

KEY INVESTOR INFORMATION

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

Inflation-Linked Bonds

Sub-fund of KBC Bonds

Institutional Shares Capitalisation: LU0203907869 (ISIN-code for Capitalisation shares)

managed by KBC Asset Management S.A.

OBJECTIVES AND INVESTMENT POLICY

KBC Bonds Inflation-Linked Bonds aims to generate a return by investing at least two-thirds of its assets across a range of bonds issued by companies and/or companies, linked to inflation and denominated primarily in European currencies.

Investments are made, for instance, in Obligations Assimilables du Trésor indexées sur l'inflation ('OATI') on the French market and Index-Linked Gilts ('ILG') on the British market.

No more than one-quarter of the fund's assets are invested in convertible bonds and bonds with warrant.

The fund may invest its assets in money market instruments (up to one-third), in bank deposits (up to one-third) and/or in shares and other units (up to one-tenth).

The fund invests at least 75% of its assets in bonds and debt instruments with an investment grade* credit rating*, i.e. at least BBB-/Baa3 (long term), A3/F3/P3 (short term) from Standard & Poor's or an equivalent rating from Moody's or Fitch.

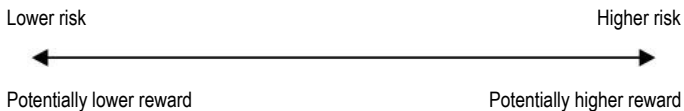
The fund invests no more than 25% of its assets in bonds and debt instruments that have a credit rating below investment grade or that have not received a rating from the aforementioned agencies. .

The fund reinvests any income received in the manner set out in the prospectus (for more details, see section 14 of the information for this sub-fund in the prospectus).

Orders for fund units are executed daily (for more details, see section 10 of the prospectus).

Investors may on request receive reimbursement of their UCITS units on any day (for more information, see section 10 of the prospectus).

RISK AND REWARD PROFILE



This figure is based on data from the past, which is not always a reliable indication of risk and return in the future.

The risk and reward indicator is assessed regularly and can therefore go up or down.

The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return. While the figure gives an indication of the return the fund might generate, it also indicates the risk involved. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. You might even sustain a loss.

The figure has been calculated from the viewpoint of an investor in euro.

Why does this fund have a risk and reward indicator of 3?

3 is typical for bond funds, which tend to have an indicator of 3 or 4. Bond funds are generally less sensitive to the markets than equity funds, which tend to have an indicator of 6 or even 7 in some cases. The value of bond funds is especially sensitive to changes in interest rates, since the interest on these bonds is fixed in advance and does not go up when market rates increase.

Moreover, an investment in this fund involves:

- A moderate level of credit risk: the assets are primarily - but not exclusively - invested in bonds with an investment grade rating. Consequently the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall.

There is no capital protection.

CHARGES

These charges are used to cover, among other things, the management costs of the fund, including marketing and distribution expenses. They reduce the investment's ability to grow. You can find additional information on the charges in the information for this sub-fund in the prospectus.

One-off charges taken before or after you invest

Entry charge	2.50%	This is the <i>maximum</i> that might be taken out of your money before it is invested or before the proceeds of your investment are paid out. In some cases you will pay less. For more information on the actual entry and exit charges, please contact your financial adviser or distributor.
Exit charge	1.00%	
Switching from one sub-fund to another		If you would like to exchange your units in this sub-fund* for units in another sub-fund, you will be charged a fee in certain cases (for more information, see the information for this sub-fund in the prospectus).

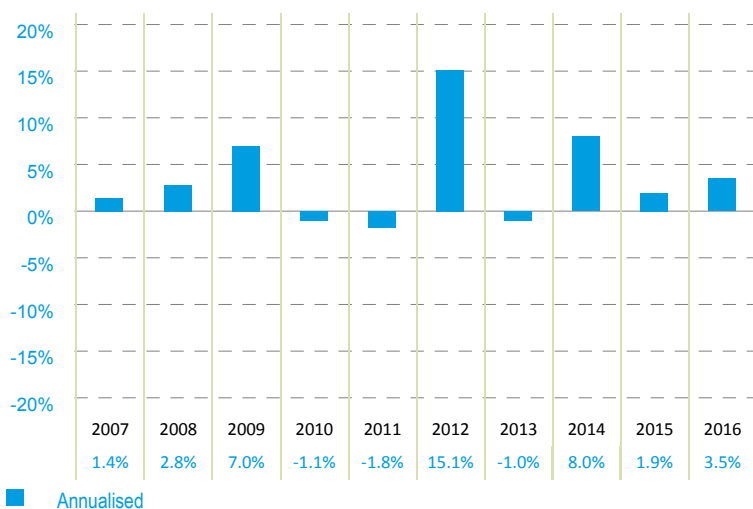
Charges taken from the fund over a year

Ongoing charge	0.64 %	The figure for the ongoing charge is based on the charges for the year ending on 30 September 2016. This figure does not include transaction charges, except if the fund pays entry or exit charges when units in other funds are bought or sold, and may change from year to year.
----------------	--------	---

Charges taken from the fund under certain specific conditions

Performance fee	None
-----------------	------

PAST PERFORMANCE



Past performance should not be seen as a good indicator of future performance.

The calculation of past performance includes all charges and fees, except taxes and entry and exit charges.

Start year: 2004

Currency: Euro

PRACTICAL INFORMATION

The custodian of KBC Bonds is Brown Brothers Harriman (Luxembourg) S.C.A. You can obtain a copy of the prospectus and the most recent annual and half-yearly reports and the remuneration policy in French free of charge from any branch or agency of the financial service providers:

- Brown Brothers Harriman (Luxembourg) S.C.A.

or KBC Asset Management S.A. (4, Rue du Fort Wallis, L-2714 Luxembourg) or from the following website: www.kbcam.be/kiid/.

The details of the up-to-date remuneration policy, including but not limited to, a description of how the remuneration and benefits are calculated as described under point 19.4 of the prospectus, can be consulted on following website: www.kbcamsa.lu and then by clicking on the tab remuneration policy. This information can be asked free of charge at the management company.

You can find all other practical information, including the most recent net asset value* at: www.kbcam.be/kiid/.

Luxembourg tax legislation applies. This could affect your personal tax situation.

KBC Asset Management S.A. may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant sections of the KBC Bonds prospectus.

This document containing key investor information describes Institutional Shares Capitalisation, a shareclass of Inflation-Linked Bonds, a sub-fund of KBC Bonds the open-ended investment company (sicav)* under Luxembourg law. This open-ended investment company (sicav) meets the requirements of the UCITS V Directive.

The prospectus and periodic reports are drawn up for each sicav.

Each sub-fund of KBC Bonds should be considered as a separate entity. Your rights as an investor are restricted to the assets of the sub-fund. The obligations of each individual sub-fund are covered only by the assets of that sub-fund.

You may exchange your investment in units in this sub-fund for units in another sub-fund. You can find more information about this in section 10.3 of the prospectus.

This fund is authorised in Luxembourg and regulated by the Luxembourg Commission de Surveillance du Secteur Financier (CSSF).

KBC Asset Management S.A. is authorized in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

This key investor information is accurate as at 3 July 2017.

*see glossary of key investor information terms in the annex or at: www.kbcam.be/kiid/.