

# Key Information Document

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

### UBB ExpertEase Highly Dynamic Tolerant Responsible Investing

ISIN-code: BG9000001222

Manufacturer of the product: KBC Asset Management N.V., Belgium through KBC Asset Management N.V. - KLON, Bulgaria UIC 205422541 (Part of the KBC Group) <http://www.ubbam.bg>.

Call the distributor "United Bulgarian Bank" AD on 0700 117 17 for more information.

This fund is authorised in Bulgaria by permission of FSC No 164-DF/08.03.2022 and is regulated by the Financial Supervision Commission.

KBC Asset Management N.V. is authorised in Belgium and regulated by the Financial Services and Markets Authority (FSMA).

Date of update: 8 August 2023.

## What is this product?

### Type

This product is a sub-fund. UBB ExpertEase Highly Dynamic Tolerant Responsible Investing is an investment compartment of umbrella fund UBB ExpertEase, managed by KBC Asset Management N.V., a feeder UCITS within the meaning of article 67 of Collective Investment Schemes Activities and Other Undertakings for Collective Investment Act ("CISAOUICIA"). The sub-fund participated as a receiving fund in a merger, within the framework of which the DF Raiffeisen (Bulgaria) Fund Global Growth entered the sub-fund on 29.03.2023. As a result of the merger, all the assets and liabilities of the DF Raiffeisen (Bulgaria) Fund Global Growth have been acquired and transferred to the sub-fund, thus its assets include the assets and liabilities of the DF Raiffeisen (Bulgaria) Fund Global Growth, and the latter has been terminated.

### Term

Unlimited. The sub-fund can be terminated by the decision of the Management Company, after permission issued by the Financial Supervision Commission.

### Objectives

The sub-fund invests at least 85% of its assets into shares of Institutional F BG share class, denominated in EUR, of the master sub-fund Horizon KBC Highly Dynamic Tolerant Responsible Investing, a sub-fund of the open-ended investment company Horizon N.V. governed by Belgian law and registered with an address Havenlaan 2, 1080 Brussels, Belgium, and managed by KBC Asset Management N.V. The investment objective of the sub-fund is to invest a minimum of 85% of its assets into the master sub-fund. The remaining up to 15% of its assets the sub-fund may invest in cash and cash equivalents as well as derivatives. The performance of the sub-fund is expected to follow closely the performance of the master sub-fund as it invests the majority of its assets into shares of the master sub-fund.

The master sub-fund sets out to achieve the highest possible return by investing in line with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)).

The master sub-fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments ('the equity component'), bonds and/or bond-related investments ('the bond component'), money market instruments, cash and/or alternative investments (including real estate and financial instruments that are linked to price movements on the commodity market). The target allocation is 75% in the equity component and 25% in the bond component. This target allocation may be significantly deviated from, as explained below. Therefore, the master sub-fund may invest a sizeable portion of its assets in asset classes that are not included in the target allocation (such as money market instruments and cash). The equity component can amount to a maximum of 90% of the master sub-fund. When applying KBC Asset Management NV's investment view, an analysis is made of the financial and economic trends and prospects for regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio can be converted into investments with a lower level of risk, such as money-market instruments and cash. If the equity component outperforms the bond component, or vice versa, the managers can use part of the portfolio to buy further assets in the best-performing class and sell the worst-performing ones. The managers pay one-and-a-half times as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that can be converted into investments with a lower level of risk, such as cash and money market instruments, in times of uncertain and/or volatile markets.

This part of the portfolio will ultimately amount to between 5% and 30% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets.

The master sub-fund pursues responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology. This approach will be gradually implemented in the portfolio, starting 2 September 2022. The negative screening entails that the master sub-fund may not invest in the assets of issuers operating in industries where exclusion criteria apply (including tobacco, gambling activities and weapons).

More information on the exclusion policy can be found at <https://www.ubbam.bg/en/expertease> > Exclusion policy for Responsible Investing funds.

The positive selection methodology is a combination of portfolio targets and supporting sustainable development.

Portfolio targets are based on a reduction in carbon intensity and an improvement in ESG characteristics versus its target allocation. Supporting sustainable development is done by investing in green, social and sustainability bonds and in issuers aligned with the UN Sustainable Development Goals. More information on the positive selection methodology and the concrete goals of the compartment can be found at <https://www.ubbam.bg/en/expertease> > Investment policy for Responsible Investing funds and Overview of the ESG carbon intensity & sustainable development targets per fund.

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

The prospectus specifies the credit rating that the bond component must meet (for more details, see the 'Investment details' section of the information relating to the master sub-fund in the prospectus of Horizon N.V.). Investments may be selected from any region, sector or theme. The fund may make limited use of derivatives\*. This means it can use derivatives to help achieve the investment objectives (for instance, to increase or decrease exposure to one or more market segments), while raising the portfolio's sensitivity to a particular market factor (such as the hedging of an exchange rate risk). The manager can make significant use of derivatives involving the assets of companies that do not have a responsible character.

The portfolio is put together primarily from funds managed by a member of the KBC Group based on criteria such as how transparent the investment policy of those funds is and whether or not their strategy is in line with this fund's investment strategy.

The master sub-fund is actively managed without referring to any benchmark.

The return of the feeder sub-fund is expected to be very close to that of the master sub-fund and will depend on the performance of the financial instruments in which the master sub-fund invests and their composition in its investment portfolio.

The sub-fund is denominated in Leva.

The minimum investment in the sub-fund is 10 Leva.

The master sub-fund reinvests any income received in the manner set out in the prospectus (for more details, see section 'Types of units and fees and charges' of the information for the master sub-fund in the prospectus of Horizon N.V.).

### Practical information

The custodian of umbrella fund UBB ExpertEase is United Bulgarian Bank AD.

You can find the prospectus, the latest annual and semi-annual financial statements of the umbrella fund, as well as this key information document, and the procedure for the submission and handling of complaints, in Bulgarian language free of charge in all branches of the distributor United Bulgarian Bank AD during their normal business hours with clients, as well as on its website – [www.ubb.bg](http://www.ubb.bg) and on the website of KBC Asset Management N.V. – KLON – [www.ubbam.bg](http://www.ubbam.bg). Upon request you can receive a hard copy of these documents free of charge in all branches of the distributor United Bulgarian Bank AD, during their normal business hours with clients. You can find the most recent net asset value, subscription and redemption prices of the sub-fund on the abovementioned websites, where you can also read other practical information. Updated information on the remuneration policy, applied by the management company can be found in Bulgarian language at: [www.ubbam.bg](http://www.ubbam.bg), and a hard copy will be presented upon request. You can find the prospectus and the latest annual and semi-annual financial statements of Horizon N.V., as well as the key information document of the master sub-fund and its current subscription and redemption prices in English and Dutch languages on KBC Group's website – <https://www.kbc.be/retail/en/legal-information/investment-legal-documents.html?zone=breadcrumb>. Upon request, you can receive a hard copy of the prospectus and the latest annual and semi-annual financial statements of Horizon N.V. free of charge in all branches of United Bulgarian Bank AD, during their normal business hours with clients. Each sub-fund should be considered as a separate property. Investors have rights only in respect of the assets and income of the sub-fund in which they have invested. The obligations of each individual sub-fund are covered only by the assets of that sub-fund. Bulgarian tax legislation may have an impact on your individual tax situation. Orders for subscription and redemption of units in the sub-fund can be submitted every business day. You can exchange your units in this sub-fund with units in another (sub)fund in the same currency, managed by KBC Asset Management N.V. – KLON, by redeeming your units in the sub-fund and subscribing units in the other (sub)fund in accordance with the general rules for subscription and redemption of units in the respective (sub)fund (for more details, see section *Rules for issuance and redemption of the units in the Umbrella Fund and Sub-Funds* in the prospectus).

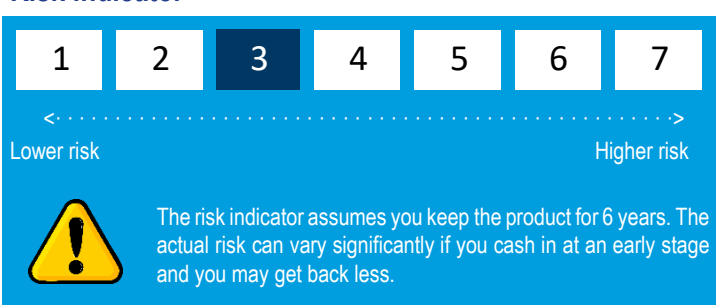
## Intended retail investor

The product is aimed at investors who want to build up wealth and have an investment horizon of around 6 years.

These investors are willing to take a certain amount of risk for a potentially higher return and can bear losses under adverse conditions. These investors have at least a basic knowledge of and/or experience with investing. They have also a preference for responsible investment.

## What are the risks and what could I get in return?

### Risk indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 3 out of 7, which is a medium-low risk class. 3 reflects how sensitive the various assets in which the fund invests are to the markets. Consequently, the indicator lies between that of a typical bond fund (2) and a typical equity fund (4). This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

Moreover, an investment in this fund involves:

- a high level of exchange rate risk: since there are investments in securities that are denominated in currencies other than the Bulgarian lev, there is a considerable chance that the value of an investment will be affected by movements in exchange rates.
- a moderate level of credit risk: the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall.

There is no capital protection.

## Scenarios

The figures shown include all the costs of the product itself and includes the costs of your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product and a suitable benchmark over the last 11 years. Markets could develop very differently in the future. The stress scenario shows what you might get back in extreme market circumstances.

### Recommended holding period: 6 years

Example investment: 20 000 BGN		If you exit after 1 year	If you exit after 6 years
<b>Scenarios</b>			
Minimum	There is no minimum guaranteed return. You could lose some or all of your investment.		
Stress	What you might get back after costs	7 640 BGN	7 320 BGN
	Average return each year	-61,79%	-15,43%
Unfavourable	What you might get back after costs	15 130 BGN	15 950 BGN
	Average return each year	-24,34%	-3,70%
Moderate	What you might get back after costs	20 560 BGN	24 070 BGN
	Average return each year	2,79%	3,14%
Favourable	What you might get back after costs	23 930 BGN	30 590 BGN
	Average return each year	19,65%	7,34%

Unfavourable scenario on 6 years or less: This type of scenario occurred for an investment starting in January 2022 and ending in June 2023. Moderate scenario on 6 years: This type of scenario occurred for an investment supplemented with a suitable benchmark starting in July 2015 and ending in June 2021. Favourable scenario on 6 years: This type of scenario occurred for an investment simulated with a suitable benchmark starting in July 2012 and ending in June 2018.

## What happens if KBC Asset Management N.V. is unable to pay out?

Because you invest directly in the Sub-Fund, the failure of the Management Company KBC Asset Management N.V., the custodian bank or the distributor to make distributions (for example, due to insolvency or equivalent proceedings) would have no direct consequences for the ability of the Sub-Fund to carry out redemptions of units. The assets and liabilities of the Sub-Fund are segregated as separate property, which is managed and distributed only for the benefit of the investors in it. In case that the Sub-Fund itself cannot make redemptions, you may lose your investment entirely. Investments in the Sub-Fund are not covered by a guarantee fund created by the state or by any other type of guarantee.

## What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

## Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest and how long you hold the product. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- in the first year you would get back the amount you invested (0% annual return); for the other holding periods we have assumed the product performs as shown in the moderate scenario;
- 20 000 BGN is invested.

	If you exit after 1 year	If you exit after 6 years
<b>Total costs</b>	<b>904 BGN</b>	<b>2 924 BGN</b>
Annual cost impact (*)	4,4%	2,4% each year

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 5.5% before costs and 3.1% after costs.

We may share part of the costs with the distributor selling you the product to cover the services they provide to you. The distributor will inform you of the actual amount.

## Composition of costs

One-off costs upon entry or exit		If you exit after 1 year
<b>Entry costs</b>	When you make the chosen investment, you pay max. 2.50% of it. This is the maximum amount you can be charged. These costs are already included in the issue price.	500 BGN
<b>Exit costs</b>	We do not charge an exit fee. However, if you exit your investment within one month of your initial investment, an exit charge of max. 5.00% may be charged.	0 BGN
<b>(**) Ongoing costs taken each year</b>		
<b>Management fees and other administrative or operating costs</b>	1,44% of the value of your investment per year. This is an estimate, based on actual costs for the period July 2022 – June 2023..	288 BGN
<b>Transaction costs</b>	0,58% of the value of your investment per year. This is an estimate based on actual costs for the period July 2022 – June 2023 when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell	116 BGN
<b>Incidental costs taken under specific conditions</b>		
<b>Performance fees</b>	There is no performance fee for this product.	no

(\*\*) This amount also includes a fund management fee in respect of assets invested outside the master sub-fund, as well as a master sub-fund management fee in respect of the fund's assets invested in it and ongoing costs of the master sub-fund which are indirectly borne by the fund, as an investor in the master sub-fund

## How long should I hold it and can I take my money out early?

### Recommended holding period: 6 years

Given the investment strategy of this product, we recommend holding on to this product for 6 years or longer. The holding period is determined with the aims to reduce the timing risk when entering and exiting the product, and to ensure sufficient time for the underlying assets to recover in case of unfavourable market conditions. According to our estimates, the probability of getting a positive return is higher when you hold on to the recommended holding period or longer. You can exit this product before the recommended holding period, but in this case the likelihood of receiving a lower return on your initial investment is higher. A partial or full exit is free unless the exit is within one month of the initial investment, then a withdrawal fee of max. 5.00% may be charged.

## How can I complain?

To file a complaint, contact the distributor of the fund UBB - <https://www.ubb.bg/en/contact/feedback>. You can also file a complaint at [ubbam@ubb.bg](mailto:ubbam@ubb.bg); by post or on site at the Branch office with address: 89B Vitosha Blvd., 1463, Sofia UBB Millennium Centre, floor 6. You can file a complaint with the Financial Supervision Commission ([Complaints - Financial Supervision Commission \(fsc.bg\)](#)); [delovodstvo@fsc.bg](mailto:delovodstvo@fsc.bg); 16 "Budapestha" str., 1000 Sofia, or to the Sectoral Conciliation Commission: [adr.finmarkets@kzp.bg](mailto:adr.finmarkets@kzp.bg); 4a Slaveykov Square, Sofia 1000; tel. 02/9330 590. The full text of the procedure for submitting complaints to KBC AM NV - Branch can be found on ([UBB Asset Management \(ubbam.bg\)](#)) in the section About Us/Documents/Basic Documents. However, you always retain the right to initiate legal proceedings.

## Other relevant information

Detailed information on this product and its associated risks can be found in the documentation relating to the Sub-fund. Make sure you are familiar with it before signing up. You can obtain the information free of charge from the distributor of the Sub-Fund UBB. Since the sub-fund was established in 2022, due to a lack of data at the date of publication of this KID, investors cannot be provided with reliable information about past performance of this product. You can find performance scenario calculations on the following website: <https://www.ubbam.bg/en/expertease/UBB-expertease-SRI-high-dyn-tol/documents>, Performance scenarios document.