

UBB Platinum Bulgaria Prospectus

Open-ended common (contractual) fund (“the **Fund**”), organized under the Bulgarian law, representing a feeder collective investment scheme, with a variable number of units, making investments in accordance with the requirements of Directive 2009/65/ EC - UCITS

This prospectus (the “**Prospectus**”) contains the information necessary for potential investors to make an informed decision on whether to purchase units in the Fund. The Prospectus contains information about the risk profile and the investment strategy of the Fund. Potential investors are advised to familiarise themselves with the information included in the Prospectus before deciding to invest in units of the Fund.

The Financial Supervision Commission has approved this Prospectus, but this does not mean that it approves or disapproves investment in the proposed units, nor that it assumes responsibility for the accuracy of the information provided in the Prospectus.

Members of the Board of Directors of management company KBC Asset Management N.V. shall be jointly liable for the damages caused by untrue, misleading or incomplete data in the Prospectus, respectively – for any part of the information herein. The person under Art. 34, paragraphs 1 and 2 of the Accountancy Act shall be jointly liable with the members of the Board of Directors of the management company for damages caused by untrue, misleading or incomplete data in the financial statements of contractual fund UBB Platinum Bulgaria, and the statutory auditor of contractual fund UBB Platinum Bulgaria – for damages caused by the audited financial statements.

01.02.2023

I. General information concerning the Fund

A. Description of the Fund

Name

UBB Platinum Bulgaria

Legal form

Common (contractual) fund registered with the BULSTAT Register under unified identification code (**UIC**) 131562537.

Date of establishment

The Fund was established (organized) on 23.11.2005, representing the date of its registration in the register kept by the Financial Supervision Commission (**FSC**) in accordance with Art. 30(1), item 4 of the Financial Supervision Commission Act, pursuant to Decision No. 716-ДФ / 23.11.2005 of the FSC. The Fund was established under the name UBB Platinum Bonds, and with its Decision No. 489-ДФ/13.07.2021 the FSC approved changes in the rules for establishing the Fund, including in its name - from UBB Platinum Bonds to UBB Platinum Bulgaria.

Term

The Fund was established for an unlimited period of time.

Status

The Fund is an undertaking for collective investment in transferable securities (**UCITS**) which is a feeder collective investment scheme within the meaning of Art. 67 of the Activities of Collective Investment Schemes and Other Undertakings for Collective Investment Act (**ACISOUICIA**), and invests at least 85% of its assets in shares of Horizon Platinum Portfolio (the “**Master Sub-Fund**”), a sub-fund of Horizon NV, an open-ended investment company duly established and existing under the laws of the Kingdom of Belgium, with seat and registered office at: Havenlaan 2, B-1080, Brussels, Kingdom of Belgium (“**Horizon**” or “**Master Umbrella Fund**”).

Restructuring

The Fund participated as a receiving fund in a restructuring procedure under the ACISOUICIA and its implementing acts, pursuant to which eight collective investment schemes, namely UBB Platinum Euro Bond, UBB Balanced Fund, UBB Premium Equity, UBB Patrimonium Land, UBB Global Pharm Invest, UBB Global Child Fund, UBB Global Growth and UBB Global Dividend (“**Restructuring Funds**”) merged into Fund.

The restructuring procedure was carried out after receiving a permission from the FSC as per its Decision No. 489-ДФ/13.07.2021 of the FSC, with 12 November 2021 as the effective date of restructuring. As a result of the restructuring, all the assets and liabilities of the Restructuring Funds were acquired and transferred to the Fund, unit-holders in the Restructuring Funds acquired units of the Fund in accordance with the specified exchange ratio, and the Restructuring Funds were terminated. Thus, as of the date of this Prospectus, the Fund's assets include the assets and liabilities of the Restructuring Funds.

At the same time the mutual fund has been transformed into a feeder collective investment scheme within the meaning of Art. 67 of the ACISCIPA after receiving permission from the FSC, objectified in Decision No. 490-DF of 13.07.2021 of the FSC and invests at least 85% of its assets in shares of the Horizon Platinum Portfolio (the “**Main Sub-Fund**”) of Horizon NV (Horizon N.V.), an open-ended investment company duly established and existing under the laws of the Kingdom of Belgium, with its head office and registered address: Havenlaan 2, B-1080, Brussels, Kingdom of Belgium and managed by KBC ASSET MANAGEMENT N.V. (Master Umbrella Fund). The date on which the mutual fund as a feeder fund started to invest in the main sub-fund is 22.11.2021.

B. Service providers to the Fund

Management Company

Information regarding the Management Company of the Fund. Information regarding the Management Company's Bulgarian branch through which the Fund is managed

The Fund is managed by KBC Asset Management N.V. (**KBC AM** or the "**Management Company**"), a company incorporated under the laws of the Kingdom of Belgium, with its seat and registered address in Brussels 1080, Havenlaan 2, the Kingdom of Belgium, registered with the Register of Legal Entities of Brussels, identification No. 0469.444.267, through KBC Asset Management N.V. – KLON (the "**Branch**"), a branch of a foreign legal entity, established under the laws of Bulgaria, with its seat and registered address in Sofia 1463, Triaditsa district, 89B Vitosha Blvd., Millennium Center, 6th floor, registered with the Commercial Register and the Register of Non – Profit Legal Entities at the Registry Agency with UIC 205422541. The Branch is entered in the register of management companies kept by the FSC in accordance with Art. 30(1), item 5 of the Financial Supervision Commission Act pursuant to a decision of the FSC under Minutes No. 55 of 05.07.2018.

Date of incorporation of the Management Company. Date of establishment of the Branch

KBC AM was incorporated on 30.12.1999. The Branch was established on 04.12.2018.

Duration of the Management Company. Duration of the Branch

KBC AM and the Branch were established for an unlimited period of time.

List of the collective investment schemes managed by the Management Company

Name	Country of establishment	Identification number
Fivest	Belgium	BE0443669981
Generation Plan	Belgium	BE0725850109
Horizon	Belgium	BE0449441283
IN.flanders Employment Fund	Belgium	BE0472677634
IN.focus	Belgium	BE0469444267
KBC Eco Fund	Belgium	BE0446922055
KBC Equity Fund	Belgium	BE0443681463
KBC Index Fund	Belgium	BE0443670377
KBC Institutional Fund	Belgium	BE0445684118
KBC Master Fund	Belgium	BE0451407811
KBC Multi Interest	Belgium	BE0448688049
KBC Multi Track	Belgium	BE0473012877
KBC Participation	Belgium	BE0877703807
KBC Select Immo	Belgium	BE0454712244
Optimum Fund	Belgium	BE0882423054
Perspective	Belgium	BE0559798678
Plato Institutional Index Fund	Belgium	BE0477637995
Pricos	Belgium	BE0469444267

Pricos Defensive	Belgium	BE0469444267
Pricos SRI	Belgium	BE0469444267
Sivek	Belgium	BE0444662252

List of the other collective investment schemes managed by the Management Company through the Branch

Name	Country of establishment	UIC (in BULSTAT Register)
UBB Platinum Bulgaria	Republic of Bulgaria	131562537
UBB ExpertEase	Republic of Bulgaria	177477645

Names and positions of the directors of the Management Company and of the natural persons to whom the executive management of the Management Company is entrusted

The Management Company is managed by a Board of Directors consisting of eleven members. The Board of Directors is composed of six non-executive members, including the Chairperson of the Board of Directors, and five non-executive directors, as well as five members with executive functions – executive directors.

The day-to-day management of the activity of the Management Company and the making of strategic decisions are assigned to an Executive Committee composed of the five executive directors of KBC AM. The Executive Committee has a chairperson elected from among its members. The activity of the Executive Committee is monitored and controlled by the Board of Directors.

The table below contains the names and functions of the members of the Board of Directors of KBC AM.

Name	Title	Specific powers
Luc Vanderhaegen	<i>Non-Executive Director, independent member of the Board of Directors</i>	–
Katrien Mattelaer	<i>Non-Executive Director</i>	–
Axel Roussis	<i>Non-Executive Director,</i>	–
Stefan Van Riet	<i>Non-Executive Director</i>	–
Wouter Vanden Eynde	<i>Non-Executive Director, independent member of the Board of Directors</i>	–
Peter Andronov	<i>Chairman of the Board of Directors</i>	–
Johan Lema	<i>Managing Director and Chairman of the Executive Committee</i>	<i>Natural person to whom the management of the Management Company is entrusted</i>
Chris Sterckx	<i>Executive Director and member of the Executive Committee</i>	<i>Natural person to whom the management of the Management Company is entrusted</i>
Frank Van de Vel	<i>Executive Director and member of the Executive Committee</i>	<i>Natural person to whom the management of the Management Company is entrusted</i>
Klaus Vandewalle	<i>Executive Director and member of the Executive Committee</i>	<i>Natural person to whom the management of the Management Company is entrusted</i>
Jürgen Verschaeve	<i>Executive Director and member of the Executive Committee</i>	<i>Natural person to whom the management of the Management Company is entrusted</i>

As of the date of this Prospectus, the main activities performed by the individuals entrusted with the management of KBC AM in other companies are as follows:

Name	Capacity in the Management Company	Name of the company in which the person carries out significant activity	Country and identification of the Company	Company address	Position held in the Company
Jürgen Verschaeve	Managing director, member of the Executive committee	KBC Fund Management Ltd	IE-450585	Sandwith Street D02 X489 Dublin 2	Director
Axel Roussis	Non-Executive Director	Ravago SA	LU19439721	Rue de Merl 76-78 L-2146	Director
Johan Lema	Executive Director, Chairman of the Executive Committee	IVESAM NV	BE-0784.325.073	Havenlaan 2 1080 Brussels Belgium	Chairman of the Management Board
		KBC Fund Management Ltd	IE- 450585	Sandwith Street D02 X489 Dublin 2	Chairman of the Management Board
		CSOB Asset Management, a.s., investiční společnost	CZ- 25677888	Radlická 333/150 150 57 Prague 5	Chairman of the Management Board
		ASSOCIATION BELGE DES ASSET MANAGERS - BELGISCHE VERENIGING VAN ASSET MANAGERS	BE-567779996	Aarlenstraat 82 1040 Brussel	Chairman
		everyoneINVESTED	BE-0745660279	Havenlaan 2 1080 Brussel	Manager
Katrien Mattelaer	Non-Executive Director	UCO	BE-457983322	Doorniksewijk(Kor) 49 8500 Kortrijk	Manager
		VOBIS FINANCE	BE-428597666	Doorniksewijk(Kor) 49 8500 Kortrijk	Manager
		Bareldam SA	LU-169.943	Avenue de la liberté 25 1931 Luxembourg	Manager
		BELGIAN INTERNATIONAL CARPET CO	BE-426620153	Vlamingstraat 12 8560 Wevelgem	Manager
		Vlerick Investeringsmaatschappij	BE-0466459439	Doorniksewijk 49 8500 Kortrijk	Manager
		M HKA	BE-0431750859	Leuvenstraat 32 2000 Antwerpen	Independent Director
		Pana Ventures	BE-0746856745	Priester Schurrsstraat(Kor) 2 Stratenplan 8500 Kortrijk	Manager
Peter Andronov	Chairman of the Board of Directors	"KBC Groep" in het Nederlands, "KBC Groupe" in het Frans, "KBC Group" in het Engels en "KBC Gruppe" in het Duits	BE-403227515	Avenue du Port 2 1080 BRUXELLES - BRUSSEL	Managing Director
		KBC Bank	BE-462920226	Avenue du Port 2 1080 BRUXELLES - BRUSSEL	Managing Director
		KBC Insurance NV	BE-403552563	Professor Roger Van Overstraetenplein 2, 3000 Leuven	Managing Director
		CSOB Poistovna	SK - 31 325 416	Žižkova 11	Director

		a.s.		Bratislava 811 02	
		CSOB Bank	CZ-25677888	Radlicka 333/150, Praha 150 57	Director
		KBC Insurance NV, Irish Branch	IE-296630	Sandwith Street 2 Dublin	Director
		K&H Bank Zrt	HU-10195664-4-44	Vigado ter 1 1051 Budapest	Director
		K&H Biztosito zrt	HU-0000005	Lechner Ödön fasor 9 1095 Budapest	Director
		KBC Bank Ireland Plc	IE-8F86824G	Sandwich Street 2 Dublin	Director
		DZI - Life Insurance EAD	BG-121518328	89B Vitosha Blvd. Sofia 1463	Member of the Supervisory Board
		DZI - General Insurance EAD	BG-121718407	89B Vitosha Blvd. Sofia 1463	Member of the Supervisory Board
		KBC Global Services NV	BE - 0772332707	Avenue du Port 2	Member of the management board
		KBC Bank Bulgaria EAD	BG - 831558413	Nikola Vaptzarov Blvd 55	Chairman of the supervisory board
		Ceskoslovenska Obchodná Banka a.s.	SK - 36854140	Michalska 18	Chairman of board of directors
Chris Sterckx	Managing director, member of the Executive committee	BeAMA	BE-0567779996	Koning Albert II-laan 19 1210 Sint-Joost-ten- Node	Member of the Management Board
Frank Van de Vel	Executive Director, Member of the Executive Committee	Arcade Finance plc	IE-9654908I	Riverside One, Sir John Rogerson's Quay D2 Dublin	Director
		Amethyst Structured Finance plc	IE-9573745G	Riverside One, Sir John Rogerson's Quay D2 Dublin	Director
		Beechwood Structured Finance plc	IE-9573810O	Riverside One, Sir John Rogerson's Quay D2 Dublin	Director
		Brookfields Capital plc	IE-9573753F	4th Floor, Hanover Building, Windmill Lane D2 Dublin	Director
		Eperon Finance plc	IE-9573962O	4th Floor, Hanover Building, Windmill Lane D2 Dublin	Director
		Espaccio Securities plc	IE-9573762G	4th Floor, Hanover Building, Windmill Lane D2 Dublin	Director
		Greenstreet Structured Financial Products plc	IE-9573774N	4th Floor, Hanover Building, Windmill Lane D2 Dublin	Director
		Nimrod Capital plc	IE-9573422F	4th Floor, Hanover Building, Windmill Lane D2 Dublin	Director
		Opal Financial Products plc	IE-9573778V	4th Floor, Hanover Building, Windmill Lane D2 Dublin	Director
		Profile Finance plc	IE-9573439W	4th Floor, Hanover Building, Windmill Lane	Director

				D2 Dublin	
		Recolte Securities plc	IE-9573785S	4th Floor, Hanover Building, Windmill Lane D2 Dublin	Director
		Silverstate Financial Investments plc	IE-9573430E	4th Floor, Hanover Building, Windmill Lane D2 Dublin	Director
		Vespucci Structured Financial Products plc	IE-9573742A	4th Floor, Hanover Building, Windmill Lane D2 Dublin	Director
		Vidago Capital plc	IE-9573795V	4th Floor, Hanover Building, Windmill Lane D2 Dublin	Director
		Voyce Investments plc	IE-9573420B	4th floor, Hanover Building, Windmill Lane D2 Dublin	Director
		Waterford Capital Investments plc	IE-9573805V	4th Floor, Hanover Building, Windmill Lane D2 Dublin	Director
		Waves Financial Investments plc	IE-9573416K	4th Floor, Hanover Building, Windmill Lane D2 Dublin	Director
		Vermillion Protective Bond Portfolio Plc	IE-9573958A	4th Floor, Hanover Building, Windmill Lane D2 Dublin	Director
		Ipanema Capital p.l.c.	IE-3409868EH	4th Floor, Hanover Building, Windmill Lane D2 Dublin	Director
		KBC Investment Management EAD	BG-175015558	55 "Nikola Vaptsarov" Blvd., Business Center EXPO 2000 1407 Sofia	Member of the Supervisory board
Stefan Van Riet	Non-Executive Director	Van Bauwel & Co	BE-0404500688	Bisschopstraat 70 2060 Antwerpen	Managing Partner
		De Berk	BE-0891253321	Van Gamerenlei 18 2930 Brasschaat	Manager
Wouter Vanden Eynde	Non-Executive Director	Not applicable	Not applicable	Not applicable	Not applicable
Klaus Vandewalle	Executive Director, Member of the Executive Committee	Not applicable	Not applicable	Not applicable	Not applicable
Luc Vanderhaegen	Non-Executive Director	Not applicable	Not applicable	Not applicable	Not applicable

Names and positions of the management and other key personnel of the Branch

Name	Capacity	Specific powers
Katina Peycheva	<i>Manager of the Branch</i>	<i>Natural person to whom the management of the Branch is entrusted</i>
Patrick van Loij	<i>Deputy-Manager of the Branch</i>	<i>Natural person to whom the management of the Branch is entrusted</i>

The Manager of the Branch – Mrs. Katina Peycheva, is also a Chairperson of the Management Board and Executive Director of "KBC Investment Management" EAD and a member of the Management Board and Chairperson of the Finance and Accounting Committee of the Bulgarian Association of Asset Management Companies.

The Deputy-Manager of the Branch, Mr. Patrick van Loij, does not have any significant activities outside his duties as the Deputy-Manager of the Branch.

Statutory auditor of the Management Company

The statutory auditor of KBC AM is PriceWaterhouseCoopers België, with its registered address at Woluwe Garden, 18 Woluwedal, 1932 Sint-Stevens-Woluwe, Kingdom of Belgium, represented by Gregory Joos, company auditor and certified auditor.

Registered capital of the Management Company

The registered capital of KBC AM amounts to EUR 35.754.192. The registered capital is fully paid up.

Remuneration policy

The remuneration policy of the KBC AM staff is based on the KBC Group Remuneration Policy, the general rules laid down regarding the remuneration policy for all staff of KBC Group entities and specific guidelines laid down for staff who could have a material impact on the company's risk profile ('Key Identified Staff'). The KBC Group Remuneration Policy is updated annually.

General rules

Each staff member's salary comprises two parts: a fixed component and a variable component. The fixed component is primarily determined by the staff member's position (such as the responsibility they bear and the complexity of their duties). The variable component is dependent on various factors such as the KBC AM results, the results of the staff member's department and the staff member's individual targets. The remuneration policy is also affected by market practices, competitiveness, risk factors, the company's and its shareholders' long-term objectives and developments within the regulatory framework.

'Key Identified Staff'

Special rules apply to 'Key Identified Staff'. The variable salary component for this group of staff is allotted in a manner that promotes appropriate risk management and cannot give rise to the taking of extreme risks. For the updated version of the following information (such as a description of the method for calculating the remuneration and the benefits, and the identity of the persons responsible for allocating the remuneration and the benefits, including the make-up of the remuneration committee, if such a remuneration committee has been established) is available in Bulgarian at the website address <https://www.ubbam.bg/about-us/reports> (Remuneration Policy), and a paper copy can be provided free of charge upon request by an investor and at the Distributor's branches.

Distributor

KBC AM and United Bulgarian Bank AD, which is registered under UIC 000694959 with the Commercial Register and Register of Non-Profit Legal Entities with the Registry Agency and is a fully licensed investment intermediary, which provides investment and ancillary services under the applicable legislation (the "**Distributor**"), have concluded a Distribution Agreement (the "**Distribution Agreement**"), according to which the Distributor is assigned the distribution of the units in the Fund.

Principal activities of the Distributor

According to the Distribution Agreement, the Distributor is obliged against remuneration to provide a chain of offices to serve as points of sale and to ensure in any other way the distribution of the units in the Fund on the territory of the Republic of Bulgaria. When performing its duties as a distributor of the Fund, the Distributor is authorised to receive subscription orders and redemption orders by investors and unit-holders in the Fund and to process payments related therewith, to enter into agreements (contracts) with the latter as regards the subscription and redemption of units in the Fund, to receive complaints, as well as to provide the necessary information regarding the Fund, including its Key Information Document, which the investors and unit-holders are entitled to receive according to the legislation in force, the incorporation rules of the Fund (the "**Fund Rules**") and this Prospectus. When concluding agreements (contracts) with investors regarding subscription and redemption of units in the Fund (including when concluding contracts for systematic investment (Systematic Investment Plan - SIP), as specified below in this Prospectus), the Distributor acts in its own name and on behalf of the Fund.

In addition, the Distributor keeps the registers of the unit-holders in the Fund and keeps detail records of the clients' orders as per the applicable legislation.

Custodian

The Management Company has selected as a custodian (depository) of the Fund (the “**Custodian**” or “**Depository**”) United Bulgarian Bank AD, which is registered under UIC 000694959 with the Commercial Register and Register of Non-Profit Legal Entities with the Registry Agency. The Custodian has a full license for performing banking activities issued by the Bulgarian National Bank on 19.11.1992 and last amended by Order ПД 22 – 2250/16.11.2009 г. of the Bulgarian National Bank.

Contact details of the Custodian

Telephone: +359 2 811 3868; +359 2 811 3750

E-mail: CustodyServicesUBB@ubb.bg

Seat and registered address: 89B Vitosha Blvd, Millennium Center, Triaditsa District, 1463, Sofia, Republic of Bulgaria

To the attention of: Custody Services Department, Market and Investment Banking Directorate

Custodian activities

According to the Depositary Agreement entered between the Custodian and the Management Company, acting on behalf of the Fund (the “**Depositary Agreement**”), and the legislation in force, the Custodian acts as a custodian and depository of the Fund and keeps their assets, including it:

(i) Ensures that the issuance, sale, redemption and cancelation of the units in the Fund are made in accordance with the legislation and the Rules of the Fund;

(ii) Ensures that the value of the units in the Fund is calculated in accordance with the law, the Rules of the Fund and the other rules of the Fund;

(iii) Carries out regular checks for compliance between the accounts kept with the Management Company and the Custodian for the assets of the Fund and, in the cases specified in Art. 37a of ACISOUCIA, with the accounts kept with the respective sub-custodian;

(iv) Ensures the transfer within the usual time limits of all funds in favour of the Fund arising from transactions with their assets;

(v) Ensures that the income of the Fund is distributed in accordance with the law and the Rules of the Fund;

(vi) Reports to the Management Company at least monthly for the assets under its custody and the operations made therewith, including by providing a full inventory of the Fund's assets, by the 5th of the following month;

(vii) Monitors the cash flows of the Fund, including by checks whether all payments made by investors or on their behalf in relation to the purchase of units in the Fund, are received and accounted under accounts, which

- are opened either in the name of the Fund, in the name of the Management Company, acting on its behalf and its expenses, or in the name of the Custodian, acting on behalf and at the expenses of the Fund; or
- are opened with a central bank or another bank (including licensed in the Republic of Bulgaria or in another member state of the European Economic Area (**EEA**) or licensed in a third country); and
- are managed in accordance with the rules, specified in the next item below;

(viii) Manages the Fund's funds by:

- Maintaining the bank accounts and information about the accounts separately, as to allow for separation of the assets of the Fund from the assets of the other clients of the Custodian and from its proprietary assets;
- Maintaining accountability and maintaining the accounts of the Fund in a way that ensures their accuracy;
- Taking the necessary measures to ensure that all funds of the Fund, which are deposited with a third person, 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 Fund are kept; where cash accounts are opened in the name of a custodian, acting on behalf of the Fund, the funds of the respective third person and the proprietary funds of the Custodian may not be transferred to these cash accounts;
- Introducing proper internal organisation and undertaking 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.

(ix) Checks the fee of the Management Company to be calculated in accordance with the legislation in force and the Rules of the Fund;

(x) Assists the Fund in receiving information regarding the participation at the general meeting of shareholders in the Master Sub-Fund and in other issuers, in which the Fund has made investments, and provides other assistance in accordance with the Depositary Agreement and the legislation in force.

(xi) verify that the Branch of the Management Company has adopted and implemented procedures for conducting stress tests of the fund's liquidity.

The assets of the Fund are placed in custody with the Custodian as follows:

(a) For financial instruments that may be held in custody:

The Custodian will hold in custody all financial instruments that may be registered in a financial instrument account, under

financial instrument account with the Custodian, as well as all other financial instruments that can be physically delivered to the Custodian for safekeeping. The Custodian will ensure that all financial instruments that can be registered in a financial instrument account, will be registered under separate financial instruments accounts, opened and maintained by the Custodian, in accordance with the rules set forth in item (viii) above, in the name of the Management Company, acting on behalf of the Fund, so that it can be clearly ascertained at all times that they belong to the Fund.

(b) For other assets:

The Custodian will check that the Fund is the owner of the assets, based on information or documents provided by the Management Company and, where appropriate, on the basis of available external sources of information. The Custodian will maintain an up-to-date register of the assets for which it has checked whether they are owned by the Fund.

The Custodian is not liable for its obligations to its creditors with the assets of the Fund.

The Custodian shall act independently and solely to the benefit of unit-holders. In case of loss of any financial instruments kept under its custody, the Depositary shall transfer back to the Fund the same financial instruments or their monetary equivalent without undue delay. Nonetheless, the Custodian shall not be held liable for the loss, if it is able to prove that the loss was due to an event beyond its control, which could not have been prevented.

The Custodian shall be liable to the Management Company and the unit-holders for any other damages suffered due to negligence or wilful misconduct of its employees in the performance of the Custodian's duties under the applicable law.

The delegation of functions according to Art. 37a of the ACISOUICIA to a third party does not release the Custodian from the responsibilities specified in this Prospectus and the Rules of the Fund. The responsibility of the Custodian cannot be excluded or limited by an agreement, and any agreement entered into in violation of this rule shall be null and void.

Unit-holders can hold the Custodian responsible either directly or indirectly through the Management Company, unless this will lead to the payment of double indemnification or to unfair treatment of the unit-holders.

Requirements to the Custodian

The Custodian must comply with all relevant requirements of the ACISOUICIA, the secondary legislation on its implementation and the applicable European Union legislation. The Custodian shall not be one and the same person with the Management Company. The Custodian cannot carry out activities for the Fund or for the Management Company, which may lead to a conflict of interests between the Fund, the unit-holders, the Management Company and the Custodian, unless there is a functional and hierarchical separation between the functions, performed by the Custodian for the Fund, and the other functions of the Custodian and/or unless the conflict of interests is adequately identified, managed, monitored and disclosed to the investors in the Fund. See additional details on the conflict of interest rules, applied by the Custodian, in subsection *Conflict of interests* below in this section.

Custody activities delegated by the Custodian

In view of the fact that all or almost all of the Fund's assets are invested in shares of the Master Sub-Fund, with the exception of funds held in bank accounts, the Custodian intends to delegate custody services to KBC Bank N.V., a licensed credit institution duly incorporated and existing under the laws of the Kingdom of Belgium, having its seat and registered address at Havenlaan 2, B-1080, Brussels, Kingdom of Belgium (**KBC Bank N.V.**), as its sub-custodian. The shares of the Master Sub-Fund held by the Fund will be kept on a separate sub-account with KBC Bank N.V.

United Bulgarian Bank AD has chosen KBC Bank N.V. for its sub-custodian in view of the fact that the shares in the Master Sub-Fund held by the Fund are not registered in Clearstream Banking Luxembourg, where only the Custodian has the possibility to keep foreign financial instruments of its clients, including the Fund, due to which KBC Bank N.V. can ensure the proper custody of these assets in accordance with all requirements of the European Union legislation and the Bulgarian legislation.

List of sub-custodians and their sub-custodians

KBC Bank N.V.

Conflicts of interests

A "group link" within the meaning of 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 (**Regulation (EU) 2016/438**) exists between KBC AM, the Custodian and the custodian of the Master Umbrella Fund as all of these companies are part of the KBC Group, Belgium. However, there is no conflict of interests in their relationship due to the following:

1. KBC AM, the Custodian and the custodian of the Master Umbrella Fund have put in place policies and procedures to ensure that: (a) all conflicts of interests arising from that link are identified; (b) all reasonable steps are taken to avoid and/or manage these conflicts of interests.
2. KBC AM and the Custodian ensure that: (a) where the management body of the Management Company and the management body of the Custodian are also in charge of the supervisory functions within the respective companies, at least one third of the members or two persons, whichever is lower, on the management body of the Management Company

and on the management body of the Custodian will be independent within the meaning of Art. 24(2) of Regulation (EU) 2016/438; (b) where the management body of the Management Company and the management body of the Custodian are not in charge of the supervisory functions within the respective companies, at least one third of the members or two persons, whichever is lower, on the body in charge of the supervisory functions within the Management Company and within the Custodian will be independent within the meaning of art. 24(2) of Regulation (EU) 2016/438.

In the unlikely event that an unavoidable conflict of interests is identified in light of the above, the Management Company and the Custodian will manage, monitor and disclose that conflict of interests (if it happens) in order to prevent adverse effects on the interests of the Fund and its investors.

Substitution of the Custodian. Rules for protection of the interests of unit-holders

According to the ACISOU CIA and the Depositary Agreement the substitution of the Custodian is allowed only after approval by the Deputy Chairperson of the FSC in charge of the Investment Supervision Division. The Depositary Agreement can be terminated and the Custodian substituted in the following cases:

- (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 Fund;
- (d) Upon withdrawal of the authorization of the Management Company to run the Fund;
- (e) Upon withdrawal of the license or insolvency of the Custodian;
- (f) Upon imposition of compulsory administrative measures 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.

In accordance with the above list, the Depositary Agreement can be terminated by the Management Company, acting on behalf of the Fund, with a three-month written notice, and appoint a new custodian of the Fund, after the approval of the substitution of the Custodian, granted by the Deputy Chairperson of the FSC in charge of the Investment Supervision Division.

The Management Company is obliged to submit to the FSC all necessary documents for obtaining an approval to replace the Custodian as soon as possible after it finds out that the Custodian no longer meets the requirements of the ACISOU CIA for a depositary of the Fund.

The Depositary Agreement sets out a special procedure, including on the terms and conditions for the transfer of the assets of the Fund to another custodian, in case of substitution of the Custodian and subject to approval by the Deputy Chairperson of the FSC in charge of the Investment Supervision Division. The transfer of the assets to the new custodian must occur within 5 to 10 days as of obtaining the approval for the substitution of the Custodian. The substitution of the Custodian will be made in a way, which guarantees that the custody services will be provided to the Fund without interruption.

Statement on providing up-to-date information on request

The Management Company, on behalf and at the expense of the Fund, declares that it will provide updated information on the Custodian, its functions, the potential conflicts of interests and the functions delegated by the Custodian to third persons, including the updated list of sub-custodians and sub-sub custodians, upon request by investors or potential investors in units of the Fund.

Information Sharing Agreement between the Custodian and the custodian of the Master Umbrella Fund

In accordance with the applicable legislation the Custodian and the custodian of the Master Umbrella Fund and the Master Sub-Fund have entered into an Information Sharing and Irregularities Reporting Agreement (the **Custodian Information Sharing Agreement**). Pursuant to the Custodian Information Sharing Agreement, the custodian of the Master Umbrella Fund and the Master Sub-Fund and the Custodian undertook to exchange information and documents which must be shared between the custodians of a feeder and a master collective investment scheme in accordance with the legislation in force; coordinate their involvement in relation to the procedure for calculating the net asset value of the Fund and Master Sub-Fund, including any measures to avoid application of strategies with selection of the market timing in regard to the units, and the processing of instructions made on behalf and at the expense of the Fund for purchasing, subscription or requests for redemption of shares in the Master Sub-Fund, and the settlement of such transactions, including any arrangement for transfer of assets; and to coordinate their procedures and share all the relevant information necessary for the proper accounting and for the preparation of annual financial statements.

In addition, by virtue of the Custodian Information Sharing Agreement, the custodian of the Master Umbrella Fund and the Master Sub-Fund will be obliged to immediately inform the competent regulator of the Master Umbrella Fund, the Fund and the Custodian of any irregularities it detects in relation to the Master Umbrella Fund and the Master Sub-Fund in the course of carrying out its functions and which may have a negative impact on the Fund, including:

- errors in the calculation of the net asset value of the Master Sub-Fund;
- errors in transactions for or settlement of the sale, issue, repurchase or redemption of shares in the Master SubFund undertaken on behalf and at the expense of the Fund;
- errors in the payment or capitalisation of income arising from the Master Sub-Fund, or in the calculation of any related withholding tax;
- breaches of the investment objectives, policy or strategy of the Master Sub-Fund of a nature which would require

- the custodian of the Master Umbrella Fund and the Master Sub-Fund to notify the breach to its competent regulator or the investors in the Master Sub-Fund;
- breaches of the investment and borrowing limits of the Master Sub-Fund; and
- any regulatory investigation or fines against the Master Umbrella Fund which could affect the Master Sub-Fund and consequently the Fund.

When providing such notices, the custodian of the Master Umbrella Fund and the Master Sub-Fund shall also inform the Depository of the manner in which the Master Umbrella Fund or its management company intends or proposes to resolve the matter.

Statutory auditor of the Fund

The statutory auditor of the Fund (the **Auditor**) is PRICEWATERHOUSECOOPERS AUDIT OOD, a limited liability company, with seat and registered address at 9-11 Maria Luiza Blvd, Sofia, Bulgaria, registered under UIC 121499387 with the Commercial Register and Register of Non-Profit Legal Entities with the Registry Agency. The Auditor is registered with the Institute of Certified Public Accountants under registration No 085.

Principal activities of the Auditor

The Auditor checks whether the financial statements of the Fund are a true and fair presentation of the financial situation of the Fund and whether the annual activity report is in line with the financial statements.

The Auditor is obliged to inform the FSC without undue delay for any circumstances and decisions in relation to the Fund, which it finds out during the audit of the financial statements of the Fund, which may lead to:

- Significant breach of the applicable legislation by the Fund;
- Risk for the continuous operation of the Fund;
- A refusal to certify the financial statements or the expression of reservations.

The Auditor has entered into an Information Sharing Agreement with the auditor of the Master Umbrella Fund and the Master Sub-Fund, pursuant to which, *inter alia*, rules for the exchange of information between the two auditors have been set in relation to the terms and conditions for the provision to the Auditor of the audit report concerning the Master Umbrella Fund and the Master Sub-Fund and information about irregularities found in the auditor report of the auditor of the Master Umbrella Fund and the Master Sub-Fund.

Based on the information provided, the Auditor reviews the audit report on the Master Umbrella Fund and the Master Sub-Fund in its audit report in relation to the Fund's financial statements, and includes in its report information on any irregularities found in the audit report of the Master Umbrella Fund and the Master Sub-Fund and their impact on the Fund's activities.

C. Corporate information

Assets of the Fund

The net asset value of the Fund shall be at least BGN 500,000.

If, for 6 consecutive months, the average monthly net asset value of the Fund falls below BGN 500,000, KBC AM shall, within 10 business days, disclose the reasons for this, the measures it will take to attract new investments, and the deadline within which these measures will be implemented and within which the Fund is expected to recover the minimum amount of its net asset value. The abovementioned period of 10 business days shall start running from the expiry of 6 consecutive months referred to in the preceding sentence.

The disclosure shall be made on the website of the Distributor – www.ubb.bg (*Individual clients, Saving and Investments, Funds*) and on the website of the Branch - www.ubbam.bg (*Focus Strategies*), as well as by way of other appropriate means in view of the established means of communicating information to investors. 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.

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

KBC AM separates its assets from the assets of the Fund and compiles a separate balance sheet for the Fund. The Custodian of the Fund keeps records and accounts for the cash and the other assets of the Fund which are separate from these for its own assets.

Financial year

The financial year of the Fund coincides with the calendar year and ends on 31 December.

The Branch submits to the FSC and to the investors through the public space:

- annual audited financial statements of the Fund within 90 days of the end of the financial year, prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS).
- semi-annual financial statements for the first 6 months of the financial year, within 30 days of the end of the reporting period.

The Branch submits to the FSC by the 10th day of the month, following the reporting period, a monthly balance and information on:

- the volume and structure of the investments in the portfolio of the Fund by issuers and types of securities and other financial instruments;
- the types of derivative instruments used, the main risks associated with the underlying assets of the derivative instruments, the quantitative restrictions and applied methods for assessment of the risk associated with the derivative instruments.

This information is not made public and serves only the supervisory purposes of the FSC.

By the 10th day of each month, the Branch publishes on its website www.ubbam.bg (*Focus Strategies*) and the Distributor publishes on the website of the Distributor – www.ubb.bg (*Individual clients, Saving and Investments, Funds*), a summarised information on the structure of portfolio of the Fund as of the last date of the previous month, which contains at least data on the percentage of the Fund's assets invested in financial instruments and/or cash.

Description of the types and characteristics of the units in the Fund

Characteristics of the units in the Fund

Pursuant to § 1, item 4 of the Additional Provisions to the ACISOUCA, the units issued by the Fund are financial instruments, which incorporate the rights of their holders over the Fund's assets.

The units of the Fund are ordinary, freely transferable, registered and dematerialised. They are registered with Central Depository AD and can be publicly offered in the Republic of Bulgaria.

The units in the Fund have a nominal value of BGN 10 (ten) each.

The number of units issued by the Fund is not limited and may vary depending on the issuance of new units and the redemption of existing units. The Fund can issue whole and partial units.

Subscription of units. Contributions

The units are issued on the basis of the net asset value (**NAV**) of the Fund and are subscribed against a cash contribution of each investor in an amount determined by him (the investment amount). The number of units that each investor acquires is determined by the investment amount of each investor being divided by the issue value per one unit in the Fund, which is calculated for the respective day. If the investment amount does not allow the subscription of a round number of units, the investor can also acquire a partial unit, in which case the partial unit is determined to the fourth decimal place.

Investors can subscribe units in the Funds only against money contributions. The minimum subscription amount for units in the Fund is BGN 100 (one hundred), except in the case of a systematic investment contract. When an order for subscription of units is placed, the value of the order is divided by the issue value of a unit in the Fund, and only units or partial units whose issue value has been paid in full may be issued.

Transfer of units

The units in the Fund can be transferred freely, without any restrictions or additional conditions, in accordance with the will of their holders and in compliance with the specific requirements of the applicable legislation on the transfer of financial instruments.

The secondary trade in units issued by the Fund and held by individuals and legal entities shall follow the terms and conditions of the applicable legislation. The conclusion and/or settlement of transactions for purchase and sale of units is performed through licensed investment intermediaries. The transfer of units, issued by the Fund, by way of donation or inheritance shall be carried out through a licensed investment intermediary operating as a registration agent. Such transfers shall have effect following their registration to the transferee's account/sub-account in Central Depository AD.

Form of the units and certificate for units owned

The units of the Fund are issued in a dematerialised (registered) form. The book of unit-holders in the Fund is kept by Central Depository AD. At investor's request and at their expense, Central Depository AD can issue a certificate for the units owned by the investor.

Rights attached to the units in the Fund

The units in the Fund give their owners rights equal to the rights of the other unit-holders in the Fund, proportional to the

number of units held. Each unit gives its holder the right to a respective portion of the assets of the Fund, including upon its liquidation, a redemption right, a right to information and the right to lodge a complaint. The property rights on partial units in the Fund are acquired and exercised by the respective holder in proportion to the owned partial unit.

All units in the Fund are without the right to vote, i.e. they do not give investors voting right to participate in investor meetings. Such meetings are not held.

Investors can find a summary, in Bulgarian and English, of their rights as investors, available at the following hyperlink (in Bulgarian) <https://www.ubbam.bg/about-us>, Документи, Основни документи, Резюме на правата на инвеститорите and (in English) <https://www.ubbam.bg/en/about-us>, Documents, Basic documents, Summary of investors rights.

Right to liquidation proceeds

Each holder of units in the Fund is entitled to a part of the assets of the Fund, which corresponds to the units held by them upon liquidation of the Fund. This right may be exercised insofar as after the satisfaction of all creditors of the Fund, there are assets left for distribution. If the assets of the Fund, which remain after repayment of all obligations to its creditors, are insufficient to repay the subscription price (issue value) paid by any given unit-holder, the latter will sustain a loss on her or his investment.

Redemption right

Each unitholder in the Fund has the right to request that her or his units are repurchased by KBC AM, acting at the expense of the Fund, unless the redemption is suspended in accordance with this Prospectus and the Fund Rules. A redemption request may relate to a part or all of the units held by the investor.

If, when submitting a redemption order, it is evident that after its execution the remaining units on the investor's balance would be less than 10 (ten) units of the Fund, the redemption order should be submitted for all the units held and the investor should set his/her account to zero.

Right to information

Each unit-holder in the Fund has the right to receive the public information contained in this Prospectus, the Fund Rules, the Key Information Document of the Fund, the latest annual and semi-annual financial statements of the Fund, as well as information on KBC AM and the Branch. Unit-holders of the Fund also have the right to receive information about the Master Sub-Fund (in English only), including the key information document of the Master Sub-Fund, as well as the prospectus and the latest annual and semi-annual financial statements of the Master Umbrella Fund, containing data for the Master Sub-Fund.

A Key Information Document shall be provided to each potential investor in the Fund free of charge and within a reasonable timeframe before such investor subscribes units in the Fund.

The Prospectus and the latest published annual and semi-annual financial statements of the Fund and the prospectus and the latest annual and semi-annual financial statements of the Master Umbrella Fund (in the latter case, only in the English language), which contain data on the Master Sub-Fund, shall be provided free of charge to any investor who wishes to familiarize themselves with their contents with a view of making an investment decision. Additional information can be found in the sub-section *Places where additional information on the Fund and the Master Sub-Fund can be obtained* below in this section.

Right of complaint

Investors 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 with regard to the unit administration activities (including legal and accounting services related to the asset management), investor information requests, net asset valuation and unit price calculation, compliance with the legal requirements, keeping the book of unit-holders, distribution of payments, issuance, sale and redemption of units, performance of contracts, record keeping, etc. Upon request, investors shall be provided with free information on the terms and conditions for lodging and addressing complaints.

Investors can find further information on the procedure for filing complaints in subsection *Information on the filing of complaints* of section K. *Additional Information* of this Prospectus and on the website of the Branch www.ubbam.bg (About us, Documents).

Registration of the units in the Fund

Upon subscription, the units of the Fund are registered to a client sub-account opened with the account (register) of the Distributor with Central Depository AD. Investors may transfer their units in the Fund from one custodian to another in accordance with the applicable law. Investors can find further information on the procedure for redemption of units in the Fund in section *Rules for issuance and redemption of units in the Fund* of this Prospectus.

Liquidation of the Fund. Liquidation procedure

The Fund shall be liquidated:

- by resolution of the competent corporate body of KBC AM;
- upon revocation of the authorisation of KBC AM for the organization and management of the Fund;

- when, within three months after the revocation of the license, the winding-up or the declaration of insolvency of the Management Company no new management company has been chosen to manage the Fund and/or the Fund has not been merged with or into another UCITS or an investment compartment thereof;
- in case of liquidation of the Master Umbrella Fund or the Master Sub-Fund, unless the FSC approves investment of at least 85% of the assets of the Fund in the units of another master collective investment scheme or the amendment of the Fund Rules in order to enable the transformation of the Fund into a collective investment scheme which is not a feeder fund;
- in case of restructuring of the Master Umbrella Fund or the Master Sub-Fund, unless the FSC issues one of the following approvals to the Fund:
 - to continue to be a feeder collective investment scheme of the Master Sub-Fund or another collective investment scheme resulting from the restructuring of the Master Umbrella Fund/Master Sub-Fund;
 - to invest at least 85% of its assets in units of another master collective investment scheme, which does not participate in the restructuring;
 - to amend the Fund Rules in order to transform it into a collective investment scheme, which is not a feeder fund;
- in the cases and pursuant to Art. 363, items "a" and "b" of the Obligations and Contracts Act.

Within 14 days of the occurrence of grounds for liquidation of the Fund, KBC AM shall file with the FSC an application for approval of the Fund's liquidation. The liquidation of the Fund shall be carried out pursuant to Ordinance No 44 Ordinance No. 44 of 20 October 2011 on the requirements for the activity of collective investment schemes, management companies, national investment funds, alternative investment funds and persons managing alternative investment funds (**Ordinance No 44**) and the other applicable legislation.

Upon termination of the Fund 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 Fund's creditors – Art. 267, Art. 268(1) and (3), Art. 270, Art. 271 and Art. 273 of the CA, where the functions of the governing body pursuant to Art. 270(2) and Art. 272(4) of the CA shall be fulfilled by KBC AM. Until the redemption of units is suspended, the unitholders can offer their units for repurchase by the Fund (further information on the applicable redemption process can be found in section *Rules for issuance and redemption of the units in the Fund* in this section of the Prospectus; further information on the suspension of redemption can be found in section *Temporary suspension of the redemption of units in the Fund* of this section of the Prospectus). Furthermore, unit-holders have the right to a share in the liquidation proceeds in case of liquidation of the Fund (further information on the rights attached to the units in the Funds can be found in section *Rights attached to the units in the Fund* in this section of the Prospectus).

Restructuring of the Fund. Procedure

Upon a decision of KBC AM, the Fund may participate in a restructuring by consolidation with or a merger into another collective investment scheme or an investment compartment thereof, subject to an approval of the restructuring by the Financial Supervision Commission. Such consolidation or merger can take place both with a collective investment scheme based in Bulgaria, as well as on a cross-border basis with a collective investment scheme from another state of the EEA in accordance with the requirements of the ACISOUCA and Ordinance No 44.

A consolidation or a merger can be effected only after their approval by the FSC and the publication of a notification to the unitholders about the restructuring, containing detailed information on the circumstances and reasons for the restructuring, the procedure and the impact of the restructuring on the unit-holders and their investments in the Fund.

After being notified of a planned restructuring, in which the Fund takes part, unit-holders have no less than 30 days to request the redemption of their units or, where possible, exchange of their units for units of another collective investment scheme with similar investment objectives, managed by KBC AM or by another management company with which KBC AM is a related party, without owing any fees other than the fees required to cover the costs for early termination of investments, in order to release funds to meet unit-holder's requests for redemption or exchange of units.

Once the consolidation or the merger takes effect, the restructuring Fund shall be dissolved without liquidation and all its assets and liabilities shall be transferred to the receiving fund or sub-fund – an existing or a newly established one. Unit-holders of the terminated fund become holders of units in the receiving fund/sub-fund, where the exchange of units is executed based on a pre-calculated exchange ratio and – where applicable – may include the payment of a cash amount not exceeding 10% of the value of the new units.

In accordance with the applicable law, the Fund may also take part in a restructuring – domestic or cross-border – both as the receiving collective investment scheme or as a restructuring collective investment scheme. A cross-border restructuring, in which the Fund is the receiving collective investment scheme, is subject to approval by the competent authorities supervising other collective investment schemes taking part in the restructuring.

It should be taken into consideration that the Fund has already participated in a restructuring procedure, as a result of which the Restructuring Funds have merged into the Fund and as a result all their assets and liabilities have been acquired of and transferred to the Fund, and unit-holders in the Restructuring Funds have acquired a corresponding number of units in the Fund. More information regarding the restructuring procedure can be found in sub-section *Restructuring* of section A. *Description of the Fund* above in this Prospectus.

Admission to trading on a regulated market or another organised market place

The units of the Fund are not admitted to trading and are not traded on a regulated market or another organised marketplace within the European Economic Area or in a third country. As at the date of this Prospectus there are no plans for submitting an application for their admission to trading on such venues.

Rules for issuance and redemption of units in the Fund

The management of the Fund, including the control over the general organisation of issuing (selling) and redeeming units in the Funds, is carried out by KBC AM through the Branch. KBC AM acting through the Branch, organises the activity on the issuance (sale) and redemption of the units at the expense of the Fund by entrusting the sale and redemption of units of the Fund to the Distributor and its network of offices where orders for subscription and redemption of units are accepted and contact is made with investors and unit-holders. In this regard, KBC AM has entered into a Distribution Agreement with the Distributor (see additional information on the duties of the Distributor as a distributor of the units in the Fund in sub-section *Distributor* from section *B. Persons providing services to the Fund* above).

The purchase and redemption orders of units in the Fund are accepted by employees of the Distributor every business day (day "T") within the working hours with clients of the Distributor.

Orders placed by 17:00 on day "T" are executed at an issue/redemption price valid for that day, which is calculated on the next business day (day "T+1").

The purchase and redemption orders of units in the Fund submitted after 17:00 on day "T" are executed at the issue/redemption price valid for the next business day (day "T + 1"), which is determined on the following business day thereafter (i.e. day "T + 2").

Submission of orders for issuance (sale) and redemption of units of the Fund through a proxy is permissible only if an original or notarised copy of a notarised power of attorney is presented, which contains representative authority to perform management or disposition actions with financial instruments. The requirement under the previous sentence shall not apply to the submission of orders through a licensed investment intermediary. Submitting orders via the Virtual Branch of United Bulgarian Bank AD through a proxy is not applicable.

The Management Company and the offices provided by the Distributor are not responsible if a client order is submitted within the period between 16:45 and 17:00 in case the order is not entered in time by 17:00, given the technological time required for entering the order.

Rules for issuance (sale) of units

Each subscription order for units in the Fund is executed within 7 days as from the date of its submission.

The investor receives a confirmation of the transaction, which can be obtained in the following manners:

- in person, at the place of submitting the order - without paying additional costs;
- by e-mail, to an e-mail address specified by the investor, where the investor has explicitly indicated its preference to receive information by e-mail and not receiving it on paper.

The payment of the units requested for subscription is made by a bank transfer, for which purpose the following actions shall be performed:

Submission of order in a Distributor's office

When submitting an order for subscription of units in the Fund (day "T") in a branch (office) of the Distributor during working hours with customers of the Distributor, the investor should indicate a current account with the Distributor. If the investor does not have a current account with the Distributor, such must be opened for him/her, otherwise subscription orders cannot be made through the Distributor's office.

Potential investors in units of the Funds should take into consideration that subscription orders and redemption orders in relation to units in the Fund may only be submitted with the Distributor, and KBC AM, operating through the Branch, does not offer another channel for subscription and redemption of units in the Fund. Therefore, potential investors in units in the Fund should have in all cases an open current account with the Distributor to be able to place orders for subscription of units in the Fund.

On this account the investor can deposit and withdraw money at any time, from any office of the Distributor, including to make payments with it. The investor is obliged to ensure cash on his/her account, sufficient to fulfil the order. The collected amounts (by issue value) are accumulated in a special account opened with the Distributor, from which they are transferred on the same, or on the next business day at the latest, to the respective account of the Fund with the Depository, where the investors owe respective fees according to Distributor's Tariff (if there are any fees).

An order may be placed personally by the investor or by a person authorised by him (respectively his/her legal representative).

At the time of submission of the order (day "T"), the funds required to pay for the issue value of the subscribed units and the bank fees of the Distributor (if any) are blocked on the specified account in favour of the Fund until the execution of the order (respectively concluding a transaction). The order is executed up to the blocked amount on the account, taking into account the bank fees due to the Distributor (if any), except when the submitted order is below the minimum amount of investment.

The investor can submit an order for cancellation until 17:00 on the same business day (i.e. day "T"), after which the purchase order becomes irrevocable according to the current legislation. For orders placed after 17:00 on day "T", cancellation orders are accepted until 17:00 on the next working day (day "T + 1"). After that the order for subscription of units shall be considered irrevocable.

After determining the issue value of a unit in the Fund, the account of the investor who placed an order for subscription (if the order is submitted in the office of the Distributor), is debited by the amount stated in the order, which is divided by the determined price per unit in the Fund. If a round number of units cannot be issued against the deposited amount, the investor acquires a partial unit, and the number of the purchased units is determined to the fourth decimal place.

In case the issuance (sale) of units in the Fund is suspended in the manner and under the conditions described in this Prospectus, the subscription orders submitted after the last announcement of the issue value before the start date of the suspension period shall not be executed. The subscription of units shall be performed after the resumption of the issue (sale) of units in the Fund, by submitting a new order in the order described above. Only orders for subscription of units submitted in accordance with all the requirements described in this section of the Prospectus are executed.

In case of absence, confusion or contradiction between the requisites of the order and/or the necessary appendices to it, or non-compliance with the necessary conditions for the purchase of units in the Fund, the subscription order shall be considered invalid and shall not be executed.

The minimum amount of the investment for acquisition of units in the Fund, except in the cases of a concluded contract for systematic investment, is BGN 100 (one hundred). The investor shall receive confirmation of the transaction as soon as possible, but not later than the end of the first business day following the execution of the order, for which the procedure applicable to confirmation of executed orders for issuance of units shall apply.

Systematic investment plans

The Distributor may also conclude with investors natural persons an agreement for systematic investment (Systematic Investment Plan - SIP), pursuant to which orders for subscription of units issued by the Fund are periodically executed on dates selected by the respective investor. When concluding a SIP Agreement, the investor may choose to make monthly contributions. The investor may also indicate different dates for the respective contributions. For example, the investor chooses to make a money contribution to the Fund on a monthly basis on the 25th. The investor may also choose different accounts, from which the money contributions are collected.

Upon concluding a SIP Agreement, the investor shall be obliged to have at least one current account opened with the Distributor and to ensure on his/her account(s) the funds necessary for the chosen investment on the date(s) specified in the SIP Agreement and the necessary funds to be on his/her account(s) until the execution of the order. The investor's account(s) is/are blocked on the day of submitting the order and is/are debited on the next business day after the issue value has been calculated. The purchase order(s) under a SIP Agreement is/are automatically generated on the investment day(s) specified by the investor, whereby the order(s) is/are considered submitted. In the cases when the investment period chosen by the investor coincides with a non-working day, the order(s) is/are generated and, respectively, considered submitted on the first following business day. In case the investor has not provided sufficient funds on his/her account(s) on the day chosen for investment, the order shall be considered invalid and shall be automatically cancelled by the system, and the next investment period shall follow (i.e. the investor skips his/her contribution and it is not transferred to the next investment period).

Investors may enter into SIP agreements at the Distributor's offices.

The minimum amount of the investment when purchasing units of the Fund for the orders, executed on the basis of a concluded SIP Agreement, is in the amount of BGN 20 (twenty).

Necessary documents to be presented by an investor when placing an order for units in the Fund. Identification. Representation.

The identification of each investor is performed under the conditions for registration and identification of clients in accordance with the internal regulations governing the identification and verification of the identity of the clients and the General Terms and Conditions for Payment Services of the Distributor (the **General Terms and Conditions**). The General Terms and Conditions can be found on the website of the Distributor - www.ubb.bg (About UBB, in the section "Tariffs and General Terms and Conditions").

Submission of order in case of intestate succession

A redemption order for units in the Fund submitted by intestate heirs cannot be accepted before the units have been transferred to the sub-account of the respective persons – heirs, with a registration agent. After the transfer of the units to a sub-account of a heir, that heir acquires all the rights/obligations of his/her predecessor in relation to these instruments.

Submission of order in case of testate succession

A redemption order for units in the Fund submitted by testate heirs cannot be accepted before the units have been transferred to the sub-account of the respective persons – heirs, with a registration agent. After the transfer of the units to a sub-account of a heir, that heir acquires all the rights/obligations of his/her predecessor in relation to these instruments.

Notes

1. When the legislation in force provides for additional requirements for identification and representation, they shall be fulfilled by the Management Company and the Distributor in the activity of issuing (selling) and redemption of units in the Fund, although they are not explicitly specified in these procedures.
2. In transactions and payments for purchase of units between the Fund and foreign investors, the special rules of the Foreign Exchange Act, the Income Taxes on Natural Persons Act, the Corporate Income Tax Act, Investment Promotion Act and other applicable legislation relating to those persons shall be observed.

Rules for redemption of units

Each investor has the right to submit a redemption order for all or part of the units held by him/her. If, when submitting a redemption order, it is evident that after its execution the remaining units on the investor's balance would be less than 10 (ten), the redemption order should be submitted for all units held and the investor should set its account to zero. Such order is executed only if the units are kept on a client sub-account of the investor to the account (register) of the Distributor at Central Depository AD. In case the units are kept on the client sub-account of the investor to the account of an investment intermediary, redemption is performed only after the transfer of these units to the client sub-account of the investor to the account of the Distributor at Central Depository AD.

The redemption of units in the Fund is carried out by submitting a written order by the investor (unit-holder in the Fund or a person authorized by him/her or his/her legal representative) to the Distributor. The order is submitted at the points of sale and redemption of units in the Fund.

The written order must be accompanied with additional necessary documents (appendices), attached thereto. In the redemption order, the investor may request a certain number of units or amount for redemption.

After determining the redemption price per unit in the Fund, when the investor has requested a number of units for redemption, the number of units requested in the order is multiplied by the redemption price and the resulting amount is transferred to the investor's account specified in the order. Where the investor has indicated an amount, this amount shall be divided by the redemption price announced and valid for the closest day to the day of the submission of the order and thus the approximate number of units to be redeemed in order to satisfy the amount of the order is determined. These units are blocked.

After determining the redemption price per unit, the amount specified in the order is divided by the redemption price and the number of units to be redeemed is determined so that to satisfy precisely the amount specified by the investor.

Each order for redemption of units is executed within 10 days from the date of its submission.

Each investor may submit a cancellation order until 17:00 on the same business day (day "T"), after which the redemption order becomes irrevocable, in accordance with the current legislation. For orders submitted after 17:00 on day "T", cancellation orders are accepted until 17:00 on the next business day (day "T+1". After that redemption orders are considered irrevocable.

In case the redemption of units in the Fund is suspended under the procedure and the conditions described in the legislation and this Prospectus, the redemption orders submitted after the last announcement of the redemption price before the start date of the suspension period, are not executed. The redemption of units is executed after the resumption of the redemption of units by submission of a new order in compliance with the rules, described above.

Only redemption orders of units in Fund which are submitted in accordance with all the requirements described in this section of the Prospectus are subject to execution. When there is a lack of information or there is ambiguity or contradiction between the requisites of the redemption order of units in the Fund and/or necessary appendices to it, the order is considered invalid and is not executed. Each order is considered executed at the moment of registration of the transaction in Central Depository AD.

The investor receives confirmation of the transaction as soon as possible, but not later than at the end of the first business day, following the execution of the order, for which the procedure applicable to confirm completed orders for redemption of units applies. In case the investor was issued a certification document for the units, held by him/her, he/she shall provide it (in original) as an appendix to the above-described documents.

Documents necessary to be submitted by investors when placing a redemption order for units in the Fund

When placing a redemption order, only documents for the identification and representation procedure shall be submitted, which certify that the person has the right to place the order. A cancellation order is submitted by the client, stating the grounds for the cancellation.

If a redemption order is made on behalf of a foreign person and it is stated therein that the person will benefit from a special tax regime of full or partial tax exemption under a double taxation treaty, all documents required by the Bulgarian law to prove

these grounds shall be attached, including a statement on the amount of the positive difference between the book value of the units, subject to redemption, and the redemption price. If a foreign person does not submit the necessary documents to prove the grounds for applying the relevant double taxation treaty or the statement under the previous paragraph, the redemption order is still valid, but is executed in compliance with the general tax regime provided for foreign persons.

Procedure for transfer of units from a client sub-account kept with an investment intermediary to a client sub-account kept with the Distributor, and vice versa.

The investor, his/her representative or proxy submits to a Distributor's branch, defined as a "point of sale", an order to the Distributor for transfer of the respective units to a sub-account opened with an investment intermediary. For this purpose, documents concerning the identification and representation are presented. Only orders which are submitted in accordance with all the requirements described in this section of the Prospectus are subject to execution.

When there is a lack of information or there is an ambiguity or contradiction between the data in the requisites of the order and/or the necessary attachments to it, as well as in case it is evident from the submitted documents that there is a defect in taking a corporate decision, in the representative power or in any other necessary condition for the disposal of the units, the order is considered invalid and is not subject to execution.

Simultaneous sale and purchase of units

Orders for simultaneous sale and purchase of units can be submitted only for units that are offered in the same currency.

If during the simultaneous sale and purchase of units it is evident that the balance of units on the balance of the investor in the fund from which the units are sold would be less than 1 (one) unit, the order should be submitted for all units held and the investor to annul his account.

The order for simultaneous sale and purchase of units is accepted in the offices of the Distributor, defined as a "point of sale" during their working hours. Orders placed after 17:00 on day "T" (the day of submission of the order) are executed at the prices valid for day "T + 1", determined on the next working day (day "T + 2"). For orders submitted after 17:00 on day "T", withdrawal of orders is accepted until 17:00 on the next working day (ie day "T + 1"). Thereafter, orders for the simultaneous sale and purchase of units are considered irrevocable.

An order for simultaneous sale and purchase of units cannot be submitted when the redemption of the units is temporarily suspended, and the suspension of the redemption is necessarily related to the suspension of the issuance of units.

An order for simultaneous sale and purchase of units is executed within 7 days from the date of submission.

Suspension of the redemption of units in the Fund

- The Branch of the Management Company, by decision of its Senior Management, or by decision of its competent corporate body KBC AM may temporarily suspend the redemption of units of the Fund in exceptional cases, if circumstances so require and if the suspension is justified in view of the interests of the unit-holders, including in the following cases: where the conclusion of transactions on a regulated market, in which a significant part of the Fund's assets is admitted to trading, is terminated, suspended or restricted;
- where the assets or liabilities of the Fund cannot be correctly valued or KBC AM may not dispose with them without harming the interests of the unit-holders;
- where a decision is taken for the liquidation or restructuring through consolidation or merger of the Fund, or the conversion of the Fund into a collective investment scheme that is not a feeder collective investment scheme;
- 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 Custody Agreement and may damage the interests of the holders of units in the Fund;
- in the case where a decision is taken for the liquidation or restructuring of the Master Umbrella Fund or the Master Sub-Fund.

In addition, KBC AM may, by a decision of its competent corporate body, suspend temporarily the redemption of units in the Fund where the Master Sub-Fund have suspended temporarily the redemption of its units.

In the above cases the Branch shall notify the FSC, the Custodian and the Distributor in its capacity as distributor of the Fund 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.

When taking a decision to temporarily suspend the redemption of units in the Fund, KBC AM shall also stop immediately the issuance of new units for the period of suspension of redemption, where such period has been set. The reception of orders for the simultaneous redemption of units in the Fund and subscription of units in another collective investment scheme, managed by the Branch, shall also be stopped if the redemption of units of that collective investment scheme has been suspended.

Where the initial suspension period must be extended, the Branch shall notify the FSC and the Custodian of this circumstance

no later than 7 days prior to the expiration 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, the Branch shall submit the notification under the preceding sentence by the end of the business day preceding the end date of the initial suspension period.

The redemption of units shall be resumed by decision of the competent corporate body of the Management Company following the expiration of the suspension period determined in the original decision for suspension of the redemption or in any subsequent decision for the extension of this period.

The Branch shall notify the unit-holders of the decision for suspension of the redemption and of the subsequent decision for the resumption thereof, immediately after passing such decisions, through its website - www.ubbam.bg (Focus Strategies), and the website of the Distributor – www.ubb.bg (Individual clients, Saving and Investments, Funds).

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 such orders for subscription of units in the Fund, to their bank accounts by the end of the business day, following the day of submission of the orders.

Rules for valuation of assets

The Rules for valuation of the portfolio and determination of the net asset value of the Fund describe in detail the rules and the process for valuation of the assets and liabilities of the Fund, as well as the method of determining the net asset value and the net asset value per unit. The Rules for valuation of the portfolio and determination of the net asset value of the Fund are attached to this Prospectus and are an integral part of it.

Rules for determining the issue value and the redemption price of the units in the Fund

Calculation of the net asset value, the issue value and the redemption price

The net asset value, the issue value and the redemption price of the units in the Fund is determined on each business day based on the evaluation of the Fund's assets for the immediately preceding business day and is made in accordance with the Rules for valuation of the portfolio and determination of the net asset value of the Fund. During periods of suspended issuance and redemption of units, issue value and redemption price are not calculated.

The issue value per unit for a certain business day is calculated by adding to the net asset value of the Fund's unit for the previous business day the issuance fee due from the investor in accordance with sub-section *Fees and charges, paid by the unit-holders of the Fund* of section I *Fees and charges regarding the Fund* below.

The redemption price per unit for a certain business day is calculated by deducting from the net asset value of the Fund's unit for the previous business day the redemption fee due from the investor in accordance with sub-section *Fees and charges, paid by the unitholders of Sub-Funds* of section I *Fees and charges regarding the Fund* below.

Investors who hold their units for a period longer than one month can redeem their units free of redemption fee, i.e. the redemption price for one unit held by such unitholder will be equal to the net asset value per unit for the day preceding the unit-holder's redemption order.

Procedure for calculation of the net asset value, issue value and redemption price

The NAV of the Fund is determined each day ("day on which valuation is carried out" or day "T+1") for the preceding day ("day for which the evaluation is carried out" or day "T") in accordance with the Rules for valuation of the portfolio and determination of the net asset value of the Fund, this Prospectus and the applicable legislation.

The valuation of the Fund's portfolio is carried out by the Branch, which determines the NAV and the NAV per unit and calculates the issue value and the redemption price per unit in the Fund under the control of the Custodian.

The procedure for determining the NAV, issue value and redemption price of the units in the Fund is as follows:

1. Until 10:00 hours on the day on which the evaluation is carried out (day "T+1") the Branch receives from the Distributor information on the transactions for sale and repurchase of units in the Fund with completed settlement and the number of units in circulation at the end of day "T".
2. Between 10:00 and 13:00 hours on day "T+1":
 - the fair value of the Fund's assets is determined for day "T", according to the Rules for valuation of the portfolio and determination the net asset value of the Fund; the data and/or analyses used in determining the fair value are attached to the calculation of the relevant price;
 - the Fund's assets are revalued at fair value, the Fund's balance sheet is prepared, and the NAV per unit, issue value and redemption price are determined for day "T".
3. Until 13:00 hours on day "T+1" the Branch provides to the Custodian all the information used for the determination of the NAV of the Fund (including the number of sold and redeemed units with completed settlement), as well as the calculated issue value and redemption price.

4. Until 14:00 hours on day "T+1" the Branch receives confirmation from the Custodian for the calculated NAV, issue value and redemption price.
5. The Management Company, by 17:00 hours on day "T+1", publishes the NAV, issue value and redemption price of the units in the Fund for day "T".
6. The Branch submits to the FSC a summary information on the issue values and the redemption prices of the units in the Fund once a month – within three working days from the end of the month.
7. When calculating the NAV, issue value and redemption price, the Branch uses appropriate software that allows it to keep the accounts of the Fund separately from its own.
8. All documentation and information used to determine the NAV, issue value and redemption price shall be kept by the Branch on paper, magnetic, optical or other technical media for at least 5 years, in a way that provides access to it only to persons authorized by it. For additional security, the information is stored on a second magnetic medium.

Publication of the net asset value

The net asset value, the issue value and the redemption price of the units for a given day "T" are published by 17:00 on the next business day "T+1" on the website of the Branch www.ubbam.bg (Focus Strategies) and on the Distributor's website - www.ubb.bg (Individual clients, Saving and Investments, Funds).

Rules for determination and distribution of the income

The Fund does not distribute its accumulated profit as dividend among the unit-holders. KBC AM reinvests the profit of the Fund with view of increasing the net asset value, the issue value and the redemption price of the Fund in the interest of its unit-holders. The reinvestment of the income is carried out in accordance with the investment goals, strategy, policy, and restrictions of the Fund, taking into account the specific market conditions and in compliance with the regulatory requirements and internal acts of the Fund.

Rules for making payments in favour of the unit-holders of the Fund

Payments in favour of the unit-holders in connection with redemption of units is carried out by the Branch in favour of the unit-holders to an explicitly specified bank account of the unit-holder opened with the Distributor. After the placement of an order for redemption of units in the Fund, the redemption of the units is registered with Central Depository AD on the following business day, based on the calculated redemption price. After the settlement of the transaction, within 10 days of the registration of the order, payment of the amount under the redemption order of units in the Fund is made to the bank account, which the client has indicated in the order.

Places where additional information on the Fund and the Master Sub-Fund can be obtained

Ways to obtain the Fund's Rules and Financial Statements

Investors can find the Fund's Rules, the Prospectus, the key information document, the annual and semi-annual financial statements and the current NAV, the issuance and redemption prices of the Fund in Bulgarian language free of charge in all Distributor's offices during their normal business hours with clients, as well as on the website of the Distributor www.ubb.bg (Individual clients, Saving and Investments, Funds) and the website of the Branch www.ubbam.bg (Focus Strategies). Upon request, investors can receive free of charge the Prospectus, the key information document and the latest annual and semi-annual financial statements of the Fund on paper in all offices of the Distributor during their normal working hours with customers.

Investors can obtain additional information about the Fund in all offices of the Distributor during their normal working hours with clients.

Ways to obtain additional information about the Master Umbrella Fund, the Master Sub-Fund and the agreement between the Fund and the Master Sub-Fund

Investors can find the Prospectus of the Master Umbrella Fund, which contains information about the Master Sub-Fund, the key information document, as well as the latest periodic financial disclosures and current issuance and redemption prices of the Master Sub-Fund in English and in Dutch on the website of KBC Group at <https://www.kbc.be/retail/en/legal-information/investment-legal-documents.html?zone=breadcrumb>. Upon request, investors may obtain a free paper copy of the prospectus and the latest annual and semi-annual financial statements of the Master Umbrella Fund, which contain information about the Master Sub-Fund, in all Distributor's offices during their normal business hours.

Additional information on the rules governing the exchange of information and other aspects of the relationship between the Fund and the Master Sub-Fund can be found in Bulgarian language on the Branch's website at www.ubbam.bg (Focus Strategies) and on the Distributor's website - www.ubb.bg (Individual clients, Saving and Investments, Funds).

D. Investment objective and investment policy of the Fund

The investment objective of the Fund is to invest all or substantially all, but in any event at least 85%, of its assets in the Master Sub-Fund, as well as to hold ancillary liquid assets (cash) up to an amount necessary for meeting its ongoing expenses, and to have limited derivative positions for risk-hedging purposes.

Investment policy of the Fund

All or almost all of the funds raised from the Fund should be invested in shares of the Master Sub-Fund. The Fund may also hold additional liquid assets (cash) up to the amount necessary to the Fund to execute redemption orders submitted by investors, as well as to cover other ongoing costs, and may have a limited number of derivative positions (in futures) to hedge the market risk arising from the time difference between the execution of redemption and subscription orders in the Fund and the execution of the corresponding Fund orders in the Master Sub-Fund. The Fund's portfolio has the following structure:

Asset class	Percentage of the Fund's assets
Institutional F shares BG class in Horizon Platinum Portfolio; Currency - BGN; ISIN BE6328052632	At least 85%
Additional liquid assets according to Art. 38(4) of the ACISOUCIA - cash	Up to 15%
Derivatives according to Art. 38(1), item 7 and item 8 and Art. 42, 43 of the ACISOUCIA	

Investment policy of the Master Sub-Fund

The investment objective of the Master Sub-Fund is to generate the highest possible return for its shareholders in accordance with its investment policy. This is reflected in its striving to generate capital gains and income. The assets of the Master Sub-Fund are invested in securities, money market instruments, units of collective investment undertakings, derivative instruments, deposits, liquid assets and other assets that meet the investment objective of the Master Sub-Fund and are within the permitted investments under the applicable legislation.

The Master Sub-Fund invests partly in a global selection of investments in line with the Management Company's investment strategy (more information can be found at www.kbc.be/investment-strategy) and partly in investments in Central and Eastern Europe.

The target allocation of the Master Sub-Fund's investments in asset classes is 30% in shares and equity-related instruments ("equity investment component") and 70% in bonds and/or bond-related investments ("bond investment component"), i.e. the portfolio of the Master Sub-Fund contains mainly bonds and to a lesser extent shares. Nevertheless, there may be a deviation from the target distribution of investments, based on the investment strategy of the Management Company, i.e. to be invested in asset classes that are not included in the target investment allocation. However, this deviation reflects only on the target distribution of the global selection of investments in the equity investment component and in the bond investment component.

The target allocation of the equity investment component is 15% in a global selection of investments from each region, sector or sphere, and 15% in Bulgarian shares.

The target allocation of the bond investment component is 20% in a global selection of bond investments or bond-related investments from each region, sector or sphere, and 50% in a selection of bond and debt instruments from Central and Eastern Europe.

The bond investment component is composed as follows:

Part of the assets are invested in bonds and debt securities issued by companies, and in government securities. The Master Sub-Fund invests, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments, incl. government securities, in:

- securities with 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;
 - S&P, Standard & Poor's, McGraw-Hill;
 - Fitch, Fitch Ratings; and/or
- government securities issued in local currency and non-subordinated corporate bonds that do not have a credit rating from the above rating agencies, but the issuer has been assigned an investment credit rating by at least one of the rating agencies listed above, and/or
- money market instruments whose issuer has received an investment rating from one of the above-mentioned rating agencies (minimum short-term rating A3/F3/P3).

In addition, the Master Sub-Fund may invest up to 50% of the assets, invested in bonds and debt instruments, incl. government securities, in:

- lower rated securities (or money market instruments whose issuer has a lower rating);
- securities for which no credit rating is available from any of the above-mentioned agencies (or money market instruments whose issuer does not have a rating from one of the above-mentioned agencies).

All maturities are taken into account when choosing bonds and debt instruments.

Derivatives can be used by the Master Sub-Fund 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 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 specialised in such transactions.

Subject to the applicable laws and regulations and the statute of the Master Umbrella Fund, the Master Sub-Fund always strives to conclude the most effective transactions. All costs related to transactions and generated income will be charged to the Master Sub-Fund.

If the transactions lead to a counterparty risk, this risk can be hedged through the use of a margin management system that ensures that the Master Sub-Fund will receive collateral in the form of liquidity instruments, such as cash or bonds with investment credit rating. The relationship with the counterparty or counterparties is governed by standard agreements used in international markets.

Derivatives may also be used to hedge the assets of the Master Sub-Fund against currency risk in relation to the currency in which the Master Sub-Fund is denominated.

When derivatives are used, they must be easily transferable and liquid instruments. Therefore, the use of derivatives does not adversely affect liquidity risk. However, the use of derivatives can affect the spread of the portfolio by region, sector or topic. Thus, the use of derivatives may affect the risk of concentration. Derivatives cannot be used (in whole or in part) for a capital guarantee. They neither increase nor decrease capital risk. In addition, the use of derivatives does not adversely affect credit risk, settlement risk, asset custody risk, flexibility risk, inflation risk or external risk.

The Master Sub-Fund may enter into contracts that give rise to credit risk in respect of debt issuers. Credit risk is the risk that the issuer of a debt instrument will default on its obligations. This credit risk applies to countries whose creditworthiness at the time of the contract is equal to that of the issuers whose debt instruments may be held directly by the Master Sub-Fund. Credit derivatives can be used both to meet the investment objectives and to cover the credit risk, but only within the existing risk profile and without implying a change to investing in less creditworthy debtors than those in which the Master Sub-Fund can invest.

Declaration under art. 7 of the Regulation (EU) 2020/852

For the Master Sub-Fund, and in this connection for the Fund that invest in these Master Sub-Fund, it should be borne in mind that, as of the date of this prospectus, the Master sub-fund does not specifically seek to invest in environmentally sustainable economic activities under the EU Taxonomy framework and the investments underlying these financial product do not take into account the EU criteria for environmentally sustainable economic activities. This will be kept under active review and once sufficient reliable, timely and verifiable data from issuers or investee companies becomes available and finalised regulatory technical standards providing more detailed information on the Sustainable Finance Disclosure Regulation (SFDR) and the EU Taxonomy related disclosures are published, this will be reassessed and the prospectus will be revised as appropriate.

Transparency of adverse sustainability impacts

The Master Sub-Fund considers the principal adverse impacts of its investment decisions on sustainability factors by taking into account the principal adverse impact indicators ('PAI'), as described in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector ('SFDR'). The principal adverse impacts on sustainability factors are explicitly taken into account through the general exclusion policy for conventional funds and Responsible Investing funds. More information on the principal adverse impact indicators taken into account can be found at <https://www.ubbam.bg/about-us/reports>Documents>Sustainability-related disclosures>general exclusion policy for conventional funds and Responsible Investing funds>. In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at <https://www.ubbam.bg/about-us/reports Proxy Voting and Engagement Policy>). As part of its commitment to responsible investment, KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy KBC AM NV. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Permitted derivative transaction

The Fund may use derivative financial instruments for hedging purposes, including for hedging the market risk arising from the time difference between the execution of redemption and subscription orders in the Fund and the execution of the corresponding Fund's orders in the Master Sub-Fund.

In accordance with applicable law, the Fund may invest in derivative financial instruments, including, but not limited to, futures, which are:

- derivative financial instruments, including equivalent instruments, the obligations under which can be met by

cash payment, which:

- are admitted to trading or are traded on a regulated market licensed in accordance with Directive 2014/65/EU ("MiFID II") in the Republic of Bulgaria or another country part of the EEA,
 - are traded on another regulated market in the Republic of Bulgaria or another country, part of the EEA, which operates regularly and is recognized and publicly available; or
 - are admitted to trading or are traded on an official market on a stock exchange or other regulated market in a third country, included in a list published by the FSC;
- derivative financial instruments traded on over-the-counter (OTC) markets, provided that:
 - their underlying assets are transferable securities and money market instruments admitted to trading or traded on a regulated market under MiFID II, financial indices, interest indices, currencies or exchange rates in which the Fund may invest in accordance with its investment policy;
 - counterparty to the transaction with these derivative financial instruments is an institution that is subject to prudential supervision, which meets the requirements approved by the FSC;
 - are subject to reliable and verifiable daily evaluation and can at any time be sold, liquidated or closed down at the initiative of KBC AM through an offset transaction at fair value.

The total value of the Fund's exposure related to derivative instruments may not exceed the net value of its assets. For that purpose, the Fund calculates its total risk exposure by combining its own direct risk exposure to derivative instruments with the actual risk exposure to derivatives of the Master Sub-Fund in proportion to 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 its internal documents, in proportion to the amount of the Fund's investment in the Master Sub-Fund.

The risk exposure and the counterparty risk of the Fund are calculated in accordance with the requirements of Ordinance No 44 and the Guidelines of the Committee of European Securities Regulators (CESR) for measuring risk and calculating the total risk exposure and counterparty risk of collective investment schemes (Ref.: CESR/10-788). The commitment method is used to calculate the total risk exposure.

The use of derivatives by the Fund does not lead to a significant change in the investment objective of the Fund or to a higher risk profile of the Fund than those specified in the Fund's Rules, this Prospectus or the internal documents of the Master Sub-Fund.

In particular, the use of derivatives to hedge the market risk arising from the time difference between the execution of redemption and subscription orders in the Fund and the Master Sub-Fund leads to the unification of the risk profiles of the Fund and the Master Sub-Fund. At the same time, the credit risk of counterparties to hedging transactions can be effectively managed by selecting first-class financial counterparties and KBC AM obtaining appropriate collateral, where necessary, in accordance with the Fund's collateral policy. However, no risk can be completely eliminated, so the Fund and, accordingly, investors may incur losses in the event that any of the risks associated with the use of derivative financial instruments occurs.

Investors can find more information about the risks associated with derivative transactions that may be entered into by KBM AM on behalf of the Fund in sub-section *Risks arising from the use of hedging derivatives by the Fund* of section *H. Risk Profile of the Fund* below.

Techniques for effective portfolio management

KBC AM, when acting on behalf of the Fund, does not intend to use techniques and tools for effective portfolio management within the meaning of Art. 50(1) of Ordinance No 44 - repo transactions.

Information on collateral policy and policy for anticipating possible losses on assets received as collateral

In the event that KBC AM, acting on behalf of the Fund, decides to enter into transactions with OTC derivative financial instruments, it may receive collateral to reduce the risk of insolvency of the counterparty to such a transaction (credit risk). Any collateral received for this purpose must comply with the applicable law, in particular with regard to liquidity, valuation, issuer quality, correlation and risk associated with collateral management. In obtaining and managing collateral, the Management Company, acting on behalf of the Fund through the Branch, shall also take into account the relevant sections of the European Securities and Markets Authority Guidelines for Competent Authorities and UCITS Management Companies (Ref. No.: ESMA/2014/937). Given that the investment objective of the Fund is to invest at least 85% of its assets in the Master Sub-Fund, and that in this regard it may have only limited positions in derivatives for hedging purposes, KBC AM, acting on behalf of the Fund, does not envisage receiving collateral in the amount of and over 30% of the Fund's assets.

In cases where transactions in OTC derivatives are carried out at the expense of the Fund, any collateral used to reduce the risk exposure to the counterparty shall at all times meet the following criteria:

- liquidity - any non-cash collateral should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing so that it can be sold quickly at a price close to its prior valuation the sale; the received collateral should meet the requirements of art. 49 CISOUCA;
- valuation - the resulting collateral should be valued at least once a day and assets showing high price volatility should not be accepted as collateral unless sufficiently conservative levels of potential losses are provided;
- high credit rating of the issuer of assets provided as collateral;
- correlation - the collateral received from the relevant Sub-Fund should be issued by an entity that is independent from the counterparty and which is expected not to show strong dependence on the results of the counterparty's activity;

- collateral diversification - collateral should be diversified in terms of countries, markets and issuers, with the risk for a given issuer not exceeding 20% of the net asset value of the relevant Sub-Fund;
- risks related to collateral management should be identified, managed and mitigated through the risk management process;
- received collateral must be kept by the Depositary;
- in the event of default of the counterparty, the branch of KBC AM, acting on behalf of the Fund, may proceed with the liquidation of the collateral at any time without notice to the counterparty or its approval;
- assets from received non-monetary collateral cannot be sold, reinvested or pledged before occurrence of a default of the counterparty;
- the cash collateral may be deposited only in a credit institution within the meaning of Art. 38(1), item 6 of the ACISOU CIA.

The Management Company, acting on behalf of the Fund through the Branch, may accept the following types of collateral:

- cash;
- bonds issued or guaranteed by an EEA State or another State Party to the Organization for Economic Co-operation and Development, their central banks, their local authorities, the European Central Bank, the European Investment Bank or an international public organization of which at least one EEA State is a member, as well as qualifying debt securities issued or guaranteed by third countries with a credit rating not lower than an investment rating assigned by a credit rating agency registered or certified under Regulation (EU) No 1060/2009.

The Management Company, through the Branch, determines the required level of collateral in accordance with the counterparty risk limits applicable to the Fund, taking into account the nature and characteristics of the transactions, the counterparty, its creditworthiness and the prevailing market conditions.

The Management Company, through the Branch, decides on the reduction of the valuation of the collateral provided (*haircut*), applicable to an asset received as collateral, based on the following factors:

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

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

Each non-monetary collateral shall be kept by the Depositary at the expense of the Fund. Assets received as collateral may not be sold, reinvested or pledged by the Management Company through the Branch before the occurrence of a default by the counterparty to an OTC derivative transaction. KBC AM, acting on behalf of the Fund through the Branch, may sell financial instruments received as collateral when the counterparty has fallen into default under the derivative contract and the terms of the contract give the Management Company through the Branch this right.

Each cash collateral may be deposited with a credit institution within the meaning of Art. 38(1), item 6 of the ACISOU CIA.

The Branch follows a policy of anticipating losses of assets received as collateral, according to which the assessment of possible losses on deposits is made by reducing the nominal value of the collateral with the possible costs of disposing of it. If the deposits are in euros, the amount of the collateral is first converted into the purchase rate of the bank where the collateral is kept, before being reduced by any costs of disposing of the collateral. If the deposits are in a foreign currency other than the euro, first the amount of the collateral is converted by taking the current purchase rate of the bank where the collateral is kept, then taking the standard deviation of the exchange rate against the lev on a monthly basis for the last 12 months and when estimating the possible loss of collateral, an exchange rate is taken, calculated according to the formula: $\text{CURRENT EXCHANGE RATE BUYS} - \text{STANDARD DEVIATION ON ANNUAL BASIS}$. The valuation of the collateral is then reduced by the possible costs of disposing of it.

The assessment of possible losses from non-monetary collateral is performed according to the characteristics of the assets received as collateral. In this regard, the assessment of possible losses from debt instruments provided as collateral is performed by assessing the risk of changes in their interest rates. In case the instruments have a credit rating, the Branch assesses the probability whether the changes in the credit rating may lead to changes in the prices of the collateral.

In the event that KBC AM, acting on behalf of the Fund through the Branch, decides to enter into transactions with OTC derivative financial instruments, KBC AM through the Branch may also provide collateral on behalf of the Fund in order to reduce its exposure to the counterparty in a transaction with OTC derivatives.

The collateral provided must be sufficiently liquid so that it can be sold at a price close to its estimate before the time of the sale. In calculating the Fund's risk exposure to the counterparty, the Management Company through the Branch shall take into account the investment and concentration limits applicable to the Fund. The collateral provided may be reflected at net value if the Management Company, through the Branch, can ensure the implementation of the netting agreements with the counterparty to the OTC derivatives transaction on behalf of the Fund.

Use of loans

KBC AM through the Branch and the Depositary, when acting on behalf of the Fund, may not use loans, except in the cases

and in compliance with the requirements of ACISOUICIA.

In this regard, after approval by the FSC, KBC AM through the Branch and the Depositary, when acting on behalf of the Fund, may enter into credit agreements and use loans of up to 10% of the assets of the Fund if the following conditions are simultaneously fulfilled:

- the loan is for a period not longer than three months and is necessary to cover liabilities on redemption of units in the Fund;
- the terms of the loan agreement are not more unfavourable than the usual for the market.

E. Information on the Master Umbrella Fund and the Master Sub-Fund

Brief description of the Master Umbrella Fund

The Master Umbrella Fund - Horizon N.V. - is established in the legal form of a Belgian joint stock company (Naamloze Vennootschap) and has its seat in the Kingdom of Belgium, Brussels, Havenlaan 2, B-1080).

The Master Umbrella Fund is an open-ended investment company under the Belgian law with a variable number of shares, compliant with the UCITS Directive and licensed under code 00260 by the Financial Services and Markets Authority in the Kingdom of Belgium. Horizon's share capital is always equal to its net asset value and its value cannot be less than EUR 1,200,000.

Horizon is an open-end umbrella investment company with various investment compartments (sub-funds), including the Master Sub-Fund, which - as regards its operations and investments - is regulated by the Belgian Law of 3 August 2012 on collective investment undertakings, meeting the requirements of Directive 2009/65/EC and undertakings investing in receivables.

Horizon has designated the Management Company as its management company, which is also the Fund's management company. KBC Bank NV, a licensed credit institution duly established and existing under the laws of the Kingdom of Belgium, with its seat and registered office in the Kingdom of Belgium, Brussels, Havenlaan 2, B-1080), is the Depositary of the Master Umbrella Fund.

Investors can find additional information about the Master Umbrella Fund, its service providers, its organization, cost and fee structure and its sub-funds, including the Master Sub-Fund, in the Prospectus of the Master Umbrella Fund (please see the sub-section on *Ways to obtain additional information on the Master Umbrella Fund, the Master Sub-Fund and the agreement between the Fund and the Master Sub-Fund* of section C. *Corporate Information* of the Prospectus).

Brief description of the Master Sub-Fund

The Master Sub-Fund - Horizon Platinum Portfolio - is an investment compartment (sub-fund) of the Master Umbrella Fund. The Master Sub-Fund is established for an unlimited period of time and is not registered on a regulated market or other trading venue. The Master Sub-Fund is a newly established investment compartment (sub-fund) of the Master Umbrella Fund, for the organization and management of which permission has been obtained from the Belgian Financial Services and Markets Authority under number BMOD-2021-002635 dated 25.05.2021.

In the relationship between the investors of the Master Umbrella Fund, the Master Sub-Fund should be considered as a separate entity, the liabilities of which are covered only by the assets of the Master Sub-Fund. Investors in the Master Sub-Fund are only entitled to the assets and income of the Master Sub-Fund.

The Fund invests at least 85% of its assets in the Institutional F shares BG class of the Master Sub-Fund. Therefore, the investment objective, policy and restrictions of the Master Sub-Fund have a direct and significant impact on the investment objective, policy and restrictions of the Fund.

Investors can find additional information about the Master Sub-Fund and its investment objective and policy in sub-section *Investment Policy of the Master Sub-Fund* of section D. *Investment Objective and Investment Policy of the Fund* above in this Prospectus, as additional information on the risk profile of the Master Sub-Fund is contained in section *Comparison between the risk profile and the return of the Fund and the Master Sub-Fund* of the Prospectus.

Summary of the agreement between the Fund and the Master Sub-Fund

In accordance with the requirements of the ACISCIPA and Ordinance No 44, a cooperation agreement has been concluded between the Fund and the Master Sub-Fund in connection with the master-feeder collective investment scheme ("**Cooperation Agreement**"), according to which the parties have agreed, *inter alia*:

- The rules according to which the Master Sub-Fund provides the Fund with access to information on the activities of the Master Sub-Fund, including delegation of investment management or risk management to third parties, access to the establishment documents, financial data and the prospectus of the Master Umbrella Fund, which contain information about the Master Sub-Fund, and the key information document of the Master Sub-Fund, as well as about the changes made to them;

- The characteristics of the share class of the Master Sub-Fund in which the Fund invests;
- The rules to be followed by the parties to inform each other in the event of changes in their status, including if the Fund no longer meets or ceases to comply with the feeder UCITS requirements or the Master Sub-Fund ceases or will cease to meet the conditions for be classified as a master UCITS; the management company, the depositary or the auditor of the Master Umbrella Fund and the Master Sub-Fund or of the Fund will be replaced or any third party to whom the investment and risk management functions have been delegated will be replaced; any change in the Master Sub-Fund relating to the investment objective, the investment policy, the distribution policy, the subscription and repurchase order process, fees or service providers; any planned or proposed liquidation, merger, amalgamation or division of the Master Sub-Fund, etc.;
- The rules for coordinating the frequency and timing in the process for calculating the net asset value and the publication of the prices of units in the Fund and shares of the Master Sub-Fund, including policies and procedures to be applied to prevent abuses that can reasonably be expected that they may affect the integrity of the market, such as market timing and late trading;
- Settlement cycles and payment data for the subscription and repurchase of shares in the Master Sub-Fund and other necessary arrangements between the Fund and the Master Sub-Fund in this regard;
- The procedure to be followed in case of temporary suspension of subscription and redemption of the shares of the Master Sub-Fund or the units of the Fund;
- The obligations of the parties in relation to the coordination of the preparation of their periodic financial statements and the audit to be performed by their auditors;
- The rules for granting assistance from the Master Sub-Fund in case of complaints from the Fund's unit-holders in relation to the Master Sub-Fund.

Upon request, the holders of units in the Fund may receive a free paper copy of the Cooperation Agreement in Bulgarian in all offices of the Distributor marked as "point of sale", as well as in the office of the Branch.

F. Social, ethical and environmental aspects

The Fund is a feeder collective investment scheme that invests at least 85% of its assets in the Master Sub-Fund. Therefore, some of the social, ethical and environmental aspects of the investment policy of the Master Sub-Fund have an indirect impact on the investment by unit-holders in the Fund.

The investment policy of the Master Sub-Fund takes into account some social, ethical and environmental aspects against which issuers are assessed.

Investments may not be made by the Master Sub-Fund in:

- financial instruments issued by manufacturers of conflicting weapons systems that are prohibited by international (and national) law or for which there is a broad consensus that they should be banned. Weapons systems include: cluster bombs and ammunition, chemical or biological weapons, anti-personnel mines (including Claymore mines), depleted uranium weapons;
- financial instruments issued by manufacturers of weapons containing white phosphorus and nuclear weapons;
- financial instruments issued by companies where there are serious indications that they are perpetrators or participants in, or will benefit from, a breach of globally recognized standards for socially responsible investment. The main criteria used cover human rights, employees' rights, the environment and the fight against corruption.

This approach reflects not only the financial aspects of investing, but also the social reality of the sector or the region. This list of exclusion criteria for investing is not exhaustive.

A full overview of the exclusion criteria can be found at www.kbc.be/investment-legal-documents> General exclusion policies for conventional funds and funds investing in socially responsible investments.

These exclusion criteria may be changed by the Management Company at any time.

G. Use of benchmarks

The Fund is a feeder collective investment scheme that invests all or almost all of its assets in the Master Sub-Fund. Therefore, the Fund does not aim to reproduce the composition of an index and is not managed through the use of a benchmark, which is an index or combination of different indices that serve as a benchmark to measure the performance and composition of the Fund's portfolio.

The Master Sub-Fund is actively managed, i.e. the Management Company exercises judgment on the composition of its portfolio, taking into account the stated investment objectives and policy of the Master Sub-Fund. The management and composition of the Master Sub-Fund's portfolio is not determined on the basis of a benchmark.

H. Risk profile of the Fund

The risk associated with investing in financial instruments is the possibility that the actual return on investment may be different than expected. In general, the risk is related to the realization of the loss of part or even all of the investment made.

Investors in the Fund should inform themselves of the typical risks associated with investing in financial instruments, including units in the Fund, in order to determine their risk profile and make investment decisions based on their individual investment objectives, risk appetite, etc.

Investors in units of the Fund should be aware that the information below does not constitute or is intended to be any form of legal, tax, investment or other type of advice. Investors should seek the assistance of their own legal, tax, financial or other advisers - as they see fit - to fully understand the nature and risks of investing in units issued by the Fund.

Description of risks

The information below is an overview of the potential risks that may reflect on investor's investment. The description of the risks related to the Fund is divided into five categories - Systematic risks; Risks arising from the use of hedging derivatives by the Fund; Risks arising from the structure of the master-feeder collective investment scheme; Risks arising from the investment in the Master Sub-Fund; and Risk of sustainability.

Systematic risks

The Fund's activities are exposed to the following systematic risks:

Macroeconomic risk

Macroeconomic risk is the likelihood that macroeconomic stability in Bulgaria will be disrupted. Macroeconomically, the situation in the country is characterized as stable, and the main factors for this include: Bulgaria's membership in the European Union, low tax rates, low government debt/gross domestic product (GDP) ratio.

Factors with potential negative effects on the macroeconomic stability are the budget deficit, the increase in indebtedness of households and companies, the pressure from various social groups for a sharp increase in wages, the decline in foreign direct investment.

Political risk

Political risk is the possibility that the return on a portfolio of financial instruments may be influenced by political factors.

The political situation in Bulgaria is assessed as stable. From 01.01.2007 the country becomes a full member of the European Union. As of the date of this Prospectus, Bulgaria's credit rating in local and foreign currency has been assigned by the international rating agency S&P as "investment" and is as follows:

Short-term: A-2 with a stable outlook.

Long-term: BBB with a stable outlook.

In recent years, Bulgaria has been characterized by a functioning market economy and a policy that encourages investment.

Tax risk

As of the date of this Prospectus, the Fund's profit is not subject to corporate tax. Income received by local and foreign natural persons and legal entities from transactions with units of mutual funds carried out on a regulated market is not taxed. There is a risk that investor preferences may drop out.

Inflation risk ("purchasing power risk")

This is the risk that the return on investment may be affected by inflationary (deflationary) processes taking place in the economy.

The annual inflation for 2020 (December 2020 compared to December 2019) in Bulgaria, measured by the consumer price index, is 0.1%. For the period 2000 - 2020, the lowest annual inflation (-1.6%) was measured in 2013, and the highest (12.5%) - in 2007.

Currency risk

Currency risk includes the possibility that the return on the investment portfolio may be affected by changes in the exchange rates of the various currencies in which the securities contained in the investment portfolio are issued. As the Fund invests at least 85% of its assets in shares of the Master Sub-Fund, which are also denominated in BGN, the currency risk in the Fund's portfolio is limited, but the limited possibility to conclude transactions with derivative financial instruments at the expense of the Fund does not exclude the presence of currency risk in the activities of the Fund. More information on the risks, associated with investing in derivative financial instruments, is provided in sub-section *Risks arising from the Fund's use of hedging derivatives* below.

Interest rate risk

Interest rate risk is related to changes in interest rates in the market in which financial assets are traded. Interest rate risk relates mainly to debt securities (bonds), the value of which changes as a result of changes in interest rates. With an increase in interest rates, it is possible that the market value of the investments made may decrease and that a potentially better return on investments with a fixed higher return may not be realized. If interest rates fall, this can be expected to be offset by an increase in the value of the assets themselves. The Fund is indirectly exposed to interest rate risk due to the investment of a significant part of its assets in shares of the Master Sub-Fund, which in turn is exposed to interest rate risk.

Market risk

Market risk is the possibility that market influences may have an unforeseen effect on the expected return on assets.

Liquidity risk

Liquidity risk is associated with difficulties or inability to sell a particular asset or the entire portfolio in a short period of time without this leading to increased transaction costs or capital losses.

At the macro level, this risk depends on the development of the economy and the market as a whole. The expectations for the development of the economy of the country and worldwide, as of the date of this Prospectus, are positive.

Credit risk

This is in general the risk of a decrease in the value of an investment in a security in the event of unexpected credit events related to the issuers of securities, the counterparty in stock exchange and OTC transactions, as well as unexpected events in the countries in which they operate. The Fund is indirectly exposed to credit risk due to the investment of a significant part of its assets in shares of the Master Sub-Fund, which in turn is exposed to credit risk.

Risks arising from the use of derivatives for hedging by the Fund

The fund may enter into derivative transactions to hedge the risks associated with its portfolio. Such derivatives may be exchange-traded or over-the-counter derivatives, including, but not limited to, futures, forward contracts, swaps and options. Derivative prices are highly volatile and can be exposed to a variety of risks, including, but not limited to, market risk, liquidity risk, credit risk, counterparty risk, legal risk and operational risk.

The derivative financial instruments (**DFIs**) that may be used by the Fund, and their economic purpose are specified in sub-section *Investment Policy of the Fund* in section *D. Investment Objective and Investment Policy of the Fund* above in this Prospectus.

The specific risks associated with the use of DFIs are summarized below.

Significant risks are associated with trading in derivative financial instruments

DFIs prices, including futures and option prices, can be highly volatile. The movement of prices of forward contracts, futures contracts and other derivative contracts is influenced, *inter alia*, by interest rates, changing supply-demand relationships, trade, fiscal, monetary and exchange rate control programs and policies of governments, national and international political and economic events or changes in local laws and policies. In addition, governments occasionally intervene directly also by regulating certain markets, e.g. foreign exchange markets or interest rate markets. This intervention is often intended to directly affect market prices and, together with other factors, can cause markets to move rapidly in the same direction.

The use of DFIs for hedging purposes also includes some special risks, including (1) dependence on the ability to forecast the movement of hedged investment prices; (2) an imperfect correlation between hedging instruments and the investments or market sectors being hedged may lead to imperfect hedging of these risks and potential loss of capital; (3) the fact that the skills required to use these instruments are different from those needed to select the Fund's other investments; and (4) the possible lack of a liquid market for any particular instrument at any time.

In addition, the use of derivatives may involve significant leverage and in some cases may lead to significant risks of loss. The low initial margin, which is usually required to establish a position in such instruments, allows leverage to be used. As a result, a relatively small movement in the price of the underlying asset may result in a gain or loss that is high relative to the amount of assets provided as initial margin and may lead to unlimited additional losses in excess of any margin provided. If this happens, in certain circumstances investors may receive minimal or no return or may even incur a loss from their investment in the Fund. Also, the ability to use these strategies may be limited by market conditions and regulatory restriction, and it cannot be guaranteed that any of these strategies will achieve their intended purpose.

OTC market risk and counterparty risk in derivative transactions

When the Fund invests in OTC markets, there is no guarantee that it will be able to realize the fair value of these investments,

given that they may have limited liquidity and high price volatility, as there is no trading venue to close the open market position, and it may be difficult to estimate the value of a position and its risk exposure.

OTC derivatives market participants do not usually have the same credit rating and regulatory supervision as those of trading venue members. The Fund may have a credit exposure to counterparties on positions in OTC derivative contracts. In addition, the counterparty to such a contract may not perform the transaction in accordance with its terms because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether bona fide or not) or due to a problem with creditworthiness or liquidity, thus causing a loss to the Fund. To the extent that the counterparty defaults and in this regard the Fund fails to exercise in a timely manner or is prevented from exercising its rights in relation to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs related to the protection of its rights. Notwithstanding the measures that the Fund may take to mitigate counterparty credit risk, it cannot be guaranteed that the counterparty will meet its obligations or that the Fund will not incur losses from transactions as a result of such default.

Settlement risk

As some of the derivative instruments, in which the Fund may invest, may be traded in markets where trading, settlement and custody systems are not fully developed, the Fund's derivative instruments that are traded in such markets and which have been entrusted to a sub-depositary in such markets may be put at risk in circumstances where the Depositary may not be liable under applicable law.

Legal risk

Derivative transactions may also carry legal risk, as the use of standard derivative contracts may expose the Fund to legal risks, such as the contract may not accurately reflect the intention of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation. In addition, contractual asymmetries and inefficiencies may also increase the risk, for example in the presence of termination clauses where the counterparty may terminate a transaction based on a certain reduction in the net asset value, illegal requests for additional margin or delay in recovery of margin provided.

Position risk

If the Fund buys transferable securities, the risk to the Fund would be limited to the loss of its investment. In the case of a transaction involving DFIs, the Fund's liability may be potentially unlimited until the position is closed, i.e. the DFI contract is not terminated or replaced.

Correlation risk

The prices of derivative instruments may be imperfectly related to the prices of the underlying assets, for example due to transaction costs and interest rate movements. The prices of derivative instruments may also be subject to change due to supply and demand factors.

Loss of favourable results

The use of derivative instruments for hedging or safeguard against market risk may reduce the ability of the Fund to benefit from favourable market movements.

Liquidity risk

The Fund may enter into OTC transactions only with counterparties that are contractually obliged to close a position upon request. However, this depends on the ability of the Fund to effectively and timely apply the provisions of the relevant contract to the relevant counterparty. In addition, if the Fund exercises its contractual right to close the relevant position, this can lead to significant losses.

Margin risk

The Fund may be required to provide collateral or pay premiums on options to investment service providers in connection with their futures and options contracts for the Fund. Although DFIs traded on a trading venue are usually guaranteed by the relevant trading venue, the Fund may be exposed to the risk of fraud or insolvency of the investment service provider through which the transaction was entered into. The Fund seeks to reduce this risk by trading only through reputable investment service providers.

Risk associated with Regulation No 648/2012 (EMIR)

Regulation No 648/2012 of the European Union on OTC derivatives, central counterparties and trade repositories, as subsequently amended (also known as the European Market Infrastructure Regulation or **EMIR**), which applies to the Fund, introduces uniform requirements for OTC derivative contracts by requiring clearing through the central counterparties of certain OTC derivative contracts and by an obligation to report certain details of OTC contracts to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements for measuring, monitoring and mitigating counterparty operational credit risk in respect of OTC contracts that are not subject to mandatory clearing. These OTC contracts, which are subject to EMIR requirements, may increase the Fund's trading costs as a result of new or increased collateral requirements.

Risks arising from the structure of master-feeder collective investment scheme

The risks listed in this category are applicable to the Fund's activities as it is a feeder collective investment scheme of the Master Sub-Fund.

Risk related to the structure of the master-feeder collective investment scheme

The risk arising from the fact that the performance of the Fund depends significantly on the investment policy as well as on the market trends of the individual investments of the Master Sub-Fund and cannot be determined in advance. The Fund

invests its assets in the Master Sub-Fund (except for the availability of additional liquid assets and derivatives) and will therefore not be diversified, but will instead seek to diversify at the level of the Master Sub-Fund.

Risk of concentration

This is the risk associated with the concentration of almost all of the Fund's assets in shares of the Master Sub-Fund, and that the investment of these assets will not be diversified. This means that the performance of the Master Sub-Fund will have a significant impact on the value of the Fund's units. For its part, however, the Master Sub-Fund has diverse portfolios of assets invested in accordance with its investment policy, thus limiting the risk of concentration.

Liquidity risk

The risk that a position cannot be liquidated in a timely manner at a reasonable cost. This means that the Fund can liquidate its assets only at a less favourable price or after a certain period. This risk exists, for example, if the Fund invests its assets only in shares of the Master Sub-Fund and a large number of investors submit redemption orders at the same time.

Risk related to the custody of assets

The risk of loss of assets held in custody as a result of insolvency, negligence or fraud on the part of the Custodian or a sub-custodian.

Operational risk

The risk of loss of assets due to failure of internal processes/systems, employee failure or misconduct or external events (e.g. natural disasters and humanitarian crisis).

Inflation risk

The risk of economic loss as a result of inflation.

Legal risk

The risk of changes to the legal framework governing the organisation of the Fund or the investment in units thereof, e.g. change in the applicable tax treatment of investment.

No investment guarantee

The investment in Fund is not in the nature of a bank deposit and is therefore not protected by any government, government agency or other guarantee scheme which may be available to protect holders of bank deposit accounts.

Market risk

Due to the same deadline for concluding transactions applicable to both the Fund and the Master Sub-Fund, there may be a delay between the time the subscription or redemption orders are submitted to the Fund and the time when as a result, the respective orders of the Fund are processed in the Master Sub-Fund. This leads to an element of market risk in the Fund that can be mitigated by use of futures by the Fund (for risks related to the use of DFIs, please see sub-section *Risks arising from use of derivatives for hedging by the Fund* above in this section).

Risks arising from the investment in the Master Sub-Fund

The risks listed in this category are typical risks that investors could take when investing in a non-feeder collective investment schemes, such as the Sub-Fund. Due to the fact that the Fund invests at least 85% of its assets in shares of the Master Sub-Fund, the holders of units in the Fund are indirectly exposed to some or all of these risks.

This Prospectus provides information below on an individual assessment of the significance of each of these risks to the Fund's investment.

Market risk

The risk that the market for a particular asset class will decrease, affecting the prices and values of the assets in the portfolio. The greater the instability (volatility) of the market in which the Master Sub-Fund invests, the greater the risk. Such markets are subject to greater fluctuations in the return.

Credit risk

The risk of the issuer or counterparty failing to meet its obligations to the Master Sub-Fund. This risk exists to the extent that the Master Sub-Fund invests in debt instruments. The quality of the debtor also affects the credit risk (e.g. investing in a rated issuer, e.g. an "investment rating", will represent a lower credit risk than investing in a low-rated issuer, e.g. a "speculative rating"). Changes in the quality of the issuer may affect the credit risk.

Settlement risk

The risk that a transaction will not be concluded through the relevant payment or settlement system because the payment or delivery of the counterparty has not taken place or does not meet the initial conditions. This risk exists insofar as the Master Sub-Fund invests in regions where financial markets are not yet well developed. This risk is limited in regions where financial markets are well developed.

Liquidity risk

The risk that a position cannot be liquidated in a timely manner at a reasonable cost. This means that the Master Sub-Fund will be able to liquidate its assets only at a less favourable price or after a certain period. The risk exists if the Master Sub-Fund invests in instruments for which there is no market or there is a market with limited liquidity; for example, in the case of emissions that are not traded on a regulated market. OTC derivatives may also not be liquid.

Currency risk

The risk that changes in exchange rates will affect the value of an investment. This risk exists only to the extent that the Master Sub-Fund invests in assets denominated in a currency whose value develops differently from the reference currency of the Master Sub-Fund.

The currency risk assessment takes into account the volatility of all currencies, in which the portfolio assets are denominated, against the reference currency of the Master Sub-Fund.

Risk related to the custody of assets

The risk of loss of assets held in custody as a result of insolvency, negligence or fraud on the part of the Depositary or a sub-depositary.

Risk of concentration

The risk arising from the high concentration of investments in certain assets or in specific markets. This means that the performance of these assets or markets has a significant impact on the value of the Master Sub-Fund's portfolio. The greater the diversification of the Master Sub-Fund's portfolio, the lower the risk of concentration. For example, this risk will be higher in specialized markets (e.g. specific region, sector or sphere) than in broadly diversified markets (e.g. in case of global distribution).

Performance risk

The risk associated with the performance of the Master Sub-Fund, including the fact that this risk may vary depending on the decisions taken by it, as well as the presence or absence of or limitations on collateral provided by third parties. The risk depends in part on the market risk and how actively the Master Sub-Fund is managed.

Capital risk

Risks associated with capital, including the potential risk of its erosion arising from share repurchases and the distribution of profits above the level of return on investment. This risk can be limited by loss reduction techniques, capital protection or capital guarantee.

Risk related to the freedom of taking decisions

Lack of flexibility in deciding on a product in the Master Sub-Fund's portfolio, such as the risk of repayment before maturity, and restrictions on switching to other service providers. This risk may mean that the Master Sub-Fund will not be able to take the desired action in certain situations due to limitations in the characteristics of the products in which it invests and/or the contracts with service providers it has entered into. This risk may be higher if the Master Sub-Fund or its investments are subject to specific legal restrictions.

Inflation risk

This risk depends on inflation. It is applicable, for example, to fixed-income long-term bonds.

Factors related to the regulatory environment, and legal risk

Uncertainty related to changes in the regulatory environment (such as the tax regime or changes in laws or regulations) that could affect the activities of the Master Sub-Fund.

Risk of using derivatives

The Master Sub-Fund may use derivatives not only for hedging but also as an active investment tool. As a result, some of the above-mentioned risks, e.g. risk of concentration, may be adversely affected.

The table below summarizes an individual assessment of the significance of the inherent risks of the Master Sub-Fund, to which investors in units of the Fund are *indirectly* exposed as a result of the Fund's investments in the Master Sub-Fund:

Type of risk	Short definition of the risk	Effect on the Master Sub-Fund	Explanation:
Market risk	The risk that the entire market for a particular asset class will shrink, affecting portfolio asset prices and values	moderate	The level of the risk reflects the variability of the equity investment component of the Master Sub-Fund.

Credit risk	The risk of an issuer or a counterparty failing to meet its obligations	moderate	The bonds investment component of the Master Sub-Fund is invested mainly - but not only - in bonds with investment rating. Therefore, the risk that an issuer will no longer be able to meet its obligations is higher than in the case of an investment consisting only of investment grade bonds. If the market doubts the creditworthiness of a bond issuer, the value of those bonds may fall.
Settlement risk	The risk that the settlement of a transaction will not take place as expected.	low	
Liquidity risk	The risk that a position cannot be liquidated in a timely manner at a reasonable cost.	low	
Currency risk	The risk that changes in exchange rates will affect the value of the investment.	low	
Risk related to the custody of assets	The risk of loss of assets held in custody by the depositary or sub-depositary	low	
Risk of concentration	The risk associated with the high concentration of investments in specific assets or specific markets	low	
Performance risk	The risks associated with the performance of the Master Sub-Fund	moderate	The level of risk reflects the variability of the equity investment component.
Capital risk	The risks to capital	moderate	There is no capital guarantee.
Risk related to the freedom of taking decisions	Lack of flexibility in portfolio product decision-making and restrictions on switching to other service providers	low	
Inflation risk	The risk from inflation	moderate	The bond investment component does not provide protection against rising inflation.
Factors related to the environment	Uncertainty about the irrevocability of environmental factors, such as the tax regime	low	

Risk to the sustainability

Providing information related to sustainability in relation to financial products. Pre-contractual disclosure of information on the integration of sustainability risks

The Management Company, operating through the Branch, understands the risk for sustainability as a risk in which the return on investment may be adversely affected by environmental, social or managerial risks.

Environmental risk is defined as the risk where the return on investment may be adversely affected by environmental factors, including factors arising from climate change, and factors arising from other environmental deterioration.

Social risk is defined as the risk where the return on investment may be adversely affected by social factors.

Management risk is defined as the risk where the return on investment may be adversely affected by management factors.

The nature of these risks varies over a time scale:

- In the short term, the risk to sustainability is usually a risk of events. Such risks usually affect returns only if the event occurs. Examples of such events include an accident (resulting in litigation, for example, to compensate for environmental damage); lawsuits and penalties (for example, for non-compliance with social legislation); scandals (for example, when a company receives poor publicity because human rights are not respected throughout its supply chain or because the company's products do not meet the standards of the ESG, which it promises, with the ESG meaning "Environment, social policy and governance"). This type of sustainability risk is considered to be higher when the issuer is less stringent on ESG standards; and
- In the long run, sustainability risk refers to risks that may develop in the long run, such as: exposure to business activities that may be under pressure due to climate change (e.g. parts of the automotive industry); changes in customer product preferences (e.g. preference for more sustainable products); difficulties in recruiting personnel; increase of costs (e.g., insurance companies facing claims due to changing weather conditions). As this risk develops in the long run, companies can mitigate it, for example, by changing their product offerings, improving their supply chains, and others.

In its investment policy, the Management Company takes into account these sustainability risks by:

- Defining an exclusion policy ("Exclusion Criteria"), which applies to all funds and sub-funds managed by KBC AM (more information can be found in section *F. Social, Ethical and Environmental Aspects* and at https://multimediafiles.kbcgroup.eu/ng/published/kbc/zip/Exclusion_policies_Conventional_and_SRI_Funds.pdf); and
- Distinguishing between funds, respectively sub-funds, managed by KBC AM, for which additional criteria related to sustainable and responsible investment (SRI) are applied. These additional criteria are further specified at https://multimediafiles.kbcgroup.eu/ng/published/kbc/zip/Exclusion_policies_SRI_Funds_EN.pdf. For these funds and sub-funds, the risk to the sustainability is lower.

The investment policy of the Management Company continuously evaluates the underlying investments at the level of the issuer, but also (where applicable) at the level of asset allocation, incl. regional or sectoral distribution. These regular reviews consider the risk to sustainability as one of several elements that can affect returns. The SRI research team assigns an ESG risk rating to most companies included in common indices and to a set of small and medium-sized companies based on data from the ESG data provider. The ESG risk ratings are shared internally with the portfolio managers and strategists of KBC AM so that the latter can use this as a factor in the investment decision-making process.

Summary risk indicator

In accordance with Regulation (EU) 1286/2014, Delegated Regulation (EU) 2017/653 as amended by Delegated Regulation (EU) 2021/2268, a summary risk indicator has been calculated for this fund. The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

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

The most recent indicator can be found under the 'What are the risks and what could I get in return?' heading in the 'Key Information' document. In addition to the summary risk indicator, the Management Company has determined a product assessment of the Fund, which corresponds to the risk profile of the Fund and the target investor in it. The risk profile of the Fund is defensive. It is applicable to investors established in the Republic of Bulgaria.

In addition, according to the Methodology for Classification of Collective Investment Schemes of the Bulgarian Association of Asset Management Companies, the risk profile of the Fund, determined in relation to the geographical and market risk to which it is exposed, corresponds to a global mixed "balanced" fund.

Comparison between the risk profile and the return of the Fund and the Master Sub-Fund

Given that the Fund is a feeder collective investment scheme and invests all or almost all of its assets in shares issued by the Master Sub-Fund, and that it may hold additional liquid assets (cash) only up to the amount necessary to cover its current costs, and to enter into derivative transactions for the purpose of hedging the risk to a limited extent, the risk profile of the Fund is the same as the risk profile of the Master Sub-Fund, namely, defensive. In essence, the return of the Fund is the same as the return of the Master Sub-Fund.

Risk profile of the target investor

The risk profile of the target investor for whom the Fund was established is defensive.

This means an investor who focuses on security. The investor is willing to accept a limited degree of risk and can afford to invest in the medium term. The investor has a preference for interest-bearing investments. Investment in shares should be insignificant and should preferably consist of instruments with capital protection. Effective diversification remains important.

The recommended period for holding an investment in the Fund is minimum 4 years.

I. Fees and charges regarding the Fund

Fees and charges, specified separately depending on whether they are paid by (1) the unit-holders of the Fund; or (2) by the Fund:

1. Fees and expenses to be paid by the unit-holders of the Fund: *

a) One-off fees and charges:

	<i>Subscription</i>	<i>Redemption</i>
Trading fee	Max. 2.50%	-
Administrative costs	-	-
Amount to cover the cost of buying/selling assets	-	-
An amount to discourage sales within one month of purchase	-	Max. 5.00%

b) Ongoing/periodic fees and costs: none.

* Investors also owe other applicable fees and expenses according to the Distributor's tariff.

2. Fees and costs to be paid by the Fund:

Ongoing/periodic fees and costs: (i) a management fee payable to KBC AM; (ii) a depository service fee payable to the Depository; (iii) other ongoing costs and fees of the Fund; and (iv) other ongoing costs and fees of the Master Sub-Fund (see below).

Ongoing/periodic fees and costs

The management fee of KBC AM for the management of the Fund is **1.20%** per annum and is calculated and charged only on that part of the Fund's assets that is invested in financial instruments other than shares issued by the Master Sub-Fund.

However, potential investors should take into consideration that the Management Company, which is also the Management Company of the Master Sub-Fund, collects a management fee, which is calculated and charged on the assets of the Master Sub-Fund, which are acquired as a result of the Fund's investments in the Master Sub-Fund. This management fee is calculated on the basis of the average total assets of the Master Sub-Fund and is max. **1.26%**. Thus, this management fee is indirectly borne by the Fund as a shareholder in the Master Sub-Fund, which means that it is finally indirectly borne by the Fund's unit-holders.

However, as noted above, the Management Company does not charge a management fee on the Fund's assets that are invested (i.e. represent investments) in shares issued by the Master Sub-Fund, thus avoiding double accrual of management fee on the same assets.

In addition, it should be taken into consideration that the Master Sub-Fund does not charge fees to the Fund for issuing and repurchasing the shares of the Master Sub-Fund as a result of the Fund's investments in it.

Potential investors should also be aware that there are no reimbursable fees or reimbursable costs paid by the Fund in connection with its investment in the Master Sub-Fund.

The Fund will pay a fee for depository services to the Depository in the total amount specified in the concluded Depository Services Agreement.

Other ongoing costs and fees of the Fund

In addition, the Fund pays other ongoing costs and fees, which will include:

- remuneration of the servicing investment intermediaries;
- audit fees;
- state fees;
- supervisory fees and other regulatory fees paid to the Financial Supervision Commission;
- other operational fees and costs.

These fees, calculated on the basis of the average amount of the Fund's total assets, amount to a total of 0.20% per annum.

Other ongoing costs and fees of the Master Sub-Fund

Investors should also be aware that the Master Sub-Fund pays other ongoing costs and fees in connection with its investments, which are charged to the assets of the Master Sub-Fund acquired as a result of the Fund's investments in the Master Sub-Fund. Thus, these costs and fees are indirectly borne by the Fund as a shareholder in the Master Sub-Fund, which means that they are finally indirectly borne by the Fund's unit-holders.

The ongoing costs and fees of the Master Sub-Fund, which are indirectly borne by the Fund in addition to the management fee mentioned above, include operational and administrative costs as follows:

- an administrative fee of 0.10% per annum, calculated on the basis of the average total net assets of the Master Sub-Fund;
- depositary fee in the amount of max. 0.04% per year;
- other ongoing costs and fees of the Master Sub-Fund (e.g. government fees, audit fees, marketing expenses, etc.), with an expected amount of up to 0.10% of the net assets of the Master Sub-Fund per year;
- taxes paid by the Master Sub-Fund in connection with the investments made by it, when the applicable legislation provides for such;
- subscription and redemption fees paid by the Master Sub-Fund in connection with its investments in other collective investment undertakings in pursuance of its investment objective and policy, the amount of which depends on the volume of operations performed each year;
- other costs paid by the Master Sub-Fund in connection with its investments in other collective investment undertakings in pursuance of its investment objective and policy, the amount of which depends on the rules of those other collective investment undertakings and the value of the Master Sub-Fund's assets, invested in them.

The exact amount of the ongoing costs and fees paid by the Master Sub-Fund can be found in the annual financial statements of the Master Umbrella Fund, in the part concerning the Master Sub-Fund (please see section *Ways to obtain additional information about the Master Umbrella Fund, Master Sub-Fund and the Agreement between the Fund and the Master Sub-Fund* of this Prospectus). As of the date of this Prospectus, the Branch and the Management Company, acting in the name and at the expense of the Fund, do not use the services of consulting companies or external consultants to provide advice under contract and whose remuneration is paid from the Fund's assets.

Fees and costs incurred directly or indirectly by the Fund may not exceed 5% of the average annual value of the Fund's net assets.

Investors can find the amount of current fees borne by the Fund within one year in the key information document of the Fund.

J. Tax treatment

This section of the Prospectus provides general information on the Fund's tax treatment. The information contained herein is not exhaustive and does not constitute or is intended to be any form of legal, tax or other advice. Taxation depends on the specific circumstances of each investor and may change in the future.

Investors should seek assistance from their own legal, tax, financial or other advisers - as they deem necessary - in order to fully understand the tax treatment of the investment in units issued by the Fund.

Of the Fund

According to Article 174 of the Corporate Income Tax Act (**CITA**), collective investment schemes such as the Fund, whose units are admitted to public offering in the Republic of Bulgaria, are not subject to corporate tax.

In addition, the Fund will not be subject to taxation in the country of establishment of the Master Umbrella Fund and the Master Sub-Fund, i.e. the Kingdom of Belgium, in connection with its investment in the Master Sub-Fund.

Of investors in connection with transactions in units of the Fund

Taxation of resident natural persons

According to Article 13(1), item 3 of the Personal Income Tax Act (**PITA**), the income accruing from the disposition of financial instruments is non-taxable. This income includes income from transactions in units of collective investment schemes, traded on a regulated market in Bulgaria or under the terms and according to the procedure for redemption of collective investment schemes, which are admitted to public offering in Bulgaria or in another Member State of the European Union (**EU**), or in a state part of the EEA.

This means that the income of unit-holders, resulting from redemption of their units in the Fund, is non-taxable.

Taxation of resident and non-resident legal entities

According to Art. 44 of CITA, resident and non-resident legal entities that carry out activity from a place of business, or realize income from a source, in the Republic of Bulgaria, in determining their tax financial result:

- shall debit (decrease) their accounting financial result with any profit from disposition of financial instruments (including units in the Fund), determined as the positive difference between the selling price and the documented cost of acquisition of the said financial instruments; and
- shall credit (increase) their accounting financial result with any loss from disposition of financial instruments (including units in the Fund), determined as the negative difference between the selling price and the documented cost of acquisition of the said financial instruments.

This profit/loss includes the result from transactions in units in collective investment schemes, incl. the Fund, entered into on a regulated market in Bulgaria or under the terms and according to the procedure for redemption of collective investment schemes, which are admitted to public offering in Bulgaria or in another member state of the EU or in a state part of the EEA. This means that the redemption of units in the Fund held by unit-holders would be tax neutral.

Under Article 196 of the CITA, any income from disposition of financial instruments, such as the redemption of units in the Fund, is not subject to withholding tax.

Taxation of non-resident natural persons

Under Article 37(1), item 12 and Article 46 of the PITA, any income from transactions in units of the Fund (realized capital gain) received by natural persons from third countries, other than residents of Bulgaria, or persons established for tax purposes in an EU member state or another state part of the EEA, is subject to a final tax of 10% on the taxable income.

Other important information

Non-resident natural persons – unitholders of the Fund, should note that when there is a double taxation treaty between the Republic of Bulgaria and the respective foreign country, in which they have their habitual residence, the provisions of such agreement take precedence over the Bulgarian domestic law. In such cases the “Procedure for application of agreements for avoidance of the international double taxation of income and property in respect of foreign persons” under Chapter 16, Section III of the Tax-Insurance Procedure Code is to be applied.

Natural persons – unitholders should note that the following types of unit acquisition are tax-exempt:

- acquisition by donation between lineal relatives and between spouses (Article 44(6) of the Local Taxes and Fees Act (**LTFA**)); and
- acquisition through inheritance by the surviving spouse and by lineal heirs (Article 31(2) of the LTFA).

K. Additional information

Information on past performance

The public offering of the Fund's units started on 30.01.2006.

Data on the results of the Fund's activities for previous years can be found in the audited annual financial statements of the Fund and available to investors at the e-mail address: ubbam@ubb.bg, as well as in all offices of UBB AD, in which units of the Fund are offered (and on the website of the Branch on the Internet - www.ubbam.bg). The financial statements of the Fund are also published on the website of the Financial Supervision Commission.

However, potential investors in units of the Fund should pay special attention to the fact that the results of the Fund's activities for past periods have been achieved under conditions, including investment policy, investment strategy and risk profile of the Fund, which are no longer applicable to it as far as on [●] the Fund was transformed into a feeder collective investment scheme, which invests at least 85% of its assets in shares of the Master Sub-Fund, and in view of the fact that the Fund has participated as a receiving collective investment scheme in a restructuring, as a result of which the Restructuring Funds have merged into the Fund. Therefore, the information provided in this section of the Prospectus is not a reliable indication of the future performance of the Fund and the results of its activities.

Information on amendments to the Fund Rules and changes in the investment policy of the Fund

Subject to compliance with the requirements of the applicable law, KBC AM is empowered to set and amend the Fund Rules, as well as to change the risk profile and the investment goals, strategies, policy, and restrictions of the Fund set out in this Prospectus and in the Key Information Document of the Fund.

Information on used communication channels for subscription by the Fund of shares of the Master Sub-Fund

Potential investors in units of the Fund should pay attention to the fact that the Branch, at the expense of the Fund, has entered into a contract for transactions in financial instruments with United Bulgarian Bank AD, under which and through intermediary services of the latter more secure and fast communication channels will be used, to which United Bulgarian Bank AD has access, regarding the submission of subscription orders by the Fund for shares of the Master Sub-Fund.

Information on complaint filing procedure

Any investor has the right to file a complaint with the Branch, without paying a fee, against actions and omissions of "K.B.C. Asset Management N.V. - Branch", Bulgaria (universal successor of the Management Company "UBB Asset Management" EAD) and the distributor "United Bulgarian Bank" AD.

Written complaints may be submitted:

- By post or on site at the Branch office with address - gr. 1463 Sofia Blvd. Vitosha № 89B, UBB Millennium Centre, floor 6, every working day from 8.30 to 17.00;
- Electronically at ubbam@ubb.bg, or on the Branch's website via the contact form - www.ubbam.bg (Contact Us/Send Request).

The investor must provide identification and contact details - postal address, telephone number and email address, as well as a description of the nature of the complaint. If the complaint is made by proxy, a power of attorney must be attached.

The personal data submitted with the complaint shall be stored for a period of five years, subject to the provisions of Regulation (EC) 2016/679 and the Personal Data Protection Act.

Complaints shall be registered on the day of their receipt and, where received outside working hours, on the next working day. A reasoned written reply shall be sent to the complainant no later than 10 working days from the day of receipt of the complaint. Where a reply cannot be sent within the time limit referred to in the previous sentence, the Branch shall immediately inform the complainant and the Financial Supervision Authority of the reasons for the delay and indicate a time limit for the completion of the examination and the drafting of a reply. Where the complainant has lodged the complaint electronically, the reply shall also be sent electronically, unless the complainant has expressly requested otherwise.

The response to the complaint shall contain information on the possibility of filing complaints with the Financial Supervision Commission and other state authorities, as well as the forms of out-of-court dispute resolution available to the investor in the Republic of Bulgaria.

- Sectoral Conciliation Commission for the settlement of disputes in the field of activities and services under Art. 5 (2) and (3) of MiFID Act and for activities and services under Art. 86 (1) and (2) of UCITS Act including the provision of financial services at a distance in these sectors, with address. 4A, Sofia 1000; tel. 02/9330 590; website: www.kzp.bg; e-mail: adr.finmarkets@kzp.bg.
- Financial Supervision Commission, 100 Sofia, 16 Budapeshta str.; Complaints – Financial Supervision Commission (fsc.bg); e-mail: delovodstvo@fsc.bg.

The complaints procedure is available at: www.ubbam.bg (About us/Documents). Investors can find a summary of the complaints procedure in the key information document of the investment product, in the section entitled "How can I complain?".

L. Prohibition of offer or sale

Units in the Fund may not be publicly offered or sold in countries where they are not admitted to offering in accordance with the applicable law.

European Union and European Economic Area

KBC AM can offer the units of the Fund in a member state of the EU or a state part of the EEA, other than Bulgaria, only after conducting a notification (passportisation) procedure before the Financial Supervision Commission in accordance with the requirements of Chapter XI of the UCITS Directive as transposed in Part 2, Chapter 13, Section II of the ACISOU CIA.

United States of America

The units of the Fund are not registered nor will they be registered under the United States Securities Act of 1933, as amended from time to time. It is forbidden to offer, sell, transfer or deliver shares, directly or indirectly, in the United States of America or any of its territories or possessions or any area that is subject to its jurisdiction or to a US person, as defined in the aforementioned Securities Act. The Fund is not registered under the United States Investment Company Act of 1940, as amended from time to time.

M. Competent authority

The activities of the Fund are supervised by:

Financial Supervision Commission, FSC
16 Budapest Str.
1000 Sofia

The activities of KBC AM and the Branch are supervised by:

Financial Services and Markets Authority (FSMA)
Congresstraat 12-14
1000 Brussels

The activities of the Branch are subject to a partial supervision in accordance with Chapter 12, Section VII of the ACISOU CIA by:

Financial Supervision Commission, FSC
16 Budapest Str.
1000 Sofia

Appendix 1

Rules for valuation of the portfolio and determination of the net asset value of UBB Platinum Bulgaria Mutual Fund

These Rules for valuation of the portfolio and determination of the net asset value of UBB Platinum Bulgaria Mutual Fund (the “**Rules**”) define the rules and process of valuation of assets and liabilities, as well as the methods of determination of the net asset value (“**NAV**”), the NAV per share, the issue value and the reverse price redemption of shares of the UBB Platinum Bulgaria Mutual Fund (the “**Fund**”).

The NAV of the Fund is determined every working day of the week in accordance with the requirements of the applicable legislation, the Rules of the Fund and these Rules.

I. INFORMATION ABOUT THE FUND AND THE COMPOSITION OF ITS PORTFOLIO

In accordance with the Rules of the Fund and its Prospectus, the Fund is a feeder collective investment scheme within the meaning of Art. 67 of the Collective Investment Schemes and Other Undertakings for Collective Investments Act (**CISOU CIA**) and shall invest, without complying with the provisions of Art. 4, para 1, item 1, Art. 38, 45, 48 and Art. 49, para. 2, item 3 of the CISOU CIA, at least 85% of its assets in shares of the Horizon Platinum Portfolio sub-fund (the “**Main Sub-Fund**”) of Horizon N.V. , an open-ended investment company duly incorporated and existing under the laws of the Kingdom of Belgium, having its head office and registered address: Havenlaan 2, B-1080, Brussels, Kingdom of Belgium.

II. BASIC PRINCIPLES

The valuation of the Fund's assets is performed by the management company, which is entrusted with the management of the Fund - KBC Asset Management NV, a company incorporated under the laws of the Kingdom of Belgium, having its head office and registered address: 1080, Havenlaan 2, B-1080, Brussels, Kingdom of Belgium, entered in the Register of Legal Entities of Brussels under identification number 0469.444.267 (the “**Management Company**”), through KBC Asset Management N.V. - Branch, a branch of a foreign legal entity established under the laws of Bulgaria, having its head office and registered address: Sofia 1463, Triaditsa district, Blvd. Vitosha No. 89B, Millennium Centre, 6th floor, entered in the Commercial Register and the Register of Non-Profit Legal Entities at the Registry Agency with Company ID 205422541 (the “**Branch**”), under the control of the depository bank of the Fund („**The depository bank**”), in accordance with the requirements of the CISOU CIA, Ordinance No. 44 of 20.10.2011 and other applicable legislation.*

The valuation of the assets and the determination of the Fund's NAV is performed in accordance with the following principles:

- The net asset value of the Fund is determined on each working day of the week, taking into account the value of all assets and liabilities held by the Fund on the balance sheet at the date to which the valuation relates.
- The calculation of the net asset value uses a general and consistent valuation system, taking into account the relevant costs associated with the sale and redemption of shares, including the remuneration for the Management Company - if any - and the Depository Bank, as well as other relevant individual and/or current expenses, including expenses related to the Fund's investment in the Main Sub-Fund.
- The net asset value of the Fund is calculated according to the accounting policies and procedures pursuant to the International Accounting Standards in accordance with § 1, item 8 of the Additional Provisions to the Accounting Act (“**IFRS**”).

* Ordinance No. 44 of 20.10.2011 on the requirements to the activity of collective investment schemes, their management companies, national investment funds and managers of alternative investment funds.

- The valuation of the Fund's assets is performed upon initial acquisition (recognition) – at acquisition cost. The subsequent valuation of the Fund's assets is performed on a daily basis at fair value.
- In securities transactions, the Fund adopts the method of accounting on the trade date (transaction date). In this method, securities are subscribed (written off) in the balance sheet of the Fund on the date of the transaction, and not on the date of transferring the ownership over them (settlement). The securities are written off from the balance sheet at their book value as of the date of concluding the sale transaction.
- The process of determining the NAV is carried out in the presence of reliable technology and software, allowing to minimize the possibility of errors.
- Reliability and representativeness of the information used for evaluation purposes.
- Documentary justification - use of a reliable system for collecting and evaluating the information needed to determine the NAV; duly documentation of the decisions related to the determination of the NAV, including the application of the relevant documents to the minutes of the decisions taken.
- The information related to the determination of the NAV is stored in a system for protection of the documentation, including storage on a durable medium.
- Observing the Rules for avoiding conflicts of interest and for providing protection against disclosure of inside information of the Branch in carrying out all processes under these Rules.
- Carrying out current control over the lawfulness, as well as methodological control over the evaluation activity.

III. EVALUATION OF ASSETS

The value of the Fund's assets includes the value of each of the Fund's assets on the balance sheet as of the date to which the valuation relates.

In accordance with Section II *Basic Principles* above, the valuation of the Fund's assets is performed upon their initial acquisition (recognition) and on a daily basis at their fair value.

1. An asset's recognition is done at its acquisition cost determined in accordance with IFRS.
2. Subsequent evaluation of an asset is performed at fair value. Depending on the type of asset included in the Fund's portfolio, fair value is determined as follows:

Valuation of shares of the Main Sub-Fund

2.1. The fair value of the shares in the Main Sub-Fund, including in cases of temporary suspension of repurchase, will be the last announced redeemed price for the shares of the respective share class (Institutional F shares BG class), issued by the Main Sub-Fund, which is equal to the NAV per share of the respective class of shares of the Main Sub-Fund.

In case that the redemption of shares of the Main Sub-Fund is suspended for a period longer than 30 days, the fair value of the share is calculated by applying the net book value method.

The net book value method consists of calculating the value of a share of the above class of shares of the Main Sub-Fund, dividing the equity of the Main Sub-Fund (based on the last financial statement) by the total number of shares outstanding. The following formula is used to perform the calculation:

$$P = \frac{A - L - PS}{N}$$

where:

- P - the value of one share of the Institutional F shares BG class of the Main Sub-Fund;
- A - assets;
- L - liabilities;
- PS - value of shares of other share classes in the Main Sub-Fund;
- N - total number of shares of the respective Institutional F shares BG class in circulation.

Valuation of additional liquid assets

2.2. The fair value of the additional liquid assets of the Fund according to Art. 38, para. 4 of the CISOUCA is assessed as of the day to which the assessment relates, as follows:

- a) cash on hand - at nominal value;
- b) term deposits - at nominal value;
- c) time deposits - at their nominal value;
- d) short-term receivables without a certain interest rate or income - at cost;
- e) short-term receivables with certain interest rate or income - at cost.

Evaluation of derivative financial instruments

2.3. Ex-post valuation of derivative financial instruments, admitted to or traded on a regulated market in the Republic of Bulgaria, is performed as follows:

- a) at the weighted average price of the transactions entered into with them, for the day on which the valuation is performed, as announced through the trading system or in the stock exchange bulletin;
- b) if the price under the previous paragraph cannot be determined, the price of the derivatives shall be determined as the average value of the highest "buy" price of the orders valid at the time of closing the regulated market on the valuation day and the weighted average price of the transactions concluded with the respective derivative instruments for the same day. The price is determined in this way only if there are transactions concluded and orders with "buy" price.
- c) if paragraph b) cannot be applied, the price of the derivatives will be the weighted average price of the transactions concluded with them for the nearest day during the last 30-day period preceding the valuation day, for which transactions are concluded.

2.4. The ex-post assessment of the fair value of derivative financial instruments with underlying assets admitted to or traded on regularly functioning, recognized, publicly available and active regulated markets abroad is performed as follows:

- a) at the last price of a transaction concluded with them on the market on the day to which the valuation is performed;
- b) if paragraph a) cannot be applied, the valuation shall be carried out at the "buy" price at the market closing on the valuation day as announced in the electronic system for price information of securities;
- c) if paragraph b) cannot be applied, the valuation shall be carried out at the price of the last transaction concluded with them within the last 30-day period preceding the day on which the valuation is performed.

2.5. In case that the methods set out in paragraphs 2.3 and 2.4 cannot be applied, the subsequent assessment of the fair value of the options admitted to or traded in active regulated markets are performed using the *Black-Scholes* model to determine the price of the option. The *Black-Scholes* model treats the valuation of call options, so the formation of the value of the put option will be a function of the price of the call option for the respective asset under the same conditions.

The formula for determining the price of a put option is as follows:

$$P = C + Xe^{-rT} - S_0,$$

Where:

- C - The price of the call option, calculated according to the Black-Scholes model;
- X - The strike price of the option;
- e - 2.71828, the basis of the natural logarithmic function;
- r - Risk-free interest rate;
- T - The term to maturity of the option in years;
- Xe^{-rT} = PV (X) - The current value of the strike price of the option;
- S_0 - Current price of the underlying asset (the one for which the option is constructed)

Calculation of the price of the call option ("C") for the respective asset with the same parameters (Black-Scholes formula):

$$C_0 = S_0 N(d_1) - X e^{-rT} N(d_2),$$

Where:

$$d_1 = \frac{\ln(S_0 / X) + (r + \sigma^2 / 2)T}{\sigma \sqrt{T}},$$

$$d_2 = d_1 - \sigma \sqrt{T}$$

and where:

C_0 - The current value of the call option;

S_0 - The current price of the underlying asset.

$N(d)$ - The probability that a random experiment on the standard normal distribution has a value less than d. The corresponding values can be found in tables with the values of the normal distribution.

X - The strike price of the option;

e - 2.71828, the basis of the natural logarithmic function;

r - Risk-free interest rate;

T - The term to maturity of the option in years;

$X e^{-rT}$ = PV (X) - The current value of the strike price of the option;

\ln - The natural logarithm function;

σ - The standard deviation of the rate of return on an annual basis (permanently capitalized) of the underlying asset (volatility).

The standard deviation of the rate of return for n observations is calculated by the formula:

$$\sigma = \sqrt{\frac{n}{n-1} \sum_{t=1}^n \frac{(r_t - \bar{r})^2}{n}},$$

where \bar{r} is the average return for the sampling period. The rate of return on day t is determined according to the constant capitalization as $r_t = \ln(S_t / S_{t-1})$.

2.6. In case that the methods set out in paragraphs 2.3 and 2.4 cannot be applied, the subsequent assessment of the fair value of the futures admitted to or traded on active regulated markets, the subsequent valuation is performed as follows:

$$F = \{S - PV(D, 0, T)\} * (1 + R_f)^T,$$

Where:

F - the price of a futures contract;

S - the spot price of the underlying asset;

$PV(D, 0, T)$ - the present value of the expected dividend;

R_f - risk-free interest rate;

T - number of days of the contract divided by 365.

2.7. Subsequent assessment of fair value of derivative financial instruments traded on OTC markets is carried out at the mean "buy" price and "sell" price announced in an electronic price information system of financial instruments at the closing of the market on the work day on which the valuation is performed. If this rule cannot be applied:

a) an subsequent evaluation of options traded on OTC markets shall be performed using the formula set out in point 2.5;

b) the subsequent valuation of foreign exchange forward contracts is performed using the formula below. When the term to maturity of foreign exchange forward contracts is less than 1 month and in case of insignificant differences in interest rates due to the short term and negligible influence of discount factors, it is assumed that the forward exchange rate at the date of the subsequent valuation (t) is equal to the current spot exchange rate.

$$V_t = N \times \left(\frac{C}{(1 + i_A)^{(T-t)}} - \frac{P}{(1 + i_B)^{(T-t)}} \right)$$

where:

V_t - value of the forward contract;

N - amount of the forward contract;

C - the current spot rate between the two currencies;

P - forward exchange rate agreed upon at the conclusion of the forward contract;

Both exchange rates are expressed as units of currency B for one unit of currency A.

i_A - risk-free interest rate for currency A;

i_B - risk-free interest rate for currency B;

T - maturity date of the forward contract;

t - current date.

(c) subsequent evaluation of forwards other than those referred to in b. b), is performed using the formula set out in point 2.6.

2.8. Subsequent evaluation of financial instruments admitted to trade on more than one active regulated market shall be performed at the prices announced publicly by the regulated market to which the Management company has access and on which the financial instrument was initially purchased. If the financial instrument is purchased on more than one active regulated market, the subsequent valuation is performed at prices publicly announced by the regulated market on which the largest volume of the respective financial instrument was traded on the same day.

2.9. In cases when trading on a regulated market is not conducted on working days for Bulgaria or when certain financial instruments are temporarily suspended from trading, the subsequent assessment of financial instruments admitted to or traded on an active regulated market shall be the assessment valid for the day at the last trading session on the date to which the assessment relates.

The rule also applies in cases when a trading session is not held on a regulated market due to a non-working day in the respective country, which is a working day in Bulgaria.

The rule does not apply when trading sessions are not held on the regulated market for more than 5 working days. In this case the subsequent assessment is performed with the respective application of points 2.5 and 2.6.

2.10. For the purposes of this section, an "active market" in financial instruments is a market to which the Management Company has access and meets the following requirements:

a) pricing information for financial instruments is easily accessible and regularly available from a pricing system, and comes from actual and regular fair transactions;

b) the price is formed between a willing buyer and a willing seller in a fair deal.

3. (Amended from 20.11.2020) For accounting purposes the financial assets in the Fund's portfolio, denominated in foreign currency, are converted into BGN equivalent, determined at the official exchange rate of the Bulgarian National Bank, valid for the day to which the assessment refers.

IV. LIABILITIES ASSESSMENT

The value of the liabilities is equal to the sum of the book values of the short-term and long-term liabilities on the balance sheet of the Fund. Liabilities denominated in foreign currency are calculated at the official exchange rate of the Bulgarian National Bank, valid for the day on which the valuation is performed. Valuation of the Fund's liabilities is performed in accordance with IFRS and the Fund's accounting policy.

V. NET ASSET VALUE

The Fund's NAV is equal to the amount of its assets reduced by the amount of its liabilities.

The NAV per share is equal to the NAV divided by the number of shares in circulation of the Fund.

The issue value ("**IV**") per share is equal to the NAV per share increased by the issue fee, if such is provided in the Fund Rules, while the redemption value ("**RV**") per share is equal to the NAV for one share, reduced by the redemption fee, if such is provided for in the Fund's Rules.

VI. CALCULATION PROCEDURE FOR NAV, IV AND RV

The Fund's NAV is determined each working day ("the day on which the assessment is performed" or the day "T+1") for the previous day ("the day for which the assessment is performed" or the day "T"). The procedure for determining the NAV, the NAV per share, the IV and the RV of the Fund's shares is as follows:

a) By 10:00 on the day of the valuation ("T+1" day), the Branch shall receive from the Fund's distributor (the "**Distributor**") information on transactions for the sale and redemption of shares of the Fund settlement and the number of shares in circulation for the Fund at the end of day "T";

b) Between 10:00 and 13:00 on day "T+1":

- the fair value of the Fund's assets is determined for day "T"; the data and/or analyses used in the determination of the fair value are applied to the calculation of the relevant price;

the Fund's assets are reassessed at fair value, the Fund's balance sheet is prepared and the NAV for one share is determined, the IV and the RV for the Fund for day "T".

c) By 13:00 on day "T+1" the Branch provides the Depository Bank with all information on the determined NAV of the Fund (including the number of sold and repurchased shares with completed settlement), as well as the calculated IV and RV.

d) By 14:00 on day "T+1" the Branch receives confirmation from the Depository Bank for the calculated NAV, IV and RV.

e) The Branch, by 17:00 on day "T+1", announces NAV, IV and RV for the Fund for day "T".

f) The Branch shall publish in the Financial Supervision Commission summary information on the IV and the RV of the Fund's shares once a month - within three working days from the end of the month.

g) In calculating the NAV, IV and RV, the Branch uses appropriate software that allows it to keep the Fund's accounts separately from its own.

h) All documentation and information used to determine the NAV, IV and RV for the Fund shall be kept by the Branch on paper, magnetic, optical or other technical media for at least 5 years, in that way providing access to it only to individuals authorized by it. For additional security, the information is stored on a second magnetic medium.

i) The net asset value, the issue value and the redemption price of the Fund's shares for a given "T" day shall be published by 17:00 on the next working day "T+1" on the Branch's website and on the website of the Distributor.

VII. ERRORS IN CALCULATION OF EU AND / OR COI

If an error has been made in calculating the NAV per share, as a result of which the IV has been raised or the RV has been lowered by more than 0.5% of the NAV per share, the Management Company or the Depository Bank shall, as the case may be, restore the difference to the share-holders who bought shares under an increased IV, respectively sold back their shares at a reduced RV, at the expense of the Fund within 10 days of finding the error, unless the share-holder was unscrupulous.

If an error is made in calculating the net NAV per share, as a result of which the IV is understated or the RV is increased by more than 0.5% of the NAV per share, the Management Company or the

Depository Bank shall, as the case may be, refund the amount due to the Fund for its own account within 10 days from the finding of the error.

VIII. MAIN SOURCES OF INFORMATION

The following main sources of information are used to determine the NAV of the Fund:

- NAV information per share in the Main Sub-Fund received from the Main Sub-Fund, its depository bank or management company. The information is received on electronic media by e-mail at the following e-mail address: ubbam@ubb.bg;
- Last published data on the NAV per share in the Main Sub-Fund, in case of delay in publishing and/or transmitting information on the NAV per share in the Main Sub-Fund, published at <https://www.kbc.be/retail/en/legal-information/investment-legal-documents.html?zone=breadcrumb>;
- Information received from Central Depository AD regarding the number of shares in circulation of the Fund and other relevant information received from Central Depository AD;
- The latest annual and half-yearly financial statements concerning the Main Sub-Fund;
- Official stock exchange bulletin or similar sources of information maintained by a trading venue used by the Management Company on behalf of the Fund;
- Quotations from Reuters, Bloomberg and other standard electronic systems for price information of assets traded or admitted to trading on a local or foreign trading venue and/or traded on an over-the-counter market. In case the Management Company does not have direct access to such electronic systems, access can be provided through banks, investment intermediaries or other financial companies, including KBC group companies;
- Official statistical and reference information;
- Analyses, publications and comments of certified Bulgarian and foreign consultants and analysts.

The following sources of information may be used in determining the NAV of the Fund:

- Horizon Prospect N.V. (Horizon N.V.), including information on the Sub-Fund;
- Solutions for transformation (by merging or incorporation) of Horizon N.V. (Horizon N.V.) or the Main Sub-Fund;
- Decisions for liquidation of Horizon N.V. (Horizon N.V.) or the Main Sub-Fund;
- Changes to the rules or statutes of Horizon N.V. (Horizon N.V.);
- Initiated lawsuits in which Horizon N.V. (Horizon N.V.) or the Main Sub-Fund is the defendant;
- Analysis of the general economic situation of the country/countries in which the Main Sub-Fund invests;
- Analysis of the general state of the market in which financial instruments are traded;
- Public and/or subscription-based information on transactions and quotations for transactions in financial instruments, including on the over-the-counter market.

These Rules have been adopted by Decision of the Executive Committee of KBC Asset Management N.V. (KBC Asset Management N.V.) dated 25.05.2021, amended by a decision of the Senior Management of "KBC Asset Management N.V. – branch", Bulgaria on 28.07.2021, according to the instructions of the FSC with letter RG-08-54-16/27.07.2021, amended by a decision of the Senior Management of "KBC Asset Management N.V. – branch", Bulgaria on 11.04.2022.