

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 Defensive Balanced Responsible Investing

ISIN-code: BG9000005223

Sub-fund of the umbrella fund "UBB ExpertEase"
registered in the BULSTAT Register under UIC 177477645

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 Financial Supervision Commission No 164-DF/08.03.2022 and is regulated by the Financial Supervision Commission. The Financial Supervision Commission is responsible for supervising KBC Asset Management N.V. - KLON, Bulgaria in relation to this Key Information Document.

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

Date of update: 08 April 2024.

What is this product?

Type

This product is a sub-fund. UBB ExpertEase Defensive Balanced Responsible Investing is an investment compartment of umbrella fund UBB ExpertEase, managed by KBC Asset Management N.V., through KBC Asset Management N.V. – KLON, Bulgaria, a feeder UCITS within the meaning of article 67 of Collective Investment Schemes Activities and Other Undertakings for Collective Investment Act ("CISAOUICIA").

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 Defensive Balanced 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).

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 30% in the equity component and 70% 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 45% 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 two 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 40% and 80% 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. 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 greenhouse gas intensity and an improvement in ESG characteristics versus its target allocation. Supporting sustainable development is done by investing in bonds, financing green and/or social projects and in issuers contributing to the UN Sustainable Development Goals. More information on the positive selection methodology and the concrete goals of the sub-fund can be found at <https://www.ubbam.bg/en/expertease> > Investment policy for Responsible Investing funds and Overview of the ESG greenhouse gas intensity & sustainable development targets per fund and in the annex 3 to the prospectus for this 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 and on the website of KBC Asset Management N.V. – KLON – 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, 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., in English and Dutch languages, as well as the key information document of the master sub-fund in English, Dutch and Bulgarian languages on KBC Group's website – <https://www.kbc.be/retail/en/legal-information/investment-legal-documents/key-information-document.html#horizon> and upon request, you can receive a hard copy, free of charge, in all branches of United Bulgarian Bank AD, during their normal business hours with clients. The most recent publication of the net asset value of the master sub-fund is available at https://permafiles.beama.be/NAVpub_ni.pdf. 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).

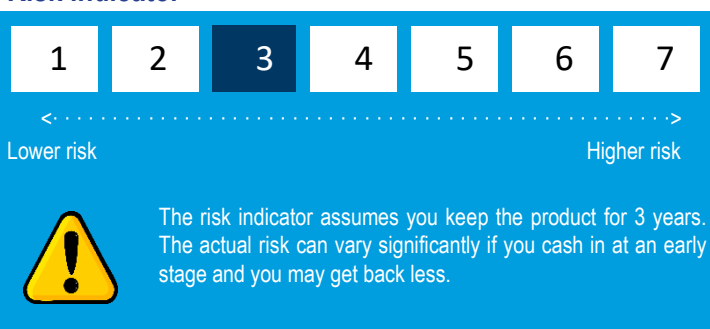
Intended retail investor

The product is aimed at investors who want to build up wealth and have an investment horizon of around 3 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 moderate level of inflation risk: the bond component does not provide any protection against an increase in inflation.
- a moderate level of exchange rate risk: since there are investments in securities that are denominated in currencies other than the Bulgarian lev, there is a real 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 but may not include all the costs that you pay to 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 10 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: 3 years
Example investment: 20 000 BGN

Scenarios

		If you exit after 1 year	If you exit after 3 years
Minimum	There is no minimum guaranteed return. You could lose some or all of your investment.		
Stress	What you might get back after costs	13 780 BGN	15 160 BGN
	Average return each year	-31,10%	-8,82%
Unfavourable	What you might get back after costs	16 630 BGN	17 470 BGN
	Average return each year	-16,84%	-4,41%
Moderate	What you might get back after costs	19 370 BGN	19 210 BGN
	Average return each year	-3,16%	-1,34%
Favourable	What you might get back after costs	21 840 BGN	21 800 BGN
	Average return each year	9,19%	2,91%

Unfavourable scenario on 3 years or less: This type of scenario occurred for an investment starting in January 2020 and ending in December 2022. Moderate scenario on 3 years: This type of scenario occurred for an investment supplemented with a suitable benchmark starting in October 2016 and ending in September 2019. Favourable scenario on 3 years: This type of scenario occurred for an investment simulated with a suitable benchmark starting in March 2014 and ending in February 2017.

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 3 years
Total costs	905 BGN	1 716 BGN
Annual cost impact (*)	4,5%	2,8% 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 1,5% before costs and -1,3% after costs.

These figures include the maximum distribution fee that the distributor may charge (max. 2.50% of the amount invested/max. 500 BGN). The distributor will inform you of the actual distribution fee.

Composition of costs

One-off costs upon entry or exit		If you exit after 1 year
Entry costs	Max. 2.50% of the amount invested. This is the maximum distribution fee you can be charged. The distributor will inform you of the actual distribution fee.	500 BGN
Exit costs	We do not charge an exit fee. However, if you exit your investment within one month of your initial investment, the distributor may charge an exit fee of max. 5.00%.	0 BGN
(**) Ongoing costs taken each year		
Management fees and other administrative or operating costs	1.66% of the value of your investment per year. This is an estimate, based on actual costs over the last year 2023.	332 BGN
Transaction costs	0.36% of the value of your investment per year 2023. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell	73 BGN

Incidental costs taken under specific conditions

Performance fees	There is no performance fee for this product.	No
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(**) 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: 3 years

Given the investment strategy of this product, we recommend holding on to this product for 3 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?

Any investor can submit a complaint, without paying a fee, about the actions of the distributor "United Bulgarian Bank" AD, which offers the fund or provides advice about the fund via www.ubb.bg (Contact us, Send an inquiry), as well as contact the nearest branch of UBB AD. You can also submit a complaint about the product to KBC Asset Management – KLON, at ubbam@ubb.bg or via www.ubbam.bg (Contact Us/Send Inquiry); or at the address: Sofia, 1463, Vitosha Blvd. No. 89B, UBB Millennium Center, 6th floor. You can file a complaint with the Financial Supervision Commission (fsc.bg); delovodstvo@fsc.bg; 16 Budapest St., 1000 Sofia, or to the Sectoral Conciliation Commission: adr.finmarkets@kzp.bg; Slaveykov Square No. 4A, Sofia 1000; tel. 02/9330 590. The full text of the procedure for submitting complaints to KBC Asset Management – KLON, can be found on www.ubbam.bg, in the section About us, Documents, Basic documents. Notwithstanding the above, every investor has the right to effective judicial protection.

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. You can find information about the past performance of this product during the past 1 year on the following website: <https://www.ubbam.bg/en/expertease/UBB-expertease-SRI-def-bal/documents>, Past performance document. You can find performance scenario calculations on the following website: <https://www.ubbam.bg/en/expertease/UBB-expertease-SRI-def-bal/documents>, Performance scenarios document.