

## Information for shareholders

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with regard to the merger of the Mutual Fund Raiffeisen (Bulgaria) Global Balanced Fund” into the investment sub-fund "UBB ExpertEase Dynamic Balanced Responsible Investing" to the umbrella mutual fund "UBB ExpertEase”

This information document has been prepared in accordance with the requirements of Article 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 the mutual fund "*Raiffeisen (Bulgaria) Global Growth Fund*" (the "**Conversion Fund**") into an investment sub-fund "*UBB ExpertEase Highly Dynamic Balanced Responsible Investing*" (former "*UBB ExpertEase SRI Dynamic Balanced*") under an Umbrella Mutual Fund.

"*UBB ExpertEase*" (the "**Host Fund**")

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

31.01.2023

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# I. Circumstances and rationale

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

The Conversion will be carried out pursuant to Article 141 paragraph 1, proposal 2 of the CISOU CIA by merging the Conversion Fund, the Mutual “Raiffeisen (Bulgaria) Global Balanced Fund”, into the Host Fund, the “UBB ExpertEase Dynamic Balanced Responsible Investing” Sub-Fund (former “UBB ExpertEase SRI Dynamic Balanced”), to the UBB ExpertEase Umbrella Mutual Fund.

As a result of the Conversion, the Conversion Fund 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 Fund on the terms and conditions described in this document.

### *Information on the Conversion Fund*

The Conversion “Raiffeisen (Bulgaria) Global Balanced” Fund is a mutual fund within the meaning of Article 5, paragraph 2 of CISOU CIA, registered in the BULSTAT Register with UIC 177237269. The fund is established (organised) by its entry in the register of collective investment schemes under Article 30, paragraph 1, item 4 of the Financial Supervision Commission Act (“FSCA”) on the basis of Decision No. 1529- DF/11.12.2017 of the Financial Supervision Commission (“FSC”).

The Conversion fund is 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 Article 30, paragraph 1, item 5 of the FSC Act (“KBC Investment Management”).

The Conversion Fund is a feeder CIS within the meaning of Article 67 of CISOU CIA which invests at least 85% of its assets in shares class RZ of Raiffeisenfonds- Ertrag (RZ) (the “Master Fund”). The Master Fund is an open-ended investment fund organised and managed by the Austrian management company 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.

“KBC Investment Management” EAD, as the management company of the Conversion Fund, has decided in accordance with Article 143 paragraph 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.

### *Host fund information*

The Host Fund – “UBB ExpertEase Dynamic Balanced Responsible Investing” (former “UBB ExpertEase SRI Dynamic Balanced”), ISIN BG9000003228, is an investment sub-fund within the meaning of Article 4, paragraph 4 of CISOU CIA of the “UBB ExpertEase” Umbrella Mutual Fund (the “Umbrella Fund”). The Umbrella Fund is a mutual fund within the meaning of Article 5(2) of the UCITS Act, registered in the BULSTAT Register with UIC 177477645. The Host Fund is a feeder sub-fund that invests without complying with the requirements of Article 4, paragraph 1, item 1, Article 38, 45, 48 and Article 49, paragraph 2, item 3 of CISOU CIA, at least 85% of its assets in Horizon KBC ExpertEase Dynamic Balanced Responsible Investing Institutional F shares BG class (the “Master Sub-Fund”), which is an investment

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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).

division of "Horizon N.V.", an open-ended investment company duly incorporated and existing under the laws of Belgium with its registered office and registered address: Havenlaan 2, B-1080, Brussels, Belgium and managed by K.B.C. Asset Management N.V. (KBC Asset Management N.V.) ('**KBC AM**').

The Host Fund is managed by KBC AM, a company incorporated under the laws of the Kingdom of Belgium with its registered office 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 registered office 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 Article 30, paragraph 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 Article 143 paragraph 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 considered the following indicators in selecting the most appropriate host (sub)fund for the Conversion Fund – 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 similar value of the synthetic risk and return indicator of the Host Fund and the Conversion Fund, their similar currency and the possibility of developing the responsible investing strategy of the KBC Group.

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

The Conversion will also contribute to reducing the fixed costs associated with the management of the Conversion Fund and the Host Fund, given that a number of fixed costs for the Conversion Fund 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 Fund 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, the investors in the Mutual Fund indirectly bear part of the remuneration costs of the management company of the Master Fund paid on behalf of the Conversion Fund as an investor in the Master Fund.

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 Fund 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 Fund 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 Fund 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 Conversion date.

In addition, the merger of the Conversion Fund 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 in the Conversion Fund – “Raiffeisen (Bulgaria) Global Balanced”

To illustrate the expected impact of the Conversion on shareholders of **TF Raiffeisen (Bulgaria) Global Balanced Fund**, 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) Global Balanced Fund”</b>	<b>“UBB ExpertEase Highly Dynamic Responsible Investing”</b>
<i>Main characteristics</i>	<p>a mutual fund investing as a feeder CIS min. 85% in shares in the Master Fund</p> <p>freely transferable shares with a par value of BGN 1 and identical rights, including the right to a liquidation share, the right to redemption, the right to appeal, the right to information about the fund and the Master Fund</p> <p>daily determination of NAV</p> <p>minimum investment amount determined by the Distributor KBC Bank Bulgaria EAD – BGN 30 (BGN 30 in the case of money market instruments)</p>	<p>a mutual fund investing as a feeder CIS min. 85% in shares of the Master Sub-Fund</p> <p>freely transferable shares with a par value of BGN 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 fund and the Master Sub-Fund</p> <p>daily determination of NAV</p> <p>minimum investment amount of BGN 10 (BGN 10 in the case of a Systematic Investment Agreement)</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 Fund (min. 85%), liquid assets (cash) (up to 15%);</p> <p>The Master Fund primarily invests (at least 51% of its assets) in equity and bond investment funds and money market funds. Equity fund shares may take up to 75% of the fund's assets. The Fund may also invest in securities, bonds and money market instruments issued by sovereigns, supranational issuers and/or companies, etc., as well as in perpetual and demand deposits. Shares in investment funds are selected mainly on the basis of the quality of the investment process, their track record and their risk management. The Master Fund may invest more than 35% of its assets in securities/money market instruments issued by Germany, France, Italy, the United Kingdom, Switzerland, the United States of America, Canada, Australia, Japan, Austria, Belgium, Finland, the Netherlands, Sweden and Spain.</p> <p>The Master Fund is actively managed and involves the use of a benchmark (see above). The use of a benchmark does not limit the possibilities for</p>	<p>shares in the Master Sub-Fund (min. 85%), liquid assets and hedging derivatives (up to 15%);</p> <p>The Master Sub-Fund invests directly or indirectly in various asset classes such as equities and/or equity-linked investments (the "equity component"), bonds and/or bond-linked investments (the "bond component"), money market instruments, cash and cash equivalents and/or alternative investments (including indirect investments in real estate and financial instruments that are linked to price movements in raw-materials markets). The target asset allocation of the Master Sub-Fund is 55% for the equity component and 45% for the bond component. This allocation may be significantly changed and, in this regard, the Master Sub-Fund may invest a significant portion of its assets in asset classes that are not included in the target allocation (such as money market instruments and cash). The equity component may amount to max. 70% of the assets of the Master Sub-Fund.</p> <p>The Master Sub-Fund pursues responsible investment objectives by not investing in assets of issuers operating in industries where the exclusion criteria apply (including tobacco, gambling and arms). At the same time, the objectives of the portfolio are to reduce the carbon intensity portion and increase the portion with improved performance from</p>

	<p>fund management action.</p> <p>As part of its investment strategy, the Master Fund may invest primarily in derivative instruments (in respect of the associated risk) and use derivative instruments for hedging.</p>	<p>"Environmental, social and governance" (ESG) indicators. Sustainable development is supported by investing in bonds that finance green and/or social projects and in issuers that contribute to the UN Sustainable Development Goals.</p> <p>The Master Sub-Fund may use both exchange-traded and OTC derivatives to achieve its investment objectives and to hedge risks. 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 fund in shares</p> <p>risk and return indicator according to KIID – <b>4 of 7</b></p>	<p>global fund in shares</p> <p>risk and return indicator according to KIID – <b>4 of 7</b></p>
<i>Risk profile of the target investor</i>	<p>Moderate</p> <p>Recommended minimum holding period of – <b>minimum 8 years.</b></p>	<p>Dynamic</p> <p>Recommended period of retention – <b>minimum 3 years</b></p>
<i>One-off costs and fees (max.)</i>	<p>Subscription fee:..... 0.00%</p> <p>Redemption Fee:</p> <p>0.00% after 1 year</p> <p>0.60% 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 expenses and fees</i>	<p>Running fees: 1.97%</p> <p>Remuneration for results achieved: no</p>	<p>Running fees: 2.17% (estimate)</p> <p>Remuneration for results achieved: no</p>
<i>Tax treatment of the investment</i>	<p>No capital gains tax</p>	<p>No capital gains tax</p>

Prior to the effective date of the Conversion, no restructuring of TF Raiffeisen (Bulgaria) Global Balanced Fund's portfolio is envisaged, except for the repurchase of its holdings in the Master Fund, 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) Balanced Fund 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 the rights of Shareholders in the Conversion Fund*

In substance, the Conversion will have no impact on the existing rights of Shareholders in the Conversion Fund. 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 the Conversion Fund may request subscription for, or respectively 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 share of the Conversion Fund 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. Investors may acquire both whole shares and fractional shares, which are rounded to the fourth decimal place. The minimum investment amount in the Conversion Fund determined by the Distributor shall be BGN 30 (BGN 30 in the case of money market instrument executed).

Following the Conversion, investors in the Conversion Fund who will receive in exchange shares in the Host Fund will have the opportunity 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. Submissions will be available during the Host Fund Distributor's business hours. 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 Sub-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 set by UBB AD is BGN 10 (BGN 10 in case of a Systematic Investment Agreement executed).

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

Shares in the Conversion Fund are dematerialised 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 EAD Register at the Central Depository AD.

Upon completion of the Conversion, the new shares in the Host Fund to be received by the shareholders in the Conversion Fund will be credited to their sub-accounts opened with the registry of the Distributor of the Host Fund, United Bulgarian Bank AD at 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 Distributor of the Host Fund – [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 (and the Master Sub-Fund's Key Information Document ("KID") in Bulgarian) 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 shares in the Host Fund.

### *Impact on asset holding*

The depository bank of the Host Fund is different from that of the Conversion Fund 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 invests at least 85% of its assets in the Master Fund, which invests primarily (at least 51% of its assets) in shares of equity and bond investment funds and money market funds, and shares of equity investment funds may take up to 75% of the assets of the Master Fund.

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 55% for the equity component and 45% for the bond component and a maximum equity component of 70%.

In addition, both the Conversion Fund 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 foregoing, the investment policies of the Conversion Fund and the Host Fund are comparable and, in view of the responsible investment objectives pursued by the Host Fund, the investment of Shareholders in the Conversion Fund will, after giving effect to the Conversion, become responsibly directed.

In this regard, the risk profile of the investment remains unchanged insofar as the principal risks to which the Conversion Fund and the Host Fund are exposed arise from their nature as global equity funds. The synthetic risk and return indicator set out in the Key Investor Information Document ("KIID") of the Conversion Fund and the KIID of the Host Fund is the same level 4 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 does not provide for a subscription fee, whereas the Host Fund provides for a maximum subscription fee of 2.50%. Both the Conversion Fund and the Host Fund provide for a redemption fee at a specified time after the investment. Conversion Fund's redemption fee is up to 0.60% 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 level of estimated ongoing expenses, including management fees, of the Host Fund is comparable to, albeit higher than, that of the Conversion Fund (2.17% (estimate) vs. 1.97%)

The Host Fund and the Conversion Fund do not charge a performance fee.

## **2. Expected impact of the Conversion on Shareholders of the Host Fund - UBB ExpertEase Dynamic Balanced Responsible Investing 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 Fund, and KBC AM, with respect to the Host Fund, will set these expenses equal to the applicable redemption fee for shares in the Conversion Fund 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 Fund 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 Fund, 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 Fund 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 Fund, Shareholders in the Host Fund or potential investors in shares 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 Fund and on the websites of the Distributor of the Conversion Fund, [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 Fund and the Distributor of the Host Fund in which shares of the Conversion Fund are offered, 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.

fund 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 Fund where shares of the Conversion Fund 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 Bulgarian) 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 Fund and the Distributor of the Host Fund, respectively.

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

Pursuant to Article 150, paragraph 1 of the CISOU CIA, 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 Article 150 paragraph 1 of the CISOU CIA, 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 Fund 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 Fund 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 Fund 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 Fund and instruct the Distributor of the Conversion Fund to suspend the offer of Shares in the Conversion Fund.

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 Fund 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 Fund to permanently suspend the redemption of shares of the Conversion Fund 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. Exchange Ratio as the ratio of the NAV per Share in each of the Conversion Fund 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 Fund 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** 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 Conversion Fund 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.2

<b>Number of shares in the TF "Raiffeisen (Bulgaria) Global Balanced Fund"</b>	<b>B = 1312 shares</b>
<b>NAV per share in TF "Raiffeisen (Bulgaria) Global Balanced Fund" on 07.10.2022 based on data as of 05.10.2022.</b>	<b>C = BGN 1,0277.</b>
<b>NAV per share in "UBB ExpertEase Dynamic Balanced Responsible Investing" on 06.10.2022 based on data for 05.10.2022.</b>	<b>D = BGN 9,7415.</b>
<b>Exchange ratio</b>	<b>C / D = 0, 105497</b>
<b>Number of shares in "UBB ExpertEase Dynamic Balanced Responsible Investing"</b>	<b>A = B x (C / D)</b> 1312 x 0, 105497 <b>138,4121 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, paragraph 4 of the CISOU CIA, 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 Fund will be transferred to the Host Fund, in exchange for which Shareholders in the Conversion Fund 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 Fund will receive will be determined can be found in item 4 above).

As a result of the Conversion, upon the Effective Date, the Conversion Fund 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 Fund to the Host Fund and to make Shares of the Host Fund available to Shareholders in the Conversion Fund.

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 Fund 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 Fund 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 Fund 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 Fund.

Within seven days from the Effective Date, the removal of the Conversion Fund from the register maintained by the FSC pursuant to Article 30, paragraph 1, item 4 of the FSC Act, and in this regard it will be provided with a de-registration certificate for the Conversion Fund 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 Fund. Within the same period, the Branch will provide a final Auditor's Report to the FSC.

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

Shareholders in the Conversion Fund 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 Fund 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 Fund 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 Fund 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 CISOU CIA, the legal, advisory and administrative expenses incurred in connection with the preparation and implementation of the Conversion shall not be borne by the Conversion Fund 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.3

	<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 Sending notices to Shareholders in the Conversion Fund and the Host Fund Commencement of redemption period	<b>31.01.2023</b>
3.	Final suspension of the issue of Shares in the Conversion Fund	<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 Fund 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 Fund from the register maintained by the FSC pursuant to Article 30, paragraph 1, item 4 of the FSC Act	<b>by 05.04.2023</b>