective investment scheme within the meaning of ACISOUCIA.

(3) Transformation of the Umbrella Fund or any of its Sub-Funds shall be carried out by a decision of the competent corporate body of KBC AM and after obtaining a permission from the Financial Supervision Commission.

(4) The transformation of the Umbrella Fund or one or more of its Sub-Funds will be carried out in accordance with the provisions of Chapter Fourteen, Sections I to IV of ACISOUCIA and Chapter Four, Section I, II and IV of Ordinance No 44.

Liquidation of the Umbrella Fund or a Sub-Fund

Art. 46. (1) (*Amended as of November 20, 2020*) The Umbrella Fund, respectively one or more of its Sub-Funds shall be liquidated:

- a) (*Amended on 16.11.2021*) by resolution of the competent corporate body of KBC AM or by decision of the Senior Management of the Branch;
 - b) upon revocation of the authorisation of KBC AM for organization and management of the Umbrella Fund or one or more of its Sub-Funds;
 - c) when within three months after the revocation of the license, winding-up or declaration of insolvency of KBC AM no new management company has been chosen to manage the Umbrella Fund and/or the Umbrella Fund has not been merged with or into another UCITS or an investment compartment thereof;
 - d) in the case of liquidation of the Master Umbrella Fund or one or more of its Master Sub-Funds, unless the Financial Supervision Commission approves investment of at least 85% of the assets of the Umbrella Fund/Sub Fund in the units in other master UCITS or the amendment of these Umbrella Fund Rules in order to enable the Umbrella Fund/Sub Fund to convert into a UCITS/sub-fund of UCITS which is not a feeder fund/sub-fund;
 - e) In the case of transformation of the Master Umbrella Fund or one or more of its Master Sub-Funds, unless the Financial Supervision Commission issues one of the following approvals to the Umbrella Fund/Sub-Funds:
 - to continue to be a feeder UCITS/feeder sub-fund of the Master Umbrella Fund/Master Sub-Fund or another UCITS resulting from the transformation of the Master Umbrella Fund/Master Sub-Fund;
 - to invest at least 85% of its/their assets in units of another master UCITS not resulting from the transformation;
 - to amend these Umbrella Fund Rules in order to convert into UCITS/sub-fund of UCITS, which is not a feeder fund/sub-fund.
 - f) (*New as of November 20, 2020*) in the cases and by the order of art. 363, letter "a" and "b" of the Law on Obligations and Contracts.
- (2) (*Amended on 16.11.2021*) Within 14 days of occurrence of ground for liquidation of the Umbrella Fund or one or more of its Sub-Funds, KBC AM or the Branch shall file with the Financial Supervision Commission an application for approval of the liquidation of the Umbrella Fund, respectively of the respective Sub-Fund.
- (3) The liquidation of the Umbrella Fund and/or its Sub-Funds shall be governed by Ordinance No 44 and the other applicable legislation.

(4) Members of the Board of Directors of KBC AM or other persons who have worked for KBC AM, if systematically violated the ACISOU CIA, the Public Offering of Securities Act, the Market in Financial Instruments Act or their implementing acts, cannot be appointed as liquidators.

(5) Upon termination of the Umbrella Fund and/or any of its Sub-Funds the following provisions of the Commercial Act (“CA”) shall apply *mutatis mutandis* with regard to the obligations of the liquidator and the protection of the Umbrella Fund/Sub-Fund’s creditors – article 267, article 268 (1) and (3), article 270, article 271 and article 273 of the CA, where the functions of a governing body pursuant to article 270 (2) and article 272 (4) of the CA shall be fulfilled by KBC AM.

Relevant procedure in the cases of liquidation or transformation of the Master Umbrella Fund/Master Sub-Fund

Art. 47. (1) (*Amended on 16.11.2021*) In the case of contemplated liquidation of the Master Umbrella Fund or a Master Sub – Fund, the Management Company or the Branch will provide to the FSC the necessary documents and requests for obtaining of approval either for investment of at least 85% of the assets of the Umbrella Fund/Sub Fund in the units in other master UCITS or the amendment of these Umbrella Fund Rules in order to enable the Umbrella Fund/Sub Fund to convert into a UCITS/sub-fund of UCITS which is not a feeder fund/sub-fund or, if so decided, the Umbrella Fund or the respective Sub – Fund will be liquidated in accordance with the requirements specified in article 46 above.

(2) Upon contemplated transformation of the Master Umbrella Fund or a Master Sub-Fund, KBC AM will file with the FSC the necessary requests and relevant information for obtaining of approval either for the Umbrella Fund/the relevant Sub – Fund to continue to be a feeder UCITS/feeder sub-fund of the Master Umbrella Fund/Master Sub-Fund or another UCITS resulting from the transformation of the Master Umbrella Fund/Master Sub-Fund; to invest at least 85% of the assets in units of another master UCITS not resulting from the transformation; or to amend these Umbrella Fund Rules in order to convert into UCITS/sub-fund of UCITS, which is not a feeder fund/sub-fund, or, if so decided, the Umbrella Fund or the respective Sub – Fund will be liquidated in accordance with the requirements specified in article 46 above.

(3) The procedures for obtaining of approval of the FSC in the cases specified in the preceding paragraphs will be carried out in accordance with the provisions of Chapter Eight, Sections II of ACISOU CIA and Chapter Three, Section III of Ordinance No 44.

(4) (*Amended on 16.11.2021*) Notwithstanding article 46 above, if the Management Company or the Branch decides that the Umbrella Fund or the respective Sub – Fund will be liquidated upon the liquidation, respectively transformation of the Master Umbrella Fund or one or more of its Master Sub-Funds, it will notify the FSC of this decision within the terms and will comply with the other requirements, specified in Chapter Three, Section III of Ordinance No 44. In addition, the Management Company or the Branch, acting on behalf of the Umbrella Fund and the respective Sub – Funds will inform without undue delay the unitholders for the decision to commence liquidation of the Umbrella Fund, respectively of its relevant Sub – Fund.

XII. ANNUAL FINANCIAL CLOSING. REPORTS

Documents on the annual closing

Art. 48. (1) (*Amended on 16.11.2021*) Annually, within 90 days from the end of the financial year, KBC AM or the Branch shall prepare an annual financial report of the Umbrella Fund with the content under Art. 73, para. 1 of Ordinance No 44 and a report for the total amount of the expenses

of the Umbrella Fund and the Master Umbrella Fund, for the previous calendar year and shall present it for review to the selected registered auditors.

(2) In the annual and semi-annual financial report of the Umbrella Fund an information must be disclosed on how it can be received the annual and semi-annual financial report of the Master Umbrella Fund.

(3) The results of the audit of the annual financial report performed by the auditor shall be reflected in a separate report, which shall be part of the annual financial report.

Art. 49. The activity of the Umbrella Fund and its Sub-Funds, as well as their assets shall be described in the annual report and the annual financial report shall be explained.

Disclosure of information about the Umbrella Fund by KBC AM

Art. 50. (1) The Branch shall submit to the Financial Supervision Commission an annual report and semi-annual report, covering the first 6 months of the financial year, and shall notify the Financial Supervision Commission about other important information, including shall submit the prospectus of the Master Umbrella Fund, the key investor information documents of the Master Sub-Funds and every amendment thereof, as well as the annual and semi-annual financial reports of the Master Umbrella Fund, in accordance within the required terms and with the minimum content as envisaged in the applicable legislation.

(2) The Branch shall disclose to the public the information about the Umbrella Fund and its Sub-Funds under paragraph 1 above in a manner specified in the Prospectus and the Key Investor Information Documents of the Sub-Funds.

(3) The Branch shall submit to the Financial Supervision Commission along with the annual financial report and semi-annual financial report additional information required under the applicable legislation.

(4) The Branch shall submit to the Financial Supervision Commission for supervisory purposes by the 10th day of the month following the month to which the information refers, a monthly balance sheet of the Umbrella Fund and information on the volume and structure of investments in the portfolio of each of the Sub-Funds per issuers and types of financial instruments, as well as information on the types of derivatives used, the major risks, related to the underlying assets, the investment limits and determined methods for risk assessment related to the derivative transactions.

(5) By the 10th of the respective month the Branch shall publish on its website summarized information on the structure of the Sub-Funds' portfolios as of the last date of the previous month, which shall contain at least data on the percentage of each Sub-Fund's assets invested in different types of financial instruments.

XIII. TERMS AND CONDITIONS FOR DISTRIBUTION OF DIVIDENDS (PARTS OF PROFITS) OR FOR THEIR RE-INVESTMENT

Art. 51. (1) The Sub-Funds do not distribute the accumulated profit as a dividend (income) among the unitholders.

(2) KBC AM shall reinvest the profit of the Sub-Funds, as a result of which the net value of the assets of the Sub-Funds shall increase in the interest of the holders of units in the respective Sub-Funds.

(3) The reinvestment of the income shall be carried out in accordance with the investment goals, strategies, policy and limitations of each Sub-Fund, taking into account the specific market conditions and in compliance with the applicable legislation and the internal rules of the Umbrella Fund.

XIV. FINAL PROVISIONS

§1. For all issues that are not regulated in these Umbrella Fund Rules, the provisions of the applicable legislation, which regulate the respective legal matter, shall apply.

§2. In the event of a non-conformity between the provisions of these Umbrella Fund Rules and the applicable legislation, the latter shall apply without the need for an immediate amendment of the Umbrella Fund Rules, unless it is explicitly required.

§3. When in certain provisions of these Umbrella Fund Rules reference is made to specific legislative acts or specific state bodies are indicated and subsequently as a result of changes in the legislation in force the titles of the indicated legislative acts are changed or the same are repealed, it will be considered that the new titles, respectively the new acts regulating the respective legal field, *ipso iure*, replace their corresponding references in the texts of these Umbrella Fund Rules, without the need for their subsequent amendment. The same applies to the cases with the specifically mentioned state bodies.

§4. *(New as of 16.11.2021)* "Senior management" of the Branch within the meaning of §1, item 2 of the Additional Provisions of Ordinance № 44 for the purposes of these Umbrella Fund Rules are the Manager and the Deputy Manager (by power of attorney) of the Branch.

§5. *(Previous §4, amended on 16.11.2021)* These Umbrella Fund Rules were adopted by a decision of the Executive Committee of KBC AM, taken at a meeting on 11.08.2020, and were amended by decisions of 20.11. 2020, and of 11.01.2021, by a decision of the Senior Management of "KBC ASSET MANAGEMENT NV - BRANCH", Bulgaria from 10.05.2021 and by decision of the Executive Committee of KBC AM, taken on meeting on 16.11.2021, by a decision of the Senior Management of "KBC ASSET MANAGEMENT NV – BRANCH", Bulgaria from 21.12.2021, by decision of the Executive Committee of KBC AM, taken at a meeting on 08.02.2022, as the amendments adopted by a decision of 16.11.2021 and of 08.02.2022 come into force after receiving approval from the Financial Supervision Commission for organization and management of the Sub-Funds UBB ExpertEase SRI Defensive Conservative, UBB ExpertEase SRI Defensive Balanced, UBB ExpertEase SRI Dynamic Balanced, UBB ExpertEase SRI Defensive Tolerant, UBB ExpertEase SRI Dynamic Tolerant and UBB ExpertEase SRI Highly Dynamic Tolerant, that was received on 08.03.2022, amended by a decision of the Senior Management of "KBC ASSET MANAGEMENT NV - BRANCH", Bulgaria from 18.03.2022.