

UBB ExpertEase SRI Defensive Tolerant

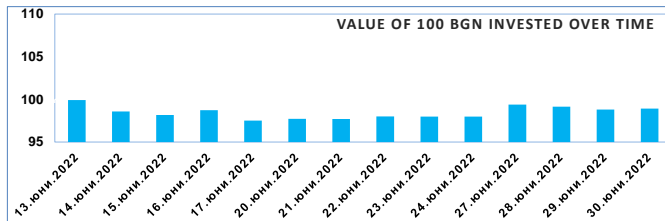
UBB ExpertEase SRI Defensive is global mixed 'balanced' investment subfund of UBB ExpertEase Contractual Umbrella Fund, which is a replenishing collective investment scheme pursuant to Article 67 of the Collective Investment Schemes and Other Undertakings for Collective Investments Act (CISOUCA). The subfund is a replenishing subfund and invests at least 85% of their assets in Institutional F shares BG class, denominated in euro, of main subfund Horizon KBC ExpertEase SRI Defensive Tolerant. The investment goal of the subfund is to invest at least 85% of its assets in the main subfund and up to 15% of its assets in cash and derivatives. The target distribution of assets of the main subfund is 30% for the component of shares and 70% for the component of bonds. This distribution may be significantly changes and in this connection the main subfund may invest a significant part of the assets in classes of assets that are not included in the target distribution (as CMI and cash). The component



| FUND INFORMATION | as of 30.06.2022 r. |
|---|---------------------|
| Launch date | 04 april 2022 |
| Last confirmed NAV | 1 442 474.77 |
| Last confirmed NAV per unit | 9.8873 |
| Lowest - Highest NAV per unit for the last year | 9.7464-9.9945 |
| Standard deviation for the last year | - |

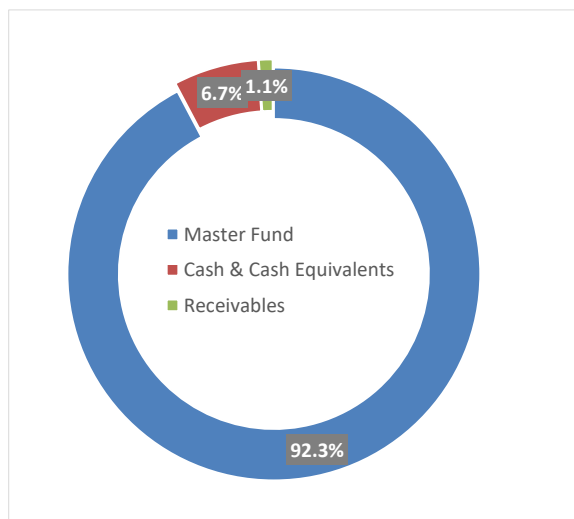
| RETURN | |
|---|---|
| Year to date /not annualized/ | - |
| For the last 12 months /not annualized/ | - |
| For the last 3 years /annualized/ | - |
| Since inception /annualized/ | - |

| PORTFOLIO | |
|---|--------|
| HORIZON KBC EXPERTEASE DYNAMIC TOLERANT BGN | SHARES |
| CASH | ASSETS |
| RECEIVABLES | ASSETS |



ANNUAL RETURNS

As the sub-fund was established in 2022, there is insufficient data to give investors a useful indication of past performance.



| | |
|---|---|
| MASTER FUND | Horizon KBC ExpertEase SRI Defensive Tolerant |
| MASTER FUND CURRENCY | EUR |
| COUNTRY OF ORIGIN OF THE MASTER FUND | BELGIUM |
| STRATEGY OF THE MASTER FUND | BALANCED |
| TARGET WEIGHT OF THE MASTER FUND | |
| EQUITIES | 30.00% |
| BONDS | 70.00% |

COMMENT

First half of 2022 it is already a fact that the month of June continued the downward trend in the markets with brief glimpses of loose growth. The stabilization of oil prices below the level of \$110 per barrel was not enough to dispel investors' concerns and buyers remained passive, awaiting more information on the state of the economy and the actions of central banks. The labor market continues to be in excellent shape, with unemployment in the US (3.6%) reaching its lowest level since 1969, while in Germany, one of the leading economies in the EU, it rose slightly to 5.3%. The reason, however, was the inclusion of permanently resident refugees from Ukraine in it. Greater flexibility in the labor market also means that some of the most affected sectors, such as construction, entertainment and education, will be able to fill vacant positions. The slight cooling of the labor market is a positive indicator. More moderate growth and stabilizing inflation could steer the economy toward a soft landing, of course, if the Federal Reserve exercises the necessary patience. On the business side, there is also a slight cooling. Rising interest rates and higher declines in some leading indicators caused a contraction in the PMI business confidence index, but its level still remained healthy (above 50 in both the US and the Eurozone, manufacturing and services) as output levels reported down for the first time in two years. The effect on the equity markets was not long in coming, with the leading indices S&P 500 (-8.4%), Euro stoxx 50 (-8.8%) and Nikkei 225 (-3.3%) reporting declines. Not all sectors reacted negatively, however, as apart from the continued strong performance of energy companies, traditionally defensive sectors such as utilities, consumer staples and healthcare also reported relatively better results. These are sectors seen as a "lifeboat" in a recession as households continue to consume their products and services, even in more negative economic conditions and rising interest rates. The grip of central banks temporarily loosened bond markets as the yield on US 10-year notes fell to 3.0% (from 3.5% in early June) as bond prices rose - an indication that more investors prefer their safety. In the more war-torn Eurozone, the European Central Bank still appears to have a 0.50% hike on the cards, but Christine Lagarde is officially sticking to the original plan for a 0.25% hike for now, followed by a second one in September, again at 0.25%. Inflation in the Eurozone is still raging in full force, reaching a new record high of 8.6% in June (Eurostat's early forecast). In Bulgaria, we are yet to see its level for June, but by the month of May, a new peak of 15.6% was reached. This did not prevent the leading index BG40 from maintaining positions (-0.2%) as the leaders in growth were Fairplay Properties REIT, Sofia Commerce Pawn Shops AD and Sirma Group Holding AD. The biggest decline was reported by the shares of Petrol AD, which closed at just under 25 cents per share. It was a different picture in Asia's leading economy, where the easing of strict quarantine measures and strong manufacturing data lifted the business confidence index to 50.2 and services reached 54.7. Positive news and a slight weakening of the yuan against the US dollar sent the main Shanghai Composite index up +6.7% from the level at which it closed in May. And the indications are getting stronger that supply chains are in much better shape and the recovery is moving along.

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