

Belfius Fullinvest

Prospectus

A SICAV (open-ended investment fund) constituted under Belgian law, with a variable number of units, opting for investments meeting the conditions stipulated by the UCITS Directive.

The prospectus contains the following items: (i) Information regarding the SICAV and the sub-funds, (ii) articles of association, (iii) periodic reports.

February 2014

Preamble#

The fund units are not and will not be registered in the United States in accordance with the US Securities Act of 1933, as amended ("1933 Securities Act") and are not and will not be eligible under any law of the United States. These units may not be offered, sold or transferred to the United States (including its territories and possessions) or directly or indirectly benefit any US Person (as defined in Regulation S of the 1933 Securities Act and similar). In addition financial institutions which do not comply with the FATCA programme ("FATCA" which stands for the US "Foreign Account Tax Compliance Act"), as included in the "Hiring Incentives to Restore Employment Act" ("HIRE Act"), and its application measures, including the identical provisions adopted by partner countries which have signed an "Intergovernmental Agreement" with the United States, must expect to be forced to have their units redeemed when the programme is put in place.

Presentation#

Name: Belfius Fullinvest

Legal form: Société Anonyme (Public Limited Company)

Registered Office: 44 Boulevard Pachéco, 1000 Brussels, Belgium

Date of creation: 22/11/1991

Term: Unlimited term

Status:

Umbrella SICAV that has opted for investments that meet the requirements of Directive 2009/65/EC and is governed, with regard to its operation and investments, by the law of 03 August 2012 relating to certain forms of collective management of investment portfolios.

Sub-funds:

High, Low, Medium.

Share classes:

- **Class C:** the basic indistinctive class. It is offered to individuals and legal entities.
- **LOCK class (also called "class L"):** is characterised by the identity of the intermediaries marketing the equities.

The LOCK class is a share class which is associated with a mechanism intended to limit the capital risk run. This mechanism is offered by Belfius Banque, the sole distributor authorised to market these shares. By investing in this class, investors accept that the shares are sold automatically when the net asset value reaches a set amount (activation price). Thus, when Belfius notes that the net asset value is equal to or less than the activation price, a redemption order is automatically generated and processed at the earliest opportunity⁽¹⁾

All sales orders are executed at an unknown price. The mechanism therefore does not provide any guarantee as to the net asset value used for execution.

Given the specific nature of this class, potential investors are advised to seek advice from their financial adviser at Belfius Banque before subscribing in order to obtain information about the technical and operational imperatives associated with this mechanism.

⁽¹⁾ **The sales order will be globalised at the first cut-off (closing date for reception or orders) after the day of calculation of the net asset value that led to automatic generation of the redemption order, and in accordance with the arrangements for the redemption of units in the case of the automatic triggering of the sales order for the LOCK Class.**

- **Class R:** is characterised by the identity of the intermediaries marketing the equities.

Class R is restricted to certain distributors and intermediaries appointed by the Management Company who will not receive any compensation from the Management Company.

In the cases concerned by the regulation, the Board of Directors asks the transfer agent and/or the institutions providing the financial service to establish a procedure whereby it is possible to permanently check that the individuals who have subscribed the shares of a given class, benefiting, in one or more ways, from more advantageous conditions, or who have purchased these shares, still meet the criteria.

If the Board of Directors observes that a shareholder, at the time of subscription or subsequently, no longer meets the conditions for accessing the class, the Board of Directors may take all the necessary measures and, if necessary, convert the shares belonging to the shareholder in question to Class C without prior notification.

The Board of Directors may also decide, in the interest of the shareholders, to convert the shares from one class to another class without, however, charging the conversion costs to shareholders. A notice will be published in the press.

Board of Directors:

Chairman:

- Mr. Jan Vergote, Head of Investment Strategy, Belfius Banque S.A.

Directors:

- Mr Marc Vermeiren, Managing Director, RBC Investor Services Belgium S.A.
- Ms Marleen Van Assche, Securities Director, Belfius Banque S.A.
- Mrs Myriam Vanneste, Global Head of Distribution, Candriam Belgium
- Mr Johan Wuytack, Strategic Projects, Belfius Banque S.A.
- Musenius S.P.R.L., independent director whose permanent representative is Mr Wim Moesen
- Candriam Belgium, whose permanent representative is Mr Vincent Hamelink, Chief Investment Officer, Candriam Belgium, Member of the Executive Committee, Candriam

Management Company:

Candriam Belgium, with its registered office at 58 Avenue des Arts, 1000 Brussels, has been appointed as the investment fund management company. Legal form: société anonyme.

Candriam Belgium was incorporated on 30 January 1998 for an unspecified term. Its subscribed capital amounts to EUR 3,248,402.87. Its paid-up capital amounts to EUR 2,628,669.06.

Candriam Belgium has been appointed as the management company for the following SICAVs and FCPs: Dexia B, Dexia Allocation, DMM, Dexia Business Equities, Dexia Clickinvest B, Dexia Equities B, Belfius Fullinvest, Dexia Institutional, Belfius Portfolio Advanced, Belfius Select Portfolio, Dexia Sustainable, Paricor, Dexia Cash Strategy, Belfius Plan Bonds, Belfius Plan Equities, Belfius Plan Low, Belfius Plan Medium, Belfius Plan High, ESC Invest, Belfius Pension Fund Low Equities, Belfius Pension Fund High Equities and Belfius Pension Fund Balanced Plus.

Its Board of Directors consists of the following individuals:

Chairman:

- Mrs Yie-Hsin Hung, Senior Vice President, New York Life Insurance Company
 - ✳ Senior Managing Director and Co-President of New York Life Investment Management

Passive directors:

- Mr Naim Abou-Jaoudé, Chairman of the Executive Committee Candriam Belgium
 - ✳ Vice President, New York Life Investment Management
- Mr John M. Grady, Senior Managing Director, New York Life Investment Management
- Mr John T. Fleurant, Executive Vice President and Chief Financial Officer of New York Life Insurance Company
- Mr John Yong Kim, Vice Chairman, President, Investments Group
 - ✳ Chief Investment Officer, New York Life Insurance Company
 - ✳ Chairman, New York Life Investment Management
- Mr David Bedard, Senior Vice President, New York Life Insurance Company
 - ✳ Senior Managing Director and Chief Financial Officer, New York Life Investment Management
- Mr Jeffrey Phlegar, Senior Vice President, New York Life Insurance Company
 - ✳ Chairman and Chief Executive Officer of MacKay Shields LLC
 - ✳ Chief Executive Officer, MacKay Shields UK LLP
- Mr Daniel Gillet, independent director

Active directors:

- Mr Tanguy de Villenfagne, Member of the Executive Committee of Candriam. He also carries out the following activities:
 - ✦ Chairman of the Management Committee of Candriam Belgium
- Mr Vincent Hamelink, Member of the Executive Committee of Candriam Belgium. He also carries out the following activities:
 - ✦ Member of the Management Committee of Candriam Belgium
 - ✦ Director in various UCIs
- Mr Henric Van Weelden, Member of the Executive Committee of Candriam. He also carries out the following activities:
 - ✦ Member of the Management Committee of Candriam Belgium.

Its Management Committee consists of the active directors mentioned above, namely:

- Mr Tanguy de Villenfagne, Chairman
- Mr Vincent Hamelink, Member
- Mr Henric Van Weelden, Member

The firm of auditors of the Management company is "Deloitte Réviseurs d'Entreprises / Bedrijfsrevisoren" S.C. s.f.d. S.C.R.L, with its registered office at 8b Berkenlaan, 1831 Diegem, whose permanent representative is Mr De Meulemeester.

Delegation of the implementation of the management of the investment portfolio:

Candriam Luxembourg, route d'Arlon 136, 1150 Luxembourg (Luxembourg).
Management strategy: Candriam Belgium, Avenue des Arts 58, 1000 Brussels.

Delegation of implementation of lending and borrowing operations associated with the asset management function:

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Individuals responsible for effective management:

- Mrs Myriam Vanneste, Candriam Belgium, Global Head of Distribution, Candriam Belgium, director in various UCI.
- Mr Marc Vermeiren, Managing Director, RBC Investor Services Belgium S.A., director of various UCIs.

Administration duties delegated to:

RBC Investor Services Belgium S.A., 11 place Rogier, 1210 Brussels.
For certain administrative duties linked to the transfer agent activity: Belfius Banque S.A., 44 boulevard Pachéco, 1000 Brussels.
The administrative duties linked to the structuring activity are carried out by the Management Company.

Financial service(s):

Belfius Banque S.A., 44 boulevard Pachéco, 1000 Brussels.

Distributor(s):

Belfius Banque S.A., 44 boulevard Pachéco, 1000 Brussels.

Depository:

Belfius Banque S.A., Boulevard Pachéco 44, 1000 Brussels, whose principal business activity is that of a credit institution. Belfius Bank may therefore, on its own behalf of or on behalf of or in partnership with third parties, undertake any activities for which a credit institution is authorised both in Belgium and abroad, and carry out any banking transactions such as, among other things, securities custody and management and any custody, brokerage and stock market transactions.

Auditor:

PricewaterhouseCoopers Corporate Auditors / Bedrijfsrevisoren, having its registered office at 18 Woluwedal, 1932 Woluwe-Saint-Etienne, and whose permanent representative is Mr Damien Walgrave.

Promoter(s):

Belfius Banque S.A., 44 boulevard Pachéco, 1000 Brussels.
Candriam Belgium, Avenue des Arts 58, 1000 Brussels.

Person(s) bearing the costs in the situations described in articles 115, § 3, paragraph 3, 149, 152, 156, 157, § 1, 3, 165, 179 and 180, paragraph 3 of the Royal Decree of 12 November 2012 on certain public undertakings for collective investment:

In general: Belfius Banque and/or Candriam Belgium.

In the situations described in Articles 156 and 165 of the Royal Decree of November 12th, 2012: The persons meeting the criteria set down in the aforementioned articles, in accordance with the methods defined therein.

Capital:

The share capital is always equal to the net asset value. It cannot fall below EUR 1,200,000.

Asset valuation rules:

See Article 12 of the articles of association.

Balance sheet date:

31 December.

Rules relating to the allocation of net income:

The Ordinary Meeting of Shareholders will each year decide, at the proposal of the Board of Directors, upon the allocation of the annual net income obtained on the basis of the accounts closed in accordance with the legislation in force.

Where appropriate, the Ordinary Meeting of Shareholders may decide to distribute to distribution shareholders their share in the income arising from investments and from realised or unrealised capital gains, after deducting any realised or unrealised capital losses, and to capitalise the corresponding amounts pertaining to capitalisation shareholders.

In principle, and unless decided otherwise by the Board of Directors, dividends are distributed in the six weeks following the annual general meeting. The institutions providing the financial service are responsible for paying dividends.

Tax regime applicable to the investor:

- ✦ *Dividend tax regime:*
Withholding tax of 25% for individuals
- ✦ *Capital gains tax regime, only applicable to investors who are liable for income tax:*

Taxation of the capital gains received if sold for due consideration, the redemption of units by the UCI or in the event of the full or partial distribution of the assets of the UCI during the period of one year starting on the 1st day of the 5th month following the financial year end:

During the reference financial reporting period, the High sub-fund directly or indirectly invested more than 25% of its assets in the debt instruments referred to in article 19 bis of the Income Tax Code (CIR). Consequently, in the event of sale for due consideration, the redemption of its units by the UCI or in the event of the full or partial distribution of the assets of the UCI, the income realised by the investor will not be subject to the withholding tax. Furthermore, the capital gains realised on the UCI units are not subject to income tax if the investor is acting within the framework of the normal management of his private assets.

During the reference financial reporting period, the Low and Medium sub-funds directly or indirectly invested more than 25% of their assets in the debt instruments referred to in article 19bis of the Income Tax Code (CIR). Investors will therefore be subject to a withholding tax of 25% on the portion of capital gains considered as interest for tax purposes in application of article 19bis of the Income Tax Code. If the investor is unable to prove the date on which he acquired his units or if he acquired them before 1 July 2005, he will be deemed to have held them since 1 July 2005 for the purpose of determining the taxable amount.

If the calculation cannot be made due to a lack of information on the net asset value on the acquisition date or on 1 July 2005, the investor must expect to be taxed on the basis of the total amount received at the time of the sale, redemption or distribution.

It is recommended that investors check whether the status of the sub-fund has changed on the date of sale for due consideration, the redemption of the units or the distribution of the assets of the UCI.

- ✦ *Taxation of the capital gains realised by non-profit organisations and other entities subject to corporate tax pursuant to art. 220 of the Income Tax Code:* Currently, capital gains received in the event of the sale for due consideration, the redemption of units by the UCI or in the event of full or partial distribution of the registered capital of the UCI are not subject to the withholding tax.

The tax regime described above is subject to change.

The taxation of revenue and capital gains collected by an investor depends on the laws applicable to the latter's specific status in the country of collection.

In the event of any doubt as to the applicable tax regime, it falls to the investor to clarify his situation with the relevant professionals or advisors.

Tax regime applicable to the fund:

- ✘ Annual tax on undertakings for collective investment, on credit institutions and on insurance companies. The tax rate is set out in the "Fees and Expenses" section below.
- ✘ Reduction of amounts withheld at source on Belgian and foreign dividends collected by the fund (in accordance with double taxation prevention agreements).

Information sources:

- Units may be redeemed or repurchased from the offices of the institutions providing the financial service. Information regarding the fund is published in the specialist financial press or by other means.
- On request, the prospectus, the key investor information, the articles of association, the annual and semi-annual reports and full information on other sub-funds can be obtained, free of charge, before or after the subscription to the units, from the institutions providing the financial service.
- The turnover rate of the portfolio is shown in the last annual report. The portfolio turnover rate shows (as a percentage) the annual average number of transactions on the fund's portfolio, based on subscriptions and redemptions for the period concerned. The formula used is that published in the Royal Decree of 12 November 2012 on certain public undertakings for collective investment in schedule B, section II. The portfolio turnover rate calculated in this manner can be considered as an additional indicator of the scale of any transaction costs.
- The ongoing charges, as calculated in accordance with EU Regulation no. 583/2010 of the Commission of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the European Council as regards key investor information and conditions to complete when providing key investor information or the prospectus on a durable medium other than paper or by means of a website (hereinafter "Regulation 583/2010"), are shown in the key investor information. Ongoing charges consist of all payments deducted from the fund's assets where such deduction is required or permitted by law, the articles of association or the prospectus. They do not, however, include any performance fees or portfolio transaction costs, except those charged by the custodian bank, although this does not apply in cases where the entry/exit costs are paid by the fund at the time of purchase/sale of shares of another fund. They take the form of a single digit percentage and are based on the costs for the previous financial year. In some cases, they may be expressed as a maximum amount to be charged or calculated on the basis of another one-year period, or else they may be estimated.
- Past performance figures are available in the latest annual report. Investors' attention is drawn to the fact that this data is by no means an indicator of the fund's future performance.
- The following documents and information can be consulted on the Management Company's website www.candriam.com: the prospectus, the key investor information and the latest annual and semi-annual report.

Contact point from which additional information can be obtained if necessary:

Belfius Banque on freephone number 0800 99 900, open on bank business days between 7 a.m. and 10 p.m., on Saturdays between 9 a.m. and 5 p.m. and by e-mailing info@belfius.be.

Annual General Meeting of Shareholders:

Held on the third Thursday of March at 2 p.m., either at the registered office or at any other place in Belgium, as specified in the convening notice. If this day is a public holiday or bank holiday in Belgium, the Annual General Meeting of Shareholders will be held on the next bank business day.

Competent authority:

Autorité des Services et Marchés Financiers (FSMA), 12-14 rue du Congrès, 1000 Brussels.

The prospectus is published after being approved by the FSMA, in accordance with article 60, §1 of the law of 3 August 2012 relating to certain forms of collective management of investment portfolios. This approval does not serve as an appraisal of the appropriateness or quality of the offer, or of the offeror's position. The official text of the articles of association has been filed with the clerk's office of the commercial court.

Persons responsible for the content of the prospectus:

The Board of Directors. To its knowledge, the information contained in the prospectus is correct and there are no omissions that may alter their scope.

Persons responsible for the content of the key investor information:

The Management company is only liable for the statements contained in the key information for the investor which would be deceitful, inaccurate or inconsistent with the corresponding parts of the prospectus. To its knowledge, the information contained in the key investor information is correct and there are no omissions that may alter its scope.

Shareholders' voting rights:

Where not otherwise specified by the law or by the articles of association, the decisions taken during a duly convened General Meeting of Shareholders are taken by a simple majority of the shareholders who are present or represented and who are voting. Decisions regarding the sub-fund will also be taken, where not otherwise specified by the law, by a simple majority of the shareholders in the sub-fund concerned, who are present or represented and voting.

Generally speaking, General Meetings of Shareholders may be held for each sub-fund, under the same conditions as for other general meetings.

If the units have an equal value, any full unit will carry the right to one vote. If the units have an unequal value, a full unit will automatically carry the right to the number of votes proportionate to the part of the capital it represents, by counting the unit that represents the lowest amount as one vote. Fractions of votes are not taken into consideration.

Liquidation of a sub-fund:

The Board of Directors may decide to wind up and liquidate a sub-fund as a result, among other things, of substantial and unfavourable changes in the economic, political and social situation in the countries in which investments are made or in which the sub-fund's units, or if the sub-fund's assets become too low and it becomes too onerous and costly to manage the sub-fund. Any such decision will be submitted to the General Meeting of Shareholders of the sub-fund in question.

The liquidation operations will be carried out by one or more liquidators who may be individuals or legal entities and who will be appointed by the General Meeting of Shareholders, which will determine their powers and remuneration.

The net liquidation proceeds of the sub-fund will be distributed to the sub-fund's shareholders proportionally to their investment in the sub-fund.

Suspension of the calculation of the net asset value and the issue, redemption and conversion of the units:

Notwithstanding the legal reasons for suspension, the calculation of the net asset value, the issue, redemption and conversion may be suspended in the following cases:

1. if one or more markets on which more than 20% of the assets are traded, or one or more significant foreign exchange markets on which the currencies in which the net asset value is expressed are traded, are closed for a reason other than legal holidays, or if transactions thereon are suspended or restricted;
The Board of Directors shall determine the situations in which an official net asset value is calculated on the basis of which no issue, redemption or conversion applications shall be received.
2. if the situation is so serious that the assets and/or liabilities cannot be correctly valued or are unavailable except without seriously damaging the interests of the shareholders;
3. if it is not possible to transfer cash or carry out transactions at a normal price or exchange rate, or if restrictions are imposed on foreign exchange markets or financial markets;
4. in the event of IT failure making it impossible to calculate the net asset value;
5. as from the publication of the notice of the General Meeting of Shareholders called to deliberate on the liquidation of the company or of a sub-fund of the company, where the sole purpose of this liquidation is not to change the legal form;

6. during a merger or other restructuring, at the latest the day before the day when the exchange ratio and, where applicable, the balancing adjustment or the compensation assigned to the transfer or the sale are calculated.

Existence of fee-sharing agreements:

Fee-sharing agreements may exist.

At the time of drawing up a fee-sharing agreement, the management company intends to do everything in its power to avoid any conflicts of interest. If, however, conflicts of interest do emerge, the management company will act in the exclusive interests of the unitholders of the fund it manages.

Transactions in OTC derivatives and efficient portfolio management techniques:

A. Efficient portfolio management techniques

In order to increase its yield and/or reduce its risks, each fund is authorised make use of techniques and instruments covering marketable securities and money market instruments, namely the lending and borrowing of securities and/or repurchase and reverse repurchase agreements.

The usage of these transactions must not produce a change in the investment objectives or the taking of additional higher risks.

I. Risks associated with effective portfolio management techniques

1. Counterparty risk

The counterparty risk is the risk that the counterparty suffers a credit event preventing it to return the securities/the cash amount at transaction maturity or at any time upon request from the fund.

2. Delivery risk

The fund may want to liquidate assets which are however subject to a transaction with a counterparty. The delivery risk is the risk that the counterparty, although contractually obliged, may not be able to return the assets quickly enough to allow the fund to honour their sale on the market.

3. Risk of conflicts of interests

A guided selection, for reasons other than the sole interest of the fund counterparties and/or an unequal treatment in the management of similar portfolios could be the main sources of conflicts of interest.

II. Measures to limit the risks associated with efficient portfolio management techniques

1. Measures to limit counterparty and delivery risk

a. Selection of counterparties

The counterparties to these transactions are approved by the Management Company's Risk Management team and, when the transactions are initiated, have a minimum short-term rating of A-2 or equivalent from at least one recognised rating agency.

b. Financial guarantees

See point D. Management of financial guarantees for OTC derivative products and efficient portfolio management techniques below.

2. Measures taken to reduce the risk of conflicts of interest

To mitigate the risk of a conflict of interest, the Management Company has established a process for selecting and monitoring counterparties through committees organized by Risk Management. In addition, the remuneration of these transactions is in line with market practices in order to avoid any conflict of interest.

III. Remuneration policy

Income from securities lending is returned in full to the respective fund(s) after deduction of costs and direct and indirect operational expenses. The costs and fees paid to the Management Company amount to a maximum of 40% of this income.

During the course of this activity, the Management Company is responsible for concluding securities lending operations and the resulting administrative follow-up, the supervision of activity risks, legal and fiscal monitoring of the activity as well as the hedging of the operational risks stemming from this activity.

The periodic reports contain detailed information on the income from securities lending activities and on the operational costs and fees engendered. They also specify the identity of the entities to which these costs and fees are paid and specify if they are related to the management company and/or the custodian bank.

IV. Periodic investor information

Additional information on these techniques for efficient portfolio management is shown in the periodic reports.

B. Over-the-counter derivative financial instruments

In over-the-counter operations, the counterparties to these operations, when the transactions are initiated have a minimum short-term rating of A-2 or equivalent from at least one recognised ratings agency, and are approved by the Management Company's Risk Management department. Additional information on the one or more counterparties to the transactions is shown in the annual report.

The fund may be party to agreements under which terms financial guarantees may be granted under the conditions set forth under the paragraph below entitled Management of financial guarantees for over-the-counter derivative products and techniques for the efficient management portfolio.

C. Total return swaps

A fund may make use of total return swaps or other derivative financial instruments which have the same characteristics, for example, certificates for differences, for the purpose of (buying or selling) exposure, hedging or arbitration.

The underlying instruments to these operations may be either individual securities, financial indices (equities, interest rates, credit, foreign currencies, commodities, volatility etc) in which the fund may invest in accordance with its investment objectives.

The fact sheets specify whether the fund may make use of such instruments.

D. Management of financial guarantees for OTC derivative products and efficient portfolio management techniques

I. General criteria

All guarantees to reduce exposure to counterparty risk must at all times satisfy the following criteria:

- Liquidity: any guarantee received in a form other than cash will have a strong level of liquidity and will be traded on a regulated market or within the framework of a multilateral trading system making use of transparent price setting methods such that it can be quickly sold at a price close to the valuation prior to the sale.
- Valuation: the guarantees received will be valued at least on a daily basis and assets with highly volatile prices will only be accepted as collateral if sufficiently prudent security margins are in place.
- Quality of issuer credit: the financial collateral received must be of high quality.
- Correlation: the financial guarantee received must be issued by an entity which is independent of the counterparty and does not have a strong correlation with the counterparty's performance.
- Diversification: the financial guarantee must be sufficiently diversified in terms of the countries, markets and issuers. As regards issuer diversity, the maximum exposure to an issuer through the guarantees received shall not exceed 20% of the net assets of the respective fund.
- The management risks connected with guarantees, such as operational and legal risks, will be identified, managed and restricted by the risk management process.
- In the event of transfer of ownership, the guarantee received will be held by the custodian bank. Other types of agreements giving rise to guarantees may be held by an external custodian subject to prudential supervision which is not connected to the supplier of the financial guarantees.
- The guarantees received may be fully mobilised at any time without reference thereto to the counterparty or the need to obtain its agreement.

II. Types of authorised guarantees

The permitted types of financial guarantees are as follows:

- Cash denominated in the reference currency of the respective fund,
- Good quality debt securities (rated at least BBB-/Baa3 or equivalent by one of the ratings agencies) issued by public sector issuers from an OECD country (states, supranational bodies, etc) and of a minimum issue size of EUR 250 million,

- Good quality debt securities (rated at least BBB-/Baa3 or equivalent by one of the ratings agencies) issued by private sector issuers from an OECD country and of a minimum issue size of EUR 250 million,
- units in undertakings for collective investment offering adequate liquidity and investing in money market instruments.

The Risk Management department of the Management Company may impose more strict criteria and thereby exclude certain types of instruments, certain countries, certain issuers or even certain securities.

III. Level of collateral (for securities lending and borrowing operations)

The Management Company has introduced a policy whereby the amount of collateral received will be at least equal to 105% of the value of the loaned securities.

IV. Restrictions on reinvestment of financial guarantees received

Financial guarantees in cash can only be placed with entities of good quality, invested in high quality government loans, used for the purpose of repurchase transactions that can be recalled at any time and/or invested in short-term collective investment funds, in accordance with applicable diversification criteria.

Although invested in assets with a low degree of risk, investments may, nevertheless, contain some limited financial risk.

Non-cash financial guarantees may not be sold or reinvested or pledged.

Risk profile information#

Investors are invited to familiarise themselves with the specific risk factors shown hereafter, as well as in the technical fact sheets for each sub-fund and with the “risk and return profile” section in the key investor information document.

The list of the risks described is not expected to be exhaustive. Investors are also recommended to consult their specialist financial advisors before subscribing.

List of risks:

- A. **Market risk:** risk of a decline in the market of a given asset class that may affect the price and value of the assets in the portfolio.
For equity funds, a variation of the stock market in reverse positions can lead to risk of loss and may cause a decrease of the fund net asset value. This risk increases with the volatility of the markets the Fund invests in.
For a bond fund, a change in interest rates may cause a risk of losses and reduce the net asset value of the sub-fund (particularly in the event of a rate increase if the fund has a positive rate sensitivity and in the event of a rate decline if the fund has a negative rate sensitivity). Long term bonds (and related derivatives) are more sensitive to interest rate variations.
For funds exposed to commodities, trends may differ significantly from those of traditional securities markets (equities, bonds). Climatic and geo-political factors can also affect the supply and demand levels of the respective underlying product, or in other words alter the expected scarcity of the product on the market. However, some commodities such as energy and some metals may on the other hand have more strongly correlated trends.
The fund may be exposed to market risk through direct investment (stocks, bonds, etc.) and/or through the use of derivatives
- B. **Credit risk:** risk that an issuer or a counterparty will default. This risk includes the risk of changes in credit spreads and default risk.
Some funds may be exposed to the credit market and/or specific issuers in particular whose prices will change based on the expectations of the market as regards their ability to repay their debt. These funds may also be exposed the risk that a selected issuer will default, i.e. will be unable to honour its debt repayment, in the form of coupons and/or principal. Depending on whether the fund is positively or negatively positioned on the credit market and/or some issuers in particular, an upward or downward movement respectively of the credit spreads, or a default, may negatively impact the net asset value.
Certain funds may use OTC derivative products. Transactions on these may cause a counterparty risk similar to a credit risk, i.e. losses incurred in connection with commitments contracted with a defaulting counterparty.
A fund which invests in poor quality debt instruments is more sensitive to these problems and its value may be more volatile.
- C. **Settlement risk:** the risk that settlement with a payment system does not take place as planned, because the payment or delivery by a counterparty does not occur or is not made in accordance with the initial conditions. This risk exists to the extent that some funds invest in regions where financial markets are not well developed. In regions where the financial markets are well developed, this risk is low.
- D. **Liquidity risk:** liquidity risk is defined for a position in the fund's portfolio that cannot be sold, liquidated or closed at a limited cost and within a sufficiently short time, thus jeopardizing the fund's ability to comply at any with its obligations to redeem the shares of investors at their request. On certain markets (in particular emerging and high-yield bonds, equities with low market capitalisation, etc.), the quotation spreads may widen under less favourable market conditions, which could impact on the net asset value when assets are purchased or sold. Furthermore, in the event of a crisis on these markets, the securities could also become difficult to trade.
- E. **Foreign exchange risk:** foreign exchange risk derives from the fund's direct investments and its investments in future financial instruments, resulting in exposure to a currency other than the its valuation currency. Changes in the exchange rate of this currency in relation to that of the fund may negatively affect the value of assets in the portfolio.
- F. **Custody risk:** the risk of loss of assets held by a custodian as a result of insolvency, negligence or fraudulent action by the custodian or a sub-custodian.
- G. **Concentration risk:** risk related to a significant concentration of investments in a specific asset class or certain markets. This means that changes in these assets or these markets have a significant impact on the fund's portfolio value. The greater the diversification of the fund's portfolio, the lesser the risk of concentration. This risk is also greater for instance on more specific markets (certain regions, sectors or themes) than on broadly diversified markets (worldwide distribution).
- H. **Performance risk:** this risk arises from the level of exposure to other risks, the type of management (more or less active) and the presence or absence of a protection or guarantee mechanism. Volatility is one of the indicators of performance risk.
- I. Risk relating to **capital:** investors are advised that the capital they invest is not guaranteed and that they may therefore not receive back the full amount invested. They may thus suffer a loss.
- J. **Emerging markets risk:** market movements can be stronger and faster on these markets than on the developed markets, which could cause the net asset value to fall in the event of adverse movements in relation to the positions taken. Volatility may be caused by a global market risk or may be triggered by the vicissitudes of a single security. Sectoral concentration risks may also be prevalent on some emerging markets. These risks may also heighten the volatility. Emerging countries can experience serious political, legal and fiscal uncertainties or other events that could impact negatively on the sub-funds investing in them.
- K. **Flexibility risk:** lack of flexibility due to the fund's investment portfolio and/or restrictions on the transfer to other offerors, including the risk of premature redemption. This risk may have the effect of preventing the fund at certain times from taking the desired actions. It may be greater for funds or investments subject to restrictive regulations.

- L. **Inflation risk** : the risk of inflation is mainly due to sudden changes in supply and demand of goods and products in the economy, increases in the cost of raw materials as well as excessive wage increases. This is the risk of being repaid in a depreciated currency, getting a rate of return below the rate of inflation. This risk concerns e.g. long-term and fixed income bonds.
- M. Risk associated with external **factors**: uncertainty about the sustainability of some external environmental factors (such as tax regime or regulatory changes) that may have an impact on operation of the UCI.
- N. **Model risk** : the securities making up the portfolio of the funds are selected essentially on the basis of quantitative models. There is a risk that these models are less efficient, or that they may even present deficiencies, under certain specific market conditions.

Additional information:

O. Existence of a **capital** guarantee

P. Existence of a capital **protection**

Q. **Recommended** investment holding period

The level of risk shown in the table below may be higher or lower, i.e.:

0. = N/A
 1. = Low
 2. = Moderate
 3. = High

Sub-fund	Where A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
High	2	2	1	1	3	0	0	2	Yes	1	0	2	0	No	No	No	5 years
Low	2	2	1	1	2	0	0	2	Yes	1	0	2	0	No	No	No	3 years
Medium	2	2	1	1	2	0	0	2	Yes	1	0	2	0	No	No	No	4 years

Investors are reminded that the value of their investment may go down as well as up and they may not therefore receive back the full amount invested.

Synthetic risk and return indicator:

The risk and return indicator reflects the fund's positioning in terms of risk and return. This indicator is calculated in accordance with Regulation 583/2010 and is available, in its latest version, in key investor information.

It classifies the fund on a scale from 1 to 7 and reflects the historical volatility of the fund, possibly augmented by that of its own frame of reference. Volatility indicates the extent to which the fund's value may fluctuate upwards or downwards.

The higher up the fund is on the scale, the greater the possible return but also the greater the risk of loss. Although the lowest figure does not mean that the fund involves no risk at all, compared to higher figures, in theory this product offers a yield that is lower but also more predictable.

The indicator can be calculated using simulated historical performance data, which is not necessarily a reliable indicator of the risk profile and future performance of the fund, however. As a result, the degree of risk may change over time.

Information on the units and trading of units#

Sub-fund	Institutional	Type	Currency	ISIN Code	Initial subscription price	Initial subscription period/date	Payment date of the initial subscription price	Minimum initial amount
High	C	Cap	EUR	BE0131578461	247.89	from 03.02.92 to 21.02.92	24/02/1992	-
High	C	Dis	EUR	BE0146676128				
High	L	Cap	EUR	BE6214498964	Price of C Cap. unit on the 1 st subscription day	14/02/2011	-	-
Low	C	Cap	EUR	BE0131576440	247.89	from 03.02.1992 to 21.02.1992	24/02/1992	-
Low	C	Dis	EUR	BE0146674107				
Low	L	Cap	EUR	BE6214496943	Price of C Cap. unit on the 1 st	14/02/2011	-	-

					subscription day			
Medium	C	Cap	EUR	BE0131577455	247.89	from 03.02.92 to 21.02.92	24/02/1992	-
Medium	C	Dis	EUR	BE0146675112				
Medium	L	Cap	EUR	BE6214497958	Price of C Cap. unit on the 1 st subscription day	14/02/2011	-	-
Medium	R	Cap	EUR	BE6258211620	100	02/12/2013	06/12/2013	-

Form of the units

The units are registered or paperless, except units of the LOCK class which can only be issued in paperless form.

Calculation of the net asset value, arrangements for subscription of units, redemption of units and conversion between types of units

J	=	Cut-off date for receiving orders (every bank business date in Belgium at 4 p.m.) and date of the sub-fund's published net asset value (NAV). The cut-off time for receiving orders specified here only applies to the institution providing the financial service and the distributors listed in the prospectus. For all other distributors, investors are asked to enquire about the cut-off time for receiving orders set by these distributors.
D + 1	=	Acquisition date of the underlying UCI
D + 2	=	Date of calculation of the net asset value of the underlying UCI (NAV dated D +1).
D + 3	=	Date of calculation of the net asset value (NAV date = D) based on the price of the underlying UCI (NAV dated D +1, calculated on D+2)
D + 4	=	Date on which applications are paid or redeemed

Unit redemption arrangements in case of automatic triggering of a sales order in the LOCK class

J	=	Date of the net asset value that triggers an automatic sales order (each bank business day in Belgium)
D + 3	=	Date of calculation of the net asset value (NAV date = D) based on the price of the underlying UCI (NAV dated D +1, calculated on D+2) which triggers an automatic sale order.
D + 4	=	Cut-off date for receiving automatic sales orders (each bank business day in Belgium at 4 p.m.) and date of the automatic sales order
D + 7	=	Date of calculation of the net asset value (NAV date = D+4) based on the price of the underlying UCI (NAV dated D +5, calculated on D+6) applied to the automatic sale order.
D + 8	=	Unit redemption date

Publication of the net asset value:

The net asset value is published on the BeAMA website (www.beama.be/vni) and is also available at the offices of the institution providing the financial service.

Commissions and fees#

Recurring fees and charges payable by the sub-fund (in EUR or as a percentage of the net asset value):

- A. Investment portfolio management fee
- B. Performance fee
- C. Administrative fee
- D. Remuneration for assets allocation
- E. Costs linked to the Lock mechanism
- F. Sales fee
- G. Financial service fee
- H. Custodian fee
- I. Annual tax
- J. Auditors' fee (VAT excluded)
- K. Fees for the individuals responsible for actual management
- L. Other costs (estimate) including the fees payable to the auditors, directors and individuals responsible for effective management

Sub-fund	Institutional	A (i)	B	C (i)	D	E	F	G	H (i)	I (ii)	J (iii)	K	L (iii)
High	C	Max. 1.35%	-	Max. 0.105%	-	-	-	-	Max. 0.08%	0.0925%	3.600	-	0.10%
High	L	Max. 1.35%	-	Max. 0.105%	-	Max. 0.09%	-	-	Max. 0.08%	0.0925%		-	0.10%
Low	C	Max. 1.00%	-	Max. 0.105%	-	-	-	-	Max. 0.08%	0.0925%	3.600	-	0.10%
Low	L	Max. 1.00%	-	Max. 0.105%	-	Max. 0.07%	-	-	Max. 0.08%	0.0925%		-	0.10%
Medium	C	Max. 1.15%	-	Max. 0.105%	-	-	-	-	Max. 0.08%	0.0925%	3.600	-	0.10%
Medium	L	Max. 1.15%	-	Max. 0.105%	-	Max. 0.07%	-	-	Max. 0.08%	0.0925%		-	0.10%

Medium	R	Max. 0.70%	-	Max. 0.105%	-	-	-	-	Max. 0.08%	0.0925%	-	0.10%
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- (i) Per annum of the average net assets, calculated and payable monthly.
(ii) Of the net amounts invested in Belgium as at 31 December of the previous year. The amounts that have been included in the tax base of the underlying funds (if any) are not included in the taxable fund.
(iii) Per annum

The underlying funds bear, where applicable, their own fees and charges.

Recurring fees and charges payable by the fund (in EUR or as a percentage of the net asset value):

Directors' fee: Directors are not paid for their services except for the independent director who is paid EUR 2,000 per annum.

Non-recurring fees and charges payable by the investor (in EUR or as a percentage of the net asset value per unit):

- A. Marketing fee
A-1: on entry
A-2: on exit
A-3: on conversion
B. Administrative expenses
B-1: on entry
B-2: on exit
B-3: on conversion
C. Amount to cover the cost of acquiring assets
D. Amount to cover the cost of realising assets
E. Amount to discourage exit during the month following entry

Sub-fund	Institutional	Where A			B			C	D	E
		A-1	A-2	A-3 (i)	B-1	B-2	B-3 (i)			
High	C, L	Max. 2.50% (iii)	-	(ii)	-	-	(ii)	-	-	-
Low	C, L	Max. 2.50% (iii)	-	(ii)	-	-	(ii)	-	-	-
Medium	C, L, R	Max. 2.50% (iii)	-	(ii)	-	-	(ii)	-	-	-

- (i) Change of sub-fund/share class/type of units. Except for taxes, no costs will be charged for conversions from a Class Lock to a C class.
(ii) In case of conversion from one sub-fund to another sub-fund of the same fund, conversion fees (such as a marketing fee) may be charged. Furthermore, as part of the conversion process, the institutions providing the financial service will be entitled to deduct an amount for each transaction to cover these administrative expenses. The institutions providing the financial service will provide unitholders with their schedule of fees.
(iii) This rate corresponds to the highest rate applied by all Belgian and European distributors. The institutions providing the financial service will provide shareholders with their schedule of fees.

Tax on Stock Market Transactions sustained by the investor:

1% (max. EUR 1,500) in case of sale or conversion of capitalisation shares (Cap. => Cap./Dis.).

Belfius Fullinvest High

Date of creation: 22/11/1991

Term: Unlimited term

Objectives of the sub-fund:

The objective of the sub-fund is to enable shareholders to benefit from trends on the financial markets through a portfolio principally made up of undertakings for collective investment (UCI) that aim to offer a broad diversification (notably via equities and bonds of different countries and sectors). The sub-fund will focus on investments in equity UCI.

Investment policy of the sub-fund:

▪ Authorised asset classes:

The assets of this sub-fund will be invested principally in units in Belgian UCI and/or foreign UCI of the open-ended type.

The sub-fund's assets may also be invested, on an ancillary basis, in the other asset classes mentioned in the articles of association appended to this document. Thus, for example, on an ancillary basis, the assets may be invested in equities, bonds, money market instruments, deposits and/or cash.

▪ Particular strategy:

The sub-fund will invest principally in units in Belgian or foreign UCI, which themselves invest essentially in:

- bonds and/or equivalent securities, such as investment grade bonds, high-yield bonds, mortgage-backed securities, inflation indexed bonds, etc.,
- equities and/or securities equivalent to equities,
- and/or cash and money market instruments.

The sub-fund will focus on investments in equity UCI. However, they could be a minority proportion or be very low according to the asset manager's expectations of the trend of the financial markets and in order to reduce the risk for the investor.

In addition, the sub-fund may invest part of its net assets in UCI which follow specific strategies (such as, for instance, raw materials, alternatives or other opportunities). Nevertheless, these investments will always be a minority.

Both the UCIs held and their constituent financial instruments may be denominated in any currency and may or may not be hedged against foreign exchange risk, depending on the asset manager's expectations in terms of market trends. The financial instruments of these UCI may be issued by issuers in different regions of the world, including the emerging countries.

▪ Authorised transactions involving financial derivatives:

The sub-fund may also, provided the legal rules in force are observed, use derivative products such as options, futures, interest rate and currency swaps, performance swaps, volatility swaps and forward exchange transactions **both for investment and hedging purposes. Investors should be aware that these types of derivative products are more volatile than the underlying products.**

▪ Characteristics of bonds and debt securities:

The fixed or variable income securities held by the UCI in position will be issued principally by reputedly good quality issuers (investment grade: minimum BBB- and/or Baa3). The sub-fund may, however, hold UCI investing in high-yield bonds (rated below BBB- and/or Baa3) on an ancillary basis.

The bonds of the UCI in position will be issued principally by governments, supranational institutions, the public sector and/or the private sector. On an ancillary basis, the fixed or variable income securities may also be issued by emerging States and/or companies, possibly rated less than BBB-and/or Baa3.

The asset manager may change the overall term of the sub-fund within a range of 2 to 10 years based on its expectations in terms of interest rate trends.

- Description of the general strategy to hedge against the exchange risk:
The sub-fund does not intend to systematically hedge against exchange risk exposure.
- Social, ethical and environmental aspects:
The sub-fund's investment policy is not particularly based on social, ethical or environmental criteria. Notwithstanding, the sub-fund will not invest in the shares of a company that manufactures, uses or possesses anti-personnel mines, cluster bombs and/or depleted uranium weapons.
- The investment policy seeks to ensure the diversification of the portfolio risks. Net asset value trends are however uncertain since the net asset value is subject to the different types of risk listed below. **There may therefore be relatively high volatility in its price.**

Risk profile of the sub-fund:

In view of its investment policy, the sub-fund is exposed to a "medium" market risk, i.e. the risk that the stock markets in which it invests will decline and/or the risk of unfavourable trends in interest rates and credit spreads.

The sub-fund is also exposed to a medium credit risk, i.e. the default risk of an issuer or counterparty. This risk is highest for high-yield bond UCI and UCI investing in the emerging countries.

Based on market trends, the securities selected by the sub-fund and the absence of third party guarantees, there is therefore a risk to the sub-fund's performance.

Given the fact that the asset manager can invest in currencies other than that of the sub-fund, investors whose reference currency is that of the sub-fund run a high risk that the value of the investment may be affected by changes in exchange rates.

There is also a possibility of liquidity risk in the event of a serious crisis affecting these markets, i.e. the risk that a position cannot be liquidated in a timely manner.

Finally, investors are reminded that the sub-fund's investment policy does not protect them against inflation risk.

Investors are advised to consider the level of risk by referring to the section "Risk profile information".

Risk profile of the typical investor:

This sub-fund is aimed at any natural or legal person that is sufficiently aware of the inherent risks in equity and bond markets, who understands the type of risk entailed in the sub-fund and who accepts this on the basis of their investor profile.

Belfius Fullinvest Low#

Date of creation: 22/11/1991

Term: Unlimited term

Objectives of the sub-fund:

The objective of the sub-fund is to enable shareholders to benefit from trends on the financial markets through a portfolio principally made up of undertakings for collective investment (UCI) that aim to offer a broad diversification (notably via equities and bonds of different countries and sectors). The sub-fund will focus on investments in equity UCI.

Investment policy of the sub-fund:

▪ Authorised asset classes:

The assets of this sub-fund will be invested principally in units in Belgian UCI and/or foreign UCI of the open-ended type.

The sub-fund's assets may also be invested, on an ancillary basis, in the other asset classes mentioned in the articles of association appended to this document. Thus, for example, on an ancillary basis, the assets may be invested in equities, bonds, money market instruments, deposits and/or cash.

▪ Particular strategy:

The sub-fund will invest principally in units in Belgian or foreign UCI, which themselves invest essentially in:

- bonds and/or equivalent securities, such as investment grade bonds, high-yield bonds, mortgage-backed securities, inflation indexed bonds, etc.,
- equities and/or securities equivalent to equities,
- and/or cash and money market instruments.

The quota of assets invested in equity UCI is always the minority and it could be very low, or even zero, according to the manager's expectations of the trend of the financial markets and in order to reduce the risk for the investor.

In addition, the sub-fund may invest part of its net assets in UCI which follow specific strategies (such as, for instance, raw materials, alternatives or other opportunities). Nevertheless, these investments will always be a minority.

Both the UCIs held and their constituent financial instruments may be denominated in any currency and may or may not be hedged against foreign exchange risk, depending on the asset manager's expectations in terms of market trends. The financial instruments of these UCI may be issued by issuers in different regions of the world, including the emerging countries.

▪ Authorised transactions involving financial derivatives:

The sub-fund may also, provided the legal rules in force are observed, use derivative products such as options, futures, interest rate and currency swaps, performance swaps, volatility swaps and forward exchange transactions **both for investment and hedging purposes. Investors should be aware that these types of derivative products are more volatile than the underlying products.**

▪ Characteristics of bonds and debt securities:

The fixed or variable income securities held by the UCI in position will be issued principally by reputedly good quality issuers (investment grade: minimum BBB- and/or Baa3). The sub-fund may, however, hold UCI investing in high-yield bonds (rated below BBB- and/or Baa3) on an ancillary basis.

The bonds of the UCI in position will be issued principally by governments, supranational institutions, the public sector and/or the private sector. On an ancillary basis, the fixed or variable income securities may also be issued by emerging States and/or companies, possibly rated less than BBB-and/or Baa3.

The asset manager may change the overall term of the sub-fund within a range of 2 to 10 years based on its expectations in terms of interest rate trends.

- Description of the general strategy to hedge against the exchange risk:
The sub-fund does not intend to systematically hedge against exchange risk exposure.
- Social, ethical and environmental aspects:
The sub-fund's investment policy is not particularly based on social, ethical or environmental criteria. Notwithstanding, the sub-fund will not invest in the shares of a company that manufactures, uses or possesses anti-personnel mines, cluster bombs and/or depleted uranium weapons.
- The investment policy seeks to ensure the diversification of the portfolio risks. Net asset value trends are however uncertain since the net asset value is subject to the different types of risk listed below. **There may therefore be relatively high volatility in its price.**

Risk profile of the sub-fund:

In view of its investment policy, the sub-fund is exposed to a "medium" market risk, i.e. the risk that the stock markets in which it invests will decline and/or the risk of unfavourable trends in interest rates and credit spreads.

The sub-fund is also exposed to a medium credit risk, i.e. the default risk of an issuer or counterparty. This risk is highest for high-yield bond UCI and UCI investing in the emerging countries.

Based on market trends, the securities selected by the sub-fund and the absence of third party guarantees, there is therefore a risk to the sub-fund's performance.

Given the fact that the asset manager can invest in currencies other than that of the sub-fund, investors whose reference currency is that of the sub-fund run a medium risk that the value of the investment may be affected by changes in exchange rates.

There is also a possibility of liquidity risk in the event of a serious crisis affecting these markets, i.e. the risk that a position cannot be liquidated in a timely manner.

Finally, investors are reminded that the sub-fund's investment policy does not protect them against inflation risk.

Investors are advised to consider the level of risk by referring to the section "Risk profile information".

Risk profile of the typical investor:

This sub-fund is aimed at any natural or legal person that is sufficiently aware of the inherent risk in equity and bond markets, who understands the type of risk entailed in the sub-fund and who accepts this on the basis of their investor profile.

Belfius Fullinvest

Medium#

Date of creation: 22/11/1991

Term: Unlimited term

Objectives of the sub-fund:

The objective of the sub-fund is to enable shareholders to benefit from trends on the financial markets through a portfolio principally made up of undertakings for collective investment (UCI) that aim to offer a broad diversification (notably via equities and bonds of different countries and sectors). To achieve this objective, the sub-fund will focus on a balance between investments in bond UCI and in equity UCI.

Investment policy of the sub-fund:

▪ Authorised asset classes:

The assets of this sub-fund will be invested principally in units in Belgian UCI and/or foreign UCI of the open-ended type.

The sub-fund's assets may also be invested, on an ancillary basis, in the other asset classes mentioned in the articles of association appended to this document. Thus, for example, on an ancillary basis, the assets may be invested in equities, bonds, money market instruments, deposits and/or cash.

▪ Particular strategy:

The sub-fund will invest principally in units in Belgian or foreign UCI, which themselves invest essentially in:

- bonds and/or equivalent securities, such as investment grade bonds, high-yield bonds, mortgage-backed securities, inflation indexed bonds, etc.,
- equities and/or securities equivalent to equities,
- and/or cash and money market instruments.

The quota of assets invested in equity UCI may be the majority, or the minority and it could be very low, or even zero, according to the manager's expectations of the trend of the financial markets and in order to reduce the risk for the investor.

In addition, the sub-fund may invest part of its net assets in UCI which follow specific strategies (such as, for instance, raw materials, alternatives or other opportunities). Nevertheless, these investments will always be a minority.

Both the UCIs held and their constituent financial instruments may be denominated in any currency and may or may not be hedged against foreign exchange risk, depending on the asset manager's expectations in terms of market trends. The financial instruments of these UCI may be issued by issuers in different regions of the world, including the emerging countries.

▪ Authorised transactions involving financial derivatives:

The sub-fund may also, provided the legal rules in force are observed, use derivative products such as options, futures, interest rate and currency swaps, performance swaps, volatility swaps and forward exchange transactions **both for investment and hedging purposes. Investors should be aware that these types of derivative products are more volatile than the underlying products.**

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The bonds of the UCI in position will be issued principally by governments, supranational institutions, the public sector and/or the private sector. On an ancillary basis, the fixed or variable income securities may also be

issued by emerging States and/or companies, possibly rated less than BBB-and/or Baa3.

The asset manager may change the overall term of the sub-fund within a range of 2 to 10 years based on its expectations in terms of interest rate trends.

▪ Description of the general strategy to hedge against the exchange risk:

The sub-fund does not intend to systematically hedge against exchange risk exposure.

▪ Social, ethical and environmental aspects:

The sub-fund's investment policy is not particularly based on social, ethical or environmental criteria. Notwithstanding, the sub-fund will not invest in the shares of a company that manufactures, uses or possesses anti-personnel mines, cluster bombs and/or depleted uranium weapons.

- The investment policy seeks to ensure the diversification of the portfolio risks. Net asset value trends are however uncertain since the net asset value is subject to the different types of risk listed below. **There may therefore be relatively high volatility in its price.**

Risk profile of the sub-fund:

In view of its investment policy, the sub-fund is exposed to a "medium" market risk, i.e. the risk that the stock markets in which it invests will decline and/or the risk of unfavourable trends in interest rates and credit spreads.

The sub-fund is also exposed to a medium credit risk, i.e. the default risk of an issuer or counterparty. This risk is highest for high-yield bond UCI and UCI investing in the emerging countries.

Based on market trends, the securities selected by the sub-fund and the absence of third party guarantees, there is therefore a risk to the sub-fund's performance.

Given the fact that the asset manager can invest in currencies other than that of the sub-fund, investors whose reference currency is that of the sub-fund run a medium risk that the value of the investment may be affected by changes in exchange rates.

There is also a possibility of liquidity risk in the event of a serious crisis affecting these markets, i.e. the risk that a position cannot be liquidated in a timely manner.

Finally, investors are reminded that the sub-fund's investment policy does not protect them against inflation risk.

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This sub-fund is aimed at any natural or legal person that is sufficiently aware of the inherent risk in equity and bond markets, who understands the type of risk entailed in the sub-fund and who accepts this on the basis of their investor profile.