

## Information for shareholders

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in connection with the conversion through the merger of the mutual fund "Raiffeisen (Bulgaria) Active Protection in EUR" and "Raiffeisen (Bulgaria) Global Mix" into the investment sub-fund "UBB ExpertEase Defensive Balanced (EUR)" to the umbrella mutual fund "UBB ExpertEase"

This information document has been prepared in accordance with the requirements of Art. 151 of the Collective Investment Schemes and Other Undertakings for Collective Investments Act ("**CISOU CIA**") in connection with the planned conversion (the "**Conversion**") by way of merger of Mutual Funds "*Raiffeisen (Bulgaria) Active Protection in EUR*" and "*Raiffeisen (Bulgaria) Global Mix*" (the "**Conversion Funds**") into an investment sub-fund "*UBB ExpertEase Defensive Balanced (EUR)*" under the "*UBB ExpertEase*" umbrella mutual fund (the "**Host Fund**").

**Shareholders in the Conversion Funds and the Host Fund should read this document carefully as it contains important information regarding their investment.**

31.01.2023

# Table of Contents

<b>I. Circumstances and rationale</b> .....	<b>3</b>
1. Type of conversion and collective investment schemes involved .....	3
2. Justification of the proposed Conversion .....	4
<b>II. Expected impact of the proposed Conversion on Shareholders of the Conversion Funds and the Host Fund</b> .....	<b>7</b>
1. Expected impact of the Conversion on shareholders of the Conversion Fund – TF Raiffeisen (Bulgaria) Active Protection in EUR .....	7
2. Expected impact of the Conversion on shareholders in the Conversion Fund – Raiffeisen (Bulgaria) Global Mix.....	7
3. Expected impact of the Conversion on shareholders in the Host Fund – UBB ExpertEase Defensive Balanced (EURO) Sub-Fund.....	11
<b>III. Specific rights of shareholders in respect of the proposed conversion</b> .....	<b>12</b>
1. Right of redemption in connection with the Conversion.....	12
2. Right to receive further information on the Conversion .....	12
3. Right to receive a copy of the auditor's report .....	13
<b>IV. Procedural matters and intended effective Conversion date</b> .....	<b>14</b>
1. Provision of information to shareholders and redemption rights.....	14
2. Redemption period in connection with the Conversion.....	14
3. Dates of permanent suspension of the issue and redemption of Shares by the Conversion Funds and of temporary suspension of the issue and redemption of Shares by the Host Fund .	14
4. Date of calculation of the Exchange Ratio .....	14
5. Effective conversion date.....	15
6. Expenses to Shareholders in connection with the Conversion .....	16
7. Implementation Schedule of the Conversion.....	17

# I. Circumstances and rationale

## 1. Type of conversion and collective investment schemes involved

The Conversion will be carried out pursuant to Art. 141 para. 1, proposal 2 of the CISOU CIA by merging the Conversion Funds – the mutual funds *"Raiffeisen (Bulgaria) Active Protection in EUR"* and *"Raiffeisen (Bulgaria) Global Mix"*, into the Host Fund – the investment sub-fund *"UBB ExpertEase Defensive Balanced (EURO)"* to the umbrella mutual fund *"UBB ExpertEase"*.

As a result of the Conversion, the Conversion Funds will be wound up without liquidation and will transfer to the Host Fund all of their assets and liabilities in exchange for the delivery of Host Fund Shares to the Shareholders of the Conversion Funds on the terms and conditions described in this document.

### *Information on the Conversion Funds*

The Conversion Fund, TF Raiffeisen (Bulgaria) Active Protection in EUR, is a mutual fund within the meaning of Article 5, para .2 of the CISOU CIA, registered in the BULSTAT Register with UIC 175778347. The fund is established (organised) by its entry in the register of collective investment schemes under Art. 30, par. 1, item 4 of the Financial Supervision Commission Act ("**FSCA**") on the basis of Decision No. 758-DF/09.09.2009 of the Financial Supervision Commission ("**FSC**").

The Conversion fund is a feeder CIS within the meaning of Article 67 of the CISOU CIA which invests at least 85% of its assets in share class (R) VTA, ISIN AT0000A1G7D6, of a mutual fund

*"Raiffeisen-Euro-Click"*, organised and managed by the Austrian management company *Raiffeisen Kapitalanlage Gesellschaft M.B.H.- Vienna (Raiffeisen Kapitalanlage-Gesellschaft m.b.H.)* in accordance with the requirements of Directive 2009/65/EC<sup>1</sup> as transposed in the Austrian Investment Funds Act 2011 (*Investmentfondsgesetz 2011*) and other applicable legislation of the Republic of Austria.

The Conversion fund TF Raiffeisen (Bulgaria) Global Mix is a mutual fund within the meaning of Article 5, paragraph 2 of the CISOU CIA, registered in the BULSTAT Register with UIC 176997778. The fund is established (organized) with its entry in the register of collective investment schemes under Art. 30, para. 1, item 4 of the FSCA based on Decision No. 138-DF/10.03.2016 of the FSC.

The Conversion fund is a feeder CIS within the meaning of Article 67 of the CISOU CIA which invests at least 85% of its assets in shares (R), VTA, ISIN AT0000743562, of a mutual fund

*"Raiffeisenfonds-Sicherheit (RZ) ('Raiffeisen Security')*, organised and managed by the Austrian management company (Raiffeisen Kapitalanlage-Gesellschaft m.b.H., in accordance with the requirements of Directive 2009/65/EC as transposed in the Austrian Investment Funds Act 2011 (*Investmentfondsgesetz 2011*) and other applicable legislation of the Republic of Austria.

The Conversion funds are established (organised) and managed by KBC Investment Management EAD with headquarters and registered address in Sofia, postal code 1407, "Lozenets" district, 55, "Nikola Vaptsarov" blvd., Expo 2000, registered in the Commercial Register and the Register of Non-Profit Legal Entities at the Registry Agency ("**CRRNPLEA**") with UIC 175015558, holding a license to operate as a management company issued by Decision

No 786-UD/21.12.2005 of the FSC, and is entered in the register of management companies maintained by the FSC in accordance with Art. 30, par. 1, item 5 of the FSC Act ("**KBC Investment Management**").

"KBC Investment Management" EAD, as the management company of the Conversion Funds, has decided in accordance with Art. 143 para. 3 of the CISOU CIA to carry out the Conversion, by resolution of the Board of Directors of KBC Investment Management EAD dated 29.11.2022.

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<sup>1</sup> Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS).

## *Host fund information*

The Host Fund, UBB ExpertEase Defensive Balanced (EUR), ISIN BG9000004218, is an investment sub-fund within the meaning of Article 4(4) of the CISOU CIA of the UBB ExpertEase Umbrella Mutual Fund (the **Umbrella Fund**) organised in accordance with the CISOU CIA. The Umbrella Fund is a mutual fund within the meaning of Article 5(2) of the CISOU CIA, registered in the BULSTAT Register with UIC 177477645. The host fund is a feeder sub-fund which invests without complying with the requirements of Article 4(1)(1), Articles 38, 45, 48 and Article 49(2)(3) of the CISOU CIA at least 85% of its assets in Institutional F shares BG class in EUR of Horizon KBC ExpertEase Defensive Balanced (the "**Master Sub-Fund**"), which is an investment division of Horizon N.V. , an open-ended investment company duly incorporated and existing under the laws of Belgium with its headquarters and registered address: Havenlaan 2, B-1080, Brussels, Belgium and managed by K.B.C. Asset Management N.V. (**KBC AM**).

The Host Fund has been established (organised) in accordance with the requirements of the CISOU CIA and the relevant implementing regulations pursuant to a decision of KBC AM dated 11 August 2020, as well as resolutions dated 20.11.2020 and 11.01.2021 adopting amended and supplemented versions of the Prospectus and amended and supplemented rules and other documents of the Umbrella Fund, and decision No. 87-DF of the FSC dated 18.02.2021 granting approval of the organization and management of the Umbrella Fund and its sub-funds by KBC AM. The Host Fund shall be deemed to have been established in the Republic of Bulgaria on 18.02.2021, which is the date of registration of the Umbrella Fund and its Sub-Funds in the register referred to in Art. 30 para. 1, item 4 of the FSCA.

The Host Fund is managed by KBC Asset Management N.V. , a company incorporated under the laws of the Kingdom of Belgium with its headquarters and registered address: 1080, Havenlaan 2, B-1080, Brussels, Kingdom of Belgium, registered in the Register of Legal Entities of Brussels with identification number 0469.444.267, through KBC Asset Management N.V. – Branch ("the **Branch**"), a branch of a foreign legal entity established under the laws of Bulgaria, with its headquarters and registered address: . Sofia 1463, "Triaditsa" district, 89B Vitosha blvd., Millennium Centre, fl. 6, registered in the Commercial register and register of non-profit legal entities at the Registry Agency with UIC 205422541. The branch is entered in the register of management companies maintained by the FSC in accordance with Art. 30, par. 1, item 5 of the FSC Act, by virtue of the decision of the FSC under Protocol No. 55 of 05.07.2018.

KBC AM, in its capacity as the management company of the Host Fund, has made a decision in accordance with Art. 143 para. 3 of the CISOU CIA to carry out the Conversion, by resolution of the Executive Committee of the Board of Directors of KBC AM dated 29.11.2022.

## **2. Justification of the proposed Conversion**

### ***a) Creation of a single range of investment solutions***

The Proposed Conversion will be implemented in the context of the acquisition by KBC Group of the Raiffeisen Group's business in the Republic of Bulgaria and the completed acquisition of 100% of the shares in the capital and voting rights in the management company KBC Investment Management EAD (former name

"Raiffeisen Asset Management /Bulgaria/" EAD) by the management company KBC AM (the "**Acquisition**"), in accordance with the decision of the Financial Supervision Commission under Protocol No. 84 dated 22.11.2022, whereby the FSC did not issue a restriction on the Acquisition.

In this regard, the Conversion is intended to consolidate the asset management activities of KBC AM and KBC Investment Management in line with the business development strategy of the KBC Group in the Bulgarian market and to prepare for the full commercial and legal integration of KBC Investment Management into KBC AM, including through the integration of KBC Investment Management's operations into the Branch. This is aimed at realising intra-group synergies and providing the clients of both management companies with a single range of high quality investment solutions.

Essentially, the range of collective investment scheme shares offered by KBC AM, through the Branch, and KBC Investment Management is comparable, with both companies offering

primarily shares in feeder collective investment schemes, respectively their sub-funds, possessing graded risk characteristics and a similar investment focus, responding to the different risk appetite and investment preferences of potential investors. The main difference in the two product lines stems from the fact that while the (sub)funds offered by KBC AM, through the Branch, invest in line with the investment strategies, policies and priorities adopted by the KBC Group, incl. by investing in master (sub)funds organized and managed within the KBC Group, the funds offered by KBC Investment Management are organized in accordance with principles developed by the Raiffeisen Group, including investing in master funds organized and managed by Raiffeisen Capital Management GmbH.

This overlap of the investment products offered is undesirable and should be addressed through the Conversion as it is of a nature to prevent their successful commercialisation and to reduce the growth potential of the assets under management in the (sub)funds offered by KBC AM through the Branch. Ultimately, this would prevent the KBC Group from deploying its business strategy and potential investors from achieving an optimal investment outcome.

In planning for the Conversion, KBC AM has taken into account the following indicators to select the most suitable host (sub)fund for the Conversion Funds – similarity in investment policy, in the synthetic risk and return indicator, in the development strategy of the KBC Group and in the currency of the participating (sub)funds.

In particular, in selecting the Host Fund, KBC AM has taken into account the more defensive nature of the investment in the Conversion Funds by proposing a defensive Host Fund with a similar investment policy and a similar value of the synthetic risk and return indicator to those of the Conversion Funds, as well as the same currency of the Host Fund and the Conversion Funds.

### **b) Improving operational efficiency**

The Conversion will also contribute to reducing the fixed costs associated with the management of the Conversion Funds and the Host Fund, given that a number of fixed costs for the Conversion Funds will no longer need to be paid on an ongoing basis and will only be payable by the Host Fund.

The expenses of the Conversion Funds include:

- investment intermediary, bank, central depository, and similar fees and commissions associated with investing the assets of the Fund;
- marketing services, distribution expenses, etc;
- remuneration of the depository bank of the Conversion Fund;
- KBC Investment Management's management fee;
- accounting and auditing expenses;
- legal expenses;
- in addition, investors in the Mutual Fund indirectly bear a portion of the remuneration costs of the Master Scheme Management Company paid on behalf of the Mutual Fund as an investor in the Master Scheme.

While the costs incurred by the Host Fund are:

- fees of the servicing investment firms;
- remuneration of the depository bank of the Host Fund;
- audit fees;
- government fees;
- supervision fees and other regulatory fees paid to the Financial Supervision Commission;

- other operating fees and expenses;
- the Branch Management Fee, which is calculated and charged only on that portion of the Host Fund's assets that is invested in financial instruments other than shares issued by the Master Sub-Fund, and no such fee has been charged to date;
- the management fee of the Master Sub-Fund and its administrative expenses which are indirectly borne by the Shareholders of the Host Fund.

The above expenses are incurred on an ongoing basis by the Host Fund and the Conversion Funds and their amount depends only to a limited extent on the net asset value ("**NAV**") of the relevant (sub)fund and is usually fixed, independent of the NAV. This means that the effect of fixed charges on the return on an investment made is greater for investors in a (sub)fund with a lower NAV (such as the Conversion Funds and the Host Fund individually) and correspondingly more limited for investors in a sub-fund with a higher NAV (such as the Host Fund will be after the Conversion).

In view of the fact that the NAV of the Host Fund will increase by the NAV of the Conversion Funds on the effective date of the Conversion, the effect of the fixed expenses borne by the Host Fund on its NAV will be further reduced after the effective date of the Conversion.

In addition, the merger of the Conversion Funds into the Host Fund will combine two investment portfolios into a single operating entity and will create the conditions for more efficient use of the KBC Group's staff and technical resources in Bulgaria by reducing duplication of work processes by employees of the Branch and KBC Investment Management. This will reduce the operational risk to which the (sub)funds involved in the Conversion are exposed and improve the quality of their management.

## II. Expected impact of the proposed Conversion on Shareholders of the Conversion Funds and the Host Fund

### 1. Expected impact of the Conversion on shareholders of the Conversion Fund TF Raiffeisen (Bulgaria) Active Protection in EUR

To illustrate the expected impact of the Conversion on shareholders of **TF Raiffeisen (Bulgaria) Active Protection in EUR**, the following table compares the main parameters of the Conversion Fund and the Host Fund:

Table No.1

<b>General parameters</b>	<b>TF Raiffeisen (Bulgaria) Active Protection in EUR</b>	<b>UBB ExpertEase Dynamic Balanced (EUR)</b>
<i>Main characteristics</i>	<p>a mutual fund investing as a feeder CIS min. 85% in shares of Raiffeisen-Euro Click</p> <p>freely transferable shares with a par value of EUR 1 and identical rights, including the right to a liquidation share, the right of redemption, the right of appeal, the right to information about the fund and about the master CIS – TF "Raiffeisen-Euro-Click" daily</p> <p>determination of the NAV</p> <p>minimum investment amount – EUR 200 (EUR 30 for money market instruments), determined by the distributor KBC Bank Bulgaria EAD</p>	<p>investment sub-fund, to a mutual fund investing as a feeder CIS min. 85% in shares of the Master Sub-Fund</p> <p>freely transferable shares with a nominal value of EUR 10 and identical rights, including the right to a liquidation share, the right to redemption, the right to appeal, the right to information about the sub-fund and the Master Sub-Fund</p> <p>daily determination of NAV</p> <p>minimum investment amount of EUR 10 (EUR 10 in the case of SIP)</p>
<i>Depository bank</i>	"Allianz Bank Bulgaria AD, UIC 128001319	"United Bulgarian Bank AD, UIC 000694959
<i>Objectives and investment policy</i>	<p>shares in the Master CIS – TF Raiffeisen-Euro-Click (min. 85%), liquid assets (cash) (up to 15%);</p> <p>The Raiffeisen-Euro-Click TF invests primarily in bonds (including government securities), deposits and money market instruments (up to 100%) and to a lesser extent in equities</p> <p>In accordance with its investment policy, the Master CIS – TF Raiffeisen-Euro-Click, may invest in derivative instruments or use derivative instruments to hedge risk.</p> <p>The Raiffeisen-Euro-Click Master CIS – TF is actively managed and does not aim to follow a specific benchmark.</p>	<p>shares in the Master Sub-Fund (min. 85%), liquid assets (cash) and hedging derivatives (up to 15%);</p> <p>The Master Sub-Fund invests at a target asset allocation of 30% for the equity component and 70% for the bond component.</p> <p>The Master Sub-Fund may use both exchange-traded and OTC derivatives to achieve its investment objectives and to hedge risks.</p> <p>The Host Fund and the Master Sub-Fund do not replicate the composition of an index and are not managed using a benchmark.</p>
<i>Risk profile</i>	Global blended 'conservative' fund risk and return indicator under the KIID – <b>3 of 7</b>	global mixed "balanced" fund risk and return indicator according to the key investor information document – <b>4 of 7</b>
<i>Risk profile of the target investor</i>	Conservative Recommended retention period – 5 years	Defensive Recommended retention period – 3 years
<i>One-off costs and fees (max.)</i>	Subscription fee:..... 0.00% Redemption fee 0.00% after 1 year 0.30% up to 1 year	Subscription fee: 2.50% Redemption Fee: 0.00% after 1 month 5.00% up to 1 month

<i>Running costs and fees</i>	Running fees: 1.08%  Remuneration for results achieved: no	Running fees: 1.69%  Remuneration for results achieved: no
<i>Tax treatment of the investment</i>	No capital gains tax	No capital gains tax

No restructuring of the portfolio of TF TF Raiffeisen (Bulgaria) Active Protection in EUR is envisaged prior to the effective date of the Conversion, except for the redemption of its holdings in the Master CIS, Raiffeisen-Euro-Click, immediately prior to the effective date of the Conversion for the purpose of the technical implementation of the Conversion.

Investors holding shares in Raiffeisen (Bulgaria) Active Protection in EUR TF on the effective date of the Conversion will receive shares in the Host Fund in exchange in accordance with the determined exchange ratio, thereby becoming holders of shares in the Host Fund.

More information on the method for determining the Exchange Ratio and the schedule of the Conversion can be found in Section IV *Procedural Matters and Scheduled Effective Conversion Date* below.

### *Impact on shareholder' rights*

In substance, the Conversion will have no impact on the existing rights of shareholders in Raiffeisen (Bulgaria) Active Protection in EUR TF. The shares in the Host Fund that shareholders will receive will be freely transferable and will provide investors with the same basic rights in the Host Fund, including the right of ownership of an appropriate portion of the assets of the Hosting Fund (including the Liquidation share), the right of redemption, the right to complain and the right to information with respect to the Host Fund and the Master Sub-Fund.

### *Impact on the subscription and redemption process*

Prior to the implementation of the Conversion, investors in TF Raiffeisen (Bulgaria) Active Protection in EUR may request subscription, respectively redemption of shares in the Fund between 8:30 a.m. and 4:00 p.m. on each business day on which such activities are carried out, at the designated offices of the Distributor of the Conversion Funds, KBC Bank Bulgaria. Submitted requests are executed at the issue value, respectively redemption price, determined on the basis of NAV per share of TF Raiffeisen (Bulgaria) Active Protection EUR on the second business day following the day on which the order is submitted, in accordance with the rules for portfolio valuation and determination of the NAV of the fund and with the applicable regulations. Orders to subscribe for shares in TF Raiffeisen (Bulgaria) Active Protection in EUR, respectively to redeem shares, shall be executed within 7 days from the date of their submission. Investors may acquire both whole shares and fractional shares. The minimum investment amount in TF Raiffeisen (Bulgaria) Active Protection in EUR, as set by the Distributor of the Conversion Funds, is EUR 200 (two hundred), while the minimum investment amount in the case of an money market instruments is set at EUR 30 (thirty).

After the Conversion is completed, investors in TF Raiffeisen (Bulgaria) Active Protection in EUR who will receive in exchange shares in the Host Fund will retain the possibility to request subscription, respectively redemption, of shares in the Host Fund at the designated offices of the Distributor of the Host Fund – United Bulgarian Bank AD. Submission of requests will be available on any business day during the business hours of the Distributor of the Host Fund. Submitted requests will be executed at an issue value, or redemption price, determined on the basis of the NAV per share of the Host Fund on the Business Day following the day on which the relevant order is placed. The order for subscription of shares in the Host Fund shall be executed within 7 days from the date of its submission. The order for redemption of shares of the Host Fund shall be executed within 10 days from the date of



its submission.

Investors of the Host Fund may submit withdrawal orders until 5:00 p.m. on the same Business Day on which they submitted the subscription order or redemption order, as the case may be, after which their order becomes irrevocable, subject to applicable law. For orders placed after 5:00 p.m., cancellation orders will be accepted until 5:00 p.m. the next business day. Orders shall then be considered non-cancellable.

Subscriptions and redemptions of shares in the Host Fund may be requested on any business day, except in extraordinary circumstances where such activities are suspended in the interest of investors in the Fund. Investors may acquire both whole shares and fractional shares, which are rounded to the fourth decimal place. The minimum investment amount in the Host Fund, as determined by the Host Fund Distributor, is EUR 10 (ten) (EUR 10 (ten) if SIP has been executed).

### *Impact on the way shares are registered and held*

Shares in TF Raiffeisen (Bulgaria) Active Protection in EUR and in the Host Fund are dematerialised and registered and are registered in the central securities register maintained by the Central Depository. Shareholders' shares in the Fund are held in their sub-accounts opened in the KBC Investment Management register at the Central Depository AD.

Following the Conversion, the new shares in the Host Fund to be received by the shareholders in the TF Raiffeisen (Bulgaria) Active Protection in EUR will be recorded in their sub-accounts opened in the register of the Distributor of the Host Fund -

“United Bulgarian Bank AD, in the Central Depository AD.

### *Impact on the manner and periodicity of information provision*

No changes are envisaged to the type and frequency of information provided to shareholders by KBC AM, through the Branch and the Distributor of the Host Fund, and semi-annual and annual financial statements of the Umbrella Fund, which also contain information on the Host Fund, will be disclosed to the Umbrella Fund Horizon N.V. , which also contain information about the Master Sub-Fund, and other statutory information in accordance with the requirements of the Collective Investment Schemes and Other Undertakings for Collective Investments Act and its implementing regulations.

Notwithstanding the foregoing, there will be certain changes in the manner in which information is provided to shareholders.

In particular, information about the Host Fund will be published in Bulgarian on the websites of the Branch – [www.ubbam.bg](http://www.ubbam.bg), (*ExpertEase Strategies*), and of the Host Fund Distributor – [www.ubb.bg](http://www.ubb.bg) (*Individual Clients, Savings and Investments, Mutual Fund Investments, Multidimensional*), and that for the Master Sub-Fund will be available in English and Dutch on the KBC Group website at <https://www.kbc.be/retail/en/legal-information/investment-legal-documents.html?zone=breadcrumb>.

Information about the Host Fund and the Master Sub-Fund will be available free of charge and on request on paper during normal business hours with customers of the offices of UBB AD designated for subscription and redemption of Units in the Host Fund.

### *Impact on asset holding*

The depository bank of the Host Fund is different from that of the Conversion Funds and the assets of the Host Fund will be held by United Bulgarian Bank AD, UIC 000694959.

### *Impact on the investment policy and risk profile of the investment*

The Conversion Fund TF Raiffeisen (Bulgaria) Active Protection in EUR invests at least 85% of its assets in Raiffeisen-Euro-Click, which invests in a hedging component (mainly deposits, money market instruments, bonds, money market funds and/or funds investing in bonds) and a yield generating component (mainly bonds, funds investing in bonds, shares and/or funds investing in shares). Raiffeisen-Euro-Click may reduce up to

zero the share of the yield-generating component as a proportion of its total assets.

The Host Fund invests at least 85% of its assets in the Master Sub-Fund, which invests directly and indirectly in equities and/or equity-linked investments, bonds and/or bond-linked investments, money market instruments, cash and cash equivalents and/or alternative investments, subject to a target asset allocation of the Master Sub-Fund of 30% for the equity component and 70% for the bond component and a maximum equity component of 45%.

In addition, both TF Raiffeisen (Bulgaria) Active Protection in EUR and the Host Fund may hold up to 15% of their assets in liquid assets (cash), and the Host Fund may also hold limited positions in derivatives (e.g. futures) to hedge market risk.

In view of the above, the investment policies of Raiffeisen (Bulgaria) Active Protection Euro and the Host Fund are comparable, it may be noted that the investment policy of the Host Fund allows for a relatively higher proportion of investments in equities than that of Raiffeisen (Bulgaria) Active Protection in EUR.

In this regard, the risk profile of the investment remains similar, with the synthetic risk and return indicator set out in the Key Investor Information Document ("KIID") of the Host Fund being one notch higher than the value set out in the KIID of the Conversion Fund – a 4<sup>th</sup> versus a 3<sup>rd</sup> on the 7-point scale of the indicator.

No change is envisaged in the way in which any accrued income in the Host Fund will be treated versus the Conversion Fund, as it will be reinvested in accordance with the Host Fund's investment policy.

### *Impact on costs and fees associated with the investment*

The Conversion Fund, TF Raiffeisen (Bulgaria) Active Protection in EUR, does not provide for a subscription fee, whereas the Host Fund provides for a maximum subscription fee of 2.50%. Both the TF Raiffeisen (Bulgaria) Active Protection in EUR and the Host Fund provide for a redemption fee within a certain period after the investment. The redemption fee of TF Raiffeisen (Bulgaria) Active Protection in EUR is up to 0.30% for an investment term of less than one year, and there is no redemption fee after the first year of the investment. At the same time, the Host Fund provides for a higher redemption fee (up to 5.00%), but for a significantly shorter period (one month of investment versus one year for the Conversion Fund), and there is no redemption fee after that period.

The amount of current expenses, including the management fee, of the Host Fund is higher than that of TF Raiffeisen (Bulgaria) Active Protection in EUR (1.69% vs. 1.08%). This is linked to the investment policy of the Master Sub-Fund, which, although a mixed balanced fund with a similar risk profile to the Conversion Fund, allows for the inclusion of higher yielding exposures. As such, they are also more volatile and their risk management requires a more proactive approach, and accordingly higher costs borne by the Host Fund and indirectly by Shareholders in it.

## **2. Expected impact of the Conversion on shareholders of TF Raiffeisen (Bulgaria) Global Mix**

To illustrate the expected impact of the Conversion on shareholders of the **TF "Raiffeisen (Bulgaria) Global Mix"**, the following table compares the key parameters of the Conversion Fund and the Host Fund:

*Table No.2*

<b>General parameters</b>	<b>TF Raiffeisen (Bulgaria) Global Mix</b>	<b>UBB ExpertEase Dynamic Balanced (EUR)</b>
<i>General</i>	a mutual fund investing as a feeder CIS min. 85% in shares of TF Raiffeisen	investment sub-fund to a mutual fund investing as a feeder CIS min. 85% в

<i>features</i>	<p>Security"</p> <p>freely transferable shares with a par value of EUR 1 and identical rights, including the right to a liquidation share, the right of redemption, the right of appeal, the right to information about the fund and about the master CIS – TF "Raiffeisen Security" daily</p> <p>determination of NAV</p> <p>minimum investment amount determined by the Distributor KBC Bank Bulgaria EAD – EUR 200 (EUR 30 in the case of money market instruments)</p>	<p>shares of the Master Sub-Fund</p> <p>freely transferable shares with a par value of EUR 10 and equal rights, including the right to a liquidation share, the right of redemption, the right of appeal, the right to information</p> <p>daily determination of NAV</p> <p>minimum investment amount of EUR 10 (EUR 10 in the case of SIP)</p>
<i>Depository bank</i>	"Allianz Bank Bulgaria AD, UIC 128001319	"United Bulgarian Bank AD, UIC 000694959
<i>Objectives and investment policy</i>	<p>shares in the Master CIS – TF Raiffeisen Security (min. 85%), liquid assets (cash) (up to 15%);</p> <p>The Master CIS – TF Raiffeisen Security invests at least 51% of its assets in shares of investment funds. Fund shares investing in equities may not exceed 35% of fund assets.</p> <p>The Master CIS – TF Raiffeisen Security, is actively managed and involves the use of a benchmark (see above). The use of a benchmark does not limit the scope of fund management.</p> <p>As part of its investment strategy, the Master CIS – TF, Raiffeisen Security may invest primarily in derivative instruments (in respect of the associated risk) and use derivative instruments for hedging.</p>	<p>shares in the Master Sub-Fund (min. 85%), liquid assets (cash) and hedging derivatives (up to 15%);</p> <p>The Master Sub-Fund invests at a target asset allocation of 30% for the equity component and 70% for the bond component.</p> <p>The Master Sub-Fund may use both exchange-traded and OTC derivatives to achieve its investment objectives and to hedge risks.</p> <p>The Host Fund and the Master Sub-Fund do not replicate the composition of an index and are not managed using a benchmark.</p>
<i>Risk profile</i>	<p>global mixed "balanced" fund risk and return indicator according to the key investor information document</p> <p>– <b>3 of 7</b></p>	<p>global mixed "balanced" fund risk and return indicator according to the key investor information document</p> <p>– <b>4 of 7</b></p>
<i>Risk profile of the target investor</i>	<p>Conservative</p> <p>Recommended retention period – 5 years</p>	<p>Defensive</p> <p>Recommended retention period – 3 years</p>
<i>One-off costs and fees (max.)</i>	<p>Subscription fee:..... 0.00%</p> <p>Redemption Fee: 0.00% after 1 year</p> <p>0.50% up to 1 year</p>	<p>Subscription fee: 2.50%</p> <p>Redemption Fee: 0.00% after 1 month</p> <p>5.00% up to 1 month</p>
<i>Running costs and fees</i>	<p>Running fees: 1.45%</p> <p>Remuneration for results achieved: no</p>	<p>Running fees: 1.69%</p> <p>Remuneration for results achieved: no</p>
<i>Tax treatment of the investment</i>	No capital gains tax	No capital gains tax

Prior to the effective date of the Conversion, no restructuring of Raiffeisen (Bulgaria) Global Mix Fund's portfolio is envisaged, except for the repurchase of its holdings in the master CIS, Raiffeisen Security, immediately prior to the effective date of the Conversion for the purpose of the technical implementation of the Conversion.

Investors holding shares in TF Raiffeisen (Bulgaria) Global Mix as at the effective date of the Conversion will receive in exchange shares in the Host Fund in

accordance with the specified exchange ratio, and will thereby become holders of shares in the Host Fund.

More information on the method for determining the Exchange Ratio and the schedule of the Conversion can be found in Section IV *Procedural Matters and Scheduled Effective Conversion Date* below.

### *Impact on shareholder' rights*

In substance, the Conversion will have no impact on the existing rights of Shareholders in TF Raiffeisen (Bulgaria) Global Mix. The shares in the Host Fund that shareholders will receive will be freely transferable and will provide investors with the same basic rights in the Host Fund, including the right of ownership of an appropriate portion of the assets of the Hosting Fund (including the Liquidation share), the right of redemption, the right to complain and the right to information with respect to the Host Fund and the Master Sub-Fund.

### *Impact on the subscription and redemption process*

Prior to the implementation of the Conversion, investors in TF Raiffeisen (Bulgaria) Global Mix may request subscription for, or redemption of, shares in the Fund between 8:30 a.m. and 4:00 p.m. on any business day on which such activities are carried out at the designated offices of the Distributor of the Conversion Funds, KBC Bank Bulgaria EAD. Submitted orders are executed at the issue value, respectively redemption price, determined on the basis of NAV per TF Raiffeisen (Bulgaria) Global Mix share on the second business day following the day of order submission, in accordance with the rules for portfolio valuation and determination of the NAV of the Fund and with the applicable regulations. Orders to subscribe for shares in the Conversion fund or to redeem shares, as the case may be, shall be executed within 7 days from the date of their submission. Investors may acquire both whole shares and fractional shares. The minimum investment amount in the Fund, as determined by the Conversion Funds Distributor, is EUR 200 (two hundred), while the minimum investment amount in the case of the money market instruments is set at EUR 30 (thirty).

Following the Conversion, investors in TF Raiffeisen (Bulgaria) Global Mix who will receive in exchange shares in the Host Fund will retain the option to request subscription for, or redemption of, shares in the Host Fund at the designated offices of the Host Fund Distributor, United Bulgarian Bank AD. Submission of requests will be available on any business day during the business hours of the Distributor of the Host Fund. Submitted requests will be executed at an issue value, or redemption price, determined on the basis of the NAV per share of the Host Fund on the Business Day following the day on which the relevant order is placed. The order for subscription of shares in the Host Fund shall be executed within 7 days from the date of its submission. The order for redemption of the Host Fund Shares shall be executed within 10 days from the date of its submission.

Investors of the Host Fund may submit withdrawal orders until 5:00 p.m. on the same Business Day on which they submitted the subscription order or redemption order, as the case may be, after which their order becomes irrevocable, subject to applicable law. For orders placed after 5:00 p.m., cancellation orders will be accepted until 5:00 p.m. the next business day. Orders shall then be considered non-cancellable.

Subscriptions and redemptions of shares in the Host Fund may be requested on any business day, except in extraordinary circumstances where such activities are suspended in the interest of investors in the Fund. Investors may acquire both whole shares and fractional shares, which are rounded to the fourth decimal place. The minimum investment amount in the Host Fund, as determined by the Host Fund Distributor, is EUR 10 (ten) (EUR 10 (ten) if SIP has been executed).

### *Impact on the way shares are registered and held*

Shares in TF Raiffeisen (Bulgaria) Global Mix and the Host are book-entry and

registered and are registered in the central securities register maintained by the Central Depository AD. The shares of the Shareholders in the Conversion Fund are held in their sub-accounts opened in the KBC Investment Management Register at the Central Securities Depository AD.

Following the Conversion, the new shares in the Host Fund to be received by the shareholders in TF Raiffeisen (Bulgaria) Global Mix will be recorded in their sub-accounts opened in the register of the Distributor of the Host Fund – the “United Bulgarian Bank AD, in the Central Depository AD.

### *Impact on the manner and periodicity of information provision*

No changes are envisaged to the type and frequency of information provided to shareholders by KBC AM, through the Branch and the Distributor of the Host Fund, and semi-annual and annual financial statements of the Umbrella Fund, which also contain information on the Host Fund, will be disclosed to the Umbrella Fund Horizon N.V. , which also contain information about the Master Sub-Fund, and other statutory information in accordance with the requirements of the Collective Investment Schemes and Other Undertakings for Collective Investments Act and its implementing regulations.

Notwithstanding the foregoing, there will be certain changes in the manner in which information is provided to shareholders.

In particular, information about the Host Fund will be published in Bulgarian on the websites of the Branch – [www.ubbam.bg](http://www.ubbam.bg), (*ExpertEase Strategies*), and of the Host Fund Distributor – [www.ubb.bg](http://www.ubb.bg) (*Individual Clients, Savings and Investments, Mutual Fund Investments, Multidimensional*), and that for the Master Sub-Fund will be available in English and Dutch on the KBC Group website at <https://www.kbc.be/retail/en/legal-information/investment-legal-documents.html?zone=breadcrumb>.

Information about the Host Fund and the Master Sub-Fund will be available free of charge and on request on paper during normal business hours with customers of the offices of UBB AD designated for subscription and redemption of Units in the Host Fund.

### *Impact on asset holding*

The depository bank of the Host Fund is different from that of the Conversion Funds and the assets of the Host Fund will be held by United Bulgarian Bank AD, UIC 000694959.

### *Impact on the investment policy and risk profile of the investment*

The Conversion Fund TF Raiffeisen (Bulgaria) Global Mix invests at least 85% of its assets in the Raiffeisen Security Master CIS, which invests at least 51% of its assets in shares of debt and equity investment instruments. The share of funds investing in equity instruments may not exceed 35% of the assets of the Master CIS.

The Host Fund invests at least 85% of its assets in the Master Sub-Fund, which invests directly and indirectly in equities and/or equity-linked investments, bonds and/or bond-linked investments, money market instruments, cash and cash equivalents and/or alternative investments, subject to a target asset allocation of the Master Sub-Fund of 30% for the equity component and 70% for the bond component and a maximum equity component of 45%.

In addition, both TF Raiffeisen (Bulgaria) Active Protection in EUR and the Host Fund may hold up to 15% of their assets in liquid assets (cash), and the Host Fund may also hold limited positions in derivatives (e.g. futures) to hedge market risk.

In view of the above, the investment policies of TF Raiffeisen (Bulgaria) Active Protection in EUR and the Host Fund are similar and it may be noted that the investment policy of the Host Fund allows for a relatively higher proportion of investments in equity instruments compared to that of TF Raiffeisen (Bulgaria) Active Protection in EUR.

In this respect, the risk profile of the investment remains similar, with the synthetic risk and return indicator set out in the Host Fund's KIID being one notch higher than the value set out in the Conversion Fund's KIID – 4<sup>th</sup> versus 3<sup>rd</sup> on the indicator's 7-point scale.

No change is envisaged in the way in which any accrued income in the Host Fund will be treated versus the Conversion Fund, as it will be reinvested in accordance with the Host Fund's investment policy.

#### *Impact on costs and fees associated with the investment*

The Conversion Fund, Raiffeisen (Bulgaria) Global Mix, does not provide for a subscription fee, whereas the Host Fund provides for a maximum subscription fee of 2.50%. Both the TF Raiffeisen (Bulgaria) Global Mix and the Host Fund provide for a redemption fee at a specified time after the investment. TF Raiffeisen (Bulgaria) Global Mix's redemption fee is up to 0.50% for an investment term of less than one year, and there is no redemption fee after the first year of the investment. At the same time, the Host Fund provides for a higher redemption fee (up to 5.00%), but for a significantly shorter period (one month of investment versus one year for the Conversion Fund), and there is no redemption fee after that period.

The amount of the Host Fund's ongoing expenses, including the management fee, is similar, although higher than that of TF Raiffeisen (Bulgaria) Global Mix (1.69% versus 1.45%).

### **3. Estimated impact of the Conversion on shareholders of the Host Fund – UBB ExpertEase Defensive Balanced (EUR) Investment Sub-Fund**

No restructuring of the portfolio of the Host Fund is envisaged before or after the implementation of the Conversion. The Conversion is not expected to have any impact on Shareholders in the Host Fund and their investment in the Host Fund.

### III. Specific rights of shareholders in respect of the proposed conversion

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#### 1. Right of redemption in connection with the Conversion

In connection with the consummation of the Conversion, Shareholders will have the right, within 45 days after the date of publication of this document (the "**Notice to Shareholders**") on the web pages specified in Section IV, Par. 1 below (the "**Redemption Period**"), to request redemption of their Shares from the Conversion Funds, or the Host Fund, as applicable, without paying any expenses, other than those related to covering early termination expenses, in order to free up funds to satisfy redemption requests. KBC Investment Management, with respect to the Conversion Funds, and KBC AM, with respect to the Host Fund, will set these expenses equal to the applicable redemption fee for shares in the Conversion Funds and the Host Fund, respectively, to the extent such fee is available (information on applicable redemption fees can be found in the section on each fund participating in the Conversion in Section II above).

**Shareholders' redemption rights may be exercised within 45 days\* after the date of publication of this Information Document and will terminate on 17 March 2023, which date falls 6 Business Days before the date for calculating the Exchange Ratio in connection with the Conversion. The Redemption Right shall terminate upon the expiry of the Redemption Period.**

Redemption Orders will be accepted on each Business Day up to and including **17 March 2023**. Investors in the Conversion Funds may request redemption of Shares in the Fund between 8:30 a.m. and 4:00 p.m. on any Business Day on which such activities are conducted at the designated offices of the Distributor of the Conversion Funds, KBC Bank Bulgaria EAD. Investors in the Host Fund may request redemption of shares in the Fund between 8:30 a.m. and 5:00 p.m. at the designated offices of the distributor of the Host Fund, United Bulgarian Bank AD.

It is not intended that Shareholders in the Conversion Funds and in the Host Fund may request conversion of their Shares into Shares of another CIS with similar investment objectives managed by the Host Fund's Management Company or by another company with which it is affiliated by common management or control or by substantial direct or indirect participation.

#### 2. Right to receive further information about the Conversion

All interested persons, including Shareholders in the Conversion Funds, Shareholders in the Host Fund or potential investors in Units of the Host Fund, can obtain further information in relation to the Conversion and the Host Fund on the Branch's website – [www.ubbam.bg](http://www.ubbam.bg), News section of the KBC Investment Management website, [www.kbcinvestment.bg](http://www.kbcinvestment.bg), in the section "News and Media Center" with respect to the Conversion Funds and on the websites of the Distributor of the Conversion Funds, [www.kbcbank.bg](http://www.kbcbank.bg), in the section "About Us" – "News", and the Host Fund Distributor, [www.ubb.bg](http://www.ubb.bg), in the section "About UBB" - "News", and at the offices of the Distributor of the Conversion Funds and the Distributor of the Host Fund, where shares of respectively

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\* The redemption period of 45 days has been established to allow sufficient time for notice of the Conversion to be given to all Shareholders, including by the mailing of letters with return receipt requested, thereby ensuring that the redemption right referred to above may be exercised by any Shareholder in a period of at least 30 days prior to the expiration of such period. KBC Investment Management and KBC AM set a time limit of 15 days for the completion of the notification taking into account the standard delivery times for domestic mail shipments according to . [GTC](#) Of Bulgarian Post EAD, which the Management Companies consider to be the standard for this service.

Conversion Funds and the Host Fund.

Interested persons may obtain a list of the offices of the Distributor of the Host Fund at which shares of the Host Fund are offered and their addresses from the contact centre of the Distributor of the Host Fund by calling 0700 117 17. Interested persons may obtain a list of the offices of the Distributor of the Conversion Funds where shares of the Conversion Funds are offered and their addresses at the following internet address: <https://www.kbcbank.bg/bg/ofisi-bankomati/>.

At the above locations, interested persons may inspect and obtain/download a copy of the Host Fund's Key Information Document and the Master Sub-Fund's Key Information Document (in English) free of charge.

In addition, interested persons may also inspect the information contained in this Notice to Shareholders and the attached KIID of the Host Fund, as well as to download from the websites of the Branch and KBC Investment Management, free of charge, an electronic copy of the Notice to Shareholders and the accompanying KIID of the Host Fund, or to obtain a paper copy free of charge from the offices of the Distributor of the Conversion Funds and the Distributor of the Host Fund, respectively.

### 3. Right to receive a copy of the auditor's report

Pursuant to Article 150, para. 1 of the CISOUICIA, certain parameters of the Conversion are subject to review by a registered auditor under the Independent Financial Audit Act. In this regard, the verification of the Conversion, to the extent required under Art. 150 para. 1 of the CISOUICIA, has been entrusted to the audit firm Mazars OOD, UIC 204638408, registered with the Institute of Chartered Certified Accountants with registration No. 169 (the "**Inspecting Auditor**").

Subject to the requirements of the applicable law, the Inspecting Auditor shall verify the following parameters of the Conversion:

- The criteria adopted for the valuation of the assets and liabilities at the date of calculation of the replacement ratio;
- the method used to calculate the replacement ratio and the actual replacement ratio calculated at the date of calculation of the replacement ratio.

As a result of the verification, the verifying auditor shall prepare a report setting out the results of the verification. A copy of the report prepared shall be made available to the Financial Supervision Commission and shall be made available free of charge upon request to Shareholders in the Conversion Funds and in the Host Fund in accordance with the preceding paragraph.



## IV. Procedural matters and intended effective date of Conversion

### 1. Provision of information to shareholders and redemption rights

Following receipt of the FSC's approval to implement the Conversion, the management companies of the Conversion Funds and the Host Fund have prepared a final timetable of the steps to implement the Conversion and have published a Notice to Shareholders of the Conversion Funds and the Host Fund in the form of this Information Document. In this regard, Shareholders of the Funds participating in the Conversion may find a table containing the timetable for the implementation of the Conversion in paragraph 7 below. Also attached to this Notice to Shareholders is the key investor information document for the Host Fund.

This Information Document was posted on the Branch's website, [www.ubbam.bg](http://www.ubbam.bg), in the section "News", on the Host Fund Distributor's website, [www.ubb.bg](http://www.ubb.bg), in the section "About UBB" – "News", and on KBC Investment Management's website, [www.kbcinvestment.bg](http://www.kbcinvestment.bg), in the section "News and Media Centre", and the Conversion Fund Distributor's website, [www.kbcbank.bg](http://www.kbcbank.bg), in the section "About Us" – "News" on 31 January 2023.

### 2. Redemption Period in Connection with the Conversion

The Shareholders' redemption right referred to in Section III(1) above may be exercised within 45 days after the date of publication of this Information Document in accordance with the preceding paragraph and will terminate on **17 March 2023**, which date falls 6 Business Days before the date for calculating the Exchange Ratio in connection with the Conversion.

### 3. Dates of final suspension of the issue and redemption of Shares by the Conversion Funds and of suspension of the issue and redemption of Shares by the Host Fund

On **1 February 2023**, being the date that is the first Business Day following the date of publication of this Information Document on the websites referred to in paragraph 1 above, KBC Investment Management will permanently suspend the issue of Shares in the Conversion Funds and instruct the Distributor of the Conversion Funds to suspend the offer of Shares in the Conversion Funds.

On **20 March 2023**, which date is the first business day following the expiration of the Redemption Period (the "**Suspension Date**"), KBC Investment Management will permanently suspend the issuance and redemption of Shares in the Conversion Funds and KBC AM, through the Branch, will temporarily suspend the issuance and redemption of Shares in the Host Fund.

In this regard, on the Suspension Date, KBC Investment Management will instruct the Distributor of the Conversion Funds to permanently suspend the redemption of shares of the Conversion Funds and KBC AM, through the Branch, will instruct the Host Fund Distributor to suspend both the offering and redemption of Host Fund Shares and accordingly resume the issuance and redemption of Host Fund Shares on the first Business Day following the effective date of the Conversion.

The issue and redemption of Shares in the Host Fund will resume on the first Business Day following the effective date of the Conversion, **30 March 2023**.

### 4. Date of calculation of the Exchange Ratio

The Exchange Ratio Calculation Date will be on **27 March 2023**, which date falls 6 Business Days after the Redemption Period. On this date the

Exchange Ratio as the ratio of the NAV per Share in each of the Conversion Funds to the NAV per Share in the Host Fund determined on the basis of data for the day falling two Business Days prior to the date of calculation of the Exchange Ratio (the "**Reference Date**").

The number of Shares in the Host Fund that each Shareholder in the Conversion Funds will receive on the effective date of the Conversion will be calculated in accordance with the following formula:

$$A = B \times (C / D), \text{ where:}$$

**A** = number of new shares in the Host Fund

**B** = number of Shares held in the Conversion Fund

**C** = NAV per share in the Conversion Fund\*

**D** = NAV per share in the Host Fund\*\*

\* Determined on the date of calculation of the replacement ratio based on data for the Reference Date.

\*\* Determined on the business day preceding the date of calculation of the replacement ratio based on data for the Reference Date.

The Exchange Ratio will be rounded to the sixth decimal place and the number of Shares in the Host Fund will be rounded to the fourth decimal place. It is therefore not necessary or intended to make any cash payments to Shareholders in order to achieve an equivalent Exchange Ratio in the Conversion.

The table below sets out **Example 1** for determining the Exchange Ratio and the number of Shares in the Host Fund that would be received by an investor holding 1,312 Shares in the TF Raiffeisen (Bulgaria) Active Protection in EUR if 07.10.2022 is taken as the hypothetical date of calculation of the Exchange Ratio and 05.10.2022 is accordingly taken as the Reference Date for the purposes of the example:

Table No.3

<b>Number of shares in the TF Raiffeisen (Bulgaria) Active Protection in EUR</b>	<b>B = 1312 shares</b>
<b>NAV per share in TF Raiffeisen (Bulgaria) Active Protection in EUR on 07.10.2022 based on data for 05.10.2022.</b>	<b>C = EUR 1,1031</b>
<b>NAV per share in the Host Fund on 06.10.2022 based on 05.10.2022 information.</b>	<b>D = EUR 9,3629</b>
<b>Exchange ratio</b>	<b>C / D = 0,117816</b>
<b>Number of shares in the Host Fund</b>	<b>A = B x (C / D)</b> 1312 x 0,117816 <b>154,5746 shares</b>

The table below sets out **Example 2** for determining the Exchange Ratio and the number of Shares in the Host Fund that would be received by an investor holding 1 312 Shares in TF Raiffeisen (Bulgaria) Global Mix if 07.10.2022 is taken as the *hypothetical* date of calculation of the Exchange Ratio and 05.10.2022 is accordingly taken as the Reference Date for the purposes of the example:

Table No.4

<b>Number of shares in the TF Raiffeisen (Bulgaria) Global Mix</b>	<b>B = 1312 shares</b>
<b>NAV per share in TF Raiffeisen (Bulgaria) Global Mix on 07.10.2022 based on data for 05.10.2022.</b>	<b>C = EUR 0,9745</b>
<b>NAV per share in the Host Fund on 06.10.2022 based on 05.10.2022 information.</b>	<b>D = EUR 9,3629</b>
<b>Exchange ratio</b>	<b>C / D = 0,104081</b>
<b>Number of shares in the Host Fund</b>	<b>A = B x (C / D)</b> 1312 x 0,104081 <b>136,5543 shares</b>

## 5. Effective conversion date

The effective date of the Conversion (the "**Effective Date**") will be on 29.03.2023, which date falls on the second Business Day following the date of calculation of the Exchange Ratio, i.e. 8 Business Days after the expiry of the Redemption Period.

The Effective Date is the date on which the Conversion becomes effective and pursuant to Article 154, para. 4 of the CISOUCA, the Conversion cannot be declared null and void after such date. Accordingly, on the Effective Date, all of the assets and liabilities of the Conversion Funds will be transferred to the Host Fund, in exchange for which Shareholders in the Conversion Funds will receive an attributable number of whole and fractional Shares in the Host Fund as the value of the fractional Shares, if applicable, will be rounded to the fourth decimal place in accordance with the determined exchange ratio (more information on how the number of shares in the Host Fund that each investor in the Conversion Funds will receive will be determined can be found in item 4 above).

As a result of the Conversion, upon the Effective Date, the Conversion Funds will cease to exist without liquidation.

Upon the occurrence of the Effective Date, KIC Investment Management and the Branch will post an announcement on their websites (the "**Conversion Notice**") to publicly announce the effectiveness of the Conversion. The Conversion Notice will set out information about the Effective Date on which the Conversion is effective and the actions taken to transfer the assets and liabilities of the Conversion Funds to the Host Fund and to make Shares of the Host Fund available to Shareholders in the Conversion Funds.

Simultaneously with the publication of the Conversion Notice, the Branch will notify the Financial Supervision Commission of the occurrence of the Effective Date and the giving effect to the Conversion.

On the Effective Date, after giving effect to the Conversion and the transfer of the assets and liabilities of the Conversion Funds to the Host Fund, the Branch will notify the Host Fund's depository bank, UBB, in writing of the completion of the transfer of the assets and liabilities of the Conversion Funds to the Host Fund.

In addition, on the Effective Date, the necessary applications will be made to the Central Securities Depository AD for deregistration (deregistration) from the central securities register of the Conversion Funds and the issue of Shares issued by it and for the issue of a deed of registration in respect of the issue of Shares of the Host Fund evidencing the delivery of the relevant number of New Shares of the Host Fund to the Shareholders in the Conversion Funds.

Within seven days from the Effective Date, the removal of the Conversion Funds from the register maintained by the FSC under Art. 30, para. 1, item 4 of the FSC Act, and in this regard it will be provided with a de-registration certificate for the Conversion Funds and the issue of Shares issued by it and a registration certificate in respect of the issue of Shares of the Host Fund containing details of the Shares in the Host Fund issued by Central Depository AD to the Shareholders of the Conversion Funds. Within the same period, the Branch will provide a final Auditor's Report to the FSC.

Following the deregistration of the Conversion Funds from the register maintained by the FSC under Art. 30, para. 1, item 4 of the FCS Act, the deletion of the Conversion Funds from the register of the BULSTAT will also be requested.

Shareholders in the Conversion Funds will be able to exercise all their rights as Shareholders in the Host Fund, including the right to redeem, as of the first business day following the effective date of the Conversion, **30 March 2023**, on which date the issuance and redemption of Shares in the Host Fund will resume.

## 6. Expenses to Shareholders in connection with the Conversion

No additional costs are expected to be incurred by Shareholders in the Conversion Funds and the Host Fund in connection with the Conversion.

Shareholders will have the opportunity during the Redemption Period to direct the redemption of their Shares in the Conversion Funds and the Host Fund, respectively, without incurring any additional expenses, other than those related to covering the costs of early termination of investments to release funds to satisfy redemption requests, which are set equal to the applicable redemption fee for Shares in the Conversion Funds and the Host Fund, respectively, to the extent such fee is available.

In addition, it should be borne in mind that, pursuant to Article 153 of the CISOUICIA, the legal, advisory and administrative expenses incurred in connection with the preparation and implementation of the Conversion shall not be borne by the Conversion Funds and the Host Fund or their Shareholders.

All such costs in connection with the Conversion will therefore be borne by the Branch.

## 7. Schedule for implementation of the Conversion

Table No.5

	<b>Event</b>	<b>Date</b>
1.	Issuance of authorisation to carry out the Conversion by the Financial Supervision Commission	<b>05.01.2023</b>
2.	Publication of the Notice to Shareholders Dispatch of notices to Shareholders in the Conversion Funds and the Host Fund Commencement of redemption period	<b>31.01.2023</b>
3.	Final suspension of the issue of Shares in the Conversion Funds	<b>01.02.2023</b>

4.	End of Redemption Period	<b>17.03.2023</b>
5.	Final suspension of redemption of Shares in the Conversion Funds and suspension of issuance and redemption of Shares in the Host Fund	<b>20.03.2023</b>
6.	Date of calculation of exchange ratio	<b>27.03.2023</b>
7.	Effective conversion date Publication of a notice disclosing the effectiveness of the Conversion Submission of applications to the Central Depository AD for deregistration from the central securities register of the Conversion Fund and the issue of Shares by it and for the issue of a deed of registration in respect of the issue of Shares of the Host Fund	<b>29.03.2023</b>
8.	Resumption of the issue and redemption of Shares in the Host Fund	<b>30.03.2023</b>
9.	Submission of an application to the FSC for deregistration of the Conversion Funds from the register maintained by the FSC pursuant to Article 30, para. 1, item 4 of the FSC Act	<b>by 05.04.2023</b>