

## KEY INVESTOR INFORMATION

*This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.*

### MF UBB Balanced Fund

ISIN BG9000013136 UIC: 131326575

The Fund's units are denominated in Bulgarian lev and are registered with the Central Depository.

The Fund is managed through "KBC Asset Management NV - branch" – Bulgaria, UIC 205422541, by the foreign Management Company "KBC Asset Management NV" - Belgium, № 0469.444.267 (universal successor of "UBB Asset Management" EAD)

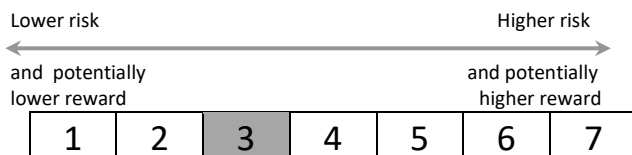
The Fund originates in the Republic of Bulgaria and is subject to regulation by the Financial Supervision Commission.

## OBJECTIVES AND INVESTMENT POLICY

- The Fund's main objective is to ensure that unit-holders increase the value of their investment by realising the maximum possible reward assuming a moderate risk and providing liquidity to their investments. The Fund's financial objective is to increase in the long run the value of its units outstanding by investing in a balanced portfolio of transferable securities and other financial instruments.
- The Fund's resources are mostly invested in lower-risk debt instruments - up to 80%, to a lesser extent – in equity securities, up to 60%, in money market securities and instruments, up to 10%. The Fund should have liquidity, which mainly consists of deposits with banks - not less than 5% of the total assets.
- The Fund does not distribute dividends. All earnings are reinvested thus increasing the value of the units held by investors in the Fund.
- The Fund does not have a particular target in relation to any industrial, geographic or other market sectors; classes of assets
- Appropriate investment methods to protect the portfolio from different types of risk - market and credit risk - can be applied by entering into derivative transactions, for the achievement of the Fund's fundamental objectives and the management of risk.
- The Fund sells and redeems its units through the branches of the distributor - United Bulgarian Bank AD within their business hours with customers.
- The Fund is actively managed without reference to a benchmark.
- Recommendation: it is possible that the Fund may not be appropriate for investors who plan to withdraw their money within three years.

## RISK AND REWARD PROFILE

### Synthetic indicator



The risk indicator determines the type of fund according to the share in the scheme of the equity investment (risk), debt (low risk) and money market instruments (risk-free) and reflects the market risk of depreciation of the units. The investment structure that the Fund seeks to maintain by investing up to 80% of its assets in bonds and up to 60% of its assets in risk securities (shares, rights) predetermines a level of risk at 3rd category on the synthetic indicator scale. The present value of the indicator is based on data on the price fluctuations of the Fund's units over the past five years. The historical data used to calculate the synthetic indicator may not be a reliable indication of the future risk profile.

The specified risk category and the reward may be subject to change and the Fund's categorisation may shift over time. The lowest category does not mean a risk-free investment.

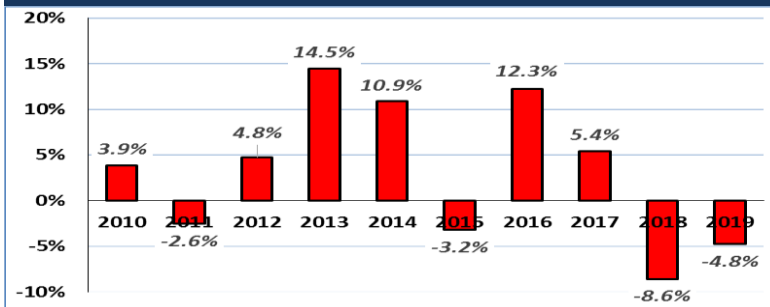
Other risks that have an impact on the Fund but are not covered by the synthetic indicator: (a) Interest rate risk associated with a decrease in the value of the investment due to a change in the level of interest rates; b) Credit risk associated with the risk that the bond issuer, respectively the person providing the collateral, can not fulfil its obligations to repay in due time the principal and/or the interest due; c) Liquidity risk associated with the risk that, under certain conditions, it makes it difficult or impossible to sell financial instruments held by the Fund at an acceptable price, as well as the risk that, under certain conditions, the units of the Fund may not be redeemed. The liquidity of the units of the Fund may be limited by temporary suspension of the redemption in the cases described in paragraph 2.10.5. of the Prospectus, which is available at [www.ubbam.bg](http://www.ubbam.bg). d) Additional risks of using derivatives - additional management risk, leverage risk, risk of erroneous valuation of a derivative, and there is no certainty that the application of such investment methods to protect the portfolio will be successful. Further information on risks is contained in paragraph 2.15 of the Prospectus, which is available at [www.ubbam.bg](http://www.ubbam.bg).

## CHARGES

1. One-off charges taken before or after the investment	
Entry charges	0.00%
Exit charges	0.00% of the NAV per unit, for investments held over 12 months* 0.40% of the NAV per unit, for investments held up to 12 months*
* the 12-month period runs from the date of the initially invested amount, after which the charge is 0.00%	
<i>This is the maximum amount that might be taken out of your money before it is invested/before the proceeds of your investment are paid out. Investors can find out the actual entry and exit charges from their financial advisor, distributor, at the point of sale or on the website of the branch of Management Company <a href="mailto:ubbam@ubb.bg">www.ubbam@ubb.bg</a>.</i>	
2. Ongoing charges taken from the Fund over a year	
Ongoing charges	2.44%
<i>"Ongoing charges" are expenses calculated on the basis of the year-end of 2019, indirectly borne by all investors in the Fund, and are % of the average annual net asset value of the Fund for 2019. Ongoing charges may vary from year to year. They include the fee of the MC, which is 2.25% of the average annual net asset value of the Fund.</i>	
3. Charges taken by the Fund under certain conditions	
Performance fee	0.00%

These charges are used to pay the costs of running the Fund, including the costs of marketing and distributing its units. These charges reduce the growth potential of the investment, as they could have an impact on the reward. Ongoing charges include fee of the Management Company, the depository bank, commissions of the investment intermediaries, costs related to the execution of the Fund portfolio transactions, fees of auditors, the Central Depository, the Financial Supervision Commission and others. Further information on the charges is contained in paragraphs 2.16.1 and 7.1 of the Fund's prospectus, available at [www.ubbam.bg](http://www.ubbam.bg).

## PAST PERFORMANCE



The information shows the percentage change in the Net Asset Value per Unit (NAVU) at the beginning and the end of the period. The NAVU is calculated in Bulgarian lev. The calculation of historical reward is based on the net asset value of the Fund, including all annual costs, excluding entry and exit charges. Income from entry and exit charges is transferred to the distributor. The chart of reward in previous years has a limited value as a guide to future performance.

## PRACTICAL INFORMATION

Depository Bank: Eurobank Bulgaria AD, UIC 000694749. Further information about the Fund, including its prospectus, key information document, the latest published annual and half-yearly financial reports, details of the current remuneration policy of the Management Company, as well as the Procedure on filing and handling of complaints can be obtained in the branches of UBB AD, during their working hours with clients ([www.ubb.bg](http://www.ubb.bg)) and on the website of the MC: [www.ubbam.bg](http://www.ubbam.bg). These documents are available in Bulgarian and are provided free of charge. Practical information can also be obtained at: 070011717 – domestic line; \*7171 – short number for mobile users; +35924831717 – international line; e-mail: [ubbam@ubb.bg](mailto:ubbam@ubb.bg). Submission of an order for subscription (purchase) and redemption of units of the Fund is made in branches of UBB AD, where investors shall open or where they have a current payment account, as well as through the virtual branch of UBB AD. Up-to-date information on the issue value and the redemption price of the units is announced every working day until 5.00 pm on the website of the MC: [www.ubbam.bg](http://www.ubbam.bg). The tax legislation of the Republic of Bulgaria may have an impact on the personal tax position of investors. Investor's reward from transactions under the conditions and the order of redemption of units is not taxable. The MC "KBC Asset Management NV" - Belgium may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Fund's prospectus.

*MF UBB Balanced Fund was initially established as an open-end investment company and was holder of license No. 09-ID/06.01.2004 in the Republic of Bulgaria by Decision No 747-ID dated 13.10.2004 of the Financial Supervision Commission and is subject to regulation by the Financial Supervision Commission of the Republic of Bulgaria. Open-end Investment Company "UBB Balanced Fund" AD was subsequently authorized by Decisions No. 374-ID/15.05.2013 and No. 385-ID/21.05.2013 of the Financial Supervision Commission for its conversion into a contractual fund.*

*The Fund is managed, through "KBC Asset Management NV - branch" – Bulgaria by the foreign Management Company "KBC Asset Management NV" - Belgium, authorized in Belgium and subject to regulation by the Financial Services and Markets Authority (FSMA) and, through its branch, by the Financial Supervision Commission.*

*This key investor information is accurate as at 01.08.2020.*