



**Semi-annual report  
as at 31st March 2018**

# **KBC BONDS**

Investment Company with Variable Capital (SICAV)  
Luxembourg

R.C.S. Luxembourg B 39 062

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No subscription can be received on the basis of these financial statements. Subscriptions are only valid if made on the basis of the current issue prospectus and the key investor information document ("KIID") accompanied by the subscription form, the latest annual report including audited financial statements and the most recent semi-annual report, if published thereafter.

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# KBC BONDS

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# KBC BONDS

## Organisation

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### Registered office

80 route d'Esch  
L-1470 LUXEMBOURG

### Board of Directors

#### *Chairman*

Wilfried KUPERS

General Manager  
KBC GROUP N.V.  
2, avenue du Port  
B-1080 BRUSSELS

#### *Directors*

Bruno NELEMANS

Conducting Officer  
KBC ASSET MANAGEMENT S.A.  
4, rue du Fort Wallis  
L-2714 LUXEMBOURG

Frank JANSEN

Senior Fund Manager  
KBC ASSET MANAGEMENT S.A.  
4, rue du Fort Wallis  
L-2714 LUXEMBOURG

Jos LENAERTS

Senior Legal Adviser  
KBC ASSET MANAGEMENT S.A.  
4, rue du Fort Wallis  
L-2714 LUXEMBOURG

### Management Company

KBC ASSET MANAGEMENT S.A.  
4, rue du Fort Wallis  
L-2714 LUXEMBOURG

### Board of Directors of the Management Company

#### *Chairman*

Johan LEMA

President of the Executive Committee  
KBC ASSET MANAGEMENT N.V.  
2, avenue du Port  
B-1080 BRUSSELS

#### *Directors*

Ivo BAUWENS

General Manager  
KBC GROUP RE S.A.  
4, rue du Fort Wallis  
L-2714 LUXEMBOURG

Linda DEMUNTER

Managing Director  
KBC ASSET MANAGEMENT N.V.  
2, avenue du Port  
B-1080 BRUSSELS

### Conducting officers of the Management Company

Lazlo BELGRADO  
Bruno NELEMANS

## KBC BONDS

### Organisation (continued)

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#### **Delegated central administration and domiciliary agent**

BROWN BROTHERS HARRIMAN (LUXEMBOURG) S.C.A.  
80 route d'Esch  
L-1470 LUXEMBOURG

#### **Depository and principal paying agent**

BROWN BROTHERS HARRIMAN (LUXEMBOURG) S.C.A.  
80 route d'Esch  
L-1470 LUXEMBOURG

#### **Cabinet de révision agréé**

DELOITTE Audit  
*Société à responsabilité limitée*  
560, rue de Neudorf  
L-2220 LUXEMBOURG

#### **Financial services and paying agents**

##### **in Austria**

ERSTE BANK DER ÖSTERREICHISCHEN SPARKASSEN AG  
Graben 21  
A-1010 VIENNA

##### **in Belgium**

CBC BANQUE S.A.  
5, Grand Place  
B-1000 BRUSSELS

KBC BANK N.V.  
2, avenue du Port  
B-1080 BRUSSELS

##### **in Czech Republic**

ČESKOSLOVENSKÁ OBCHODNÍ BANKA, A.S.  
Praha 5, Radlická 333/150  
CZ-15057 PRAGUE 5

##### **in France**

CM-CIC SECURITIES  
6, avenue de Provence  
F-75009 PARIS

##### **in Germany**

BREMER KREDITBANK AG  
Wachtstrasse 16  
D-28195 BREMEN

##### **in Hungary**

K&H BANK NYRT.  
Vigado tér 1  
H-1051 BUDAPEST

for the following sub-funds:

- KBC BONDS CORPORATES EURO
- KBC BONDS CORPORATES USD

##### **in Luxembourg**

BROWN BROTHERS HARRIMAN (LUXEMBOURG) S.C.A.  
80 route d'Esch  
L-1470 LUXEMBOURG

## **KBC BONDS**

### **Organisation (continued)**

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#### **Financial services and paying agents (continued)**

##### **in Poland**

BANK ZACHODNI WBK S.A.  
Rynek 9/11  
PL-50-950 WROCLAW

##### **in Slovakia**

ČESKOSLOVENSKÁ OBCHODNÍ BANKA, A.S.  
Laurinska 1  
SK-815 63 BRATISLAVA

##### **in Switzerland**

RBC INVESTOR SERVICES BANK S.A.  
Esch-sur-Alzette, Zurich Branch  
Bleicherweg, 7  
CH-8027 ZURICH

#### **Legal representatives**

##### **in Austria**

ERSTE BANK DER ÖSTERREICHISCHEN SPARKASSEN AG  
Graben 21  
A-1010 VIENNA

##### **in Belgium**

KBC ASSET MANAGEMENT N.V.  
2, avenue du Port  
B-1080 BRUSSELS

##### **in Czech Republic**

ČSOB INVESTIČNÍ SPOLEČNOST, A.S.  
člen skupiny ČSOB Radlická 333/150  
CZ-15057 PRAGUE 5

##### **in France**

CM-CIC SECURITIES  
6, avenue de Provence  
F-75009 PARIS

##### **in Germany**

BREMER KREDITBANK AG  
Wachtstrasse 16  
D-28195 BREMEN

##### **in Hungary**

K&H INVESTMENT FUND MANAGEMENT  
Vigado tér 1  
H-1051 BUDAPEST  
for the following sub-funds:  
- KBC BONDS CORPORATES EURO  
- KBC BONDS CORPORATES USD

##### **in Poland**

GAMMA TOWARZYSTWO FUNDUSZY INWESTYCYJNYCH S.A.  
Ul. Chmielna 85/87  
PL-00-805 WARSAW



## **KBC BONDS**

### **Organisation (continued)**

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#### **Legal representatives (continued)**

##### **in Slovakia**

KBC ASSET MANAGEMENT N.V.  
Pobočka zahraničnej správ.spol.  
Medená 22  
SK-811 02 BRATISLAVA

##### **in Switzerland**

RBC INVESTOR SERVICES BANK S.A.  
Esch-sur-Alzette, Zurich Branch  
Badenerstrasse, 567  
P.O. Box 1292  
CH-8048 ZURICH

## KBC BONDS

### General information

KBC BONDS (the "SICAV") is a "*Société d'Investissement à Capital Variable*" under Luxembourg law, established for an unlimited period at Luxembourg on 20th December 1991. The SICAV is governed by the Part I of the amended Law of 17th December 2010 relating to Undertakings for Collective Investment in Transferable Securities (UCITS) and by the Council Directive 2009/65/EC as amended.

The SICAV has designated KBC ASSET MANAGEMENT S.A., 4 rue du Fort Wallis, L-2714 Luxembourg organized under Chapter 15 of the amended Law of 17th December 2010 as Management Company. The articles of incorporation of the SICAV as well as their amendments were published in the "*Mémorial, Recueil des Sociétés et Associations*" and have been filed with the "Registre de Commerce et des Sociétés de Luxembourg" where copies are available. The SICAV is registered under the number B 39 062.

The SICAV's primary objective is to pursue the highest possible appreciation in value of the capital invested, in accordance with the principle of risk diversification.

#### Distribution policy

Within each sub-fund of the SICAV, all shares issued are either distribution shares or capitalisation shares. Within each category of shares, some sub-categories of shares can be created, characterized by their currency, their fees or by any other characteristic.

Distribution shares entitle their holder to a dividend, whereas the share of the results attributable to capitalisation shares is not paid out but is accumulated.

The Board of Directors of the SICAV decided, from 1st October 2013, that for the shares of the sub-category "USD frequent dividend" of the sub-funds KBC BONDS HIGH INTEREST and KBC BONDS EMERGING EUROPE, a dividend will be paid monthly in USD for an amount equal to 1/12th dividend yield of the previous financial year.

The latest annual reports including audited financial statements and semi-annual reports, the latest prospectus, the KIID and the articles of incorporation of the SICAV can be obtained free of charge from the SICAV's registered office, from the institutions responsible for providing financial services, from the paying agents and from the legal representatives.

At the closing date, the following sub-funds are active:

- KBC BONDS INCOME FUND	in EUR
- KBC BONDS CAPITAL FUND	in EUR
- KBC BONDS HIGH INTEREST	in EUR
- KBC BONDS EMERGING MARKETS	in USD
- KBC BONDS CORPORATES EURO	in EUR
- KBC BONDS EUROPE EX-EMU	in EUR
- KBC BONDS CONVERTIBLES	in EUR
- KBC BONDS INFLATION - LINKED BONDS	in EUR
- KBC BONDS EUROPE	in EUR
- KBC BONDS CORPORATES USD	in USD
- KBC BONDS EMERGING EUROPE	in EUR
- KBC BONDS GLOBAL EMERGING OPPORTUNITIES	in EUR
- KBC BONDS EMU SHORT MEDIUM	in EUR
- KBC BONDS SRI HIGH INTEREST	in EUR
- KBC BONDS STRATEGIC EMERGING OPPORTUNITIES	in EUR
- KBC BONDS STRATEGIC CORPORATE BONDS	in EUR
- KBC BONDS STRATEGIC GOVERNMENT BONDS	in EUR
- KBC BONDS STRATEGIC EURO CORPORATE BONDS	in EUR
- KBC BONDS STRATEGIC HIGHER YIELDING CURRENCIES	in EUR
- KBC BONDS SHORT DURATION	in EUR

The following sub-funds were liquidated during the period of this semi-annual report:

- KBC BONDS EMU SHORT (liquidated on 26th February 2018)	in EUR
- KBC BONDS STRATEGIC EMERGING MARKETS (liquidated on 7th December 2017)	in EUR

## **KBC BONDS**

### **Additional information for the investors in Germany, in Austria, in Belgium and in Switzerland**

#### **Additional information for the investors in Germany**

The financial data concerning all the shares and categories of shares of the SICAV are available within four months following the year-end and may be directly visualised on the following internet site of BREMER KREDITBANK AG [www.kbcfonds.de](http://www.kbcfonds.de).

The statement of changes in the investment portfolio for the year in reference to the report is available free of charge at the German paying and information agent, BREMER KREDITBANK AG, Wachtstrasse 16, D-28195 BREMEN.

Moreover, the latest prospectus, the KIID, the articles of incorporation of the SICAV, the semi-annual and annual reports including audited financial statements in paper form are available there free of charge. In supplement, copies of the following documents may be inspected there during usual business hours on any bank business day:

- the domiciliation agreement;
- the agreement of appointment of the Management Company;
- the custodian agreement;
- the paying agent agreement.

The conversion, subscription and redemption prices are available at the paying and information agent.

#### **Additional information for the investors in Austria**

Place where the shareholders ("investors") may obtain the prescribed documents and information in reference to §§ 141, 142 InvFG 2011:

ERSTE BANK DER ÖSTERREICHISCHEN SPARKASSEN AG, Graben 21, A-1010 VIENNA, phone 0043 (0) 50100 12139, fax 0043 (0) 50100 9 12139.

The latest prospectus, the KIID, the articles of incorporation of the SICAV, the semi-annual and annual reports including audited financial statements as well as the prices of subscriptions and redemptions are available and other data and documents may be consulted there.

#### **Additional information for the investors in Belgium**

In Belgium, the financial services for KBC BONDS are provided by:

- CBC BANQUE S.A., 5, Grand Place, B-1000 BRUSSELS;
- KBC BANK N.V., 2, avenue du Port, B-1080 BRUSSELS.

The investors may contact any of these institutions' branches to obtain the latest prospectus, subscribe to shares in the SICAV, redeem their shares or obtain payment on their coupons.

The investors are asked to refer to the Belgian appendix of the latest prospectus, which explains all the terms and conditions that apply to them.

#### **Additional information for the investors in Switzerland**

For the distribution of shares of the SICAV in Switzerland, RBC INVESTOR SERVICES BANK S.A., Esch-sur-Alzette, Zurich Branch, Badenerstrasse, 567, P.O. Box 1292, CH-8048 ZURICH, acts as Representative of the SICAV in Switzerland and assumes payment service on behalf of the SICAV.

The latest prospectus, the KIID, the articles of incorporation, the semi-annual and annual reports including audited financial statements of the SICAV as well as the list of purchases and sales and the list of changes in the portfolio made on behalf of the securities portfolio of the SICAV are available free of charge in paper form at the Representative's office in Switzerland.

# KBC BONDS

## Financial climate

### General Investment Climate

1st October 2017 – 31st March 2018

#### Equity market review

The past six calendar months (to 31st March 2018) saw an increase of less than 1% on the world's stock markets (MSCI World AC, expressed in euros). Expressed in dollars, the markets continued to rise until the end of January 2018. They were a bit more nervous at the beginning of November due to high valuations and the failure of President Trump's long-awaited tax plan to materialise. Stock markets rose by a substantial 5.5% in January – measured in dollars, at least – following the approval of the tax cuts in the United States. The figure in euros was less than 2%. The strong euro also dampened the mood for investors from the euro area: little of the profit earned in strong markets outside the single currency zone was left following conversion to euros. The Japanese yen was the only currency to gain a little against the euro.

Investors were spooked in early February, however, by a 2.8% increase in US wages, which was more than expected. This sparked fears of higher American inflation and hence also of monetary tightening by the US Federal Reserve (FED), the US central bank, and substantially higher interest rates. Stock market prices fell in response and there was a spike in market volatility. A number of institutional investors decided to reduce their heightened portfolio exposure by selling extra shares. The wave of selling pushed share prices down across the world. The correction hit a level of 8% globally and 10% on Wall Street. Stock markets recovered in little in the course of February. A second correction of over 3% followed in March, however, after President Trump began to implement his expected and feared threat to impose trade sanctions, beginning with an increase in import tariffs on steel and aluminium. America's 'allies' were largely exempt. All the same, his sanctions against China, in response to the theft of intellectual property and an excessive trade surplus, risk unleashing a trade war. The barrage of threats meanwhile continued via Twitter.

The economic news remains overwhelmingly good. In spite of a slight slowdown in GDP growth in the fourth quarter, growth forecasts were revised upwards again. Corporate earnings likewise continued to expand. Fourth-quarter earnings growth worked out at 17% in the traditional markets, substantially more than forecast. US tax cuts were approved at the very end of 2017 and that too will benefit companies. Forecast US earnings growth has been raised to 20% for 2018. However, fears of a trade war have depressed producer confidence in the last three months, primarily outside the US.

Economic growth conditions are therefore still looking good for shares. Growth is clearly picking up and inflation remains below the central banks' target levels (2%). Fears of slowly rising inflation and a less flexible policy by the central banks pushed long rates considerably higher until the end of January. Yields rose sharply after their early September low, especially in the US (0.8%). Much of that increase was subsequently lost again. Volatility (the extent to which the price of a share or other financial product fluctuates over time, or to which a share index or exchange rate moves up or down) remained very low on the stock markets until the beginning of February. The volatility indices then peaked, before stabilising at their 2015 levels, slightly above the long-term average.

Euro area stock markets have lagged the global market in the past six months, losing over 3%. The market was depressed by the appreciation of the euro and the threat of US tariffs on imports such as cars. Canada brought up the rear among the traditional markets, with a loss of 7%. Uncertainty about the future of the free-trade area with the US weighed on share prices, a factor that also affected Mexico.

Shares from emerging markets (countries or regions that are expected to experience rapid economic growth to make up their lag with the West) made gains averaging 5%. Their lead over the broad world index was achieved entirely before the end of January. There were substantial regional differences too. Rising oil and commodity prices drove up markets in Brazil (+6%), Russia (+10%) and South Africa (+11%). Turkey (-5%) and especially Mexico (-11%) lost ground in euros due to a serious weakening of their currencies. Political uncertainty and overly high inflation weighed on these markets and on their exchange rates in particular.

Technology – the growth sector par excellence – was far and away the best performer until mid-March. This sector too was then hit hard by, amongst other things, privacy problems at Facebook. Investors are beginning to realise that the extremely expensive valuation of several large businesses in the new economy takes no account of potential setbacks. This sparked substantial corrections at the online retailer Amazon and at Tesla. All the same, technology remains the strongest-performing sector over the past six months, with a return of 7% in euros. Consumer discretionary was the runner-up, with a return of 5%. This reflected a 17% return for the retailers, given that media firms lost an average of 6%. Financials were the third and final sector not to end on a loss, returning 1%. Since the correction at the end of January, utilities are the only sector to remain out of the red, thanks to falling interest rates. However, this sector too stands at -5% over the past six months.

## KBC BONDS

### Financial climate (continued)

#### Bond market review

Since October 2017, government bond yields have put in a rather uneven performance, with a fairly steep climb at the beginning of 2018. Financial market uncertainty and intensified risk aversion caused yields in the euro area to fall by an almost equal amount in February and March.

The good economic news in the recent period, oil prices rising towards 70 USD per barrel and a low unemployment rate in the US caused markets to raise their inflation forecasts. This made itself felt at the beginning of 2018, with investors driving up bond rates. The surge was certainly visible in the US, but also in other developed countries.

The FED lifted its key rate again in March 2018. Its chair, Jerome Powell, also indicated that the FED is sticking to its route map of gradual interest rate hikes. Ten-year yields in the US remain stuck around 2.8%. The European Central Bank (ECB) adjusted its communication as anticipated. This indicates that the bond-purchasing programme will dry up by the end of 2018. German ten-year government bonds did not receive any support from the still strong economic growth and eased back towards 0.5%.

The risk premium on corporate bonds responded to the fresh turbulence by becoming more expensive over the past two months. Thanks to the strong economic growth, companies are reasonably financially healthy, which means the likelihood of bankruptcy is low. The ECB continues to act as a major buyer on the market. The yield on corporate bonds remains relatively low.

#### Outlook

##### Good prospects for shares

We have a clear preference for shares over bonds. Shares are not cheap, but the dividend yield still exceeds the higher level of interest rates. This has a lot to do with the fact that bonds are heavily overpriced due to the low level of interest rates. Shares also benefit most from strong worldwide economic growth. The markets took a hit at the beginning of February. After fairly strong pay growth figures in the US, there were mounting fears of high inflation and much higher interest rates. We believe that inflation will only rise gradually and will remain close to 2%. Salary increases can be sufficiently absorbed by increasing productivity. Fears of an escalating trade war, which weighed on shares in March would also seem to be overstated for the time being. The trade restrictions imposed by the US president are less severe than his rhetoric. The extent of the retaliatory measures announced by China and the European Union is also limited and not likely to escalate the dispute.

The economic outlook remains very good. Economic growth has picked up since the autumn of 2016, with confidence indicators in the euro area at very high levels despite a dip in growth. Global growth appeared to fall slightly in the fourth quarter, especially in Japan. However, the two previous quarters were among the strongest in the past few years. In the US, and certainly in the euro area, the economy surpassed the trend. Growth for 2018 will be revised upwards in the US due to the approval of tax cuts just before the new year and additional spending packages in February. Growth in the emerging markets (countries or regions that are expected to experience rapid economic growth to make up their lag with the West) accelerated, thanks to Chinese stimulus measures towards the end of last year. That effect has worn off to a certain extent, now that the government intends to address the issue of excessive lending. Even so, the Chinese economy continues to grow at a stable rate of over 6.5%.

Monetary policy remains supportive. The ECB extended its monetary stimulus package to the end of September 2018 (albeit at a somewhat slower pace). Interest rates are not expected to be increased before the autumn of 2019. As expected, the FED raised its key rate to 1.75% in March, but this is still well below normal levels. It has also started unwinding its balance sheet to a limited extent and will probably raise its rates three times in 2018 and 2019. The Bank of Japan continues to create money at a pace.

In the fourth quarter of 2017, corporate earnings grew by around 15% in the US and by 17% in Europe and Japan, thereby beating what were fairly high expectations. There is clearly scope for companies in the euro area to lift their margins, despite the strong euro.

Regionally, we prefer the euro area and Asia's growth markets, where we are seeing a broadly-based acceleration of nominal growth, as well as economic indicators at a high level. Expected earnings growth – especially in Asia – is higher than in the rest of the world. Both markets are, on average, much cheaper than the US, despite a substantial upward revision of US earnings growth to +18% in 2018 thanks to (the one-off effect of) tax cuts. The strong euro could put a brake on corporate earnings in the euro area, but this will be offset by vigorous domestic growth.

Within the euro area, this effect will be clearest in Germany. The country remains the region's growth engine with historically high confidence indicators. The German stock market is cheaper than the euro area average – because investors also overreacted to the threats made by President Trump – and is also quite cyclical (i.e. sensitive to changes in the economic cycle), which enables it to benefit from accelerating worldwide growth. The stronger euro clearly depresses earnings from outside the euro area, but business competitiveness means that this will not in itself adversely affect exports.

## KBC BONDS

### Financial climate (continued)

#### Good prospects for shares (continued)

Within the sectors, the cyclical (sensitive to changes in the economic cycle) and growth-oriented sectors, in particular, should benefit from the strong economy. This is primarily the case with the consumer discretionary sectors (goods and services whose consumption is influenced by the economic cycle, with consumption higher during periods of strong economic growth, e.g. cars or tourism), financials and technology companies. The technology sector continues to outperform the broad market. Expectations in the sector are very high, however, especially in the case of software, which means hefty prices and severe punishment for disappointing performance. Within materials, we are upbeat about the mining and metals sub-sector. The companies there have slashed costs and their investment budget, and so higher metal prices can significantly boost cash flow and earnings. We are also positive towards the energy sector. Energy companies have adjusted to lower oil prices and are already highly profitable when the price of oil exceeds 55 dollars a barrel. They doubled their profits in the fourth quarter of 2017, have very high free cash flows and can pay a high dividend. Defensive sectors like utilities, telecoms and consumer staples (e.g. food), are less well placed to benefit from robust economic growth. What's more, these sectors perform less well in an environment of rising interest rates. We are therefore avoiding them, even though they are relatively cheaply valued.

We are focusing on mature, stable businesses that pay out part of their earnings and especially their surplus cash to shareholders in the form of high dividends. They are an attractive alternative for bond investors, primarily in Europe where the dividend yield (at roughly 3.5%) is much higher than bond yields. The reverse holds true in the US. Moreover, they remain the cheapest segment in a stock market that has become expensive.

A selection of European family businesses presents another form of stability, namely growth and return on equity. A strong family-held shareholding where the family is involved in running the company leads to a well thought-out long-term vision. This means that the growth of family-led businesses is often more stable, and the focus is more on the success and expansion of core activities that are often found in niche segments. They focus relatively strongly on the domestic euro area market and so will suffer less from the strong euro or possible trade curbs.

Lastly, we also prefer water companies. The scarcity of drinking water – due in part to problems with obsolete and inadequate water infrastructure – and problems with water quality and waste-water treatment will boost their turnover in the long term. These companies trade at a premium that is fairly low right now, given their above-average turnover and earnings growth.

#### Play the right bond themes

Owing to the extremely low level of interest rates (actually negative in some cases), we are invested well below the benchmark as regards government bonds from the euro area. In addition, rates are more likely to rise due to accelerating economic growth, inflation figures that we expect to rise and central banks that are indicating they will not keep the monetary tap open forever. We are limiting the duration considerably on account of this asymmetrical risk. Whereas the FED is prioritising a very gradual normalisation of its policy, the ECB is extending its asset purchase programme and will continue to buy up bonds until September 2018, albeit at a somewhat slower pace, which will keep rates low for a time to come.

Within the government bonds segment, we are mainly seeking higher bond yields outside the euro area, as reflected in the positions held in Norway. The robust economy and higher coupon make Norwegian bonds an attractive investment.

We also remain positive towards high-interest bonds and have invested part of the portfolio in government bonds from emerging markets (countries or regions that are expected to experience rapid economic growth to make up their lag with the West). The current yield is higher than that on traditional bonds, but volatility can also run high. In an environment of rising interest rates and uncertainty regarding the potential consequences of Donald Trump's policy on the rest of the world, we are limiting the duration here, too.

Certain segments of the corporate bond market also remain attractive, especially subordinated bonds of financial companies. The expected returns are a little higher, offsetting the higher credit risk. This premium has dropped to historically low levels. However, companies from the euro area are generally healthier than ever, and often have substantial cash positions and a strong financial structure. Effective diversification within this theme also reduces the negative impact that individual companies can have. Moreover, the ECB is providing additional indirect support by purchasing corporate bonds, thereby supporting the overall economic climate.

Strong economic growth is often favourable for convertible bonds and, for this reason, they merit a place in a bond portfolio. In an environment where interest rates are rising, low sensitivity to those rates is appealing. In particular, we assume that the expected increase in market prices and slightly higher fluctuations in 2018 will cause the price of this investment to appreciate.

Luxembourg, 4th April 2018

The Board of Directors of the SICAV

Note: The information in this report represents historical data and is not an indication of future results.

## KBC BONDS

### Combined statement of net assets (in EUR)

as at 31st March 2018

#### **Assets**

Securities portfolio at market value	8,162,775,766.16
Collateral paid	3,530,000.00
Cash at banks	136,708,880.05
Other liquid assets	14,600,000.12
Broker margin on swaps contracts	537,717.64
Receivable on sales of securities	42,889,982.01
Receivable on issues of shares	8,906,177.63
Receivable on swaps contracts	469,863,612.72
Income receivable on portfolio	75,487,388.25
Unrealised gain on futures contracts	1,532,767.35
Unrealised gain on forward foreign exchange contracts	297,140.84
Prepaid expenses and other receivables	459.36
	<hr/>
Total assets	8,917,129,892.13

#### **Liabilities**

Bank overdrafts and borrowings	3,311,380.55
Payable on purchases of securities	47,493,182.15
Payable on redemptions of shares	7,139,550.74
Payable on swaps contracts	460,076,666.67
Payable on futures contracts	531,606.36
Interest payable on bank accounts	586.67
Swaps at market value	4,773,629.31
Unrealised loss on futures contracts	2,024,835.13
Unrealised loss on forward foreign exchange contracts	5,494,549.97
Expenses payable and other payables	6,667,142.88
	<hr/>
Total liabilities	537,513,130.43

Net assets at the end of the period	<hr/> <hr/> 8,379,616,761.70
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The accompanying notes are an integral part of these financial statements.

## KBC BONDS

### Combined statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	99,292,341.11
Return on sukuk, net	68,564.76
Interest on bank accounts	71,594.80
Interest on swaps contracts	1,683,003.21
Commissions received	11,948,628.77
Other income	1,709,387.00
Total income	114,773,519.65

#### Expenses

Management fees	36,246,950.03
Transaction fees	282,336.61
Fixed service fees and depositary fees	2,574,398.75
Subscription duty ("taxe d'abonnement")	596,039.85
Interest paid on bank accounts	509,107.67
Interest paid on swaps contracts	32,700.76
Other expenses and taxes	40,850.85
Total expenses	40,282,384.52

Net investment income	74,491,135.13
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#### Net realised gain/(loss)

- on sales of securities portfolio	-32,272,201.19
- on futures contracts	-1,510,491.80
- on forward foreign exchange contracts	-3,577,389.89
- on foreign exchange	-60,440,614.57
- on swaps contracts	255,179.76

Realised result	-23,054,382.56
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#### Net variation of the unrealised gain/(loss)

- on securities portfolio	-25,661,846.07
- on futures contracts	-958,125.71
- on forward foreign exchange contracts	-6,507,592.18
- on foreign exchange	105,030.05
- on swaps contracts	-300,672.26

Result of operations	-56,377,588.73
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Dividends paid	-8,402,533.26
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Subscriptions	9,028,164,078.82
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Redemptions	-9,495,695,278.87
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Total changes in net assets	-532,311,322.04
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Total net assets at the beginning of the period	8,919,238,954.02
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Revaluation difference	-7,310,870.28
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Total net assets at the end of the period	8,379,616,761.70
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The accompanying notes are an integral part of these financial statements.



## KBC BONDS INCOME FUND

### Investment policy and outlook

from 1st October 2017 to 31st March 2018

During the reporting period the economy of the Eurozone showed a strong performance in the final quarter of 2017 and the first months of 2018. Geographically there was a good equilibrium between the Northern and Southern members of the Eurozone. Although leading indicators like the purchasing managers index point to some moderation in the coming months, the outlook remains bright. The unemployment rate is declining rapidly as the economy expands well above its potential growth rate. Also in the US economic growth, corporate earnings and the labour market continued on their strong path. In addition, the rest of the world had more growth figures surprising on the upside.

Brexit-related news dominated market reactions in UK bonds, equity and the exchange rate over the reporting period (second half of 2018). Initially, most analysts expected the shock decision to leave the European Union (EU) to have a sharp negative impact on the economy, both in the UK and in Europe. However, the initial reaction proved much less dramatic and the hard economic data remained relatively resilient so far.

The strong global growth allowed the Central banks to shift their policy. In the US both outgoing chair Yellen and incoming chair Powell raised interest rates. The European Central Bank (ECB), still in the phase of winding down QE, decided to reduce the Purchasing Program from 60 to 30 billion EUR a month, starting in 2018. The program will likely end by the end of the year. Only the Japanese Central Bank did not alter its loose monetary policy. The Bank of England (BoE) decided to keep the official Base Rate unchanged at 0.25% until November 2017, when it upped the rate to 0.5%.

Since February focus on the markets shifted more to politics; increasing trade tensions between the US and China but also between the US and the Nafta members tested the nerves of the financial markets.

Ten year Bund yields fell during the early days of the reporting period to only 0.3%. With the new year announcing the probable end of QE, yields rose rapidly during the first weeks of the new year, touching 0.75% by mid February. Tensions on the equity markets pushed the yield back to 0.5% by the end of the reporting period. In the US the 10 year US Treasury yield started from September an uninterrupted climb, accelerating in December to reach a top of almost 3.0% in February. Due to a violent sell-off of stock markets and an increase of volatility 10 year yields moved back to 2.70% by the end of the reporting period. The short end of the curve, anticipating Federal Reserve (FED) hikes, did rise even more strongly leading to a much flatter curve. In the UK 10y government bond yields hovered around 1% to 1.5%.

#### Outlook

We expect an ongoing recovery of the European economy with good growth and moderate inflation. The very high confidence indicators point to ongoing strength for 2018 and thereafter.

European government bond prices remain extremely expensive. An ongoing rise in yields, started at the end of 2017, is the most likely scenario. The ECB will be cautious in the unwinding of QE. It is unlikely that there will be no impact whatsoever on the yield levels of Eurozone government bonds as the termination of QE will raise the chances for a first hike in interest rates in 2019. In the US the rate hiking cycle will likely gather speed over the coming quarters. Inflation pressures will build over the course of the year. The Japanese Central Bank might become less accommodative as growth remains strong and reflation continues.

## KBC BONDS INCOME FUND

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	27,116,980.48
Cash at banks	118,961.17
Income receivable on portfolio	<u>254,042.14</u>
Total assets	<u>27,489,983.79</u>

#### Liabilities

Payable on redemptions of shares	66,492.12
Expenses payable and other payables	<u>21,168.57</u>
Total liabilities	<u>87,660.69</u>
Net assets at the end of the period	<u>27,402,323.10</u>
Number of distribution shares outstanding	84,651.6445
Net asset value per distribution share	323.71

The accompanying notes are an integral part of these financial statements.

## KBC BONDS INCOME FUND

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	416,541.18
Interest on bank accounts	9.64
Other income	<u>368,620.22</u>
Total income	785,171.04

#### Expenses

Management fees	100,227.28
Transaction fees	1,259.50
Fixed service fees and depositary fees	8,649.07
Subscription duty ("taxe d'abonnement")	6,939.44
Interest paid on bank accounts	486.48
Other expenses and taxes	<u>4,779.81</u>
Total expenses	122,341.58

Net investment income	662,829.46
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#### Net realised gain/(loss)

- on sales of securities portfolio	-335,943.36
- on forward foreign exchange contracts	1,147.78
- on foreign exchange	<u>328,140.00</u>

Realised result	656,173.88
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#### Net variation of the unrealised gain/(loss)

- on securities portfolio	-750,635.09
- on foreign exchange	<u>2,422.58</u>

Result of operations	-92,038.63
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Dividends paid	-390,147.40
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Subscriptions	-
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Redemptions	-2,680,061.10
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Total changes in net assets	-3,162,247.13
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Total net assets at the beginning of the period	30,564,570.23
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Total net assets at the end of the period	<u>27,402,323.10</u>
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The accompanying notes are an integral part of these financial statements.

## KBC BONDS INCOME FUND

### Statistical information (in EUR)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	27,402,323.10
- as at 30.09.2017	30,564,570.23
- as at 30.09.2016	37,836,611.06
<b>Number of distribution shares</b>	
- outstanding at the beginning of the period	92,929.2370
- issued	-
- redeemed	-8,277.5925
- outstanding at the end of the period	84,651.6445
<b>Net asset value per distribution share</b>	
- as at 31.03.2018	323.71
- as at 30.09.2017	328.90
- as at 30.09.2016	355.03
<b>TER per distribution share (in %)</b>	
- as at 31.03.2018	0.86
<b>Dividends paid to distribution shares</b>	
Ex-dividend date	02.10.2017
Dividend per share	4.20
Shares outstanding at ex-dividend date	92,892.2370

The accompanying notes are an integral part of these financial statements.

# KBC BONDS INCOME FUND

## Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
EUR	300,000	Bundesrepublik Deutschland 1.00% 15.08.25	322,290.00	317,838.00	1.16
EUR	100,000	Bundesrepublik Deutschland 1.50% 04.09.22	110,408.73	107,744.20	0.39
EUR	470,000	Bundesrepublik Deutschland 2.50% 04.01.21	525,871.80	509,390.70	1.86
EUR	340,000	Bundesrepublik Deutschland 2.50% 15.08.46	448,306.22	454,661.60	1.66
EUR	775,000	Bundesrepublik Deutschland 3.25% 04.01.20	855,171.47	828,645.50	3.02
EUR	150,000	Bundesrepublik Deutschland 6.25% 04.01.24	221,371.50	204,267.00	0.75
EUR	5,000	Finland Government Bond 2.63% 04.07.42	7,167.45	6,601.50	0.02
EUR	140,000	Finland Government Bond 2.75% 04.07.28	170,291.48	169,565.20	0.62
EUR	120,000	Finland Government Bond 4.38% 04.07.19	139,635.30	127,551.60	0.47
EUR	309,153	French Republic Government Bond OAT 0.25% 25.07.24	340,752.29	340,498.02	1.24
EUR	400,000	French Republic Government Bond OAT 1.00% 25.05.19	416,400.73	407,386.80	1.49
EUR	425,000	French Republic Government Bond OAT 1.75% 25.05.66	394,967.71	430,427.25	1.57
EUR	1,360,000	French Republic Government Bond OAT 3.00% 25.04.22	1,588,323.38	1,537,004.00	5.61
EUR	450,000	French Republic Government Bond OAT 3.50% 25.04.20	495,770.36	487,444.50	1.78
EUR	200,000	French Republic Government Bond OAT 5.50% 25.04.29	266,525.44	301,314.00	1.10
EUR	160,000	Ireland Government Bond 5.40% 13.03.25	219,840.49	214,427.20	0.78
EUR	50,000	Ireland Government Bond 5.90% 18.10.19	61,414.50	55,027.50	0.20
EUR	1,000,000	Italy Buoni Poliennali Del Tesoro 0.05% 15.10.19	1,004,740.00	1,006,100.00	3.67
EUR	300,000	Italy Buoni Poliennali Del Tesoro 3.75% 01.08.21	334,833.00	336,171.00	1.23
EUR	1,000,000	Italy Buoni Poliennali Del Tesoro 3.75% 01.09.24	1,166,263.13	1,165,400.00	4.25
EUR	300,000	Italy Buoni Poliennali Del Tesoro 5.00% 01.08.34	412,080.00	408,504.00	1.49
EUR	40,000	Kingdom of Belgium Government Bond 0.20% 22.10.23	41,222.40	40,226.80	0.15
EUR	25,000	Kingdom of Belgium Government Bond 1.60% 22.06.47	28,970.50	25,410.50	0.09
EUR	230,000	Kingdom of Belgium Government Bond 3.75% 28.09.20	261,264.50	254,133.90	0.93
EUR	25,000	Kingdom of Belgium Government Bond 3.75% 22.06.45	35,853.75	37,818.75	0.14
EUR	230,000	Kingdom of Belgium Government Bond 4.25% 28.09.22	290,784.40	275,475.60	1.01
EUR	75,000	Kingdom of Belgium Government Bond 5.00% 28.03.35	116,232.00	120,198.00	0.44
EUR	350,000	Netherlands Government Bond 2.25% 15.07.22	395,672.20	387,198.00	1.41
EUR	100,000	Netherlands Government Bond 3.50% 15.07.20	112,912.00	109,356.00	0.40
EUR	75,000	Netherlands Government Bond 3.75% 15.01.42	131,949.75	117,569.25	0.43
EUR	50,000	Netherlands Government Bond 5.50% 15.01.28	75,892.00	73,780.00	0.27
EUR	210,000	Republic of Austria Government Bond 0.75% 20.10.26	213,214.00	214,141.20	0.78
EUR	75,000	Republic of Austria Government Bond 3.15% 20.06.44	98,948.25	106,261.50	0.39
EUR	300,000	Republic of Austria Government Bond 3.50% 15.09.21	354,987.38	339,567.00	1.24
EUR	150,000	Spain Government Bond 1.95% 30.04.26	158,953.50	162,738.00	0.59
EUR	420,000	Spain Government Bond 2.75% 30.04.19	451,537.80	434,296.80	1.58
EUR	110,000	Spain Government Bond 4.70% 30.07.41	149,627.50	165,694.10	0.60
EUR	530,000	Spain Government Bond 5.85% 31.01.22	568,619.03	651,363.64	2.38
EUR	315,000	Spain Government Bond 6.00% 31.01.29	408,727.46	468,657.00	1.71
			13,397,793.40	13,399,855.61	48.90
GBP	60,000	United Kingdom Gilt 0.50% 22.07.22	66,055.91	67,028.48	0.24
GBP	120,000	United Kingdom Gilt 1.50% 22.07.47	132,153.74	130,399.66	0.48
GBP	160,000	United Kingdom Gilt 2.00% 07.09.25	205,397.13	193,127.29	0.69
GBP	70,000	United Kingdom Gilt 2.25% 07.09.23	90,138.77	84,746.29	0.31
GBP	45,000	United Kingdom Gilt 3.50% 22.07.68	97,107.68	87,496.63	0.32
GBP	100,000	United Kingdom Gilt 3.75% 07.09.20	129,417.93	122,131.63	0.45
GBP	20,000	United Kingdom Gilt 4.00% 22.01.60	46,805.39	40,260.48	0.15
GBP	100,000	United Kingdom Gilt 4.25% 07.12.27	134,344.46	143,980.19	0.53
GBP	50,000	United Kingdom Gilt 4.25% 07.06.32	79,543.98	76,234.07	0.28
GBP	55,000	United Kingdom Gilt 4.25% 07.03.36	94,394.56	87,935.54	0.32
GBP	80,000	United Kingdom Gilt 4.50% 07.12.42	145,439.43	142,187.81	0.52
GBP	75,000	United Kingdom Gilt 4.75% 07.12.38	105,832.87	131,432.72	0.48
GBP	80,000	United Kingdom Gilt 8.00% 07.06.21	145,888.29	111,650.94	0.41
			1,472,520.14	1,418,611.73	5.18

The accompanying notes are an integral part of these financial statements.

## KBC BONDS INCOME FUND

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
JPY	40,000,000	Japan Government Ten Year Bond 1.30% 20.03.21	322,072.43	318,786.98	1.16
JPY	57,000,000	Japan Government Thirty Year Bond 0.30% 20.06.46	392,864.41	390,126.35	1.42
JPY	7,000,000	Japan Government Thirty Year Bond 1.90% 20.06.43	69,691.92	69,135.91	0.25
JPY	65,000,000	Japan Government Thirty Year Bond 2.30% 20.05.30	580,111.41	626,505.84	2.29
JPY	39,000,000	Japan Government Thirty Year Bond 2.30% 20.12.36	351,065.99	396,486.70	1.45
JPY	23,000,000	Japan Government Twenty Year Bond 2.30% 20.03.40	259,117.65	238,019.47	0.87
JPY	35,000,000	Japan Government Twenty Year Bond 1.60% 20.12.33	324,453.14	321,015.29	1.17
JPY	79,000,000	Japan Government Twenty Year Bond 2.10% 20.12.21	727,142.63	653,830.76	2.39
JPY	39,000,000	Japan Government Twenty Year Bond 2.10% 20.03.24	336,543.72	337,232.86	1.23
JPY	40,000,000	Japan Government Twenty Year Bond 2.30% 20.09.26	370,118.53	365,853.16	1.34
JPY	48,000,000	Japan Government Two Year Bond 0.10% 15.12.19	<u>371,956.43</u>	<u>368,521.78</u>	<u>1.34</u>
			4,105,138.26	4,085,515.10	14.91
USD	1,030,000	United States Treasury Note Bond 1.00% 30.09.19	853,459.07	822,659.12	3.00
USD	485,000	United States Treasury Note Bond 1.13% 31.03.20	385,546.96	385,437.35	1.41
USD	1,000,000	United States Treasury Note Bond 1.13% 31.07.21	894,124.23	779,000.89	2.84
USD	900,000	United States Treasury Note Bond 1.63% 31.05.23	775,480.00	698,036.74	2.55
USD	700,000	United States Treasury Note Bond 1.63% 15.05.26	627,990.36	523,905.08	1.91
USD	100,000	United States Treasury Note Bond 1.75% 31.03.22	78,787.32	79,023.86	0.29
USD	300,000	United States Treasury Note Bond 2.00% 31.05.24	266,254.82	234,860.96	0.86
USD	100,000	United States Treasury Note Bond 2.25% 31.03.21	80,866.62	80,977.31	0.30
USD	460,000	United States Treasury Note Bond 2.38% 15.05.27	414,920.77	363,076.11	1.32
USD	720,000	United States Treasury Note Bond 2.50% 15.05.46	639,503.16	532,271.59	1.94
USD	400,000	United States Treasury Note Bond 2.75% 15.02.24	390,061.05	327,351.90	1.19
USD	200,000	United States Treasury Note Bond 4.50% 15.02.36	255,269.69	200,928.55	0.73
USD	920,000	United States Treasury Note Bond 4.75% 15.02.41	1,042,223.64	977,093.26	3.57
USD	50,000	United States Treasury Note Bond 5.50% 15.08.28	50,181.82	50,722.57	0.19
USD	1,065,000	United States Treasury Note Bond 8.00% 15.11.21	1,013,220.30	1,031,979.89	3.77
USD	1,220,000	United States Treasury Note Bond 8.50% 15.02.20	<u>1,350,360.53</u>	<u>1,107,077.36</u>	<u>4.03</u>
			9,118,250.34	8,194,402.54	29.90
<b>Total bonds</b>			28,093,702.14	27,098,384.98	98.89
<b><u>Other transferable securities</u></b>					
<b>Bonds in default of payment</b>					
CHF	3,650,000	SAir Group 0.13% 07.07.05	<u>1,876,868.75</u>	<u>18,595.50</u>	<u>0.07</u>
<b>Total bonds in default of payment</b>			1,876,868.75	18,595.50	0.07
Total investments in securities			29,970,570.89	27,116,980.48	98.96
Cash at banks				118,961.17	0.43
Other net assets/(liabilities)				<u>166,381.45</u>	<u>0.61</u>
Total				<u>27,402,323.10</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS CAPITAL FUND

### Investment policy and outlook

from 1st October 2017 to 31st March 2018

During the reporting period the economy of the Eurozone showed a strong performance in the final quarter of 2017 and the first months of 2018. Geographically there was a good equilibrium between the Northern and Southern members of the Eurozone. Although leading indicators like the purchasing managers index point to some moderation in the coming months, the outlook remains bright. The unemployment rate is declining rapidly as the economy expands well above its potential growth rate. Also in the US economic growth, corporate earnings and the labour market continued on their strong path. In addition, the rest of the world had more growth figures surprising on the upside.

Brexit-related news dominated market reactions in UK bonds, equity and the exchange rate over the reporting period (second half of 2018). Initially, most analysts expected the shock decision to leave the European Union (EU) to have a sharp negative impact on the economy, both in the UK and in Europe. However, the initial reaction proved much less dramatic and the hard economic data remained relatively resilient so far.

The strong global growth allowed the Central banks to shift their policy. In the US both outgoing chair Yellen and incoming chair Powell raised interest rates. The European Central Bank (ECB), still in the phase of winding down QE, decided to reduce the Purchasing Program from 60 to 30 billion EUR a month, starting in 2018. The program will likely end by the end of the year. Only the Japanese Central Bank did not alter its loose monetary policy. The Bank of England (BoE) decided to keep the official Base Rate unchanged at 0.25% until November 2017, when it upped the rate to 0.5%.

Since February focus on the markets shifted more to politics; increasing trade tensions between the US and China but also between the US and the Nafta members tested the nerves of the financial markets.

Ten year Bund yields fell during the early days of the reporting period to only 0.3%. With the new year announcing the probable end of QE, yields rose rapidly during the first weeks of the new year, touching 0.75% by mid February. Tensions on the equity markets pushed the yield back to 0.5% by the end of the reporting period. In the US the 10 year US Treasury yield started from September an uninterrupted climb, accelerating in December to reach a top of almost 3.0% in February. Due to a violent sell-off of stock markets and an increase of volatility 10 year yields moved back to 2.70% by the end of the reporting period. The short end of the curve, anticipating Federal Reserve (FED) hikes, did rise even more strongly leading to a much flatter curve. In the UK 10y government bond yields hovered around 1% to 1.5%.

#### Outlook

We expect an ongoing recovery of the European economy with good growth and moderate inflation. The very high confidence indicators point to ongoing strength for 2018 and thereafter.

European government bond prices remain extremely expensive. An ongoing rise in yields, started at the end of 2017, is the most likely scenario. The ECB will be cautious in the unwinding of QE. It is unlikely that there will be no impact whatsoever on the yield levels of Eurozone government bonds as the termination of QE will raise the chances for a first hike in interest rates in 2019. In the US the rate hiking cycle will likely gather speed over the coming quarters. Inflation pressures will build over the course of the year. The Japanese Central Bank might become less accommodative as growth remains strong and reflation continues.

## KBC BONDS CAPITAL FUND

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	73,516,614.85
Cash at banks	833,635.42
Income receivable on portfolio	<u>642,296.46</u>
Total assets	<u>74,992,546.73</u>

#### Liabilities

Payable on redemptions of shares	287,213.73
Expenses payable and other payables	<u>52,527.96</u>
Total liabilities	<u>339,741.69</u>

Net assets at the end of the period	<u>74,652,805.04</u>
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Number of capitalisation shares outstanding	24,688.0899
Net asset value per capitalisation share	932.14

Number of distribution shares outstanding	18.0000
Net asset value per distribution share	465.27

Number of capitalisation shares "Institutional F Shares" outstanding	52,420.0000
Net asset value per capitalisation share "Institutional F Shares"	984.96

The accompanying notes are an integral part of these financial statements.



## KBC BONDS CAPITAL FUND

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	694,936.74
Interest on bank accounts	19.19
Other income	343,249.55
Total income	1,038,205.48

#### Expenses

Management fees	205,220.00
Transaction fees	4,840.00
Fixed service fees and depositary fees	17,650.75
Subscription duty ("taxe d'abonnement")	8,566.63
Interest paid on bank accounts	862.05
Other expenses and taxes	8,896.12
Total expenses	246,035.55

Net investment income	792,169.93
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#### Net realised gain/(loss)

- on sales of securities portfolio	-152,082.87
- on forward foreign exchange contracts	36,902.94
- on foreign exchange	-94,853.36

Realised result	582,136.64
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#### Net variation of the unrealised gain/(loss)

- on securities portfolio	-1,685,969.99
- on foreign exchange	946.97

Result of operations	-1,102,886.38
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Dividends paid	-
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Subscriptions	59,639,695.77
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Redemptions	-10,755,495.54
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Total changes in net assets	47,781,313.85
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Total net assets at the beginning of the period	26,871,491.19
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Total net assets at the end of the period	74,652,805.04
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The accompanying notes are an integral part of these financial statements.

## KBC BONDS CAPITAL FUND

### Statistical information (in EUR)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	74,652,805.04
- as at 30.09.2017	26,871,491.19
- as at 30.09.2016	35,539,905.38
<b>Number of capitalisation shares</b>	
- outstanding at the beginning of the period	28,647.9240
- issued	318.5592
- redeemed	-4,278.3933
- outstanding at the end of the period	24,688.0899
<b>Net asset value per capitalisation share</b>	
- as at 31.03.2018	932.14
- as at 30.09.2017	937.52
- as at 30.09.2016	999.23
<b>TER per capitalisation share (in %)</b>	
- as at 31.03.2018	0.86
<b>Number of distribution shares</b>	
- outstanding at the beginning of the period	29.0000
- issued	-
- redeemed	-11.0000
- outstanding at the end of the period	18.0000
<b>Net asset value per distribution share</b>	
- as at 31.03.2018	465.27
- as at 30.09.2017	467.71
- as at 30.09.2016	498.43
<b>TER per distribution share (in %)</b>	
- as at 31.03.2018	0.82
<b>Number of capitalisation shares "Institutional F Shares"</b>	
- outstanding at the beginning of the period	-
- issued	59,341.0000
- redeemed	-6,921.0000
- outstanding at the end of the period	52,420.0000
<b>Net asset value per capitalisation share "Institutional F Shares"</b>	
- as at 31.03.2018	984.96
<b>TER per capitalisation share "Institutional F Shares" (in %)</b>	
- as at 31.03.2018	*0.84

\*annualised

# KBC BONDS CAPITAL FUND

## Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
EUR	1,780,000	Bundesrepublik Deutschland 2.50% 04.01.21	1,962,041.20	1,929,181.80	2.58
EUR	210,000	Bundesrepublik Deutschland 4.00% 04.01.37	314,247.26	321,923.70	0.43
EUR	900,000	Bundesrepublik Deutschland 4.75% 04.07.40	1,607,601.11	1,577,115.00	2.11
EUR	260,000	Bundesrepublik Deutschland 15.08.26	252,116.35	253,258.20	0.34
EUR	1,900,000	Bundesschatzanweisungen 13.09.19	1,926,372.00	1,918,411.00	2.57
EUR	235,000	Finland Government Bond 0.75% 15.04.31	236,239.95	231,848.65	0.31
EUR	150,000	Finland Government Bond 2.00% 15.04.24	169,234.50	166,639.50	0.22
EUR	480,000	Finland Government Bond 3.50% 15.04.21	547,048.40	536,500.80	0.72
EUR	309,153	French Republic Government Bond OAT 0.25% 25.07.24	340,795.59	340,498.02	0.46
EUR	1,500,000	French Republic Government Bond OAT 1.50% 25.05.31	1,603,307.21	1,602,255.00	2.15
EUR	130,000	French Republic Government Bond OAT 1.75% 25.05.66	134,555.90	131,660.10	0.18
EUR	50,000	French Republic Government Bond OAT 3.25% 25.05.45	79,235.00	69,855.50	0.09
EUR	4,940,000	French Republic Government Bond OAT 3.50% 25.04.20	5,407,282.62	5,351,057.40	7.16
EUR	500,000	French Republic Government Bond OAT 3.50% 25.04.26	542,765.00	623,935.00	0.84
EUR	950,000	French Republic Government Bond OAT 4.00% 25.10.38	1,427,806.63	1,424,563.00	1.91
EUR	57,000	Ireland Government Bond 0.80% 15.03.22	60,053.49	59,156.88	0.08
EUR	95,000	Ireland Government Bond 4.40% 18.06.19	110,847.90	100,747.50	0.13
EUR	500,000	Ireland Government Bond 5.40% 13.03.25	683,852.50	670,085.00	0.90
EUR	2,800,000	Italy Buoni Poliennali Del Tesoro 1.35% 15.04.22	2,903,273.94	2,908,052.00	3.90
EUR	3,400,000	Italy Buoni Poliennali Del Tesoro 3.75% 01.09.24	4,014,575.02	3,962,360.00	5.30
EUR	170,000	Italy Buoni Poliennali Del Tesoro 4.75% 01.09.44	215,277.80	232,427.40	0.31
EUR	730,000	Italy Buoni Poliennali Del Tesoro 5.50% 01.09.22	856,320.24	890,271.50	1.19
EUR	270,000	Kingdom of Belgium Government Bond 1.60% 22.06.47	279,811.30	274,433.40	0.37
EUR	1,325,000	Kingdom of Belgium Government Bond 4.00% 28.03.22	1,595,560.49	1,549,945.25	2.08
EUR	95,000	Kingdom of Belgium Government Bond 4.50% 28.03.26	131,267.03	125,615.65	0.17
EUR	1,000,000	Netherlands Government Bond 4.00% 15.07.19	1,101,047.20	1,060,310.00	1.42
EUR	530,000	Netherlands Government Bond 4.00% 15.01.37	787,247.60	809,002.60	1.08
EUR	570,000	Republic of Austria Government Bond 2.40% 23.05.34	689,695.75	683,264.70	0.92
EUR	1,000,000	Republic of Austria Government Bond 3.65% 20.04.22	1,190,234.00	1,155,670.00	1.55
EUR	2,600,000	Spain Government Bond 1.95% 30.04.26	2,774,491.00	2,820,792.00	3.78
EUR	1,750,000	Spain Government Bond 5.40% 31.01.23	2,186,529.25	2,193,607.50	2.94
			<b>36,130,733.23</b>	<b>35,974,444.05</b>	<b>48.19</b>
GBP	200,000	United Kingdom Gilt 1.50% 22.07.26	233,650.59	232,051.42	0.31
GBP	250,000	United Kingdom Gilt 1.75% 07.09.22	301,611.37	294,484.19	0.39
GBP	410,000	United Kingdom Gilt 2.00% 22.07.20	484,035.79	480,267.27	0.64
GBP	200,000	United Kingdom Gilt 2.25% 07.09.23	244,966.95	242,132.27	0.32
GBP	20,000	United Kingdom Gilt 2.50% 22.07.65	33,607.75	30,527.05	0.04
GBP	240,000	United Kingdom Gilt 3.50% 22.07.68	462,341.39	466,648.70	0.63
GBP	10,000	United Kingdom Gilt 4.00% 22.01.60	23,402.69	20,130.24	0.03
GBP	250,000	United Kingdom Gilt 4.25% 07.06.32	385,472.60	381,170.34	0.51
GBP	40,000	United Kingdom Gilt 4.25% 07.03.36	72,263.88	63,953.12	0.09
GBP	165,000	United Kingdom Gilt 4.25% 07.12.49	304,891.15	307,351.26	0.41
GBP	310,000	United Kingdom Gilt 4.50% 07.12.42	544,719.24	550,977.75	0.74
GBP	60,000	United Kingdom Gilt 4.75% 07.03.20	78,840.16	73,677.88	0.10
GBP	60,000	United Kingdom Gilt 4.75% 07.12.38	91,597.84	105,146.18	0.14
GBP	135,000	United Kingdom Gilt 5.00% 07.03.25	196,481.45	193,336.94	0.26
GBP	80,000	United Kingdom Gilt 6.00% 07.12.28	164,716.20	132,513.47	0.18
GBP	205,000	United Kingdom Gilt 8.00% 07.06.21	320,042.44	286,105.55	0.38
			<b>3,942,641.49</b>	<b>3,860,473.63</b>	<b>5.17</b>
JPY	108,000,000	Japan Government Five Year Bond 0.10% 20.09.19	813,383.13	828,571.22	1.10
JPY	7,000,000	Japan Government Five Year Bond 0.10% 20.12.19	52,720.62	53,735.27	0.07
JPY	13,000,000	Japan Government Five Year Bond 0.10% 20.12.20	98,115.32	100,001.80	0.13
JPY	37,700,000	Japan Government Forty Year Bond 1.40% 20.03.55	325,152.20	338,538.78	0.45
JPY	9,000,000	Japan Government Forty Year Bond 1.70% 20.03.54	83,932.58	87,325.66	0.12
JPY	10,000,000	Japan Government Forty Year Bond 2.20% 20.03.49	102,999.05	106,864.54	0.14
JPY	20,000,000	Japan Government Forty Year Bond 2.20% 20.03.51	207,772.93	215,498.27	0.29
JPY	57,500,000	Japan Government Ten Year Bond 0.10% 20.03.26	435,484.99	444,535.72	0.60
JPY	20,000,000	Japan Government Ten Year Bond 0.10% 20.06.26	151,372.36	154,547.72	0.21
JPY	10,000,000	Japan Government Ten Year Bond 0.10% 20.12.26	75,592.49	77,189.00	0.10
JPY	23,200,000	Japan Government Ten Year Bond 0.40% 20.06.25	179,793.03	183,356.81	0.25
JPY	20,000,000	Japan Government Ten Year Bond 0.40% 20.09.25	166,280.26	158,128.91	0.21

The accompanying notes are an integral part of these financial statements.

# KBC BONDS CAPITAL FUND

## Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
JPY	12,000,000	Japan Government Ten Year Bond 0.50% 20.09.24	93,429.01	95,206.72	0.13
JPY	9,300,000	Japan Government Ten Year Bond 0.60% 20.03.23	72,288.29	73,623.80	0.10
JPY	6,000,000	Japan Government Ten Year Bond 0.60% 20.12.23	46,835.02	47,706.12	0.06
JPY	4,300,000	Japan Government Ten Year Bond 0.60% 20.03.24	33,609.57	34,236.07	0.05
JPY	17,800,000	Japan Government Ten Year Bond 0.80% 20.09.20	136,845.33	139,225.48	0.19
JPY	14,000,000	Japan Government Ten Year Bond 0.80% 20.06.22	109,293.27	111,186.90	0.15
JPY	24,000,000	Japan Government Ten Year Bond 0.80% 20.09.22	187,734.05	191,033.65	0.26
JPY	16,000,000	Japan Government Ten Year Bond 0.80% 20.09.23	126,114.20	128,382.11	0.17
JPY	12,100,000	Japan Government Ten Year Bond 1.00% 20.12.21	94,795.26	96,380.33	0.13
JPY	90,000,000	Japan Government Ten Year Bond 1.10% 20.06.21	704,085.11	715,323.38	0.96
JPY	20,000,000	Japan Government Ten Year Bond 1.20% 20.12.20	155,902.39	158,436.26	0.21
JPY	20,000,000	Japan Government Ten Year Bond 1.20% 20.06.21	156,924.72	159,453.13	0.21
JPY	7,000,000	Japan Government Ten Year Bond 1.30% 20.12.19	57,854.05	58,725.18	0.08
JPY	24,800,000	Japan Government Ten Year Bond 1.30% 20.06.20	192,599.62	195,658.92	0.26
JPY	28,900,000	Japan Government Ten Year Bond 1.50% 20.06.19	222,036.34	225,371.94	0.30
JPY	20,000,000	Japan Government Thirty Year Bond 0.30% 20.06.46	158,527.97	136,886.44	0.18
JPY	3,000,000	Japan Government Thirty Year Bond 0.60% 20.12.46	21,350.44	22,228.68	0.03
JPY	12,000,000	Japan Government Thirty Year Bond 1.10% 20.03.33	100,445.31	102,996.03	0.14
JPY	5,000,000	Japan Government Thirty Year Bond 1.70% 20.09.44	46,028.85	47,723.70	0.06
JPY	74,900,000	Japan Government Thirty Year Bond 2.00% 20.09.40	720,863.29	741,666.88	0.99
JPY	10,000,000	Japan Government Thirty Year Bond 2.00% 20.03.42	96,667.19	96,822.97	0.13
JPY	86,000,000	Japan Government Thirty Year Bond 2.30% 20.05.30	639,328.82	828,915.42	1.10
JPY	29,000,000	Japan Government Thirty Year Bond 2.40% 20.12.34	288,244.49	295,373.32	0.40
JPY	50,000,000	Japan Government Thirty Year Bond 2.40% 20.03.37	467,588.07	515,682.80	0.69
JPY	23,000,000	Japan Government Thirty Year Bond 2.50% 20.09.34	249,613.30	236,558.17	0.32
JPY	15,500,000	Japan Government Thirty Year Bond 2.50% 20.03.38	158,641.29	163,009.20	0.22
JPY	16,000,000	Japan Government Twenty Year Bond 0.20% 20.06.36	113,534.44	117,278.28	0.16
JPY	17,700,000	Japan Government Twenty Year Bond 0.60% 20.06.37	133,713.80	138,183.49	0.19
JPY	17,000,000	Japan Government Twenty Year Bond 1.20% 20.09.35	143,496.52	147,674.81	0.20
JPY	15,000,000	Japan Government Twenty Year Bond 1.50% 20.06.32	132,024.54	135,105.40	0.18
JPY	10,000,000	Japan Government Twenty Year Bond 1.70% 20.09.31	89,839.16	91,797.40	0.12
JPY	14,000,000	Japan Government Twenty Year Bond 1.70% 20.03.32	126,066.53	128,849.25	0.17
JPY	9,000,000	Japan Government Twenty Year Bond 1.70% 20.06.32	81,160.82	82,963.09	0.11
JPY	11,700,000	Japan Government Twenty Year Bond 1.90% 22.03.21	93,530.26	94,852.67	0.13
JPY	57,000,000	Japan Government Twenty Year Bond 1.90% 20.09.23	483,128.69	483,587.58	0.65
JPY	12,000,000	Japan Government Twenty Year Bond 1.90% 20.03.29	108,040.85	109,955.04	0.15
JPY	32,000,000	Japan Government Twenty Year Bond 2.00% 20.06.30	294,191.32	299,855.92	0.40
JPY	45,000,000	Japan Government Twenty Year Bond 2.10% 20.12.21	392,207.30	372,435.24	0.50
JPY	14,400,000	Japan Government Twenty Year Bond 2.10% 20.09.27	129,698.65	131,799.62	0.18
JPY	15,000,000	Japan Government Twenty Year Bond 2.20% 20.06.24	129,143.05	131,019.22	0.18
JPY	30,100,000	Japan Government Twenty Year Bond 2.20% 20.09.28	276,832.00	281,511.16	0.38
			10,756,852.14	11,116,008.47	14.89
USD	205,000	United States Treasury Note Bond 1.25% 30.04.19	171,156.93	165,068.77	0.22
USD	1,030,000	United States Treasury Note Bond 1.25% 29.02.20	865,390.85	821,597.63	1.10
USD	930,000	United States Treasury Note Bond 1.38% 31.01.21	777,415.39	735,361.78	0.99
USD	200,000	United States Treasury Note Bond 1.50% 31.05.20	168,701.87	159,827.30	0.21
USD	2,900,000	United States Treasury Note Bond 1.63% 30.06.19	2,462,111.54	2,342,025.47	3.14
USD	1,570,000	United States Treasury Note Bond 1.63% 31.08.19	1,395,297.66	1,266,172.54	1.70
USD	2,260,000	United States Treasury Note Bond 1.63% 15.02.26	1,819,679.91	1,696,619.31	2.27
USD	300,000	United States Treasury Note Bond 1.88% 31.05.22	268,015.85	237,872.00	0.32
USD	270,000	United States Treasury Note Bond 2.00% 30.09.20	230,386.14	217,701.12	0.29
USD	650,000	United States Treasury Note Bond 2.00% 15.11.21	552,364.65	520,106.08	0.70
USD	300,000	United States Treasury Note Bond 2.00% 15.11.26	250,139.18	230,185.85	0.31
USD	780,000	United States Treasury Note Bond 2.13% 31.01.21	719,580.85	629,811.71	0.84
USD	3,000,000	United States Treasury Note Bond 2.13% 30.06.22	2,553,364.17	2,400,826.32	3.22
USD	700,000	United States Treasury Note Bond 2.25% 15.11.24	642,248.69	554,412.10	0.74
USD	2,300,000	United States Treasury Note Bond 2.38% 15.08.24	1,968,282.15	1,838,807.13	2.46
USD	1,240,000	United States Treasury Note Bond 2.50% 15.05.46	1,035,050.30	916,689.95	1.23
USD	480,000	United States Treasury Note Bond 3.00% 15.11.45	426,558.31	391,562.29	0.52
USD	550,000	United States Treasury Note Bond 3.13% 15.05.19	477,111.65	451,853.50	0.61

The accompanying notes are an integral part of these financial statements.

## KBC BONDS CAPITAL FUND

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
USD	1,150,000	United States Treasury Note Bond 3.63% 15.02.20	1,016,175.09	958,246.10	1.28
USD	2,990,000	United States Treasury Note Bond 4.75% 15.02.41	3,226,518.22	3,175,553.10	4.25
USD	625,000	United States Treasury Note Bond 6.13% 15.08.29	725,382.56	674,784.66	0.90
USD	100,000	United States Treasury Note Bond 6.25% 15.05.30	114,351.38	110,387.62	0.15
USD	1,100,000	United States Treasury Note Bond 7.13% 15.02.23	1,303,431.09	1,081,861.47	1.45
USD	1,000,000	United States Treasury Note Bond 8.00% 15.11.21	<u>1,096,164.77</u>	<u>968,995.20</u>	<u>1.30</u>
			24,264,879.20	22,546,329.00	30.20
<b>Total bonds</b>			75,095,106.06	73,497,255.15	98.45
<b><u>Other transferable securities</u></b>					
<b>Bonds in default of payment</b>					
CHF	3,800,000	SAir Group 0.13% 07.07.05	<u>1,963,320.33</u>	<u>19,359.70</u>	<u>0.03</u>
<b>Total bonds in default of payment</b>			1,963,320.33	19,359.70	0.03
Total investments in securities			77,058,426.39	73,516,614.85	98.48
Cash at banks				833,635.42	1.12
Other net assets/(liabilities)				<u>302,554.77</u>	<u>0.40</u>
Total				<u>74,652,805.04</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

## **KBC BONDS HIGH INTEREST**

### **Investment policy and outlook**

from 1st October 2017 to 31st March 2018

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The sub-fund invests primarily in bonds and debt instruments denominated in currencies with a yield at least 0.5% higher than the yield on bonds issued by the Federal Republic of Germany.

During the reporting period, the sub-fund failed to take profit from the strong global economy and the recovery of high interest markets. On the one hand, the Euro strengthened against almost all other currencies of developed or emerging markets. On the other hand, some high interest markets suffered during the 2 quarters of the reporting period from an unusual large depreciation. As an example, despite the 2-year yield differential of the US Treasury market compared to the German government market widening almost 1%, the USD still weakened during the same time around 9% against the Euro. Another market hit very hard were the Turkish bonds and currency. Although the currency is to a large extent undervalued according to several valuation models, the Turkish Lira depreciated almost 16% due to geopolitical tensions and disappointing inflation figures. At the same, the portfolio also holds an important position of 10% in Norwegian bonds because of their relative value and attractive potential. However, the Norwegian Krone underperformed the Euro while the oil price, which traditionally shows a strong correlation with the Krone, moved up almost 25%.

These losses were partly offset by the extra spread of the high interest bonds in the portfolio and some specific markets. Indeed some Emerging markets like Brazil, Russia, Indonesia and Malaysia recorded gains as improving global growth and higher prices for oil and commodities helped to support investor sentiment.

Looking forward early mixed signals on global growth, trade war worries, Trump tweets and higher US rates all have the potential to lead to a more cautious approach during the coming months. The sub-fund is gradually redirecting to a slightly more defensive mode. An important position in Japanese government bonds has been built up. While the Japanese Yen is according to our valuation model very much undervalued, the front end offers a yield of more than 0.5% compared to the German curve. In case of market turmoil or extreme volatility, the Yen tends to benefit from flight to quality flows. Finally, some high-risk markets like the Turkish Lira, the Indian Rupee and the South-African Rand have been reduced in the portfolio.

## KBC BONDS HIGH INTEREST

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	1,030,768,266.60
Cash at banks	10,517,777.94
Other liquid assets	151,313.52
Receivable on sales of securities	24,111,633.63
Receivable on issues of shares	142,989.87
Income receivable on portfolio	17,998,760.18
Unrealised gain on forward foreign exchange contracts	<u>106,463.54</u>
Total assets	<u>1,083,797,205.28</u>

#### Liabilities

Bank overdrafts and borrowings	0.58
Payable on purchases of securities	24,080,619.95
Payable on redemptions of shares	3,372,656.49
Unrealised loss on forward foreign exchange contracts	200,264.20
Expenses payable and other payables	<u>999,228.12</u>
Total liabilities	<u>28,652,769.34</u>

Net assets at the end of the period 1,055,144,435.94

Number of capitalisation shares outstanding	39,730.3173
Net asset value per capitalisation share	2,018.20
Number of distribution shares outstanding	136,653.9820
Net asset value per distribution share	342.89
Number of capitalisation shares "Institutional B Shares" outstanding	90,219.8200
Net asset value per capitalisation share "Institutional B Shares"	2,024.51
Number of capitalisation shares "Institutional Shares" outstanding	229,231.0006
Net asset value per capitalisation share "Institutional Shares"	737.59
Number of distribution shares "USD frequent dividend" outstanding	2,529.5380
Net asset value per distribution share "USD frequent dividend"	USD 404.73
Number of capitalisation shares "Institutional F Shares" outstanding	582,294.0000
Net asset value per capitalisation share "Institutional F Shares"	988.40

The accompanying notes are an integral part of these financial statements.

## KBC BONDS HIGH INTEREST

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	18,213,992.09
Interest on bank accounts	11,273.01
Commissions received	118,626.70
Other income	201,630.67
Total income	18,545,522.47

#### Expenses

Management fees	4,572,215.47
Transaction fees	10,008.00
Fixed service fees and depositary fees	278,802.78
Subscription duty ("taxe d'abonnement")	80,987.91
Interest paid on bank accounts	13,130.67
Other expenses and taxes	5.87
Total expenses	4,955,150.70

Net investment income 13,590,371.77

#### Net realised gain/(loss)

- on sales of securities portfolio	-2,047,760.13
- on forward foreign exchange contracts	6,592,428.49
- on foreign exchange	-17,073,787.67

Realised result 1,061,252.46

#### Net variation of the unrealised gain/(loss)

- on securities portfolio	-16,242,103.14
- on forward foreign exchange contracts	-3,249,322.18
- on foreign exchange	-161,731.15

Result of operations -18,591,904.01

Dividends paid -1,319,320.27

Subscriptions 716,812,628.03

Redemptions -281,713,927.70

Total changes in net assets 415,187,476.05

Total net assets at the beginning of the period 639,956,959.89

Total net assets at the end of the period 1,055,144,435.94

The accompanying notes are an integral part of these financial statements.



## KBC BONDS HIGH INTEREST

### Statistical information (in EUR)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	1,055,144,435.94
- as at 30.09.2017	639,956,959.89
- as at 30.09.2016	761,010,251.46
<b>Number of capitalisation shares</b>	
- outstanding at the beginning of the period	47,304.9405
- issued	998.0185
- redeemed	<u>-8,572.6417</u>
- outstanding at the end of the period	39,730.3173
<b>Net asset value per capitalisation share</b>	
- as at 31.03.2018	2,018.20
- as at 30.09.2017	2,062.46
- as at 30.09.2016	2,084.24
<b>TER per capitalisation share (in %)</b>	
- as at 31.03.2018	1.25
<b>Number of distribution shares</b>	
- outstanding at the beginning of the period	145,460.5490
- issued	12,154.0000
- redeemed	<u>-20,960.5670</u>
- outstanding at the end of the period	136,653.9820
<b>Net asset value per distribution share</b>	
- as at 31.03.2018	342.89
- as at 30.09.2017	359.41
- as at 30.09.2016	372.96
<b>TER per distribution share (in %)</b>	
- as at 31.03.2018	1.26
<b>Dividends paid to distribution shares</b>	
Ex-dividend date	02.10.2017
Dividend per share	9.00
Shares outstanding at ex-dividend date	145,408.5490
<b>Number of capitalisation shares "Institutional B Shares"</b>	
- outstanding at the beginning of the period	150,776.5936
- issued	18,332.2270
- redeemed	<u>-78,889.0006</u>
- outstanding at the end of the period	90,219.8200
<b>Net asset value per capitalisation share "Institutional B Shares"</b>	
- as at 31.03.2018	2,024.51
- as at 30.09.2017	2,067.21
- as at 30.09.2016	2,088.22
<b>TER per capitalisation share "Institutional B Shares" (in %)</b>	
- as at 31.03.2018	1.14

The accompanying notes are an integral part of these financial statements.

## KBC BONDS HIGH INTEREST

### Statistical information (in EUR) (continued)

as at 31st March 2018

<b>Number of capitalisation shares "Institutional Shares"</b>	
- outstanding at the beginning of the period	236,383.8501
- issued	14,027.1865
- redeemed	-21,180.0360
- outstanding at the end of the period	229,231.0006
<b>Net asset value per capitalisation share "Institutional Shares"</b>	
- as at 31.03.2018	737.59
- as at 30.09.2017	750.91
- as at 30.09.2016	754.01
<b>TER per capitalisation share "Institutional Shares" (in %)</b>	
- as at 31.03.2018	0.56
<b>Number of distribution shares "USD frequent dividend"</b>	
- outstanding at the beginning of the period	2,711.3650
- issued	4.6613
- redeemed	-186.4883
- outstanding at the end of the period	2,529.5380
<b>Net asset value per distribution share "USD frequent dividend"</b>	
- as at 31.03.2018	USD 404.73
- as at 30.09.2017	USD 402.48
- as at 30.09.2016	USD 397.66
<b>TER per distribution share "USD frequent dividend" (in %)</b>	
- as at 31.03.2018	1.28
<b>Dividends paid to distribution shares</b>	
Ex-dividend date	02.10.2017
Dividend per share	USD 0.80
Shares outstanding at ex-dividend date	2,711.3650
Ex-dividend date	02.11.2017
Dividend per share	USD 0.80
Shares outstanding at ex-dividend date	2,712.2590
Ex-dividend date	01.12.2017
Dividend per share	USD 0.80
Shares outstanding at ex-dividend date	2,702.3020
Ex-dividend date	02.01.2018
Dividend per share	USD 0.80
Shares outstanding at ex-dividend date	2,620.9577
Ex-dividend date	01.02.2018
Dividend per share	USD 0.80
Shares outstanding at ex-dividend date	2,605.4223
Ex-dividend date	01.03.2018
Dividend per share	USD 0.80
Shares outstanding at ex-dividend date	2,591.4890
<b>Number of capitalisation shares "Institutional F Shares"</b>	
- outstanding at the beginning of the period	-
- issued	662,854.0000
- redeemed	-80,560.0000
- outstanding at the end of the period	582,294.0000
<b>Net asset value per capitalisation share "Institutional F Shares"</b>	
- as at 31.03.2018	988.40
<b>TER per capitalisation share "Institutional F Shares" (in %)</b>	
- as at 31.03.2018	*1.22

\*annualised

The accompanying notes are an integral part of these financial statements.

## KBC BONDS HIGH INTEREST

### Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
ARS	100,000,000	European Bank for Reconstruction & Development 25.01.19	3,455,453.61	3,480,302.66	0.33
ARS	170,000,000	European Bank for Reconstruction & Development 01.02.19	5,750,397.86	5,882,184.05	0.55
ARS	30,000,000	Nordic Investment Bank 14.00% 27.01.20	<u>1,140,265.65</u>	<u>1,129,925.07</u>	<u>0.11</u>
			10,346,117.12	10,492,411.78	0.99
AUD	700,000	Asian Development Bank 2.75% 19.01.22	452,470.05	439,307.85	0.04
AUD	300,000	Asian Development Bank 3.00% 14.10.26	191,805.82	185,949.04	0.02
AUD	1,600,000	Australia Government Bond 2.75% 21.04.24	1,048,696.97	1,016,181.99	0.10
AUD	1,130,000	Australia Government Bond 3.25% 21.04.25	763,669.44	738,955.66	0.07
AUD	1,200,000	Australia Government Bond 3.75% 21.04.37	851,206.62	830,857.58	0.08
AUD	1,200,000	Australia Government Bond 4.25% 21.04.26	870,398.88	840,744.38	0.08
AUD	1,000,000	Australia Government Bond 4.50% 21.04.33	774,219.31	753,147.82	0.07
AUD	1,020,000	Australia Government Bond 4.75% 21.04.27	774,164.93	746,911.87	0.07
AUD	300,000	Australia Government Bond 5.25% 15.03.19	199,856.84	192,899.17	0.02
AUD	1,075,000	Australia Government Bond 5.50% 21.04.23	800,499.85	771,363.42	0.07
AUD	620,000	Australia Government Bond 5.75% 15.07.22	458,609.13	441,967.59	0.04
AUD	600,000	Eurofima 5.50% 30.06.20	413,150.55	399,258.90	0.04
AUD	320,000	European Investment Bank 6.00% 06.08.20	224,278.34	216,250.15	0.02
AUD	1,000,000	Inter-American Development Bank 6.50% 20.08.19	685,922.91	660,320.33	0.06
AUD	16,000,000	Kommunalbanken AS 3.50% 30.05.18	11,819,063.53	10,005,746.73	0.95
AUD	175,000	Kreditanstalt fuer Wiederaufbau 4.00% 27.02.25	120,058.85	116,073.42	0.01
AUD	350,000	Landwirtschaftliche Rentenbank 4.75% 08.04.24	249,139.75	240,574.02	0.02
AUD	300,000	Nordic Investment Bank 4.75% 28.02.24	<u>213,412.42</u>	<u>206,088.43</u>	<u>0.02</u>
			20,910,624.19	18,802,598.35	1.78
BRL	15,000,000	European Bank for Reconstruction & Development 7.50% 16.12.19	4,485,037.75	3,768,192.96	0.36
BRL	7,000,000	European Investment Bank 7.25% 28.06.21	1,794,931.68	1,734,634.56	0.16
BRL	55,500,000	European Investment Bank 10.00% 19.06.18	15,171,233.34	13,685,488.27	1.30
BRL	10,000,000	International Finance Corp 10.00% 14.06.19	<u>3,126,105.21</u>	<u>2,561,302.59</u>	<u>0.24</u>
			24,577,307.98	21,749,618.38	2.06
CAD	13,000,000	Canadian Government Bond 0.50% 01.03.22	8,121,303.69	7,757,771.87	0.74
CAD	15,000,000	Canadian Government Bond 0.75% 01.03.21	9,598,683.90	9,158,596.30	0.87
CAD	15,000,000	Canadian Government Bond 1.25% 01.02.20	<u>9,828,321.29</u>	<u>9,372,823.35</u>	<u>0.88</u>
			27,548,308.88	26,289,191.52	2.49
COP	11,000,000,000	IBRD 4.25% 20.06.19	3,122,360.17	3,191,481.63	0.30
COP	14,400,000,000	IBRD 4.75% 15.01.21	4,130,135.23	4,155,170.61	0.39
COP	9,900,000,000	International Finance Corp 4.75% 26.07.21	<u>2,792,840.33</u>	<u>2,812,084.90</u>	<u>0.27</u>
			10,045,335.73	10,158,737.14	0.96
DKK	77,061	Realkredit Danmark A/S 6.00% 01.10.32	10,280.31	12,431.70	0.00
EUR	4,000,000	Bundesrepublik Deutschland 3.25% 04.07.21	4,558,540.00	4,482,880.00	0.42
EUR	8,000,000	French Republic Government Bond OAT 25.05.21	8,133,040.00	8,081,600.00	0.77
EUR	11,000,000	Italy Buoni Poliennali Del Tesoro 1.50% 01.08.19	11,498,707.41	11,279,070.00	1.07
EUR	8,000,000	Kingdom of Belgium Government Bond 0.80% 22.06.25	8,214,080.00	8,246,240.00	0.78
EUR	165,000	Slovakia Government Bond 13.11.23	164,452.02	163,914.30	0.02
EUR	250,000	Slovakia Government Bond 0.63% 22.05.26	253,600.00	251,412.25	0.02
EUR	320,000	Slovakia Government Bond 1.38% 21.01.27	340,432.00	338,384.00	0.03
EUR	225,000	Slovakia Government Bond 1.63% 21.01.31	238,473.00	236,279.25	0.02
EUR	290,000	Slovakia Government Bond 1.88% 09.03.37	305,927.26	304,096.90	0.03
EUR	385,000	Slovakia Government Bond 3.00% 28.02.23	452,324.95	443,978.15	0.04
EUR	370,000	Slovakia Government Bond 3.38% 15.11.24	448,817.40	443,304.40	0.04
EUR	350,000	Slovakia Government Bond 3.63% 16.01.29	450,738.75	444,612.00	0.04
EUR	165,000	Slovakia Government Bond 3.88% 08.02.33	223,320.90	220,860.75	0.02
EUR	415,000	Slovakia Government Bond 4.00% 27.04.20	460,461.59	453,126.05	0.04
EUR	375,000	Slovakia Government Bond 4.35% 14.10.25	501,413.76	490,938.75	0.05
EUR	12,500,000	Spain Government Bond 0.40% 30.04.22	<u>12,645,150.00</u>	<u>12,725,750.00</u>	<u>1.22</u>
			48,889,479.04	48,606,446.80	4.61

The accompanying notes are an integral part of these financial statements.

## KBC BONDS HIGH INTEREST

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
GBP	7,000,000	United Kingdom Gilt 1.25% 22.07.18	8,039,243.80	8,001,734.12	0.76
GBP	19,000,000	United Kingdom Gilt 1.75% 22.07.19	22,055,520.10	21,956,835.33	2.08
GBP	10,000,000	United Kingdom Gilt 1.75% 07.09.37	11,487,102.83	11,511,076.84	1.09
GBP	9,000,000	United Kingdom Gilt 2.00% 07.09.25	<u>10,780,181.47</u>	<u>10,863,410.08</u>	<u>1.03</u>
			52,362,048.20	52,333,056.37	4.96
IDR	271,500,000,000	European Bank for Reconstruction & Development 7.38% 15.04.19	17,478,355.09	16,341,108.97	1.55
IDR	28,500,000,000	European Investment Bank 4.95% 01.03.19	1,766,483.92	1,676,886.91	0.16
IDR	70,000,000,000	European Investment Bank 6.95% 06.02.20	4,976,175.18	4,201,580.85	0.40
IDR	651,000,000,000	European Investment Bank 7.20% 09.07.19	43,030,953.84	39,165,439.22	3.71
IDR	150,000,000,000	Inter-American Development Bank 7.88% 14.03.23	<u>10,152,004.30</u>	<u>9,592,554.41</u>	<u>0.91</u>
			77,403,972.33	70,977,570.36	6.73
INR	200,000,000	Asian Development Bank 6.00% 24.02.21	2,742,062.27	2,464,191.90	0.23
INR	300,000,000	Asian Development Bank 6.20% 06.10.26	3,930,587.06	3,614,006.84	0.34
INR	254,000,000	Asian Development Bank 6.45% 08.08.21	3,636,541.57	3,176,072.34	0.30
INR	180,000,000	European Bank for Reconstruction & Development 5.15% 20.01.20	2,339,191.71	2,195,949.54	0.21
INR	320,000,000	European Bank for Reconstruction & Development 6.00% 04.05.20	4,244,174.92	4,064,383.22	0.39
INR	223,600,000	IBRD 5.75% 28.10.19	2,947,458.10	2,758,729.78	0.26
INR	326,000,000	Inter-American Development Bank 5.50% 23.08.21	4,249,209.69	3,939,006.89	0.37
INR	1,452,000,000	International Finance Corp 6.30% 25.11.24	19,661,098.16	17,853,829.57	1.70
INR	991,800,000	International Finance Corp 7.80% 03.06.19	14,042,416.01	12,557,481.05	1.19
INR	825,510,000	International Finance Corp 8.25% 10.06.21	<u>12,369,296.17</u>	<u>10,807,089.11</u>	<u>1.02</u>
			70,162,035.66	63,430,740.24	6.01
JPY	3,200,000,000	Japan Government Five Year Bond 0.20% 20.12.18	24,068,432.04	24,526,281.77	2.32
JPY	3,600,000,000	Japan Government Two Year Bond 0.10% 15.07.19	<u>27,110,162.28</u>	<u>27,610,783.37</u>	<u>2.62</u>
			51,178,594.32	52,137,065.14	4.94
MXN	63,000,000	America Movil SAB de CV 6.45% 05.12.22	3,671,441.91	2,611,311.16	0.25
MXN	102,000,000	General Electric Co 8.35% 03.09.22	6,389,638.02	4,573,152.13	0.43
MXN	100,000,000	International Finance Corp 22.02.38	826,598.92	940,350.87	0.09
MXN	90,000,000	International Finance Corp 7.75% 18.01.30	3,786,937.40	4,049,506.77	0.38
MXN	57,000,000	Mexican Bonos 4.75% 14.06.18	2,522,599.39	2,522,820.97	0.24
MXN	122,100,000	Mexican Bonos 5.00% 11.12.19	5,252,890.54	5,240,274.36	0.50
MXN	75,000,000	Mexican Bonos 5.75% 05.03.26	3,537,730.90	3,036,719.81	0.29
MXN	50,000,000	Mexican Bonos 6.50% 10.06.21	2,925,074.05	2,183,627.47	0.21
MXN	177,000,000	Mexican Bonos 6.50% 09.06.22	9,039,610.70	7,686,035.00	0.73
MXN	152,000,000	Mexican Bonos 7.50% 03.06.27	7,240,106.46	6,855,486.16	0.65
MXN	168,800,000	Mexican Bonos 8.00% 11.06.20	7,710,800.99	7,643,287.55	0.72
MXN	120,000,000	Mexican Bonos 8.00% 07.12.23	7,725,582.07	5,543,266.28	0.53
MXN	211,000,000	Mexican Bonos 8.50% 13.12.18	9,564,691.66	9,458,529.51	0.90
MXN	81,000,000	Mexican Bonos 8.50% 31.05.29	5,436,617.48	3,918,327.26	0.37
MXN	215,000,000	Mexican Bonos 8.50% 18.11.38	10,554,559.58	10,466,062.59	0.99
MXN	208,000,000	Mexican Bonos 10.00% 05.12.24	12,118,349.86	10,634,649.81	1.01
MXN	64,800,000	Mexican Bonos 10.00% 20.11.36	<u>3,617,132.33</u>	<u>3,586,686.27</u>	<u>0.34</u>
			101,920,362.26	90,950,093.97	8.63
MYR	27,000,000	Malaysia Government Bond 3.42% 15.08.22	5,519,209.85	5,607,673.63	0.53
MYR	39,700,000	Malaysia Government Bond 3.44% 15.02.21	8,111,741.72	8,345,331.96	0.79
MYR	59,300,000	Malaysia Government Bond 3.65% 31.10.19	12,513,356.39	12,534,249.81	1.19
MYR	30,000,000	Malaysia Government Bond 3.66% 15.10.20	6,131,557.67	6,342,668.45	0.60
MYR	64,300,000	Malaysia Government Bond 3.76% 15.03.19	13,518,493.33	13,599,203.84	1.29
MYR	30,000,000	Malaysia Government Bond 3.80% 30.09.22	6,214,480.69	6,334,807.50	0.60
MYR	30,000,000	Malaysia Government Bond 3.80% 17.08.23	6,065,982.79	6,311,205.74	0.60
MYR	39,700,000	Malaysia Government Bond 3.88% 10.03.22	8,199,543.08	8,445,736.56	0.80
MYR	30,000,000	Malaysia Government Bond 3.90% 30.11.26	6,195,893.01	6,262,271.10	0.59
MYR	22,000,000	Malaysia Government Bond 4.05% 30.09.21	4,632,672.03	4,700,092.40	0.45
MYR	40,000,000	Malaysia Government Bond 4.38% 29.11.19	<u>8,344,269.28</u>	<u>8,551,647.27</u>	<u>0.81</u>
			85,447,199.84	87,034,888.26	8.25

The accompanying notes are an integral part of these financial statements.

## KBC BONDS HIGH INTEREST

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
NOK	15,000,000	Bank Nederlandse Gemeenten NV 2.38% 20.12.18	1,639,271.45	1,567,890.20	0.15
NOK	4,000,000	European Investment Bank 1.00% 25.05.21	409,701.25	410,377.88	0.04
NOK	218,000,000	European Investment Bank 1.13% 15.05.20	23,529,247.77	22,587,760.26	2.14
NOK	61,000,000	European Investment Bank 1.50% 12.05.22	7,160,323.67	6,300,211.86	0.60
NOK	5,500,000	European Investment Bank 1.50% 26.01.24	565,621.63	560,418.93	0.05
NOK	50,000,000	European Investment Bank 3.00% 22.05.19	6,312,566.42	5,285,852.27	0.50
NOK	46,000,000	European Investment Bank 3.00% 04.02.20	5,867,645.84	4,916,342.33	0.47
NOK	40,000,000	European Investment Bank 3.75% 31.10.18	5,242,707.55	4,208,589.62	0.40
NOK	32,000,000	IBRD 1.00% 02.02.22	3,509,959.69	3,245,291.14	0.31
NOK	23,000,000	IBRD 3.63% 22.06.20	2,797,788.17	2,496,105.54	0.24
NOK	3,500,000	Kreditanstalt fuer Wiederaufbau 0.88% 01.11.19	358,692.51	367,490.37	0.03
NOK	3,000,000	Kreditanstalt fuer Wiederaufbau 1.00% 04.11.20	307,962.81	308,482.49	0.03
NOK	2,000,000	Nordic Investment Bank 1.50% 31.08.22	207,356.88	205,425.08	0.02
NOK	50,000,000	Norway Government Bond 1.50% 19.02.26	5,160,004.27	5,075,661.00	0.48
NOK	50,000,000	Norway Government Bond 1.75% 13.03.25	5,272,131.61	5,197,456.98	0.49
NOK	20,000,000	Norway Government Bond 1.75% 17.02.27	2,094,972.16	2,058,061.95	0.20
NOK	90,000,000	Norway Government Bond 2.00% 24.05.23	9,638,955.02	9,559,927.95	0.91
NOK	40,000,000	Norway Government Bond 3.00% 14.03.24	4,535,382.39	4,475,795.09	0.42
NOK	80,000,000	Norway Government Bond 3.75% 25.05.21	8,986,132.65	8,937,587.78	0.85
NOK	110,000,000	Norway Government Bond 4.50% 22.05.19	11,892,929.27	11,867,775.33	1.12
NOK	25,000,000	Nykredit Bank A/S 5.00% 21.08.18	2,959,626.62	2,625,863.31	0.25
			108,448,979.63	102,258,367.36	9.70
PLN	11,160,000	Republic of Poland Government Bond 25.01.21	2,563,091.11	2,676,770.01	0.25
PLN	27,660,000	Republic of Poland Government Bond 25.01.24	6,521,819.71	6,577,235.81	0.62
PLN	29,400,000	Republic of Poland Government Bond 1.50% 25.04.20	6,906,885.51	6,981,147.71	0.66
PLN	6,000,000	Republic of Poland Government Bond 1.75% 25.07.21	1,397,909.82	1,419,454.12	0.13
PLN	20,000,000	Republic of Poland Government Bond 2.00% 25.04.21	4,687,560.35	4,779,702.45	0.45
PLN	32,000,000	Republic of Poland Government Bond 2.25% 25.04.22	7,155,272.16	7,633,850.67	0.72
PLN	30,000,000	Republic of Poland Government Bond 2.50% 25.07.26	6,289,924.92	6,864,042.03	0.65
PLN	45,000,000	Republic of Poland Government Bond 2.50% 25.07.27	10,035,056.51	10,170,546.89	0.96
PLN	5,901,150	Republic of Poland Government Bond 2.75% 25.08.23	1,555,386.48	1,562,627.48	0.15
PLN	86,500,000	Republic of Poland Government Bond 4.00% 25.10.23	21,237,256.58	22,116,752.65	2.11
PLN	55,362,000	Republic of Poland Government Bond 5.75% 25.10.21	15,499,495.18	14,863,586.11	1.42
			83,849,658.33	85,645,715.93	8.12
RUB	1,475,000,000	European Bank for Reconstruction & Development 22.01.26	13,401,623.63	13,452,451.39	1.27
RUB	395,000,000	European Bank for Reconstruction & Development 6.00% 24.07.23	5,808,296.43	5,655,486.63	0.54
RUB	250,000,000	European Bank for Reconstruction & Development 8.00% 26.04.18	4,127,374.67	3,538,607.47	0.34
RUB	300,000,000	European Investment Bank 6.00% 13.07.20	4,307,869.41	4,320,696.46	0.41
RUB	700,000,000	European Investment Bank 7.50% 16.07.19	10,411,741.33	10,192,688.45	0.97
RUB	966,000,000	IBRD 7.25% 23.11.20	15,078,503.58	14,263,778.09	1.35
RUB	50,000,000	IBRD 10.30% 05.03.19	751,718.78	732,574.29	0.07
RUB	260,000,000	International Finance Corp 6.38% 11.04.22	3,805,693.66	3,774,715.43	0.36
RUB	200,000,000	International Finance Corp 8.75% 17.12.18	2,940,158.27	2,882,981.40	0.27
RUB	1,184,600,000	International Finance Corp 11.00% 21.01.20	18,504,089.37	18,245,985.80	1.72
			79,137,069.13	77,059,965.41	7.30
SKK	60,000,000	KBC IFIMA SA 4.05% 21.12.20	1,548,865.92	2,127,106.15	0.20
TRY	320,000,000	European Investment Bank 05.09.22	46,713,387.29	38,906,980.12	3.69
TRY	50,000,000	European Investment Bank 8.00% 01.04.20	12,122,830.32	9,288,058.32	0.88
TRY	34,000,000	European Investment Bank 9.25% 03.10.24	6,903,965.64	6,137,397.95	0.58
TRY	100,000,000	IBRD 24.02.20	17,471,876.35	16,035,849.14	1.52
TRY	50,000,000	IBRD 8.25% 04.03.22	9,683,544.33	8,806,934.61	0.83
TRY	35,000,000	International Finance Corp 13.03.24	4,069,803.91	3,600,412.51	0.34
			96,965,407.84	82,775,632.65	7.84

The accompanying notes are an integral part of these financial statements.

## KBC BONDS HIGH INTEREST

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
USD	5,160,000	IBRD 1.00% 15.06.18	4,715,742.81	4,186,394.83	0.40
USD	3,248,000	IBRD 1.13% 10.08.20	2,691,910.86	2,559,095.33	0.24
USD	3,740,000	Kreditanstalt fuer Wiederaufbau 0.88% 19.04.18	3,395,026.37	3,039,804.85	0.29
USD	12,000,000	Kreditanstalt fuer Wiederaufbau 2.00% 29.09.22	9,515,571.17	9,461,380.66	0.90
USD	11,374,770	United States Treasury Inflation Indexed Bonds 0.13% 15.07.26	10,134,819.02	8,894,394.50	0.84
USD	11,474,760	United States Treasury Inflation Indexed Bonds 0.63% 15.01.26	10,611,335.05	9,333,882.44	0.88
USD	10,900,000	United States Treasury Note Bond 0.88% 15.04.19	9,135,517.90	8,747,094.68	0.83
USD	3,500,000	United States Treasury Note Bond 1.25% 29.02.20	2,930,582.07	2,791,836.61	0.26
USD	2,941,000	United States Treasury Note Bond 1.38% 31.03.20	2,467,593.16	2,348,843.99	0.22
USD	2,451,000	United States Treasury Note Bond 1.38% 30.04.20	2,055,086.89	1,955,329.42	0.19
USD	4,030,000	United States Treasury Note Bond 1.75% 31.10.20	3,402,395.52	3,226,868.53	0.31
USD	16,000,000	United States Treasury Note Bond 2.75% 15.11.23	12,998,225.65	13,104,240.68	1.25
USD	11,500,000	United States Treasury Note Bond 2.75% 15.02.28	9,260,604.27	9,359,682.95	0.89
USD	15,000,000	United States Treasury Note Bond 3.00% 15.11.44	12,135,277.51	12,248,514.45	1.16
USD	5,350,000	United States Treasury Note Bond 3.63% 15.02.20	4,711,631.56	4,457,927.47	0.42
USD	10,000,000	United States Treasury Note Bond 4.50% 15.02.36	<u>9,924,544.02</u>	<u>10,046,427.61</u>	<u>0.95</u>
			110,085,863.83	105,761,719.00	10.03
ZAR	100,000,000	Cooperatieve Rabobank UA 05.04.31	1,872,555.81	2,002,993.96	0.19
ZAR	98,000,000	European Investment Bank 7.50% 30.01.19	6,065,892.68	6,737,010.62	0.64
ZAR	132,000,000	European Investment Bank 9.00% 31.03.21	9,234,889.10	9,442,698.76	0.89
ZAR	20,000,000	Kreditanstalt fuer Wiederaufbau 8.50% 20.12.18	1,248,848.54	1,381,295.87	0.13
ZAR	34,000,000	Landwirtschaftliche Rentenbank 6.00% 18.03.19	<u>2,062,752.55</u>	<u>2,304,186.94</u>	<u>0.22</u>
			20,484,938.68	21,868,186.15	2.07
<b>Total bonds</b>			1,081,322,449.22	1,030,471,542.66	97.67
<b><u>Other transferable securities</u></b>					
<b>Bonds</b>					
AUD	500,000	Inter-American Development Bank 2.50% 14.04.27	<u>305,632.53</u>	<u>296,723.94</u>	<u>0.03</u>
<b>Total bonds</b>			305,632.53	296,723.94	0.03
Total investments in securities			<u>1,081,628,081.75</u>	<u>1,030,768,266.60</u>	<u>97.70</u>
Cash at banks				10,517,777.94	1.00
Bank overdrafts and borrowings				-0.58	0.00
Other net assets/(liabilities)				<u>13,858,391.98</u>	<u>1.30</u>
Total				<u>1,055,144,435.94</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EMERGING MARKETS

### Investment policy and outlook

from 1st October 2017 to 31st March 2018

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The sub-fund invests primarily in bonds issued by borrowers that operate in emerging markets or whose head office is located in the emerging markets. Emerging markets mainly include the markets of Southeast Asia, Latin America, Eastern Europe and Africa.

The performance of the sub-fund is mainly driven by two factors: the pattern of US government bond yields and the credit risk premiums the Emerging Markets have to pay on top of these.

Over the period under review, the sub-fund posted a negative return, as both US Treasury yields rose and credit spreads widened. The pro-cyclical policies of US president Trump did effectively result in a sharp increase in US 10-year Treasury yields from about 2.30% at the start of October to 2.80% at the end of the reporting period. At the same time, the increased focus on trade policies raised fears about an escalating global trade war, which resulted in a risk-off climate on financial markets. The latter caused also a general widening of credit spreads in Emerging Markets.

As a result, from an individual country perspective, most countries had a slight negative performance with the exception of Venezuela, which saw its bonds selling off sharply following its failure to make several coupon payments. On the other side of the spectrum, South Africa and Ukraine were the outperformers. The high yield on Ukrainian bonds was able to offset the rise in US Treasury yields, while the ousting of South Africa's president Zuma offered some hope on more market-friendly policies in the country.

Looking forward, the positive global economic environment suggests that defaults will remain low, which should limit the potential increase in credit risk premiums. That being said, higher volatility, a tighter monetary policy in the US and fears about a global trade war suggest that credit spreads can widen further. In that context, the performance of the sub-fund is likely to be lower than the current yield of the portfolio.

## KBC BONDS EMERGING MARKETS

### Statement of net assets (in USD)

as at 31st March 2018

#### Assets

Securities portfolio at market value	135,949,436.33
Cash at banks	118,328.45
Other liquid assets	303,070.07
Receivable on sales of securities	2,040,553.05
Receivable on issues of shares	2,338.52
Income receivable on portfolio	1,986,864.63
Unrealised gain on futures contracts	262,187.48
	<hr/>
Total assets	140,662,778.53

#### Liabilities

Payable on purchases of securities	2,160,659.72
Payable on redemptions of shares	15,640.02
Expenses payable and other payables	159,136.62
	<hr/>
Total liabilities	2,335,436.36

Net assets at the end of the period	138,327,342.17
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Number of capitalisation shares outstanding	15,493.1016
Net asset value per capitalisation share	2,431.78

Number of distribution shares outstanding	90,728.7622
Net asset value per distribution share	633.32

Number of capitalisation shares "Institutional B Shares" outstanding	7,516.3628
Net asset value per capitalisation share "Institutional B Shares"	2,438.01

Number of capitalisation shares "Institutional Shares" outstanding	25,168.0000
Net asset value per capitalisation share "Institutional Shares"	988.01

The accompanying notes are an integral part of these financial statements.



## KBC BONDS EMERGING MARKETS

### Statement of operations and other changes in net assets (in USD)

from 1st October 2017 to 31st March 2018

<b>Income</b>	
Interest on bonds and other debt securities, net	3,204,379.87
Return on sukuk, net	84,324.37
Interest on bank accounts	57,834.48
Commissions received	206,496.39
Other income	<u>17,365.76</u>
Total income	3,570,400.87
<b>Expenses</b>	
Management fees	847,292.17
Transaction fees	4,719.18
Fixed service fees and depositary fees	44,252.31
Subscription duty ("taxe d'abonnement")	27,589.46
Interest paid on bank accounts	<u>124.58</u>
Total expenses	<u>923,977.70</u>
Net investment income	2,646,423.17
<b>Net realised gain/(loss)</b>	
- on sales of securities portfolio	415,248.81
- on futures contracts	-252,242.18
- on foreign exchange	<u>9.03</u>
Realised result	2,809,438.83
<b>Net variation of the unrealised gain/(loss)</b>	
- on securities portfolio	-5,847,268.96
- on futures contracts	262,187.48
- on foreign exchange	<u>1,702.79</u>
Result of operations	<u>-2,773,939.86</u>
Dividends paid	-3,377,731.07
Subscriptions	34,479,135.04
Redemptions	<u>-46,320,495.15</u>
Total changes in net assets	-17,993,031.04
Total net assets at the beginning of the period	<u>156,320,373.21</u>
Total net assets at the end of the period	<u>138,327,342.17</u>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EMERGING MARKETS

### Statistical information (in USD)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	138,327,342.17
- as at 30.09.2017	156,320,373.21
- as at 30.09.2016	315,366,159.82
<b>Number of capitalisation shares</b>	
- outstanding at the beginning of the period	29,055.6567
- issued	270.6559
- redeemed	-13,833.2110
- outstanding at the end of the period	15,493.1016
<b>Net asset value per capitalisation share</b>	
- as at 31.03.2018	2,431.78
- as at 30.09.2017	2,478.09
- as at 30.09.2016	2,397.69
<b>TER per capitalisation share (in %)</b>	
- as at 31.03.2018	1.36
<b>Number of distribution shares</b>	
- outstanding at the beginning of the period	99,967.8719
- issued	1,795.8204
- redeemed	-11,034.9301
- outstanding at the end of the period	90,728.7622
<b>Net asset value per distribution share</b>	
- as at 31.03.2018	633.32
- as at 30.09.2017	679.44
- as at 30.09.2016	688.45
<b>TER per distribution share (in %)</b>	
- as at 31.03.2018	1.39
<b>Dividends paid to distribution shares</b>	
Ex-dividend date	02.10.2017
Dividend per share	33.80
Shares outstanding at ex-dividend date	99,932.8719

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EMERGING MARKETS

### Statistical information (in USD) (continued)

as at 31st March 2018

<b>Number of capitalisation shares "Institutional B Shares"</b>	
- outstanding at the beginning of the period	6,602.4588
- issued	3,091.9048
- redeemed	-2,178.0008
<hr/>	<hr/>
- outstanding at the end of the period	7,516.3628
<b>Net asset value per capitalisation share "Institutional B Shares"</b>	
- as at 31.03.2018	2,438.01
- as at 30.09.2017	2,483.27
- as at 30.09.2016	2,401.57
<b>TER per capitalisation share "Institutional B Shares" (in %)</b>	
- as at 31.03.2018	1.28
<b>Number of capitalisation shares "Institutional Shares"</b>	
- outstanding at the beginning of the period	-
- issued	25,168.0000
- redeemed	-
<hr/>	<hr/>
- outstanding at the end of the period	25,168.0000
<b>Net asset value per capitalisation share "Institutional Shares"</b>	
- as at 31.03.2018	988.01
<b>TER per capitalisation share "Institutional Shares" (in %)</b>	
- as at 31.03.2018	*0.47

\*annualised

## KBC BONDS EMERGING MARKETS

### Statement of investments and other net assets (in USD)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
USD	12,250,000	Argentine Republic Government International Bond 31.12.38	8,240,488.26	8,189,125.00	5.92
USD	1,000,000	Argentine Republic Government International Bond 6.25% 22.04.19	1,029,500.00	1,029,375.00	0.74
USD	8,700,000	Argentine Republic Government International Bond 6.88% 22.04.21	9,371,273.68	9,217,650.00	6.66
USD	3,000,000	Brazilian Government International Bond 4.25% 07.01.25	2,985,900.00	2,996,250.00	2.17
USD	6,500,000	Brazilian Government International Bond 5.00% 27.01.45	5,680,949.58	5,862,187.50	4.24
USD	3,000,000	Colombia Government International Bond 7.38% 18.09.37	3,962,500.00	3,889,500.00	2.81
USD	1,000,000	Croatia Government International Bond 6.00% 26.01.24	1,121,484.61	1,105,625.00	0.80
USD	3,250,000	Croatia Government International Bond 6.63% 14.07.20	3,525,086.19	3,491,718.75	2.52
USD	1,000,000	Ecopetrol SA 7.63% 23.07.19	1,059,000.00	1,057,545.00	0.76
USD	5,350,000	Indonesia Government International Bond 8.50% 12.10.35	7,629,430.09	7,593,656.25	5.49
USD	11,000,000	Mexico Government International Bond 5.75% 12.10.10	10,768,944.73	11,247,500.00	8.13
USD	1,200,000	OCP SA 6.88% 25.04.44	1,328,082.98	1,343,741.16	0.97
USD	3,300,000	Oman Government International Bond 6.75% 17.01.48	3,204,300.00	3,192,750.00	2.31
USD	1,000,000	Petroleos Mexicanos 8.00% 03.05.19	1,053,500.00	1,050,000.00	0.76
USD	9,400,000	Republic of South Africa Government International Bond 4.67% 17.01.24	9,650,292.62	9,488,078.00	6.86
USD	3,000,000	Republic of South Africa Government International Bond 4.88% 14.04.26	3,122,681.25	3,000,000.00	2.17
USD	2,000,000	Republic of South Africa Government International Bond 5.88% 16.09.25	2,193,200.00	2,135,000.00	1.54
USD	7,000,000	Russian Foreign Bond - Eurobond 3.50% 16.01.19	7,038,500.00	7,036,575.00	5.09
USD	3,750,000	Russian Foreign Bond - Eurobond 12.75% 24.06.28	6,436,856.89	6,248,437.50	4.52
USD	2,500,000	Turkey Government International Bond 3.25% 23.03.23	2,308,943.00	2,325,000.00	1.68
USD	3,000,000	Turkey Government International Bond 4.88% 09.10.26	3,083,484.55	2,844,375.00	2.06
USD	7,000,000	Turkey Government International Bond 4.88% 16.04.43	6,473,377.78	5,670,000.00	4.10
USD	2,000,000	Turkey Government International Bond 5.75% 22.03.24	1,985,020.00	2,055,000.00	1.49
USD	1,000,000	Turkey Government International Bond 6.00% 25.03.27	988,580.00	1,018,125.00	0.74
USD	300,000	Turkey Government International Bond 6.25% 26.09.22	328,125.00	318,562.50	0.23
USD	2,000,000	Turkey Government International Bond 6.25% 26.09.22	2,100,000.00	2,123,750.00	1.54
USD	1,200,000	Turkiye Garanti Bankasi AS 4.75% 17.10.19	1,230,547.52	1,209,678.00	0.87
USD	500,000	Ukraine Government International Bond 7.38% 25.09.32	488,145.00	484,500.00	0.35
USD	600,000	Ukraine Government International Bond 7.75% 01.09.19	627,102.00	624,900.00	0.45
USD	1,061,000	Ukraine Government International Bond 7.75% 01.09.22	1,009,797.01	1,109,806.00	0.80
USD	2,161,000	Ukraine Government International Bond 7.75% 01.09.23	2,110,772.46	2,244,198.50	1.62
USD	261,000	Ukraine Government International Bond 7.75% 01.09.24	265,200.84	269,743.50	0.20
USD	261,000	Ukraine Government International Bond 7.75% 01.09.25	265,050.81	269,352.00	0.19
USD	261,000	Ukraine Government International Bond 7.75% 01.09.26	265,200.84	268,699.50	0.19
USD	961,000	Ukraine Government International Bond 7.75% 01.09.27	891,318.51	988,388.50	0.71
USD	9,800,000	United States Treasury Note Bond 1.13% 31.01.19	9,723,251.58	9,721,719.07	7.03
USD	12,000,000	Venezuela Government International Bond 9.25% 15.09.27	5,135,539.57	3,915,000.00	2.83
USD	1,200,000	Yapi ve Kredi Bankasi AS 5.13% 22.10.19	1,230,742.54	1,212,234.00	0.88
<b>Total bonds</b>			<b>129,912,169.89</b>	<b>127,847,745.73</b>	<b>92.42</b>
<b>Sukuk</b>					
USD	3,000,000	Hazine Mustesarligi Varlik Kiralama AS 4.49% 25.11.24	3,010,000.00	2,926,530.00	2.12
USD	5,000,000	Perusahaan Penerbit SBSN Indonesia III 6.13% 15.03.19	5,173,770.00	5,175,000.00	3.74
<b>Total sukuk</b>			<b>8,183,770.00</b>	<b>8,101,530.00</b>	<b>5.86</b>
<b><u>Other transferable securities</u></b>					
<b>Bonds</b>					
USD	5,000	Venezuela Government International Bond 15.04.20	0.01	160.60	0.00
<b>Total bonds</b>			<b>0.01</b>	<b>160.60</b>	<b>0.00</b>
Total investments in securities			138,095,939.90	135,949,436.33	98.28
Cash at banks				118,328.45	0.09
Other net assets/(liabilities)				2,259,577.39	1.63
<b>Total</b>				<b>138,327,342.17</b>	<b>100.00</b>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS CORPORATES EURO

### Investment policy and outlook

from 1st October 2017 to 31st March 2018

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Risk assets had a remarkable ride until the end of January thanks to strong economic growth. The shorter term outlook for the economy got a boost from a generous US tax reform plan and increased government spending by the US government. As a result the S&P 500 rose by 13% between the beginning of the reporting period and the end of January 2018. The European economy performed also strongly during the reporting period. There were periods of political uncertainty in Spain, and most recently Italy, but this could not derail the sentiment.

From February onwards sentiment turned more negative. Bonds yields increased on the back of continued excellent economic data and the fear that inflation would surprise on the upside. On top of this D. Trump imposed tariffs on certain goods, making investors nervous about a possible trade war. This, and the sudden increase in volatility, led to marked weakness in the equity markets. Credit markets could not escape the negative sentiment. As a result, credit spreads rose as from February but still remain low in a historical context.

Ten year German yields gave back most of the gains towards the end of the reporting period as equity markets came under pressure. The short end of the German yield curve remained however in deep negative territory. The European Central Bank (ECB) has scaled back bond purchases and will most likely exit the bond purchases at the end of 2018 but the central bank is not expected to increase short term interest rates any time soon.

The fund was initially positioned to take advantage of a decline in credit spreads. The more volatile segments such as BBB rated bonds and subordinated bonds outperformed strongly. Our overweight in these bonds added to the performance of the fund. Towards the end of the reporting period we reduced our overweight positions in the more volatile segments of the markets.

The valuation of the credit markets remain expensive, despite the recent uptick in credit spreads. The fundamental strength of the European companies is still good but the peak of economic growth might be behind us. Therefore we reduced exposure to the more volatile segments of the market. The ECB is also expected to stop buying bonds towards the end of the year. This decision will likely have an impact on the evolution of the credit spreads.

## KBC BONDS CORPORATES EURO

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	1,096,920,310.73
Cash at banks	15,571,024.40
Other liquid assets	4,226,439.23
Receivable on issues of shares	1,564,269.73
Income receivable on portfolio	12,348,330.61
Unrealised gain on futures contracts	<u>235,030.00</u>
Total assets	<u>1,130,865,404.70</u>

#### Liabilities

Payable on redemptions of shares	357,290.67
Expenses payable and other payables	<u>920,769.33</u>
Total liabilities	<u>1,278,060.00</u>
Net assets at the end of the period	<u>1,129,587,344.70</u>

Number of capitalisation shares outstanding	20,531.6594
Net asset value per capitalisation share	901.82
Number of distribution shares outstanding	180,647.0889
Net asset value per distribution share	426.90
Number of capitalisation shares "Institutional B Shares" outstanding	1,144,224.7850
Net asset value per capitalisation share "Institutional B Shares"	903.63

The accompanying notes are an integral part of these financial statements.

## KBC BONDS CORPORATES EURO

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	13,539,422.39
Commissions received	810,174.56
Other income	582,810.55
Total income	14,932,407.50

#### Expenses

Management fees	5,032,727.18
Transaction fees	5,538.74
Fixed service fees and depositary fees	357,629.40
Subscription duty ("taxe d'abonnement")	135,590.76
Interest paid on bank accounts	63,251.10
Other expenses and taxes	45.16
Total expenses	5,594,782.34

Net investment income	9,337,625.16
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#### Net realised gain/(loss)

- on sales of securities portfolio	709,592.12
- on futures contracts	588,140.00

Realised result	10,635,357.28
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#### Net variation of the unrealised gain/(loss)

- on securities portfolio	-9,501,093.96
- on futures contracts	424,030.00

Result of operations	1,558,293.32
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Dividends paid	-1,259,595.20
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Subscriptions	803,327,620.36
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Redemptions	-933,006,571.22
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Total changes in net assets	-129,380,252.74
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Total net assets at the beginning of the period	1,258,967,597.44
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Total net assets at the end of the period	1,129,587,344.70
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The accompanying notes are an integral part of these financial statements.

# KBC BONDS CORPORATES EURO

## Statistical information (in EUR)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	1,129,587,344.70
- as at 30.09.2017	1,258,967,597.44
- as at 30.09.2016	983,496,495.83
<b>Number of capitalisation shares</b>	
- outstanding at the beginning of the period	24,084.4726
- issued	901.0350
- redeemed	<u>-4,453.8482</u>
- outstanding at the end of the period	20,531.6594
<b>Net asset value per capitalisation share</b>	
- as at 31.03.2018	901.82
- as at 30.09.2017	901.15
- as at 30.09.2016	896.35
<b>TER per capitalisation share (in %)</b>	
- as at 31.03.2018	0.94
<b>Number of distribution shares</b>	
- outstanding at the beginning of the period	221,116.6143
- issued	1,485.0000
- redeemed	<u>-41,954.5254</u>
- outstanding at the end of the period	180,647.0889
<b>Net asset value per distribution share</b>	
- as at 31.03.2018	426.90
- as at 30.09.2017	432.68
- as at 30.09.2016	434.69
<b>TER per distribution share (in %)</b>	
- as at 31.03.2018	1.03
<b>Dividends paid to distribution shares</b>	
Ex-dividend date	02.10.2017
Dividend per share	5.70
Shares outstanding at ex-dividend date	220,981.6143
<b>Number of capitalisation shares "Institutional B Shares"</b>	
- outstanding at the beginning of the period	1,264,648.5529
- issued	878,817.2323
- redeemed	<u>-999,241.0002</u>
- outstanding at the end of the period	1,144,224.7850
<b>Net asset value per capitalisation share "Institutional B Shares"</b>	
- as at 31.03.2018	903.63
- as at 30.09.2017	902.70
- as at 30.09.2016	897.79
<b>TER per capitalisation share "Institutional B Shares" (in %)</b>	
- as at 31.03.2018	0.91

The accompanying notes are an integral part of these financial statements.



# KBC BONDS CORPORATES EURO

## Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
EUR	1,800,000	3M Co 1.88% 15.11.21	1,956,600.00	1,913,406.66	0.17
EUR	200,000	3M Co 1.88% 15.11.21	217,352.00	212,600.74	0.02
EUR	2,500,000	Abertis Infraestructuras SA 2.50% 27.02.25	2,703,900.00	2,706,944.88	0.24
EUR	3,100,000	ABN AMRO Bank NV 30.06.25	3,170,470.00	3,255,998.05	0.29
EUR	800,000	ABN AMRO Bank NV 18.01.28	861,272.00	857,395.80	0.08
EUR	1,700,000	ABN AMRO Bank NV 7.13% 06.07.22	1,978,173.95	2,133,702.73	0.19
EUR	3,900,000	Accor SA 2.63% 05.02.21	4,108,688.22	4,159,158.71	0.37
EUR	1,000,000	Achmea BV 31.12.49	1,097,340.00	1,054,699.50	0.09
EUR	2,000,000	Adecco International Financial Services BV 1.50% 22.11.22	2,047,400.00	2,093,235.80	0.19
EUR	3,000,000	Aeroports de Paris 1.50% 24.07.23	3,124,565.94	3,148,659.60	0.28
EUR	800,000	Aeroports de Paris 2.75% 05.06.28	846,840.00	916,225.76	0.08
EUR	1,800,000	Allianz Finance II BV 4.75% 22.07.19	2,106,000.00	1,916,204.85	0.17
EUR	1,000,000	Allianz Finance II BV 08.07.41	1,183,500.00	1,156,514.20	0.10
EUR	2,400,000	Allianz Finance II BV 08.07.41	2,716,438.16	2,775,634.08	0.25
EUR	2,000,000	Allianz SE 07.07.45	1,967,000.00	2,037,806.00	0.18
EUR	3,000,000	Allianz SE 06.07.47	3,232,050.00	3,186,959.85	0.28
EUR	2,600,000	Allianz SE 31.12.49	2,836,600.00	2,787,317.00	0.25
EUR	2,500,000	Allianz SE 31.12.49	2,738,750.00	2,877,337.50	0.25
EUR	1,300,000	America Movil SAB de CV 1.50% 10.03.24	1,330,875.00	1,348,995.12	0.12
EUR	2,000,000	America Movil SAB de CV 2.13% 10.03.28	2,131,240.00	2,114,612.20	0.19
EUR	1,800,000	America Movil SAB de CV 3.00% 12.07.21	1,924,560.00	1,963,900.98	0.17
EUR	500,000	America Movil SAB de CV 3.26% 22.07.23	521,564.87	566,593.73	0.05
EUR	1,100,000	America Movil SAB de CV 4.75% 28.06.22	1,277,100.00	1,298,353.65	0.11
EUR	2,800,000	America Movil SAB de CV 06.09.73	2,987,111.20	2,858,086.00	0.25
EUR	1,300,000	America Movil SAB de CV 06.09.73	1,560,000.00	1,561,289.15	0.14
EUR	7,250,000	Anheuser-Busch InBev SA 1.50% 17.03.25	7,405,210.00	7,523,807.13	0.67
EUR	1,350,000	Anheuser-Busch InBev SA 2.00% 17.03.28	1,346,733.00	1,416,286.01	0.13
EUR	2,500,000	Anheuser-Busch InBev SA 2.00% 23.01.35	2,426,510.00	2,415,056.25	0.21
EUR	1,000,000	Anheuser-Busch InBev SA 2.75% 17.03.36	1,212,000.00	1,063,252.65	0.09
EUR	3,000,000	Apple Inc 0.88% 24.05.25	3,023,700.00	3,015,806.10	0.27
EUR	500,000	Apple Inc 2.00% 17.09.27	515,400.00	541,546.68	0.05
EUR	2,000,000	Apple Inc 1.63% 10.11.26	2,114,800.00	2,103,674.10	0.19
EUR	3,500,000	Aptiv Plc 1.50% 10.03.25	3,368,104.90	3,543,176.88	0.31
EUR	5,804,000	Aquarius & Investments Plc for Zurich Insurance Co Ltd 02.10.43	6,354,973.75	6,612,201.49	0.59
EUR	700,000	Argenta Spaarbank NV 24.05.26	697,130.00	754,566.68	0.07
EUR	1,100,000	Aroundtown SA 1.00% 07.01.25	1,073,853.00	1,054,962.26	0.09
EUR	3,300,000	Aroundtown SA 1.88% 19.01.26	3,203,871.00	3,305,911.13	0.29
EUR	3,000,000	Aroundtown SA 2.13% 13.03.23	3,109,200.00	3,144,336.30	0.28
EUR	5,200,000	ASML Holding NV 0.63% 07.07.22	5,300,988.00	5,252,841.88	0.47
EUR	3,000,000	ASML Holding NV 1.38% 07.07.26	3,141,000.00	3,054,900.75	0.27
EUR	1,900,000	Assicurazioni Generali SpA 2.88% 14.01.20	2,045,158.42	1,997,436.28	0.18
EUR	1,500,000	Assicurazioni Generali SpA 4.13% 04.05.26	1,688,863.64	1,661,323.73	0.15
EUR	1,000,000	Assicurazioni Generali SpA 08.06.48	1,049,133.33	1,110,715.85	0.10
EUR	2,000,000	Assicurazioni Generali SpA 27.10.47	2,085,397.50	2,303,600.00	0.20
EUR	5,500,000	Assicurazioni Generali SpA 12.12.42	6,847,857.50	6,920,695.65	0.61
EUR	4,800,000	AT&T Inc 1.30% 05.09.23	4,876,552.00	4,930,855.92	0.44
EUR	2,000,000	AT&T Inc 1.45% 01.06.22	2,118,600.00	2,079,533.40	0.18
EUR	2,500,000	AT&T Inc 2.40% 15.03.24	2,688,750.00	2,695,920.63	0.24
EUR	2,000,000	AT&T Inc 2.60% 17.12.29	2,072,000.00	2,094,590.50	0.19
EUR	1,500,000	ATF Netherlands BV 31.12.49	1,612,350.00	1,551,837.53	0.14
EUR	2,000,000	Autoroutes du Sud de la France SA 2.95% 17.01.24	2,401,600.00	2,255,726.20	0.20
EUR	1,700,000	Autostrade per l'Italia SpA 1.88% 26.09.29	1,695,665.00	1,701,578.79	0.15
EUR	3,000,000	Autostrade per l'Italia SpA 4.38% 16.09.25	3,779,850.00	3,689,248.95	0.33
EUR	2,000,000	Autostrade per l'Italia SpA 5.88% 09.06.24	2,860,000.00	2,594,719.30	0.23
EUR	2,500,000	Aviva Plc 04.12.45	2,450,060.00	2,643,833.88	0.23
EUR	3,500,000	Aviva Plc 05.07.43	4,179,000.00	4,244,269.05	0.38
EUR	1,000,000	AXA SA 06.07.47	988,970.00	1,052,827.45	0.09
EUR	6,320,000	AXA SA 04.07.43	7,553,657.88	7,414,244.17	0.66
EUR	1,100,000	AXA SA 16.04.40	1,004,733.91	1,203,899.07	0.11
EUR	1,500,000	Banco Bilbao Vizcaya Argentaria SA 11.04.24	1,559,989.82	1,549,396.88	0.14

The accompanying notes are an integral part of these financial statements.

# KBC BONDS CORPORATES EURO

## Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
EUR	3,800,000	Bank of America Corp 1.38% 10.09.21	3,822,040.00	3,938,635.02	0.35
EUR	5,000,000	Bank of America Corp 1.63% 14.09.22	5,065,300.00	5,217,972.50	0.46
EUR	3,000,000	Banque Federative du Credit Mutuel SA 0.25% 14.06.19	3,000,771.43	3,016,358.70	0.27
EUR	2,000,000	Banque Federative du Credit Mutuel SA 1.25% 14.01.25	1,934,540.00	2,042,707.60	0.18
EUR	1,000,000	Banque Federative du Credit Mutuel SA 1.63% 19.01.26	1,023,300.00	1,040,771.40	0.09
EUR	1,000,000	Banque Federative du Credit Mutuel SA 1.88% 04.11.26	944,600.00	997,942.95	0.09
EUR	3,000,000	Banque Federative du Credit Mutuel SA 2.00% 19.09.19	3,182,400.00	3,094,916.85	0.27
EUR	5,900,000	Banque Federative du Credit Mutuel SA 2.63% 18.03.24	6,713,927.00	6,552,078.03	0.58
EUR	1,500,000	Banque Federative du Credit Mutuel SA 3.00% 21.05.24	1,574,415.00	1,637,844.53	0.14
EUR	800,000	Banque Federative du Credit Mutuel SA 3.00% 11.09.25	792,672.00	871,532.68	0.08
EUR	4,000,000	Barclays Plc 1.88% 23.03.21	4,181,160.00	4,167,498.60	0.37
EUR	3,000,000	Barclays Plc 1.88% 08.12.23	3,022,500.00	3,100,393.50	0.27
EUR	1,000,000	Barclays Plc 11.11.25	977,000.00	1,033,685.75	0.09
EUR	4,400,000	Barclays Plc 07.02.28	4,347,200.00	4,358,178.66	0.39
EUR	1,500,000	BAT Capital Corp 1.13% 16.11.23	1,498,845.00	1,508,804.93	0.13
EUR	2,500,000	BAT International Finance Plc 4.88% 24.02.21	2,970,044.23	2,829,677.13	0.25
EUR	6,000,000	Bayer AG 01.07.75	6,276,500.00	6,258,320.10	0.55
EUR	765,000	Bayer AG 01.07.74	787,494.31	819,248.83	0.07
EUR	1,500,000	BBVA Senior Finance SAU 2.38% 22.01.19	1,566,121.67	1,531,297.50	0.14
EUR	4,500,000	Berkshire Hathaway Inc 1.13% 16.03.27	4,430,700.00	4,429,028.48	0.39
EUR	7,000,000	Berkshire Hathaway Inc 1.30% 15.03.24	7,222,880.00	7,210,230.30	0.64
EUR	2,000,000	Berkshire Hathaway Inc 0.63% 17.01.23	2,028,200.00	2,008,597.90	0.18
EUR	2,500,000	Bharti Airtel International Netherlands BV 3.38% 20.05.21	2,738,224.00	2,680,190.75	0.24
EUR	3,000,000	BHP Billiton Finance Ltd 22.04.76	3,068,250.00	3,338,975.10	0.30
EUR	1,000,000	BHP Billiton Finance Ltd 22.10.79	1,145,000.00	1,209,766.65	0.11
EUR	3,300,000	BMW Finance NV 0.13% 15.04.20	3,289,638.00	3,313,949.93	0.29
EUR	500,000	BNP Paribas Cardif SA 31.12.49	529,350.00	543,448.33	0.05
EUR	5,000,000	BNP Paribas SA 1.13% 15.01.23	5,270,000.00	5,147,038.75	0.46
EUR	1,000,000	BNP Paribas SA 1.50% 25.05.28	1,075,200.00	1,025,459.60	0.09
EUR	7,000,000	BNP Paribas SA 2.38% 20.05.24	7,793,346.87	7,690,651.50	0.68
EUR	4,500,000	BNP Paribas SA 14.10.27	4,537,495.00	4,790,746.13	0.42
EUR	2,000,000	BNP Paribas SA 2.75% 27.01.26	1,992,440.00	2,137,847.10	0.19
EUR	5,000,000	BNP Paribas SA 20.03.26	5,272,490.00	5,300,501.00	0.47
EUR	4,000,000	BNP Paribas SA 2.88% 01.10.26	4,342,800.00	4,315,733.20	0.38
EUR	3,000,000	Booking Holdings Inc 0.80% 10.03.22	3,006,300.00	3,037,582.65	0.27
EUR	800,000	Booking Holdings Inc 1.80% 03.03.27	799,744.00	813,086.60	0.07
EUR	4,900,000	Booking Holdings Inc 2.38% 23.09.24	5,237,135.08	5,260,183.57	0.47
EUR	3,000,000	BP Capital Markets Plc 1.12% 25.01.24	3,087,000.00	3,056,804.85	0.27
EUR	2,500,000	BP Capital Markets Plc 1.37% 03.03.22	2,500,000.00	2,601,338.25	0.23
EUR	5,000,000	BP Capital Markets Plc 1.53% 26.09.22	5,270,400.00	5,229,226.00	0.46
EUR	4,000,000	BP Capital Markets Plc 2.97% 27.02.26	4,612,000.00	4,541,513.00	0.40
EUR	6,200,000	BPCE SA 0.88% 31.01.24	6,147,300.00	6,150,501.99	0.54
EUR	3,000,000	BPCE SA 2.13% 17.03.21	3,261,000.00	3,178,790.70	0.28
EUR	1,000,000	BPCE SA 2.88% 22.04.26	1,013,500.00	1,077,388.60	0.10
EUR	1,500,000	Capgemini SA 1.75% 01.07.20	1,543,395.00	1,552,794.23	0.14
EUR	3,000,000	Capgemini SA 2.50% 01.07.23	3,297,000.00	3,284,796.60	0.29
EUR	400,000	Capgemini SE 0.50% 09.11.21	399,076.00	403,448.88	0.04
EUR	2,000,000	Carnival Corp 1.13% 06.11.19	2,047,400.00	2,037,640.90	0.18
EUR	4,000,000	Carnival Corp 1.88% 07.11.22	4,287,900.00	4,246,066.60	0.38
EUR	2,900,000	Cie Financiere et Industrielle des Autoroutes SA 5.00% 24.05.21	3,105,610.00	3,341,447.72	0.30
EUR	5,000,000	Citigroup Inc 0.75% 26.10.23	4,928,500.00	4,958,999.00	0.44
EUR	5,000,000	Citigroup Inc 1.38% 27.10.21	5,227,900.00	5,179,949.75	0.46
EUR	2,000,000	CK Hutchison Finance 16 II Ltd 0.88% 03.10.24	1,984,220.00	1,981,797.40	0.18
EUR	3,800,000	CK Hutchison Finance 16 Ltd 1.25% 06.04.23	3,788,144.00	3,889,256.87	0.34
EUR	1,000,000	CK Hutchison Finance 16 Ltd 2.00% 06.04.28	1,060,000.00	1,040,836.65	0.09
EUR	5,170,000	CNOOC Curtis Funding No 1 Pty Ltd 2.75% 03.10.20	5,364,869.11	5,480,524.68	0.49
EUR	3,400,000	CNP Assurances 1.88% 20.10.22	3,417,721.00	3,538,875.21	0.31
EUR	2,500,000	CNP Assurances 10.06.47	2,751,435.00	2,849,439.63	0.25
EUR	4,200,000	Commerzbank AG 1.13% 19.09.25	4,174,842.00	4,128,095.16	0.37
EUR	1,500,000	Commerzbank AG 4.00% 23.03.26	1,696,875.00	1,674,054.53	0.15
EUR	3,000,000	Commerzbank AG 4.00% 30.03.27	3,435,240.00	3,355,498.65	0.30
EUR	3,000,000	Commonwealth Bank of Australia 1.63% 04.02.19	3,099,600.00	3,047,985.00	0.27
EUR	5,500,000	Commonwealth Bank of Australia 22.04.27	5,545,690.00	5,707,161.63	0.51
EUR	1,000,000	Cooperatieve Rabobank UA 0.13% 11.10.21	999,200.00	997,989.35	0.09
EUR	5,000,000	Cooperatieve Rabobank UA 1.25% 23.03.26	5,168,050.00	5,100,701.25	0.45
EUR	10,000,000	Cooperatieve Rabobank UA 26.05.26	10,279,321.21	10,551,587.00	0.92

The accompanying notes are an integral part of these financial statements.

# KBC BONDS CORPORATES EURO

## Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
EUR	1,500,000	Cooperatieve Rabobank UA 4.00% 11.01.22	1,746,006.94	1,712,277.83	0.15
EUR	2,700,000	Cooperatieve Rabobank UA 4.13% 14.01.20	3,019,346.42	2,903,306.63	0.26
EUR	8,000,000	Cooperatieve Rabobank UA 4.13% 12.01.21	9,324,180.00	8,903,478.00	0.78
EUR	3,500,000	Credit Agricole Assurances SA 31.12.49	3,442,500.00	3,799,499.38	0.34
EUR	3,500,000	Credit Agricole Assurances SA 27.09.48	4,058,600.00	4,023,392.98	0.36
EUR	5,500,000	Credit Agricole SA 0.75% 01.12.22	5,479,925.00	5,564,453.40	0.49
EUR	9,000,000	Credit Agricole SA 1.25% 14.04.26	9,124,852.50	9,069,952.50	0.79
EUR	6,500,000	Credit Agricole SA 1.88% 20.12.26	6,712,560.00	6,728,689.50	0.60
EUR	2,000,000	Credit Suisse AG 1.00% 07.06.23	2,062,400.00	2,039,684.20	0.18
EUR	7,500,000	Credit Suisse Group Funding Guernsey Ltd 1.25% 14.04.22	7,577,850.00	7,666,347.38	0.68
EUR	4,000,000	CRH Finance BV 5.00% 25.01.19	4,604,800.00	4,170,220.00	0.37
EUR	1,400,000	CRH Finance DAC 1.38% 18.10.28	1,398,152.00	1,356,289.27	0.12
EUR	500,000	CRH Funding BV 1.88% 09.01.24	497,055.00	526,140.10	0.05
EUR	350,000	Daimler AG 0.63% 05.03.20	355,810.00	354,530.33	0.03
EUR	2,000,000	Daimler AG 2.38% 12.09.22	2,238,000.00	2,174,869.80	0.19
EUR	1,000,000	Danica Pension Livsforsikrings AB 29.09.45	1,060,000.00	1,133,750.00	0.10
EUR	2,000,000	Danske Bank A/S 19.05.26	2,067,758.96	2,120,874.30	0.19
EUR	5,450,000	Danske Bank AS 04.10.23	5,740,048.15	5,552,650.75	0.49
EUR	500,000	Delta Lloyd Levensverzekering NV 29.08.42	645,400.00	654,718.50	0.06
EUR	4,000,000	Demeter Investments BV for Zurich Insurance Co Ltd 01.10.46	4,460,400.00	4,328,199.00	0.38
EUR	5,000,000	Deutsche Bank AG 1.13% 17.03.25	4,758,225.00	4,821,021.75	0.43
EUR	900,000	Deutsche Bank AG 5.00% 24.06.20	884,640.00	975,480.75	0.09
EUR	2,000,000	Deutsche Boerse AG 05.02.41	2,124,000.00	2,125,904.40	0.19
EUR	2,000,000	DNB Bank ASA 4.25% 18.01.22	2,443,000.00	2,307,440.30	0.20
EUR	1,800,000	E.ON International Finance BV 5.75% 07.05.20	2,210,658.16	2,021,218.65	0.18
EUR	3,100,000	Electricite de France SA 3.88% 18.01.22	3,489,772.95	3,518,608.97	0.31
EUR	1,000,000	Electricite de France SA 31.12.49	1,071,750.00	1,061,637.50	0.09
EUR	600,000	Electricite de France SA 31.12.49	590,492.31	643,608.78	0.06
EUR	600,000	Electricite de France SA 31.12.49	651,219.60	658,245.00	0.06
EUR	550,000	Electricite de France SA 5.63% 21.02.33	586,025.00	787,618.18	0.07
EUR	400,000	Elia System Operator SA NV 1.38% 27.05.24	399,340.00	410,806.78	0.04
EUR	5,000,000	Emirates Telecommunications Group Co PJSC 1.75% 18.06.21	5,110,000.00	5,224,872.25	0.46
EUR	3,000,000	Emirates Telecommunications Group Co PJSC 2.75% 18.06.26	3,305,000.00	3,309,235.65	0.29
EUR	1,100,000	Enagas Financiaciones SAU 2.50% 11.04.22	1,165,285.00	1,199,969.82	0.11
EUR	1,500,000	EnBW Energie Baden-Wuerttemberg AG 05.04.77	1,507,200.00	1,593,600.00	0.14
EUR	3,500,000	EnBW Energie Baden-Wuerttemberg AG 02.04.76	3,647,250.00	3,724,262.33	0.33
EUR	2,317,000	Enel Finance International NV 1.38% 01.06.26	2,072,449.36	2,321,750.20	0.21
EUR	2,128,000	Enel Finance International NV 1.97% 27.01.25	2,195,639.92	2,247,740.54	0.20
EUR	1,750,000	Enel SpA 5.63% 21.06.27	1,803,013.33	2,365,831.48	0.21
EUR	5,000,000	Engie SA 1.00% 13.03.26	5,225,155.50	4,995,756.25	0.44
EUR	3,500,000	Engie SA 31.12.49	3,495,800.00	3,533,425.00	0.31
EUR	1,600,000	Engie SA 31.12.49	1,718,885.20	1,741,550.00	0.15
EUR	1,400,000	Eni SpA 0.63% 19.09.24	1,389,262.00	1,373,497.09	0.12
EUR	2,100,000	Eni SpA 1.50% 17.01.27	2,088,032.66	2,116,839.90	0.19
EUR	800,000	Eni SpA 3.63% 29.01.29	794,992.00	951,263.88	0.08
EUR	1,350,000	Eni SpA 3.75% 27.06.19	1,471,696.63	1,414,231.04	0.13
EUR	500,000	Evonik Industries AG 07.07.77	513,125.00	506,412.50	0.04
EUR	3,300,000	Export-Import Bank of China 0.25% 14.03.20	3,299,010.00	3,312,375.00	0.29
EUR	1,000,000	FedEx Corp 1.63% 11.01.27	993,780.00	1,010,404.20	0.09
EUR	1,000,000	Ferrovial Emisiones SA 0.38% 14.09.22	992,000.00	994,432.35	0.09
EUR	2,300,000	Ferrovial Emisiones SA 3.38% 07.06.21	2,542,561.27	2,533,925.53	0.22
EUR	4,100,000	Fomento Economico Mexicano SAB de CV 1.75% 20.03.23	4,320,700.00	4,260,771.25	0.38
EUR	3,000,000	Gas Natural Capital Markets SA 1.13% 11.04.24	3,041,340.00	3,025,852.95	0.27
EUR	500,000	GE Capital European Funding Unlimited Co 0.80% 21.01.22	501,858.95	507,587.10	0.04
EUR	800,000	GE Capital European Funding Unlimited Co 6.03% 01.03.38	1,217,016.00	1,245,451.32	0.11
EUR	500,000	General Electric Co 2.13% 17.05.37	499,900.00	469,145.28	0.04
EUR	1,000,000	Generali Finance BV 30.11.49	969,925.00	1,069,741.65	0.09
EUR	3,600,000	Glencore Finance Europe SA 1.25% 17.03.21	3,220,963.64	3,681,932.22	0.33
EUR	3,900,000	Glencore Finance Europe SA 1.75% 17.03.25	3,543,304.00	3,944,586.56	0.35
EUR	1,400,000	Glencore Finance Europe SA 1.88% 13.09.23	1,394,274.00	1,451,044.98	0.13
EUR	5,000,000	Goldman Sachs Group Inc 1.25% 01.05.25	4,974,900.00	4,971,447.25	0.44
EUR	4,000,000	Goldman Sachs Group Inc 1.63% 27.07.26	4,052,733.33	4,014,269.40	0.36
EUR	2,000,000	Goldman Sachs Group Inc 2.00% 27.07.23	2,082,600.00	2,100,037.50	0.19
EUR	5,000,000	Goldman Sachs Group Inc 2.50% 18.10.21	5,334,800.00	5,362,967.75	0.47
EUR	2,625,000	Goldman Sachs Group Inc 4.75% 12.10.21	2,003,349.36	2,995,074.08	0.27

The accompanying notes are an integral part of these financial statements.

# KBC BONDS CORPORATES EURO

## Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
EUR	4,000,000	Grand City Properties SA 1.50% 17.04.25	4,038,800.00	4,013,795.80	0.36
EUR	1,000,000	Heathrow Funding Ltd 1.50% 11.02.30	1,012,200.00	992,177.55	0.09
EUR	6,000,000	Heathrow Funding Ltd 1.88% 23.05.22	6,404,980.00	6,354,137.40	0.56
EUR	1,000,000	HeidelbergCement AG 1.50% 07.02.25	985,290.00	1,020,711.40	0.09
EUR	1,500,000	HeidelbergCement Finance Luxembourg SA 0.50% 18.01.21	1,497,330.00	1,514,453.78	0.13
EUR	5,500,000	Honeywell International Inc 1.30% 22.02.23	5,713,720.00	5,708,815.48	0.51
EUR	5,000,000	HSBC France SA 0.63% 03.12.20	5,132,500.00	5,078,824.75	0.45
EUR	1,500,000	HSBC Holdings Plc 3.13% 07.06.28	1,610,800.00	1,657,837.20	0.15
EUR	1,900,000	Hutchison Whampoa Europe Finance 12 Ltd 3.63% 06.06.22	2,226,800.00	2,142,929.25	0.19
EUR	3,000,000	Hutchison Whampoa Europe Finance 13 Ltd 31.12.49	3,034,410.00	3,010,575.00	0.27
EUR	3,800,000	Hutchison Whampoa Finance 14 Ltd 1.38% 31.10.21	3,859,740.00	3,936,432.54	0.35
EUR	2,300,000	Iberdrola International BV 1.13% 27.01.23	2,259,934.00	2,369,113.28	0.21
EUR	2,000,000	IE2 Holdco SAU 2.38% 27.11.23	2,154,200.00	2,127,901.50	0.19
EUR	3,000,000	IE2 Holdco SAU 2.88% 01.06.26	3,162,600.00	3,218,335.95	0.28
EUR	2,000,000	Imerys SA 1.50% 15.01.27	1,976,740.00	2,005,576.10	0.18
EUR	5,400,000	Imerys SA 2.00% 10.12.24	5,699,859.95	5,714,194.14	0.51
EUR	100,000	Imperial Brands Finance Plc 2.25% 26.02.21	106,380.77	105,388.76	0.01
EUR	1,000,000	Imperial Brands Finance Plc 3.38% 26.02.26	1,176,500.00	1,135,274.20	0.10
EUR	3,800,000	ING Bank NV 0.70% 16.04.20	3,785,180.00	3,858,029.61	0.34
EUR	4,750,000	ING Bank NV 25.02.26	5,147,136.77	5,146,676.06	0.46
EUR	5,000,000	ING Groep NV 11.04.28	5,317,000.00	5,400,432.75	0.48
EUR	2,500,000	Innogy Finance BV 1.88% 30.01.20	2,648,600.00	2,585,357.38	0.23
EUR	1,500,000	Innogy Finance BV 3.00% 17.01.24	1,767,600.00	1,693,766.25	0.15
EUR	800,000	International Business Machines Corp 1.25% 26.05.23	798,224.00	828,860.52	0.07
EUR	1,300,000	Intesa Sanpaolo SpA 1.13% 04.03.22	1,265,088.50	1,322,497.74	0.12
EUR	4,200,000	Intesa Sanpaolo SpA 1.38% 18.01.24	4,171,146.00	4,266,255.84	0.38
EUR	4,200,000	Intesa Sanpaolo SpA 2.00% 18.06.21	4,391,752.54	4,413,431.82	0.39
EUR	2,500,000	Intesa Sanpaolo SpA 3.00% 28.01.19	2,659,000.00	2,564,587.50	0.23
EUR	4,036,000	Intesa Sanpaolo SpA 3.50% 17.01.22	4,615,569.60	4,475,109.13	0.40
EUR	1,000,000	Intesa Sanpaolo SpA 4.00% 30.10.23	1,192,000.00	1,166,317.45	0.10
EUR	1,500,000	Intesa Sanpaolo SpA 4.13% 14.04.20	1,686,615.00	1,621,981.35	0.14
EUR	4,300,000	IPIC GMTN Ltd 3.63% 30.05.23	4,702,763.55	4,883,467.00	0.43
EUR	3,100,000	IPIC GMTN Ltd 5.88% 14.03.21	3,811,107.69	3,598,139.00	0.32
EUR	1,000,000	Jefferies Group LLC 2.38% 20.05.20	1,057,300.00	1,044,906.90	0.09
EUR	5,400,000	Johnson & Johnson 0.65% 20.05.24	5,429,746.70	5,440,715.73	0.48
EUR	2,000,000	Johnson & Johnson 1.15% 20.11.28	2,062,200.00	2,016,612.60	0.18
EUR	1,900,000	Johnson & Johnson 4.75% 06.11.19	2,267,656.96	2,054,403.88	0.18
EUR	2,100,000	Johnson Controls International Plc 1.00% 15.09.23	2,081,709.00	2,115,415.05	0.19
EUR	8,000,000	JPMorgan Chase & Co 1.50% 29.10.26	8,234,040.00	8,117,315.20	0.71
EUR	3,000,000	JPMorgan Chase & Co 2.63% 23.04.21	3,352,200.00	3,217,218.30	0.28
EUR	4,500,000	JPMorgan Chase & Co 2.75% 24.08.22	5,155,650.00	4,937,599.58	0.44
EUR	1,052,000	JPMorgan Chase & Co 2.75% 01.02.23	1,213,797.60	1,127,831.20	0.10
EUR	3,500,000	KBC Group NV 0.75% 18.10.23	3,509,475.00	3,474,024.23	0.31
EUR	400,000	KBC Group NV 1.00% 26.04.21	397,584.00	408,767.62	0.04
EUR	900,000	KBC Group NV 25.11.24	934,920.00	931,828.37	0.08
EUR	1,800,000	Kering 1.25% 10.05.26	1,818,984.00	1,827,705.06	0.16
EUR	1,100,000	Kering 1.38% 01.10.21	1,111,792.00	1,144,685.91	0.10
EUR	800,000	Kering 2.50% 15.07.20	881,360.00	845,508.44	0.07
EUR	2,500,000	Klepierre 1.38% 16.02.27	2,496,525.00	2,497,171.38	0.22
EUR	1,000,000	Klepierre 1.75% 06.11.24	1,006,300.00	1,045,527.25	0.09
EUR	700,000	Koninklijke KPN NV 0.63% 09.04.25	693,280.00	676,083.73	0.06
EUR	1,000,000	La Banque Postale SA 23.04.26	1,026,650.00	1,053,285.85	0.09
EUR	2,300,000	Lloyds Bank Plc 1.00% 19.11.21	2,284,358.36	2,356,251.79	0.21
EUR	1,400,000	Lloyds Bank Plc 6.50% 24.03.20	1,697,383.18	1,571,941.07	0.14
EUR	3,620,000	Magna International Inc 1.90% 24.11.23	3,708,170.00	3,861,587.22	0.34
EUR	1,500,000	McDonald's Corp 1.00% 15.11.23	1,571,550.00	1,520,511.08	0.13
EUR	1,500,000	Merck Financial Services GmbH 4.50% 24.03.20	1,796,550.00	1,635,440.03	0.14
EUR	700,000	Merck KGaA 12.12.74	728,035.00	732,506.25	0.06
EUR	2,000,000	Merck KGaA 12.12.74	2,097,500.00	2,092,875.00	0.19
EUR	1,100,000	Merck KGaA 12.12.74	1,141,338.00	1,199,563.75	0.11
EUR	4,800,000	Microsoft Corp 2.13% 06.12.21	4,992,161.82	5,137,273.20	0.45
EUR	4,500,000	Microsoft Corp 3.13% 06.12.28	5,336,160.00	5,434,174.58	0.48
EUR	1,000,000	Mondelez International Inc 1.63% 20.01.23	1,019,500.00	1,044,400.40	0.09
EUR	1,400,000	Mondelez International Inc 1.63% 08.03.27	1,385,090.00	1,416,132.97	0.13
EUR	5,700,000	Morgan Stanley 1.38% 27.10.26	5,596,700.00	5,585,422.02	0.49
EUR	2,000,000	Morgan Stanley 1.75% 11.03.24	2,091,000.00	2,070,689.20	0.18
EUR	3,000,000	Morgan Stanley 1.75% 30.01.25	2,990,361.43	3,087,903.90	0.27

The accompanying notes are an integral part of these financial statements.

# KBC BONDS CORPORATES EURO

## Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
EUR	3,000,000	Morgan Stanley 1.88% 30.03.23	3,056,061.43	3,149,781.45	0.28
EUR	1,500,000	Morgan Stanley 5.38% 10.08.20	1,648,950.00	1,686,615.68	0.15
EUR	2,600,000	Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen 26.05.41	2,918,735.93	3,027,348.09	0.27
EUR	2,300,000	Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen 26.05.42	2,967,000.00	2,786,585.59	0.25
EUR	1,500,000	Mylan NV 2.25% 22.11.24	1,535,700.00	1,542,216.38	0.14
EUR	1,000,000	National Australia Bank Ltd 12.11.24	995,800.00	1,023,886.25	0.09
EUR	1,600,000	NGG Finance Plc 18.06.76	1,690,968.09	1,723,728.00	0.15
EUR	500,000	NGG Finance Plc 18.06.76	541,250.00	538,665.00	0.05
EUR	1,900,000	NN Group NV 0.88% 13.01.23	1,888,657.00	1,929,957.78	0.17
EUR	2,000,000	NN Group NV 31.12.49	2,047,866.67	2,178,887.10	0.19
EUR	5,300,000	Nordea Bank AB 1.13% 12.02.25	5,138,350.00	5,422,343.08	0.48
EUR	3,000,000	Nordea Bank AB 4.00% 29.03.21	3,429,000.00	3,321,973.50	0.29
EUR	1,200,000	Novartis Finance SA 0.13% 20.09.23	1,189,524.00	1,177,559.82	0.10
EUR	2,000,000	Nykredit Realkredit A/S 17.11.27	2,028,000.00	2,143,838.20	0.19
EUR	3,100,000	OMV AG 31.12.49	3,428,886.00	3,507,997.98	0.31
EUR	1,500,000	OMV AG 31.12.49	1,827,900.00	1,857,093.75	0.16
EUR	1,000,000	OMV AG 31.12.49	1,089,700.00	1,003,995.00	0.09
EUR	1,000,000	ONGC Videsh Ltd 2.75% 15.07.21	1,072,400.00	1,061,474.50	0.09
EUR	1,000,000	OP Corporate Bank Plc 5.75% 28.02.22	1,230,000.00	1,197,328.20	0.11
EUR	3,000,000	Oracle Corp 2.25% 10.01.21	3,263,850.00	3,189,882.45	0.28
EUR	1,000,000	Orange SA 31.12.49	1,088,000.00	1,096,108.30	0.10
EUR	2,400,000	Orange SA 31.12.49	2,533,394.40	2,559,459.96	0.23
EUR	2,100,000	Orange SA 31.12.49	2,172,000.00	2,405,424.00	0.21
EUR	1,000,000	Orange SA 31.12.49	1,190,800.00	1,157,400.00	0.10
EUR	800,000	Orange SA 8.13% 28.01.33	1,204,400.00	1,464,268.72	0.13
EUR	1,000,000	Orsted AS 24.11.17	1,022,430.00	992,762.50	0.09
EUR	1,300,000	Orsted AS 06.11.15	1,357,633.33	1,369,680.00	0.12
EUR	1,000,000	Pernod Ricard SA 2.00% 22.06.20	1,074,800.00	1,044,698.75	0.09
EUR	2,500,000	Petroleos Mexicanos 2.75% 21.04.27	2,341,875.00	2,341,979.13	0.21
EUR	1,500,000	Petroleos Mexicanos 5.50% 24.02.25	1,737,750.00	1,743,813.30	0.15
EUR	4,630,000	Pfizer Inc 0.25% 06.03.22	4,630,723.92	4,640,359.63	0.41
EUR	4,500,000	Philip Morris International Inc 1.88% 03.03.21	4,772,925.00	4,706,070.53	0.42
EUR	6,800,000	Philip Morris International Inc 2.88% 30.05.24	7,756,820.00	7,579,909.34	0.67
EUR	500,000	Philip Morris International Inc 3.13% 03.06.33	599,600.00	580,658.25	0.05
EUR	1,500,000	Philip Morris International Inc 1.88% 06.11.37	1,404,525.00	1,399,902.45	0.12
EUR	2,000,000	PPG Industries Inc 1.40% 13.03.27	2,027,000.00	2,014,385.80	0.18
EUR	2,000,000	Praxair Inc 1.63% 01.12.25	2,135,000.00	2,116,851.50	0.19
EUR	2,100,000	Proximus SADP 0.50% 22.03.22	2,098,866.00	2,120,020.46	0.19
EUR	3,500,000	Proximus SADP 2.38% 04.04.24	3,863,533.34	3,839,963.23	0.34
EUR	800,000	PSA Banque France SA 0.50% 17.01.20	798,008.00	807,222.72	0.07
EUR	3,100,000	RCI Banque SA 1.38% 08.03.24	3,093,025.00	3,174,405.27	0.28
EUR	2,000,000	Repsol International Finance BV 2.13% 16.12.20	2,171,600.00	2,110,927.30	0.19
EUR	2,000,000	Repsol International Finance BV 4.88% 19.02.19	2,231,600.00	2,088,990.00	0.18
EUR	3,400,000	Royal Bank of Scotland Plc 5.38% 30.09.19	3,911,011.03	3,673,489.03	0.33
EUR	2,000,000	RTE Reseau de Transport d'Electricite SA 1.63% 27.11.25	2,122,200.00	2,090,876.40	0.19
EUR	1,000,000	RTE Reseau de Transport d'Electricite SA 2.00% 18.04.36	1,089,850.00	1,031,765.70	0.09
EUR	5,100,000	Ryanair DAC 1.13% 10.03.23	5,175,674.00	5,200,708.94	0.46
EUR	3,600,000	Ryanair DAC 1.88% 17.06.21	3,742,149.70	3,785,227.02	0.34
EUR	7,400,000	SABIC Capital I BV 2.75% 20.11.20	7,864,605.87	7,884,828.76	0.70
EUR	4,200,000	Santander Consumer Finance SA 0.90% 18.02.20	4,175,733.69	4,271,851.92	0.38
EUR	1,400,000	Santander International Debt SAU 1.38% 14.12.22	1,416,116.58	1,457,247.75	0.13
EUR	1,500,000	Santander International Debt SAU 4.00% 24.01.20	1,719,000.00	1,611,185.48	0.14
EUR	3,100,000	Santander Issuances SAU 2.50% 18.03.25	3,157,673.00	3,237,675.34	0.29
EUR	2,000,000	Santander Issuances SAU 3.13% 19.01.27	2,099,000.00	2,162,890.90	0.19
EUR	2,100,000	Santander Issuances SAU 3.25% 04.04.26	2,086,434.00	2,291,142.32	0.20
EUR	1,200,000	Santander UK Group Holdings Plc 1.13% 08.09.23	1,194,228.00	1,206,932.58	0.11
EUR	1,000,000	Santander UK Plc 0.88% 25.11.20	994,470.00	1,019,748.95	0.09
EUR	1,000,000	SCOR SE 08.06.46	970,640.00	1,049,945.00	0.09
EUR	2,000,000	Shell International Finance BV 0.75% 15.08.28	1,992,460.00	1,898,638.10	0.17
EUR	3,000,000	Shell International Finance BV 1.63% 24.03.21	3,139,200.00	3,140,563.65	0.28
EUR	8,000,000	Sinopec Group Overseas Development 2013 Ltd 2.63% 17.10.20	8,550,064.24	8,464,174.00	0.74
EUR	1,000,000	Sinopec Group Overseas Development 2015 Ltd 1.00% 28.04.22	963,660.00	1,013,958.65	0.09
EUR	3,000,000	Skandinaviska Enskilda Banken AB 31.10.28	2,983,950.00	2,996,909.25	0.27

The accompanying notes are an integral part of these financial statements.

# KBC BONDS CORPORATES EURO

## Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
EUR	4,800,000	Skandinaviska Enskilda Banken AB 28.05.26	5,004,368.40	5,070,322.80	0.45
EUR	3,000,000	Societe Generale SA 0.75% 19.02.21	3,063,930.00	3,055,849.35	0.27
EUR	1,300,000	Societe Generale SA 0.75% 26.05.23	1,342,900.00	1,312,219.94	0.12
EUR	1,100,000	Societe Generale SA 16.09.26	1,090,540.00	1,155,472.07	0.10
EUR	4,500,000	Societe Generale SA 2.63% 27.02.25	4,690,750.00	4,745,190.15	0.42
EUR	2,000,000	Societe Generale SA 4.00% 07.06.23	2,280,000.00	2,274,954.30	0.20
EUR	800,000	Sogecap SA 31.12.49	833,000.00	864,092.40	0.08
EUR	4,600,000	SPP Infrastructure Financing BV 2.63% 12.02.25	4,954,400.00	4,955,986.18	0.44
EUR	3,300,000	SPP Infrastructure Financing BV 3.75% 18.07.20	3,603,740.00	3,569,696.63	0.32
EUR	3,000,000	Standard Chartered Plc 3.63% 23.11.22	3,357,041.20	3,306,595.20	0.29
EUR	2,000,000	Statkraft AS 1.50% 21.09.23	2,059,840.00	2,089,263.10	0.18
EUR	3,000,000	Statkraft AS 2.50% 28.11.22	3,335,700.00	3,280,275.45	0.29
EUR	5,000,000	Statoil ASA 2.88% 10.09.25	5,856,230.00	5,751,323.25	0.51
EUR	1,100,000	Suez 31.12.49	1,092,586.00	1,150,125.79	0.10
EUR	1,000,000	Svenska Handelsbanken AB 1.13% 14.12.22	992,730.00	1,032,020.90	0.09
EUR	5,000,000	Svenska Handelsbanken AB 15.01.24	5,177,320.00	5,097,325.00	0.45
EUR	2,500,000	Svenska Handelsbanken AB 4.38% 20.10.21	2,920,794.96	2,871,831.50	0.25
EUR	1,000,000	Swedbank AB 22.11.27	994,750.00	992,537.05	0.09
EUR	2,000,000	Swiss Re ReAssure Ltd 1.38% 27.05.23	2,078,400.00	2,072,788.10	0.18
EUR	500,000	Syngenta Finance NV 1.25% 10.09.27	437,300.00	429,872.40	0.04
EUR	2,000,000	Talanx Finanz Luxembourg SA 15.06.42	2,558,710.05	2,555,220.00	0.23
EUR	7,200,000	Telefonica Emisiones SAU 1.46% 13.04.26	7,393,500.00	7,222,930.56	0.64
EUR	3,000,000	Telefonica Emisiones SAU 1.53% 17.01.25	3,024,900.00	3,075,258.75	0.27
EUR	1,500,000	Telefonica Emisiones SAU 2.93% 17.10.29	1,500,000.00	1,658,229.83	0.15
EUR	900,000	Telstra Corp Ltd 1.13% 14.04.26	894,267.00	902,673.00	0.08
EUR	5,000,000	Telstra Corp Ltd 2.50% 15.09.23	5,596,391.25	5,506,748.25	0.49
EUR	2,000,000	Terna Rete Elettrica Nazionale SpA 1.38% 26.07.27	1,992,000.00	1,983,295.00	0.18
EUR	2,000,000	Teva Pharmaceutical Finance Netherlands II BV 1.63% 15.10.28	1,696,800.00	1,557,940.00	0.14
EUR	5,300,000	Total SA 31.12.49	5,253,225.27	5,483,777.50	0.49
EUR	4,200,000	Total SA 31.12.49	4,003,052.29	4,312,001.40	0.38
EUR	1,000,000	Total SA 31.12.49	1,072,400.00	1,048,108.00	0.09
EUR	1,500,000	Total SA 31.12.49	1,621,875.00	1,595,531.25	0.14
EUR	2,750,000	Total SA 31.12.49	2,890,750.00	3,018,445.93	0.27
EUR	3,000,000	Toyota Motor Credit Corp 0.63% 21.11.24	3,008,400.00	2,980,010.55	0.26
EUR	1,900,000	Transport et Infrastructures Gaz France SA 4.34% 07.07.21	2,179,680.00	2,148,945.89	0.19
EUR	2,300,000	UBS AG London 1.13% 30.06.20	2,330,206.67	2,359,700.18	0.21
EUR	500,000	UBS Group Funding Jersey Ltd 1.25% 01.09.26	496,835.00	494,750.13	0.04
EUR	4,000,000	UBS Group Funding Switzerland AG 1.75% 16.11.22	4,242,280.00	4,189,230.20	0.37
EUR	3,000,000	UBS Group Funding Switzerland AG 2.13% 04.03.24	3,277,200.00	3,191,781.00	0.28
EUR	1,200,000	Unibail-Rodamco SE 1.13% 28.04.27	1,189,308.00	1,181,471.10	0.10
EUR	3,700,000	UniCredit SpA 3.25% 14.01.21	3,911,867.81	4,015,825.16	0.36
EUR	700,000	Unilever NV 0.50% 29.04.24	688,933.00	692,566.35	0.06
EUR	2,200,000	Unilever NV 1.00% 14.02.27	2,207,480.00	2,166,158.06	0.19
EUR	1,000,000	UNIQA Insurance Group AG 27.07.46	1,212,500.00	1,200,097.50	0.11
EUR	2,300,000	Valeo SA 3.25% 22.01.24	2,480,550.00	2,633,795.21	0.23
EUR	600,000	Veolia Environnement SA 4.25% 06.01.21	714,216.00	668,865.75	0.06
EUR	500,000	Veolia Environnement SA 6.13% 25.11.33	888,820.00	807,143.98	0.07
EUR	1,000,000	VGP NV 3.90% 21.09.23	1,042,150.00	1,044,660.00	0.09
EUR	500,000	Vienna Insurance Group AG Wiener Versicherung Gruppe 09.10.43	601,250.00	593,149.18	0.05
EUR	1,000,000	Vodafone Group Plc 1.25% 25.08.21	1,039,700.00	1,033,257.15	0.09
EUR	6,000,000	Vodafone Group Plc 2.20% 25.08.26	6,681,300.00	6,331,583.70	0.56
EUR	2,600,000	Vodafone Group Plc 4.65% 20.01.22	3,263,602.26	3,014,899.94	0.27
EUR	1,500,000	Vodafone Group Plc 1.88% 20.11.29	1,494,030.00	1,497,093.68	0.13
EUR	3,800,000	Volkswagen Financial Services AG 0.75% 14.10.21	3,769,600.00	3,853,192.78	0.34
EUR	5,000,000	Volkswagen International Finance NV 0.50% 30.03.21	5,009,500.00	5,035,761.50	0.45
EUR	1,800,000	Volkswagen International Finance NV 1.13% 02.10.23	1,785,042.00	1,819,703.61	0.16
EUR	500,000	Volkswagen International Finance NV 2.00% 14.01.20	512,889.20	518,004.28	0.05
EUR	1,000,000	Volkswagen International Finance NV 31.12.49	1,027,500.00	1,011,525.00	0.09
EUR	1,000,000	Volkswagen International Finance NV 31.12.49	1,048,700.00	1,013,510.00	0.09
EUR	3,500,000	Volkswagen International Finance NV 31.12.49	2,911,725.00	3,448,856.25	0.31
EUR	2,000,000	Volkswagen International Finance NV 31.12.49	2,123,500.00	2,127,733.30	0.19
EUR	2,800,000	Volkswagen International Finance NV 31.12.49	2,795,472.13	2,839,648.00	0.25
EUR	1,000,000	Volkswagen International Finance NV 31.12.49	1,075,400.00	1,017,091.65	0.09
EUR	2,800,000	Volkswagen International Finance NV 31.12.49	2,816,877.26	3,055,097.50	0.27
EUR	1,000,000	Volkswagen International Finance NV 31.12.49	1,170,000.00	1,131,935.00	0.10

The accompanying notes are an integral part of these financial statements.

## KBC BONDS CORPORATES EURO

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
EUR	2,000,000	Volkswagen Leasing GmbH 0.75% 11.08.20	2,048,080.00	2,031,454.80	0.18
EUR	3,000,000	Volkswagen Leasing GmbH 2.13% 04.04.22	3,230,370.00	3,187,320.00	0.28
EUR	1,000,000	Volvo Treasury AB 10.06.75	1,078,510.00	1,065,025.00	0.09
EUR	4,900,000	Vonovia Finance BV 0.88% 10.06.22	5,033,440.00	4,965,428.23	0.44
EUR	2,000,000	Vonovia Finance BV 31.12.49	2,167,600.00	2,167,262.50	0.19
EUR	3,200,000	Vonovia Finance BV 08.04.74	3,391,100.00	3,313,600.48	0.29
EUR	1,000,000	Walgreens Boots Alliance Inc 2.13% 20.11.26	1,046,500.00	1,023,307.60	0.09
EUR	2,000,000	Wal-Mart Stores Inc 2.55% 08.04.26	2,280,500.00	2,252,771.20	0.20
EUR	4,000,000	Wells Fargo & Co 2.25% 02.05.23	4,362,200.00	4,294,395.20	0.38
EUR	2,000,000	Westpac Banking Corp 0.25% 17.01.22	1,995,600.00	1,988,921.80	0.18
EUR	2,600,000	WPP Finance 2013 3.00% 20.11.23	2,849,025.11	2,878,915.26	0.25
EUR	1,000,000	WPP Finance SA 2.25% 22.09.26	1,017,500.00	1,049,269.00	0.09
<b>Total bonds</b>			<b>1,081,725,591.54</b>	<b>1,086,845,260.73</b>	<b>96.22</b>
<b>Open-ended investment funds</b>					
<b>Investment funds</b>					
EUR	9,000	KBC Participation Europe Fin Bond Opp Cap	3,512,817.32	10,075,050.00	0.89
<b>Total investment funds</b>			<b>3,512,817.32</b>	<b>10,075,050.00</b>	<b>0.89</b>
Total investments in securities			1,085,238,408.86	1,096,920,310.73	97.11
Cash at banks				15,571,024.40	1.38
Other net assets/(liabilities)				17,096,009.57	1.51
Total				<u>1,129,587,344.70</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

## **KBC BONDS EUROPE EX-EMU**

### **Investment policy and outlook**

from 1st October 2017 to 31st March 2018

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The sub-fund primarily invests in bonds and debt instruments denominated in European currencies other than the euro. Mainly in the UK, Switzerland, Denmark, Norway, Sweden Poland and Czech Republic.

Over the period under review, the sub-fund traded sideways, as the positive performance from the Polish Zloty, Czech Koruna and British Pound were cancelled out by the negative performance of the Norwegian Krone, Swiss Franc and especially the Swedish Krona versus the Euro. The Polish Zloty benefited from being the highest-yielding currency, whereas the Czech Koruna and the British Pound gained on the back of the more hawkish central banks and in case of the Pound also from the more positive comments regarding Brexit. On the other hand of the spectrum, the Scandinavian currencies continued to perform weak, as the central banks remained dovish in spite of the stronger growth outlook. Growing concerns about frothy housing markets in both countries weighed additionally on the performance.

Looking forward, the normalization of monetary policy outside the euro zone should also gather pace in the second half of the year, as Norway and Sweden are expected to hike interest rates, albeit very slowly. This should support the performance of the currencies versus the euro and thereby of the sub-fund.



## KBC BONDS EUROPE EX-EMU

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	11,747,635.21
Cash at banks	66,846.31
Receivable on sales of securities	139,584.65
Income receivable on portfolio	138,973.34
Unrealised gain on forward foreign exchange contracts	42.47
Total assets	12,093,081.98

#### Liabilities

Bank overdrafts and borrowings	1.77
Payable on redemptions of shares	33,866.52
Expenses payable and other payables	9,903.41
Total liabilities	43,771.70

Net assets at the end of the period 12,049,310.28

Number of capitalisation shares outstanding	2,743.0334
Net asset value per capitalisation share	1,026.06
Number of distribution shares outstanding	19,474.0266
Net asset value per distribution share	474.21

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EUROPE EX-EMU

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	225,412.94
Commissions received	8,178.23
Other income	10,139.85
Total income	243,731.02

#### Expenses

Management fees	58,016.50
Transaction fees	5,443.00
Fixed service fees and depositary fees	4,666.61
Subscription duty ("taxe d'abonnement")	3,130.41
Interest paid on bank accounts	134.95
Total expenses	71,391.47

Net investment income	172,339.55
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#### Net realised gain/(loss)

- on sales of securities portfolio	213,156.59
- on forward foreign exchange contracts	11,811.80
- on foreign exchange	-570,871.51

Realised result	-173,563.57
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#### Net variation of the unrealised gain/(loss)

- on securities portfolio	203,835.39
- on forward foreign exchange contracts	42.47
- on foreign exchange	281.24

Result of operations	30,595.53
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Dividends paid	-116,093.15
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Subscriptions	60,345.24
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Redemptions	-8,811,694.21
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Total changes in net assets	-8,836,846.59
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Total net assets at the beginning of the period	20,886,156.87
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Total net assets at the end of the period	12,049,310.28
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The accompanying notes are an integral part of these financial statements.

## KBC BONDS EUROPE EX-EMU

### Statistical information (in EUR)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	12,049,310.28
- as at 30.09.2017	20,886,156.87
- as at 30.09.2016	32,118,039.22
<b>Number of capitalisation shares</b>	
- outstanding at the beginning of the period	3,295.2238
- issued	2.8854
- redeemed	<u>-555.0758</u>
- outstanding at the end of the period	2,743.0334
<b>Net asset value per capitalisation share</b>	
- as at 31.03.2018	1,026.06
- as at 30.09.2017	1,024.13
- as at 30.09.2016	1,075.79
<b>TER per capitalisation share (in %)</b>	
- as at 31.03.2018	0.92
<b>Number of distribution shares</b>	
- outstanding at the beginning of the period	23,218.6308
- issued	-
- redeemed	<u>-3,744.6042</u>
- outstanding at the end of the period	19,474.0266
<b>Net asset value per distribution share</b>	
- as at 31.03.2018	474.21
- as at 30.09.2017	478.43
- as at 30.09.2016	506.89
<b>TER per distribution share (in %)</b>	
- as at 31.03.2018	0.94
<b>Dividends paid to distribution shares</b>	
Ex-dividend date	02.10.2017
Dividend per share	5.00
Shares outstanding at ex-dividend date	23,218.6308
<b>Number of capitalisation shares "Institutional B Shares"</b>	
- outstanding at the beginning of the period	6,238.0000
- issued	56.0000
- redeemed	<u>-6,294.0000</u>
- outstanding at the end of the period	-
<b>Net asset value per capitalisation share "Institutional B Shares"</b>	
- as at 31.03.2018	-
- as at 30.09.2017	1,026.45
- as at 30.09.2016	1,077.84

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EUROPE EX-EMU

### Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
CHF	430,000	European Investment Bank 3.13% 30.06.36	607,281.21	529,883.47	4.40
CHF	510,000	European Investment Bank 3.38% 15.10.27	539,532.00	566,488.92	4.70
CHF	40,000	Kreditanstalt fuer Wiederaufbau 2.50% 25.08.25	39,181.10	40,494.20	0.34
			<u>1,185,994.31</u>	<u>1,136,866.59</u>	<u>9.44</u>
CZK	1,700,000	Czech Republic Government Bond 0.95% 15.05.30	64,312.74	58,772.46	0.49
CZK	350,000	Czech Republic Government Bond 1.00% 26.06.26	13,292.24	13,094.24	0.11
CZK	4,250,000	Czech Republic Government Bond 3.85% 29.09.21	189,745.43	184,879.02	1.53
CZK	18,500,000	Czech Republic Government Bond 5.70% 25.05.24	987,648.26	923,146.50	7.66
			<u>1,254,998.67</u>	<u>1,179,892.22</u>	<u>9.79</u>
DKK	4,700,000	Denmark Government Bond 1.50% 15.11.23	631,345.93	682,679.28	5.67
DKK	900,000	Denmark Government Bond 3.00% 15.11.21	137,944.11	135,335.70	1.12
DKK	1,840,000	Denmark Government Bond 4.50% 15.11.39	409,964.23	414,333.36	3.44
			<u>1,179,254.27</u>	<u>1,232,348.34</u>	<u>10.23</u>
GBP	210,000	United Kingdom Gilt 1.50% 22.07.26	258,284.94	243,653.99	2.02
GBP	670,000	United Kingdom Gilt 2.25% 07.09.23	882,677.38	811,143.11	6.73
GBP	325,000	United Kingdom Gilt 3.75% 07.09.19	453,381.48	386,618.04	3.21
GBP	2,000,000	United Kingdom Gilt 4.25% 07.09.39	3,083,537.32	3,326,181.99	27.61
			<u>4,677,881.12</u>	<u>4,767,597.13</u>	<u>39.57</u>
NOK	1,750,000	Norway Government Bond 1.50% 19.02.26	190,113.94	177,648.13	1.47
NOK	400,000	Norway Government Bond 1.75% 17.02.27	44,184.54	41,161.24	0.34
NOK	2,380,000	Norway Government Bond 3.00% 14.03.24	305,322.55	266,309.81	2.21
NOK	5,700,000	Norway Government Bond 3.75% 25.05.21	831,537.76	636,803.13	5.29
			<u>1,371,158.79</u>	<u>1,121,922.31</u>	<u>9.31</u>
PLN	1,000,000	Republic of Poland Government Bond 2.50% 25.07.26	219,964.72	228,801.40	1.90
PLN	250,000	Republic of Poland Government Bond 2.50% 25.07.27	54,186.09	56,503.04	0.47
PLN	1,730,000	Republic of Poland Government Bond 4.00% 25.10.23	438,078.38	442,335.05	3.67
PLN	200,000	Republic of Poland Government Bond 5.25% 25.10.20	50,590.48	51,837.28	0.43
PLN	1,500,000	Republic of Poland Government Bond 5.50% 25.10.19	364,118.29	378,827.32	3.14
			<u>1,126,937.96</u>	<u>1,158,304.09</u>	<u>9.61</u>
SEK	3,750,000	Sweden Government Bond 2.25% 01.06.32	462,328.64	422,959.52	3.51
SEK	5,500,000	Sweden Government Bond 3.50% 01.06.22	684,164.76	616,356.85	5.12
SEK	1,000,000	Sweden Government Bond 5.00% 01.12.20	114,039.41	111,388.16	0.92
			<u>1,260,532.81</u>	<u>1,150,704.53</u>	<u>9.55</u>
Total investments in securities			<u>12,056,757.93</u>	<u>11,747,635.21</u>	<u>97.50</u>
Cash at banks				66,846.31	0.55
Bank overdrafts and borrowings				-1.77	0.00
Other net assets/(liabilities)				<u>234,830.53</u>	<u>1.95</u>
Total				<u><u>12,049,310.28</u></u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS CONVERTIBLES

### Investment policy and outlook

from 1st October 2017 to 31st March 2018

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Performance for convertible bonds is mainly driven by equity markets, option valuation, credit spread and government yields.

Equity markets had a remarkable ride until the end of January. A generous tax reform and extra promised spending by the US government propelled the S&P higher by 14%. The magnitude of economic support this late in an economic cycle is rarely seen before. The positive sentiment turned around soon after. By the end of January some inflation data came in stronger than expected. Markets got worried about this extra fuel for the economy and especially how it might spark inflation. This in turn would push the Central Bank to raise rates faster than initially foreseen. Higher rates in turn tend to slow the economy. On top trade war fears made investors nervous. European equity markets followed the trend witnessed in America and came also under pressure.

The equity sensitivity of the fund as a whole was around 50%. Option valuation fared well with the return of volatility as bigger price moves increase the value of the option. As a result this part of the convertible rose in price. In general we expect volatility to increase again to fair value from the current cheap levels. This should support the price of the convertible bond.

Credit spreads tend to move in tandem with equity markets. In accordance with the mainly positive risk sentiment on the equity markets credit spreads contracted until February. At that time the negative sentiment from the equity markets spilled over to credit spreads. Simultaneously higher than expected volumes of new issues pushed spreads even wider. All in all spreads are still tight and the spread move did not affect the price of the convertibles much.

The yield sensitivity, or duration, is with 1.8 years rather low for convertible bonds. In the US bonds yields rose strong and reached almost 3%. In Europe German government yields on 10 years maturity hovered around between 30 and 80 basis points. Overall these yield movements had not much impact on convertible valuations.

## KBC BONDS CONVERTIBLES

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	330,806,092.65
Cash at banks	11,450,853.51
Other liquid assets	435,659.32
Receivable on issues of shares	973,023.40
Income receivable on portfolio	454,781.58
Unrealised gain on forward foreign exchange contracts	10,181.66
Total assets	344,130,592.12

#### Liabilities

Payable on purchases of securities	652,739.36
Payable on redemptions of shares	84,022.87
Unrealised loss on futures contracts	146,318.66
Unrealised loss on forward foreign exchange contracts	50,354.55
Expenses payable and other payables	363,280.56
Total liabilities	1,296,716.00

Net assets at the end of the period 342,833,876.12

Number of capitalisation shares outstanding 14,154.5665  
Net asset value per capitalisation share 802.64

Number of distribution shares outstanding 114,323.7720  
Net asset value per distribution share 610.72

Number of capitalisation shares "Euro Hedged" outstanding 12,121.8553  
Net asset value per capitalisation share "Euro Hedged" 706.50

Number of distribution shares "Euro Hedged" outstanding 26,815.5049  
Net asset value per distribution share "Euro Hedged" 539.45

Number of capitalisation shares "Institutional B Shares" outstanding 297,303.0000  
Net asset value per capitalisation share "Institutional B Shares" 802.63

The accompanying notes are an integral part of these financial statements.

## KBC BONDS CONVERTIBLES

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	348,752.59
Interest on bank accounts	2,935.62
Commissions received	894,218.56
Other income	154.83
Total income	<u>1,246,061.60</u>

#### Expenses

Management fees	614,190.64
Transaction fees	10,956.45
Fixed service fees and depositary fees	35,223.38
Subscription duty ("taxe d'abonnement")	24,522.09
Interest paid on bank accounts	6,548.99
Other expenses and taxes	2,165.32
Total expenses	<u>693,606.87</u>

Net investment income 552,454.73

#### Net realised gain/(loss)

- on sales of securities portfolio	240,935.18
- on futures contracts	114,219.97
- on forward foreign exchange contracts	1,076,564.80
- on foreign exchange	<u>-1,299,934.20</u>

Realised result 684,240.48

#### Net variation of the unrealised gain/(loss)

- on securities portfolio	-3,765,405.97
- on futures contracts	-168,036.64
- on forward foreign exchange contracts	52,722.60
- on foreign exchange	<u>14,230.94</u>

Result of operations -3,182,248.59

Dividends paid -300,217.24

Subscriptions 333,081,222.01

Redemptions -40,085,967.60

Total changes in net assets 289,512,788.58

Total net assets at the beginning of the period 53,321,087.54

Total net assets at the end of the period 342,833,876.12

The accompanying notes are an integral part of these financial statements.

## KBC BONDS CONVERTIBLES

### Statistical information (in EUR)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	342,833,876.12
- as at 30.09.2017	53,321,087.54
- as at 30.09.2016	74,443,495.02
<b>Number of capitalisation shares</b>	
- outstanding at the beginning of the period	19,587.5574
- issued	1,468.6862
- redeemed	-6,901.6771
- outstanding at the end of the period	14,154.5665
<b>Net asset value per capitalisation share</b>	
- as at 31.03.2018	802.64
- as at 30.09.2017	833.94
- as at 30.09.2016	840.01
<b>TER per capitalisation share (in %)</b>	
- as at 31.03.2018	1.32
<b>Number of distribution shares</b>	
- outstanding at the beginning of the period	35,090.8124
- issued	84,696.0000
- redeemed	-5,463.0404
- outstanding at the end of the period	114,323.7720
<b>Net asset value per distribution share</b>	
- as at 31.03.2018	610.72
- as at 30.09.2017	640.37
- as at 30.09.2016	651.32
<b>TER per distribution share (in %)</b>	
- as at 31.03.2018	1.32
<b>Dividends paid to distribution shares</b>	
Ex-dividend date	02.10.2017
Dividend per share	5.80
Shares outstanding at ex-dividend date	35,048.8124
<b>Number of capitalisation shares "Euro Hedged"</b>	
- outstanding at the beginning of the period	4,762.6435
- issued	7,963.2143
- redeemed	-604.0025
- outstanding at the end of the period	12,121.8553
<b>Net asset value per capitalisation share "Euro Hedged"</b>	
- as at 31.03.2018	706.50
- as at 30.09.2017	725.79
- as at 30.09.2016	699.57
<b>TER per capitalisation share "Euro Hedged" (in %)</b>	
- as at 31.03.2018	1.32

The accompanying notes are an integral part of these financial statements.



## KBC BONDS CONVERTIBLES

### Statistical information (in EUR) (continued)

as at 31st March 2018

<b>Number of capitalisation shares "Institutional B Shares"</b>	
- outstanding at the beginning of the period	–
- issued	333,426.0000
- redeemed	<u>-36,123.0000</u>
- outstanding at the end of the period	297,303.0000
<b>Net asset value per capitalisation share "Institutional B Shares"</b>	
- as at 31.03.2018	802.63
<b>TER per capitalisation share "Institutional B Shares" (in %)</b>	
- as at 31.03.2018	*1.21
<b>Number of distribution shares "Euro Hedged"</b>	
- outstanding at the beginning of the period	19,782.4761
- issued	9,491.0000
- redeemed	<u>-2,457.9712</u>
- outstanding at the end of the period	26,815.5049
<b>Net asset value per distribution share "Euro Hedged"</b>	
- as at 31.03.2018	539.45
- as at 30.09.2017	559.00
- as at 30.09.2016	544.20
<b>TER per distribution share "Euro Hedged" (in %)</b>	
- as at 31.03.2018	1.32
<b>Dividends paid to distribution shares</b>	
Ex-dividend date	02.10.2017
Dividend per share	4.90
Shares outstanding at ex-dividend date	19,782.4757

\*annualised

## KBC BONDS CONVERTIBLES

### Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
EUR	1,100,000	ACS Actividades Finance BV 2.63% 22.10.18	1,257,054.00	1,251,574.50	0.37
EUR	3,000,000	Airbus SE 14.06.21	3,477,150.00	3,722,685.00	1.08
EUR	1,700,000	Airbus SE 01.07.22	2,048,852.14	2,027,726.00	0.59
EUR	7,100,000	America Movil SAB de CV 28.05.20	7,046,244.04	7,017,640.00	2.04
EUR	1,400,000	ams AG 05.03.25	1,468,600.00	1,387,470.00	0.40
EUR	1,100,000	Archer Obligations SA 31.03.23	1,232,750.00	1,231,598.50	0.36
EUR	2,700,000	Bayer AG 0.05% 15.06.20	3,393,597.00	3,179,007.00	0.92
EUR	1,600,000	Bekaert SA 09.06.21	1,637,625.00	1,603,536.00	0.47
EUR	1,100,000	Citigroup Global Markets Funding Luxembourg SCA 0.50% 04.08.23	1,229,365.00	1,247,537.50	0.36
EUR	1,300,000	Credit Agricole SA 03.10.19	1,088,900.00	1,030,087.50	0.30
EUR	3,000,000	Deutsche Post AG 0.05% 30.06.25	3,123,418.00	3,076,560.00	0.90
EUR	2,300,000	Deutsche Wohnen AG 0.33% 26.07.24	2,355,665.00	2,420,152.00	0.71
EUR	2,300,000	Deutsche Wohnen SE 0.60% 05.01.26	2,328,245.00	2,392,989.00	0.70
EUR	5,000,000	Elis SA 06.10.23	1,677,407.98	1,603,500.00	0.47
EUR	1,200,000	Eni SpA 13.04.22	1,246,400.00	1,251,486.00	0.37
EUR	1,001,500	Fonciere Des Regions 0.88% 01.04.19	983,063.04	999,852.53	0.29
EUR	1,200,000	Fresenius Medical Care AG & Co KGaA 1.13% 31.01.20	1,496,300.00	1,478,142.00	0.43
EUR	1,700,000	Fresenius SE & Co KGaA 31.01.24	1,692,220.00	1,682,371.00	0.49
EUR	1,200,000	Grand City Properties SA 0.25% 02.03.22	1,223,200.00	1,218,600.00	0.36
EUR	1,300,000	Haniel Finance Deutschland GmbH 12.05.20	1,371,985.00	1,320,650.50	0.39
EUR	1,300,000	Iberdrola International BV 11.11.22	1,303,261.30	1,299,103.00	0.38
EUR	1,200,000	LEG Immobilien AG 0.88% 01.09.25	1,254,580.00	1,280,322.00	0.37
EUR	2,700,000	Magyar Nemzeti Vagyonkezelő Zrt 3.38% 02.04.19	2,973,755.68	2,866,428.00	0.84
EUR	1,100,000	Marine Harvest ASA 0.13% 05.11.20	1,338,490.00	1,377,931.50	0.40
EUR	1,200,000	MTU Aero Engines AG 0.13% 17.05.23	1,541,820.00	1,573,068.00	0.46
EUR	1,500,000	Prysmian SpA 17.01.22	1,588,450.00	1,570,597.50	0.46
EUR	1,700,000	RAG-Stiftung 31.12.18	1,723,700.00	1,704,700.50	0.50
EUR	1,700,000	RAG-Stiftung 18.02.21	1,865,541.43	1,828,885.50	0.53
EUR	1,700,000	RAG-Stiftung 16.03.23	1,802,000.00	1,771,281.00	0.52
EUR	2,150,000	Safran SA 31.12.20	2,230,520.19	2,187,388.50	0.64
EUR	1,400,000	Sagerpar SA 0.38% 09.10.18	1,543,320.00	1,543,997.00	0.45
EUR	1,200,000	Snam SpA 20.03.22	1,223,296.00	1,211,274.00	0.35
EUR	1,100,000	Solidium Oy 04.09.18	1,143,052.50	1,111,973.50	0.32
EUR	1,100,000	Strategic International Group Ltd 21.07.22	1,286,250.00	1,422,844.50	0.42
EUR	6,004,400	Suez 27.02.20	1,119,790.80	1,103,278.48	0.32
EUR	1,200,000	Symrise AG 0.24% 20.06.24	1,303,700.00	1,298,754.00	0.38
EUR	1,400,000	TechnipFMC Plc 0.88% 25.01.21	1,584,420.00	1,594,208.00	0.47
EUR	1,900,000	Telefonica Participaciones SAU 09.03.21	1,886,500.00	1,880,240.00	0.55
EUR	473,800	Unibail-Rodamco SE 01.07.21	1,440,370.41	1,421,373.94	0.41
EUR	500,000	Unibail-Rodamco SE 01.01.22	1,725,732.00	1,713,440.00	0.50
EUR	7,000,000	Veolia Environnement SA 15.03.21	2,096,640.00	2,089,430.00	0.61
EUR	2,650,000	Wendel SA 31.07.19	1,441,090.00	1,419,764.00	0.41
EUR	1,100,000	Zhejiang Expressway Co Ltd 21.04.22	1,083,625.00	1,067,572.00	0.31
			<u>77,877,946.51</u>	<u>77,480,929.95</u>	<u>22.60</u>
GBP	1,100,000	BP Capital Markets Plc 1.00% 28.04.23	1,460,845.01	1,475,069.49	0.43
GBP	700,000	British Land White 2015 Ltd 09.06.20	835,482.62	768,030.26	0.22
GBP	1,100,000	Intu Jersey 2 Ltd 2.88% 01.11.22	1,247,193.10	1,210,260.99	0.35
GBP	100,000	Intu Jersey Ltd 2.50% 04.10.18	126,160.14	114,159.07	0.03
GBP	1,100,000	J Sainsbury Plc 1.25% 21.11.19	1,283,742.41	1,256,809.97	0.37
GBP	1,200,000	National Grid North America Inc 0.90% 02.11.20	1,387,461.02	1,339,632.03	0.39
GBP	1,700,000	Orange SA 0.38% 27.06.21	1,893,888.84	1,880,476.80	0.56
GBP	1,200,000	Remgro Jersey GBP Ltd 2.63% 22.03.21	1,384,141.55	1,347,947.20	0.39
GBP	1,700,000	Vodafone Group Plc 26.11.20	1,939,847.96	1,872,633.28	0.55
			<u>11,558,762.65</u>	<u>11,265,019.09</u>	<u>3.29</u>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS CONVERTIBLES

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
HKD	10,000,000	ASM Pacific Technology Ltd 2.00% 28.03.19	1,240,537.38	1,254,461.17	0.37
HKD	10,000,000	China Construction Bank Corp 12.02.19	1,039,877.01	1,030,005.31	0.30
HKD	32,000,000	China Evergrande Group 4.25% 14.02.23	3,229,893.31	3,196,210.03	0.93
HKD	1,500,000	Future Land Development Holding Ltd 2.25% 10.02.19	154,195.54	153,772.73	0.04
HKD	12,000,000	Haitong International Securities Group Ltd 25.10.21	1,346,529.02	1,272,041.56	0.37
HKD	21,000,000	Harvest International Co 21.11.22	2,333,966.05	2,349,019.43	0.69
HKD	44,000,000	Smart Insight International Ltd 27.01.19	4,518,451.51	4,580,936.41	1.33
HKD	2,000,000	Zhongsheng Group Holding 25.10.18	217,242.59	227,129.85	0.07
			14,080,692.41	14,063,576.49	4.10
JPY	110,000,000	AEON Financial Service Co Ltd 13.09.19	934,593.92	913,916.90	0.27
JPY	260,000,000	ANA Holdings Inc 16.09.22	2,064,258.75	2,050,616.78	0.60
JPY	260,000,000	ANA Holdings Inc 19.09.24	2,078,986.77	2,065,247.36	0.60
JPY	20,000,000	Asics Corp 01.03.19	156,938.87	153,533.92	0.04
JPY	120,000,000	Chugoku Electric Power Co Inc 25.03.20	924,084.62	912,776.56	0.27
JPY	110,000,000	Chugoku Electric Power Co Inc 24.01.20	869,711.23	879,393.29	0.26
JPY	140,000,000	Chugoku Electric Power Co Inc 25.01.22	1,105,991.70	1,111,323.06	0.32
JPY	10,000,000	Daio Paper Corp 17.09.20	73,698.53	80,952.53	0.02
JPY	110,000,000	Ezaki Glico Co Ltd 30.01.24	871,281.42	867,434.08	0.25
JPY	10,000,000	GS Yuasa Corp 13.03.19	84,424.61	76,984.86	0.02
JPY	110,000,000	Iwatani Corp 22.10.20	960,177.98	931,780.03	0.27
JPY	200,000,000	Kansai Paint Co Ltd 17.06.19	1,666,892.14	1,613,706.38	0.47
JPY	250,000,000	Kansai Paint Co Ltd 17.06.22	2,042,145.40	2,004,049.47	0.58
JPY	110,000,000	Kawasaki Kisen Kaisha Ltd 26.09.18	845,898.19	839,096.12	0.24
JPY	250,000,000	Kyushu Electric Power Co Inc 31.03.20	1,961,296.16	1,991,061.55	0.58
JPY	230,000,000	Kyushu Electric Power Co Inc 31.03.22	1,804,616.12	1,846,758.90	0.54
JPY	10,000,000	MINEBEA MITSUMI Inc 03.08.22	93,480.25	97,130.58	0.03
JPY	250,000,000	Mitsubishi Chemical Holdings Corp 30.03.22	2,060,917.54	2,029,270.32	0.59
JPY	250,000,000	Mitsubishi Chemical Holdings Corp 29.03.24	2,100,472.65	2,060,034.22	0.60
JPY	120,000,000	Nagoya Railroad Co Ltd 11.12.24	984,283.17	987,426.46	0.29
JPY	20,000,000	Resorttrust Inc 01.12.21	163,743.59	155,472.84	0.05
JPY	110,000,000	SBI Holdings Inc 14.09.20	1,180,843.74	1,233,838.48	0.36
JPY	355,000,000	Sony Corp 30.09.22	3,382,701.25	3,389,332.72	0.99
JPY	20,000,000	T&D Holdings Inc 05.06.20	178,867.57	157,435.46	0.05
JPY	120,000,000	Takashimaya Co Ltd 11.12.18	916,882.53	916,006.05	0.27
JPY	110,000,000	Takashimaya Co Ltd 11.12.20	889,614.20	879,002.22	0.26
JPY	110,000,000	Teijin Ltd 12.12.18	924,791.22	886,072.78	0.26
JPY	110,000,000	Teijin Ltd 10.12.21	986,121.41	966,661.07	0.28
JPY	130,000,000	Terumo Corp 04.12.19	1,369,306.17	1,418,803.38	0.41
JPY	200,000,000	Terumo Corp 06.12.21	2,130,241.71	2,212,523.37	0.65
JPY	190,000,000	Tohoku Electric Power Co Inc 03.12.18	1,426,962.24	1,449,217.11	0.42
JPY	250,000,000	Tohoku Electric Power Co Inc 03.12.20	1,890,636.60	1,898,473.59	0.55
JPY	120,000,000	Toppan Printing Co Ltd 19.12.19	951,574.11	948,892.74	0.28
JPY	200,000,000	Toray Industries Inc 30.08.19	1,864,352.44	1,787,368.04	0.52
JPY	80,000,000	Toray Industries Inc 31.08.21	755,607.85	774,307.49	0.23
JPY	120,000,000	Unicharm Corp 25.09.20	1,142,300.65	1,194,490.13	0.35
JPY	300,000,000	Yamada Denki Co Ltd 28.06.19	2,883,829.63	2,827,663.68	0.82
			46,722,526.93	46,608,254.52	13.59
SGD	1,500,000	CapitalLand Ltd 1.85% 19.06.20	889,261.92	902,598.36	0.26
SGD	2,500,000	CapitalLand Ltd 1.95% 17.10.23	1,582,780.53	1,581,972.02	0.46
SGD	1,750,000	CapitalLand Ltd 2.80% 08.06.25	1,082,748.10	1,066,047.62	0.31
SGD	1,450,000	Indah Capital Ltd 24.10.18	922,159.71	956,502.30	0.28
			4,476,950.26	4,507,120.30	1.31
USD	2,200,000	Akamai Technologies Inc 15.02.19	1,774,164.31	1,838,037.97	0.54
USD	4,500,000	Altaba Inc 01.12.18	5,047,271.68	5,106,403.22	1.48
USD	1,200,000	Bagan Capital Ltd 23.09.21	1,016,455.41	954,809.12	0.28
USD	1,250,000	Baosteel Hong Kong Investment Co Ltd 01.12.18	1,205,844.85	1,182,395.21	0.34
USD	2,250,000	BASF SE 0.93% 09.03.23	1,866,949.08	1,802,570.44	0.53
USD	1,100,000	BioMarin Pharmaceutical Inc 0.60% 01.08.24	864,987.32	843,163.39	0.25
USD	1,800,000	Blackhawk Network Holdings Inc 1.50% 15.01.22	1,615,621.43	1,618,792.54	0.47
USD	1,250,000	Brenntag Finance BV 1.88% 02.12.22	1,061,361.09	1,017,949.34	0.30
USD	1,300,000	Cahaya Capital Ltd 18.09.21	1,130,234.17	1,086,287.76	0.32
USD	1,200,000	Carrefour SA 14.06.23	943,215.25	867,359.43	0.25
USD	1,150,000	Cemex SAB de CV 3.72% 15.03.20	992,357.49	969,067.98	0.28
USD	1,800,000	China Lodging Group Ltd 0.38% 01.11.22	1,616,781.16	1,534,343.21	0.45
USD	4,600,000	China Overseas Finance Investment Cayman V Ltd 05.01.23	4,005,514.74	3,954,313.13	1.15

The accompanying notes are an integral part of these financial statements.

## KBC BONDS CONVERTIBLES

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
USD	1,250,000	China Railway Construction Corp Ltd 29.01.21	1,096,460.67	1,047,180.55	0.31
USD	1,200,000	China Yangtze Power International BVI 1 Ltd 09.11.21	1,173,430.20	1,150,101.23	0.34
USD	1,600,000	Cie Generale des Etablissements Michelin 10.01.22	1,406,137.90	1,357,193.15	0.40
USD	2,000,000	Cie Generale des Etablissements Michelin SCA 10.11.23	1,516,084.60	1,485,197.38	0.43
USD	1,000,000	Cindai Capital Ltd 08.02.23	842,854.24	830,906.21	0.24
USD	3,900,000	Citrix Systems Inc 0.50% 15.04.19	4,156,452.16	4,182,990.61	1.22
USD	1,200,000	Cosmos Boom Investment Ltd 0.50% 23.06.20	976,807.31	970,342.72	0.28
USD	1,200,000	CP Foods Holdings Ltd 0.50% 22.09.21	1,160,494.60	1,220,651.30	0.36
USD	1,250,000	CRRC Corp Ltd 05.02.21	1,095,150.39	1,046,387.77	0.31
USD	2,300,000	Ctrip.com International Ltd 1.00% 01.07.20	2,064,812.41	2,011,623.37	0.59
USD	1,650,000	Ctrip.com International Ltd 1.25% 15.10.18	1,649,845.09	1,625,052.45	0.47
USD	2,500,000	Ctrip.com International Ltd 1.25% 15.09.22	2,149,884.72	2,113,377.65	0.62
USD	9,200,000	DISH Network Corp 3.38% 15.08.26	7,907,914.86	7,215,624.67	2.09
USD	2,500,000	DISH Network Corp 2.38% 15.03.24	1,951,263.87	1,787,250.48	0.52
USD	3,000,000	DP World Ltd 1.75% 19.06.24	2,622,240.70	2,578,948.65	0.75
USD	1,750,000	Dycom Industries Inc 0.75% 15.09.21	1,866,930.20	1,806,270.07	0.53
USD	750,000	Endeavour Mining Corp 3.00% 15.02.23	649,619.37	638,544.33	0.19
USD	680,000	Euronet Worldwide Inc 1.50% 01.10.44	691,848.30	654,900.52	0.19
USD	2,000,000	Exact Sciences Corp 1.00% 15.01.25	1,530,670.13	1,445,346.99	0.42
USD	1,800,000	Extra Space Storage LP 3.13% 01.10.35	1,612,136.67	1,624,917.67	0.47
USD	1,000,000	Gunma Bank Ltd 11.10.19	853,187.81	827,300.08	0.24
USD	3,550,000	Herbalife Ltd 2.00% 15.08.19	3,158,481.18	3,515,390.49	1.03
USD	1,600,000	Hon Hai Precision Industry Co Ltd 06.11.22	1,319,621.03	1,326,906.53	0.39
USD	1,500,000	IAC FinanceCo Inc 0.88% 01.10.22	1,420,144.23	1,465,520.19	0.43
USD	1,800,000	Illumina Inc 15.06.19	1,583,808.97	1,620,102.45	0.47
USD	1,700,000	Illumina Inc 0.50% 15.06.21	1,660,755.49	1,701,375.37	0.50
USD	1,800,000	Ionis Pharmaceuticals Inc 1.00% 15.11.21	1,571,422.38	1,450,303.70	0.42
USD	1,100,000	j2 Global Inc 3.25% 15.06.29	1,130,397.51	1,139,479.61	0.33
USD	1,700,000	Jazz Investments I Ltd 1.50% 15.08.24	1,327,792.72	1,339,638.98	0.39
USD	1,800,000	Jazz Investments I Ltd 1.88% 15.08.21	1,523,308.32	1,530,911.51	0.45
USD	2,500,000	Liberty Interactive LLC 1.75% 30.09.46	2,420,015.67	2,226,999.23	0.65
USD	3,350,000	Liberty Media Corp 1.38% 15.10.23	3,265,068.93	3,128,791.32	0.91
USD	1,200,000	Liberty Media Corp-Liberty Formula One 1.00% 30.01.23	1,118,394.91	1,025,734.85	0.30
USD	1,150,000	Lumentum Holdings Inc 0.25% 15.03.24	1,233,912.83	1,186,523.97	0.35
USD	850,000	LVMH Moet Hennessy Louis Vuitton SE 16.02.21	2,130,885.18	2,166,720.74	0.63
USD	1,100,000	Mebuki Financial Group Inc 24.04.19	890,176.08	883,063.38	0.26
USD	5,800,000	Microchip Technology Inc 1.63% 15.02.27	5,437,704.29	5,599,686.95	1.62
USD	1,800,000	Microchip Technology Inc 2.25% 15.02.37	1,680,630.68	1,764,368.83	0.51
USD	1,700,000	Neurocrine Biosciences Inc 2.25% 15.05.24	1,818,947.65	1,815,883.64	0.53
USD	500,000	Nice Systems Inc 1.25% 15.01.24	514,810.23	496,611.38	0.14
USD	1,700,000	Nuance Communications Inc 1.00% 15.12.35	1,343,995.49	1,320,114.24	0.39
USD	2,000,000	Nutanix Inc 15.01.23	1,652,013.61	1,947,026.06	0.57
USD	1,750,000	NuVasive Inc 2.25% 15.03.21	1,540,969.13	1,561,560.35	0.46
USD	3,400,000	NXP Semiconductors NV 1.00% 01.12.19	3,512,244.06	3,429,442.61	1.00
USD	1,800,000	ON Semiconductor Corp 1.00% 01.12.20	1,968,025.16	2,088,013.17	0.61
USD	1,700,000	ON Semiconductor Corp 1.63% 15.10.23	1,809,420.81	1,889,918.69	0.55
USD	3,000,000	Poseidon Finance 1 Ltd 01.02.25	2,472,282.97	2,471,008.66	0.72
USD	2,400,000	Priceline Group Inc 0.90% 15.09.21	2,315,796.15	2,444,912.79	0.71
USD	1,200,000	Qiagen NV 0.38% 19.03.19	1,188,522.22	1,152,838.15	0.34
USD	1,700,000	Sarepta Therapeutics Inc 1.50% 15.11.24	1,564,118.44	1,726,767.90	0.50
USD	1,250,000	Semiconductor Manufacturing International Corp 07.07.22	1,197,349.68	1,210,650.69	0.35
USD	2,500,000	ServiceNow Inc 01.06.22	2,567,252.12	2,697,158.19	0.79
USD	1,700,000	Shanghai Port Group BVI Holding Co Ltd 09.08.21	1,446,131.38	1,443,130.46	0.42
USD	1,700,000	Shanghai Port Group BVI Holding Co Ltd 09.08.22	1,446,131.38	1,442,895.48	0.42
USD	200,000	Shiga Bank Ltd 23.06.20	184,340.38	159,884.54	0.05
USD	1,000,000	Shizuoka Bank Ltd 25.01.23	873,144.95	847,123.63	0.25
USD	1,600,000	Sibanye Gold Ltd 1.88% 26.09.23	1,174,377.19	1,131,084.28	0.33
USD	3,500,000	Siemens Financieringsmaatschappij NV 1.65% 16.08.19	3,324,641.22	3,179,241.37	0.93
USD	1,250,000	Siliconware Precision Industries Co Ltd 31.10.19	1,209,262.55	1,219,823.56	0.36
USD	1,200,000	Sirius Minerals Finance Ltd 8.50% 28.11.23	1,254,974.75	1,431,872.18	0.42
USD	1,200,000	Starwood Property Trust Inc 4.00% 15.01.19	1,016,882.37	1,052,967.44	0.31
USD	2,200,000	STMicroelectronics NV 03.07.22	2,257,422.19	2,210,885.07	0.64
USD	2,200,000	STMicroelectronics NV 0.25% 03.07.24	2,240,139.43	2,216,859.78	0.65
USD	1,200,000	Synaptics Inc 0.50% 15.06.22	971,143.27	925,547.02	0.27
USD	2,800,000	Telenor East Holding II AS 0.25% 20.09.19	2,365,496.36	2,209,367.00	0.64
USD	3,000,000	Tesla Inc 0.25% 01.03.19	2,580,247.77	2,434,748.14	0.71
USD	4,000,000	Tesla Inc 1.25% 01.03.21	3,581,613.46	3,231,678.66	0.94

The accompanying notes are an integral part of these financial statements.

## KBC BONDS CONVERTIBLES

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
USD	2,450,000	Tesla Inc 2.38% 15.03.22	2,434,603.38	2,079,476.97	0.61
USD	3,400,000	Total SA 0.50% 02.12.22	2,932,111.60	2,886,800.02	0.84
USD	1,600,000	United Microelectronics Corp 18.05.20	1,418,272.06	1,475,470.99	0.43
USD	1,200,000	Valeo SA 16.06.21	1,077,813.25	1,002,092.94	0.29
USD	1,200,000	Valin Mining Investments Singapore Pte Ltd 15.11.21	1,048,356.78	956,970.36	0.28
USD	1,100,000	Viavi Solutions Inc 0.63% 15.08.33	924,792.90	911,148.11	0.27
USD	2,000,000	Vinci SA 0.38% 16.02.22	1,806,984.84	1,753,140.63	0.51
USD	200,000	Vinci SA 0.38% 16.02.22	187,693.32	175,314.06	0.05
USD	1,700,000	Vipshop Holdings Ltd 1.50% 15.03.19	1,539,364.20	1,480,576.49	0.43
USD	2,350,000	Weibo Corp 1.25% 15.11.22	2,372,152.85	2,211,447.74	0.65
USD	3,000,000	Western Digital Corp 1.50% 01.02.24	2,513,572.65	2,645,822.66	0.77
USD	3,500,000	Workday Inc 0.25% 01.10.22	3,063,438.71	3,093,808.19	0.90
USD	1,400,000	Wright Medical Group Inc 2.00% 15.02.20	1,162,956.24	1,137,018.34	0.33
USD	1,100,000	Yamaguchi Financial Group Inc 26.03.20	957,708.98	951,383.50	0.28
USD	1,200,000	Yamaguchi Financial Group Inc 20.12.18	1,110,152.85	1,152,116.11	0.34
USD	1,200,000	Zhen Ding Technology Holding Ltd 26.06.19	1,020,463.02	988,218.08	0.29
USD	1,200,000	Zillow Group Inc 2.00% 01.12.21	1,151,413.01	1,192,721.06	0.35
			<u>173,101,051.59</u>	<u>170,949,140.07</u>	<u>49.87</u>
<b>Total bonds</b>			<b>327,817,930.35</b>	<b>324,874,040.42</b>	<b>94.76</b>
<b>Other transferable securities</b>					
<b>Bonds</b>					
JPY	10,000,000	HIS Co Ltd 30.08.19	83,928.28	79,447.88	0.02
JPY	10,000,000	HIS Co Ltd 15.11.24	80,494.74	80,884.10	0.02
JPY	110,000,000	Iida Group Holdings Co Ltd 18.06.20	869,558.22	857,934.83	0.25
JPY	10,000,000	Kandenko Co Ltd 31.03.21	95,032.88	89,191.79	0.03
JPY	140,000,000	LIXIL Group Corp 04.03.20	1,098,123.26	1,066,907.60	0.31
JPY	130,000,000	LIXIL Group Corp 04.03.22	1,038,864.22	995,182.52	0.29
JPY	110,000,000	Medipal Holdings Corp 07.10.22	926,952.06	941,653.53	0.27
JPY	10,000,000	Nipro Corp 29.01.21	81,872.10	88,548.41	0.03
JPY	110,000,000	Shimizu Corp 16.10.20	891,037.82	879,742.31	0.26
			<u>5,165,863.58</u>	<u>5,079,492.97</u>	<u>1.48</u>
USD	1,100,000	Mitsui OSK Lines Ltd 24.04.20	868,513.61	852,559.26	0.25
<b>Total bonds</b>			<b>6,034,377.19</b>	<b>5,932,052.23</b>	<b>1.73</b>
Total investments in securities			<u>333,852,307.54</u>	<u>330,806,092.65</u>	<u>96.49</u>
Cash at banks				11,450,853.51	3.34
Other net assets/(liabilities)				<u>576,929.96</u>	<u>0.17</u>
Total				<u><u>342,833,876.12</u></u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS INFLATION – LINKED BONDS

### Investment policy and outlook

from 1st October 2017 to 31st March 2018

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The economy of the Eurozone showed a strong performance in the final quarter of 2017 and the first months of 2018, although by the end of Q1, some signs of moderation have shown up. Growth was broadly based with consumption, investment, domestic and foreign sales doing well. Also geographically there was a good equilibrium between the Northern and Southern members of the Eurozone. Although leading indicators like the purchasing managers index point to some moderation in the coming months, the outlook remains bright.

The European inflation remained very well behaved during the reporting period : higher energy prices kept the headline figure in the neighbourhood of 1.5% year-on-year but the underlying or core rate remained (too low) at just 1% for the first months of 2018. This offers the European Central Bank (ECB) ample room to phase out QE.

The combination of solid growth and moderate inflation allowed the Central banks to shift their policy in a gradual, guided way. In the US both outgoing chair Yellen and incoming chair Powell raised interest rates. The ECB still in the phase of winding down QE, decided to reduce the Purchasing Program from 60 to 30 billion EUR a month, starting in 2018. Only the Japanese Central Bank did not alter its loose monetary policy.

But how important the decisions of the Central banks were, politics remained on the centre stage. Increasing trade tensions between the US and China but also between the US and the Nafta members Mexico and Canada tested the nerves of the financial markets.

Real yields moved sideways in Q4 until early December when the strong upward move in the large nominal markets triggered a sell off. By mid February yields had moved up by almost 50 basis points with the Spanish and Italian linker market outperforming the French benchmark. Despite negative political developments in Spain (separatism) and especially the Italian parliamentary elections with a very good result for the populist parties, investors remained very sanguine about the outlook for both markets and spreads tightened to quite low levels

Given the expensive valuation of European government bonds, the fund has kept a modest underweight duration versus the market during the reporting period. The Italian positions were well below benchmark level given the poor risk/return reward.

#### Outlook

We expect an ongoing recovery of the European economy with good growth and moderate inflation. The very high confidence indicators point to ongoing strength for 2018 and thereafter.

European government bond prices remain extremely expensive, an ongoing rise in yields, started at the end of 2017, is the most likely scenario. The ECB will be cautious in the unwinding of QE, but it is unlikely that there will be no impact whatsoever on the yield levels of Eurozone government bonds as the termination of QE will raise the chances for a first hike in interest rates in the course of 2019.

## KBC BONDS INFLATION – LINKED BONDS

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	215,212,940.76
Cash at banks	14,306,014.25
Other liquid assets	363,003.89
Receivable on issues of shares	1,210,684.06
Income receivable on portfolio	1,095,655.04
	<hr/>
Total assets	232,188,298.00

#### Liabilities

Payable on purchases of securities	7,059,073.33
Payable on redemptions of shares	106,838.91
Unrealised loss on futures contracts	240,930.00
Expenses payable and other payables	120,858.83
	<hr/>
Total liabilities	7,527,701.07

Net assets at the end of the period	224,660,596.93
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Number of capitalisation shares outstanding	24,457.5206
Net asset value per capitalisation share	1,017.93

Number of distribution shares outstanding	29,784.9557
Net asset value per distribution share	742.79

Number of capitalisation shares "Institutional B Shares" outstanding	8,562.8815
Net asset value per capitalisation share "Institutional B Shares"	1,029.00

Number of capitalisation shares "Institutional Shares" outstanding	1,121,742.0004
Net asset value per capitalisation share "Institutional Shares"	150.51

The accompanying notes are an integral part of these financial statements.

## KBC BONDS INFLATION – LINKED BONDS

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	1,692,613.84
Interest on bank accounts	231.69
Commissions received	9,269.30
Other income	39,697.54
Total income	<u>1,741,812.37</u>

#### Expenses

Management fees	459,474.90
Transaction fees	1,963.50
Fixed service fees and depositary fees	37,880.65
Subscription duty ("taxe d'abonnement")	19,985.83
Interest paid on bank accounts	25,715.74
Total expenses	<u>545,020.62</u>

Net investment income	1,196,791.75
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#### Net realised gain/(loss)

- on sales of securities portfolio	-18,495.01
- on futures contracts	<u>-181,000.00</u>

Realised result	997,296.74
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#### Net variation of the unrealised gain/(loss)

- on securities portfolio	3,127,260.65
- on futures contracts	<u>-246,430.00</u>

Result of operations	<u>3,878,127.39</u>
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Dividends paid	-
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Subscriptions	54,851,056.76
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Redemptions	-6,851,594.73
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Total changes in net assets	<u>51,877,589.42</u>
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Total net assets at the beginning of the period	<u>172,783,007.51</u>
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Total net assets at the end of the period	<u>224,660,596.93</u>
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The accompanying notes are an integral part of these financial statements.



## KBC BONDS INFLATION – LINKED BONDS

### Statistical information (in EUR)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	224,660,596.93
- as at 30.09.2017	172,783,007.51
- as at 30.09.2016	732,918,606.27
<b>Number of capitalisation shares</b>	
- outstanding at the beginning of the period	24,482.6486
- issued	1,766.7407
- redeemed	-1,791.8687
- outstanding at the end of the period	24,457.5206
<b>Net asset value per capitalisation share</b>	
- as at 31.03.2018	1,017.93
- as at 30.09.2017	997.73
- as at 30.09.2016	1,014.68
<b>TER per capitalisation share (in %)</b>	
- as at 31.03.2018	0.78
<b>Number of distribution shares</b>	
- outstanding at the beginning of the period	33,038.5002
- issued	555.4555
- redeemed	-3,809.0000
- outstanding at the end of the period	29,784.9557
<b>Net asset value per distribution share</b>	
- as at 31.03.2018	742.79
- as at 30.09.2017	728.13
- as at 30.09.2016	740.51
<b>TER per distribution share (in %)</b>	
- as at 31.03.2018	0.79
<b>Number of capitalisation shares "Institutional B Shares"</b>	
- outstanding at the beginning of the period	787.8815
- issued	9,327.0000
- redeemed	-1,552.0000
- outstanding at the end of the period	8,562.8815
<b>Net asset value per capitalisation share "Institutional B Shares"</b>	
- as at 31.03.2018	1,029.00
- as at 30.09.2017	1,007.96
- as at 30.09.2016	1,019.45
<b>TER per capitalisation share "Institutional B Shares" (in %)</b>	
- as at 31.03.2018	0.74
<b>Number of capitalisation shares "Institutional Shares"</b>	
- outstanding at the beginning of the period	839,313.0004
- issued	286,879.0000
- redeemed	-4,450.0000
- outstanding at the end of the period	1,121,742.0004
<b>Net asset value per capitalisation share "Institutional Shares"</b>	
- as at 31.03.2018	150.51
- as at 30.09.2017	147.15
- as at 30.09.2016	149.28
<b>TER per capitalisation share "Institutional Shares" (in %)</b>	
- as at 31.03.2018	0.41

The accompanying notes are an integral part of these financial statements.

## KBC BONDS INFLATION – LINKED BONDS

### Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
EUR	7,352,730	Deutsche Bundesrepublik Inflation Linked Bond 0.10% 15.04.23	7,794,967.43	7,933,448.62	3.53
EUR	3,578,190	Deutsche Bundesrepublik Inflation Linked Bond 0.10% 15.04.26	3,916,440.18	3,946,206.84	1.76
EUR	3,605,070	Deutsche Bundesrepublik Inflation Linked Bond 0.10% 15.04.46	4,259,096.48	4,262,274.26	1.90
EUR	3,587,675	Deutsche Bundesrepublik Inflation Linked Bond 0.50% 15.04.30	4,127,934.33	4,168,806.60	1.86
EUR	8,335,050	Deutsche Bundesrepublik Inflation Linked Bond 1.75% 15.04.20	9,159,440.34	8,949,426.54	3.98
EUR	2,536,950	French Republic Government Bond OAT 0.10% 01.03.21	2,645,014.26	2,688,228.33	1.20
EUR	3,080,280	French Republic Government Bond OAT 0.10% 25.07.21	3,251,314.47	3,249,972.63	1.45
EUR	3,053,970	French Republic Government Bond OAT 0.10% 01.03.25	3,267,353.00	3,291,294.01	1.47
EUR	3,557,015	French Republic Government Bond OAT 0.10% 01.03.28	3,730,669.14	3,850,148.61	1.71
EUR	3,037,380	French Republic Government Bond OAT 0.10% 25.07.47	3,385,217.35	3,341,998.84	1.49
EUR	5,667,805	French Republic Government Bond OAT 0.25% 25.07.24	6,097,380.10	6,242,463.75	2.78
EUR	3,560,445	French Republic Government Bond OAT 0.70% 25.07.30	4,009,925.25	4,176,651.22	1.86
EUR	7,703,010	French Republic Government Bond OAT 1.10% 25.07.22	8,522,985.86	8,656,642.64	3.85
EUR	4,878,765	French Republic Government Bond OAT 1.30% 25.07.19	5,184,805.77	5,092,406.12	2.27
EUR	5,228,145	French Republic Government Bond OAT 1.80% 25.07.40	7,234,993.23	7,866,685.22	3.50
EUR	9,759,960	French Republic Government Bond OAT 1.85% 25.07.27	12,172,370.15	12,409,008.34	5.52
EUR	6,700,980	French Republic Government Bond OAT 2.10% 25.07.23	8,010,382.09	7,933,089.19	3.53
EUR	9,284,025	French Republic Government Bond OAT 2.25% 25.07.20	10,332,006.65	10,258,569.10	4.57
EUR	5,016,880	French Republic Government Bond OAT 3.15% 25.07.32	7,471,731.02	7,841,232.93	3.49
EUR	5,092,800	French Republic Government Bond OAT 3.40% 25.07.29	7,559,201.12	7,575,998.35	3.37
EUR	6,487,455	French Republic Government Bond OAT 0.10% 25.07.36	7,054,540.86	7,078,624.34	3.15
EUR	3,067,920	Italy Buoni Poliennali Del Tesoro 0.10% 15.05.22	3,072,390.22	3,189,194.88	1.42
EUR	4,053,360	Italy Buoni Poliennali Del Tesoro 1.25% 15.09.32	4,162,353.16	4,311,883.30	1.92
EUR	4,052,360	Italy Buoni Poliennali Del Tesoro 1.30% 15.05.28	4,196,685.17	4,365,688.48	1.94
EUR	8,242,950	Italy Buoni Poliennali Del Tesoro 2.10% 15.09.21	8,846,443.34	9,212,485.78	4.10
EUR	7,299,370	Italy Buoni Poliennali Del Tesoro 2.35% 15.09.19	7,790,113.17	7,785,216.07	3.46
EUR	5,607,085	Italy Buoni Poliennali Del Tesoro 2.35% 15.09.24	6,418,033.89	6,542,402.85	2.91
EUR	6,669,905	Italy Buoni Poliennali Del Tesoro 2.35% 15.09.35	7,893,714.61	8,362,393.39	3.72
EUR	3,857,630	Italy Buoni Poliennali Del Tesoro 2.55% 15.09.41	4,655,390.37	4,952,348.24	2.20
EUR	8,686,275	Italy Buoni Poliennali Del Tesoro 2.60% 15.09.23	9,738,202.87	10,201,074.50	4.54
EUR	5,917,010	Italy Buoni Poliennali Del Tesoro 3.10% 15.09.26	7,203,113.27	7,372,239.44	3.28
EUR	2,029,360	Spain Government Inflation Linked Bond 0.30% 30.11.21	2,099,302.21	2,175,149.22	0.97
EUR	3,301,383	Spain Government Inflation Linked Bond 0.55% 30.11.19	3,381,070.73	3,446,511.27	1.53
EUR	2,527,675	Spain Government Inflation Linked Bond 0.65% 30.11.27	2,602,776.25	2,761,737.71	1.23
EUR	3,039,060	Spain Government Inflation Linked Bond 1.00% 30.11.30	3,176,502.00	3,416,176.96	1.52
EUR	5,333,003	Spain Government Inflation Linked Bond 1.80% 30.11.24	5,949,009.96	6,305,262.19	2.81
Total investments in securities			210,372,870.30	215,212,940.76	95.79
Cash at banks				14,306,014.25	6.37
Other net assets/(liabilities)				<u>-4,858,358.08</u>	<u>-2.16</u>
Total				<u>224,660,596.93</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EUROPE

### Investment policy and outlook

from 1st October 2017 to 31st March 2018

The economy of the Eurozone showed a strong performance in the final quarter of 2017 and the first months of 2018, although by the end of Q1, some signs of moderation have shown up. Growth was broadly based with consumption, investment, domestic and foreign sales doing well. Also geographically there was a good equilibrium between the Northern and Southern members of the Eurozone. Although leading indicators like the purchasing managers index point to some moderation in the coming months, the outlook remains bright. The unemployment rate is declining rapidly as the economy expands well above its potential growth rate.

The UK economy on the other hand showed a lower expansion rate as the uncertainty on Brexit, high debt levels of consumers hit an already mature business cycle. With wage growth lagging inflation, personal income

This allowed the Central banks to shift their policy. In the US both outgoing chair Yellen and incoming chair Powell raised interest rates. The European Central Bank (ECB), still in the phase of winding down QE, decided to reduce the Purchasing Program from 60 to 30 billion EUR a month, starting in 2018. Only the Japanese Central Bank did not alter its loose monetary policy.

But how important the decisions of the Central banks were, politics remained on the center stage. Increasing trade tensions between the US and China but also between the US and the Nafta members Mexico and Canada tested the nerves of the financial markets.

Ten year Bund yields fell during the early days of the reporting period to only 0.3% but with the new year announcing the probable end of QE, yields rose rapidly during the first weeks of the new year, touching 0.75% by mid February. A solid recovery helped by widening losses on the equity market, pushed the yield back to 0.5% by the end of the reporting period. Longer maturities moved more or less in tandem but less outspoken, so the European yield curves flattened in general.

Spreads between Germany and the Southern countries, Italy and Spain remained under pressure. Despite negative political developments in Spain (separatism) and especially the Italian parliamentary elections with a very good result for the populist parties, investors remained very sanguine about the outlook for both markets and spreads tightened to quite low levels

Given the very expensive valuation of European government bonds, the fund has been underweight duration versus the market during the reporting period. The peripheral markets i.e. Spain and Italy were also underweight versus the market. For the UK govie market exposure, the fund kept a neutral weighting in terms of exposure and duration position.

#### Outlook

We expect an ongoing recovery of the European economy with good growth and moderate inflation. The very high confidence indicators point to ongoing strength for 2018 and thereafter.

European government bond prices remain extremely expensive, an ongoing rise in yields, started at the end of 2017, is the most likely scenario. The ECB will be cautious in the unwinding of QE, but it is unlikely that there will be no impact whatsoever on the yield levels of Eurozone government bonds as the termination of QE will raise the chances for a first hike in interest rates in the course of 2019.

## KBC BONDS EUROPE

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	9,766,664.31
Cash at banks	27,995.90
Receivable on issues of shares	341.49
Income receivable on portfolio	103,087.96
	<hr/>
Total assets	9,898,089.66

#### Liabilities

Payable on redemptions of shares	6,553.60
Expenses payable and other payables	7,613.43
	<hr/>
Total liabilities	14,167.03

Net assets at the end of the period	9,883,922.63
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Number of capitalisation shares outstanding	16,137.1685
Net asset value per capitalisation share	278.55

Number of distribution shares outstanding	44,019.2367
Net asset value per distribution share	122.42

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EUROPE

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	134,379.47
Interest on bank accounts	1.77
Other income	1,679.04
Total income	<u>136,060.28</u>

#### Expenses

Management fees	36,497.19
Transaction fees	1,587.50
Fixed service fees and depositary fees	3,148.96
Subscription duty ("taxe d'abonnement")	2,522.69
Interest paid on bank accounts	194.04
Other expenses and taxes	1,987.99
Total expenses	<u>45,938.37</u>

Net investment income	90,121.91
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#### Net realised gain/(loss)

- on sales of securities portfolio	-9,291.99
- on forward foreign exchange contracts	-512.42
- on foreign exchange	-22,514.36

Realised result	57,803.14
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#### Net variation of the unrealised gain/(loss)

- on securities portfolio	63,892.78
- on foreign exchange	-83.50

Result of operations	<u>121,612.42</u>
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Dividends paid	-74,715.50
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Subscriptions	26,573.70
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Redemptions	-1,399,529.38
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Total changes in net assets	<u>-1,326,058.76</u>
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Total net assets at the beginning of the period	11,209,981.39
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Total net assets at the end of the period	<u>9,883,922.63</u>
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The accompanying notes are an integral part of these financial statements.

## KBC BONDS EUROPE

### Statistical information (in EUR)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	9,883,922.63
- as at 30.09.2017	11,209,981.39
- as at 30.09.2016	17,481,990.71
<b>Number of capitalisation shares</b>	
- outstanding at the beginning of the period	18,549.1532
- issued	96.4286
- redeemed	<u>-2,508.4133</u>
- outstanding at the end of the period	16,137.1685
<b>Net asset value per capitalisation share</b>	
- as at 31.03.2018	278.55
- as at 30.09.2017	275.28
- as at 30.09.2016	286.87
<b>TER per capitalisation share (in %)</b>	
- as at 31.03.2018	0.87
<b>Number of distribution shares</b>	
- outstanding at the beginning of the period	49,835.3345
- issued	-
- redeemed	<u>-5,816.0978</u>
- outstanding at the end of the period	44,019.2367
<b>Net asset value per distribution share</b>	
- as at 31.03.2018	122.42
- as at 30.09.2017	122.48
- as at 30.09.2016	128.94
<b>TER per distribution share (in %)</b>	
- as at 31.03.2018	0.87
<b>Dividends paid to distribution shares</b>	
Ex-dividend date	02.10.2017
Dividend per share	1.50
Shares outstanding at ex-dividend date	49,810.3345

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EUROPE

### Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
EUR	250,000	Bundesobligation 08.10.21	255,050.00	253,325.00	2.56
EUR	130,000	Bundesrepublik Deutschland 2.50% 04.07.44	171,748.18	171,667.60	1.74
EUR	540,000	Bundesrepublik Deutschland 3.00% 04.07.20	595,439.22	584,004.60	5.90
EUR	190,000	Bundesrepublik Deutschland 4.75% 04.07.28	277,366.34	271,120.50	2.74
EUR	10,000	Bundesrepublik Deutschland 6.25% 04.01.24	14,713.10	13,617.80	0.14
EUR	80,000	Bundesrepublik Deutschland Bundesanleihe 15.08.26	78,861.60	77,925.60	0.79
EUR	100,000	Finland Government Bond 0.88% 15.09.25	104,545.00	103,893.00	1.05
EUR	100,000	Finland Government Bond 1.63% 15.09.22	109,490.64	107,810.00	1.09
EUR	206,102	French Republic Government Bond OAT 0.25% 25.07.24	227,345.29	226,998.68	2.30
EUR	200,000	French Republic Government Bond OAT 0.25% 25.11.26	197,238.00	195,550.00	1.98
EUR	1,150,000	French Republic Government Bond OAT 3.50% 25.04.20	1,306,136.26	1,245,691.50	12.59
EUR	190,000	French Republic Government Bond OAT 4.00% 25.04.60	309,208.46	324,738.50	3.29
EUR	20,000	French Republic Government Bond OAT 4.75% 25.04.35	31,111.74	31,403.80	0.32
EUR	50,000	Ireland Government Bond 1.00% 15.05.26	51,497.50	51,489.00	0.52
EUR	110,000	Ireland Government Bond 3.90% 20.03.23	136,107.12	130,997.90	1.33
EUR	280,000	Italy Buoni Poliennali Del Tesoro 0.70% 01.05.20	283,950.95	285,445.66	2.89
EUR	230,000	Italy Buoni Poliennali Del Tesoro 1.50% 01.08.19	239,675.89	235,835.10	2.39
EUR	260,000	Italy Buoni Poliennali Del Tesoro 3.25% 01.09.46	273,420.04	285,667.20	2.89
EUR	780,000	Italy Buoni Poliennali Del Tesoro 5.00% 01.03.22	798,871.08	922,268.88	9.32
EUR	290,000	Kingdom of Belgium Government Bond 2.25% 22.06.23	332,573.26	323,943.05	3.28
EUR	50,000	Kingdom of Belgium Government Bond 5.00% 28.03.35	80,425.00	80,132.00	0.81
EUR	100,000	Netherlands Government Bond 0.25% 15.07.25	98,010.00	99,763.00	1.01
EUR	130,000	Netherlands Government Bond 0.25% 15.07.25	129,925.70	129,691.90	1.31
EUR	160,000	Netherlands Government Bond 1.75% 15.07.23	176,855.77	175,070.40	1.77
EUR	200,000	Republic of Austria Government Bond 0.25% 18.10.19	203,474.00	202,668.00	2.05
EUR	120,000	Republic of Austria Government Bond 4.15% 15.03.37	161,194.99	182,535.60	1.85
EUR	120,000	Spain Government Bond 1.95% 30.04.26	126,975.00	130,190.40	1.32
EUR	155,000	Spain Government Bond 4.20% 31.01.37	203,416.67	214,656.40	2.17
EUR	170,000	Spain Government Bond 4.85% 31.10.20	193,826.60	192,545.40	1.95
EUR	450,000	Spain Government Bond 5.85% 31.01.22	567,111.85	553,044.60	5.60
			<u>7,735,565.25</u>	<u>7,803,691.07</u>	<u>78.95</u>
GBP	90,000	United Kingdom Gilt 0.75% 22.07.23	101,318.88	100,769.59	1.02
GBP	50,000	United Kingdom Gilt 1.75% 22.07.19	61,624.64	57,781.15	0.58
GBP	150,000	United Kingdom Gilt 1.75% 07.09.22	206,785.79	176,690.52	1.79
GBP	80,000	United Kingdom Gilt 2.00% 22.07.20	103,672.58	93,710.69	0.95
GBP	215,000	United Kingdom Gilt 2.00% 07.09.25	288,359.57	259,514.80	2.62
GBP	130,000	United Kingdom Gilt 2.50% 22.07.65	209,424.32	198,425.84	2.01
GBP	135,000	United Kingdom Gilt 3.75% 07.09.21	178,788.75	168,891.88	1.71
GBP	80,000	United Kingdom Gilt 4.25% 07.06.32	129,034.45	121,974.51	1.23
GBP	50,000	United Kingdom Gilt 4.25% 07.03.36	84,543.72	79,941.40	0.81
GBP	100,000	United Kingdom Gilt 4.25% 07.09.39	135,668.03	166,309.10	1.68
GBP	105,000	United Kingdom Gilt 4.25% 07.12.49	153,313.43	195,587.17	1.98
GBP	100,000	United Kingdom Gilt 4.50% 07.12.42	183,251.97	177,734.76	1.80
GBP	100,000	United Kingdom Gilt 6.00% 07.12.28	184,783.11	165,641.83	1.68
			<u>2,020,569.24</u>	<u>1,962,973.24</u>	<u>19.86</u>
Total investments in securities			<u>9,756,134.49</u>	<u>9,766,664.31</u>	<u>98.81</u>
Cash at banks				27,995.90	0.28
Other net assets/(liabilities)				<u>89,262.42</u>	<u>0.91</u>
Total				<u>9,883,922.63</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

## **KBC BONDS CORPORATES USD**

### **Investment policy and outlook**

from 1st October 2017 to 31st March 2018

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Risky assets had a remarkable ride until the end of January. A generous tax reform and extra promised spending by the US government propelled the S&P higher. The magnitude of economic support this late in an economic cycle is rarely seen before. Credit spreads, although already very expensive, grinded also tighter on the news.

During January some inflation data came in stronger than expected. Government yields reacted on this higher inflation and extra stimulus with higher levels. Ten year yields moved over the month from 2.4% to 2.9% by mid-February. Around that time it became clear the positive sentiment had turned. Markets got worried about this extra fuel for the economy and especially how it might spark inflation. This in turn would push the Central Bank, the Fed, to raise rates faster than initially anticipated. Higher rates in turn tend to slow the economy. On top trade war fears, initiated by America, made investors nervous. The low volatility witnessed over 2017 seemed to have ended by the end of the reporting period.

In this environment investors were no longer satisfied with the low credit spreads offered on corporate bonds. As a result spreads rose from 0.85%, this cycle low, to 1.1% at the end of the reporting period. The combination of rising spreads and higher government yields were a drag on performance. All in all spreads are still tight and reflect the healthy state of the US economy. The yield sensitivity, or duration, of the fund was around 8.2 years and will probably remain so in the near future.



## KBC BONDS CORPORATES USD

### Statement of net assets (in USD)

as at 31st March 2018

#### Assets

Securities portfolio at market value	53,820,093.50
Cash at banks	57,515.13
Other liquid assets	4,631.26
Receivable on sales of securities	303,440.91
Receivable on issues of shares	1,769.34
Income receivable on portfolio	<u>543,226.45</u>
Total assets	<u>54,730,676.59</u>

#### Liabilities

Bank overdrafts and borrowings	227,930.56
Payable on redemptions of shares	84,194.29
Expenses payable and other payables	<u>45,133.21</u>
Total liabilities	<u>357,258.06</u>

Net assets at the end of the period 54,373,418.53

Number of capitalisation shares outstanding 29,311.6918  
Net asset value per capitalisation share 1,118.82

Number of distribution shares outstanding 38,051.1123  
Net asset value per distribution share 510.14

Number of capitalisation shares "Institutional B Shares" outstanding 1,931.0000  
Net asset value per capitalisation share "Institutional B Shares" 1,122.34

## KBC BONDS CORPORATES USD

### Statement of operations and other changes in net assets (in USD)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	1,205,281.43
Interest on bank accounts	1,576.43
Commissions received	17,429.77
Other income	16,936.49
Total income	1,241,224.12

#### Expenses

Management fees	229,569.41
Transaction fees	3,177.79
Fixed service fees and depositary fees	18,486.52
Subscription duty ("taxe d'abonnement")	13,942.70
Interest paid on bank accounts	162.62
Other expenses and taxes	42.49
Total expenses	265,381.53

Net investment income	975,842.59
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#### Net realised gain/(loss)

- on sales of securities portfolio	79,835.24
- on foreign exchange	12.35

Realised result	1,055,690.18
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#### Net variation of the unrealised gain/(loss)

- on securities portfolio	-2,154,400.30
- on foreign exchange	2,222.07

Result of operations	-1,096,488.05
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Dividends paid	-945,687.29
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Subscriptions	4,698,819.49
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Redemptions	-15,037,057.04
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Total changes in net assets	-12,380,412.89
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Total net assets at the beginning of the period	66,753,831.42
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Total net assets at the end of the period	54,373,418.53
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The accompanying notes are an integral part of these financial statements.

# KBC BONDS CORPORATES USD

## Statistical information (in USD)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	54,373,418.53
- as at 30.09.2017	66,753,831.42
- as at 30.09.2016	68,040,385.03
<b>Number of capitalisation shares</b>	
- outstanding at the beginning of the period	31,183.5871
- issued	3,149.8559
- redeemed	<u>-5,021.7512</u>
- outstanding at the end of the period	29,311.6918
<b>Net asset value per capitalisation share</b>	
- as at 31.03.2018	1,118.82
- as at 30.09.2017	1,139.30
- as at 30.09.2016	1,128.09
<b>TER per capitalisation share (in %)</b>	
- as at 31.03.2018	0.84
<b>Number of distribution shares</b>	
- outstanding at the beginning of the period	46,357.2200
- issued	542.6987
- redeemed	<u>-8,848.8064</u>
- outstanding at the end of the period	38,051.1123
<b>Net asset value per distribution share</b>	
- as at 31.03.2018	510.14
- as at 30.09.2017	540.36
- as at 30.09.2016	549.74
<b>TER per distribution share (in %)</b>	
- as at 31.03.2018	0.92
<b>Dividends paid to distribution shares</b>	
Ex-dividend date	02.10.2017
Dividend per share	20.40
Shares outstanding at ex-dividend date	46,357.2200
<b>Number of capitalisation shares "Institutional B Shares"</b>	
- outstanding at the beginning of the period	5,405.0000
- issued	739.0000
- redeemed	<u>-4,213.0000</u>
- outstanding at the end of the period	1,931.0000
<b>Net asset value per capitalisation share "Institutional B Shares"</b>	
- as at 31.03.2018	1,122.34
- as at 30.09.2017	1,142.85
- as at 30.09.2016	1,131.15
<b>TER per capitalisation share "Institutional B Shares" (in %)</b>	
- as at 31.03.2018	0.79

The accompanying notes are an integral part of these financial statements.

# KBC BONDS CORPORATES USD

## Statement of investments and other net assets (in USD)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
USD	50,000	21st Century Fox America Inc 4.50% 15.02.21	54,484.50	52,012.75	0.10
USD	50,000	21st Century Fox America Inc 6.40% 15.12.35	59,355.00	63,659.90	0.12
USD	100,000	21st Century Fox America Inc 6.65% 15.11.37	121,460.00	131,013.39	0.24
USD	100,000	Abbott Laboratories 2.55% 15.03.22	100,114.00	97,432.26	0.18
USD	100,000	Abbott Laboratories 4.75% 30.11.36	100,397.89	108,126.41	0.20
USD	100,000	AbbVie Inc 3.20% 06.11.22	100,592.00	98,940.54	0.18
USD	300,000	AbbVie Inc 3.60% 14.05.25	299,679.00	296,190.93	0.54
USD	200,000	AbbVie Inc 4.50% 14.05.35	199,530.00	204,699.02	0.38
USD	200,000	Actavis Funding SCS 3.80% 15.03.25	194,680.00	196,752.21	0.36
USD	100,000	Actavis Funding SCS 4.75% 15.03.45	93,220.00	98,039.72	0.18
USD	200,000	AerCap Ireland Capital DAC/AerCap Global Aviation Trust 5.00% 01.10.21	216,410.00	208,417.00	0.38
USD	150,000	Aetna Inc 2.75% 15.11.22	149,969.44	144,535.46	0.27
USD	200,000	Altria Group Inc 4.00% 31.01.24	212,468.00	204,358.88	0.38
USD	100,000	Amazon.com Inc 4.95% 05.12.44	101,734.00	113,695.80	0.21
USD	200,000	Amazon.com Inc 3.15% 22.08.27	201,872.00	193,475.00	0.36
USD	100,000	American Express Co 2.65% 02.12.22	98,689.00	96,906.62	0.18
USD	150,000	American Express Credit Corp 3.30% 03.05.27	152,677.50	145,585.85	0.27
USD	200,000	American International Group Inc 4.13% 15.02.24	208,654.20	203,569.93	0.37
USD	150,000	American International Group Inc 6.25% 01.05.36	181,903.50	180,274.29	0.33
USD	200,000	American Tower Corp 4.00% 01.06.25	197,220.39	199,376.01	0.37
USD	100,000	Amgen Inc 3.13% 01.05.25	97,483.00	96,762.47	0.18
USD	300,000	Amgen Inc 3.88% 15.11.21	316,170.00	306,883.40	0.56
USD	150,000	Amgen Inc 4.66% 15.06.51	141,864.87	155,324.45	0.29
USD	150,000	Anadarko Finance Co 7.50% 01.05.31	188,448.00	192,017.10	0.35
USD	100,000	Anadarko Petroleum Corp 5.55% 15.03.26	111,415.00	109,226.40	0.20
USD	200,000	Anheuser-Busch InBev Finance Inc 2.65% 01.02.21	202,088.00	198,577.89	0.37
USD	200,000	Anheuser-Busch InBev Finance Inc 3.65% 01.02.26	203,400.00	199,040.59	0.37
USD	200,000	Anheuser-Busch InBev Finance Inc 4.90% 01.02.46	239,378.00	215,236.31	0.40
USD	200,000	Anheuser-Busch InBev Worldwide Inc 2.50% 15.07.22	195,318.00	194,326.21	0.36
USD	100,000	Anheuser-Busch InBev Worldwide Inc 8.20% 15.01.39	155,600.08	149,611.46	0.28
USD	150,000	Anthem Inc 4.63% 15.05.42	148,853.00	152,101.23	0.28
USD	200,000	Apache Corp 4.25% 15.01.44	195,556.00	184,366.99	0.34
USD	400,000	Apple Inc 1.55% 04.08.21	397,040.00	383,612.54	0.71
USD	300,000	Apple Inc 2.70% 13.05.22	305,097.00	297,203.60	0.55
USD	200,000	Apple Inc 2.85% 06.05.21	205,656.57	200,218.26	0.37
USD	200,000	Apple Inc 3.45% 06.05.24	209,408.00	202,218.97	0.37
USD	400,000	Apple Inc 3.45% 09.02.45	349,560.00	369,469.46	0.68
USD	200,000	AstraZeneca Plc 6.45% 15.09.37	272,811.76	259,592.00	0.48
USD	200,000	AT&T Inc 3.40% 15.05.25	200,082.00	192,937.20	0.35
USD	200,000	AT&T Inc 3.95% 15.01.25	198,432.00	200,397.19	0.37
USD	322,000	AT&T Inc 4.10% 15.02.28	321,866.06	320,489.55	0.59
USD	200,000	AT&T Inc 4.50% 15.05.35	199,178.00	196,682.73	0.36
USD	200,000	AT&T Inc 4.55% 09.03.49	181,534.00	186,996.87	0.34
USD	200,000	AT&T Inc 4.75% 15.05.46	189,514.00	194,441.57	0.36
USD	200,000	AT&T Inc 5.30% 14.08.58	200,202.00	201,725.00	0.37
USD	200,000	AT&T Inc 5.35% 01.09.40	205,098.78	208,396.95	0.38
USD	150,000	AT&T Inc 5.55% 15.08.41	155,446.80	161,730.02	0.30
USD	100,000	AT&T Inc 6.00% 15.08.40	105,759.00	113,048.18	0.21
USD	250,000	Bank of America Corp 2.50% 21.10.22	239,375.00	240,281.60	0.44
USD	100,000	Bank of America Corp 3.95% 21.04.25	101,385.00	99,369.11	0.18
USD	200,000	Bank of America Corp 4.00% 01.04.24	207,807.33	204,588.65	0.38
USD	300,000	Bank of America Corp 4.88% 01.04.44	316,050.00	332,854.76	0.61
USD	200,000	Bank of America Corp 5.88% 05.01.21	223,500.00	215,029.89	0.40
USD	100,000	Bank of America Corp 6.11% 29.01.37	117,142.00	120,328.58	0.22
USD	200,000	Bank of America Corp 20.01.28	206,508.00	198,163.74	0.36
USD	200,000	Bank of Montreal 2.55% 06.11.22	194,239.61	193,864.84	0.36
USD	200,000	Bank of New York Mellon Corp 3.55% 23.09.21	211,177.29	203,776.13	0.37
USD	200,000	Bank of Nova Scotia 4.38% 13.01.21	218,440.98	206,682.61	0.38
USD	300,000	Barclays Plc 3.20% 10.08.21	302,766.00	296,662.40	0.55
USD	200,000	Barclays Plc 4.95% 10.01.47	201,098.20	205,316.92	0.38

The accompanying notes are an integral part of these financial statements.

## KBC BONDS CORPORATES USD

### Statement of investments and other net assets (in USD) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
USD	50,000	Barrick North America Finance LLC 5.75% 01.05.43	44,021.50	58,241.65	0.11
USD	100,000	Barrick PD Australia Finance Pty Ltd 5.95% 15.10.39	94,320.50	116,853.01	0.21
USD	200,000	BAT Capital Corp 3.56% 15.08.27	202,182.00	192,225.00	0.35
USD	150,000	Baxalta Inc 5.25% 23.06.45	153,935.36	164,090.97	0.30
USD	200,000	Becton Dickinson and Co 3.36% 06.06.24	200,474.00	193,042.39	0.36
USD	100,000	Becton Dickinson and Co 4.69% 15.12.44	102,393.32	100,992.65	0.19
USD	200,000	Berkshire Hathaway Energy Co 4.50% 01.02.45	221,586.00	213,807.66	0.39
USD	250,000	Berkshire Hathaway Finance Corp 3.00% 15.05.22	259,250.00	250,710.86	0.46
USD	200,000	Biogen Inc 3.63% 15.09.22	205,140.00	202,156.48	0.37
USD	150,000	BNP Paribas SA 5.00% 15.01.21	167,519.29	157,925.86	0.29
USD	200,000	Boston Properties LP 3.85% 01.02.23	208,172.33	204,190.04	0.38
USD	200,000	BP Capital Markets Plc 2.75% 10.05.23	189,226.17	194,694.37	0.36
USD	100,000	BP Capital Markets Plc 3.81% 10.02.24	105,742.00	102,213.49	0.19
USD	250,000	Branch Banking & Trust Co 3.80% 30.10.26	256,492.74	252,506.25	0.46
USD	150,000	British Telecommunications Plc 9.13% 15.12.30	237,018.88	219,392.48	0.40
USD	200,000	Broadcom Corp/Broadcom Cayman Finance Ltd 3.88% 15.01.27	205,182.00	194,718.70	0.36
USD	150,000	Burlington Northern Santa Fe LLC 3.85% 01.09.23	155,529.75	154,654.51	0.28
USD	150,000	Burlington Northern Santa Fe LLC 4.15% 01.04.45	152,998.50	153,252.29	0.28
USD	200,000	Capital One Financial Corp 3.75% 24.04.24	203,480.00	199,259.50	0.37
USD	250,000	Capital One NA 2.95% 23.07.21	251,975.00	246,481.66	0.45
USD	150,000	Caterpillar Inc 3.40% 15.05.24	153,568.50	150,631.93	0.28
USD	150,000	Caterpillar Inc 3.80% 15.08.42	136,020.00	149,932.19	0.28
USD	300,000	CC Holdings GS V LLC 3.85% 15.04.23	303,414.00	301,395.65	0.55
USD	150,000	Celgene Corp 3.25% 15.08.22	148,137.00	148,080.40	0.27
USD	200,000	Celgene Corp 3.88% 15.08.25	204,647.70	198,635.20	0.37
USD	250,000	Chevron Corp 2.95% 16.05.26	254,262.50	240,267.29	0.44
USD	250,000	Chubb INA Holdings Inc 2.88% 03.11.22	248,870.00	248,072.90	0.46
USD	200,000	Cisco Systems Inc 3.63% 04.03.24	212,797.40	204,709.35	0.38
USD	200,000	Cisco Systems Inc 5.90% 15.02.39	247,904.00	261,077.10	0.48
USD	250,000	Citigroup Inc 2.35% 02.08.21	247,512.50	242,914.48	0.45
USD	200,000	Citigroup Inc 3.30% 27.04.25	203,499.73	194,346.77	0.36
USD	100,000	Citigroup Inc 3.70% 12.01.26	100,950.00	99,013.74	0.18
USD	200,000	Citigroup Inc 4.30% 20.11.26	202,229.42	200,931.70	0.37
USD	100,000	Citigroup Inc 4.65% 30.07.45	104,768.00	107,264.04	0.20
USD	400,000	Citigroup Inc 3.40% 01.05.26	403,628.00	386,603.38	0.71
USD	100,000	Coca-Cola Co 3.20% 01.11.23	105,940.00	100,726.61	0.19
USD	200,000	Coca-Cola Co 3.30% 01.09.21	220,118.01	203,144.72	0.37
USD	250,000	Comcast Corp 3.20% 15.07.36	221,777.50	221,917.74	0.41
USD	200,000	Comcast Corp 3.38% 15.08.25	209,734.00	195,816.61	0.36
USD	200,000	Comcast Corp 3.60% 01.03.24	210,460.00	201,241.76	0.37
USD	100,000	Comcast Corp 4.65% 15.07.42	105,304.00	104,737.51	0.19
USD	100,000	Comcast Corp 6.45% 15.03.37	129,011.00	128,480.33	0.24
USD	100,000	Comcast Corp 6.55% 01.07.39	129,620.00	131,260.00	0.24
USD	100,000	Comcast Corp 6.95% 15.08.37	135,180.25	135,237.69	0.25
USD	100,000	ConocoPhillips 6.50% 01.02.39	128,591.49	131,695.15	0.24
USD	250,000	Cooperatieve Rabobank UA 3.38% 21.05.25	250,122.50	246,725.68	0.45
USD	150,000	Cooperatieve Rabobank UA 5.25% 24.05.41	168,795.55	179,418.52	0.33
USD	250,000	Credit Suisse Group Funding Guernsey Ltd 3.45% 16.04.21	258,542.50	250,495.44	0.46
USD	150,000	CVS Health Corp 3.88% 20.07.25	158,248.50	148,983.63	0.27
USD	200,000	CVS Health Corp 5.30% 05.12.43	226,952.00	217,525.10	0.40
USD	200,000	Deere & Co 3.90% 09.06.42	194,077.61	205,733.68	0.38
USD	300,000	Deutsche Bank AG 3.70% 30.05.24	301,714.36	289,938.48	0.53
USD	100,000	Deutsche Telekom International Finance BV 15.06.30	146,277.00	141,840.00	0.26
USD	100,000	Devon Energy Corp 3.25% 15.05.22	88,866.50	98,936.11	0.18
USD	100,000	Devon Energy Corp 4.75% 15.05.42	93,761.00	102,454.27	0.19
USD	100,000	Diamond 1 Finance Corp 6.02% 15.06.26	111,940.00	107,691.50	0.20
USD	150,000	Diamond 1 Finance Corp 8.35% 15.07.46	170,908.50	190,715.25	0.35
USD	100,000	Discovery Communications LLC 6.35% 01.06.40	105,695.00	113,279.11	0.21
USD	100,000	Dow Chemical Co 4.13% 15.11.21	104,689.01	102,960.70	0.19
USD	100,000	Dow Chemical Co 4.38% 15.11.42	93,195.75	99,706.72	0.18
USD	150,000	Duke Energy Florida LLC 6.40% 15.06.38	205,567.28	200,987.90	0.37
USD	200,000	Eaton Corp 2.75% 02.11.22	199,194.03	195,768.41	0.36
USD	150,000	eBay Inc 2.60% 15.07.22	150,327.00	145,218.93	0.27
USD	100,000	El du Pont de Nemours & Co 2.80% 15.02.23	93,899.00	97,929.60	0.18
USD	200,000	Energy Transfer Partners LP 3.60% 01.02.23	191,546.91	196,433.38	0.36
USD	150,000	Energy Transfer Partners LP 6.13% 15.12.45	163,914.00	154,908.07	0.28
USD	100,000	Enterprise Products Operating LLC 3.90% 15.02.24	105,384.00	101,570.96	0.19

The accompanying notes are an integral part of these financial statements.

## KBC BONDS CORPORATES USD

### Statement of investments and other net assets (in USD) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
USD	100,000	Enterprise Products Operating LLC 5.10% 15.02.45	99,420.00	108,908.38	0.20
USD	200,000	Exelon Corp 3.95% 15.06.25	203,396.00	201,024.60	0.37
USD	150,000	Express Scripts Holding Co 3.40% 01.03.27	147,000.00	141,430.07	0.26
USD	200,000	Express Scripts Holding Co 3.90% 15.02.22	209,132.33	202,697.10	0.37
USD	200,000	Exxon Mobil Corp 2.40% 06.03.22	195,300.00	196,229.95	0.36
USD	150,000	Exxon Mobil Corp 3.57% 06.03.45	140,700.00	144,669.83	0.27
USD	200,000	FedEx Corp 5.10% 15.01.44	213,354.00	219,671.24	0.40
USD	100,000	Fifth Third Bancorp 8.25% 01.03.38	146,490.00	142,756.60	0.26
USD	100,000	Ford Motor Co 7.45% 16.07.31	128,375.00	121,601.83	0.22
USD	200,000	Ford Motor Credit Co LLC 3.22% 09.01.22	199,060.00	196,823.60	0.36
USD	100,000	Ford Motor Credit Co LLC 3.66% 08.09.24	98,979.00	96,613.85	0.18
USD	200,000	GE Capital International Funding Co Unlimited Co 2.34% 15.11.20	198,402.00	195,761.06	0.36
USD	200,000	GE Capital International Funding Co Unlimited Co 4.42% 15.11.35	227,404.00	195,159.17	0.36
USD	400,000	General Electric Co 6.75% 15.03.32	529,612.57	498,187.10	0.93
USD	100,000	General Motors Co 4.88% 02.10.23	108,879.00	104,648.54	0.19
USD	100,000	General Motors Co 5.20% 01.04.45	108,812.00	97,496.60	0.18
USD	100,000	General Motors Financial Co Inc 3.45% 10.04.22	97,258.00	99,172.39	0.18
USD	200,000	General Motors Financial Co Inc 5.25% 01.03.26	222,015.42	211,524.95	0.39
USD	200,000	Gilead Sciences Inc 3.50% 01.02.25	201,035.20	199,812.70	0.37
USD	100,000	Gilead Sciences Inc 4.40% 01.12.21	109,962.00	104,160.00	0.19
USD	200,000	Gilead Sciences Inc 5.65% 01.12.41	232,845.50	239,669.26	0.44
USD	200,000	GlaxoSmithKline Capital Plc 2.85% 08.05.22	202,898.72	198,094.83	0.36
USD	100,000	Goldman Sachs Group Inc 2.88% 25.02.21	101,611.00	98,875.40	0.18
USD	200,000	Goldman Sachs Group Inc 3.50% 23.01.25	198,688.00	196,478.94	0.36
USD	150,000	Goldman Sachs Group Inc 5.25% 27.07.21	165,084.00	159,017.37	0.29
USD	100,000	Goldman Sachs Group Inc 5.75% 24.01.22	112,540.00	108,233.51	0.20
USD	150,000	Goldman Sachs Group Inc 6.13% 15.02.33	171,220.62	180,135.77	0.33
USD	350,000	Goldman Sachs Group Inc 6.75% 01.10.37	394,827.04	440,544.41	0.82
USD	200,000	Halliburton Co 4.75% 01.08.43	199,273.00	210,004.77	0.39
USD	100,000	HCP Inc 3.88% 15.08.24	104,136.00	99,917.77	0.18
USD	100,000	Hewlett Packard Enterprise Co 4.90% 15.10.25	102,715.00	103,931.99	0.19
USD	100,000	Hewlett Packard Enterprise Co 6.20% 15.10.35	98,828.00	107,803.35	0.20
USD	100,000	Home Depot Inc 3.75% 15.02.24	107,374.00	103,003.29	0.19
USD	250,000	Home Depot Inc 4.88% 15.02.44	279,977.50	286,048.28	0.53
USD	100,000	Home Depot Inc 5.88% 16.12.36	124,649.69	128,621.57	0.24
USD	150,000	HP Inc 4.65% 09.12.21	154,292.18	158,005.38	0.29
USD	250,000	HSBC Bank USA 5.88% 01.11.34	300,141.25	308,875.58	0.57
USD	200,000	HSBC Holdings Plc 5.10% 05.04.21	224,405.01	210,504.29	0.39
USD	100,000	HSBC Holdings Plc 6.10% 14.01.42	134,325.00	129,939.88	0.24
USD	200,000	HSBC Holdings Plc 13.03.23	204,612.00	197,456.05	0.36
USD	50,000	Humana Inc 4.95% 01.10.44	51,320.50	52,869.30	0.10
USD	300,000	Intel Corp 2.70% 15.12.22	301,590.75	295,804.47	0.54
USD	200,000	International Business Machines Corp 4.00% 20.06.42	194,507.58	202,986.70	0.37
USD	100,000	International Paper Co 4.80% 15.06.44	95,582.33	101,447.00	0.19
USD	100,000	Johnson & Johnson 1.65% 01.03.21	100,917.00	97,415.71	0.18
USD	150,000	Johnson & Johnson 3.38% 05.12.23	159,828.50	153,351.10	0.28
USD	100,000	Johnson & Johnson 3.70% 01.03.46	98,893.54	99,489.74	0.18
USD	200,000	JPMorgan Chase & Co 2.95% 01.10.26	200,682.00	188,558.84	0.35
USD	300,000	JPMorgan Chase & Co 3.88% 01.02.24	309,086.40	305,066.45	0.56
USD	400,000	JPMorgan Chase & Co 3.88% 10.09.24	400,792.00	398,961.02	0.73
USD	400,000	JPMorgan Chase & Co 4.35% 15.08.21	428,288.00	414,314.88	0.76
USD	200,000	JPMorgan Chase & Co 5.40% 06.01.42	229,920.00	236,852.44	0.44
USD	100,000	Kinder Morgan Energy Partners LP 6.95% 15.01.38	120,785.92	120,929.31	0.22
USD	200,000	Kinder Morgan Inc 4.30% 01.06.25	184,766.00	201,503.43	0.37
USD	978,000	Kraft Heinz Foods Co 6.88% 26.01.39	1,262,434.73	1,208,749.32	2.23
USD	200,000	Lloyds Banking Group Plc 3.75% 11.01.27	200,110.00	193,698.63	0.36
USD	200,000	Lowe's Cos Inc 3.38% 15.09.25	214,324.00	198,761.18	0.37
USD	100,000	LYB International Finance BV 4.00% 15.07.23	102,253.00	102,024.62	0.19
USD	150,000	LYB International Finance BV 5.25% 15.07.43	152,670.00	164,370.56	0.30
USD	100,000	Macy's Retail Holdings Inc 2.88% 15.02.23	94,935.75	94,417.94	0.17
USD	100,000	Marathon Petroleum Corp 5.13% 01.03.21	108,109.19	105,183.32	0.19
USD	150,000	McDonald's Corp 3.70% 30.01.26	155,482.50	151,216.40	0.28
USD	100,000	McDonald's Corp 6.30% 01.03.38	126,231.62	128,019.73	0.24
USD	100,000	Medtronic Inc 3.50% 15.03.25	104,535.00	100,077.81	0.18
USD	200,000	Medtronic Inc 4.38% 15.03.35	217,856.00	212,491.62	0.39
USD	200,000	Merck & Co Inc 2.35% 10.02.22	200,500.00	196,120.60	0.36
USD	200,000	MetLife Inc 4.37% 15.09.23	212,869.76	208,461.33	0.38

The accompanying notes are an integral part of these financial statements.

## KBC BONDS CORPORATES USD

### Statement of investments and other net assets (in USD) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
USD	100,000	MetLife Inc 5.88% 06.02.41	121,008.00	122,528.97	0.23
USD	300,000	Microsoft Corp 1.55% 08.08.21	298,750.00	288,132.15	0.53
USD	250,000	Microsoft Corp 2.70% 12.02.25	254,443.50	241,378.86	0.44
USD	150,000	Microsoft Corp 3.30% 06.02.27	151,321.50	149,070.47	0.27
USD	200,000	Microsoft Corp 3.50% 12.02.35	194,911.75	197,719.03	0.36
USD	250,000	Microsoft Corp 4.00% 12.02.55	255,775.50	253,537.76	0.47
USD	100,000	Microsoft Corp 4.50% 01.10.40	107,734.00	111,235.53	0.20
USD	150,000	Microsoft Corp 4.50% 06.02.57	156,855.00	165,926.85	0.31
USD	250,000	Mitsubishi UFJ Financial Group Inc 2.76% 13.09.26	234,350.00	231,135.63	0.43
USD	50,000	Molson Coors Brewing Co 3.00% 15.07.26	47,550.90	46,333.53	0.09
USD	150,000	Molson Coors Brewing Co 4.20% 15.07.46	143,508.00	142,009.13	0.26
USD	300,000	Morgan Stanley 3.70% 23.10.24	305,088.00	298,808.97	0.55
USD	300,000	Morgan Stanley 3.95% 23.04.27	293,217.00	293,195.01	0.54
USD	300,000	Morgan Stanley 4.35% 08.09.26	305,670.00	302,438.57	0.56
USD	150,000	Morgan Stanley 4.38% 22.01.47	147,307.50	153,670.18	0.28
USD	200,000	Morgan Stanley 4.88% 01.11.22	212,536.63	209,285.14	0.38
USD	100,000	Morgan Stanley 5.50% 28.07.21	114,180.00	106,810.32	0.20
USD	50,000	Mylan NV 5.25% 15.06.46	45,710.50	51,245.39	0.09
USD	263,000	National Australia Bank Ltd 1.88% 12.07.21	257,015.70	252,497.45	0.46
USD	300,000	Newell Brands Inc 3.15% 01.04.21	313,571.16	297,543.53	0.55
USD	100,000	Newmont Mining Corp 4.88% 15.03.42	83,650.75	104,928.92	0.19
USD	120,000	Noble Energy Inc 5.25% 15.11.43	128,031.20	129,108.00	0.24
USD	200,000	Novartis Capital Corp 3.40% 06.05.24	213,428.00	202,058.84	0.37
USD	200,000	Occidental Petroleum Corp 3.40% 15.04.26	207,558.00	198,074.92	0.36
USD	100,000	Oracle Corp 2.65% 15.07.26	93,714.00	93,647.10	0.17
USD	200,000	Oracle Corp 3.63% 15.07.23	211,800.00	204,192.20	0.38
USD	200,000	Oracle Corp 3.85% 15.07.36	202,052.00	198,887.79	0.37
USD	200,000	Oracle Corp 4.30% 08.07.34	206,684.00	210,532.08	0.39
USD	200,000	Oracle Corp 6.13% 08.07.39	253,238.19	261,386.23	0.48
USD	150,000	Orange SA 01.03.31	222,005.81	219,275.57	0.40
USD	200,000	Pacific Gas & Electric Co 5.40% 15.01.40	230,964.13	225,505.19	0.41
USD	300,000	PepsiCo Inc 2.75% 30.04.25	287,844.00	288,581.61	0.53
USD	50,000	PepsiCo Inc 4.00% 05.03.42	49,619.50	50,726.64	0.09
USD	100,000	Petro-Canada 6.80% 15.05.38	125,664.00	133,183.42	0.24
USD	300,000	Pfizer Inc 2.75% 03.06.26	286,677.00	286,060.88	0.53
USD	50,000	Philip Morris International Inc 6.38% 16.05.38	63,828.61	64,765.47	0.12
USD	200,000	Phillips 66 4.30% 01.04.22	218,982.44	207,876.67	0.38
USD	100,000	Phillips 66 4.65% 15.11.34	100,247.00	105,026.15	0.19
USD	200,000	PNC Financial Services Group Inc 3.30% 08.03.22	200,840.33	200,983.12	0.37
USD	250,000	QUALCOMM Inc 3.45% 20.05.25	241,575.00	244,493.58	0.45
USD	150,000	QUALCOMM Inc 4.80% 20.05.45	167,406.00	156,740.87	0.29
USD	100,000	Reynolds American Inc 5.70% 15.08.35	107,250.00	114,186.81	0.21
USD	200,000	Rio Tinto Finance USA Ltd 3.75% 15.06.25	200,320.00	203,490.01	0.37
USD	150,000	Royal Bank of Canada 4.65% 27.01.26	162,394.50	155,009.20	0.29
USD	100,000	Sabine Pass Liquefaction LLC 5.63% 01.03.25	110,387.00	107,578.31	0.20
USD	200,000	Santander UK Group Holdings Plc 2.88% 05.08.21	200,112.00	196,410.73	0.36
USD	100,000	Shell International Finance BV 2.25% 06.01.23	96,940.00	96,123.59	0.18
USD	150,000	Shell International Finance BV 3.75% 12.09.46	136,374.00	145,111.16	0.27
USD	200,000	Shell International Finance BV 6.38% 15.12.38	261,173.78	266,403.05	0.49
USD	300,000	Southern Co 3.25% 01.07.26	289,455.00	285,178.01	0.52
USD	250,000	State Street Corp 3.10% 15.05.23	233,970.00	247,457.65	0.46
USD	150,000	Statoil ASA 2.45% 17.01.23	138,936.75	145,533.88	0.27
USD	150,000	Statoil ASA 3.95% 15.05.43	143,535.00	151,775.49	0.28
USD	300,000	Sumitomo Mitsui Financial Group Inc 2.06% 14.07.21	297,171.00	289,814.67	0.53
USD	100,000	Suncor Energy Inc 3.60% 01.12.24	100,302.00	100,031.02	0.18
USD	100,000	Target Corp 4.00% 01.07.42	99,875.00	97,983.91	0.18
USD	100,000	Telefonica Emisiones SAU 7.05% 20.06.36	124,917.18	126,973.58	0.23
USD	50,000	Telefonica Europe BV 8.25% 15.09.30	66,281.50	67,689.17	0.12
USD	200,000	Thermo Fisher Scientific Inc 4.15% 01.02.24	210,454.67	205,785.33	0.38
USD	100,000	Time Warner Inc 3.55% 01.06.24	100,478.00	98,627.09	0.18
USD	100,000	Time Warner Inc 4.85% 15.07.45	115,294.00	101,125.00	0.19
USD	100,000	Time Warner Inc 6.25% 29.03.41	116,495.92	117,898.88	0.22
USD	100,000	Total Capital International SA 2.70% 25.01.23	97,500.00	97,825.31	0.18
USD	100,000	Total Capital International SA 3.75% 10.04.24	104,661.00	101,953.72	0.19
USD	200,000	Toyota Motor Credit Corp 3.30% 12.01.22	205,017.72	202,523.03	0.37
USD	200,000	TransCanada PipeLines Ltd 6.20% 15.10.37	241,995.63	247,242.94	0.45
USD	100,000	Tyson Foods Inc 4.50% 15.06.22	111,193.00	103,832.64	0.19

The accompanying notes are an integral part of these financial statements.

## KBC BONDS CORPORATES USD

### Statement of investments and other net assets (in USD) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
USD	100,000	United Parcel Service Inc 6.20% 15.01.38	133,522.77	130,601.25	0.24
USD	400,000	United Technologies Corp 3.10% 01.06.22	413,424.00	396,560.34	0.73
USD	100,000	UnitedHealth Group Inc 6.88% 15.02.38	135,649.29	137,562.32	0.25
USD	100,000	US Bancorp 2.95% 15.07.22	101,036.00	98,852.22	0.18
USD	200,000	US Bancorp 3.70% 30.01.24	211,303.00	204,081.19	0.38
USD	150,000	Valero Energy Corp 7.50% 15.04.32	182,421.00	196,720.29	0.36
USD	200,000	Verizon Communications Inc 3.50% 01.11.24	200,802.00	198,256.70	0.36
USD	200,000	Verizon Communications Inc 3.85% 01.11.42	170,140.00	176,512.43	0.32
USD	372,000	Verizon Communications Inc 5.01% 15.04.49	353,872.59	386,415.69	0.71
USD	250,000	Verizon Communications Inc 5.01% 21.08.54	248,078.80	250,781.18	0.46
USD	332,000	Verizon Communications Inc 3.38% 15.02.25	327,967.75	326,841.78	0.60
USD	100,000	Viacom Inc 4.25% 01.09.23	99,198.00	101,381.41	0.19
USD	150,000	Viacom Inc 4.38% 15.03.43	115,021.50	135,090.08	0.25
USD	200,000	Visa Inc 4.30% 14.12.45	215,940.00	213,753.20	0.39
USD	200,000	Vodafone Group Plc 4.38% 19.02.43	192,890.55	190,530.87	0.35
USD	100,000	Walgreen Co 3.10% 15.09.22	100,075.00	97,940.56	0.18
USD	100,000	Walgreens Boots Alliance Inc 3.80% 18.11.24	100,695.00	98,665.59	0.18
USD	100,000	Walgreens Boots Alliance Inc 4.80% 18.11.44	98,016.00	99,294.67	0.18
USD	300,000	Walt Disney Co 2.35% 01.12.22	299,790.00	290,555.40	0.53
USD	250,000	Wells Fargo & Co 2.10% 26.07.21	242,400.00	241,424.04	0.44
USD	150,000	Wells Fargo & Co 3.00% 22.01.21	155,053.50	149,384.27	0.27
USD	250,000	Wells Fargo & Co 3.00% 19.02.25	242,547.50	238,394.98	0.44
USD	200,000	Wells Fargo & Co 3.45% 13.02.23	201,700.00	197,708.30	0.36
USD	200,000	Wells Fargo & Co 4.30% 22.07.27	206,080.00	201,629.71	0.37
USD	300,000	Wells Fargo & Co 5.61% 15.01.44	337,408.50	344,638.41	0.63
USD	200,000	Westpac Banking Corp 2.00% 19.08.21	199,432.00	192,600.06	0.35
USD	150,000	Williams Partners LP 6.30% 15.04.40	147,072.50	172,633.25	0.32
USD	200,000	Wyeth LLC 5.95% 01.04.37	253,990.63	254,745.42	0.47
<b>Total bonds</b>			<b>54,187,691.32</b>	<b>53,820,093.50</b>	<b>98.98</b>
<b>Other transferable securities</b>					
<b>Bonds in default of payment</b>					
USD	2,500,000	Lehman Brothers Hqs Inc 6.75% 28.12.17	2,506,000.00	0.00	0.00
<b>Total bonds in default of payment</b>			<b>2,506,000.00</b>	<b>0.00</b>	<b>0.00</b>
Total investments in securities			56,693,691.32	53,820,093.50	98.98
Cash at banks				57,515.13	0.11
Bank overdrafts and borrowings				-227,930.56	-0.42
Other net assets/(liabilities)				723,740.46	1.33
<b>Total</b>				<b>54,373,418.53</b>	<b>100.00</b>

The accompanying notes are an integral part of these financial statements.



## **KBC BONDS EMERGING EUROPE**

### **Investment policy and outlook**

from 1st October 2017 to 31st March 2018

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The sub-fund invests primarily in bonds and debt instruments issued by borrowers in Eastern and Central Europe or denominated in a currency in circulation in the region.

Over the period under review, the region continued to benefit from the strong economic recovery in the euro zone. This resulted in a slight appreciation of most currencies versus the euro. This was especially the case for the Polish Zloty as well as the Czech Koruna, which are both up more than 2% vis-à-vis the euro. The Turkish Lira on the other hand underperformed heavily, as both the inflation rate as well as the current account deficit continued to surprise on the upside. This resulted in a sharp depreciation of almost 15% of the Turkish Lira versus the single currency. Despite the very high double digit yields on Turkish bonds, these were still insufficient to offset the losses on the currency. The contribution of the Russian Ruble as well as the Romanian Ron were as good as flat. All in all, the sub-fund ended the period in a slight negative territory.

Looking forward, growth and inflation across Europe are expected to gradually pick up. This should still support the rather cheap Central European currencies. Turkey remains however a risk, given the high dependency of the economy on international financial funding which is expected to become more expensive once central banks continue to normalize their monetary policy.

## KBC BONDS EMERGING EUROPE

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	115,137,550.12
Cash at banks	1,354,278.59
Other liquid assets	3,088.78
Receivable on sales of securities	2,110,735.88
Receivable on issues of shares	12,124.72
Income receivable on portfolio	2,065,017.66
Unrealised gain on forward foreign exchange contracts	80.99
Total assets	120,682,876.74

#### Liabilities

Payable on purchases of securities	2,253,440.65
Payable on redemptions of shares	39,928.67
Unrealised loss on forward foreign exchange contracts	1,086.34
Expenses payable and other payables	133,575.90
Total liabilities	2,428,031.56

Net assets at the end of the period 118,254,845.18

Number of capitalisation shares outstanding 12,950.1357  
Net asset value per capitalisation share 881.25

Number of distribution shares outstanding 73,064.3692  
Net asset value per distribution share 394.53

Number of capitalisation shares "Institutional B Shares" outstanding 88,613.0340  
Net asset value per capitalisation share "Institutional B Shares" 877.76

Number of distribution shares "USD frequent dividend" outstanding 620.8091  
Net asset value per distribution share "USD frequent dividend" USD 467.04

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EMERGING EUROPE

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	3,260,671.29
Commissions received	33,845.41
Other income	<u>36,847.59</u>
Total income	3,331,364.29

#### Expenses

Management fees	719,140.04
Transaction fees	3,824.50
Fixed service fees and depositary fees	36,215.46
Subscription duty ("taxe d'abonnement")	14,441.52
Interest paid on bank accounts	36,441.79
Other expenses and taxes	<u>28.57</u>
Total expenses	810,091.88

Net investment income	2,521,272.41
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#### Net realised gain/(loss)

- on sales of securities portfolio	-207,659.17
- on futures contracts	-62,000.00
- on forward foreign exchange contracts	-100,715.94
- on foreign exchange	<u>-3,721,659.02</u>

Realised result	-1,570,761.72
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#### Net variation of the unrealised gain/(loss)

- on securities portfolio	-1,024,589.75
- on futures contracts	13,800.00
- on forward foreign exchange contracts	-1,005.35
- on foreign exchange	<u>-13,820.27</u>

Result of operations	-2,596,377.09
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Dividends paid	-1,348,130.29
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Subscriptions	15,571,249.71
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Redemptions	-17,571,234.16
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Total changes in net assets	-5,944,491.83
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Total net assets at the beginning of the period	124,199,337.01
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Total net assets at the end of the period	<u>118,254,845.18</u>
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The accompanying notes are an integral part of these financial statements.

## KBC BONDS EMERGING EUROPE

### Statistical information (in EUR)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	118,254,845.18
- as at 30.09.2017	124,199,337.01
- as at 30.09.2016	69,737,051.12
<b>Number of capitalisation shares</b>	
- outstanding at the beginning of the period	14,600.1427
- issued	47.9664
- redeemed	<u>-1,697.9734</u>
- outstanding at the end of the period	12,950.1357
<b>Net asset value per capitalisation share</b>	
- as at 31.03.2018	881.25
- as at 30.09.2017	900.71
- as at 30.09.2016	940.03
<b>TER per capitalisation share (in %)</b>	
- as at 31.03.2018	1.37
<b>Number of distribution shares</b>	
- outstanding at the beginning of the period	89,631.2304
- issued	209.9445
- redeemed	<u>-16,776.8057</u>
- outstanding at the end of the period	73,064.3692
<b>Net asset value per distribution share</b>	
- as at 31.03.2018	394.53
- as at 30.09.2017	418.36
- as at 30.09.2016	454.61
<b>TER per distribution share (in %)</b>	
- as at 31.03.2018	1.40
<b>Dividends paid to distribution shares</b>	
Ex-dividend date	02.10.2017
Dividend per share	15.00
Shares outstanding at ex-dividend date	89,551.2304
<b>Number of capitalisation shares "Institutional B Shares"</b>	
- outstanding at the beginning of the period	81,722.0340
- issued	17,462.0000
- redeemed	<u>-10,571.0000</u>
- outstanding at the end of the period	88,613.0340
<b>Net asset value per capitalisation share "Institutional B Shares"</b>	
- as at 31.03.2018	877.76
- as at 30.09.2017	896.56
<b>TER per capitalisation share "Institutional B Shares" (in %)</b>	
- as at 31.03.2018	1.26

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EMERGING EUROPE

### Statistical information (in EUR) (continued)

as at 31st March 2018

<b>Number of distribution shares "USD frequent dividend"</b>	
- outstanding at the beginning of the period	714.2166
- issued	2.5450
- redeemed	-95.9525
- outstanding at the end of the period	620.8091
<b>Net asset value per distribution share "USD frequent dividend"</b>	
- as at 31.03.2018	USD 467.04
- as at 30.09.2017	USD 467.42
- as at 30.09.2016	USD 484.83
<b>TER per distribution share "USD frequent dividend" (in %)</b>	
- as at 31.03.2018	1.42
<b>Dividends paid to distribution shares</b>	
Ex-dividend date	02.10.2017
Dividend per share	USD 1.40
Shares outstanding at ex-dividend date	714.2166
Ex-dividend date	02.11.2017
Dividend per share	USD 1.40
Shares outstanding at ex-dividend date	705.5720
Ex-dividend date	01.12.2018
Dividend per share	USD 1.40
Shares outstanding at ex-dividend date	706.0040
Ex-dividend date	02.01.2018
Dividend per share	USD 1.40
Shares outstanding at ex-dividend date	682.1634
Ex-dividend date	01.02.2018
Dividend per share	USD 1.40
Shares outstanding at ex-dividend date	676.5818
Ex-dividend date	01.03.2018
Dividend per share	USD 1.40
Shares outstanding at ex-dividend date	677.0030

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EMERGING EUROPE

### Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
CZK	55,000,000	Czech Republic Government Bond 17.07.19	2,155,803.57	2,152,878.61	1.82
CZK	50,000,000	Czech Republic Government Bond 0.25% 10.02.27	1,732,476.78	1,738,785.08	1.47
CZK	60,000,000	Czech Republic Government Bond 1.00% 26.06.26	2,363,465.44	2,244,726.28	1.90
CZK	155,000,000	Czech Republic Government Bond 2.50% 25.08.28	6,459,547.28	6,483,172.98	5.48
CZK	20,000,000	Czech Republic Government Bond 3.85% 29.09.21	896,401.47	870,018.90	0.74
			13,607,694.54	13,489,581.85	11.41
HUF	200,000,000	Hungary Government Bond 3.00% 26.06.24	648,825.28	690,039.96	0.58
HUF	300,000,000	Hungary Government Bond 5.50% 24.06.25	1,153,470.13	1,189,015.82	1.01
HUF	750,000,000	Hungary Government Bond 6.00% 24.11.23	2,980,141.38	2,987,271.44	2.53
HUF	200,000,000	Hungary Government Bond 6.75% 22.10.28	837,247.00	895,436.19	0.76
HUF	800,000,000	Hungary Government Bond 7.00% 24.06.22	3,133,276.28	3,184,743.06	2.69
HUF	580,000,000	Hungary Government Bond 7.50% 12.11.20	2,297,593.85	2,192,960.19	1.85
			11,050,553.92	11,139,966.66	9.42
PLN	30,000,000	Republic of Poland Government Bond 1.50% 25.04.20	7,040,589.62	7,123,620.11	6.01
PLN	25,000,000	Republic of Poland Government Bond 1.75% 25.07.21	5,797,586.44	5,914,392.18	5.00
PLN	13,000,000	Republic of Poland Government Bond 2.00% 25.04.21	3,021,069.90	3,106,806.59	2.63
PLN	14,200,000	Republic of Poland Government Bond 2.50% 25.07.18	3,241,895.48	3,394,970.78	2.87
PLN	16,800,000	Republic of Poland Government Bond 2.50% 25.07.26	3,715,560.11	3,843,863.54	3.25
PLN	8,000,000	Republic of Poland Government Bond 2.50% 25.07.27	1,790,463.06	1,808,097.23	1.53
PLN	6,000,000	Republic of Poland Government Bond 4.00% 25.10.23	1,484,990.82	1,534,110.01	1.30
PLN	20,250,000	Republic of Poland Government Bond 5.75% 23.09.22	5,297,895.67	5,526,369.24	4.67
			31,390,051.10	32,252,229.68	27.26
RON	4,000,000	Romania Government Bond 2.25% 26.02.20	889,363.07	849,536.35	0.72
RON	5,000,000	Romania Government Bond 2.50% 29.04.19	1,121,916.81	1,072,275.59	0.91
RON	5,000,000	Romania Government Bond 3.50% 19.12.22	1,142,417.85	1,051,302.52	0.89
RON	5,000,000	Romania Government Bond 4.75% 24.06.19	1,170,385.06	1,099,774.93	0.93
RON	3,000,000	Romania Government Bond 4.75% 24.02.25	714,286.13	664,279.43	0.56
RON	1,000,000	Romania Government Bond 5.60% 28.11.18	234,748.43	220,064.38	0.19
RON	5,000,000	Romania Government Bond 5.75% 29.04.20	1,216,534.86	1,133,248.18	0.95
RON	10,000,000	Romania Government Bond 5.80% 26.07.27	2,421,924.83	2,359,655.18	1.99
RON	4,000,000	Romania Government Bond 5.85% 26.04.23	1,005,961.36	928,851.12	0.79
			9,917,538.40	9,378,987.68	7.93
RUB	55,000,000	European Bank for Reconstruction & Development 6.00% 24.07.23	840,268.46	787,472.82	0.67
RUB	100,600,000	Russian Federal Bond - OFZ 6.40% 27.05.20	1,536,938.70	1,427,797.96	1.21
RUB	75,000,000	Russian Federal Bond - OFZ 6.70% 15.05.19	1,165,060.64	1,066,529.82	0.90
RUB	35,800,000	Russian Federal Bond - OFZ 6.80% 11.12.19	560,971.20	511,092.44	0.43
RUB	200,000,000	Russian Federal Bond - OFZ 7.00% 25.01.23	2,822,762.81	2,900,940.47	2.45
RUB	310,000,000	Russian Federal Bond - OFZ 7.00% 16.08.23	4,775,911.04	4,493,411.05	3.80
RUB	117,600,000	Russian Federal Bond - OFZ 7.05% 19.01.28	1,812,009.97	1,676,975.11	1.42
RUB	100,000,000	Russian Federal Bond - OFZ 7.50% 18.08.21	1,573,675.14	1,461,507.28	1.24
RUB	105,000,000	Russian Federal Bond - OFZ 7.60% 14.04.21	1,688,144.81	1,535,377.02	1.30
RUB	50,000,000	Russian Federal Bond - OFZ 7.60% 20.07.22	791,622.06	739,075.62	0.62
RUB	60,000,000	Russian Federal Bond - OFZ 7.70% 23.03.33	937,289.39	886,199.25	0.75
RUB	117,200,000	Russian Federal Bond - OFZ 7.75% 16.09.26	1,880,466.82	1,751,825.38	1.48
RUB	410,700,000	Russian Federal Bond - OFZ 8.15% 03.02.27	6,391,228.94	6,307,692.52	5.34
RUB	121,700,000	Russian Federal Bond - OFZ 8.50% 17.09.31	2,078,189.66	1,932,559.74	1.63
			28,854,539.64	27,478,456.48	23.24

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EMERGING EUROPE

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
TRY	7,000,000	European Investment Bank 9.25% 20.07.18	2,191,478.83	1,416,055.45	1.20
TRY	6,500,000	Turkey Government Bond 7.10% 08.03.23	1,970,274.09	1,060,001.33	0.90
TRY	9,000,000	Turkey Government Bond 8.50% 10.07.19	2,161,778.51	1,738,326.24	1.47
TRY	15,500,000	Turkey Government Bond 9.50% 12.01.22	4,189,699.25	2,830,732.60	2.39
TRY	8,000,000	Turkey Government Bond 10.40% 20.03.24	2,503,771.54	1,505,358.91	1.27
TRY	7,500,000	Turkey Government Bond 10.50% 11.08.27	1,531,555.28	1,387,797.65	1.17
TRY	11,500,000	Turkey Government Bond 10.60% 11.02.26	2,959,371.37	2,151,561.01	1.82
TRY	13,500,000	Turkey Government Bond 10.70% 17.08.22	2,774,000.37	2,546,527.86	2.15
TRY	16,000,000	Turkey Government Bond 11.00% 02.03.22	4,124,693.21	3,062,442.72	2.60
TRY	16,000,000	Turkey Government Bond 11.00% 24.02.27	3,698,201.02	3,050,948.30	2.58
TRY	3,500,000	Turkiye Garanti Bankasi AS 11.50% 12.11.21	690,591.84	649,075.70	0.55
			<u>28,795,415.31</u>	<u>21,398,827.77</u>	<u>18.10</u>
Total investments in securities			123,615,792.91	115,137,550.12	97.36
Cash at banks				1,354,278.59	1.15
Other net assets/(liabilities)				<u>1,763,016.47</u>	<u>1.49</u>
Total				<u><u>118,254,845.18</u></u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS GLOBAL EMERGING OPPORTUNITIES

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	222,045.57
Cash at banks	4,856.31
Income receivable on portfolio	<u>4,459.12</u>
Total assets	<u>231,361.00</u>

#### Liabilities

Bank overdrafts and borrowings	210.36
Expenses payable and other payables	<u>274.71</u>
Total liabilities	<u>485.07</u>
Net assets at the end of the period	<u>230,875.93</u>
Number of capitalisation shares outstanding	337.0000
Net asset value per capitalisation share	685.09

The accompanying notes are an integral part of these financial statements.



## KBC BONDS GLOBAL EMERGING OPPORTUNITIES

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	1,669,273.61
Interest on bank accounts	1,670.07
Commissions received	48,242.51
Other income	92,491.02
Total income	1,811,677.21

#### Expenses

Management fees	317,388.44
Transaction fees	15,532.00
Fixed service fees and depositary fees	15,871.70
Interest paid on bank accounts	1,852.29
Total expenses	350,644.43

Net investment income	1,461,032.78
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#### Net realised gain/(loss)

- on sales of securities portfolio	-1,045,293.87
- on forward foreign exchange contracts	-238,900.42
- on foreign exchange	-13,796,975.87

Realised result	-13,620,137.38
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#### Net variation of the unrealised gain/(loss)

- on securities portfolio	13,063,690.80
- on foreign exchange	161,745.42

Result of operations	-394,701.16
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Dividends paid	-
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Subscriptions	7,846,008.99
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Redemptions	-143,952,800.01
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Total changes in net assets	-136,501,492.18
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Total net assets at the beginning of the period	136,732,368.11
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Total net assets at the end of the period	230,875.93
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The accompanying notes are an integral part of these financial statements.

## KBC BONDS GLOBAL EMERGING OPPORTUNITIES

### Statistical information (in EUR)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	230,875.93
- as at 30.09.2017	136,732,368.11
- as at 30.09.2016	112,100,852.81
<b>Number of capitalisation shares</b>	
- outstanding at the beginning of the period	440.0000
- issued	-
- redeemed	-103.0000
- outstanding at the end of the period	337.0000
<b>Net asset value per capitalisation share</b>	
- as at 31.03.2018	685.09
- as at 30.09.2017	683.14
- as at 30.09.2016	687.17
<b>TER per capitalisation share (in %)</b>	
- as at 31.03.2018	1.61
<b>Number of capitalisation shares "Institutional B Shares"</b>	
- outstanding at the beginning of the period	199,260.0000
- issued	11,441.0000
- redeemed	-210,701.0000
- outstanding at the end of the period	-
<b>Net asset value per capitalisation share "Institutional B Shares"</b>	
- as at 31.03.2018	-
- as at 30.09.2017	684.69
- as at 30.09.2016	688.50

The accompanying notes are an integral part of these financial statements.

## KBC BONDS GLOBAL EMERGING OPPORTUNITIES

### Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
IDR	250,000,000	European Bank for Reconstruction & Development 7.38% 15.04.19	17,169.24	15,047.06	6.52
IDR	500,000,000	European Investment Bank 4.95% 01.03.19	<u>30,802.24</u>	<u>29,419.07</u>	<u>12.74</u>
			47,971.48	44,466.13	19.26
MXN	200,000	Mexican Bonos 8.00% 11.06.20	10,500.26	9,056.03	3.92
MXN	400,000	Mexican Bonos 10.00% 20.11.36	<u>29,337.51</u>	<u>22,140.04</u>	<u>9.59</u>
			39,837.77	31,196.07	13.51
MYR	100,000	Malaysia Government Bond 3.44% 15.02.21	20,041.77	21,020.99	9.10
MYR	100,000	Malaysia Government Bond 3.88% 10.03.22	<u>20,289.44</u>	<u>21,273.90</u>	<u>9.22</u>
			40,331.21	42,294.89	18.32
PLN	150,000	Republic of Poland Government Bond 5.50% 25.10.19	38,131.25	37,882.73	16.41
RUB	1,000,000	IBRD 7.25% 23.11.20	16,437.59	14,765.82	6.40
RUB	2,500,000	International Finance Corp 8.75% 17.12.18	37,032.34	36,037.27	15.61
RUB	1,000,000	International Finance Corp 11.00% 21.01.20	<u>17,547.38</u>	<u>15,402.66</u>	<u>6.67</u>
			71,017.31	66,205.75	28.68
Total investments in securities			<u>237,289.02</u>	<u>222,045.57</u>	<u>96.18</u>
Cash at banks				4,856.31	2.10
Bank overdrafts and borrowings				-210.36	-0.09
Other net assets/(liabilities)				<u>4,184.41</u>	<u>1.81</u>
Total				<u><u>230,875.93</u></u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EMU SHORT MEDIUM

### Investment policy and outlook

from 1st October 2017 to 31st March 2018

The economy of the Eurozone showed a strong performance in the final quarter of 2017 and the first months of 2018, although by the end of Q1, some signs of moderation have shown up. Growth was broadly based with consumption, investment, domestic and foreign sales doing well. Also geographically there was a good equilibrium between the Northern and Southern members of the Eurozone. Although leading indicators like the purchasing managers index point to some moderation in the coming months, the outlook remains bright.

The European inflation remained very well behaved during the reporting period : higher energy prices kept the headline figure in the neighbourhood of 1.5% year-on-year but the underlying or core rate remained (too low) at just 1% for the first months of 2018. But this offers the European Central Bank (ECB) ample room to phase out QE.

The combination of solid growth and moderate inflation allowed the Central banks to shift their policy in a gradual, guided way. In the US both outgoing chair Yellen and incoming chair Powell raised interest rates. The ECB, still in the phase of winding down QE, decided to reduce the Purchasing Program from 60 to 30 billion EUR a month, starting in 2018. Only the Japanese Central Bank did not alter its loose monetary policy.

But how important the decisions of the Central banks were, politics remained on the center stage. Increasing trade tensions between the US and China but also between the US and the Nafta members Mexico and Canada tested the nerves of the financial markets.

The benchmark 2 year German bond yield started the new accounting year at -0.7%, climbing in the first months of the new year to -0.5%. The yield correction triggered by the weakness in equity markets had less effect than in the long end of the bond market. The 2 year Bund yield reached -0.6% by the end of Q1.

Spreads between Germany and the Southern countries, Italy and Spain remained under pressure. Despite negative political developments in Spain (separatism) and especially the Italian parliamentary elections with a very good result for the populist parties, investors remained very sanguine about the outlook for both markets and spreads tightened to quite low levels

Given the expensive valuation of European government bonds, the fund has been underweight duration versus the market during the reporting period.

#### Outlook

We expect an ongoing recovery of the European economy with good growth and moderate inflation. The very high confidence indicators point to ongoing strength for 2018 and thereafter.

European government bond prices remain extremely expensive, an ongoing rise in yields, started at the end of 2017, is the most likely scenario. The ECB will be cautious in the unwinding of QE, but it is unlikely that there will be no impact whatsoever on the yield levels of Eurozone government bonds as the termination of QE will raise the chances for a first hike in interest rates in the course of 2019.

## KBC BONDS EMU SHORT MEDIUM

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	811,587,953.04
Cash at banks	2,625,123.92
Other liquid assets	9,018.61
Receivable on issues of shares	444,541.70
Income receivable on portfolio	7,264,412.40
	<hr/>
Total assets	821,931,049.67

#### Liabilities

Payable on redemptions of shares	297,860.98
Expenses payable and other payables	491,205.11
	<hr/>
Total liabilities	789,066.09

Net assets at the end of the period	821,141,983.58
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Number of capitalisation shares "Institutional B Shares" outstanding	688,269.6139
Net asset value per capitalisation share "Institutional B Shares"	1,193.05

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EMU SHORT MEDIUM

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	4,118,034.50
Commissions received	279,094.35
Total income	<u>4,397,128.85</u>

#### Expenses

Management fees	1,465,717.13
Transaction fees	1,819.50
Fixed service fees and depositary fees	127,172.25
Subscription duty ("taxe d'abonnement")	27,103.89
Interest paid on bank accounts	4,759.01
Total expenses	<u>1,626,571.78</u>

Net investment income	2,770,557.07
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#### Net realised gain/(loss)

- on sales of securities portfolio	<u>-1,633,236.44</u>
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Realised result	1,137,320.63
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#### Net variation of the unrealised gain/(loss)

- on securities portfolio	<u>781,991.57</u>
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Result of operations	<u>1,919,312.20</u>
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Dividends paid	-
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Subscriptions	824,385,360.55
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Redemptions	-324,667,892.79
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Total changes in net assets	<u>501,636,779.96</u>
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Total net assets at the beginning of the period	<u>319,505,203.62</u>
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Total net assets at the end of the period	<u>821,141,983.58</u>
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The accompanying notes are an integral part of these financial statements.

## KBC BONDS EMU SHORT MEDIUM

### Statistical information (in EUR)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	821,141,983.58
- as at 30.09.2017	319,505,203.62
- as at 30.09.2016	35,501,870.66
<b>Number of capitalisation shares "Institutional B Shares"</b>	
- outstanding at the beginning of the period	267,436.6139
- issued	693,315.0000
- redeemed	<u>-272,482.0000</u>
- outstanding at the end of the period	<u>688,269.6139</u>
<b>Net asset value per capitalisation share "Institutional B Shares"</b>	
- as at 31.03.2018	1,193.05
- as at 30.09.2017	1,194.70
- as at 30.09.2016	1,205.35
<b>TER per capitalisation share "Institutional B Shares" (in %)</b>	
- as at 31.03.2018	0.77

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EMU SHORT MEDIUM

### Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
EUR	18,000,000	Bundesobligation 08.10.21	18,155,340.00	18,239,400.00	2.22
EUR	19,000,000	Bundesrepublik Deutschland 1.50% 04.09.22	20,475,082.31	20,471,398.00	2.49
EUR	41,000,000	Bundesrepublik Deutschland 2.00% 04.01.22	44,595,402.61	44,628,500.00	5.43
EUR	75,600,000	Bundesrepublik Deutschland 3.25% 04.07.21	85,237,214.69	84,726,432.00	10.32
EUR	7,500,000	Finland Government Bond 15.04.22	7,531,504.00	7,549,822.50	0.92
EUR	5,400,000	Finland Government Bond 3.50% 15.04.21	6,052,578.10	6,035,634.00	0.74
EUR	85,065,000	French Republic Government Bond OAT 25.05.21	85,857,677.41	85,932,663.00	10.48
EUR	8,200,000	French Republic Government Bond OAT 25.05.22	8,286,779.17	8,251,578.00	1.00
EUR	58,000,000	French Republic Government Bond OAT 3.25% 25.10.21	65,524,280.00	65,295,240.00	7.95
EUR	7,000,000	French Republic Government Bond OAT 3.75% 25.04.21	7,930,553.51	7,886,410.00	0.96
EUR	8,700,000	Ireland Government Bond 0.80% 15.03.22	9,037,940.00	9,029,208.00	1.10
EUR	81,000,000	Italy Buoni Poliennali Del Tesoro 0.45% 01.06.21	81,467,320.30	82,047,330.00	9.99
EUR	4,500,000	Italy Buoni Poliennali Del Tesoro 1.45% 15.09.22	4,641,795.00	4,687,335.00	0.57
EUR	65,300,000	Italy Buoni Poliennali Del Tesoro 2.15% 15.12.21	69,637,062.33	69,931,650.64	8.52
EUR	7,600,000	Italy Buoni Poliennali Del Tesoro 3.75% 01.05.21	8,448,861.90	8,464,986.40	1.03
EUR	41,360,000	Italy Buoni Poliennali Del Tesoro 3.75% 01.08.21	46,317,324.98	46,346,775.20	5.64
EUR	4,700,000	Kingdom of Belgium Government Bond 4.00% 28.03.22	5,529,014.35	5,497,919.00	0.67
EUR	35,000,000	Kingdom of Belgium Government Bond 4.25% 28.09.21	40,895,955.86	40,598,250.00	4.94
EUR	25,400,000	Netherlands Government Bond 15.01.22	25,546,161.00	25,669,367.00	3.13
EUR	27,400,000	Netherlands Government Bond 3.25% 15.07.21	30,904,899.86	30,709,098.00	3.74
EUR	23,200,000	Republic of Austria Government Bond 3.50% 15.09.21	26,412,652.41	26,259,848.00	3.20
EUR	9,600,000	Republic of Austria Government Bond 3.65% 20.04.22	11,156,239.00	11,094,432.00	1.35
EUR	18,000,000	Spain Government Bond 0.40% 30.04.22	18,086,940.00	18,325,080.00	2.23
EUR	74,040,000	Spain Government Bond 0.75% 30.07.21	75,977,013.90	76,363,375.20	9.30
EUR	6,415,000	Spain Government Bond 5.50% 30.04.21	7,591,557.84	7,546,221.10	0.92
Total investments in securities			811,297,150.53	811,587,953.04	98.84
Cash at banks				2,625,123.92	0.32
Other net assets/(liabilities)				<u>6,928,906.62</u>	<u>0.84</u>
Total				<u>821,141,983.58</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.



## KBC BONDS SRI HIGH INTEREST

### Investment policy and outlook

from 1st October 2017 to 31st March 2018

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The sub-fund invests primarily in bonds from sustainable and socially responsible issuers denominated in currencies with a yield at least 0.5% higher than the yield on bonds issued by the Federal Republic of Germany.

During the reporting period, the sub-fund failed to take profit from the strong global economy and the recovery of high interest markets. On the one hand, the Euro strengthened against almost all other currencies of developed or emerging markets. On the other hand, some high interest markets suffered during the 2 quarters of the reporting period from an unusual large depreciation. As an example, despite the 2-year yield differential of the US Treasury market compared to the German government market widening almost 1%, the USD still weakened during the same time around 9% against the Euro. Another market hit very hard were the Turkish bonds and currency. Although the currency is to a large extent undervalued according to several valuation models, the Turkish Lira depreciated almost 16% due to geopolitical tensions and disappointing inflation figures. At the same, the portfolio also holds an important position of 10% in Norwegian bonds because of their relative value and attractive potential. However, the Norwegian Krone underperformed the Euro while the oil price, which traditionally shows a strong correlation with the Krone, moved up almost 25%.

These losses were partly offset by the extra spread of the high interest bonds in the portfolio and some specific markets. Indeed some Emerging markets like Brazil, Russia, Indonesia and Malaysia recorded gains as improving global growth and higher prices for oil and commodities helped to support investor sentiment.

Looking forward early mixed signals on global growth, trade war worries, Trump tweets and higher US rates all have the potential to lead to a more cautious approach during the coming months. The sub-fund is gradually redirecting to a slightly more defensive mode. An extra 10% position in Euro has been built up. In case of market turmoil or extreme volatility, this will help to partly tackle other headwinds in the portfolio. Finally, some high-risk markets like the Turkish Lira, the Indian Rupee and the South-African Rand have been reduced in the portfolio.

## KBC BONDS SRI HIGH INTEREST

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	176,761,424.29
Cash at banks	5,915,438.36
Other liquid assets	542,938.21
Receivable on sales of securities	5,147,626.72
Receivable on issues of shares	872,522.12
Income receivable on portfolio	3,089,592.67
Unrealised gain on forward foreign exchange contracts	18,291.64
Total assets	192,347,834.01

#### Liabilities

Payable on purchases of securities	5,202,583.27
Payable on redemptions of shares	86,448.75
Unrealised loss on forward foreign exchange contracts	23,006.06
Expenses payable and other payables	186,002.15
Total liabilities	5,498,040.23

Net assets at the end of the period 186,849,793.78

Number of capitalisation shares outstanding 16,287.0756  
Net asset value per capitalisation share 472.75

Number of distribution shares outstanding 7,775.1168  
Net asset value per distribution share 439.36

Number of capitalisation shares "Institutional B Shares" outstanding 150,076.0000  
Net asset value per capitalisation share "Institutional B Shares" 956.90

Number of capitalisation shares "Institutional Shares" outstanding 66,662.0000  
Net asset value per capitalisation share "Institutional Shares" 481.92

The accompanying notes are an integral part of these financial statements.

## KBC BONDS SRI HIGH INTEREST

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	3,299,596.03
Interest on bank accounts	1,884.06
Commissions received	237,169.10
Other income	2,943.83
Total income	<u>3,541,593.02</u>

#### Expenses

Management fees	926,912.99
Transaction fees	6,392.50
Fixed service fees and depositary fees	51,388.29
Subscription duty ("taxe d'abonnement")	10,801.15
Interest paid on bank accounts	31,059.93
Total expenses	<u>1,026,554.86</u>

Net investment income	2,515,038.16
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#### Net realised gain/(loss)

- on sales of securities portfolio	-295,879.62
- on forward foreign exchange contracts	-378,009.85
- on foreign exchange	<u>-3,256,516.09</u>

Realised result	-1,415,367.40
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#### Net variation of the unrealised gain/(loss)

- on securities portfolio	-1,808,065.72
- on forward foreign exchange contracts	9,018.20
- on foreign exchange	<u>-72,313.64</u>

Result of operations	<u>-3,286,728.56</u>
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Dividends paid	-78,911.17
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Subscriptions	92,728,715.28
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Redemptions	-33,383,240.99
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Total changes in net assets	<u>55,979,834.56</u>
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Total net assets at the beginning of the period	130,869,959.22
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Total net assets at the end of the period	<u>186,849,793.78</u>
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The accompanying notes are an integral part of these financial statements.

## KBC BONDS SRI HIGH INTEREST

### Statistical information (in EUR)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	186,849,793.78
- as at 30.09.2017	130,869,959.22
- as at 30.09.2016	29,856,571.58
<b>Number of capitalisation shares</b>	
- outstanding at the beginning of the period	5,754.0000
- issued	10,614.0756
- redeemed	-81.0000
- outstanding at the end of the period	16,287.0756
<b>Net asset value per capitalisation share</b>	
- as at 31.03.2018	472.75
- as at 30.09.2017	482.73
- as at 30.09.2016	493.96
<b>TER per capitalisation share (in %)</b>	
- as at 31.03.2018	1.42
<b>Number of distribution shares</b>	
- outstanding at the beginning of the period	7,891.1168
- issued	3,318.0000
- redeemed	-3,434.0000
- outstanding at the end of the period	7,775.1168
<b>Net asset value per distribution share</b>	
- as at 31.03.2018	439.36
- as at 30.09.2017	458.56
- as at 30.09.2016	479.41
<b>TER per distribution share (in %)</b>	
- as at 31.03.2018	1.43
<b>Dividends paid to distribution shares</b>	
Ex-dividend date	02.10.2017
Dividend per share	10.00
Shares outstanding at ex-dividend date	7,891.1168
<b>Number of capitalisation shares "Institutional B Shares"</b>	
- outstanding at the beginning of the period	97,126.0000
- issued	85,186.0000
- redeemed	-32,236.0000
- outstanding at the end of the period	150,076.0000
<b>Net asset value per capitalisation share "Institutional B Shares"</b>	
- as at 31.03.2018	956.90
- as at 30.09.2017	976.02
<b>TER per capitalisation share "Institutional B Shares" (in %)</b>	
- as at 31.03.2018	1.29

The accompanying notes are an integral part of these financial statements.

## KBC BONDS SRI HIGH INTEREST

### Statistical information (in EUR) (continued)

as at 31st March 2018

#### Number of capitalisation shares "Institutional Shares"

- outstanding at the beginning of the period	60,554.0000
- issued	8,280.0000
- redeemed	-2,172.0000
<hr/>	
- outstanding at the end of the period	66,662.0000

#### Net asset value per capitalisation share "Institutional Shares"

- as at 31.03.2018	481.92
- as at 30.09.2017	490.09
- as at 30.09.2016	498.26

#### TER per capitalisation share "Institutional Shares" (in %)

- as at 31.03.2018	0.69
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## KBC BONDS SRI HIGH INTEREST

### Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
ARS	25,000,000	European Bank for Reconstruction & Development 25.01.19	863,481.92	870,075.67	0.47
ARS	20,000,000	European Bank for Reconstruction & Development 01.02.19	676,517.40	692,021.65	0.37
ARS	11,000,000	Nordic Investment Bank 14.00% 27.01.20	<u>418,097.40</u>	<u>414,305.86</u>	<u>0.22</u>
			1,958,096.72	1,976,403.18	1.06
AUD	4,400,000	IBRD 2.80% 12.01.22	3,058,085.44	2,777,033.30	1.49
BRL	3,000,000	European Investment Bank 7.25% 28.06.21	759,964.23	743,414.81	0.40
BRL	1,000,000	European Investment Bank 8.50% 23.01.20	263,958.52	255,435.46	0.14
BRL	2,000,000	European Investment Bank 10.00% 19.06.18	603,623.15	493,170.75	0.26
BRL	6,000,000	International Finance Corp 10.00% 14.06.19	1,767,034.40	1,536,781.56	0.83
BRL	1,000,000	Kreditanstalt fuer Wiederaufbau 8.75% 15.04.19	<u>301,987.47</u>	<u>251,941.91</u>	<u>0.13</u>
			3,696,567.77	3,280,744.49	1.76
CAD	3,200,000	Canadian Government Bond 0.50% 01.03.22	1,991,856.19	1,909,605.38	1.03
CAD	2,000,000	Canadian Government Bond 0.75% 01.03.21	1,279,824.52	1,221,146.17	0.65
CAD	2,600,000	Canadian Government Bond 1.25% 01.02.20	<u>1,703,575.69</u>	<u>1,624,622.71</u>	<u>0.87</u>
			4,975,256.40	4,755,374.26	2.55
COP	1,000,000,000	IBRD 4.25% 20.06.19	283,850.93	290,134.69	0.16
COP	3,000,000,000	IBRD 4.75% 15.01.21	860,444.84	865,660.54	0.45
COP	3,000,000,000	International Finance Corp 4.75% 26.07.21	<u>851,065.14</u>	<u>852,146.94</u>	<u>0.46</u>
			1,995,360.91	2,007,942.17	1.07
EUR	6,500,000	French Republic Government Bond OAT 25.05.22	6,519,565.00	6,540,885.00	3.50
EUR	4,250,000	Ireland Government Bond 0.80% 15.03.22	4,418,052.97	4,410,820.00	2.36
EUR	7,500,000	Kingdom of Belgium Government Bond 3.00% 28.09.19	<u>8,170,447.32</u>	<u>7,900,500.00</u>	<u>4.24</u>
			19,108,065.29	18,852,205.00	10.10
GBP	3,000,000	United Kingdom Gilt 1.25% 22.07.18	3,430,021.15	3,429,314.62	1.84
GBP	3,500,000	United Kingdom Gilt 1.50% 22.01.21	4,068,095.44	4,062,296.95	2.17
GBP	1,500,000	United Kingdom Gilt 1.50% 22.07.47	<u>1,627,488.94</u>	<u>1,629,995.71</u>	<u>0.87</u>
			9,125,605.53	9,121,607.28	4.88
IDR	15,000,000,000	European Bank for Reconstruction & Development 6.45% 13.12.22	948,834.30	902,619.94	0.48
IDR	50,000,000,000	European Bank for Reconstruction & Development 7.38% 15.04.19	3,387,835.70	3,009,412.33	1.61
IDR	14,000,000,000	European Investment Bank 4.95% 01.03.19	906,251.67	823,733.92	0.44
IDR	46,000,000,000	European Investment Bank 5.75% 24.01.25	2,796,886.75	2,669,620.02	1.43
IDR	12,000,000,000	Inter-American Development Bank 6.25% 15.06.21	796,929.35	717,808.21	0.38
IDR	65,000,000,000	Inter-American Development Bank 7.88% 14.03.23	<u>4,519,679.63</u>	<u>4,156,773.58</u>	<u>2.23</u>
			13,356,417.40	12,279,968.00	6.57
INR	133,000,000	Asian Development Bank 6.45% 08.08.21	1,908,489.72	1,663,061.50	0.89
INR	60,000,000	European Bank for Reconstruction & Development 5.00% 14.06.21	811,101.91	720,183.33	0.39
INR	20,000,000	European Bank for Reconstruction & Development 5.15% 20.01.20	271,524.15	243,994.39	0.13
INR	230,000,000	European Bank for Reconstruction & Development 6.00% 04.05.20	2,976,085.88	2,921,275.44	1.56
INR	50,000,000	European Bank for Reconstruction & Development 6.00% 07.02.23	628,505.64	612,744.27	0.33
INR	15,000,000	Inter-American Development Bank 5.50% 23.08.21	199,964.17	181,242.65	0.10
INR	260,000,000	International Finance Corp 6.30% 25.11.24	3,662,757.00	3,196,966.73	1.70
INR	100,000,000	International Finance Corp 7.80% 03.06.19	<u>1,417,913.87</u>	<u>1,266,130.37</u>	<u>0.68</u>
			11,876,342.34	10,805,598.68	5.78

The accompanying notes are an integral part of these financial statements.

## KBC BONDS SRI HIGH INTEREST

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
MXN	55,000,000	European Investment Bank 4.00% 25.02.20	2,434,454.52	2,298,299.27	1.23
MXN	16,000,000	European Investment Bank 5.50% 23.01.23	702,963.27	660,196.69	0.35
MXN	180,000,000	IBRD 19.09.22	5,806,706.86	5,866,038.80	3.15
MXN	32,000,000	IBRD 4.00% 16.08.18	1,505,463.30	1,407,238.86	0.75
MXN	10,000,000	IBRD 7.50% 05.03.20	478,952.97	443,067.40	0.24
MXN	115,000,000	Inter-American Development Bank 7.50% 05.12.24	<u>5,244,938.04</u>	<u>5,125,268.61</u>	<u>2.74</u>
			16,173,478.96	15,800,109.63	8.46
MYR	35,000,000	Malaysia Government Bond 3.80% 17.08.23	7,042,102.45	7,363,073.36	3.94
MYR	27,000,000	Malaysia Government Bond 4.38% 29.11.19	<u>5,515,747.33</u>	<u>5,772,361.90</u>	<u>3.09</u>
			12,557,849.78	13,135,435.26	7.03
NOK	38,500,000	Norway Government Bond 3.00% 14.03.24	4,566,273.01	4,307,952.77	2.31
NOK	60,000,000	Norway Government Bond 3.75% 25.05.21	6,953,116.69	6,703,190.84	3.58
NOK	55,000,000	Norway Government Bond 4.50% 22.05.19	<u>6,363,385.82</u>	<u>5,933,887.66</u>	<u>3.18</u>
			17,882,775.52	16,945,031.27	9.07
PLN	10,500,000	European Investment Bank 2.75% 25.08.26	2,352,530.55	2,429,994.44	1.30
PLN	11,000,000	European Investment Bank 3.00% 24.05.24	2,620,929.04	2,656,371.57	1.42
PLN	14,560,000	European Investment Bank 4.25% 25.10.22	3,739,679.98	3,706,995.65	1.98
PLN	22,000,000	Republic of Poland Government Bond 2.25% 25.04.22	<u>5,167,300.80</u>	<u>5,248,272.34</u>	<u>2.81</u>
			13,880,440.37	14,041,634.00	7.51
RUB	280,000,000	European Bank for Reconstruction & Development 22.01.26	2,530,449.47	2,553,685.69	1.37
RUB	100,000,000	European Investment Bank 6.00% 13.07.20	1,455,207.81	1,440,232.15	0.77
RUB	420,000,000	IBRD 7.25% 23.11.20	6,447,465.43	6,201,642.65	3.32
RUB	35,000,000	International Finance Corp 6.38% 11.04.22	512,304.92	508,134.77	0.27
RUB	20,000,000	International Finance Corp 8.75% 17.12.18	299,110.91	288,298.14	0.15
RUB	150,000,000	International Finance Corp 11.00% 21.01.20	<u>2,367,047.85</u>	<u>2,310,398.34</u>	<u>1.24</u>
			13,611,586.39	13,302,391.74	7.12
TRY	60,500,000	European Investment Bank 05.09.22	8,159,700.69	7,355,850.93	3.94
TRY	4,000,000	European Investment Bank 8.00% 01.04.20	969,980.42	743,044.67	0.40
TRY	12,500,000	IBRD 24.02.20	2,304,633.05	2,004,481.14	1.07
TRY	20,000,000	International Finance Corp 10.75% 06.04.20	<u>4,842,061.78</u>	<u>3,871,670.64</u>	<u>2.07</u>
			16,276,375.94	13,975,047.38	7.48
USD	1,000,000	European Investment Bank 1.25% 16.12.19	809,448.58	797,817.50	0.43
USD	5,500,000	European Investment Bank 4.88% 15.02.36	5,563,663.77	5,601,301.12	3.00
USD	8,200,000	Kreditanstalt fuer Wiederaufbau 2.38% 29.12.22	6,519,524.73	6,554,916.38	3.50
USD	6,300,000	Kreditanstalt fuer Wiederaufbau 2.75% 01.10.20	<u>5,354,735.56</u>	<u>5,147,968.53</u>	<u>2.76</u>
			18,247,372.64	18,102,003.53	9.69
ZAR	30,000,000	European Investment Bank 7.50% 30.01.19	1,965,890.18	2,062,350.19	1.10
ZAR	10,000,000	European Investment Bank 8.38% 29.07.22	605,483.59	705,254.53	0.38
ZAR	20,000,000	Kreditanstalt fuer Wiederaufbau 7.00% 21.01.19	<u>1,248,363.69</u>	<u>1,368,943.57</u>	<u>0.72</u>
			3,819,737.46	4,136,548.29	2.20
<b>Total bonds</b>			<b>181,599,414.86</b>	<b>175,295,077.46</b>	<b>93.82</b>
<b><u>Other transferable securities</u></b>					
<b>Bonds</b>					
MYR	7,000,000	Malaysia Government Bond 3.90% 16.11.27	<u>1,401,924.94</u>	<u>1,466,346.83</u>	<u>0.78</u>
<b>Total bonds</b>			<b>1,401,924.94</b>	<b>1,466,346.83</b>	<b>0.78</b>
Total investments in securities			183,001,339.80	176,761,424.29	94.60
Cash at banks				5,915,438.36	3.17
Other net assets/(liabilities)				<u>4,172,931.13</u>	<u>2.23</u>
Total				<u><b>186,849,793.78</b></u>	<u><b>100.00</b></u>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC EMERGING OPPORTUNITIES

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	597,214,322.66
Collateral paid	3,530,000.00
Cash at banks	31,511,371.42
Other liquid assets	140,741.71
Receivable on sales of securities	3,425,485.82
Receivable on issues of shares	456,361.54
Income receivable on portfolio	6,994,107.47
Unrealised gain on forward foreign exchange contracts	162,080.54
Prepaid expenses and other receivables	459.36
	<hr/>
Total assets	643,434,930.52

#### Liabilities

Bank overdrafts and borrowings	3,125,835.84
Payable on purchases of securities	6,487,877.40
Payable on redemptions of shares	304,138.17
Unrealised loss on forward foreign exchange contracts	5,156,671.29
Expenses payable and other payables	720,522.86
	<hr/>
Total liabilities	15,795,045.56

Net assets at the end of the period	627,639,884.96
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Number of capitalisation shares "Institutional B Shares" outstanding	607,301.9880
Net asset value per capitalisation share "Institutional B Shares"	1,033.49

The accompanying notes are an integral part of these financial statements.



## KBC BONDS STRATEGIC EMERGING OPPORTUNITIES

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	14,331,733.72
Interest on bank accounts	4,726.58
Commissions received	<u>1,883,205.59</u>
Total income	16,219,665.89

#### Expenses

Management fees	4,162,234.64
Transaction fees	110,525.17
Fixed service fees and depositary fees	209,530.54
Subscription duty ("taxe d'abonnement")	32,356.12
Interest paid on bank accounts	<u>48,550.23</u>
Total expenses	4,563,196.70

Net investment income	11,656,469.19
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#### Net realised gain/(loss)

- on sales of securities portfolio	-1,829,611.61
- on forward foreign exchange contracts	-12,227,381.24
- on foreign exchange	<u>-10,127,679.75</u>

Realised result	-12,528,203.41
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#### Net variation of the unrealised gain/(loss)

- on securities portfolio	-6,310,581.06
- on forward foreign exchange contracts	-2,056,315.04
- on foreign exchange	<u>97,950.63</u>

Result of operations	-20,797,148.88
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Dividends paid	-
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Subscriptions	571,222,421.35
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Redemptions	-684,247,906.38
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Total changes in net assets	-133,822,633.91
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Total net assets at the beginning of the period	761,462,518.87
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Total net assets at the end of the period	<u>627,639,884.96</u>
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The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC EMERGING OPPORTUNITIES

### Statistical information (in EUR)

as at 31st March 2018

#### Total net assets

- as at 31.03.2018	627,639,884.96
- as at 30.09.2017	761,462,518.87
- as at 30.09.2016	531,778,803.13

#### Number of capitalisation shares "Institutional B Shares"

- outstanding at the beginning of the period	716,549.9880
- issued	546,640.0000
- redeemed	<u>-655,888.0000</u>
- outstanding at the end of the period	<u>607,301.9880</u>

#### Net asset value per capitalisation share "Institutional B Shares"

- as at 31.03.2018	1,033.49
- as at 30.09.2017	1,062.68
- as at 30.09.2016	1,051.17

#### TER per capitalisation share "Institutional B Shares" (in %)

- as at 31.03.2018	1.27
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## KBC BONDS STRATEGIC EMERGING OPPORTUNITIES

### Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
BRL	24,000,000	Brazil Letras do Tesouro Nacional 01.01.19	5,235,748.41	5,611,996.15	0.89
BRL	30,000,000	Brazil Notas do Tesouro Nacional Serie F 10.00% 01.01.21	8,151,643.15	7,884,713.67	1.26
BRL	27,000,000	Brazil Notas do Tesouro Nacional Serie F 10.00% 01.01.23	7,546,461.52	7,058,591.20	1.12
BRL	27,000,000	Brazil Notas do Tesouro Nacional Serie F 10.00% 01.01.25	<u>7,408,867.76</u>	<u>7,008,389.73</u>	<u>1.12</u>
			28,342,720.84	27,563,690.75	4.39
CZK	180,000,000	Czech Republic Government Bond 2.50% 25.08.28	7,511,317.90	7,528,846.04	1.20
EUR	26,500,000	Bundesobligation 17.04.20	26,970,058.25	26,825,155.00	4.27
EUR	25,000,000	Bundesobligation 0.25% 13.04.18	25,291,205.53	25,004,750.00	3.98
EUR	25,000,000	Bundesobligation 0.25% 16.10.20	25,589,522.65	25,512,875.00	4.06
EUR	22,000,000	Bundesobligation 0.50% 12.04.19	22,628,502.29	22,270,380.00	3.55
EUR	20,000,000	Bundesrepublik Deutschland 3.00% 04.07.20	22,018,942.86	21,629,800.00	3.45
EUR	28,000,000	French Republic Government Bond OAT 1.00% 25.05.19	28,723,480.00	28,517,076.00	4.54
EUR	50,000,000	Kingdom of Belgium Government Bond 1.25% 22.06.18	<u>50,453,107.14</u>	<u>50,208,000.00</u>	<u>8.01</u>
			201,674,818.72	199,968,036.00	31.86
HUF	1,200,000,000	Hungary Government Bond 1.00% 23.09.20	3,935,863.97	3,891,948.45	0.62
HUF	1,200,000,000	Hungary Government Bond 1.75% 26.10.22	3,957,792.57	3,929,403.76	0.63
HUF	1,300,000,000	Hungary Government Bond 2.50% 27.10.21	4,373,312.50	4,399,107.40	0.70
HUF	1,500,000,000	Hungary Government Bond 3.00% 27.10.27	5,118,784.24	5,054,590.54	0.81
HUF	1,300,000,000	Hungary Government Bond 5.50% 24.06.25	<u>5,013,320.67</u>	<u>5,152,401.89</u>	<u>0.81</u>
			22,399,073.95	22,427,452.04	3.57
IDR	60,000,000,000	Indonesia Treasury Bond 6.13% 15.05.28	3,510,226.49	3,415,139.13	0.54
IDR	80,000,000,000	Indonesia Treasury Bond 7.00% 15.05.22	5,144,646.24	4,870,079.94	0.78
IDR	80,000,000,000	Indonesia Treasury Bond 7.00% 15.05.27	5,423,727.47	4,826,375.61	0.77
IDR	60,000,000,000	Indonesia Treasury Bond 7.88% 15.04.19	3,964,655.23	3,640,157.38	0.58
IDR	80,000,000,000	Indonesia Treasury Bond 8.25% 15.07.21	5,766,076.46	5,040,172.48	0.80
IDR	60,000,000,000	Indonesia Treasury Bond 8.38% 15.03.24	4,185,003.96	3,884,665.39	0.62
IDR	60,000,000,000	Indonesia Treasury Bond 8.38% 15.09.26	4,458,633.84	3,947,564.19	0.63
IDR	72,000,000,000	Indonesia Treasury Bond 8.38% 15.03.34	<u>5,190,380.19</u>	<u>4,672,229.25</u>	<u>0.74</u>
			37,643,349.88	34,296,383.37	5.46
INR	350,000,000	Asian Development Bank 6.20% 06.10.26	4,899,273.86	4,216,341.31	0.67
INR	200,000,000	European Investment Bank 6.60% 04.03.19	2,791,207.16	2,497,353.65	0.40
INR	150,000,000	International Finance Corp 7.80% 03.06.19	<u>2,157,469.87</u>	<u>1,899,195.56</u>	<u>0.30</u>
			9,847,950.89	8,612,890.52	1.37
MXN	75,000,000	Mexican Bonos 5.00% 11.12.19	3,564,060.22	3,218,841.74	0.51
MXN	60,000,000	Mexican Bonos 5.75% 05.03.26	2,434,073.40	2,429,375.85	0.39
MXN	85,000,000	Mexican Bonos 6.50% 10.06.21	3,729,181.45	3,712,166.69	0.59
MXN	90,000,000	Mexican Bonos 6.50% 09.06.22	4,115,002.55	3,908,153.39	0.62
MXN	60,000,000	Mexican Bonos 7.50% 03.06.27	2,898,792.89	2,706,112.96	0.43
MXN	60,000,000	Mexican Bonos 7.75% 29.05.31	3,017,152.67	2,738,186.63	0.44
MXN	75,000,000	Mexican Bonos 8.00% 11.06.20	3,525,856.04	3,396,010.46	0.54
MXN	60,000,000	Mexican Bonos 8.50% 13.12.18	3,261,169.36	2,689,629.25	0.43
MXN	60,000,000	Mexican Bonos 8.50% 31.05.29	3,188,365.70	2,902,464.64	0.46
MXN	70,000,000	Mexican Bonos 10.00% 05.12.24	3,650,005.37	3,578,968.69	0.57
MXN	80,000,000	Mexican Bonos 10.00% 20.11.36	5,189,485.36	4,428,007.75	0.71
MXN	58,000,000	Petroleos Mexicanos 7.19% 12.09.24	<u>2,441,247.22</u>	<u>2,247,754.85</u>	<u>0.36</u>
			41,014,392.23	37,955,672.90	6.05
PLN	25,000,000	Republic of Poland Government Bond 25.01.24	5,649,608.32	5,944,717.83	0.95
PLN	30,000,000	Republic of Poland Government Bond 1.50% 25.04.20	6,937,919.33	7,123,620.11	1.13
PLN	28,000,000	Republic of Poland Government Bond 1.75% 25.07.21	6,488,966.85	6,624,119.24	1.06
PLN	21,000,000	Republic of Poland Government Bond 2.00% 25.04.21	4,816,030.44	5,018,687.57	0.80

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC EMERGING OPPORTUNITIES

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
PLN	21,000,000	Republic of Poland Government Bond 2.25% 25.04.22	4,711,427.38	5,009,714.50	0.80
PLN	21,000,000	Republic of Poland Government Bond 2.50% 25.07.18	4,980,488.10	5,020,731.44	0.80
PLN	24,000,000	Republic of Poland Government Bond 2.50% 25.07.26	5,301,959.96	5,491,233.62	0.87
PLN	23,000,000	Republic of Poland Government Bond 2.50% 25.07.27	5,063,019.56	5,198,279.52	0.83
PLN	25,000,000	Republic of Poland Government Bond 3.25% 25.07.19	6,047,941.46	6,081,450.32	0.97
PLN	25,000,000	Republic of Poland Government Bond 3.25% 25.07.25	5,903,156.07	6,078,186.31	0.97
PLN	20,000,000	Republic of Poland Government Bond 4.00% 25.10.23	5,093,863.67	5,113,700.04	0.81
PLN	24,000,000	Republic of Poland Government Bond 5.75% 25.10.21	6,361,905.77	6,443,518.42	1.03
			<u>67,356,286.91</u>	<u>69,147,958.92</u>	<u>11.02</u>
RUB	250,000,000	Russian Federal Bond - OFZ 6.70% 15.05.19	3,750,608.23	3,555,099.40	0.57
RUB	450,000,000	Russian Federal Bond - OFZ 7.00% 16.08.23	6,569,263.31	6,522,693.46	1.04
RUB	400,000,000	Russian Federal Bond - OFZ 7.05% 19.01.28	5,678,759.63	5,703,996.96	0.91
RUB	300,000,000	Russian Federal Bond - OFZ 7.10% 16.10.24	4,367,224.08	4,344,177.58	0.69
RUB	500,000,000	Russian Federal Bond - OFZ 7.40% 07.12.22	7,361,832.74	7,354,237.05	1.17
RUB	450,000,000	Russian Federal Bond - OFZ 7.50% 18.08.21	6,748,337.36	6,576,782.77	1.05
RUB	500,000,000	Russian Federal Bond - OFZ 7.70% 23.03.33	7,263,754.95	7,384,993.71	1.18
RUB	400,000,000	Russian Federal Bond - OFZ 7.75% 16.09.26	6,062,313.19	5,978,926.21	0.95
RUB	400,000,000	Russian Federal Bond - OFZ 8.15% 03.02.27	6,367,020.94	6,143,357.71	0.98
RUB	550,000,000	Russian Federal Bond - OFZ 8.50% 17.09.31	9,070,613.77	8,733,836.14	1.39
			<u>63,239,728.20</u>	<u>62,298,100.99</u>	<u>9.93</u>
THB	40,000,000	Thailand Government Bond 2.13% 17.12.26	1,034,582.08	1,017,133.47	0.17
THB	25,000,000	Thailand Government Bond 3.40% 17.06.36	733,917.81	670,528.76	0.11
THB	35,000,000	Thailand Government Bond 3.65% 17.12.21	1,036,657.74	977,216.46	0.16
THB	20,000,000	Thailand Government Bond 3.85% 12.12.25	597,324.17	577,490.77	0.09
THB	22,000,000	Thailand Government Bond 4.26% 12.12.37	729,038.60	658,566.80	0.10
THB	20,000,000	Thailand Government Bond 4.68% 29.06.44	719,800.22	652,788.87	0.10
			<u>4,851,320.62</u>	<u>4,553,725.13</u>	<u>0.73</u>
TRY	22,000,000	Turkey Government Bond 7.10% 08.03.23	4,619,802.65	3,587,696.81	0.57
TRY	27,000,000	Turkey Government Bond 8.00% 12.03.25	5,595,040.71	4,444,647.10	0.71
TRY	20,000,000	Turkey Government Bond 8.50% 10.07.19	4,843,939.67	3,862,947.19	0.62
TRY	10,000,000	Turkey Government Bond 8.80% 14.11.18	2,794,122.19	1,994,282.41	0.32
TRY	25,000,000	Turkey Government Bond 9.20% 22.09.21	6,037,830.82	4,538,757.69	0.72
TRY	27,000,000	Turkey Government Bond 9.40% 08.07.20	7,024,555.09	5,095,826.70	0.81
TRY	20,000,000	Turkey Government Bond 10.50% 15.01.20	5,445,521.08	3,903,998.70	0.62
TRY	25,000,000	Turkey Government Bond 10.50% 11.08.27	4,990,512.92	4,625,992.15	0.74
TRY	23,000,000	Turkey Government Bond 10.60% 11.02.26	5,267,668.07	4,303,122.02	0.69
TRY	25,000,000	Turkey Government Bond 10.70% 17.08.22	5,418,073.10	4,715,792.33	0.75
TRY	20,000,000	Turkey Government Bond 11.00% 02.03.22	4,540,188.38	3,828,053.41	0.61
TRY	25,000,000	Turkey Government Bond 11.00% 24.02.27	6,098,795.62	4,767,106.72	0.76
TRY	18,000,000	Turkey Government Bond 11.10% 15.05.19	4,028,376.57	3,593,347.55	0.57
			<u>66,704,426.87</u>	<u>53,261,570.78</u>	<u>8.49</u>
USD	17,500,000	United States Treasury Note Bond 0.75% 31.07.18	14,669,472.90	14,179,167.78	2.25
USD	10,500,000	United States Treasury Note Bond 1.00% 15.10.19	9,431,386.59	8,381,323.94	1.34
			<u>24,100,859.49</u>	<u>22,560,491.72</u>	<u>3.59</u>
ZAR	35,000,000	Republic of South Africa Government Bond 7.00% 28.02.31	2,048,191.67	2,132,679.16	0.34
ZAR	42,000,000	Republic of South Africa Government Bond 8.00% 21.12.18	2,811,452.65	2,907,941.25	0.46
ZAR	45,000,000	Republic of South Africa Government Bond 8.00% 31.01.30	2,716,048.47	3,005,373.41	0.48
ZAR	53,000,000	Republic of South Africa Government Bond 8.75% 31.01.44	3,330,095.70	3,589,145.03	0.57
ZAR	25,000,000	Republic of South Africa Government Bond 8.88% 28.02.35	1,643,786.06	1,744,597.07	0.28
ZAR	35,000,000	Republic of South Africa Government Bond 9.00% 31.01.40	2,297,807.91	2,437,341.72	0.39
ZAR	35,000,000	Republic of South Africa Government Bond 10.50% 21.12.26	2,660,341.75	2,777,848.09	0.44
			<u>17,507,724.21</u>	<u>18,594,925.73</u>	<u>2.96</u>
<b>Total bonds</b>			<u>592,193,970.71</u>	<u>568,769,744.89</u>	<u>90.62</u>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC EMERGING OPPORTUNITIES

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Other transferable securities</b>					
<b>Bonds</b>					
MYR	30,000,000	Malaysia Government Bond 3.76% 15.03.19	6,180,760.19	6,344,885.15	1.00
MYR	28,000,000	Malaysia Government Bond 3.80% 17.08.23	5,723,963.49	5,890,458.69	0.94
MYR	25,000,000	Malaysia Government Bond 3.88% 10.03.22	5,051,382.14	5,318,473.90	0.85
MYR	17,000,000	Malaysia Government Bond 3.90% 16.11.27	3,397,428.79	3,561,128.02	0.57
MYR	20,000,000	Malaysia Government Bond 3.90% 30.11.26	4,153,270.11	4,174,847.40	0.67
MYR	15,000,000	Malaysia Government Bond 3.96% 15.09.25	<u>3,126,172.70</u>	<u>3,154,784.61</u>	<u>0.50</u>
<b>Total bonds</b>			<u>27,632,977.42</u>	<u>28,444,577.77</u>	<u>4.53</u>
Total investments in securities			<u>619,826,948.13</u>	<u>597,214,322.66</u>	<u>95.15</u>
Cash at banks				31,511,371.42	5.02
Bank overdrafts and borrowings				-3,125,835.84	-0.50
Other net assets/(liabilities)				<u>2,040,026.72</u>	<u>0.33</u>
Total				<u><u>627,639,884.96</u></u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC CORPORATE BONDS

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	991,575,252.82
Cash at banks	10,285,595.39
Other liquid assets	667,586.21
Broker margin on swaps contracts	263,014.06
Receivable on sales of securities	1,064,383.84
Receivable on issues of shares	737,941.14
Receivable on swaps contracts	229,824,593.18
Income receivable on portfolio	8,347,255.73
	<hr/>
Total assets	1,242,765,622.37

#### Liabilities

Payable on redemptions of shares	492,229.31
Payable on swaps contracts	225,037,500.00
Swaps at market value	2,334,927.38
Expenses payable and other payables	891,778.10
	<hr/>
Total liabilities	228,756,434.79

Net assets at the end of the period	1,014,009,187.58
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Number of capitalisation shares "Institutional B Shares" outstanding	970,336.3380
Net asset value per capitalisation share "Institutional B Shares"	1,045.01

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC CORPORATE BONDS

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	13,255,712.62
Interest on swaps contracts	849,113.65
Commissions received	3,439,262.90
Other income	561.24
Total income	<u>17,544,650.41</u>

#### Expenses

Management fees	6,528,442.67
Transaction fees	5,056.00
Fixed service fees and depositary fees	463,152.52
Subscription duty ("taxe d'abonnement")	63,754.15
Interest paid on bank accounts	105,343.98
Interest paid on swaps contracts	16,000.96
Other expenses and taxes	11,578.30
Total expenses	<u>7,193,328.58</u>

Net investment income	10,351,321.83
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#### Net realised gain/(loss)

- on sales of securities portfolio	-4,438,713.67
- on foreign exchange	725.62
- on swaps contracts	122,157.68

Realised result	6,035,491.46
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#### Net variation of the unrealised gain/(loss)

- on securities portfolio	-4,269,186.66
- on foreign exchange	-51,523.10
- on swaps contracts	-149,901.97

Result of operations	<u>1,564,879.73</u>
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Dividends paid	-
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Subscriptions	1,914,050,596.77
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Redemptions	-2,720,333,904.43
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Total changes in net assets	<u>-804,718,427.93</u>
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Total net assets at the beginning of the period	<u>1,818,727,615.51</u>
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Total net assets at the end of the period	<u>1,014,009,187.58</u>
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The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC CORPORATE BONDS

### Statistical information (in EUR)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	1,014,009,187.58
- as at 30.09.2017	1,818,727,615.51
- as at 30.09.2016	1,489,445,459.53
<b>Number of capitalisation shares "Institutional B Shares"</b>	
- outstanding at the beginning of the period	1,740,664.3380
- issued	1,820,345.0000
- redeemed	<u>-2,590,673.0000</u>
- outstanding at the end of the period	970,336.3380
<b>Net asset value per capitalisation share "Institutional B Shares"</b>	
- as at 31.03.2018	1,045.01
- as at 30.09.2017	1,044.85
- as at 30.09.2016	1,042.43
<b>TER per capitalisation share "Institutional B Shares" (in %)</b>	
- as at 31.03.2018	0.92

The accompanying notes are an integral part of these financial statements.



## KBC BONDS STRATEGIC CORPORATE BONDS

### Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
EUR	1,700,000	ABB Finance BV 0.63% 03.05.23	1,697,212.00	1,720,304.55	0.17
EUR	800,000	Abertis Infraestructuras SA 2.50% 27.02.25	822,735.90	866,222.36	0.09
EUR	300,000	Abertis Infraestructuras SA 3.75% 20.06.23	351,627.56	346,438.85	0.03
EUR	500,000	ABN AMRO Bank NV 0.63% 31.05.22	506,820.00	506,034.98	0.05
EUR	1,000,000	ABN AMRO Bank NV 30.06.25	1,037,300.00	1,050,321.95	0.10
EUR	1,000,000	ABN AMRO Bank NV 6.38% 27.04.21	1,205,600.00	1,174,027.15	0.12
EUR	2,000,000	Accor SA 2.38% 17.09.23	2,200,000.00	2,151,890.90	0.21
EUR	1,500,000	Accor SA 2.63% 05.02.21	1,613,505.00	1,599,676.43	0.16
EUR	1,000,000	Achmea BV 31.12.49	960,478.57	1,054,699.50	0.10
EUR	1,000,000	Aeroports de Paris 1.50% 24.07.23	1,077,222.00	1,049,553.20	0.10
EUR	900,000	Aeroports de Paris 3.13% 11.06.24	1,034,063.56	1,029,994.61	0.10
EUR	1,000,000	Allianz Finance II BV 08.07.41	1,169,500.00	1,156,514.20	0.11
EUR	1,000,000	Allianz Finance II BV 08.07.41	1,157,500.00	1,156,514.20	0.11
EUR	500,000	Allianz SE 07.07.45	481,851.67	509,451.50	0.05
EUR	1,000,000	Allianz SE 07.07.45	1,022,550.00	1,018,903.00	0.10
EUR	1,000,000	Allianz SE 06.07.47	1,076,750.00	1,062,319.95	0.10
EUR	1,000,000	Allianz SE 31.12.49	1,090,800.00	1,072,045.00	0.11
EUR	1,000,000	Allianz SE 31.12.49	1,122,019.00	1,150,935.00	0.11
EUR	1,000,000	Allianz SE 17.10.42	1,210,652.50	1,197,515.35	0.12
EUR	3,000,000	America Movil SAB de CV 1.50% 10.03.24	3,084,450.00	3,113,065.65	0.31
EUR	1,500,000	America Movil SAB de CV 3.00% 12.07.21	1,644,000.00	1,636,584.15	0.16
EUR	750,000	America Movil SAB de CV 3.26% 22.07.23	848,437.50	849,890.59	0.08
EUR	2,000,000	America Movil SAB de CV 06.09.73	2,359,768.00	2,401,983.30	0.24
EUR	2,000,000	Anheuser-Busch InBev SA 0.63% 17.03.20	2,041,885.71	2,026,968.70	0.20
EUR	1,500,000	Anheuser-Busch InBev SA 1.15% 22.01.27	1,489,710.00	1,479,167.18	0.15
EUR	1,000,000	Anheuser-Busch InBev SA 1.50% 17.03.25	1,034,553.33	1,037,766.50	0.10
EUR	2,000,000	Anheuser-Busch InBev SA 2.00% 17.03.28	2,058,410.00	2,098,201.50	0.21
EUR	2,000,000	Anheuser-Busch InBev SA 2.75% 17.03.36	2,192,520.00	2,126,505.30	0.21
EUR	3,000,000	Apple Inc 0.88% 24.05.25	3,031,200.00	3,015,806.10	0.30
EUR	1,000,000	Apple Inc 1.00% 10.11.22	1,060,760.00	1,034,048.70	0.10
EUR	2,000,000	Aptiv Plc 1.50% 10.03.25	1,986,079.39	2,024,672.50	0.20
EUR	1,000,000	Aquarius & Investments Plc for Zurich Insurance Co Ltd 02.10.43	1,114,570.00	1,139,249.05	0.11
EUR	1,000,000	Aroundtown SA 1.00% 07.01.25	976,230.00	959,056.60	0.09
EUR	3,300,000	Aroundtown SA 1.88% 19.01.26	3,203,871.00	3,305,911.13	0.33
EUR	3,000,000	Aroundtown SA 2.13% 13.03.23	3,099,960.00	3,144,336.30	0.31
EUR	2,200,000	ASML Holding NV 0.63% 07.07.22	2,203,284.00	2,222,356.18	0.22
EUR	3,000,000	ASML Holding NV 1.38% 07.07.26	3,063,600.00	3,054,900.75	0.30
EUR	700,000	Assicurazioni Generali SpA 2.88% 14.01.20	749,366.15	735,897.58	0.07
EUR	1,000,000	Assicurazioni Generali SpA 4.13% 04.05.26	1,089,718.66	1,107,549.15	0.11
EUR	1,500,000	Assicurazioni Generali SpA 27.10.47	1,700,800.00	1,727,700.00	0.17
EUR	1,600,000	Assicurazioni Generali SpA 12.12.42	1,885,282.00	2,013,293.28	0.20
EUR	1,600,000	Assicurazioni Generali SpA 10.07.42	2,059,150.00	2,152,008.00	0.21
EUR	2,000,000	AT&T Inc 1.45% 01.06.22	2,093,000.00	2,079,533.40	0.21
EUR	2,000,000	AT&T Inc 2.60% 17.12.29	2,098,554.29	2,094,590.50	0.21
EUR	2,000,000	AT&T Inc 3.55% 17.12.32	2,233,300.00	2,228,920.60	0.22
EUR	4,900,000	Autoroutes du Sud de la France SA 2.95% 17.01.24	5,781,940.50	5,526,529.19	0.55
EUR	2,000,000	AXA SA 06.07.47	2,137,062.67	2,105,654.90	0.21
EUR	1,000,000	AXA SA 31.12.49	1,102,000.00	1,073,763.75	0.11
EUR	1,000,000	AXA SA 04.07.43	1,169,885.00	1,173,139.90	0.12
EUR	1,850,000	AXA SA 16.04.40	2,058,691.72	2,024,739.35	0.20
EUR	1,300,000	Banco Bilbao Vizcaya Argentaria SA 11.04.24	1,352,093.56	1,342,810.63	0.13
EUR	1,000,000	Banco Bilbao Vizcaya Argentaria SA 3.50% 10.02.27	1,105,500.00	1,113,085.80	0.11
EUR	1,000,000	Bank of America Corp 1.38% 10.09.21	1,017,670.00	1,036,482.90	0.10
EUR	2,000,000	Bank of America Corp 07.02.25	2,036,220.00	2,030,578.20	0.20
EUR	2,000,000	Bank of America Corp 1.63% 14.09.22	2,095,010.00	2,087,189.00	0.21
EUR	2,000,000	Bank of America Corp 04.05.27	2,050,200.00	2,049,811.20	0.20
EUR	3,000,000	Banque Federative du Credit Mutuel SA 0.38% 13.01.22	3,011,010.00	3,004,606.65	0.30

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC CORPORATE BONDS

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
EUR	2,000,000	Banque Federative du Credit Mutuel SA 1.25% 14.01.25	2,057,195.00	2,042,707.60	0.20
EUR	500,000	Banque Federative du Credit Mutuel SA 2.38% 24.03.26	514,532.40	521,503.73	0.05
EUR	2,000,000	Banque Federative du Credit Mutuel SA 2.63% 24.02.21	2,187,340.00	2,144,695.10	0.21
EUR	2,000,000	Banque Federative du Credit Mutuel SA 2.63% 18.03.24	2,346,200.00	2,221,043.40	0.22
EUR	2,000,000	Banque Federative du Credit Mutuel SA 3.00% 11.09.25	2,128,200.00	2,178,831.70	0.21
EUR	1,000,000	Barclays Bank Plc 2.25% 10.06.24	1,107,600.00	1,088,708.85	0.11
EUR	2,000,000	Barclays Bank Plc 6.00% 14.01.21	2,329,820.00	2,278,950.30	0.22
EUR	2,000,000	Barclays Plc 1.88% 23.03.21	2,097,600.00	2,083,749.30	0.21
EUR	2,000,000	Barclays Plc 1.88% 08.12.23	2,092,260.00	2,066,929.00	0.20
EUR	1,000,000	Barclays Plc 11.11.25	1,016,248.75	1,033,685.75	0.10
EUR	1,000,000	BASF Finance Europe NV 0.75% 10.11.26	995,000.00	994,405.35	0.10
EUR	1,500,000	Bayer AG 02.04.75	1,438,410.00	1,530,602.48	0.15
EUR	1,500,000	Bayer AG 01.07.75	1,532,350.00	1,564,580.03	0.15
EUR	500,000	Bayer Capital Corp BV 1.25% 13.11.23	529,000.00	521,853.73	0.05
EUR	2,000,000	Berkshire Hathaway Inc 0.75% 16.03.23	2,022,918.18	2,015,194.30	0.20
EUR	3,275,000	Berkshire Hathaway Inc 1.13% 16.03.27	3,357,523.79	3,223,348.50	0.32
EUR	2,800,000	Berkshire Hathaway Inc 1.30% 15.03.24	2,921,800.00	2,884,092.12	0.28
EUR	300,000	Bertelsmann SE & Co KGaA 23.04.75	308,920.00	310,563.12	0.03
EUR	2,500,000	BG Energy Capital Plc 1.25% 21.11.22	2,622,155.00	2,597,550.25	0.26
EUR	2,000,000	Bharti Airtel International Netherlands BV 3.38% 20.05.21	2,146,816.66	2,144,152.60	0.21
EUR	3,500,000	BHP Billiton Finance Ltd 22.04.76	3,825,276.79	3,895,470.95	0.38
EUR	1,000,000	BMW Finance NV 1.00% 15.02.22	1,030,200.00	1,029,313.35	0.10
EUR	1,275,000	BMW Finance NV 1.25% 05.09.22	1,321,865.27	1,324,058.49	0.13
EUR	2,000,000	BMW Finance NV 2.63% 17.01.24	2,227,070.70	2,225,952.60	0.22
EUR	1,000,000	BNP Paribas Cardif SA 31.12.49	1,014,750.00	1,086,896.65	0.11
EUR	3,000,000	BNP Paribas SA 1.13% 15.01.23	3,156,145.00	3,088,223.25	0.30
EUR	1,000,000	BNP Paribas SA 1.50% 25.05.28	1,049,000.00	1,025,459.60	0.10
EUR	2,000,000	BNP Paribas SA 2.25% 13.01.21	2,157,800.00	2,121,975.60	0.21
EUR	2,000,000	BNP Paribas SA 14.10.27	2,102,003.00	2,129,220.50	0.21
EUR	2,000,000	BNP Paribas SA 2.75% 27.01.26	2,126,600.00	2,137,847.10	0.21
EUR	2,000,000	Booking Holdings Inc 2.38% 23.09.24	2,065,994.67	2,147,013.70	0.21
EUR	3,000,000	BP Capital Markets Plc 0.83% 19.09.24	2,986,740.00	2,985,917.70	0.29
EUR	1,000,000	BP Capital Markets Plc 1.37% 03.03.22	1,028,100.00	1,040,535.30	0.10
EUR	500,000	BP Capital Markets Plc 1.53% 26.09.22	517,225.00	522,922.60	0.05
EUR	2,000,000	BP Capital Markets Plc 1.95% 03.03.25	2,152,600.00	2,128,467.20	0.21
EUR	1,500,000	BPCE SA 2.13% 17.03.21	1,608,750.00	1,589,395.35	0.16
EUR	1,000,000	BPCE SA 30.11.27	1,014,907.50	1,069,352.85	0.11
EUR	1,000,000	BPCE SA 2.88% 22.04.26	1,025,825.00	1,077,388.60	0.11
EUR	26,200,000	Bundesobligation 08.04.22	26,680,397.68	26,512,042.00	2.62
EUR	32,940,000	Bundesobligation 0.25% 11.10.19	33,662,914.17	33,397,207.20	3.30
EUR	53,000,000	Bundesobligation 0.25% 16.10.20	54,284,342.86	54,087,295.00	5.34
EUR	38,600,000	Bundesrepublik Deutschland 2.25% 04.09.21	43,355,875.59	42,116,074.00	4.16
EUR	39,500,000	Bundesrepublik Deutschland 3.25% 04.01.20	43,997,359.15	42,234,190.00	4.18
EUR	2,000,000	Capgemini SA 1.75% 01.07.20	2,087,800.00	2,070,392.30	0.20
EUR	2,000,000	Capgemini SE 0.50% 09.11.21	1,997,045.00	2,017,244.40	0.20
EUR	5,000,000	Carnival Corp 1.13% 06.11.19	5,126,310.65	5,094,102.25	0.50
EUR	2,000,000	Carnival Corp 1.88% 07.11.22	2,114,000.00	2,123,033.30	0.21
EUR	600,000	Carrefour SA 0.75% 26.04.24	595,284.00	587,556.45	0.06
EUR	500,000	Carrefour SA 3.88% 25.04.21	581,600.00	554,141.35	0.05
EUR	500,000	Carrefour SA 4.00% 09.04.20	574,240.00	539,962.70	0.05
EUR	450,000	Cie Financiere et Industrielle des Autoroutes SA 5.00% 24.05.21	546,028.87	518,500.51	0.05
EUR	3,000,000	Citigroup Inc 0.75% 26.10.23	2,982,900.00	2,975,399.40	0.29
EUR	2,000,000	Citigroup Inc 2.38% 22.05.24	2,198,863.08	2,164,480.70	0.21
EUR	2,000,000	CK Hutchison Finance 16 II Ltd 0.88% 03.10.24	1,963,924.76	1,981,797.40	0.20
EUR	2,200,000	CK Hutchison Finance 16 Ltd 1.25% 06.04.23	2,207,656.00	2,251,675.03	0.22
EUR	2,000,000	CK Hutchison Finance 16 Ltd 2.00% 06.04.28	2,120,000.00	2,081,673.30	0.21
EUR	5,000,000	CNOOC Curtis Funding No 1 Pty Ltd 2.75% 03.10.20	5,335,181.00	5,300,314.00	0.52
EUR	1,000,000	CNP Assurances 29.11.49	1,085,000.00	1,084,953.00	0.11
EUR	1,000,000	CNP Assurances 14.09.40	1,145,366.66	1,123,591.00	0.11
EUR	400,000	Coca-Cola Co 0.75% 09.03.23	407,372.96	406,355.64	0.04
EUR	2,000,000	Coca-Cola Co 0.75% 09.03.23	1,999,385.22	2,031,778.20	0.20
EUR	2,000,000	Commerzbank AG 0.50% 13.09.23	1,979,600.00	1,951,617.80	0.19
EUR	500,000	Commerzbank AG 4.00% 16.09.20	575,570.00	547,274.70	0.05
EUR	3,000,000	Commonwealth Bank of Australia 22.04.27	3,102,483.75	3,112,997.25	0.31
EUR	3,000,000	Cooperatieve Rabobank UA 0.13% 11.10.21	3,002,400.00	2,993,968.05	0.30
EUR	2,000,000	Cooperatieve Rabobank UA 1.25% 23.03.26	2,033,000.00	2,040,280.50	0.20

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC CORPORATE BONDS

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
EUR	2,000,000	Cooperatieve Rabobank UA 1.38% 03.02.27	2,125,400.00	2,051,452.50	0.20
EUR	2,000,000	Cooperatieve Rabobank UA 3.88% 25.07.23	2,266,046.67	2,304,240.40	0.23
EUR	2,000,000	Cooperatieve Rabobank UA 4.13% 12.01.21	2,331,264.70	2,225,869.50	0.22
EUR	2,000,000	Cooperatieve Rabobank UA 4.13% 14.09.22	2,343,360.00	2,290,901.50	0.23
EUR	1,000,000	Credit Agricole Assurances SA 31.12.49	1,061,875.00	1,085,571.25	0.11
EUR	1,000,000	Credit Agricole Assurances SA 31.12.49	1,054,603.33	1,105,070.00	0.11
EUR	1,000,000	Credit Agricole Assurances SA 27.09.48	1,008,680.00	1,149,540.85	0.11
EUR	4,000,000	Credit Agricole SA 0.75% 01.12.22	4,056,567.04	4,046,875.20	0.40
EUR	2,000,000	Credit Agricole SA 1.00% 16.09.24	2,014,720.00	2,022,078.10	0.20
EUR	3,000,000	Credit Agricole SA 1.88% 20.12.26	2,985,120.00	3,105,549.00	0.31
EUR	500,000	Credit Agricole SA 2.38% 20.05.24	552,765.00	546,968.18	0.05
EUR	1,000,000	Credit Agricole SA 3.13% 17.07.23	1,161,950.00	1,129,442.95	0.11
EUR	2,000,000	Credit Agricole SA 3.90% 19.04.21	2,263,760.00	2,218,135.60	0.22
EUR	2,500,000	Credit Suisse AG 1.00% 07.06.23	2,567,125.00	2,549,605.25	0.25
EUR	2,000,000	Credit Suisse AG 1.13% 15.09.20	2,062,180.00	2,051,500.20	0.20
EUR	500,000	Credit Suisse AG 1.38% 29.11.19	514,840.00	511,892.63	0.05
EUR	3,000,000	Credit Suisse AG 1.50% 10.04.26	3,153,280.00	3,099,192.90	0.31
EUR	2,000,000	Credit Suisse Group Funding Guernsey Ltd 1.25% 14.04.22	2,044,755.00	2,044,359.30	0.20
EUR	1,200,000	CRH Finance DAC 1.38% 18.10.28	1,198,416.00	1,162,533.66	0.11
EUR	1,000,000	CRH Finance Germany GmbH 1.75% 16.07.21	1,038,600.00	1,044,785.85	0.10
EUR	2,000,000	Daimler AG 0.25% 11.05.20	2,012,700.00	2,011,176.20	0.20
EUR	2,000,000	Daimler AG 0.75% 11.05.23	2,043,280.00	2,025,056.30	0.20
EUR	1,500,000	Daimler AG 1.50% 03.07.29	1,527,330.00	1,475,775.00	0.15
EUR	1,700,000	Danone SA 0.17% 03.11.20	1,700,000.00	1,708,020.09	0.17
EUR	1,200,000	Danone SA 31.12.49	1,200,000.00	1,183,350.00	0.12
EUR	2,000,000	Danske Bank AS 0.50% 06.05.21	2,035,000.00	2,022,110.40	0.20
EUR	1,000,000	Danske Bank AS 0.75% 04.05.20	1,013,100.00	1,016,963.70	0.10
EUR	3,500,000	Demeter Investments BV for Zurich Insurance Co Ltd 01.10.46	3,705,916.67	3,787,174.13	0.37
EUR	1,300,000	Deutsche Bank AG 1.13% 17.03.25	1,237,340.00	1,253,465.66	0.12
EUR	2,000,000	Deutsche Bank AG 1.25% 08.09.21	2,046,660.00	2,027,172.50	0.20
EUR	2,000,000	Deutsche Bank AG 1.50% 20.01.22	2,058,800.00	2,032,799.70	0.20
EUR	2,500,000	Deutsche Boerse AG 05.02.41	2,673,263.89	2,657,380.50	0.26
EUR	500,000	DNB Bank ASA 01.03.27	509,150.00	504,848.73	0.05
EUR	750,000	DNB Bank ASA 3.88% 29.06.20	847,163.57	815,244.38	0.08
EUR	694,000	E.ON International Finance BV 5.75% 07.05.20	846,284.42	779,292.08	0.08
EUR	1,000,000	Eandis System Operator SCRL 2.75% 30.11.22	1,165,000.00	1,102,424.85	0.11
EUR	3,000,000	Eandis System Operator SCRL 2.88% 09.10.23	3,353,980.00	3,361,204.35	0.33
EUR	3,000,000	EDP Finance BV 2.63% 15.04.19	3,098,608.08	3,083,943.00	0.30
EUR	3,000,000	Electricite de France SA 2.25% 27.04.21	3,231,660.00	3,197,517.75	0.32
EUR	1,500,000	Electricite de France SA 3.88% 18.01.22	1,743,375.00	1,702,552.73	0.17
EUR	1,000,000	Elia System Operator SA NV 1.38% 27.05.24	1,032,254.00	1,027,016.95	0.10
EUR	4,000,000	Emirates Telecommunications Group Co PJSC 1.75% 18.06.21	4,187,445.00	4,179,897.80	0.41
EUR	2,000,000	Emirates Telecommunications Group Co PJSC 2.75% 18.06.26	2,206,591.78	2,206,157.10	0.22
EUR	2,000,000	Enagas Financiaciones SAU 2.50% 11.04.22	2,197,859.89	2,181,763.30	0.22
EUR	2,000,000	EnBW Energie Baden-Wuerttemberg AG 05.04.77	2,062,114.29	2,124,800.00	0.21
EUR	2,000,000	EnBW Energie Baden-Wuerttemberg AG 02.04.76	1,999,742.86	2,128,149.90	0.21
EUR	3,000,000	Enel Finance International NV 1.38% 01.06.26	3,055,500.00	3,006,150.45	0.30
EUR	3,000,000	Engie SA 0.50% 13.03.22	3,040,500.00	3,026,627.40	0.30
EUR	3,000,000	Engie SA 1.00% 13.03.26	3,036,000.00	2,997,453.75	0.30
EUR	1,000,000	Engie SA 1.38% 19.05.20	1,061,057.14	1,029,584.25	0.10
EUR	800,000	Engie SA 31.12.49	841,760.00	807,640.00	0.08
EUR	3,500,000	Engie SA 31.12.49	3,958,811.11	3,916,850.00	0.39
EUR	2,000,000	FCA Bank SpA 1.25% 21.01.21	2,063,000.00	2,050,832.30	0.20
EUR	1,000,000	Ferrovial Emisiones SA 3.38% 07.06.21	1,120,465.70	1,101,706.75	0.11
EUR	4,000,000	Fomento Economico Mexicano SAB de CV 1.75% 20.03.23	4,184,166.67	4,156,850.00	0.41
EUR	3,000,000	Fortum OYJ 2.25% 06.09.22	3,257,370.00	3,222,809.85	0.32
EUR	59,100,000	French Republic Government Bond OAT 25.05.21	59,837,907.30	59,702,820.00	5.90
EUR	14,000,000	French Republic Government Bond OAT 25.03.23	13,923,744.80	13,995,100.00	1.39
EUR	43,500,000	French Republic Government Bond OAT 1.00% 25.11.25	45,603,008.11	45,554,505.00	4.50
EUR	1,000,000	Gas Natural Fenosa Finance BV 1.25% 19.04.26	1,021,940.00	989,820.40	0.10
EUR	2,000,000	Gas Natural Fenosa Finance BV 1.38% 19.01.27	2,028,000.00	1,978,484.20	0.20
EUR	4,000,000	General Electric Co 1.25% 26.05.23	4,208,600.00	4,098,299.00	0.40
EUR	799,000	GlaxoSmithKline Capital Plc 0.63% 02.12.19	818,495.60	809,427.99	0.08
EUR	3,000,000	GlaxoSmithKline Capital Plc 1.38% 02.12.24	3,126,600.00	3,104,321.25	0.31
EUR	2,000,000	Goldman Sachs Group Inc 1.38% 26.07.22	2,071,800.00	2,061,619.50	0.20
EUR	3,000,000	Goldman Sachs Group Inc 2.00% 27.07.23	3,149,452.50	3,150,056.25	0.31
EUR	1,000,000	Goldman Sachs Group Inc 2.13% 30.09.24	1,031,100.00	1,057,572.70	0.10

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC CORPORATE BONDS

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
EUR	1,000,000	Goldman Sachs Group Inc 2.63% 19.08.20	1,065,290.00	1,059,255.15	0.10
EUR	1,000,000	Goldman Sachs Group Inc 3.00% 12.02.31	1,118,500.00	1,115,089.95	0.11
EUR	500,000	Goldman Sachs Group Inc 3.25% 01.02.23	547,790.15	556,442.33	0.05
EUR	1,000,000	Goldman Sachs Group Inc 4.75% 12.10.21	1,166,612.72	1,140,980.60	0.11
EUR	3,000,000	Grand City Properties SA 1.50% 17.04.25	3,011,700.00	3,010,346.85	0.30
EUR	2,000,000	Hammerson Plc 1.75% 15.03.23	2,035,000.00	2,072,901.90	0.20
EUR	1,000,000	Hannover Finance Luxembourg SA 30.06.43	1,194,180.00	1,182,725.25	0.12
EUR	1,000,000	Hannover Finance Luxembourg SA 14.09.40	1,144,840.00	1,124,244.90	0.11
EUR	4,000,000	Heathrow Funding Ltd 1.88% 23.05.22	4,296,800.00	4,236,091.60	0.42
EUR	3,000,000	Heathrow Funding Ltd 1.88% 12.07.32	3,123,000.00	3,018,799.50	0.30
EUR	2,000,000	Holcim Finance Luxembourg SA 2.25% 26.05.28	2,108,660.00	2,073,664.10	0.20
EUR	2,500,000	Honeywell International Inc 1.30% 22.02.23	2,612,575.00	2,594,916.13	0.26
EUR	3,000,000	Honeywell International Inc 2.25% 22.02.28	3,330,000.00	3,296,643.80	0.33
EUR	1,000,000	HSBC Holdings Plc 2.50% 15.03.27	1,085,260.00	1,095,133.30	0.11
EUR	2,000,000	HSBC Holdings Plc 6.00% 10.06.19	2,196,000.00	2,140,575.70	0.21
EUR	2,500,000	HSBC Holdings Plc 0.88% 06.09.24	2,489,075.00	2,486,804.13	0.25
EUR	3,500,000	Hutchison Whampoa Finance 14 Ltd 1.38% 31.10.21	3,593,810.00	3,625,661.55	0.36
EUR	2,000,000	Iberdrola International BV 1.13% 21.04.26	2,085,884.00	1,995,000.10	0.20
EUR	1,000,000	Iberdrola International BV 2.50% 24.10.22	1,109,010.00	1,094,782.35	0.11
EUR	2,000,000	IE2 Holdco SAU 2.38% 27.11.23	2,142,760.00	2,127,901.50	0.21
EUR	2,500,000	IE2 Holdco SAU 2.88% 01.06.26	2,720,775.00	2,681,946.63	0.26
EUR	700,000	Imerys SA 1.50% 15.01.27	710,038.19	701,951.64	0.07
EUR	2,500,000	Imperial Brands Finance Plc 3.38% 26.02.26	2,876,550.00	2,838,185.50	0.28
EUR	1,000,000	ING Bank NV 0.75% 24.11.20	1,023,299.98	1,019,003.80	0.10
EUR	2,000,000	ING Bank NV 25.02.26	2,168,410.00	2,167,021.50	0.21
EUR	1,500,000	ING Groep NV 11.04.28	1,643,055.00	1,620,129.83	0.16
EUR	1,869,000	Innogy Finance BV 3.00% 17.01.24	2,151,055.04	2,110,432.75	0.21
EUR	2,000,000	International Business Machines Corp 0.50% 07.09.21	1,986,740.00	2,023,702.60	0.20
EUR	1,100,000	International Business Machines Corp 1.25% 26.05.23	1,164,604.36	1,139,683.22	0.11
EUR	3,000,000	International Business Machines Corp 1.50% 23.05.29	3,101,910.00	3,037,865.10	0.30
EUR	3,000,000	Intesa Sanpaolo SpA 1.13% 04.03.22	3,023,400.00	3,051,917.85	0.30
EUR	1,500,000	Intesa Sanpaolo SpA 1.38% 18.01.24	1,489,695.00	1,523,662.80	0.15
EUR	2,000,000	Intesa Sanpaolo SpA 2.00% 18.06.21	2,090,620.00	2,101,634.20	0.21
EUR	3,000,000	Intesa Sanpaolo SpA 4.38% 15.10.19	3,314,700.00	3,200,335.05	0.32
EUR	1,600,000	IPIC GMTN Ltd 5.88% 14.03.21	1,932,960.00	1,857,104.00	0.18
EUR	2,400,000	IPIC GMTN Ltd 5.88% 14.03.21	2,898,000.00	2,785,656.00	0.27
EUR	2,000,000	Johnson & Johnson 0.25% 20.01.22	2,034,372.00	2,011,536.20	0.20
EUR	1,000,000	Johnson & Johnson 0.65% 20.05.24	999,550.00	1,007,539.95	0.10
EUR	1,500,000	Johnson & Johnson 1.65% 20.05.35	1,578,360.00	1,562,957.85	0.15
EUR	3,000,000	JPMorgan Chase & Co 0.63% 25.01.24	3,024,300.00	2,952,492.30	0.29
EUR	2,000,000	JPMorgan Chase & Co 1.38% 16.09.21	2,121,300.00	2,071,378.90	0.20
EUR	1,700,000	JPMorgan Chase & Co 1.50% 27.01.25	1,744,780.35	1,745,638.03	0.17
EUR	1,500,000	JPMorgan Chase & Co 1.50% 29.10.26	1,492,119.00	1,521,996.60	0.15
EUR	2,550,000	JPMorgan Chase & Co 3.88% 23.09.20	2,894,870.30	2,792,240.18	0.28
EUR	2,000,000	KBC Group NV 25.11.24	2,066,484.45	2,070,729.70	0.20
EUR	1,100,000	Kering 1.25% 10.05.26	1,093,752.00	1,116,930.87	0.11
EUR	1,600,000	Lloyds Bank Plc 1.00% 19.11.21	1,632,783.89	1,639,131.68	0.16
EUR	1,000,000	Magna International Inc 1.90% 24.11.23	1,056,794.00	1,066,736.80	0.11
EUR	1,500,000	Merck & Co Inc 1.88% 15.10.26	1,619,445.00	1,600,211.25	0.16
EUR	1,000,000	Merck & Co Inc 2.50% 15.10.34	1,164,450.00	1,142,898.40	0.11
EUR	2,000,000	Merck KGaA 12.12.74	2,120,000.00	2,092,875.00	0.21
EUR	2,000,000	Metropolitan Life Global Funding I 2.38% 11.01.23	2,207,300.00	2,167,466.70	0.21
EUR	500,000	Microsoft Corp 2.13% 06.12.21	551,677.80	535,132.63	0.05
EUR	4,000,000	Microsoft Corp 3.13% 06.12.28	4,969,556.36	4,830,377.40	0.48
EUR	4,000,000	Mondelez International Inc 1.63% 20.01.23	4,222,360.00	4,177,601.60	0.41
EUR	2,000,000	Morgan Stanley 1.38% 27.10.26	1,954,685.10	1,959,797.20	0.19
EUR	2,000,000	Morgan Stanley 1.75% 11.03.24	2,081,266.67	2,070,689.20	0.20
EUR	1,000,000	Morgan Stanley 1.88% 30.03.23	1,030,250.00	1,049,927.15	0.10
EUR	1,000,000	Morgan Stanley 2.38% 31.03.21	1,072,540.00	1,062,045.70	0.10
EUR	2,900,000	Morgan Stanley 5.38% 10.08.20	3,360,418.21	3,260,790.31	0.32
EUR	1,800,000	Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen 26.05.41	2,135,156.98	2,095,856.37	0.21
EUR	2,000,000	Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen 26.05.42	2,458,716.92	2,423,117.90	0.24
EUR	3,500,000	Mylan NV 2.25% 22.11.24	3,638,250.00	3,598,504.88	0.35
EUR	2,250,000	Nationwide Building Society 6.75% 22.07.20	2,719,420.00	2,580,930.23	0.25
EUR	1,200,000	Nestle Finance International Ltd 1.75% 12.09.22	1,284,527.15	1,281,015.48	0.13

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC CORPORATE BONDS

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
EUR	1,775,000	NGG Finance Plc 18.06.76	1,891,276.43	1,912,260.75	0.19
EUR	1,600,000	NN Group NV 0.88% 13.01.23	1,590,448.00	1,625,227.60	0.16
EUR	1,000,000	NN Group NV 31.12.49	1,038,125.00	1,089,443.55	0.11
EUR	1,500,000	NN Group NV 08.04.44	1,535,209.50	1,679,648.63	0.17
EUR	2,300,000	NN Group NV 13.01.48	2,477,983.06	2,557,051.22	0.25
EUR	1,000,000	Nordea Bank AB 1.00% 22.02.23	1,046,716.67	1,025,686.05	0.10
EUR	500,000	Nordea Bank AB 10.11.25	513,970.00	517,065.63	0.05
EUR	1,700,000	Nordea Bank AB 2.00% 17.02.21	1,821,571.18	1,793,973.62	0.18
EUR	1,300,000	Novartis Finance SA 0.13% 20.09.23	1,288,651.00	1,275,689.81	0.13
EUR	1,000,000	Novartis Finance SA 1.63% 09.11.26	1,079,310.00	1,055,589.75	0.10
EUR	753,000	OMV AG 31.12.49	836,511.62	852,104.02	0.08
EUR	1,000,000	OMV AG 31.12.49	1,166,700.00	1,238,062.50	0.12
EUR	1,902,000	ONGC Videsh Ltd 2.75% 15.07.21	2,035,140.00	2,018,924.50	0.20
EUR	1,000,000	Orange SA 2.50% 01.03.23	1,120,850.00	1,097,587.50	0.11
EUR	1,000,000	Orange SA 31.12.49	1,078,959.50	1,096,108.30	0.11
EUR	1,800,000	Orange SA 31.12.49	1,929,650.40	1,919,594.97	0.19
EUR	1,000,000	Orange SA 31.12.49	1,129,900.00	1,145,440.00	0.11
EUR	1,000,000	Orsted AS 06.11.15	1,048,500.00	1,053,600.00	0.10
EUR	3,000,000	PepsiCo Inc 1.75% 28.04.21	3,153,750.00	3,146,670.75	0.31
EUR	2,430,000	Pfizer Inc 0.25% 06.03.22	2,426,500.80	2,435,437.13	0.24
EUR	2,500,000	Philip Morris International Inc 2.88% 03.03.26	2,840,635.00	2,799,032.00	0.28
EUR	4,500,000	Philip Morris International Inc 2.88% 14.05.29	5,163,150.00	5,085,698.63	0.50
EUR	500,000	Philip Morris International Inc 3.13% 03.06.33	571,310.00	580,658.25	0.06
EUR	2,500,000	PPG Industries Inc 0.88% 13.03.22	2,557,000.00	2,549,840.50	0.25
EUR	2,500,000	PPG Industries Inc 0.88% 03.11.25	2,492,625.00	2,472,598.88	0.24
EUR	1,500,000	Procter & Gamble Co 1.13% 02.11.23	1,577,528.57	1,555,290.90	0.15
EUR	1,500,000	Prologis LP 1.38% 07.10.20	1,558,500.00	1,544,716.28	0.15
EUR	400,000	PSA Banque France SA 0.50% 17.01.20	399,004.00	403,611.36	0.04
EUR	2,000,000	RCI Banque SA 1.38% 08.03.24	2,011,760.00	2,048,003.40	0.20
EUR	3,000,000	Red Electrica Financiaciones SAU 1.00% 21.04.26	3,005,790.00	2,987,084.85	0.29
EUR	1,000,000	Repsol International Finance BV 2.13% 16.12.20	1,060,926.00	1,055,463.65	0.10
EUR	1,000,000	Roche Finance Europe BV 0.50% 27.02.23	1,025,500.00	1,009,984.95	0.10
EUR	1,000,000	Roche Finance Europe BV 0.88% 25.02.25	1,024,000.00	1,015,908.20	0.10
EUR	800,000	RTE Reseau de Transport d'Electricite SA 1.63% 08.10.24	888,800.00	842,665.64	0.08
EUR	2,000,000	RTE Reseau de Transport d'Electricite SA 2.75% 20.06.29	2,337,860.00	2,298,618.10	0.23
EUR	2,000,000	Ryanair DAC 1.13% 10.03.23	2,035,540.00	2,039,493.70	0.20
EUR	3,000,000	Ryanair DAC 1.88% 17.06.21	3,145,656.67	3,154,355.85	0.31
EUR	2,500,000	SABIC Capital I BV 2.75% 20.11.20	2,702,500.00	2,663,793.50	0.26
EUR	1,000,000	Sanofi 1.75% 10.09.26	1,078,000.00	1,060,738.35	0.10
EUR	1,000,000	Santander International Debt SAU 1.38% 14.12.22	1,040,125.00	1,040,891.25	0.10
EUR	2,500,000	Santander Issuances SAU 3.25% 04.04.26	2,484,060.21	2,727,550.38	0.27
EUR	1,100,000	Santander UK Group Holdings Plc 1.13% 08.09.23	1,094,709.00	1,106,354.87	0.11
EUR	500,000	Santander UK Plc 0.88% 25.11.20	500,470.00	509,874.48	0.05
EUR	1,000,000	Santander UK Plc 1.13% 10.03.25	1,018,700.00	1,006,701.05	0.10
EUR	1,500,000	Santander UK Plc 2.63% 16.07.20	1,606,390.34	1,586,512.20	0.16
EUR	1,000,000	SCOR SE 27.05.48	1,102,500.00	1,090,747.00	0.11
EUR	1,500,000	Shell International Finance BV 0.38% 15.02.25	1,497,630.00	1,459,334.40	0.14
EUR	1,000,000	Shell International Finance BV 1.25% 15.03.22	1,045,200.00	1,038,807.65	0.10
EUR	500,000	Sinopec Group Overseas Development 2013 Ltd 2.63% 17.10.20	522,500.00	529,010.88	0.05
EUR	3,500,000	Sinopec Group Overseas Development 2015 Ltd 1.00% 28.04.22	3,524,300.00	3,548,855.28	0.35
EUR	1,000,000	Skandinaviska Enskilda Banken AB 0.30% 17.02.22	998,100.00	1,000,526.25	0.10
EUR	1,000,000	Skandinaviska Enskilda Banken AB 31.10.28	994,650.00	998,969.75	0.10
EUR	2,000,000	Skandinaviska Enskilda Banken AB 28.05.26	2,126,520.00	2,112,634.50	0.21
EUR	1,000,000	Snam SpA 0.88% 25.10.26	978,280.00	959,873.50	0.09
EUR	1,000,000	Societe Generale SA 0.75% 26.05.23	1,011,772.72	1,009,399.95	0.10
EUR	1,000,000	Societe Generale SA 1.38% 13.01.28	977,200.00	980,621.75	0.10
EUR	3,000,000	Societe Generale SA 16.09.26	3,105,992.45	3,112,287.45	0.31
EUR	800,000	Societe Generale SA 4.75% 02.03.21	959,056.31	908,125.76	0.09
EUR	900,000	Sogecap SA 31.12.49	931,519.93	972,103.95	0.10
EUR	3,000,000	SPP Infrastructure Financing BV 2.63% 12.02.25	3,212,282.14	3,232,164.90	0.32
EUR	1,000,000	Standard Chartered Plc 1.63% 13.06.21	1,044,990.00	1,039,695.60	0.10
EUR	2,000,000	Standard Chartered Plc 3.63% 23.11.22	2,243,380.00	2,204,396.80	0.22
EUR	4,000,000	Statkraft AS 1.13% 20.03.25	4,044,560.00	4,048,430.60	0.40
EUR	1,000,000	Statkraft AS 1.50% 21.09.23	1,023,190.00	1,044,631.55	0.10
EUR	400,000	Statkraft AS 1.50% 26.03.30	400,240.00	400,988.60	0.04

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC CORPORATE BONDS

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
EUR	2,500,000	Statoil ASA 0.88% 17.02.23	2,546,573.99	2,554,807.75	0.25
EUR	500,000	Statoil ASA 1.25% 17.02.27	470,215.00	508,591.38	0.05
EUR	2,500,000	Statoil ASA 2.00% 10.09.20	2,661,230.00	2,625,091.25	0.26
EUR	3,500,000	Suez 1.75% 10.09.25	3,749,900.00	3,698,207.10	0.36
EUR	1,000,000	Suez 31.12.49	1,056,200.00	1,030,830.65	0.10
EUR	500,000	Suez 4.08% 17.05.21	594,910.00	562,164.40	0.06
EUR	2,000,000	Svenska Handelsbanken AB 1.13% 14.12.22	2,018,651.11	2,064,041.80	0.20
EUR	1,000,000	Swedbank AB 1.00% 01.06.22	1,017,630.00	1,027,588.65	0.10
EUR	1,000,000	Swedbank AB 26.02.24	1,037,200.00	1,019,730.00	0.10
EUR	3,000,000	Swiss Re ReAssure Ltd 1.38% 27.05.23	3,082,774.28	3,109,182.15	0.31
EUR	1,000,000	Telefonica Emisiones SAU 0.75% 13.04.22	1,007,600.00	1,012,160.10	0.10
EUR	1,000,000	Telefonica Emisiones SAU 2.93% 17.10.29	1,061,733.79	1,105,486.55	0.11
EUR	1,500,000	Telefonica Emisiones SAU 3.99% 23.01.23	1,762,105.67	1,742,592.15	0.17
EUR	200,000	Telenor ASA 2.50% 22.05.25	227,148.27	223,594.20	0.02
EUR	300,000	Telstra Corp Ltd 1.13% 14.04.26	298,089.00	300,891.00	0.03
EUR	1,000,000	Telstra Corp Ltd 2.50% 15.09.23	1,122,662.50	1,101,349.65	0.11
EUR	500,000	Telstra Corp Ltd 4.25% 23.03.20	581,175.00	542,930.60	0.05
EUR	400,000	Terna Rete Elettrica Nazionale SpA 4.90% 28.10.24	517,857.54	509,186.80	0.05
EUR	2,000,000	Total SA 31.12.49	2,006,828.29	2,069,350.00	0.20
EUR	2,000,000	Total SA 31.12.49	2,112,352.31	2,195,233.40	0.22
EUR	3,000,000	UBS AG London 1.13% 30.06.20	3,103,980.00	3,077,869.80	0.30
EUR	3,000,000	UBS Group Funding Switzerland AG 1.75% 16.11.22	3,182,820.00	3,141,922.65	0.31
EUR	3,000,000	UBS Group Funding Switzerland AG 2.13% 04.03.24	3,163,500.00	3,191,781.00	0.31
EUR	350,000	Unibail-Rodamco SE 1.13% 28.04.27	346,881.50	344,595.74	0.03
EUR	700,000	Unibail-Rodamco SE 2.50% 04.06.26	736,425.03	774,420.82	0.08
EUR	250,000	UniCredit SpA 2.00% 04.03.23	258,613.84	263,475.96	0.03
EUR	1,000,000	UniCredit SpA 3.25% 14.01.21	1,084,500.00	1,085,358.15	0.11
EUR	3,000,000	Unilever NV 0.50% 29.04.24	2,986,490.15	2,968,141.50	0.29
EUR	4,000,000	United Technologies Corp 1.13% 15.12.21	4,122,000.00	4,115,589.40	0.41
EUR	400,000	Valeo SA 3.25% 22.01.24	456,078.38	458,051.34	0.05
EUR	3,000,000	Valeo SA 3.75% 10.01.23	3,403,890.00	3,363,375.00	0.33
EUR	1,000,000	Veolia Environnement SA 5.13% 24.05.22	1,269,795.00	1,198,264.40	0.12
EUR	1,000,000	Veolia Environnement SA 6.13% 25.11.33	1,593,247.50	1,614,287.95	0.16
EUR	500,000	VF Corp 0.63% 20.09.23	499,520.00	499,174.63	0.05
EUR	2,000,000	Vienna Insurance Group AG Wiener Versicherung Gruppe 09.10.43	2,387,833.33	2,372,596.70	0.23
EUR	1,000,000	Vivendi SA 0.75% 26.05.21	1,029,900.00	1,014,793.60	0.10
EUR	2,500,000	Vodafone Group Plc 0.50% 30.01.24	2,449,250.00	2,439,789.75	0.24
EUR	1,000,000	Vodafone Group Plc 1.25% 25.08.21	1,033,540.00	1,033,257.15	0.10
EUR	2,000,000	Vodafone Group Plc 1.60% 29.07.31	1,928,200.00	1,852,879.10	0.18
EUR	2,000,000	Vodafone Group Plc 2.20% 25.08.26	2,167,920.00	2,110,527.90	0.21
EUR	500,000	Vodafone Group Plc 4.65% 20.01.22	606,554.79	579,788.45	0.06
EUR	3,000,000	Volkswagen Financial Services AG 0.75% 14.10.21	3,047,400.00	3,041,994.30	0.30
EUR	1,200,000	Volkswagen International Finance NV 1.13% 02.10.23	1,190,028.00	1,213,135.74	0.12
EUR	1,700,000	Volkswagen International Finance NV 2.00% 26.03.21	1,805,417.41	1,789,883.51	0.18
EUR	1,500,000	Volkswagen International Finance NV 31.12.49	1,486,421.25	1,517,287.50	0.15
EUR	2,000,000	Volkswagen International Finance NV 31.12.49	2,074,028.23	2,127,733.30	0.21
EUR	1,000,000	Volkswagen International Finance NV 31.12.49	1,022,966.25	1,014,160.00	0.10
EUR	1,000,000	Volkswagen International Finance NV 31.12.49	1,124,800.00	1,131,935.00	0.11
EUR	2,000,000	Vonovia Finance BV 0.88% 30.03.20	2,037,400.00	2,034,709.20	0.20
EUR	1,600,000	Vonovia Finance BV 1.50% 10.06.26	1,700,000.00	1,596,674.08	0.16
EUR	3,000,000	Vonovia Finance BV 31.12.49	3,307,500.00	3,250,893.75	0.32
EUR	500,000	Wal-Mart Stores Inc 1.90% 08.04.22	543,310.00	532,303.15	0.05
EUR	500,000	Wal-Mart Stores Inc 2.55% 08.04.26	568,856.67	563,192.80	0.06
EUR	1,000,000	Wells Fargo & Co 1.50% 24.05.27	1,011,935.00	999,854.05	0.10
EUR	1,000,000	Wells Fargo & Co 1.63% 02.06.25	1,025,520.00	1,030,846.95	0.10
EUR	1,000,000	Wells Fargo & Co 2.63% 16.08.22	1,117,700.00	1,085,169.10	0.10
EUR	1,000,000	WPP Finance Deutschland GmbH 1.63% 23.03.30	945,205.21	950,950.75	0.09
Total investments in securities			998,050,217.88	991,575,252.82	97.79
Cash at banks				10,285,595.39	1.01
Other net assets/(liabilities)				12,148,339.37	1.20
Total				1,014,009,187.58	100.00

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC GOVERNMENT BONDS

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	537,973,881.60
Cash at banks	13,033,806.19
Other liquid assets	6,468,483.13
Receivable on issues of shares	407,774.64
Income receivable on portfolio	4,188,109.18
Unrealised gain on futures contracts	<u>1,084,550.80</u>
Total assets	<u>563,156,605.54</u>

#### Liabilities

Payable on redemptions of shares	272,571.36
Payable on futures contracts	531,606.36
Unrealised loss on futures contracts	1,637,586.47
Expenses payable and other payables	<u>393,532.81</u>
Total liabilities	<u>2,835,297.00</u>

Net assets at the end of the period 560,321,308.54

Number of capitalisation shares "Institutional B Shares" outstanding 588,911.1240  
Net asset value per capitalisation share "Institutional B Shares" 951.45

## KBC BONDS STRATEGIC GOVERNMENT BONDS

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

<b><u>Income</u></b>	
Interest on bonds and other debt securities, net	4,858,386.71
Commissions received	569,328.18
Total income	<u>5,427,714.89</u>
<b><u>Expenses</u></b>	
Management fees	2,285,254.01
Transaction fees	59,467.78
Fixed service fees and depositary fees	197,141.04
Subscription duty ("taxe d'abonnement")	29,531.18
Interest paid on bank accounts	42,794.27
Other expenses and taxes	5.02
Total expenses	<u>2,614,193.30</u>
Net investment income	2,813,521.59
<b><u>Net realised gain/(loss)</u></b>	
- on sales of securities portfolio	-7,329,485.51
- on futures contracts	-1,756,951.81
- on foreign exchange	-499,591.86
Realised result	<u>-6,772,507.59</u>
<b><u>Net variation of the unrealised gain/(loss)</u></b>	
- on securities portfolio	-899,352.95
- on futures contracts	-1,192,575.62
- on foreign exchange	-58,196.96
Result of operations	<u>-8,922,633.12</u>
Dividends paid	-
Subscriptions	487,990,869.05
Redemptions	-650,665,186.63
Total changes in net assets	<u>-171,596,950.70</u>
Total net assets at the beginning of the period	731,918,259.24
Total net assets at the end of the period	<u>560,321,308.54</u>

The accompanying notes are an integral part of these financial statements.



## KBC BONDS STRATEGIC GOVERNMENT BONDS

### Statistical information (in EUR)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	560,321,308.54
- as at 30.09.2017	731,918,259.24
- as at 30.09.2016	641,024,471.58
<b>Number of capitalisation shares "Institutional B Shares"</b>	
- outstanding at the beginning of the period	759,547.1240
- issued	513,267.0000
- redeemed	<u>-683,903.0000</u>
- outstanding at the end of the period	<u>588,911.1240</u>
<b>Net asset value per capitalisation share "Institutional B Shares"</b>	
- as at 31.03.2018	951.45
- as at 30.09.2017	963.62
- as at 30.09.2016	1,018.09
<b>TER per capitalisation share "Institutional B Shares" (in %)</b>	
- as at 31.03.2018	0.77

## KBC BONDS STRATEGIC GOVERNMENT BONDS

### Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
EUR	48,100,000	Bundesobligation 0.25% 13.04.18	48,358,634.00	48,109,139.00	8.58
EUR	48,000,000	Bundesschatzanweisungen 15.06.18	48,245,550.00	48,063,840.00	8.58
EUR	37,400,000	Bundesschatzanweisungen 14.09.18	37,549,430.81	37,514,070.00	6.70
EUR	21,099,800	French Republic Government Bond OAT 0.25% 25.07.18	21,444,023.99	21,465,459.53	3.83
EUR	29,400,000	French Republic Government Bond OAT 1.00% 25.05.18	29,745,450.00	29,467,032.00	5.26
EUR	20,000,000	French Republic Government Bond OAT 1.00% 25.11.18	20,216,000.00	20,208,600.00	3.61
EUR	30,000,000	French Republic Government Bond OAT 4.00% 25.04.18	30,426,780.00	30,081,000.00	5.37
EUR	19,000,000	Italy Buoni Poliennali Del Tesoro 0.25% 15.05.18	19,058,045.00	19,015,200.00	3.39
EUR	22,000,000	Italy Buoni Poliennali Del Tesoro 0.30% 15.10.18	22,118,000.00	22,082,280.00	3.94
EUR	20,511,200	Italy Buoni Poliennali Del Tesoro 1.70% 15.09.18	20,971,121.95	20,989,316.07	3.74
EUR	27,000,000	Italy Buoni Poliennali Del Tesoro 3.50% 01.06.18	27,756,160.31	27,169,020.00	4.85
EUR	31,000,000	Italy Buoni Poliennali Del Tesoro 3.50% 01.12.18	32,004,470.00	31,800,730.00	5.68
EUR	20,000,000	Italy Buoni Poliennali Del Tesoro 4.25% 01.02.19	20,798,000.00	20,775,600.00	3.71
EUR	40,000,000	Spain Government Bond 0.25% 30.04.18	40,111,360.00	40,023,600.00	7.14
EUR	39,000,000	Spain Government Bond 3.75% 31.10.18	40,145,160.00	39,956,670.00	7.13
EUR	36,900,000	Spain Government Bond 4.10% 30.07.18	<u>38,037,675.81</u>	<u>37,438,740.00</u>	<u>6.68</u>
<b>Total bonds</b>			<b>496,985,861.87</b>	<b>494,160,296.60</b>	<b>88.19</b>
<b><u>Money market instruments</u></b>					
<b>Money market instruments</b>					
EUR	20,000,000	France Treasury Bill BTF 24.05.18	20,085,861.75	20,017,600.00	3.57
EUR	23,700,000	France Treasury Bill BTF 05.12.18	<u>23,810,239.12</u>	<u>23,795,985.00</u>	<u>4.25</u>
<b>Total money market instruments</b>			<b>43,896,100.87</b>	<b>43,813,585.00</b>	<b>7.82</b>
Total investments in securities			<u>540,881,962.74</u>	<u>537,973,881.60</u>	<u>96.01</u>
Cash at banks				13,033,806.19	2.33
Other net assets/(liabilities)				<u>9,313,620.75</u>	<u>1.66</u>
Total				<u><u>560,321,308.54</u></u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC EURO CORPORATE BONDS

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	1,039,713,203.48
Cash at banks	1,993,785.59
Other liquid assets	1,322,304.58
Broker margin on swaps contracts	274,703.58
Receivable on sales of securities	4,984,612.87
Receivable on issues of shares	769,605.43
Receivable on swaps contracts	240,039,019.54
Income receivable on portfolio	<u>7,444,884.95</u>
Total assets	<u>1,296,542,120.02</u>

#### Liabilities

Payable on redemptions of shares	512,944.26
Payable on swaps contracts	235,039,166.67
Swaps at market value	2,438,701.93
Expenses payable and other payables	<u>936,624.15</u>
Total liabilities	<u>238,927,437.01</u>

Net assets at the end of the period 1,057,614,683.01

Number of capitalisation shares "Institutional B Shares" outstanding 1,018,485.0370  
Net asset value per capitalisation share "Institutional B Shares" 1,038.42

## KBC BONDS STRATEGIC EURO CORPORATE BONDS

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	11,384,518.21
Interest on swaps contracts	833,889.56
Commissions received	3,258,095.36
Other income	579.16
Total income	<u>15,477,082.29</u>

#### Expenses

Management fees	6,425,119.02
Transaction fees	4,188.00
Fixed service fees and depositary fees	455,982.20
Subscription duty ("taxe d'abonnement")	63,797.75
Interest paid on bank accounts	94,127.78
Interest paid on swaps contracts	16,699.80
Other expenses and taxes	11,324.14
Total expenses	<u>7,071,238.69</u>

Net investment income	8,405,843.60
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#### Net realised gain/(loss)

- on sales of securities portfolio	-6,506,951.05
- on foreign exchange	20.48
- on swaps contracts	133,022.08

Realised result	2,031,935.11
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#### Net variation of the unrealised gain/(loss)

- on securities portfolio	-2,680,164.28
- on swaps contracts	-150,770.29

Result of operations	<u>-798,999.46</u>
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Dividends paid	-
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Subscriptions	1,862,680,309.74
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Redemptions	-2,580,187,437.04
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Total changes in net assets	<u>-718,306,126.76</u>
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Total net assets at the beginning of the period	1,775,920,809.77
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Total net assets at the end of the period	<u>1,057,614,683.01</u>
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The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC EURO CORPORATE BONDS

### Statistical information (in EUR)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	1,057,614,683.01
- as at 30.09.2017	1,775,920,809.77
- as at 30.09.2016	1,464,805,577.63
<b>Number of capitalisation shares "Institutional B Shares"</b>	
- outstanding at the beginning of the period	1,707,573.0370
- issued	1,780,887.0000
- redeemed	<u>-2,469,975.0000</u>
- outstanding at the end of the period	1,018,485.0370
<b>Net asset value per capitalisation share "Institutional B Shares"</b>	
- as at 31.03.2018	1,038.42
- as at 30.09.2017	1,040.03
- as at 30.09.2016	1,041.44
<b>TER per capitalisation share "Institutional B Shares" (in %)</b>	
- as at 31.03.2018	0.92

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC EURO CORPORATE BONDS

### Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
EUR	3,000,000	3M Co 0.95% 15.05.23	3,079,500.00	3,088,467.00	0.29
EUR	3,000,000	ABB Finance BV 0.63% 03.05.23	2,998,278.00	3,035,831.55	0.29
EUR	2,000,000	ABN AMRO Bank NV 1.00% 16.04.25	1,946,092.00	2,027,895.00	0.19
EUR	3,000,000	Accor SA 2.38% 17.09.23	3,268,500.00	3,227,836.35	0.31
EUR	3,000,000	Aeroports de Paris 1.50% 07.04.25	3,141,408.75	3,133,286.70	0.30
EUR	1,000,000	Allianz Finance II BV 1.38% 21.04.31	1,074,200.00	1,000,905.10	0.09
EUR	3,000,000	Allianz Finance II BV 08.07.41	3,527,640.00	3,469,542.60	0.33
EUR	2,000,000	Allianz Finance II BV 08.07.41	2,317,620.00	2,313,028.40	0.22
EUR	2,000,000	America Movil SAB de CV 1.50% 10.03.24	2,080,480.00	2,075,377.10	0.20
EUR	3,200,000	America Movil SAB de CV 3.26% 22.07.23	3,657,859.23	3,626,199.84	0.34
EUR	400,000	America Movil SAB de CV 4.75% 28.06.22	483,377.74	472,128.60	0.04
EUR	2,500,000	America Movil SAB de CV 06.09.73	2,840,381.25	3,002,479.13	0.28
EUR	1,500,000	Anheuser-Busch InBev SA 1.15% 22.01.27	1,489,710.00	1,479,167.18	0.14
EUR	2,000,000	Anheuser-Busch InBev SA 2.00% 16.12.19	2,123,901.92	2,070,834.00	0.20
EUR	3,000,000	Anheuser-Busch InBev SA 2.70% 31.03.26	3,428,940.00	3,356,020.95	0.32
EUR	2,000,000	Anheuser-Busch InBev SA 2.75% 17.03.36	2,424,000.00	2,126,505.30	0.20
EUR	2,000,000	ANZ New Zealand Int'l Ltd 0.63% 01.06.21	2,036,772.00	2,024,105.00	0.19
EUR	2,200,000	Apple Inc 1.00% 10.11.22	2,310,956.15	2,274,907.14	0.22
EUR	2,500,000	Apple Inc 1.38% 17.01.24	2,668,500.00	2,612,129.13	0.25
EUR	2,000,000	Aptiv Plc 1.50% 10.03.25	2,042,500.00	2,024,672.50	0.19
EUR	2,000,000	Aquarius & Investments Plc for Zurich Insurance Co Ltd 02.10.43	2,244,321.32	2,278,498.10	0.22
EUR	1,000,000	Aroundtown SA 1.00% 07.01.25	976,230.00	959,056.60	0.09
EUR	3,200,000	Aroundtown SA 1.88% 19.01.26	3,106,784.00	3,205,732.00	0.30
EUR	3,000,000	Aroundtown SA 2.13% 13.03.23	3,129,900.00	3,144,336.30	0.30
EUR	2,400,000	ASML Holding NV 0.63% 07.07.22	2,418,288.00	2,424,388.56	0.23
EUR	5,000,000	ASML Holding NV 1.38% 07.07.26	5,152,312.50	5,091,501.25	0.48
EUR	1,000,000	Assicurazioni Generali SpA 08.06.48	1,081,400.00	1,110,715.85	0.11
EUR	3,500,000	Assicurazioni Generali SpA 27.10.47	3,812,911.67	4,031,300.00	0.38
EUR	1,000,000	AT&T Inc 3.50% 17.12.25	1,235,000.00	1,154,678.35	0.11
EUR	1,000,000	Auchan Holding SA 0.63% 07.02.22	1,015,500.00	1,005,091.90	0.10
EUR	3,000,000	Autoroutes du Sud de la France SA 1.00% 13.05.26	3,067,500.00	2,990,535.60	0.28
EUR	3,150,000	Autoroutes du Sud de la France SA 4.13% 13.04.20	3,605,175.00	3,413,676.11	0.32
EUR	3,000,000	AXA SA 06.07.47	3,094,965.00	3,158,482.35	0.30
EUR	1,000,000	AXA SA 04.07.43	1,163,288.10	1,173,139.90	0.11
EUR	2,000,000	Banco Bilbao Vizcaya Argentaria SA 3.50% 10.02.27	2,287,680.00	2,226,171.60	0.21
EUR	2,000,000	Bank of America Corp 1.38% 26.03.25	2,019,000.00	2,029,258.40	0.19
EUR	4,271,000	Bank of America Corp 1.63% 14.09.22	4,500,779.80	4,457,192.11	0.42
EUR	7,500,000	Banque Federative du Credit Mutuel SA 0.25% 14.06.19	7,516,112.50	7,540,896.75	0.71
EUR	2,000,000	Banque Federative du Credit Mutuel SA 1.25% 14.01.25	2,059,600.00	2,042,707.60	0.19
EUR	2,000,000	Banque Federative du Credit Mutuel SA 2.38% 24.03.26	2,101,000.00	2,086,014.90	0.20
EUR	3,000,000	Banque Federative du Credit Mutuel SA 3.00% 28.11.23	3,450,600.00	3,389,037.60	0.32
EUR	3,000,000	Barclays Bank Plc 6.00% 14.01.21	3,528,300.00	3,418,425.45	0.32
EUR	3,500,000	Barclays Plc 1.88% 23.03.21	3,658,515.00	3,646,561.28	0.34
EUR	3,000,000	Barclays Plc 1.88% 08.12.23	3,081,300.00	3,100,393.50	0.29
EUR	1,100,000	BAT International Finance Plc 1.25% 13.03.27	1,074,090.98	1,055,343.52	0.10
EUR	1,000,000	BAT International Finance Plc 3.13% 06.03.29	1,120,780.00	1,111,188.05	0.11
EUR	2,000,000	Bayer AG 02.04.75	1,906,904.47	2,040,803.30	0.19
EUR	2,000,000	Bayer AG 01.07.75	2,100,000.00	2,086,106.70	0.20
EUR	4,000,000	Berkshire Hathaway Inc 0.50% 13.03.20	4,047,988.57	4,042,080.00	0.38
EUR	2,000,000	Berkshire Hathaway Inc 0.75% 16.03.23	2,039,700.00	2,015,194.30	0.19
EUR	4,000,000	Berkshire Hathaway Inc 1.13% 16.03.27	3,774,200.00	3,936,914.20	0.37
EUR	3,000,000	BG Energy Capital Plc 1.25% 21.11.22	3,146,700.00	3,117,060.30	0.29
EUR	2,500,000	BHP Billiton Finance Ltd 22.04.76	2,756,666.67	2,782,479.25	0.26
EUR	5,000,000	BMW Finance NV 0.13% 03.07.20	5,021,500.00	5,019,158.75	0.47
EUR	1,000,000	BMW US Capital LLC 1.00% 20.04.27	988,589.75	984,575.95	0.09
EUR	2,000,000	BNP Paribas Cardiff SA 31.12.49	2,297,400.00	2,173,793.30	0.21
EUR	3,000,000	BNP Paribas SA 1.50% 25.05.28	3,232,800.00	3,076,378.80	0.29
EUR	5,000,000	BNP Paribas SA 2.25% 11.01.27	4,847,500.00	5,125,510.00	0.48

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC EURO CORPORATE BONDS

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
EUR	1,689,000	BNP Paribas SA 2.38% 17.02.25	1,715,982.80	1,773,280.51	0.17
EUR	5,000,000	BNP Paribas SA 20.03.26	5,275,150.00	5,300,501.00	0.50
EUR	1,000,000	Booking Holdings Inc 0.80% 10.03.22	1,007,800.00	1,012,527.55	0.10
EUR	1,576,000	Booking Holdings Inc 1.80% 03.03.27	1,568,120.00	1,601,780.60	0.15
EUR	600,000	Booking Holdings Inc 2.38% 23.09.24	594,812.40	644,104.11	0.06
EUR	3,000,000	BP Capital Markets Plc 1.08% 26.06.25	3,021,840.00	3,006,144.00	0.28
EUR	2,000,000	BP Capital Markets Plc 1.12% 25.01.24	2,033,470.00	2,037,869.90	0.19
EUR	1,000,000	BP Capital Markets Plc 1.37% 03.03.22	1,054,300.00	1,040,535.30	0.10
EUR	550,000	BP Capital Markets Plc 2.52% 17.02.21	606,584.00	588,182.13	0.06
EUR	2,000,000	BPCE SA 0.63% 20.04.20	2,028,400.00	2,025,932.50	0.19
EUR	2,000,000	BPCE SA 2.13% 17.03.21	2,147,260.00	2,119,193.80	0.20
EUR	3,900,000	BPCE SA 30.11.27	4,089,150.00	4,170,476.12	0.39
EUR	1,000,000	BPCE SA 2.88% 22.04.26	1,057,200.00	1,077,388.60	0.10
EUR	60,500,000	Bundesobligation 17.04.20	61,399,144.69	61,242,335.00	5.80
EUR	45,000,000	Bundesobligation 09.04.21	45,934,610.00	45,637,650.00	4.32
EUR	36,000,000	Bundesobligation 08.10.21	36,704,674.02	36,478,800.00	3.45
EUR	16,500,000	Bundesobligation 08.04.22	16,651,057.50	16,696,515.00	1.58
EUR	36,100,000	Bundesobligation 0.25% 16.10.20	37,191,350.00	36,840,591.50	3.48
EUR	10,500,000	Bundesrepublik Deutschland 3.25% 04.07.21	12,295,651.98	11,767,560.00	1.11
EUR	700,000	Capgemini SA 2.50% 01.07.23	786,100.00	766,452.54	0.07
EUR	2,800,000	Capgemini SE 0.50% 09.11.21	2,831,152.00	2,824,142.16	0.27
EUR	3,000,000	Carnival Corp 1.13% 06.11.19	3,079,200.00	3,056,461.35	0.29
EUR	3,000,000	Carnival Corp 1.63% 22.02.21	3,135,900.00	3,128,920.05	0.30
EUR	3,000,000	Carnival Corp 1.88% 07.11.22	3,214,080.00	3,184,549.95	0.30
EUR	3,100,000	Carrefour SA 0.75% 26.04.24	3,067,479.04	3,035,708.33	0.29
EUR	900,000	Cie Financiere et Industrielle des Autoroutes SA 5.00% 24.05.21	1,092,948.35	1,037,001.02	0.10
EUR	4,000,000	Citigroup Inc 0.75% 26.10.23	3,952,400.00	3,967,199.20	0.38
EUR	800,000	Citigroup Inc 2.13% 10.09.26	792,478.24	849,882.40	0.08
EUR	3,000,000	Citigroup Inc 2.38% 22.05.24	3,300,570.00	3,246,721.05	0.31
EUR	5,600,000	CK Hutchison Finance 16 II Ltd 0.88% 03.10.24	5,573,786.00	5,549,032.72	0.52
EUR	2,000,000	CK Hutchison Finance 16 Ltd 2.00% 06.04.28	2,120,000.00	2,081,673.30	0.20
EUR	1,700,000	CNOOC Curtis Funding No 1 Pty Ltd 2.75% 03.10.20	1,793,928.66	1,802,106.76	0.17
EUR	2,000,000	CNP Assurances 05.06.45	2,247,500.00	2,236,896.00	0.21
EUR	2,000,000	Commerzbank AG 1.13% 24.05.24	2,021,040.00	1,996,377.90	0.19
EUR	5,000,000	Cooperatieve Rabobank UA 1.25% 23.03.26	5,117,700.00	5,100,701.25	0.48
EUR	4,000,000	Cooperatieve Rabobank UA 26.05.26	4,131,114.29	4,220,634.80	0.40
EUR	2,000,000	Credit Agricole Assurances SA 31.12.49	2,094,800.00	2,110,140.00	0.21
EUR	4,800,000	Credit Agricole SA 0.75% 01.12.22	4,833,160.00	4,856,250.24	0.46
EUR	5,000,000	Credit Agricole SA 1.25% 14.04.26	5,296,500.00	5,038,862.50	0.48
EUR	2,000,000	Credit Agricole SA 1.88% 20.12.26	1,990,080.00	2,070,366.00	0.20
EUR	1,000,000	Credit Agricole SA 2.63% 17.03.27	1,041,410.00	1,058,692.70	0.10
EUR	1,934,000	Credit Suisse AG 1.00% 07.06.23	1,987,865.35	1,972,374.62	0.19
EUR	3,500,000	Credit Suisse AG 1.38% 29.11.19	3,620,050.00	3,583,248.38	0.34
EUR	2,000,000	Credit Suisse AG 1.50% 10.04.26	2,093,820.00	2,066,128.60	0.20
EUR	3,000,000	Credit Suisse Group AG 17.07.25	3,021,900.00	2,989,772.25	0.28
EUR	4,000,000	Credit Suisse Group Funding Guernsey Ltd 1.25% 14.04.22	4,035,800.00	4,088,718.60	0.39
EUR	1,400,000	CRH Finance DAC 1.38% 18.10.28	1,398,152.00	1,356,289.27	0.13
EUR	5,000,000	Daimler AG 0.63% 05.03.20	5,069,850.00	5,064,719.00	0.48
EUR	1,211,000	Daimler AG 1.38% 11.05.28	1,208,120.12	1,192,027.32	0.11
EUR	2,000,000	Danske Bank A/S 0.75% 02.06.23	2,012,860.00	2,018,336.80	0.19
EUR	2,000,000	Demeter Investments BV for Swiss Life AG 31.12.49	2,186,000.00	2,203,942.00	0.21
EUR	2,500,000	Demeter Investments BV for Zurich Insurance Co Ltd 01.10.46	2,663,714.29	2,705,124.38	0.26
EUR	3,000,000	Deutsche Bank AG 1.25% 08.09.21	3,068,820.00	3,040,758.75	0.29
EUR	3,000,000	Deutsche Bank AG 1.50% 20.01.22	3,113,100.00	3,049,199.55	0.29
EUR	2,000,000	Deutsche Boerse AG 05.02.41	2,150,000.00	2,125,904.40	0.20
EUR	1,600,000	Eandis System Operator SCRL 2.75% 30.11.22	1,776,610.00	1,763,879.76	0.17
EUR	1,000,000	EDP Finance BV 1.13% 12.02.24	985,800.00	1,002,526.15	0.09
EUR	600,000	Electricite de France SA 4.00% 12.11.25	723,670.62	722,637.06	0.07
EUR	600,000	Electricite de France SA 31.12.49	613,607.26	632,070.00	0.06
EUR	3,500,000	Electricite de France SA 4.63% 11.09.24	4,648,065.33	4,298,269.33	0.41
EUR	2,500,000	Elia System Operator SA NV 1.38% 27.05.24	2,659,215.00	2,567,542.38	0.24
EUR	3,000,000	Emirates Telecommunications Group Co PJSC 1.75% 18.06.21	3,149,970.00	3,134,923.35	0.30
EUR	2,000,000	Emirates Telecommunications Group Co PJSC 2.75% 18.06.26	2,209,800.00	2,206,157.10	0.21
EUR	2,000,000	Enagas Financiaciones SAU 0.75% 27.10.26	1,900,600.00	1,938,423.80	0.18

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC EURO CORPORATE BONDS

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
EUR	3,000,000	EnBW Energie Baden-Wuerttemberg AG 02.04.76	3,062,752.80	3,192,224.85	0.30
EUR	3,446,000	Enel Finance International NV 1.38% 01.06.26	3,687,496.57	3,453,064.82	0.33
EUR	500,000	Enel SpA 5.63% 21.06.27	686,553.38	675,951.85	0.06
EUR	4,200,000	Engie SA 1.38% 19.05.20	4,414,846.53	4,324,253.85	0.41
EUR	800,000	Engie SA 31.12.49	889,760.00	870,775.00	0.08
EUR	3,000,000	Engie SA 31.12.49	3,332,470.00	3,357,300.00	0.32
EUR	1,700,000	Eni SpA 0.63% 19.09.24	1,686,961.00	1,667,817.90	0.16
EUR	300,000	Erste Group Bank AG 7.13% 10.10.22	350,047.92	380,410.89	0.04
EUR	3,000,000	FCA Bank SpA 2.63% 17.04.19	3,097,500.00	3,084,477.75	0.29
EUR	1,000,000	Fomento Economico Mexicano SAB de CV 1.75% 20.03.23	1,053,750.00	1,039,212.50	0.10
EUR	70,500,000	French Republic Government Bond OAT 25.05.21	71,534,463.46	71,219,100.00	6.74
EUR	46,500,000	French Republic Government Bond OAT 1.00% 25.11.25	49,033,799.15	48,696,195.00	4.61
EUR	2,000,000	Gas Natural Capital Markets SA 4.50% 27.01.20	2,185,900.00	2,165,218.00	0.20
EUR	1,500,000	GE Capital European Funding Unlimited Co 4.35% 03.11.21	1,834,950.00	1,717,675.58	0.16
EUR	200,000	GE Capital European Funding Unlimited Co 6.03% 01.03.38	310,010.00	311,362.83	0.03
EUR	2,000,000	Generali Finance BV 31.12.49	2,073,500.00	2,139,483.30	0.20
EUR	2,000,000	GlaxoSmithKline Capital Plc 0.63% 02.12.19	2,046,400.00	2,026,102.60	0.19
EUR	3,000,000	GlaxoSmithKline Capital Plc 12.09.20	3,007,200.00	2,995,384.95	0.28
EUR	1,000,000	Glencore Finance Europe SA 1.25% 17.03.21	1,031,420.00	1,022,758.95	0.10
EUR	3,000,000	Goldman Sachs Group Inc 1.25% 01.05.25	2,966,400.00	2,982,868.35	0.28
EUR	2,977,000	Goldman Sachs Group Inc 1.38% 26.07.22	3,119,575.42	3,068,720.63	0.29
EUR	5,000,000	Goldman Sachs Group Inc 2.00% 27.07.23	5,221,671.15	5,250,093.75	0.50
EUR	200,000	Goldman Sachs Group Inc 2.88% 03.06.26	211,318.79	219,698.02	0.02
EUR	600,000	Goldman Sachs Group Inc 4.75% 12.10.21	697,874.49	684,588.36	0.06
EUR	5,000,000	Grand City Properties SA 1.38% 03.08.26	4,921,600.00	4,883,308.00	0.46
EUR	3,000,000	Hannover Finance Luxembourg SA 30.06.43	3,573,783.75	3,548,175.75	0.34
EUR	1,000,000	Heathrow Funding Ltd 1.88% 23.05.22	1,072,505.00	1,059,022.90	0.10
EUR	2,000,000	Hera SpA 2.38% 04.07.24	2,234,000.00	2,181,696.90	0.21
EUR	3,000,000	Holcim Finance Luxembourg SA 1.38% 26.05.23	3,123,870.00	3,082,746.15	0.29
EUR	5,000,000	Honeywell International Inc 1.30% 22.02.23	5,101,320.00	5,189,832.25	0.49
EUR	3,300,000	HSBC France SA 0.63% 03.12.20	3,373,386.00	3,352,024.34	0.32
EUR	2,670,000	HSBC Holdings Plc 3.13% 07.06.28	2,858,769.00	2,950,950.22	0.28
EUR	600,000	Hutchison Whampoa Europe Finance 12 Ltd 3.63% 06.06.22	677,718.30	676,714.50	0.06
EUR	1,700,000	Hutchison Whampoa Finance 14 Ltd 1.38% 31.10.21	1,714,086.25	1,761,035.61	0.17
EUR	700,000	Iberdrola International BV 1.13% 27.01.23	676,485.60	721,034.48	0.07
EUR	3,800,000	Iberdrola International BV 1.88% 08.10.24	4,263,600.00	4,041,756.00	0.38
EUR	4,000,000	IE2 Holdco SAU 2.38% 27.11.23	4,249,200.00	4,255,803.00	0.40
EUR	1,000,000	Imerys SA 1.50% 15.01.27	988,370.00	1,002,788.05	0.09
EUR	1,000,000	Imerys SA 2.00% 10.12.24	1,077,300.00	1,058,184.10	0.10
EUR	1,900,000	Imperial Brands Finance Plc 2.25% 26.02.21	2,023,864.17	2,002,386.35	0.19
EUR	4,580,000	ING Bank NV 25.02.26	4,976,484.00	4,962,479.24	0.47
EUR	3,000,000	ING Groep NV 11.04.28	3,181,200.00	3,240,259.65	0.31
EUR	2,000,000	Innogy Finance BV 6.50% 10.08.21	2,623,880.00	2,419,052.70	0.23
EUR	1,900,000	International Business Machines Corp 1.13% 06.09.24	2,015,292.00	1,940,107.29	0.18
EUR	3,000,000	International Business Machines Corp 0.95% 23.05.25	3,037,788.00	3,003,800.85	0.28
EUR	3,000,000	Intesa Sanpaolo SpA 1.13% 14.01.20	3,072,900.00	3,057,718.20	0.29
EUR	2,500,000	Intesa Sanpaolo SpA 1.13% 04.03.22	2,508,982.25	2,543,264.88	0.24
EUR	4,000,000	Intesa Sanpaolo SpA 1.38% 18.01.24	4,034,500.00	4,063,100.80	0.38
EUR	500,000	Intesa Sanpaolo SpA 2.00% 18.06.21	522,620.00	525,408.55	0.05
EUR	2,000,000	Intesa Sanpaolo SpA 4.38% 15.10.19	2,208,580.00	2,133,556.70	0.20
EUR	1,750,000	Johnson & Johnson 0.25% 20.01.22	1,779,341.67	1,760,094.18	0.17
EUR	3,500,000	Johnson & Johnson 0.65% 20.05.24	3,548,542.31	3,526,389.83	0.33
EUR	5,000,000	JPMorgan Chase & Co 0.63% 25.01.24	5,042,500.00	4,920,820.50	0.47
EUR	6,300,000	JPMorgan Chase & Co 1.50% 29.10.26	6,531,075.65	6,392,385.72	0.60
EUR	1,500,000	JPMorgan Chase & Co 3.88% 23.09.20	1,734,825.00	1,642,494.23	0.16
EUR	3,000,000	KBC Group NV 1.00% 26.04.21	3,081,300.00	3,065,757.15	0.29
EUR	1,400,000	Kering 1.25% 10.05.26	1,392,048.00	1,421,548.38	0.13
EUR	1,100,000	Linde Finance BV 1.00% 20.04.28	1,090,684.07	1,091,540.34	0.10
EUR	200,000	Luxottica Group SpA 2.63% 10.02.24	218,562.89	222,709.06	0.02
EUR	2,000,000	Magna International Inc 1.90% 24.11.23	2,137,400.00	2,133,473.60	0.20
EUR	1,309,000	Merck Financial Services GmbH 1.38% 01.09.22	1,395,198.43	1,369,635.56	0.13
EUR	1,500,000	Merck KGaA 12.12.74	1,456,500.00	1,569,656.25	0.15
EUR	1,500,000	Merck KGaA 12.12.74	1,554,000.00	1,569,656.25	0.15
EUR	5,000,000	Microsoft Corp 2.13% 06.12.21	5,437,500.00	5,351,326.25	0.51
EUR	3,500,000	Microsoft Corp 3.13% 06.12.28	4,451,170.50	4,226,580.23	0.40
EUR	3,500,000	Morgan Stanley 1.75% 11.03.24	3,635,928.30	3,623,706.10	0.34
EUR	1,850,000	Morgan Stanley 1.88% 30.03.23	1,885,474.05	1,942,365.23	0.18

The accompanying notes are an integral part of these financial statements.



## KBC BONDS STRATEGIC EURO CORPORATE BONDS

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
EUR	3,200,000	Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen 26.05.42	3,933,490.36	3,876,988.64	0.37
EUR	2,000,000	Mylan NV 3.13% 22.11.28	2,134,000.00	2,079,198.80	0.20
EUR	1,500,000	National Grid North America Inc 0.75% 11.02.22	1,473,240.00	1,523,030.25	0.14
EUR	5,000,000	NN Group NV 1.63% 01.06.27	5,104,000.00	5,101,270.25	0.48
EUR	2,000,000	NN Group NV 31.12.49	2,294,000.00	2,178,887.10	0.21
EUR	1,400,000	NN Group NV 13.01.48	1,498,105.41	1,556,465.96	0.15
EUR	1,000,000	Nordea Bank AB 1.00% 22.02.23	1,029,830.00	1,025,686.05	0.10
EUR	600,000	Nordea Bank AB 4.00% 29.03.21	680,255.07	664,394.70	0.06
EUR	2,000,000	Nykredit Realkredit A/S 17.11.27	2,058,400.00	2,143,838.20	0.20
EUR	589,000	OMV AG 31.12.49	661,299.75	666,519.62	0.06
EUR	5,615,000	Oracle Corp 2.25% 10.01.21	6,118,176.15	5,970,396.65	0.56
EUR	1,000,000	Orange SA 31.12.49	1,072,450.00	1,096,108.30	0.10
EUR	2,000,000	Orange SA 31.12.49	2,370,000.00	2,290,880.00	0.22
EUR	2,000,000	PepsiCo Inc 2.63% 28.04.26	2,282,580.00	2,265,496.20	0.21
EUR	2,890,000	Pfizer Inc 0.25% 06.03.22	2,885,838.40	2,896,466.38	0.27
EUR	3,000,000	Philip Morris International Inc 1.75% 19.03.20	3,193,500.00	3,100,659.15	0.29
EUR	4,766,000	Philip Morris International Inc 2.88% 03.03.26	5,707,285.00	5,336,074.60	0.50
EUR	3,000,000	Philip Morris International Inc 2.88% 14.05.29	3,423,750.00	3,390,465.75	0.32
EUR	5,000,000	PPG Industries Inc 0.88% 03.11.25	4,962,800.00	4,945,197.75	0.47
EUR	3,000,000	Praxair Inc 1.50% 11.03.20	3,114,000.00	3,090,676.05	0.29
EUR	3,000,000	Procter & Gamble Co 1.13% 02.11.23	3,109,036.36	3,110,581.80	0.29
EUR	1,600,000	Proximus SADP 1.88% 01.10.25	1,813,648.00	1,706,420.08	0.16
EUR	2,000,000	Proximus SADP 2.38% 04.04.24	2,328,440.00	2,194,264.70	0.21
EUR	3,000,000	Red Electrica Financiaciones SAU 1.13% 24.04.25	3,204,780.00	3,059,000.25	0.29
EUR	2,500,000	Robert Bosch GmbH 1.75% 08.07.24	2,826,750.00	2,688,562.13	0.25
EUR	2,235,000	Roche Holdings Inc 6.50% 04.03.21	2,916,333.82	2,662,301.49	0.25
EUR	1,600,000	RTE Reseau de Transport d'Electricite SA 1.63% 08.10.24	1,699,200.00	1,685,331.28	0.16
EUR	1,700,000	Ryanair DAC 1.13% 10.03.23	1,698,446.65	1,733,569.65	0.16
EUR	3,000,000	Ryanair DAC 1.88% 17.06.21	3,211,800.00	3,154,355.85	0.30
EUR	1,500,000	SABIC Capital I BV 2.75% 20.11.20	1,614,000.00	1,598,276.10	0.15
EUR	2,000,000	Santander International Debt SAU 1.38% 03.03.21	2,097,800.00	2,074,178.90	0.20
EUR	2,000,000	Santander Issuances SAU 3.13% 19.01.27	2,147,000.00	2,162,890.90	0.20
EUR	1,400,000	Santander Issuances SAU 3.25% 04.04.26	1,390,956.00	1,527,428.21	0.14
EUR	1,300,000	Santander UK Group Holdings Plc 1.13% 08.09.23	1,293,747.00	1,307,510.30	0.12
EUR	1,000,000	Santander UK Plc 1.13% 10.03.25	1,008,190.00	1,006,701.05	0.10
EUR	4,000,000	Santander UK Plc 2.63% 16.07.20	4,298,720.00	4,230,699.20	0.40
EUR	1,500,000	SAP SE 1.13% 20.02.23	1,616,765.80	1,559,612.18	0.15
EUR	1,500,000	SCOR SE 08.06.46	1,538,250.00	1,574,917.50	0.15
EUR	1,500,000	Shell International Finance BV 0.38% 15.02.25	1,483,110.00	1,459,334.40	0.14
EUR	5,000,000	Sinopec Group Overseas Development 2015 Ltd 1.00% 28.04.22	5,073,080.00	5,069,793.25	0.48
EUR	3,100,000	Skandinaviska Enskilda Banken AB 31.10.28	3,083,415.00	3,096,806.23	0.29
EUR	3,000,000	Skandinaviska Enskilda Banken AB 2.00% 19.02.21	3,197,850.00	3,166,327.95	0.30
EUR	3,800,000	Societe Generale SA 0.75% 25.11.20	3,870,300.00	3,870,866.77	0.37
EUR	4,400,000	Societe Generale SA 16.09.26	4,488,024.78	4,621,888.26	0.44
EUR	2,000,000	Sogecap SA 31.12.49	2,159,850.00	2,160,231.00	0.20
EUR	1,500,000	Solvay SA 1.63% 02.12.22	1,587,750.00	1,574,922.30	0.15
EUR	4,530,000	SPP Infrastructure Financing BV 3.75% 18.07.20	4,984,210.60	4,900,219.91	0.46
EUR	5,000,000	Standard Chartered Plc 03.10.27	5,005,000.00	4,970,585.00	0.47
EUR	5,000,000	Statkraft AS 2.50% 28.11.22	5,542,980.00	5,467,125.75	0.52
EUR	3,000,000	Statoil ASA 0.88% 17.02.23	2,937,900.00	3,065,769.30	0.29
EUR	2,600,000	Statoil ASA 1.25% 17.02.27	2,567,240.00	2,644,675.15	0.25
EUR	2,500,000	Suez 31.12.49	2,553,125.00	2,577,076.63	0.24
EUR	3,000,000	Suez 2.75% 09.10.23	3,410,100.00	3,367,234.20	0.32
EUR	1,000,000	Svenska Handelsbanken AB 2.25% 27.08.20	1,077,500.00	1,054,737.70	0.10
EUR	2,000,000	Swedbank AB 0.63% 04.01.21	2,055,052.00	2,031,563.90	0.19
EUR	2,000,000	Swedbank AB 22.11.27	1,995,800.00	1,985,074.10	0.19
EUR	5,000,000	Swiss Re ReAssure Ltd 1.38% 27.05.23	5,207,020.00	5,181,970.25	0.49
EUR	3,000,000	Telefonica Emisiones SAU 0.75% 13.04.22	3,080,400.00	3,036,480.30	0.29
EUR	2,200,000	Telefonica Emisiones SAU 1.46% 13.04.26	2,200,000.00	2,207,006.56	0.21
EUR	1,000,000	Telefonica Emisiones SAU 3.96% 26.03.21	1,173,900.00	1,113,721.80	0.11
EUR	400,000	Telenor ASA 2.75% 27.06.22	443,876.16	440,964.90	0.04
EUR	450,000	Telstra Corp Ltd 1.13% 14.04.26	447,133.50	451,336.50	0.04
EUR	2,000,000	Telstra Corp Ltd 2.50% 15.09.23	2,203,894.40	2,202,699.30	0.21
EUR	2,000,000	Terna Rete Elettrica Nazionale SpA 1.38% 26.07.27	1,998,000.00	1,983,295.00	0.19
EUR	1,000,000	Total Capital Canada Ltd 1.13% 18.03.22	1,038,232.00	1,034,629.25	0.10

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC EURO CORPORATE BONDS

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds (continued)</b>					
EUR	4,000,000	Total SA 31.12.49	3,957,450.00	4,138,700.00	0.39
EUR	1,000,000	Total SA 31.12.49	1,098,000.00	1,063,687.50	0.10
EUR	1,500,000	Total SA 31.12.49	1,598,953.85	1,646,425.05	0.16
EUR	1,980,000	Toyota Motor Credit Corp 1.00% 09.03.21	2,051,280.00	2,034,691.36	0.19
EUR	6,000,000	UBS AG 1.25% 03.09.21	6,253,200.00	6,208,287.60	0.59
EUR	500,000	UBS Group Funding Jersey Ltd 1.25% 01.09.26	496,835.00	494,750.13	0.05
EUR	3,000,000	UBS Group Funding Switzerland AG 1.75% 16.11.22	3,183,090.00	3,141,922.65	0.30
EUR	3,000,000	UBS Group Funding Switzerland AG 2.13% 04.03.24	3,209,700.00	3,191,781.00	0.30
EUR	3,000,000	UniCredit SpA 2.00% 04.03.23	3,178,200.00	3,161,711.55	0.30
EUR	3,000,000	United Technologies Corp 1.25% 22.05.23	3,112,500.00	3,095,124.45	0.29
EUR	3,000,000	Veolia Environnement SA 5.13% 24.05.22	3,880,500.00	3,594,793.20	0.34
EUR	2,600,000	Vivendi SA 0.75% 26.05.21	2,675,546.96	2,638,463.36	0.25
EUR	3,900,000	Vodafone Group Plc 1.25% 25.08.21	4,033,230.00	4,029,702.89	0.38
EUR	2,000,000	Vodafone Group Plc 2.20% 25.08.26	2,242,600.00	2,110,527.90	0.20
EUR	3,000,000	Vodafone Group Plc 1.88% 20.11.29	3,001,500.00	2,934,187.35	0.28
EUR	5,000,000	Volkswagen International Finance NV 0.50% 30.03.21	5,003,400.00	5,035,761.50	0.48
EUR	4,000,000	Volkswagen International Finance NV 1.13% 02.10.23	4,010,180.00	4,043,785.80	0.38
EUR	1,500,000	Volkswagen International Finance NV 31.12.49	1,404,810.00	1,517,287.50	0.14
EUR	2,514,000	Volkswagen International Finance NV 31.12.49	2,603,425.30	2,674,560.76	0.25
EUR	900,000	Volkswagen International Finance NV 31.12.49	944,939.90	981,995.63	0.09
EUR	1,837,000	Volkswagen Leasing GmbH 0.75% 11.08.20	1,878,332.50	1,865,891.23	0.18
EUR	4,000,000	Volkswagen Leasing GmbH 2.63% 15.01.24	4,419,429.56	4,354,415.40	0.41
EUR	3,000,000	Vonovia Finance BV 2.25% 15.12.23	3,363,000.00	3,214,803.75	0.30
EUR	5,000,000	Vonovia Finance BV 31.12.49	5,054,075.00	5,418,156.25	0.51
EUR	1,000,000	Walgreens Boots Alliance Inc 2.13% 20.11.26	1,048,600.00	1,023,307.60	0.10
EUR	3,000,000	Wells Fargo & Co 1.00% 02.02.27	3,020,062.50	2,884,450.95	0.27
EUR	2,000,000	WPP Finance 2013 0.75% 18.11.19	2,016,307.50	2,024,497.70	0.19
Total investments in securities			1,046,224,685.44	1,039,713,203.48	98.31
Cash at banks				1,993,785.59	0.19
Other net assets/(liabilities)				15,907,693.94	1.50
Total				1,057,614,683.01	100.00

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC HIGHER YIELDING CURRENCIES

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	85,190,369.02
Cash at banks	466,952.84
Other liquid assets	19,228.73
Receivable on issues of shares	61,630.84
Income receivable on portfolio	797,551.94
	<hr/>
Total assets	86,535,733.37

#### Liabilities

Payable on redemptions of shares	42,028.38
Unrealised loss on forward foreign exchange contracts	63,167.53
Expenses payable and other payables	85,372.03
	<hr/>
Total liabilities	190,567.94

Net assets at the end of the period	86,345,165.43
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Number of capitalisation shares "Institutional B Shares" outstanding	88,017.7610
Net asset value per capitalisation share "Institutional B Shares"	981.00

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC HIGHER YIELDING CURRENCIES

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### **Income**

Interest on bonds and other debt securities, net	870,965.76
Commissions received	84,687.68
Total income	955,653.44

#### **Expenses**

Management fees	513,758.85
Transaction fees	6,850.00
Fixed service fees and depositary fees	28,198.23
Subscription duty ("taxe d'abonnement")	4,377.65
Interest paid on bank accounts	2,739.83

Total expenses 555,924.56

Net investment income 399,728.88

#### **Net realised gain/(loss)**

- on sales of securities portfolio	-635,879.66
- on forward foreign exchange contracts	1,944,306.69
- on foreign exchange	-2,204,286.56

Realised result -496,130.65

#### **Net variation of the unrealised gain/(loss)**

- on securities portfolio	418,722.92
- on forward foreign exchange contracts	-1,262,732.88
- on foreign exchange	-4,160.53

Result of operations -1,344,301.14

Dividends paid -

Subscriptions 76,351,082.76

Redemptions -93,024,079.66

Total changes in net assets -18,017,298.04

Total net assets at the beginning of the period 104,362,463.47

Total net assets at the end of the period 86,345,165.43

The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC HIGHER YIELDING CURRENCIES

### Statistical information (in EUR)

as at 31st March 2018

#### Total net assets

- as at 31.03.2018	86,345,165.43
- as at 30.09.2017	104,362,463.47
- as at 30.09.2016	152,987,797.80

#### Number of capitalisation shares "Institutional B Shares"

- outstanding at the beginning of the period	105,132.7610
- issued	77,799.0000
- redeemed	<u>-94,914.0000</u>
- outstanding at the end of the period	<u>88,017.7610</u>

#### Net asset value per capitalisation share "Institutional B Shares"

- as at 31.03.2018	981.00
- as at 30.09.2017	992.67
- as at 30.09.2016	1,027.03

#### TER per capitalisation share "Institutional B Shares" (in %)

- as at 31.03.2018	1.17
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## KBC BONDS STRATEGIC HIGHER YIELDING CURRENCIES

### Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
AUD	5,850,000	Australia Government Bond 3.25% 21.10.18	4,195,849.03	3,675,846.23	4.25
AUD	1,000,000	Australia Government Bond 5.75% 15.07.22	<u>742,935.43</u>	<u>712,850.95</u>	<u>0.83</u>
			4,938,784.46	4,388,697.18	5.08
CAD	3,800,000	Canadian Government Bond 2.25% 01.06.25	2,480,523.90	2,427,257.51	2.81
EUR	2,500,000	French Republic Government Bond OAT 0.25% 25.11.20	2,540,825.00	2,543,150.00	2.95
EUR	4,000,000	Kingdom of Belgium Government Bond 4.25% 28.09.21	4,648,691.43	4,639,800.00	5.37
EUR	3,000,000	Spain Government Bond 1.30% 31.10.26	<u>3,058,830.00</u>	<u>3,091,740.00</u>	<u>3.58</u>
			10,248,346.43	10,274,690.00	11.90
GBP	3,900,000	United Kingdom Gilt 1.25% 22.07.18	4,376,128.49	4,458,109.01	5.16
GBP	2,000,000	United Kingdom Gilt 1.25% 22.07.27	2,241,412.39	2,253,696.18	2.61
GBP	950,000	United Kingdom Gilt 1.50% 22.01.21	1,103,750.10	1,102,623.46	1.28
GBP	2,400,000	United Kingdom Gilt 1.75% 22.07.19	<u>2,781,151.60</u>	<u>2,773,494.99</u>	<u>3.21</u>
			10,502,442.58	10,587,923.64	12.26
JPY	1,040,000,000	Japan Government Five Year Bond 0.20% 20.12.18	7,815,991.99	7,971,041.58	9.23
JPY	600,000,000	Japan Government Two Year Bond 0.10% 15.09.19	<u>4,575,162.08</u>	<u>4,603,723.91</u>	<u>5.33</u>
			12,391,154.07	12,574,765.49	14.56
NOK	20,000,000	IBRD 3.63% 22.06.20	2,356,188.55	2,170,526.55	2.51
NOK	17,000,000	Norway Government Bond 1.50% 19.02.26	1,815,166.11	1,725,724.74	2.00
NOK	25,000,000	Norway Government Bond 1.75% 17.02.27	2,596,915.17	2,572,577.44	2.98
NOK	68,000,000	Norway Government Bond 3.75% 25.05.21	7,998,501.06	7,596,949.61	8.80
NOK	61,000,000	Norway Government Bond 4.50% 22.05.19	<u>7,090,584.23</u>	<u>6,581,220.86</u>	<u>7.62</u>
			21,857,355.12	20,646,999.20	23.91
USD	6,204,420	United States Treasury Inflation Indexed Bonds 0.13% 15.07.26	5,528,079.09	4,851,487.91	5.62
USD	6,800,000	United States Treasury Note Bond 1.25% 31.12.18	6,124,967.61	5,495,896.46	6.37
USD	4,500,000	United States Treasury Note Bond 1.25% 29.02.20	3,547,667.88	3,589,504.21	4.16
USD	6,900,000	United States Treasury Note Bond 2.00% 15.08.25	5,477,084.08	5,347,906.48	6.19
USD	2,600,000	United States Treasury Note Bond 2.75% 15.02.28	<u>2,098,746.55</u>	<u>2,116,102.23</u>	<u>2.45</u>
			22,776,545.21	21,400,897.29	24.79
<b>Total bonds</b>			85,195,151.77	82,301,230.31	95.31
<b><u>Other transferable securities</u></b>					
<b>Bonds</b>					
CAD	4,700,000	Canadian Government Bond 0.75% 01.09.20	<u>2,995,115.62</u>	<u>2,889,138.71</u>	<u>3.35</u>
<b>Total bonds</b>			2,995,115.62	2,889,138.71	3.35
Total investments in securities			88,190,267.39	85,190,369.02	98.66
Cash at banks				466,952.84	0.54
Other net assets/(liabilities)				<u>687,843.57</u>	<u>0.80</u>
Total				<u>86,345,165.43</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS SHORT DURATION

### Investment policy and outlook

from 1st October 2017 to 31st March 2018

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The economy of the Eurozone is performing better and better. The last quarter of 2017 the annualized growth figure was 2.7%. During the last meeting (march 2018) the European Central Bank (ECB) increased marginally the outlook for the economic activity in 2018 from 2.4% from 2.3%. The German economy stayed the powerful engine of the Eurozone but also countries like Spain and the Netherlands performed very well.

The ECB saw the opportunity to modify its loose monetary policy announcing in October 2017 a reduction in the monthly purchased amount of Quantitative Easing, from 60 billion to 30 billion EUR on a monthly basis from end 2017 till September 2018. The official rate (0.00%) was not changed during the reporting period. But although the growth performance of the Eurozone was as good as being hoped for, this was not the case for the inflation. Thanks to the basis effect, the headline CPI figure reached 2% in February but fell back quite sharply the following months. At the end of the reporting period, the headline figure recovered somewhat reaching 1.4% yoy, still below the ECB target of close to but below 2%.

Short money market rates in Eurozone were more or less stable during the reporting period. The 3-month euribor rate oscillated around -0.33%. The European money market yield curve flattened in the last 6 months. The difference between the 1 month euribor and the 12 month euribor decreased to 18 from 20 basis points. The duration of the portfolio oscillated in the interval 110 to 150 days. For liquidity reasons the fund invests minimum 50% in government paper of highly rated countries (eg. Germany, the Netherlands, Belgium and France). The prudent issuer policy was liberalised. The fund invested more in issuers with A-2 rating.

The duration of the portfolio is relatively long and this policy will not be changed for the moment. A change of the official rate by the ECB is not foreseen in the near future. The next quarter the ECB is expected to announce that the ECB will taper its asset purchases from the current pace of 30 billion EUR per month.

## KBC BONDS SHORT DURATION

### Statement of net assets (in EUR)

as at 31st March 2018

#### Assets

Securities portfolio at market value	857,241,267.64
Cash at banks	16,481,582.84
Receivable on issues of shares	1,249,026.82
Income receivable on portfolio	198,834.29
	<hr/>
Total assets	875,170,711.59

#### Liabilities

Payable on redemptions of shares	695,289.94
Interest payable on bank accounts	586.67
Expenses payable and other payables	166,811.56
	<hr/>
Total liabilities	862,688.17

Net assets at the end of the period	874,308,023.42
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Number of capitalisation shares "Institutional B Shares" outstanding	3,533,691.4389
Net asset value per capitalisation share "Institutional B Shares"	247.42

The accompanying notes are an integral part of these financial statements.



## KBC BONDS SHORT DURATION

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 31st March 2018

#### Income

Interest on bonds and other debt securities, net	130,047.11
Total income	130,047.11

#### Expenses

Management fees	329,358.80
Transaction fees	3,744.00
Fixed service fees and depositary fees	133,449.04
Subscription duty ("taxe d'abonnement")	29,483.97
Interest paid on bank accounts	24,683.74
Total expenses	520,719.55

Net investment expense	-390,672.44
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#### Net realised gain/(loss)

- on sales of securities portfolio	-817,903.06
Realised result	-1,208,575.50

#### Net variation of the unrealised gain/(loss)

- on securities portfolio	-208,704.47
Result of operations	-1,417,279.97

Dividends paid	-
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Subscriptions	1,062,620,603.86
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Redemptions	-479,862,229.33
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Total changes in net assets	581,341,094.56
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Total net assets at the beginning of the period	292,966,928.86
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Total net assets at the end of the period	874,308,023.42
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The accompanying notes are an integral part of these financial statements.

## KBC BONDS SHORT DURATION

### Statistical information (in EUR)

as at 31st March 2018

<b>Total net assets</b>	
- as at 31.03.2018	874,308,023.42
- as at 30.09.2017	292,966,928.86
- as at 30.09.2016	537,661,167.34
<b>Number of capitalisation shares "Institutional B Shares"</b>	
- outstanding at the beginning of the period	1,180,238.0000
- issued	4,290,611.0000
- redeemed	<u>-1,937,157.5611</u>
- outstanding at the end of the period	3,533,691.4389
<b>Net asset value per capitalisation share "Institutional B Shares"</b>	
- as at 31.03.2018	247.42
- as at 30.09.2017	248.23
<b>TER per capitalisation share "Institutional B Shares" (in %)</b>	
- as at 31.03.2018	0.23

The accompanying notes are an integral part of these financial statements.

## KBC BONDS SHORT DURATION

### Statement of investments and other net assets (in EUR)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing or traded on another regulated market</u></b>					
<b>Bonds</b>					
EUR	100,000	Amethyst Structured Fin Plc 10.01.40	101,214.50	100,927.80	0.01
EUR	2,500,000	Barclays Bank Plc 13.03.19	2,508,900.00	2,508,275.00	0.29
EUR	100,000	Beechwood Structured Fin Plc 10.01.40	100,077.54	99,796.99	0.01
EUR	7,400,000	Belfius Bank SA/NV 2.25% 26.09.18	7,502,860.00	7,491,094.00	0.85
EUR	3,500,000	BMW Finance NV 17.10.18	3,509,695.00	3,505,425.00	0.39
EUR	2,500,000	BMW Finance NV 03.04.19	2,496,600.00	2,505,537.50	0.29
EUR	100,000	Brookfields Capital Plc 10.01.40	101,690.08	101,380.47	0.01
EUR	2,000,000	Coca-Cola Co 08.03.19	2,008,340.00	2,006,210.00	0.23
EUR	100,000	Eperon Finance Plc 10.01.40	100,241.99	99,825.69	0.01
EUR	55,000,000	ESM Treasury Bill 10.05.18	55,075,267.50	55,033,000.00	6.28
EUR	50,000	Espaccio Securities Plc 10.01.40	50,097.02	49,870.85	0.01
EUR	19,000,000	French Republic Government Bond OAT 1.00% 25.11.18	19,240,730.00	19,198,170.00	2.19
EUR	1,000,000	French Republic Government Bond OAT 4.00% 25.04.18	1,030,490.00	1,002,700.00	0.11
EUR	50,000	Greenstreet Structured Fin Prod Plc 10.01.40	50,862.12	50,698.74	0.01
EUR	50,000	Ipanema Capital Plc 10.07.40	50,115.60	49,875.87	0.01
EUR	1,000,000	Kingdom of Belgium Government Bond 1.25% 22.06.18	1,006,830.00	1,004,160.00	0.11
EUR	50,000	Nimrod Capital Plc 10.01.40	50,610.67	50,395.39	0.01
EUR	50,000	Opal Financial Prod Plc 10.01.40	50,108.19	49,986.41	0.01
EUR	2,000,000	Pfizer Inc 06.03.19	2,008,080.00	2,006,540.00	0.23
EUR	50,000	Profile Finance Plc 10.01.40	50,868.79	50,726.51	0.01
EUR	50,000	Recolte Securities Plc 10.01.40	50,049.31	49,844.97	0.01
EUR	4,000,000	Santander UK Plc 27.02.20	4,023,520.00	4,022,840.00	0.45
EUR	50,000	Silverstate Fin Inv Plc 10.01.40	50,065.88	49,850.78	0.01
EUR	50,000	Vermillion Protect Bond Ptf Plc 10.01.40	49,903.91	49,674.82	0.01
EUR	50,000	Vespucci Struct Fin Prod Plc 10.01.40	50,436.28	50,657.99	0.01
EUR	50,000	Vigado Capital Plc 10.01.40	50,017.64	49,823.25	0.01
EUR	50,000	Voyce Investments Plc 10.01.40	50,654.32	50,432.56	0.01
EUR	50,000	Waterford Capital Investments Plc 10.01.40	50,057.33	49,856.70	0.01
EUR	50,000	Waves Financial Investments Plc 10.01.40	50,044.63	49,860.36	0.01
<b>Total bonds</b>			<b>101,518,428.30</b>	<b>101,387,437.65</b>	<b>11.60</b>
<b><u>Money market instruments</u></b>					
<b>Money market instruments</b>					
EUR	3,000,000	Agricultural Bank of China 30.05.18	3,000,615.07	3,000,615.07	0.34
EUR	10,000,000	Agricultural Bank of China 27.09.18	10,003,481.81	10,003,481.81	1.14
EUR	15,000,000	Agricultural Bank of China 05.02.19	14,997,417.10	14,997,417.10	1.72
EUR	7,000,000	Agricultural Bank of China 14.03.19	6,999,325.27	6,999,325.27	0.80
EUR	2,000,000	Auchan Holding SA 21.06.18	2,001,441.39	2,001,441.39	0.23
EUR	10,000,000	Banco Santander SA 10.09.18	10,014,423.75	10,014,423.75	1.15
EUR	10,000,000	Bank Of China 02.05.18	10,001,516.05	10,001,516.05	1.14
EUR	15,000,000	Bank Of China Limited 05.11.18	15,005,452.51	15,005,452.51	1.72
EUR	3,500,000	Bank Of China Limited 07.11.18	3,501,283.70	3,501,283.70	0.40
EUR	5,500,000	Bank of China Ltd 15.06.18	5,501,720.12	5,501,720.12	0.63
EUR	12,000,000	Banque Federative du Credit Mutuel SA 08.08.18	12,015,507.58	12,015,507.58	1.37
EUR	10,000,000	Bayerische Landesba 25.05.18	10,005,631.31	10,005,631.31	1.14
EUR	2,000,000	Befimmo SA 23.04.18	2,000,184.64	2,000,184.64	0.23
EUR	5,000,000	China Const 28.09.18	5,002,626.41	5,002,626.41	0.57
EUR	8,000,000	China Construction Bank Corp 26.06.18	8,003,824.16	8,003,824.16	0.92
EUR	14,000,000	China Construction Bank Corp 14.05.18	14,002,509.26	14,002,509.26	1.60
EUR	3,000,000	China Development Bank 18.01.19	3,000,973.82	3,000,973.82	0.34
EUR	12,000,000	Compagnie Gene 07.06.18	12,008,159.17	12,008,159.17	1.37
EUR	20,000,000	De Volksbank NV 09.05.18	20,007,183.71	20,007,183.71	2.29
EUR	8,000,000	De Volksbank NV 29.05.18	8,004,385.94	8,004,385.94	0.92
EUR	19,000,000	Deutsche Bank AG 05.11.18	19,019,007.64	19,019,007.64	2.18
EUR	34,000,000	ESM Treasury Bill 11.10.18	34,146,636.71	34,109,140.00	3.90
EUR	19,000,000	ESM Treasury Bill 13.12.18	19,089,298.10	19,081,738.00	2.18
EUR	5,000,000	France Treasury Bill BTF 25.04.18	5,021,469.55	5,001,950.00	0.57
EUR	4,000,000	France Treasury Bill BTF 24.05.18	4,009,481.57	4,003,520.00	0.46

The accompanying notes are an integral part of these financial statements.

## KBC BONDS SHORT DURATION

### Statement of investments and other net assets (in EUR) (continued)

as at 31st March 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Money market instruments (continued)</b>					
EUR	22,000,000	France Treasury Bill BTF 20.06.18	22,042,230.74	22,029,260.00	2.52
EUR	28,000,000	France Treasury Bill BTF 18.07.18	28,076,879.88	28,052,918.60	3.21
EUR	19,000,000	France Treasury Bill BTF 15.08.18	19,063,275.70	19,045,030.00	2.18
EUR	20,000,000	France Treasury Bill BTF 12.09.18	20,070,705.64	20,057,400.00	2.29
EUR	19,000,000	France Treasury Bill BTF 10.10.18	19,112,669.24	19,061,750.00	2.18
EUR	38,000,000	France Treasury Bill BTF 05.12.18	38,169,143.13	38,153,900.00	4.37
EUR	19,000,000	France Treasury Bill BTF 04.01.19	19,100,500.47	19,086,640.95	2.18
EUR	7,000,000	Gk Soci 12.06.18	7,004,581.76	7,004,581.76	0.80
EUR	9,000,000	Hitachi Capi 19.04.18	9,001,621.17	9,001,621.17	1.03
EUR	10,000,000	Hitachi Capital 09.05.18	10,003,697.59	10,003,697.59	1.14
EUR	8,000,000	Honeywell International Inc 28.08.18	8,011,274.08	8,011,274.08	0.92
EUR	6,000,000	Imperial Brands Finance Plc 13.09.18	6,006,889.57	6,006,889.57	0.69
EUR	15,000,000	Industrial & Commercial Bank 09.08.18	15,001,083.55	15,001,083.55	1.72
EUR	2,000,000	Industrial & Commercial Bank 02.10.18	1,999,285.16	1,999,285.16	0.23
EUR	3,500,000	Industrial & Commercial Bank of China 21.05.18	3,500,145.78	3,500,145.78	0.40
EUR	2,000,000	Industrial & Commercial Bank of China 20.06.18	2,000,133.20	2,000,133.20	0.23
EUR	10,000,000	KBC Bank SA 31.10.18	10,015,423.32	10,015,423.32	1.15
EUR	7,500,000	Kingdom of Belgium Treasury Bill 12.04.18	7,524,561.94	7,501,350.00	0.86
EUR	5,000,000	Kingdom of Belgium Treasury Bill 10.05.18	5,011,693.04	5,003,150.00	0.57
EUR	4,000,000	Kingdom of Belgium Treasury Bill 14.06.18	4,010,659.78	4,004,800.00	0.46
EUR	24,000,000	Kingdom of Belgium Treasury Bill 12.07.18	24,048,254.92	24,039,118.80	2.75
EUR	38,000,000	Kingdom of Belgium Treasury Bill 09.08.18	38,110,669.21	38,080,560.00	4.36
EUR	30,000,000	Kingdom of Belgium Treasury Bill 13.09.18	30,124,246.34	30,081,600.00	3.44
EUR	12,000,000	Kingdom of Belgium Treasury Bill 08.11.18	12,050,168.20	12,043,320.00	1.38
EUR	19,000,000	Kingdom of Belgium Treasury Bill 10.01.19	19,094,588.27	19,086,070.00	2.18
EUR	19,000,000	Kingdom of Belgium Treasury Bill 07.03.19	19,102,218.10	19,100,320.00	2.18
EUR	14,000,000	Koninklijke 25.04.18	14,002,708.28	14,002,708.28	1.60
EUR	20,000,000	Korea Develo 14.12.18	20,030,745.15	20,030,745.15	2.29
EUR	12,000,000	Qatar National Bank SA 03.06.18	12,005,555.25	12,005,555.25	1.37
EUR	4,500,000	Qatar National Bank Saq 14.05.18	4,500,938.47	4,500,938.47	0.51
EUR	14,500,000	Reckitt Bencki 06.08.18	14,515,881.98	14,515,881.98	1.66
EUR	2,500,000	Shinhan Bank 07.06.18	2,501,490.00	2,501,490.00	0.29
EUR	7,000,000	Soci�t� Wallonne de Logement 31.05.18	7,003,829.92	7,003,829.92	0.80
EUR	3,500,000	Soci�t� Wallonne de Logement 11.01.19	3,507,947.27	3,507,947.27	0.40
EUR	5,000,000	UBS AG 18.06.18	5,003,366.87	5,003,366.87	0.57
EUR	14,500,000	Valeo SA 22.06.18	14,512,071.63	14,512,071.63	1.66
EUR	5,000,000	Volkswagen International Finance NV 11.01.19	5,004,953.23	5,004,953.23	0.57
<b>Total money market instruments</b>			<b>756,209,644.17</b>	<b>755,853,829.99</b>	<b>86.45</b>
Total investments in securities			857,728,072.47	857,241,267.64	98.05
Cash at banks				16,481,582.84	1.89
Other net assets/(liabilities)				585,172.94	0.06
<b>Total</b>				<b>874,308,023.42</b>	<b>100.00</b>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EMU SHORT

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 26th February 2018 (date of liquidation)

<b><u>Income</u></b>	
Interest on bonds and other debt securities, net	1,808,662.44
Commissions received	26,896.68
Total income	<u>1,835,559.12</u>
<b><u>Expenses</u></b>	
Management fees	306,567.16
Transaction fees	1,859.50
Fixed service fees and depositary fees	45,984.33
Subscription duty ("taxe d'abonnement")	4,376.61
Interest paid on bank accounts	4,087.57
Total expenses	<u>362,875.17</u>
Net investment income	1,472,683.95
<b><u>Net realised gain/(loss)</u></b>	
- on sales of securities portfolio	-5,639,056.36
- on futures contracts	-7,800.00
Realised result	<u>-4,174,172.41</u>
<b><u>Net variation of the unrealised gain/(loss)</u></b>	
- on securities portfolio	3,448,559.06
- on futures contracts	-2,100.00
Result of operations	<u>-727,713.35</u>
Dividends paid	-
Subscriptions	97,857,598.96
Redemptions	-287,198,283.77
Total changes in net assets	<u>-190,068,398.16</u>
Total net assets at the beginning of the period	190,068,398.16
Total net assets at the end of the period	<u>-</u>

The accompanying notes are an integral part of these financial statements.

## KBC BONDS EMU SHORT

### Statistical information (in EUR)

as at 31st March 2018

#### Total net assets

- as at 31.03.2018	–
- as at 30.09.2017	190,068,398.16
- as at 30.09.2016	582,310,886.32

#### Number of capitalisation shares "Institutional B Shares"

- outstanding at the beginning of the period	177,751.9307
- issued	91,700.0000
- redeemed	<u>- 269,451.9307</u>
- outstanding at the end of the period	–

#### Net asset value per capitalisation share "Institutional B Shares"

- as at 31.03.2018	–
- as at 30.09.2017	1,069.29
- as at 30.09.2016	1,075.39

## KBC BONDS STRATEGIC EMERGING MARKETS

### Statement of operations and other changes in net assets (in EUR)

from 1st October 2017 to 7th December 2017 (date of liquidation)

#### Income

Interest on bonds and other debt securities, net	1,453,160.07
Interest on bank accounts	535.73
Commissions received	66,257.66
Other income	90.50
Total income	<u>1,520,043.96</u>

#### Expenses

Management fees	312,883.11
Transaction fees	15,059.89
Fixed service fees and depositary fees	15,648.15
Interest paid on bank accounts	<u>2,109.70</u>
Total expenses	<u>345,700.85</u>

Net investment income	1,174,343.11
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#### Net realised gain/(loss)

- on sales of securities portfolio	-895,198.16
- on forward foreign exchange contracts	-295,032.52
- on foreign exchange	<u>-8,100,847.80</u>

Realised result	-8,116,735.37
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#### Net variation of the unrealised gain/(loss)

- on securities portfolio	8,882,269.49
- on foreign exchange	<u>186,090.09</u>

Result of operations	<u>951,624.21</u>
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Dividends paid	-
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Subscriptions	15,204,239.04
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Redemptions	-145,405,968.51
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Total changes in net assets	<u>-129,250,105.26</u>
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Total net assets at the beginning of the period	129,250,105.26
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Total net assets at the end of the period	<u>-</u>
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The accompanying notes are an integral part of these financial statements.

## KBC BONDS STRATEGIC EMERGING MARKETS

### Statistical information (in EUR)

as at 31st March 2018

#### Total net assets

- as at 31.03.2018	–
- as at 30.09.2017	129,250,105.26
- as at 30.09.2016	162,927,819.33

#### Number of capitalisation shares "Institutional B Shares"

- outstanding at the beginning of the period	137,594.0000
- issued	16,098.0000
- redeemed	<u>-153,692.0000</u>
- outstanding at the end of the period	–

#### Net asset value per capitalisation share "Institutional B Shares"

- as at 31.03.2018	–
- as at 30.09.2017	939.36
- as at 30.09.2016	956.35

The accompanying notes are an integral part of these financial statements.



## KBC BONDS

### Notes to the financial statements

as at 31st March 2018

#### Note 1 - Significant accounting policies

##### a) Presentation of the financial statements

The financial statements of the SICAV are established in accordance with the legal and regulatory requirements in force and with generally accepted accounting principles in Luxembourg concerning Undertakings for Collective Investment in Transferable Securities.

##### b) Valuation of assets

- 1) The value of cash in hand or on deposit, bills and demand notes payable and accounts receivable, prepaid expenses, received dividends and interest declared or accrued but not yet received is formed by the nominal value of such assets, unless it appears unlikely that the full value can be received at maturity, in which case the value will be determined by making such deduction as the Board of Directors of the SICAV considers appropriate to reflect the fair value thereof.
- 2) The value of all transferable securities and money market instruments traded or listed on a stock exchange or on another regulated market is determined on the basis of the last available price unless this price is not representative.
- 3) The value of transferable securities and money market instruments in portfolio on the valuation day that are not traded or listed on a stock exchange or other regulated market, and of securities and money market instruments traded or listed on a stock exchange or other regulated market where the price determined according to the stipulations of the above indent is not representative of the fair value of such transferable securities and money market instruments, will be determined on the basis of the foreseeable sale price, as estimated by the Board of Directors of the SICAV prudently and in good faith.
- 4) The money market instruments with an average maturity of less than one year are valued and based on a linear evaluation. In the case of securities without coupons, the difference between the acquisition cost and the redemption value is recognised as interest receivable in proportion to the period of detention passed against the total duration of the title. The money market instruments with a fixed coupon are maintained at their nominal value and the interests are recognized in proportion to the period of detention. In case of significant change of market conditions, the valuation of these instruments is adjusted by the Board of Directors of the SICAV to reflect the probable realization value.
- 5) The "commercial papers" are valued at acquisition cost, the difference between the nominal and the acquisition cost is recognised as interest receivable in proportion to the period of detention passed against the total length of the title. In case of significant change of market conditions, the valuation of these instruments is adjusted to reflect the probable realization value.
- 6) The value of the shares or units held in open-ended funds is based on the last net asset value available on valuation day.
- 7) If, as a result of special circumstances or features, the valuation based on the rules set out above proves to be impracticable or inaccurate, other generally accepted, verifiable valuation criteria are applied to obtain a fair value. These criteria shall be determined prudently and in good faith based on information or other market data. In these circumstances, the valuation of these assets is established on the basis of mathematical or financial models or other alternative methods of valuation to reflect in the financial statements their fair value at valuation date.

##### c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by each sub-fund that are denominated in currencies other than the reference currency of the sub-fund is converted into this currency at the exchange rates prevailing on the date of purchase.

##### d) Net realised gain/(loss) on sales of securities portfolio

The realised gains and losses on sales of securities portfolio are calculated on the basis of the average acquisition cost.

##### e) Investment portfolio income

Interest income accrued and payable are recorded, net of any withholding tax.

## KBC BONDS

### Notes to the financial statements (continued)

as at 31st March 2018

#### Note 1 - Significant accounting policies (continued)

f) Return on sukuk

Sukuk are certificates of investment or securities representing the rights and obligations of its holders on underlying asset. Their remuneration is based on performance of assets, however, are capped. The remuneration of sukuk is variable depending on the profits earned on its assets or income of the issuer or the borrower.

The return on sukuk accrued and payable are recorded, net of any withholding tax.

g) Valuation of forward foreign exchange contracts

Forward foreign exchange contracts are valued at forward market rates for the remaining period from valuation date to the maturity of the contracts. Unrealised gains or losses are recorded in the statement of net assets. Net realised gains and losses and net variation of the unrealised gains and losses are recorded in the statement of operations and other changes in net assets.

h) Valuation of futures contracts

Futures contracts are valued at the last settlement or close price on the stock exchanges or regulated markets. Unrealised gains or losses are recorded in the statement of net assets. Net realised gains and losses and net variation of the unrealised gains and losses are recorded in the statement of operations and other changes in net assets.

i) Valuation of swaps contracts

Swaps contracts are registered on the off-balance sheet and valued on the basis of the recalculated market prices by using the traditional elements of pricing, considering the value, the volatility of the underlying, the interest rates and the residual value of the swaps contracts. Swaps at market value are recorded in the statement of net assets. Net variation of unrealised gains or losses and net realised gains or losses are recorded in the statement of operations and other changes in net assets.

j) Formation expenses

Formation expenses were amortised on a straight line basis over a period of five years.

k) Conversion of foreign currencies

Cash at banks, other net assets and liabilities, and the market value of the securities in portfolio expressed in currencies other than the reference currency of the sub-fund are converted into this currency at the exchange rates prevailing on the closing date. Income and expenses expressed in currencies other than the reference currency of the sub-fund are converted into this currency at the exchange rates prevailing on the date of the transaction. Realised gains and losses and changes in unrealised gains or losses on foreign exchange are recorded in the statement of operations and other changes in net assets.

l) Combined financial statements

The combined financial statements of the SICAV are expressed in EUR and are equal to the sum of the corresponding captions in the financial statements of each sub-fund converted into this currency at the exchange rate prevailing at the closing date.

At the closing date, the exchange rate used for the combined financial statements is the following:

1	EUR	=	1.2298500	USD	US Dollar
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m) Revaluation difference

The caption "Revaluation difference" in the combined statement of operations and other changes in net assets represents the valuation difference of the net assets of the sub-funds at the beginning of the year with the exchange rate applicable at the closing date and at the opening date.

n) Transaction fees

Transaction fees disclosed under the caption "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of transaction fees incurred by the SICAV relating to purchases or sales of securities and financial derivatives instruments.

## KBC BONDS

### Notes to the financial statements (continued)

as at 31st March 2018

#### Note 2 - Management fees

The Board of Directors of the SICAV is responsible for the general investment policy.

On the basis of the contract which entered into force on 1st May 2006, the SICAV has appointed KBC ASSET MANAGEMENT S.A. as Management Company within the meaning of Chapter 15 of the amended Law of 17th December 2010 concerning Undertakings for Collective Investment in Transferable Securities.

With regard to services provided concerning portfolio management, the Management Company receives an annual fee payable monthly on the average net assets of the sub-funds to the effective rates of:

<b>Sub-funds</b>	<b>Effective rates p.a.</b>	<b>Maximum rates</b>
- KBC BONDS INCOME FUND	0.70%	1.10%
- KBC BONDS CAPITAL FUND	0.70%	1.10%
- KBC BONDS HIGH INTEREST	1.10%	1.10%
	0.50% for the sub-categories "Institutional Shares"	0.60% for the sub-categories "Institutional Shares"
- KBC BONDS EMERGING MARKETS	1.30%	1.30%
	0.50% for the sub-categories "Institutional Shares"	0.50% for the sub-categories "Institutional Shares"
- KBC BONDS CORPORATES EURO	0.85%	1.10%
- KBC BONDS CONVERTIBLES	1.10%	1.10%
- KBC BONDS INFLATION - LINKED BONDS	0.70%	1.10%
	0.50% for the sub-categories "Institutional Shares"	0.60% for the sub-categories "Institutional Shares"
- KBC BONDS CORPORATES USD	0.75%	1.10%
- KBC BONDS EMERGING EUROPE	1.20%	1.20%
- KBC BONDS GLOBAL EMERGING OPPORTUNITIES	1.20%	1.20%
- KBC BONDS EMU SHORT MEDIUM	0.70%	1.10%
- KBC BONDS SRI HIGH INTEREST	1.20%	1.20%
	0.60% for the sub-categories "Institutional Shares"	0.60% for the sub-categories "Institutional Shares"
- KBC BONDS STRATEGIC EMERGING OPPORTUNITIES	1.20%	1.30%
- KBC BONDS STRATEGIC CORPORATE BONDS	0.85%	1.30%
- KBC BONDS STRATEGIC GOVERNMENT BONDS	0.70%	1.30%
- KBC BONDS STRATEGIC EURO CORPORATE BONDS	0.85%	1.30%
- KBC BONDS STRATEGIC HIGHER YIELDING CURRENCIES	1.10%	1.30%
- KBC BONDS SHORT DURATION	0.15%	0.40%
- KBC BONDS EMU SHORT (liquidated on 26th February 2018)	0.40%	1.10%
- KBC BONDS STRATEGIC EMERGING MARKETS (liquidated on 7th December 2017)	1.20%	1.20%

#### Note 3 - Subscription, redemption and conversion fees

##### a) Subscription fee in favour of the financial intermediaries

At the end of the initial subscription period, the shares, except the ones of the sub-categories "Institutional B Shares" and "Institutional F Shares", will be issued at a price corresponding to the net asset value per share, plus a subscription fee up to 2.50% payable by the subscriber in favour of the financial intermediaries.

##### b) Redemption, conversion fee in favour of the sub-funds of the SICAV

All shares submitted to redemption, except the ones of the sub-categories "Institutional B Shares" and "Institutional F Shares", will be redeemed at the net asset value per share at the date of the redemption order receipt subject to deduction of a fee up to 1.00% payable by the seller in favour of the SICAV.

Conversion of shares between the sub-funds of the SICAV undertakes at a price equal to the respective net asset values of the shares of the different sub-funds, less a conversion fee, fee equal to a maximum of 0.5% of the net asset value of the sub-fund whose shares are presented for conversion and to a maximum of 0.5% of the net asset value of the new sub-fund in favour of the respective sub-funds.

## KBC BONDS

### Notes to the financial statements (continued)

as at 31st March 2018

#### Note 3 - Subscription, redemption and conversion fees (continued)

##### c) Subscription, redemption fee for the sub-category "Institutional B Shares"

The sub-category "Institutional B Shares" is dedicated to investment vehicles, promoted by the KBC group (in this case, the funds of funds). Given the frequency of the transactions operated by these funds, acquisition/realisation costs of the specific assets in favour of the sub-fund of the SICAV were created (as described in the table below):

<b>Sub-funds</b>	<b>Effective rates</b>	<b>Maximum rates</b>
- KBC BONDS HIGH INTEREST	0.175%	0.75%
- KBC BONDS EMERGING MARKETS	0.25%	1.50%
- KBC BONDS CORPORATES EURO	0.175%	1.125%
- KBC BONDS EUROPE EX-EMU	0.14%	0.50%
- KBC BONDS CONVERTIBLES	0.30%	1.125%
- KBC BONDS INFLATION - LINKED BONDS	0.075%	1.125%
- KBC BONDS CORPORATES USD	0.35%	1.125%
- KBC BONDS EMERGING EUROPE	0.125%	0.75%
- KBC BONDS STRATEGIC EMERGING OPPORTUNITIES	0.15%	1.50%
- KBC BONDS EMU SHORT MEDIUM	0.025%	0.50%
- KBC BONDS SRI HIGH INTEREST	0.20%	0.75%
- KBC BONDS GLOBAL EMERGING OPPORTUNITIES	0.25%	0.75%
- KBC BONDS STRATEGIC CORPORATE BONDS	0.125%	1.50%
- KBC BONDS STRATEGIC GOVERNMENT BONDS	0.05%	1.50%
- KBC BONDS STRATEGIC EURO CORPORATE BONDS	0.125%	1.50%
- KBC BONDS STRATEGIC HIGHER YIELDING CURRENCIES	0.05%	1.50%
- KBC BONDS SHORT DURATION	0.00%	0.00%

##### d) Subscription, redemption fee for the sub-category "Institutional F Shares"

The sub-category "Institutional F shares" is dedicated to the Belgium investment fund Internationaal Obligatiedepot (the feeder fund) for the Sub-fund KBC BONDS CAPITAL FUND and to the Belgium investment fund High Interest Obligatiedepot (the feeder fund) for the Sub-fund KBC BONDS HIGH INTEREST. No fee is applied in case of subscription, conversion or redemption of shares during the period ended 31st March 2018.

These commissions are recorded in the caption "Commissions received" in the statement of operations and other changes in net assets.

#### Note 4 - Fixed Service Fee and Depositary Fee

Apart from the portfolio management fee, each share class, unless otherwise stated in the description of the relevant sub-funds, is charged a Fixed Service Fee to cover the administration, the depositary and other on-going operating and administrative expenses, as is indicated for each share class in the latest prospectus. The Fixed Service Fee is paid to the Management Company, KBC Asset Management S.A. The Fixed Service Fee is charged at the level of the share class of each sub-fund. The Fixed Service Fee is determined on each calculation of the net asset value and is paid on a monthly basis.

This Fixed Service Fee is fixed to the extent that the Management Company will bear any real expense above the aforementioned fee invoiced to the share class. Furthermore, the Management Company may retain any portion of the Fixed Service Fee charged to the share class over and above the relevant expenses as actually incurred by the share class in question.

All sub-funds pay to the Management Company a Fixed Service Fee with amounts to an effective annual rate 0.0625% of the net asset value, except for KBC Bonds Inflation – Linked Bonds share classes: "Institutional B Shares" and "Institutional Shares", which pay an effective rate 0.030% of net asset value annually. The maximum Fixed Service Fee for each sub-fund amounts to 0.125% of the net assets value annually.

#### Note 5 - Subscription tax "*Taxe d'abonnement*"

The SICAV is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the SICAV is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each sub-fund on the last day of each quarter.

## KBC BONDS

### Notes to the financial statements (continued)

as at 31st March 2018

#### Note 5 - Subscription tax "Taxe d'abonnement" (continued)

Pursuant to Article 175 (a) of the amended law of 17th December 2010, the net assets invested in investment funds already subject to the "taxe d'abonnement" are exempt from this tax.

The sub-categories "Institutional Shares", "Institutional B Shares" and "Institutional F Shares" benefit from the reduced tax of 0.01% in conformity with Article 174 (2) of the amended Law of 17th December 2010.

#### Note 6 - Belgian subscription tax

The Belgian regulation (the inheritance tax code, tome II bis) imposes to Undertakings for Collective Investment which were authorised to market their shares publicly in Belgium, the payment of an annual tax. This tax amounts to 0.0925% with exception of sub-categories "Institutional Shares", "Institutional B Shares" and "Institutional F Shares", for which tax amounts to 0.01% on the total of the net sums distributed in Belgium at 31st December of the previous year, starting from their registration with the "Financial Services and Markets Authority" ("FSMA").

The SICAV is required to pay this tax by 31st March of each year at the latest.

This tax is recorded in the caption "Other expenses and taxes" in the statement of operations and other changes in net assets.

#### Note 7 - Total Expense Ratio ("TER")

The TER disclosed under "Statistical information" of this report is calculated in accordance with the "Guidelines on the calculation and disclosure of the TER of collective investment schemes" issued by the Swiss Funds & Asset Management Association "SFAMA" on 16th May 2008 as modified on 20th April 2015.

The TER is calculated for the last 12 months preceding the closing date of this report.

Transaction fees are not taken into account in the calculation of the TER.

#### Note 8 - Other income

The caption "Other income" in the statement of operations and other changes in net assets is composed of rebate income and of exceptional income.

#### Note 9 - Statement of changes in investments

A list of changes in the portfolio for the period ended 31st March 2018 is available free of charge at the registered office of the Management Company of the SICAV.

#### Note 10 - Forward foreign exchange contracts

As at 31st March 2018, the sub-funds below are committed in the following forward foreign exchange contracts with KBC BANK N.V.:

##### KBC BONDS HIGH INTEREST

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in EUR)
CNY	164,756,970.00	EUR	21,000,000.00	20.06.2018	106,463.54
JPY	1,305,093,000.00	EUR	10,000,000.00	18.04.2018	-22,954.14
JPY	4,309,153,200.00	EUR	33,000,000.00	18.04.2018	-57,811.87
JPY	1,416,010,624.00	ZAR	160,000,000.00	18.04.2018	-119,498.19
					<b>-93,800.66</b>

##### KBC BONDS EUROPE EX-EMU

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in EUR)
EUR	136,910.03	GBP	120,000.00	05.04.2018	42.47

## KBC BONDS

### Notes to the financial statements (continued)

as at 31st March 2018

#### Note 10 - Forward foreign exchange contracts (continued)

##### KBC BONDS CONVERTIBLES

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in EUR)
EUR	3,142,667.93	JPY	410,000,000.00	05.04.2018	8,016.78
USD	180,000.00	EUR	145,129.10	03.04.2018	1,230.21
USD	200,000.00	EUR	161,922.21	04.04.2018	688.01
JPY	7,000,000.00	EUR	53,368.59	04.04.2018	150.15
JPY	6,000,000.00	EUR	45,776.96	03.04.2018	96.51
EUR	45,770.99	JPY	6,000,000.00	05.04.2018	-101.95
EUR	53,362.93	JPY	7,000,000.00	05.04.2018	-155.50
EUR	161,910.81	USD	200,000.00	05.04.2018	-688.17
EUR	145,103.83	USD	180,000.00	05.04.2018	-1,235.25
EUR	666,358.13	GBP	586,000.00	05.04.2018	-2,011.78
EUR	276,735.58	SGD	450,000.00	05.04.2018	-2,273.63
EUR	836,638.40	HKD	8,100,000.00	06.04.2018	-2,475.15
EUR	10,730,769.45	USD	13,250,000.00	05.04.2018	-41,413.12
					<b>-40,172.89</b>

##### KBC BONDS EMERGING EUROPE

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in EUR)
TRY	60,000.00	RUB	865,176.64	03.04.2018	80.99
CZK	54,500,000.00	HUF	670,568,000.00	04.04.2018	-1,086.34
					<b>-1,005.35</b>

##### KBC BONDS SRI HIGH INTEREST

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in EUR)
CNY	27,459,495.00	EUR	3,500,000.00	20.06.2018	17,743.92
NOK	5,000,000.00	EUR	517,252.44	05.04.2018	547.72
EUR	2,300,000.00	ZAR	33,960,599.40	18.04.2018	-23,006.06
					<b>-4,714.42</b>

##### KBC BONDS STRATEGIC EMERGING OPPORTUNITIES

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in EUR)
EUR	11,000,000.00	SEK	111,997,600.00	28.05.2018	126,313.58
CNY	38,047,950.00	USD	6,000,000.00	25.04.2018	34,589.53
RON	37,899,070.00	USD	10,000,000.00	25.04.2018	1,177.43
CZK	236,651,025.00	USD	11,500,000.00	25.04.2018	-17,535.79
SEK	34,343,043.00	EUR	3,500,000.00	08.08.2018	-165,500.93
SEK	66,618,069.00	EUR	7,000,000.00	08.08.2018	-531,793.63
SEK	97,245,060.00	EUR	10,000,000.00	08.08.2018	-558,100.44
SEK	178,680,564.00	EUR	18,000,000.00	08.08.2018	-651,211.91
SEK	85,412,493.00	EUR	9,000,000.00	08.08.2018	-706,970.20
SEK	526,024,293.60	EUR	52,000,000.00	28.05.2018	-929,055.48
SEK	292,536,450.00	EUR	30,000,000.00	08.08.2018	-1,596,502.91
					<b>-4,994,590.75</b>

##### KBC BONDS STRATEGIC HIGHER YIELDING CURRENCIES

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in EUR)
JPY	363,695,640.00	EUR	2,800,000.00	25.04.2018	-19,836.86
JPY	831,567,360.00	EUR	6,400,000.00	25.04.2018	-43,330.67
					<b>-63,167.53</b>

## KBC BONDS

### Notes to the financial statements (continued)

as at 31st March 2018

#### Note 11 - Futures contracts

As at 31st March 2018, the sub-funds below are committed in the following futures contracts with Deutsche Bank AG, London:

##### KBC BONDS EMERGING MARKETS

	Number of contracts	Denomination	Currency	Commitment (in USD)	Unrealised result (in USD)
Purchase	50	US Treasury Ultra Bond FUT 06/18 CBOT	USD	8,023,437.50	262,187.48

##### KBC BONDS CORPORATES EURO

	Number of contracts	Denomination	Currency	Commitment (in EUR)	Unrealised result (in EUR)
Purchase	125	Euro Bund 10 Years FUT 06/18 EUX	EUR	19,928,750.00	186,250.00
Purchase	55	Euro Buxl 30 Years BND 06/18 EUX	EUR	9,095,900.00	33,280.00
Purchase	50	Euro Bobl FUT 06/18 EUX	EUR	6,562,500.00	15,500.00
					<b>235,030.00</b>

##### KBC BONDS CONVERTIBLES

	Number of contracts	Denomination	Currency	Commitment (in EUR)	Unrealised result (in EUR)
Purchase	6	S&P 500 Index FUT 06/18 CME	USD	3,223,563.85	-146,318.66

##### KBC BONDS INFLATION-LINKED BONDS

	Number of contracts	Denomination	Currency	Commitment (in EUR)	Unrealised result (in EUR)
Sale	70	Euro-BTP 10 Years FUT 06/18 EUX	EUR	-9,715,300.00	-240,930.00

##### KBC BONDS STRATEGIC GOVERNMENT BONDS

	Number of contracts	Denomination	Currency	Commitment (in EUR)	Unrealised result (in EUR)
Purchase	348	US Treasury Ultra Bond FUT 06/18 CBOT	USD	45,406,452.01	548,237.59
Purchase	828	US Treasury Ultra Bond 10 Years FUT 06/18 CBOT	USD	87,428,192.46	536,313.21
Sale	263	Euro Buxl 30 Years BND 06/18 EUX	EUR	-43,494,940.00	-91,777.92
Sale	541	Euro Bund 10 Years FUT 06/18 EUX	EUR	-86,251,630.00	-1,545,808.55
					<b>-553,035.67</b>

The caption "Other liquid assets" in the statement of net assets contains principally margin calls and guarantee deposits serving to guarantee operations on futures contracts.

When the SICAV concludes futures contracts, it deposits and maintains, as collateral, a guarantee deposit with the broker in accordance with the requirements set by the stock exchange on which the transaction is made. In accordance with the contract, the SICAV agrees to receive from, or pay to, the broker an amount equal to the daily fluctuation in the value of the contract. The net amount payable to or receivable from the broker as at the closing date in addition to or deducted from the collateral originally deposited is recorded under the caption "Other liquid assets" in the statement of net assets.

## KBC BONDS

### Notes to the financial statements (continued)

as at 31st March 2018

#### Note 12 - Swaps contracts

As at 31st March 2018, the sub-funds below are committed in the following swaps contracts with Deutsche Bank AG, London:

##### - Credit default swaps

#### KBC BONDS STRATEGIC CORPORATE BONDS

Sense of protection	Currency	Nominal	Underlying	Maturity	Underlying exposure (in EUR)	Unrealised result (in EUR)
Purchase	EUR	112,500,000	Markit ITRX Europe CDSI GEN 5Y Corp Index	20.06.2023	112,500,000	-2,334,927.38

#### KBC BONDS STRATEGIC EURO CORPORATE BONDS

Sense of protection	Currency	Nominal	Underlying	Maturity	Underlying exposure (in EUR)	Unrealised result (in EUR)
Purchase	EUR	117,500,000	Markit ITRX Europe CDSI GEN 5Y Corp Index	20.06.2023	117,500,000	-2,438,701.93

The caption "Broker margin on swaps contracts" in the statement of net assets contains principally guarantee deposits serving to guarantee operations on swaps contracts.



## **KBC BONDS**

### **Additional Information**

as at 31st March 2018

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#### **I. Securities Financial Transaction Regulation (EU Regulation n°2015/2365)**

During the period ended 31st March 2018, the SICAV did not engage in transactions which are subject to EU Regulation n°2015/2365 on the transparency of securities financing transactions and reuse. Accordingly, no global, concentration and transactions data or information on the reuse of safekeeping is required to be reported.