



**Semi-annual report  
as at 30th June 2019**

# **ACCESS FUND**

Investment Company with Variable Capital (SICAV)  
Luxembourg

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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 unaudited semi-annual report, if published thereafter.

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# ACCESS FUND

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# ACCESS FUND

## 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*

Lazlo BELGRADO

Conducting Officer – Head of  
Specialised Investment Fund  
KBC ASSET MANAGEMENT S.A.  
4, rue du Fort Wallis  
L-2714 LUXEMBOURG

Bruno NELEMANS

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

Bruno KÜCK

General Manager  
KBC BANK N.V.  
4, Vervierser Strasse  
B-4700 EUPEN

### 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

## ACCESS FUND

### Organisation (continued)

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#### Board of Directors of the Management Company (continued)

##### Directors (continued)

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

#### Central administration

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

#### Delegated central administration and domiciliary

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

#### Delegated Investment Manager

KBC FUND MANAGEMENT LTD  
2, Sandwith Street  
D02 X489 DUBLIN

#### 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*  
20, Boulevard de Kockelscheuer  
L-1821 LUXEMBOURG

#### Financial services and paying agents

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

#### Paying and information agent in Germany

OLDENBURGISCHE LANDESBANK AG  
Stau 15/7  
D-26122 OLDENBURG

## ACCESS FUND

### General information

ACCESS FUND (the "SICAV") is a "*Société d'Investissement à Capital Variable*" under Luxembourg law, established for an unlimited period at Luxembourg on 23rd May 2003. 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.

Shares may be issued within each sub-fund of the SICAV unless the Board of Directors of the SICAV decides otherwise. A distinct and separate group of assets is established for each sub-fund and invested in accordance with the investment policy of the sub-fund concerned. The SICAV is therefore a company with multiple sub-funds, allowing investors to choose between different investment objectives.

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

- |  |        |
|--|--------|
| - ACCESS FUND VermögensSchutzPlus Europe Best Of 3 | in EUR |
| - ACCESS FUND VermögensSchutzPlus Europe Best Of 4 | in EUR |
| - ACCESS FUND VermögensSchutzPlus Europe Best Of 5 | in EUR |

In each sub-fund distribution shares and capitalisation shares are issued at the shareholder choice, unless the Board of Directors of the SICAV decides otherwise (which will be specified in the prospectus).

The administration and depositary of the assets of the SICAV are entrusted to KBC ASSET MANAGEMENT S.A. and BROWN BROTHERS HARRIMAN (LUXEMBOURG) S.C.A., respectively, in Luxembourg.

The SICAV's financial year begins on 1st January and ends on 31st December of the same year.

The latest annual and semi-annual reports, the 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 and from the paying agents.

### Additional information for the investors in Germany

The statement of changes in the investment portfolio for the year related to the report is available free of charge at the German paying and information agent, OLDENBURGISCHE LANDESBANK AG, Stau 15/17, D-26122 OLDENBURG.

Moreover, the prospectus, the KIIDs, 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. Furthermore, copies of the following documents may be inspected there during usual business hours on any bank business day:

- the contract appointing the management company;
- the domiciliary agent contract;
- the registrar and transfer agent contract;
- the administrative agent contract;
- the custodian contract;
- the paying agent contract;
- the portfolio management subcontract between the Management Company, KBC Asset Management SA, and KBC Fund Management Ltd;
- the swap contracts between the Company and the Counterparty.

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

### Investment objectives of the capital protected sub-funds

"Best Of Capitalisation" Structure:

The objectives of the investment policy of the capital protected sub-funds "Best Of Capitalisation" are:

(1) preserving at maturity 100% of the initial value on subscription, plus the greater of:

- either a minimum amount expressed as a percentage of the initial subscription value ("Best Of") (the initial subscription value being defined as the subscription price during the initial subscription period);
- or participation in the evolution in the value of the index or basket.

## ACCESS FUND

### General information (continued)

#### Investment objectives of the capital protected sub-funds (continued)

(2) providing a potential return at maturity through investments in "swap contracts":

In order to achieve a potential return, the sub-fund concludes swap contracts with one or more prime counterparties. It is the reason why the sub-fund transfers part of the future income from its investments intended to provide the capital protection during the life of the sub-fund to the counterparty (counterparties). In return, the counterparty (counterparties) undertake(s) to provide a potential return as described in the current prospectus of the sub-fund.

The participation in the evolution of the index or basket implies that if the final value of the index or basket for the reference period is higher than the starting value of the respective index or basket, this increase will be definitively acquired. Similarly, if the final value of the index or basket for the reference period is lower than the starting value of the respective index or basket, this decrease will be definitively acquired.

Moreover, any periodic increases as well as decreases will be limited to a maximum percentage. If, during a reference period, an increase is realised that exceeds the maximum percentage, it will nevertheless be limited to that percentage. If, during a reference period, the decrease exceeds the percentage defined as the maximum percentage, it will nevertheless be limited to that percentage.

At maturity, the increases and decreases for each reference period (limited to the relevant caps and floors) will be added up. If the result of this addition is higher than the minimum amount expressed as a percentage of the initial subscription value, the result will accrue to the sub-fund. If the result of this addition is lower than the minimum amount expressed as a percentage of the initial subscription value, the minimum amount will accrue to the sub-fund. Any increases or decreases in value will be reflected in the net asset value calculated on each valuation day. At maturity, the net asset value upon liquidation will be paid out to the shareholders.

If the objectives set out above are met, the net asset value upon liquidation will equal to the initial subscription value plus either the result of evolution of the value of the index or basket, or the minimum amount expressed as a percentage of this initial subscription value. This minimum amount expressed as a percentage, or the performance of the index or basket, will be calculated against the initial subscription value.

**Therefore, no formal guarantee of achievement of the investments objectives and of performance are given.**

It should be noted that the investment policy of certain sub-funds may stipulate that the Best Of is zero and/or that the maximum percentage to which the periodic decrease is limited is also zero. If the value of the index or basket decreases during a period, a fixed amount (which may be zero) or a minimum amount will be distributed at the end of this period, depending on the case.

The investment objective is used by the following sub-funds: ACCESS FUND VermögensSchutzPlus Europe Best Of 3, ACCESS FUND VermögensSchutzPlus Europe Best Of 4 and ACCESS FUND VermögensSchutzPlus Europe Best Of 5.

## ACCESS FUND

### Financial climate

#### General investment climate

1st January 2019 - 30th June 2019

#### General overview

##### **Economic context**

Low interest rates, strong job creation and a robust fiscal plan created a very favourable economic environment in the US, where economic growth remained quite vigorous. This was much less the case in the euro area, where economic growth stalled, particularly in the former powerhouse Germany. Industry in particular had a very difficult time, due in part to the continuing uncertainty about the outcome of Brexit and slowing international trade, which in itself was a result of rising trade tensions. Simultaneously, inflation figures increased somewhat and the US central bank introduced a more stringent policy, which just poured oil on the fire.

##### **Monetary policy**

In 2019, the Federal Reserve (Fed) discontinued its policy of raising the base rate. Just before the turn of the year, it took its foot off the pedal by announcing that key rates were not far from a 'neutral' level. During the opening months of 2019, there were growing expectations that the Federal Reserve's next step would be to cut the base rate. Falling inflation gave the central bank the necessary scope to do so.

Apart from a number of emerging countries that had to contend with a flight of capital, monetary policy in the rest of the world remained accommodative. The European Central Bank (ECB) ended its bond-purchasing programme at the end of December. At the same time, the Frankfurt-based bank made it clear that it would be a while before interest rates would be raised again. In 2019, it even announced that the first interest rate adjustment would no longer be for the current year and that new stimulus measures would be taken, if necessary. At barely 1.0%, core inflation in the euro area is still well below the ECB's objective.

##### **Currency markets**

During the reporting period, the euro lost some ground to most currencies, particularly safe haven currencies like the Japanese yen and the Swiss franc. The euro initially fell quite sharply against the US dollar, but made up some lost ground towards the end of the reporting period, when speculation on a U-turn in US interest rate policy rose. The single currency closed the reporting period down 0.8% against the US dollar.

##### **Stock markets**

International stock markets closed the reporting period with a gain of 17.2% (in euro terms). The about-face performed by the US central bank, which was increasingly inclined to cut interest rates, restored confidence and quickly wiped out the decline in share prices experienced in the second half of 2018.

Regional differences were quite considerable. In the United States, share prices soared (19.5% in euro terms). The euro area (+16.4%) was able to keep up, but Japan (+8.6%) and the emerging markets (+11.5%) clearly lost ground. Within the latter group, Asian markets were hit by the escalating trade war, though the weakest performances were turned in by Central Europe and Turkey.

Most sectors were able to rise sharply. The best performers were technology (+25.5%), industrial shares (+19.3%) and producers of consumer discretionary goods (+18.7%). Investors expected that a more expansive policy on the part of the central banks would reverse the decline in business confidence. The defensive sectors were the only underperformers, with pharmaceutical manufacturers (+9.8%) and utilities (+12.7%) in particular clearly lagging behind the broad market.

##### **Bond markets**

The Federal Reserve's about-face triggered a sharp decline in long-term yields over virtually the entire reporting period, despite the stock market recovery: the US 10-year yield slumped from 2.6% at the turn of the year to barely 2% at the end of June 2019.

In the euro area, bond yields also fell. The German 10-year yield was still above 0.2% at the beginning of January, but dropped below zero at the end of the reporting period, to close at -0.33% on 30 June, an all-time low.

The yield spread between corporate bonds and government bonds continually narrowed during the reporting period. At the end of December 2018, an extra return of 1.6% was recorded. Afterwards, spreads started narrowing again, slipping to 1.1% at the end of the reporting period. The prospect of a new bond-purchasing programme by the European Central Bank was very positively received by the market.



## ACCESS FUND

### Financial climate (continued)

#### Projections

##### **Economic context**

For 2019, we expect positive but somewhat slowing growth in the world economy. The effects of any tightening in monetary policy and the disappearance of tax incentives are pushing growth down slightly in the US. A sharp increase in jobs and higher wages, however, are underpinning higher consumption, which should help the economy speed well.

Even in Europe, where the first quarter of 2019 (following the weak figures in the second half of 2018) was surprisingly strong, a slowdown in growth is the most probable scenario. However, the escalating trade dispute between the US and China, combined with the Brexit issue, remains one of the key risks for the economy.

We expect the Chinese economy to continue its soft landing and a slight return to growth in most of the other emerging markets. Of course, this also depends on the Sino-American trade conflict not escalating any further and/or on the extent to which the Chinese government can continue to support growth through measures to stimulate the economy.

##### **Monetary policy**

The US central bank has come to the end of its cycle of rate hikes. We expect a first rate cut during the course of 2020. As for the European Central Bank, it has postponed its first, perhaps rather modest, rate hike until 2020. The Bank of Japan will meanwhile continue to create money at a pace.

##### **Currency markets**

We expect a slight depreciation of the US dollar against the euro towards the start of 2020. A rate cut in the US and the emerging adjustment of interest rate policy in the euro area should ensure this.

##### **Stock markets**

Shares continue to be preferable to bonds. They offer the prospect of a higher return in the medium term and their relative valuation also remains attractive, due in particular to the extremely low level of bond yields in the euro area. Shares are fairly valued, with price/earnings ratios around their historical average. The dividend yield is also higher than government bond yields, even in the US. The markets took a few sharp hits in the fourth quarter of 2018. Fears that the US is on the cusp of a recession increased in the autumn, partly due to an excessive key rate hike by the central bank. In addition, there is the ongoing uncertainty regarding the handling of Brexit and its consequences. Concerns about a trade conflict getting out of hand, which has weighed on shares since the summer of 2018, are the main risk for both trade and investments, and hence for growth.

The stock markets' strong start to 2019 primarily compensated for the exaggerated pessimism that prompted the fall in December 2018, but markets have also factored in much of the good news for this year. Hopes for an end to the trade war between the US and China took a considerable tick in May following the announcement of higher and new import tariffs in the US on Chinese products. An economic revival in the second half of the year already appears to have been priced in. We do not expect a bull market for the rest of this year. The economic cycle is entering its eleventh year, with profit margins in the US in particular at very high levels. But it will not be a bear market either. We only see those in economic recessions, which is not the scenario for 2019. KBC Asset Management anticipates a volatile but modestly rising stock market.

The trade conflict also affects the US through more expensive consumer goods and components, and through retaliatory measures announced by China. So far, this has mainly harmed business confidence in the US. Consumer confidence is holding up better due to a very solid labour market. A slowdown in growth is likely towards the second half of 2019, as the effect of the tax cuts and higher government spending will have ebbed, but a recession remains unlikely. First-half European growth was higher than at the end of last year, but has been lacklustre due to temporary factors, concerns about Brexit and a general lack of confidence in the manufacturing sector. The European economy could pick up in the second half, due to domestic demand. Emerging markets are suffering from slower growth in China. The Chinese government is taking measures to support growth. It has lowered interest rates, relaxed lending, approved a substantial tax cut and is increasing infrastructure investments to compensate for the negative consequences of the trade war and to ensure a soft landing, with growth around its current level of 6.4%.

Monetary policy continues to be supportive for shares. The European Central Bank (ECB) has postponed a rate hike until the summer of 2020 at the earliest. As expected, the US central bank (Fed) raised its key rate to 2.5% in December. But it indicated in response to the global slowdown in growth and market jitters that a 'normal' key rate would not be far off now, which would be around 2.5%. Historically speaking, that is a fairly low level. The central bank has even left scope for a rate cut, if necessary. The scaling back of the Fed's balance sheet is being slowed down and will end sooner than anticipated in September. The door is even open for a rate cut as of the end of July. The Bank of Japan continues to create money at a pace.

## ACCESS FUND

### Financial climate (continued)

Last year, tax cuts set a record earnings growth rate of 25% in the US, and robust economic growth delivered impressive turnover growth of 7%. Earnings growth could slow down, but will remain positive in 2019. Contrary to pessimistic forecasts, the first quarter continued to show a slight increase in corporate earnings.

At regional level, we prefer the US. Economic growth there remains far and away the strongest in the world, while we are still waiting for growth to pick up in Europe and Asia. The prospect of a trade war will weigh marginally on growth and on earnings as a result of higher import costs, but US companies are less sensitive to this than Asian or European companies. Not only are consumers bolstering growth, but the US also has a more closed economy. The cheaper valuation favours the euro area. The political problems in Italy appear to have eased for the moment. On the other hand, reaching agreement on Brexit continues to be a fraught process, but the UK leaving the European Union without a deal is still the least likely outcome. The deadline for a hard Brexit has been postponed to 31 October and Boris Johnson, the likely new UK Prime Minister, wants to respect it even without a deal with the EU.

Germany is the best example of the euro area's problems. The euro area's growth engine has been sputtering since the second half of 2018 and has only narrowly avoided recession. As a result of weak exports, business sentiment in the manufacturing sector continues to slide towards the level indicating contracting turnover. Producer confidence has fallen to the levels of the EMU financial crisis in 2012 and a revival is yet to materialise. But the robust labour market together with significant wage increases are underpinning households' purchasing power. This ensured a boost in domestic consumption in the first quarter. For the first time in years, the government provided stimulus in the form of benefit increases and tax cuts. Meanwhile, higher wages are beginning to weigh on companies' profit margins. Growth may pick up in the second half of the year if the trend in trade relations does not further undermine exports. The country's stock market is cheaper than the euro-area average, but declining earnings in the fourth quarter of 2018 and the first quarter of 2019 have prompted KBC Asset Management to bid farewell to Germany.

Following the stock market recovery at the beginning of the year, which was led by cyclical (i.e. sensitive to changes in the economic cycle) and growth-oriented sectors in particular, we no longer have an explicit preference among the sectors there. A slower-growth environment leads to lower credit growth. The easier monetary policy of the central banks is ensuring that interest rates continue to fall and the yield curve is flatter, even inverted in the US. A rise in interest rates will be slower and less pronounced. All this is harmful for banks' interest margins and earnings. But it is positive for real estate shares. Their financing costs remain low and their dividends compare favourably with the low interest rates.

Communication Services is easily the sector with the strongest outlook for earnings growth. Media firms and businesses active in Internet access, social media and online games are seeing vigorous turnover growth as they seize ground from their more traditional rivals in the area of advertising and leisure.

Demand for oil is continuing to rise and is strong enough to absorb the growing supply, particularly in the US, in the coming months, especially now that the OPEC countries are scaling back their increased production. The delaying of sanctions against Iranian oil exports has also come to an end and production in Venezuela has collapsed. A sharp increase in oil production is out of the question and this will enable the oil price to hover around or above 65 dollars until the end of 2019. A military conflict in the Persian Gulf could push up the price even further. Oil companies are profitable from a price of 50 US dollars. The impressive cash flows can be used to pay out a high dividend.

Defensive sectors like Utilities, Health Care and Consumer Staples (e.g., food) normally lag behind in the event of robust growth and rising interest rates. Growth is easing, however, plus interest rates are lower and likely to rise more slowly and less sharply. These sectors also offer more stability in a turbulent market. KBC Asset Management is most positive about utilities at this stage of the cycle. Electricity prices hit bottom in 2017 and have been rising again for a year now. These higher prices will feed through increasingly into the long-term contracts that utilities sign. This ought to result in robust earnings growth, which has not been seen in the sector in recent years.

As regards investment themes, we are focusing on mature, stable businesses that pay out a part of their surplus cash to shareholders in the form of high and sustainable dividends. A stable and high dividend forms a relatively large proportion of market return, especially when stock markets are volatile and rising less rapidly. High dividends are also an attractive alternative for bond investors, primarily in Europe where the dividend yield exceeds 3.5% and is much higher than bond yields. Companies which pay high dividends add an average of more than 1% to this. But this is an attractive theme in the US too, where the dividend yield of the broad market is lower than short-term interest rates. There too, high-dividend shares generate a coupon that is 3% higher on average and, hence, higher than bond yields.

## ACCESS FUND

### Financial climate (continued)

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Lastly, we also prefer water companies. The scarcity of drinking water, due in part to problems with obsolete and inadequate water infrastructure and with water quality and waste-water treatment, will boost their turnover growth in the long term. These companies are generally valued a little more expensively and so are trading at a premium, but this is fairly usual given their higher-than-average turnover and earnings growth.

#### **Bond markets**

Owing to the extremely low level of interest rates (even negative in some cases), we are invested below the benchmark level for bonds. In 2019, the US central bank (Fed) elected to set a whole new direction to its policy. After nine rate hikes from 2015 through 2018, it indicated at the recent June policy meeting that lower interest rates are likely in the coming months. The European Central Bank (ECB) has also become more prudent. The key rates will certainly not be raised before the second half of 2020 and some stimulus measures may even be introduced first. Economic growth is cooling, and inflation remains below the ECB's target. But interest income is unattractive and the very low interest rate creates an asymmetric risk, with a negative return in the event of the slightest rate increase.

The bond portfolio risk was reduced in 2018 by substantially increasing holdings of euro-area government bonds, but with a cautious attitude being adopted towards peripheral countries. In Italy, in particular, interest rates rose sharply in 2018 due to political risk, weak economic growth and fiscal policy, which means further turbulence and lower credit ratings cannot be ruled out. The message is to seek safer havens via the core countries of the euro area and short maturities.

Corporate bonds are underweighted. After the sharp increase in the credit premium at the end of 2018, investor nervousness has eased in recent weeks. Euro-area companies remain financially sound. The ECB ended its corporate bond-purchasing programme in December, as a result of which an important source of support for this market has disappeared. Due to the many uncertainties and the slowing economy, we're generally cautious towards riskier assets.

For high-interest bonds, the current yield is higher than that on traditional bonds, but volatility could be high despite the good currency diversification. This theme is being included to a limited extent in our strategy.

Luxembourg, 26th July 2019

The Board of Directors of the SICAV

## ACCESS FUND

### Combined statement of net assets (in EUR) as at 30th June 2019

#### **Assets**

Securities portfolio at fair value	5,018,548.28
Term deposits at market value	170,012.50
Swaps at market value	2,830,085.14
Cash at banks	<u>33,064.89</u>
Total assets	<u>8,051,710.81</u>

#### **Liabilities**

Interest payable on bank accounts	162.71
Unrealised loss on swaptions	21,490.80
Expenses payable and other payables	<u>2,509.97</u>
Total liabilities	<u>24,163.48</u>
Net assets at the end of the period	<u><u>8,027,547.33</u></u>

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

## ACCESS FUND VermögensSchutzPlus Europe Best Of 3

### Statement of net assets (in EUR)

as at 30th June 2019

#### **Assets**

Securities portfolio at fair value	1,179,782.80
Swaps at market value	848,240.14
Cash at banks	9,893.73
	<hr/>
Total assets	2,037,916.67
	<hr/>

#### **Liabilities**

Unrealised loss on swaptions	3,783.40
Expenses payable and other payables	725.64
	<hr/>
Total liabilities	4,509.04
	<hr/>

Net assets at the end of the period	2,033,407.63
	<hr/>

Number of capitalisation shares outstanding	1,227,3800
Net asset value per capitalisation share	1,656.71

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

## ACCESS FUND VermögensSchutzPlus Europe Best Of 3

### Statistical information (in EUR)

as at 30th June 2019

#### Total net assets

- as at 30.06.2019	2,033,407.63
- as at 31.12.2018	2,145,950.98
- as at 31.12.2017	2,492,520.47

#### Number of capitalisation shares

- outstanding at the beginning of the period	1,299.9177
- issued	-
- redeemed	-72.5377
- outstanding at the end of the period	1,227.3800

#### Net asset value per capitalisation share

- as at 30.06.2019	1,656.71
- as at 31.12.2018	1,650.84
- as at 31.12.2017	1,705.72

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

## ACCESS FUND VermögensSchutzPlus Europe Best Of 3

### Statement of investments and other net assets (in EUR) as at 30th June 2019

Currency	Number / nominal value	Description	Cost	Fair 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	107,000	Amethyst Structured Fin Plc 23.03.40	108,252.85	107,479.85	5.29
EUR	109,000	Beechwood Structured Fin Plc 23.03.40	109,211.30	108,245.39	5.32
EUR	107,000	Brookfields Capital Plc 23.03.40	108,769.82	107,953.43	5.31
EUR	108,000	Eperon Finance Plc 23.03.40	108,271.35	107,298.99	5.28
EUR	54,000	Espaccio Securities Plc 23.03.40	54,134.35	53,580.02	2.64
EUR	53,000	Greenstreet Struct Fin Prod Plc 23.03.40	53,879.53	53,510.24	2.63
EUR	54,000	Ipanema Capital Plc 23.03.40	54,099.80	53,552.48	2.63
EUR	53,000	Nimrod Capital Plc 23.03.40	53,612.08	53,136.55	2.61
EUR	54,000	Opal Financial Prod Plc 23.03.40	54,155.57	53,734.68	2.64
EUR	53,000	Profile Finance Plc 23.03.40	53,921.25	53,481.09	2.63
EUR	54,000	Recolte Securities Plc 23.03.40	54,089.81	53,557.83	2.63
EUR	54,000	Silverstate Fin Inv Plc 23.03.40	54,091.43	53,563.24	2.63
EUR	54,000	Vermillion Protect Bond Ptf Plc 23.03.40	53,822.75	53,383.36	2.63
EUR	53,000	Vespucci Struct Fin Prod Plc 23.03.40	53,368.80	53,443.07	2.63
EUR	54,000	Vigado Capital Plc 23.03.40	54,061.77	53,528.97	2.63
EUR	53,000	Voyce Investments Plc 23.03.40	53,668.70	53,190.88	2.62
EUR	54,000	Waterford Cap Investments Plc 23.03.40	54,085.15	53,546.82	2.63
EUR	54,000	Waves Fin Inv Plc 23.03.40	54,094.72	53,595.91	2.64
Total investments in securities			1,189,591.03	1,179,782.80	58.02
Cash at banks				9,893.73	0.49
Other net assets/(liabilities)				843,731.10	41.49
Total				2,033,407.63	100.00

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

## ACCESS FUND VermögensSchutzPlus Europe Best Of 4

### Statement of net assets (in EUR)

as at 30th June 2019

#### **Assets**

Securities portfolio at fair value	2,784,741.16
Term deposits at market value	100,010.00
Swaps at market value	1,474,824.20
Cash at banks	<u>14,965.53</u>
Total assets	<u>4,374,540.89</u>

#### **Liabilities**

Interest payable on bank accounts	103.81
Unrealised loss on swaptions	9,820.51
Expenses payable and other payables	<u>1,124.99</u>
Total liabilities	<u>11,049.31</u>

Net assets at the end of the period	<u><u>4,363,491.58</u></u>
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Number of capitalisation shares outstanding	2,936.2300
Net asset value per capitalisation share	1,486.09

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



## ACCESS FUND VermögensSchutzPlus Europe Best Of 4

### Statistical information (in EUR)

as at 30th June 2019

#### Total net assets

- as at 30.06.2019	4,363,491.58
- as at 31.12.2018	4,331,089.07
- as at 31.12.2017	4,763,655.97

#### Number of capitalisation shares

- outstanding at the beginning of the period	2,980.4500
- issued	-
- redeemed	-44.2200
- outstanding at the end of the period	2,936.2300

#### Net asset value per capitalisation share

- as at 30.06.2019	1,486.09
- as at 31.12.2018	1,453.17
- as at 31.12.2017	1,520.15

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

## ACCESS FUND VermögensSchutzPlus Europe Best Of 4

### Statement of investments and other net assets (in EUR) as at 30th June 2019

Currency	Number / nominal value	Description	Cost	Fair 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	252,000	Amethyst Structured Fin Plc 23.03.40	255,044.71	253,130.12	5.80
EUR	255,000	Beechwood Structured Fin Plc 23.03.40	255,236.60	253,234.62	5.80
EUR	251,000	Brookfields Capital Plc 23.03.40	255,274.25	253,236.55	5.80
EUR	255,000	Eperon Finance Plc 23.03.40	255,648.74	253,344.83	5.81
EUR	128,000	Espaccio Securities Plc 23.03.40	128,224.62	127,004.49	2.91
EUR	125,000	Greenstreet Struct Fin Prod Plc 23.03.40	127,166.89	126,203.40	2.89
EUR	128,000	Ipanema Capital Plc 23.03.40	128,386.11	126,939.22	2.91
EUR	126,000	Nimrod Capital Plc 23.03.40	127,563.84	126,324.62	2.89
EUR	127,000	Opal Financial Prod Plc 23.03.40	127,219.67	126,376.00	2.90
EUR	125,000	Profile Finance Plc 23.03.40	127,241.66	126,134.66	2.89
EUR	128,000	Recolte Securities Plc 23.03.40	128,143.50	126,951.90	2.91
EUR	128,000	Silverstate Fin Inv Plc 23.03.40	128,221.17	126,964.72	2.91
EUR	128,000	Vermillion Protect Bond Ptf Plc 23.03.40	127,732.25	126,538.34	2.90
EUR	125,000	Vespucci Struct Fin Prod Plc 23.03.40	126,218.02	126,044.97	2.89
EUR	128,000	Vigado Capital Plc 23.03.40	128,064.99	126,883.48	2.91
EUR	126,000	Voyce Investments Plc 23.03.40	127,703.90	126,453.80	2.90
EUR	128,000	Waterford Cap Investments Plc 23.03.40	128,099.93	126,925.80	2.91
EUR	127,000	Waves Fin Inv Plc 23.03.40	127,137.52	126,049.64	2.89
Total investments in securities			2,808,328.37	2,784,741.16	63.82
Cash at banks and term deposits				114,975.53	2.63
Other net assets/(liabilities)				1,463,774.89	33.55
Total				4,363,491.58	100.00

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

## ACCESS FUND VermögensSchutzPlus Europe Best Of 5

### Statement of net assets (in EUR)

as at 30th June 2019

#### **Assets**

Securities portfolio at fair value	1,054,024.32
Term deposits at market value	70,002.50
Swaps at market value	507,020.80
Cash at banks	8,205.63
	<hr/>
Total assets	1,639,253.25

#### **Liabilities**

Interest payable on bank accounts	58.90
Unrealised loss on swaptions	7,886.89
Expenses payable and other payables	659.34
	<hr/>
Total liabilities	8,605.13

Net assets at the end of the period	1,630,648.12
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Number of capitalisation shares outstanding	1,119.5872
Net asset value per capitalisation share	1,456.47

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

## ACCESS FUND VermögensSchutzPlus Europe Best Of 5

### Statistical information (in EUR)

as at 30th June 2019

#### Total net assets

- as at 30.06.2019	1,630,648.12
- as at 31.12.2018	1,717,635.71
- as at 31.12.2017	1,899,181.63

#### Number of capitalisation shares

- outstanding at the beginning of the period	1,175.5872
- issued	-
- redeemed	-56.0000
- outstanding at the end of the period	<u>1,119.5872</u>

#### Net asset value per capitalisation share

- as at 30.06.2019	1,456.47
- as at 31.12.2018	1,461.09
- as at 31.12.2017	1,492.39

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

## ACCESS FUND VermögensSchutzPlus Europe Best Of 5

### Statement of investments and other net assets (in EUR) as at 30th June 2019

Currency	Number / nominal value	Description	Cost	Fair 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	96,000	Amethyst Structured Fin Plc 23.03.40	97,111.29	96,430.52	5.91
EUR	97,000	Beechwood Structured Fin Plc 23.03.40	97,048.55	96,328.46	5.91
EUR	95,000	Brookfields Capital Plc 23.03.40	96,542.09	95,846.50	5.87
EUR	97,000	Eperon Finance Plc 23.03.40	97,101.43	96,370.39	5.91
EUR	48,000	Espaccio Securities Plc 23.03.40	48,031.92	47,626.68	2.92
EUR	47,000	Greenstreet Struct Fin Prod Plc 23.03.40	47,775.04	47,452.48	2.91
EUR	48,000	Ipanema Capital Plc 23.03.40	48,040.07	47,602.21	2.92
EUR	48,000	Nimrod Capital Plc 23.03.40	48,525.48	48,123.66	2.95
EUR	48,000	Opal Financial Prod Plc 23.03.40	48,087.98	47,764.16	2.93
EUR	47,000	Profile Finance Plc 23.03.40	47,799.55	47,426.63	2.91
EUR	48,000	Recolte Securities Plc 23.03.40	47,987.79	47,606.96	2.92
EUR	48,000	Silverstate Fin Inv Plc 23.03.40	47,991.29	47,611.77	2.92
EUR	49,000	Vermillion Protect Bond Ptf Plc 23.03.40	48,816.06	48,440.46	2.97
EUR	48,000	Vespucci Struct Fin Prod Plc 23.03.40	48,665.27	48,401.27	2.97
EUR	48,000	Vigado Capital Plc 23.03.40	47,958.31	47,581.30	2.92
EUR	48,000	Voyce Investments Plc 23.03.40	48,548.15	48,172.88	2.95
EUR	48,000	Waterford Cap Investments Plc 23.03.40	47,991.13	47,597.18	2.92
EUR	48,000	Waves Fin Inv Plc 23.03.40	47,987.08	47,640.81	2.92
Total investments in securities			1,062,008.48	1,054,024.32	64.63
Cash at banks and term deposits				78,208.13	4.80
Other net assets/(liabilities)				498,415.67	30.57
Total				1,630,648.12	100.00

## ACCESS FUND

### Notes to the financial statements as at 30th June 2019

#### 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 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) Notes issued by Special Purpose Vehicles ("SPVs") are valued at fair value, based upon the mark-to-market or mark-to-model prices of the assets in the underlying portfolios of the SPV.
- 4) The value of transferable securities in portfolio on the valuation day that are not traded or listed on a stock exchange or other regulated market, and of securities 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, 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.

##### 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) Swaps contracts and swaptions

Swaps contracts and swaptions are assessed as follows:

Cash flows received by the respective sub-funds in relation to the swaps are discounted on the valuation date at the zero-coupon rate corresponding to the maturity of each cash flow.

As the amount corresponding to the changes in the index and/or basket up to maturity is uncertain, the market bases itself, when valuing these payment flows (calculation of the asset value), on a commonly used pricing method that takes account of different elements such as the volatility of the index and/or of the basket, the interest rate, the average dividend rate of the Index and/or of the basket and the level of the latter. The method used to price the swaps contracts is based on the Black & Scholes and Monte Carlo methods.

The Interest rate swap options contracts (swaptions) are valued based on the recalculated market price using classic pricing factors, namely interest rate volatility and the level of interest rates. Due to the complexity of the optional structures, the method used to price the swaptions is based on the Black & Scholes and Monte Carlo methods.

## ACCESS FUND

### Notes to the financial statements (continued)

as at 30th June 2019

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

f) Formation expenses

Formation expenses were amortised on a straight line basis over a period of 5 years.

g) Conversion of foreign currencies

Cash at banks, other net assets and liabilities, and the fair 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.

h) 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.

#### Note 2 - Asset Allocation

In order to achieve the investment objectives, the sub-funds of the SICAV, may invest in securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, financial derivatives, cash and any other instruments permitted under the amended law of 17th December 2010.

As at 30th June 2019, the SICAV invested in notes issued by 18 SPVs incorporated under Irish law, listed on the Dublin stock exchange and managed by KBC ASSET MANAGEMENT N.V., 2, avenue du Port, B-1080 Brussels or one of its subsidiaries:

- Amethyst Structured Finance Plc
- Beechwood Structured Finance Plc
- Brookfields Capital Plc
- Eperon Finance Plc
- Espaccio Securities Plc
- Greenstreet Structured Financial Products Plc
- Ipanema Capital Plc
- Nimrod Capital Plc
- Opal Financial Products Plc
- Profile Finance Plc
- Recolte Securities Plc
- Silverstate Financial Investments Plc
- Vermillion Protect Bond Ptf Plc
- Vespucci Structured Finance Products Plc
- Vigado Capital Plc
- Voyce Investments Plc
- Waterford Capital Investments Plc
- Waves Financial Investments Plc

As at 30th June 2019, the underlying of the notes issued by these 18 SPVs were two diversified portfolios of deposits with financial institutions, bonds, other debt instruments, interest rate swaps and currency swaps: the General Long Portfolio and the General Short Portfolio. The main difference between the General Long Portfolio and the General Short Portfolio lies in the credit spread sensitivity of the underlying instruments. The remaining maturity of the underlying assets of the General Long Portfolio is on average longer than the remaining maturity of the underlying assets of the General Short Portfolio, which leads to a greater price impact of changes in the credit quality of the underlying instruments. The annual report including the audited financial statements and prospectus of the notes issued by these SPVs are available free of charge from KBC ASSET MANAGEMENT N.V., 2, avenue du Port, B-1080 Brussels.

## ACCESS FUND

### Notes to the financial statements (continued)

as at 30th June 2019

#### Note 3 - Management fee

The SICAV has appointed KBC ASSET MANAGEMENT S.A., 4, rue du Fort Wallis, L-2714 Luxembourg, as Management Company according to the provisions of Chapter 15 of the amended law of 17th December 2010 relating to Undertakings for Collective Investment.

As remuneration for the services rendered regarding management, distribution and risk management, the sub-funds pay to the Management Company at the end of each semester a remuneration consisting of a fee of maximum 10 EUR per share outstanding at the beginning of the semester increased by a fee on an annual basis of maximum 0.1% of the net asset value of each sub-fund in the beginning of the quarter in question for risk management.

The sub-funds pay a semestral management fee per share of:

Sub-fund	From 1st January to 30th June 2019 (in EUR)
ACCESS FUND VermögensSchutzPlus Europe Best Of 3	5.6451
ACCESS FUND VermögensSchutzPlus Europe Best Of 4	4.7162
ACCESS FUND VermögensSchutzPlus Europe Best Of 5	6.7423

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

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 which amounts to an effective annual rate of the net asset value. For all sub-funds, the effective rate as at 30th June 2019 amounts to 0.090% of the net asset value, which is the maximum chargeable fee.

#### Note 5 - Subscription, redemption and conversion fees

The subscription fee for all the sub-funds is 5% maximum, of which 4% maximum is allocated to the professional intermediaries and 1% to the sub-fund concerned. Currently, 1% subscription fee is applied, payable to the sub-fund concerned.

Currently, no redemption fee is charged on redemption at the maturity of a sub-fund for all the sub-funds. However, any application for redemption prior to maturity of the sub-fund shall be subject to the payment of a redemption fee of 1% of the net asset value per share payable to the sub-fund concerned to cover the sub-fund's expenses for redemption prior to maturity.

Any conversion of shares shall be treated as a subscription followed by redemption. No fee other than that payable to the sub-funds concerned will be charged.



## ACCESS FUND

### Notes to the financial statements (continued)

as at 30th June 2019

#### Note 6 - 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.

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.

#### Note 7 - Statement of changes in investments

A list of changes in the portfolio for the period ended 30th June 2019 is available free of charge at the registered office of the Management Company of the SICAV.

#### Note 8 - Swaps contracts and swaptions

For each sub-fund, the prospectus stipulates that swaps contracts and swaptions are entered into to achieve the investment objectives.

As at 30th June 2019, in order to achieve the investment objectives, the SICAV is committed in the following swaps contracts and swaptions with KBC Bank SA which is committed itself with other counterparties:

##### Index swaps contracts

##### ACCESS FUND VermögensSchutzPlus Europe Best Of 3

Nominal	Currency	Counterparty	Maturity	Unrealised result (in EUR)
1,184,620	EUR	KBC Bank SA	20.11.2019	788,246.14
90,000	EUR	KBC Bank SA	20.11.2019	59,994.00
				<b>848,240.14</b>

##### ACCESS FUND VermögensSchutzPlus Europe Best Of 4

Nominal	Currency	Counterparty	Maturity	Unrealised result (in EUR)
2,710,000	EUR	KBC Bank SA	19.02.2020	1,341,992.00
269,000	EUR	KBC Bank SA	19.02.2020	132,832.20
				<b>1,474,824.20</b>

##### ACCESS FUND VermögensSchutzPlus Europe Best Of 5

Nominal	Currency	Counterparty	Maturity	Unrealised result (in EUR)
1,025,000	EUR	KBC Bank SA	17.09.2020	473,652.50
73,000	EUR	KBC Bank SA	17.09.2020	33,368.30
				<b>507,020.80</b>

## ACCESS FUND

### Notes to the financial statements (continued) as at 30th June 2019

#### Note 8 - Swaps contracts and swaptions (continued)

##### Swaptions

##### ACCESS FUND VermögensSchutzPlus Europe Best Of 3

Nominal	Currency	Counterparty	Maturity	Unrealised result (in EUR)
662,000	EUR	KBC Bank SA	20.11.2019	-993.00
1,744,000	EUR	KBC Bank SA	20.11.2019	-2,790.40
				<u><b>-3,783.40</b></u>

##### ACCESS FUND VermögensSchutzPlus Europe Best Of 4

Nominal	Currency	Counterparty	Maturity	Unrealised result (in EUR)
951,000	EUR	KBC Bank SA	19.02.2020	-2,101.71
3,356,000	EUR	KBC Bank SA	19.02.2020	-7,718.80
				<u><b>-9,820.51</b></u>

##### ACCESS FUND VermögensSchutzPlus Europe Best Of 5

Nominal	Currency	Counterparty	Maturity	Unrealised result (in EUR)
613,000	EUR	KBC Bank SA	17.09.2020	-2,120.98
1,878,000	EUR	KBC Bank SA	17.09.2020	-5,765.91
				<u><b>-7,886.89</b></u>

To secure its swaps contracts and swaptions, the SICAV has received collateral government and supranational institutions bonds which are deposited with Brown Brothers Harriman (Luxembourg) S.C.A. for the following value:

ACCESS FUND VermögensSchutzPlus Europe Best Of 3	860,400.77	EUR
ACCESS FUND VermögensSchutzPlus Europe Best Of 4	1,436,986.09	EUR
ACCESS FUND VermögensSchutzPlus Europe Best Of 5	499,012.73	EUR

## **ACCESS FUND**

### **Additional Information**

as at 30th June 2019

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

During the period ended 30th June 2019, 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.