



**Annual report including audited financial statements  
as at 31st December 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 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

Senior Project Manager  
KBC ASSET MANAGEMENT N.V.  
2, Avenue du Port  
B-1080 BRUSSELS

Bruno KÜCK  
(until 1st July 2019)

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

Patrick DALLEMAGNE  
(since 11th September 2019)

General Manager  
CBC BANQUE & ASSURANCES  
60, Avenue Albert I  
B-5000 NAMUR

### 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)**

#### **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 (until 30th June 2019)

Koen VANDERAUWERA (since 1st July 2019)

#### **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, Sandwich 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 4 in EUR
- ACCESS FUND VermögensSchutzPlus Europe Best Of 5 in EUR

The following sub-fund was liquidated during the year ended 31st December 2019:

- ACCESS FUND VermögensSchutzPlus Europe Best Of 3 in EUR  
(liquidated on 29th November 2019)

In each sub-fund distribution shares and capitalisation shares are issued, 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 S.A., and KBC Fund Management Ltd;
- the swap contracts between the SICAV and the KBC Bank SA.

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

## ACCESS FUND

### General information (continued)

#### 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.

(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.

# ACCESS FUND

## Financial climate

### General investment climate

1st January 2019 - 31st December 2019

#### General overview

##### **Economic context**

World economic growth slowed substantially over the period under review. Judging by business confidence, industry in particular had a very difficult time, with the continuing uncertainty about the outcome of Brexit and slowing international trade, itself a result of rising trade tensions, clearly weighing on sentiment. Export-oriented regions like the euro area and Southeast Asia had an especially tough time of it. The continuing strength of the labour market supported private consumption, enabling the service sector to hold up reasonably well in most regions.

##### **Monetary policy**

The US central bank changed tack during the reporting period. After systematically raising interest rates throughout 2018, the Federal Reserve ("Fed") responded to slowing growth by cutting the base rate three times (by 0.25% each time). Falling inflation gave the central bank the necessary scope to do so.

The European Central Bank ("ECB") was initially clear that it would be some time before interest rates would be raised again. However, as growth in the euro area continued to slow down, the Frankfurt-based bankers announced a new round of stimulatory measures, relaunching its bond purchase programme and reducing deposit rates to -0.5%. At barely 1%, core inflation in the euro area is still well below the ECB's target.

##### **Currency markets**

During the period under review, the euro lost ground to safe-haven currencies like the Japanese yen (+3.2%) and the Swiss franc (+3.6%). The euro weakened by 2.2% against the US dollar. The biggest loss was against sterling (+5.9%), which benefited from the easing fears about a hard Brexit.

##### **Stock markets**

In euro terms, the international stock markets closed the reporting period with a 29.1% gain, though there were significant fluctuations throughout the period. The protracted trade disputes between the US and its main trading partners, coupled with increasingly weak economic indicators, led to corrections in May and August.

Regional differences were quite considerable. The United States saw the biggest rise in share prices (+33.1% in euro terms). The euro area (+25.5%) and Japan (+22.2%) were not far behind. The total return in the emerging markets was 21.7%, though there were fairly wide differences between the regions. For example, Russia performed very strongly (+53.9%), while the market in Central Europe was less exuberant. Poland actually posted a negative return (-4%). In Asia, too, weighed down by the impact of the trade war, returns were below the average (+21.1%), with South Korea (+12.2%) and India (+9.7%) standing out as weaker markets.

All sectors were up at the end of the reporting period. Technology was a positive highlight (+49.6%). The Energy sector did less well (+14.9%), having to contend with a lower oil price. Returns in the other sectors were close together. Cyclical sectors such as Consumer Discretionary (+30%) and Industrials (+28.8%), performed only slightly better than unequivocally defensive sectors such as Health Care (+24.9%) and Consumer Staples (+23.9%). The financial sector also delivered a strong performance, with a total net return of 25.5%.

##### **Bond markets**

The Fed's about-face triggered a further fall in long-term rates during the reporting period. US ten-year rates fell from 2.7% at the end of December 2018 to 1.9% at the close of the reporting period.

Bond yields also fell in the euro area. German ten-year rates were still in positive territory at the end of 2018 (+0.24%), but moved to well below zero towards the end of the reporting period, closing at -0.19% on 30 December.

The yield spread between corporate and government bonds narrowed sharply in the early part of the reporting period, from 1.5% at the start of the period to 1.07% at the end of April. During the stock market corrections in May and August, however, yields rose again. As it became clear that the ECB's bond purchase programme was to be relaunched, the spread was able to narrow again. It stood at 0.93% at the end of the reporting period.



## ACCESS FUND

### Financial climate (continued)

#### Projections

##### **Economic context**

We expect growth to pick up slightly in 2020, with emerging markets largely leading the way, though we are anticipating a gradual acceleration in economic growth in the euro area, too. Growth in other Western countries will remain below the long-term trend.

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

##### **Monetary policy**

The US central bank shifted its stance, cutting its base rate in July for the first time in a long time. We are not expecting any further rate cuts in 2020. The ECB is also not expected to take any new action in the wake of the September rate cut and the relaunch of its bond purchase programme in November. The Bank of Japan meanwhile continues to create money at a pace.

##### **Currency markets**

We expect the US dollar to weaken slightly against the euro in the course of 2020, induced by growing anticipation of a first step towards normalising interest rates in the euro area.

##### **Stock markets**

Shares continue to be preferable to bonds. They offer the prospect of a higher return in the medium to long term and their relative valuation also remains attractive. That is mainly due to the extremely low interest rate levels, not only in the euro area but worldwide. Shares are fairly valued, with price-earnings ratios around or just above their historical average. Dividend yields exceed government bond yields, including in the US.

The stock markets' very strong start to 2019 mainly served to compensate for the exaggerated pessimism that prompted the fall in December 2018. This was due to fears that the US was on the brink of a recession, caused in part by the excessive hiking of the key rate by the US central bank, the Fed. But the markets are now also pricing in the first partial agreement between the US and China in the trade conflict. The easing risk of a hard Brexit also benefited sentiment towards shares. Against this backdrop, we do not anticipate a bull market over the coming months. KBC Asset Management believes that a volatile but modestly rising stock market is a more likely scenario.

The trade conflict remains one of the main bellwethers for developments in the near term. This is not only hitting China amidships, but is hurting the US just as much through more expensive consumer goods and components and countermeasures by China. Business confidence has fallen as a result, as it has in the rest of the world. Consumer confidence held up better thanks to a very strong labour market, but here, too, the peak is behind us. Even though the effect of the tax cuts and higher government spending are ebbing away, a recession remains unlikely. European growth remains subdued due to the turmoil over Brexit, the lower global growth and a general lack of confidence in the manufacturing sector. Emerging markets are suffering from slower growth in China. The Chinese government is stimulating growth by cutting interest rates, easing lending criteria, cutting taxes sharply and boosting infrastructure investments to compensate for the negative consequences of the trade war and ensure a soft landing, with growth at around 6.0%.

Global monetary policy continues to be supportive for shares. The ECB has again reduced its deposit rate, this time to -0.5%. By granting the banks a partial exemption, it is protecting them to some extent from the negative consequences. Since November, it has also restarted the quantitative easing programme, creating money by purchasing bonds. This will keep interest rates low or even negative for the foreseeable future. The US central bank Fed raised its key rate to 2.5% in December, still fairly low in a historical perspective. Since then, however, the Fed policy has undergone a U-turn in response to the global slowdown in growth and the anxieties on the stock market. The key rate was cut in July and September, by 0.25% each time. The Fed also stopped the scaling back of its balance sheet in September. The Bank of Japan, too, is continuing to create money apace.

Last year, tax cuts ushered in record earnings growth of 25% in the US, while robust economic growth delivered impressive revenue growth of 7%. Earnings growth is clearly slowing down, and was barely positive in 2019. The results for the third quarter were better than the forecasts, which had been heavily adjusted downwards – although profits stalled at high levels and it was only revenues which increased, rising by around 3%.

## ACCESS FUND

### Financial climate (continued)

At regional level, we prefer the euro area. After almost two years of steady decline, we have recently seen some stabilisation in the activity indicators. These leading indicators suggest that Europe is now over the worst and that the general fear of recession, manifested chiefly in very low government bond yields, was premature. Concerns about a hard Brexit have also eased and we can now be cautiously optimistic about the trade conflict in light of the first partial agreement. Both risks have put a damper on investment and confidence in the euro area, thereby weighing on economic growth. The trade deal and an anticipated continuation of the turnaround in economic indicators is another reason to back the emerging markets. What's more, both regions are valued more cheaply than shares in the US, where most of the good news seems to have already been factored into the record share prices. Growth had long been stronger than in the rest of the developed world, but the gap has narrowed. Corporate earnings reached record levels, which means expectations ought not to be raised too high for the quarters ahead.

Partly thanks to the bottoming out of a number of leading economic indicators, KBC Asset Management is moderately positive towards cyclical sectors. Valuations are extremely low in a number of these sectors, such as Materials. Thanks to the sharp reductions in interest rates, sectors which are more sensitive to interest rates performed very well in the first nine months of 2019. The bottoming out that has taken place also means that these traditionally defensive sectors, such as Utilities, Health Care and Consumer Staples (e.g. food), have little upside potential left. Recovering interest rates (German rates have rebounded sharply since September) also mean that the worst is probably over for the benighted financial sector. They ease the pressure on banks' interest margins, while lending volumes have been systematically increasing over recent years.

Communication Services is easily the sector with the strongest forecast earnings growth. Software companies are growing on the back of the services they provide to businesses, with Cloud computing as the spearhead. This means they are enjoying very high margins. The hardware and semiconductor segment should also benefit from the improving economic climate.

In terms of investment themes, our preference is for mature, stable companies that return some of their surplus cash, which is earning nothing at current interest rates, to their shareholders. We prefer companies that buy back their own shares. That is not just a sign of management's confidence in the company's shares; buying back and destroying shares also means that earnings and dividends have to be shared out between fewer shares. In an environment of low earnings growth, this contribution to the growth in earnings per share is relatively high. Share buybacks have reached record levels in the US, but in Europe, too, we are seeing growing interest in buybacks. The market also appreciates these high-quality companies. A stable and high dividend also forms a safe and relatively large proportion of market return when stock markets are volatile and rising less rapidly. High dividends are also an attractive alternative for bond investors. Unfortunately, the market appears not to appreciate these cheap, high-dividend companies.

Lastly, we also prefer water companies. There is a major scarcity of drinking water, caused by the problems of outdated and inadequate water infrastructure, climate change and the issues of water quality and treatment of waste water. This ensures robust long-term revenue growth for these companies. These companies are generally valued a little more expensively and so are trading at a premium, although at its current level of around 13%, this premium is lower than the average over the last eight years.

#### **Bond markets**

Given the extremely low interest rates (even negative in some cases), we are invested below the benchmark level for bonds. Government bonds maturing in the next few months or years are in many cases offering negative returns. Yields on longer maturities are also so low that the least rise in rates would be enough to push the return into the red. The Belgian ten-year yield also turned negative for the first time ever in the summer of 2019.

The risks and the fear of recession mean that government bonds issued in the euro area are appealing to investors. The slower economic growth and low inflation caused bond prices to rise in 2019. The uncertainties surrounding the peripheral countries (such as Italy and Spain) have also eased, leading to a reduction in risk premiums; the best therefore appears to be over. We prefer government bonds from the euro area with relatively short maturities.

We take a neutral stance on corporate bonds. The slowdown in economic growth and the risks (trade war, Brexit, etc.) may weigh on the credit premium. These investments also often show increased volatility in times of uncertainty, but after the sharp increase in that premium at the end of 2018, investors have become less jittery in recent months. Euro-area companies remain financially sound. The risk of a hard Brexit has eased and the confidence indicators appear to have bottomed out. Furthermore, the ECB decided in September to relaunch its bond purchase programme, which will provide some support for corporate bonds.

Luxembourg, 24th January 2020

The Board of Directors of the SICAV

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

## Report of the *Réviseur d'Entreprises Agréé*

To the Shareholders of  
Access Fund  
80, route d'Esch  
L-1470 Luxembourg

### Opinion

We have audited the financial statements of ACCESS FUND (the "SICAV") and of each of its sub-funds, which comprise the statement of net assets and the statement of investments and other net assets as at December 31, 2019 and the statement of operations and other changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the SICAV and of each of its sub-funds as at December 31, 2019, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

### Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the Financial Statements" section of our report. We are also independent of the SICAV in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to Note 1 and Note 12 of these financial statements, which indicate the planned decision of the Board of Directors of the SICAV to dissolve the SICAV following the maturity of the last sub-fund on September 30, 2020. These financial statements have therefore been prepared using a non-going concern basis of accounting.

Our opinion is not modified in respect of this matter.

## Report of the *Réviseur d'Entreprises Agréé* (continued)

### Other information

The Board of Directors of the SICAV is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the *Réviseur d'Entreprises Agréé* thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report this fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors of the SICAV for the Financial Statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the SICAV is responsible for assessing the SICAV's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the SICAV either intends to liquidate the SICAV or to cease operations, or has no realistic alternative but to do so.

### Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *Réviseur d'Entreprises Agréé* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

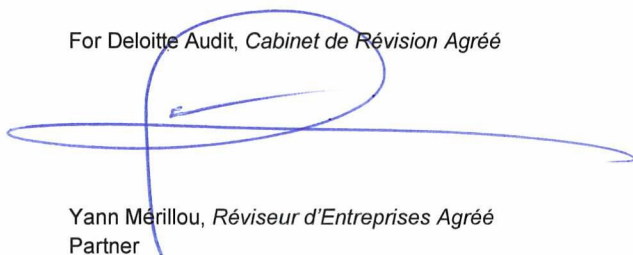
## Report of the *Réviseur d'Entreprises Agréé* (continued)

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SICAV's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the SICAV;
- Conclude on the appropriateness of the Board of Directors of the SICAV's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SICAV's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *Réviseur d'Entreprises Agréé* to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *Réviseur d'Entreprises Agréé*;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de Révision Agréé*



Yann Mérimou, *Réviseur d'Entreprises Agréé*  
Partner

6th March 2020

## ACCESS FUND

### Combined statement of net assets (in EUR) as at 31st December 2019

#### **Assets**

Securities portfolio at fair value	3,715,992.75
Swaps at market value	2,007,268.82
Cash at banks	<u>239,962.18</u>
Total assets	<u>5,963,223.75</u>

#### **Liabilities**

Unrealised loss on swaptions	9,102.12
Expenses payable and other payables	<u>2,024.07</u>
Total liabilities	<u>11,126.19</u>
Total net assets at the end of the year	<u><u>5,952,097.56</u></u>

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

## ACCESS FUND

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

from 1st January 2019 to 31st December 2019

#### **Income**

Interest on swaps contracts	51,197.80
Commissions received	4,791.71
Other income	7,520.04
Total income	<u>63,509.55</u>

#### **Expenses**

Management fees	56,407.13
Transaction fees	2,479.00
Fixed service fees and depositary fees	7,132.04
Subscription duty ("taxe d'abonnement")	4,142.00
Interest paid on bank accounts	1,446.66
Interest paid on term deposits	459.84
Other expenses and taxes	1,346.59
Total expenses	<u>73,413.26</u>

Net investment expense	-9,903.71
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#### **Net realised gain/(loss)**

- on sales of securities portfolio	-11,718.88
- on swaps contracts	975,733.07
Realised result	<u>954,110.48</u>

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

- on securities portfolio	14,199.27
- on swaps contracts	-784,661.60
- on swaptions	23,352.88
Result of operations	<u>207,001.03</u>

Subscriptions	-
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Redemptions	-2,449,579.23
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Total changes in net assets	<u>-2,242,578.20</u>
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Total net assets at the beginning of the year	<u>8,194,675.76</u>
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Total net assets at the end of the year	<u><u>5,952,097.56</u></u>
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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 31st December 2019

#### Assets

Securities portfolio at fair value	2,717,875.60
Swaps at market value	1,511,857.92
Cash at banks	191,486.20
	<hr/>
Total assets	4,421,219.72
	<hr/>

#### Liabilities

Unrealised loss on swaptions	4,220.83
Expenses payable and other payables	1,314.13
	<hr/>
Total liabilities	5,534.96
	<hr/>
Total net assets at the end of the year	4,415,684.76
	<hr/> <hr/>

Number of capitalisation shares outstanding	2,906.2300
Net asset value per capitalisation share	1,519.39

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



## ACCESS FUND VermögensSchutzPlus Europe Best Of 4

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

from 1st January 2019 to 31st December 2019

#### **Income**

Interest on swaps contracts	27,136.26
Commissions received	1,096.90
Other income	8.37
Total income	<u>28,241.53</u>

#### **Expenses**

Management fees	27,901.76
Transaction fees	962.50
Fixed service fees and depositary fees	3,952.49
Subscription duty ("taxe d'abonnement")	2,385.75
Interest paid on bank accounts	458.64
Interest paid on term deposits	229.04
Other expenses and taxes	1,341.36
Total expenses	<u>37,231.54</u>

Net investment expense	-8,990.01
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#### **Net realised gain/(loss)**

- on sales of securities portfolio	-1,131.09
- on swaps contracts	60,088.60
Realised result	<u>49,967.50</u>

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

- on securities portfolio	2,125.68
- on swaps contracts	131,422.22
- on swaptions	10,768.08
Result of operations	<u>194,283.48</u>

Subscriptions	-
---------------	---

Redemptions	-109,687.79
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Total changes in net assets	<u>84,595.69</u>
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Total net assets at the beginning of the year	<u>4,331,089.07</u>
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Total net assets at the end of the year	<u><u>4,415,684.76</u></u>
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The accompanying notes are an integral part of these financial statements.

## ACCESS FUND VermögensSchutzPlus Europe Best Of 4

### Statistical information (in EUR)

as at 31st December 2019

#### Total net assets

- as at 31.12.2019	4,415,684.76
- 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 year	2,980.4500
- issued	-
- redeemed	-74.2200
- outstanding at the end of the year	2,906.2300

#### Net asset value per capitalisation share

- as at 31.12.2019	1,519.39
- 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 31st December 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	246,000	Amethyst Structured Fin Plc 23.03.40	248,972.22	247,121.48	5.60
EUR	249,000	Beechwood Structured Fin Plc 23.03.40	249,231.03	247,305.48	5.60
EUR	245,000	Brookfields Capital Plc 23.03.40	249,172.08	247,292.21	5.60
EUR	249,000	Eperon Finance Plc 23.03.40	249,633.48	247,403.14	5.60
EUR	124,000	Espaccio Securities Plc 23.03.40	124,217.60	123,031.79	2.79
EUR	122,000	Greenstreet Struct Fin Prod Plc 23.03.40	124,114.88	123,155.57	2.79
EUR	125,000	Ipanema Capital Plc 23.03.40	125,377.06	124,002.94	2.81
EUR	123,000	Nimrod Capital Plc 23.03.40	124,526.61	123,328.22	2.79
EUR	124,000	Opal Financial Prod Plc 23.03.40	124,214.48	123,404.48	2.79
EUR	122,000	Profile Finance Plc 23.03.40	124,187.86	123,067.87	2.79
EUR	125,000	Recolte Securities Plc 23.03.40	125,140.14	123,985.50	2.81
EUR	125,000	Silverstate Fin Inv Plc 23.03.40	125,215.99	123,962.00	2.81
EUR	125,000	Vermillion Protect Bond Ptf Plc 23.03.40	124,738.53	123,587.61	2.80
EUR	122,000	Vespucci Struct Fin Prod Plc 23.03.40	123,188.79	122,860.39	2.78
EUR	125,000	Vigado Capital Plc 23.03.40	125,063.47	123,865.94	2.80
EUR	123,000	Voyce Investments Plc 23.03.40	124,663.33	123,449.52	2.79
EUR	125,000	Waterford Cap Investments Plc 23.03.40	125,097.59	123,941.02	2.81
EUR	124,000	Waves Fin Inv Plc 23.03.40	124,134.27	123,110.44	2.79
Total investments in securities			2,740,889.41	2,717,875.60	61.55
Cash at banks				191,486.20	4.34
Other net assets/(liabilities)				1,506,322.96	34.11
Total				4,415,684.76	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 31st December 2019

#### **Assets**

Securities portfolio at fair value	998,117.15
Swaps at market value	495,410.90
Cash at banks	48,475.98
	<hr/>
Total assets	1,542,004.03
	<hr/>

#### **Liabilities**

Unrealised loss on swaptions	4,881.29
Expenses payable and other payables	709.94
	<hr/>
Total liabilities	5,591.23
	<hr/>
Total net assets at the end of the year	1,536,412.80
	<hr/> <hr/>

Number of capitalisation shares outstanding	1,062.5872
Net asset value per capitalisation share	1,445.92

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

## ACCESS FUND VermögensSchutzPlus Europe Best Of 5

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

from 1st January 2019 to 31st December 2019

#### **Income**

Interest on swaps contracts	11,629.43
Commissions received	1,642.59
Other income	4.37
Total income	<u>13,276.39</u>

#### **Expenses**

Management fees	15,471.69
Transaction fees	820.50
Fixed service fees and depositary fees	1,485.24
Subscription duty ("taxe d'abonnement")	892.02
Interest paid on bank accounts	141.73
Interest paid on term deposits	131.21
Total expenses	<u>18,942.39</u>

Net investment expense -5,666.00

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

- on sales of securities portfolio	-1,011.65
- on swaps contracts	<u>56,952.00</u>

Realised result 50,274.35

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

- on securities portfolio	1,483.20
- on swaps contracts	-74,669.70
- on swaptions	<u>5,953.92</u>

Result of operations -16,958.23

Subscriptions -

Redemptions -164,264.68

Total changes in net assets -181,222.91

Total net assets at the beginning of the year 1,717,635.71

Total net assets at the end of the year 1,536,412.80

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

## ACCESS FUND VermögensSchutzPlus Europe Best Of 5

### Statistical information (in EUR)

as at 31st December 2019

#### Total net assets

- as at 31.12.2019	1,536,412.80
- 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 year	1,175.5872
- issued	-
- redeemed	-113.0000
- outstanding at the end of the year	1,062.5872

#### Net asset value per capitalisation share

- as at 31.12.2019	1,445.92
- 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 31st December 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	90,000	Amethyst Structured Fin Plc 23.03.40	91,041.83	90,410.30	5.88
EUR	91,000	Beechwood Structured Fin Plc 23.03.40	91,045.55	90,380.72	5.88
EUR	90,000	Brookfields Capital Plc 23.03.40	91,460.93	90,842.04	5.91
EUR	91,000	Eperon Finance Plc 23.03.40	91,095.16	90,416.41	5.89
EUR	46,000	Espaccio Securities Plc 23.03.40	46,030.59	45,640.83	2.97
EUR	45,000	Greenstreet Struct Fin Prod Plc 23.03.40	45,742.06	45,426.23	2.96
EUR	46,000	Ipanema Capital Plc 23.03.40	46,038.40	45,633.08	2.97
EUR	45,000	Nimrod Capital Plc 23.03.40	45,492.64	45,120.08	2.94
EUR	45,000	Opal Financial Prod Plc 23.03.40	45,082.48	44,783.88	2.91
EUR	45,000	Profile Finance Plc 23.03.40	45,765.53	45,393.89	2.95
EUR	46,000	Recolte Securities Plc 23.03.40	45,988.30	45,626.66	2.97
EUR	46,000	Silverstate Fin Inv Plc 23.03.40	45,991.65	45,618.01	2.97
EUR	46,000	Vermillion Protect Bond Ptf Plc 23.03.40	45,827.32	45,480.24	2.96
EUR	45,000	Vespucci Struct Fin Prod Plc 23.03.40	45,623.69	45,317.36	2.95
EUR	46,000	Vigado Capital Plc 23.03.40	45,960.05	45,582.67	2.97
EUR	45,000	Voyce Investments Plc 23.03.40	45,513.89	45,164.46	2.94
EUR	46,000	Waterford Cap Investments Plc 23.03.40	45,991.50	45,610.29	2.97
EUR	46,000	Waves Fin Inv Plc 23.03.40	45,987.62	45,670.00	2.97
Total investments in securities			1,005,679.19	998,117.15	64.96
Cash at banks				48,475.98	3.16
Other net assets/(liabilities)				489,819.67	31.88
Total				1,536,412.80	100.00

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

## ACCESS FUND VermögensSchutzPlus Europe Best Of 3

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

from 1st January 2019 to 29th November 2019 (date of liquidation)

#### **Income**

Interest on swaps contracts	12,432.11
Commissions received	2,052.22
Other income	7,507.30
Total income	<u>21,991.63</u>

#### **Expenses**

Management fees	13,033.68
Transaction fees	696.00
Fixed service fees and depositary fees	1,694.31
Subscription duty ("taxe d'abonnement")	864.23
Interest paid on bank accounts	846.29
Interest paid on term deposits	99.59
Other expenses and taxes	5.23
Total expenses	<u>17,239.33</u>

Net investment income 4,752.30

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

- on sales of securities portfolio	-9,576.14
- on swaps contracts	858,692.47
Realised result	<u>853,868.63</u>

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

- on securities portfolio	10,590.39
- on swaps contracts	-841,414.12
- on swaptions	6,630.88

Result of operations 29,675.78

Subscriptions -

Redemptions -2,175,626.76

Total changes in net assets -2,145,950.98

Total net assets at the beginning of the year 2,145,950.98

Total net assets at the end of the year -

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



## ACCESS FUND VermögensSchutzPlus Europe Best Of 3

### Statistical information (in EUR)

as at 31st December 2019

#### Total net assets

- as at 31.12.2019	–
- 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 year	1,299.9177
- issued	–
- redeemed	-1,299.9177
- outstanding at the end of the year	–

#### Net asset value per capitalisation share

- as at 31.12.2019	–
- 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

### Notes to the financial statements

as at 31st December 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.

Referring to the Note 12 to these Financial Statements which states that Access Fund will not have any active sub-funds from 30th September 2020, date of maturity of the last active sub-fund ACCESS FUND VermögensSchutzPlus Europe Best Of 5, and will likely be dissolved at that date. Consequently, the financial statements of the SICAV for the financial year 1st January 2019 to 31st December 2019 have been prepared using a non-going concern basis of accounting, in accordance with valuation rules described below. The Board of Directors of the SICAV has also assessed that this dissolution will not lead to any material additional costs to be borne by the SICAV.

##### b) Valuation of assets

- 1) The value of cash in hand, 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 on 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.

##### f) Formation expenses

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

## ACCESS FUND

### Notes to the financial statements (continued)

as at 31st December 2019

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

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. 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. 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) 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.

i) 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 or financial derivative instruments.

#### Note 2 - Cash at banks

All cash at banks balances as at 31st December 2019 were held with Brown Brother Harriman (Luxembourg) S.C.A. or on overnight deposit directly with sub-custodians, that have short-term credit rating above investment grade.

#### Note 3 - 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 31st December 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 31st December 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 latest 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 31st December 2019

#### Note 4 - 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)	From 1st July to 31st December 2019 (in EUR)
ACCESS FUND VermögensSchutzPlus Europe Best Of 4	4.7162	4.7162
ACCESS FUND VermögensSchutzPlus Europe Best Of 5	6.7423	6.7423
ACCESS FUND VermögensSchutzPlus Europe Best Of 3 (liquidated on 29th November 2019)	5.6451	-

#### Note 5 - 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 31st December 2019 amounts to 0.090% of the net asset value, which is the maximum chargeable fee.

#### Note 6 - 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 31st December 2019

#### Note 7 - 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 8 - Other income

The Executive Committee of KBC ASSET MANAGEMENT S.A. decided - on an ad hoc basis - to support the net asset value of a sub-fund of Access Fund maturing during the year in reference to the report by refunding management fees with respect to the target returns of the concerned sub-fund as disclosed in the prospectus.

The amount refunded is recorded under the caption "Other income" in the statement of operations and other changes in net assets.

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

The list of changes in the portfolio for the year ended 31st December 2019 is available free of charge at the registered office of the Management Company of the SICAV.

#### Note 10 - 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 31st December 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 4

Nominal	Currency	Counterparty	Maturity	Unrealised result (in EUR)
2,589,000	EUR	KBC Bank SA	19.02.2020	1,369,530.02
269,000	EUR	KBC Bank SA	19.02.2020	142,327.90
				<u>1,511,857.92</u>

#### 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	462,685.00
73,000	EUR	KBC Bank SA	17.09.2020	32,725.90
				<u>495,410.90</u>

## ACCESS FUND

### Notes to the financial statements (continued)

as at 31st December 2019

#### Note 10 - Swaps contracts and swaptions (continued)

##### - Swaptions

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

Nominal	Currency	Counterparty	Maturity	Unrealised result (in EUR)
951,000	EUR	KBC Bank SA	19.02.2020	-931.98
3,356,000	EUR	KBC Bank SA	19.02.2020	-3,288.85
				<b>-4,220.83</b>

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

Nominal	Currency	Counterparty	Maturity	Unrealised result (in EUR)
613,000	EUR	KBC Bank SA	17.09.2020	-1,397.64
1,878,000	EUR	KBC Bank SA	17.09.2020	-3,483.65
				<b>-4,881.29</b>

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

- ACCESS FUND VermögensSchutzPlus Europe Best Of 4	1,501,665.20	EUR
- ACCESS FUND VermögensSchutzPlus Europe Best Of 5	488,116.86	EUR

#### Note 11 - Events during the year

ACCESS FUND VermögensSchutzPlus Europe Best Of 3 was liquidated during the year.

As at 31st December 2019, for the following sub fund the remaining cash amounts to:

- ACCESS FUND VermögensSchutzPlus Europe Best Of 3: EUR 262.47 (expenses to be paid by the sub-fund to cover final redemption and subsequent fees)

On 15th November 2019, KBC AM announced its intention to transfer all its Luxembourg-based activities to Belgium. The Management Company's restructuring is scheduled to take place in the third quarter of 2020. As of then, KBC AM will no longer be present in Luxembourg.

This restructuring will have no impact on the investments of retail or professional investors in the SICAV:

- KBC AM will continue to manage the Fund in the best interest of the investors on a cross-border basis from Belgium.
- Brown Brothers Harriman (Luxembourg) S.C.A. will remain the central administration and depository.

This restructuring aims to leverage the scale of the KBC AM group in order to remain the reference in quality and efficiency.

The SICAV will continue to be governed by Luxembourg-based Board of Directors under the supervision of the CSSF.

There were no other events affecting the SICAV during the year ended 31st December 2019.

#### Note 12 - Subsequent events

The two remaining active sub-funds ACCESS FUND VermögensSchutzPlus Europe Best Of 4 and the sub-fund ACCESS FUND VermögensSchutzPlus Europe Best Of 5 will respectively mature on 28th February 2020 and on 30th September 2020. Consequently, from 30th September 2020, the SICAV will not have any active sub-funds and the Board of Directors of the SICAV will likely decide to dissolve ACCESS FUND. The Board of Directors of the SICAV has assessed that this dissolution will not lead to any material additional costs to be borne by the SICAV.

There were no other subsequent events affecting the SICAV after the year ended 31st December 2019.

## ACCESS FUND

### Additional Information (unaudited)

as at 31st December 2019

#### I. Risk management

As required by Circular CSSF 11/512, the Board of Directors of the SICAV needs to determine the global risk exposure of the SICAV either by applying the commitment approach or the VaR approach. In terms of risk management, the Board of Directors of the SICAV decided to adopt the commitment approach as a method of determining the global exposure.

The current risk profile of each sub-fund:

Sub-fund	Risk profile
ACCESS FUND VermögensSchutzPlus Europe Best Of 4	Defensive
ACCESS FUND VermögensSchutzPlus Europe Best Of 5	Defensive

#### II. Remuneration Policy and remuneration paid by the Management Company

##### i) General

The KBC group has a specific management structure, under which KBC Group N.V. and the various group companies are brought together within one or more business units, for operational purposes. KBC Asset Management S.A. is part of the KBC Asset Management product factory within the KBC group's International Markets Business Unit.

In 2010, the KBC group introduced the KBC Remuneration Policy, which lays down general remuneration guidelines for all staff and specific guidelines for those employees who could have a material impact on the risk profile of the company. The latest version of the "KBC Asset Management Remuneration Policy" (the "Remuneration Policy") was approved by the Management Company's Board of Directors in May 2018.

General remuneration guidelines for all staff as described in the Remuneration Policy can be summarised as follows:

##### a) General remuneration principles

The setting of remuneration takes market practice, competitiveness, risks, the long-term objectives of the company and its stakeholders, and the continuously changing regulations into account.

An employee's total compensation consists of two elements: fixed remuneration and variable remuneration, for which a maximum ratio is set.

Total fixed annual remuneration	Maximum variable remuneration
below 50,000 EUR	100% of fixed
between 50,000 EUR and 100,000 EUR	50,000 EUR
above 100,000 EUR	50% of fixed

Fixed remuneration is mainly determined on the basis of the function of the employee, reflecting professional experience, responsibility and job complexity.

The level of variable remuneration can depend on several factors, such as KBC Group's overall performance, the performance of the employee's business division or entity, the performance related to sustainability objectives and the employee's individual performance. Variable remuneration cannot induce risk-taking in excess of the risk appetite of the different entities of the KBC Group and should where relevant, be based on risk- and liquidity-adjusted profit, not on gross revenues. Variable remuneration is capped at 750.000 EUR.

## ACCESS FUND

### Additional Information (unaudited)(continued)

as at 31st December 2019

#### II. Remuneration Policy and remuneration paid by the Management Company (continued)

##### b) Key Identified Staff

KBC applies specific rules for Key Identified Staff. The performance-based remuneration of Key Identified Staff is awarded in a manner which promotes sound risk management and does not induce excessive risk-taking. This is ensured by specific rules, which are applicable to the variable remuneration of Key Identified Staff:

- depending on the category of Key Identified Staff and the level of its variable remuneration, 40% to 60% of their awarded variable remuneration awarded is not paid straightaway but its payment is spread over a period of three to five years;
- half of the total amount of variable remuneration for Key Identified Staff is awarded in the form of non-cash instruments with a one-year retention period;
- no advance payments are made in relation to the variable component and risk adjustment measures are put in place;
- for variable remuneration of senior management, 10% is subject to the achievement of sustainable targets that have been agreed beforehand and at least 10% is based on the results of the KBC Group. The remaining variable component is realised through the achievement of individual objectives, including quantitative and qualitative, financial and non-financial elements, with a focus on preserving current value as well as creating future value and without incentivizing excessive risk taking or mis-selling of products;
- retention payments are permitted only in exceptional circumstances i.e. if the business unit is divested, wound down or undergoing a major reorganisation and for retention of Key Identified Staff on risk and/or value preservation grounds upon decision of the Board of Directors.

Key Identified Staff who are allocated variable compensation of less than 75.000 EUR are considered 'exempt Key Identified Staff'. In this case, variable remuneration is not subject to deferral and payment in non-cash instruments. The employees whose variable remuneration is subject to deferral and payment in non-cash instruments are called 'material Key Identified Staff'.

Based on national legislation and/or an internal decision for a certain employee group, deferral schemes are sometimes more severe for both material and exempt Key Identified Staff. Not all principles might apply in every KBC Group entity and certain exemptions are granted due to specific local regulations.

##### c) Control Functions

For staff working in Control Functions, the general remuneration standards are as follows:

- to prevent conflicts of interest, variable remuneration is limited and not based on results of the underlying business activity being controlled. If their variable remuneration is determined based on financial results, it should be based on KBC Group results or based on the results of an entity which is at least one organisational level higher than the level of the controlled entity;
- base salary is set at a competitive level in order to attract and retain experienced and skilled staff.

##### d) Corporate Governance – Implementation at KBC Asset Management group ("KBC AM group")

The Extended Executive Committee of KBC AM Group acts on a cross-border level as Divisional Compensation Committee for the KBC AM Group management companies. The Extended Executive Committee consists of the members of the Executive Committee of KBC Asset Management NV and the country managers of the KBC AM Group management companies.

In its role of Compensation Committee for the KBC AM Group management companies, the Extended Executive Committee:

- takes decisions regarding proposals for compensation systems and individual compensation packages for exempt Key Identified Staff non-KBC Senior Managers within KBC Asset Management;
- advises the KBC Group NV Executive Committee and KBC Group NV Remuneration Committee on compensation systems and individual compensation packages for material Key Identified Staff within KBC AM Group and on any material exemptions or changes to the principles of the Remuneration Policy;
- submits the decisions taken by the Board of Directors of KBC Group NV regarding compensation systems and individual compensation packages for material Key Identified Staff to the Board of Directors of KBC AM Group management companies (Supervisory Board if applicable) for ratification;
- reviews annually the report on the operation of the Remuneration Policy and its effectiveness within KBC AM Group.



## ACCESS FUND

### Additional Information (unaudited)(continued) as at 31st December 2019

#### II. Remuneration Policy and remuneration paid by the Management Company (continued)

Further information about the Remuneration Policy is available on the website of the Management Company/AIFM: <https://www.kbc.be/particuliers/fr/informations-legales/documentation-investissements/asset-management-sa-luxembourg.html>

#### ii) Remuneration paid by the Management Company/AIFM for the year ended on 31st December 2019

The total reward over the financial year, broken down into the fixed (including benefits) and variable pay that the Management Company/AIFM pays to certain staff, the number of recipients and any amount paid directly, including all performance rewards and carried interest.	<p>1) Senior Management Fixed pay: 339,406.00 EUR Variable pay: 33,033.00 EUR Number of recipients: 2</p> <p>2) Other Risk Takers Fixed pay: 1,287,461.00 EUR Variable pay: 171,642.00 EUR Number of recipients: 12.9</p> <p>3) Control Functions (Compliance and Risk) Fixed pay: 167,316.00 EUR Variable pay: 23,157.00 EUR Number of recipients: 2.4</p>
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#### iii) Changes in 2019

The annual evaluation required by Article 111<sup>ter</sup> of the amended Luxembourg Law of 10 December 2010 relating to undertakings for collective investment (UCITS) did not throw up any irregularities in compliance with the Remuneration Policy.

#### iv) Application of disclosure requirements on remuneration to delegates

In accordance with Article 69(3)(a) of the UCITS Directive and the ESMA Q&A re the Application of the UCITS Directive (Section IX – Remuneration, Question 1), the remuneration of delegates is disclosed as follows:

- all portfolio management activities have been delegated to KBC Fund Management Ltd, Sandwith Street, Dublin 2, D02, X489, Ireland.

A management fee was paid to the delegate with regard to the portfolio management activities. No remuneration has been paid by KBC Asset Management S.A. or by Access Fund directly to staff members of the delegate.

As the delegate is subject to equivalent remuneration disclosure rules as KBC Asset Management S.A., no specific remuneration disclosures of the delegate are included in the financial report of Access Fund.

#### III. Leverage

At the closing date, the total amounts of leverage used by the sub-funds are as follows:

Sub-fund	Commitment Approach	Maximum leverage for the Commitment Approach
ACCESS FUND VermögensSchutzPlus Europe Best Of 4	43.27%	100%
ACCESS FUND VermögensSchutzPlus Europe Best Of 5	0.00%	100%

## ACCESS FUND

### Additional Information (unaudited)(continued) as at 31st December 2019

#### IV. Liquidity

No sub-fund of Access Fund is subject to special arrangements arising from their illiquid nature.  
During the year, there were no new arrangements for managing the liquidity of each sub-fund of Access Fund.

Sub-fund	Excess liquidity in stressed circumstances (in %)						
	1 day	7 days	15 days	31 days	90 days	180 days	365 days
ACCESS FUND VermögensSchutzPlus Europe Best Of 4	39%	39%	38%	38%	36%	31%	24%
ACCESS FUND VermögensSchutzPlus Europe Best Of 5	40%	40%	38%	39%	37%	32%	25%

#### V. Securities Financing Transaction Regulation (EU Regulation n°2015/2365)

During the year ended 31st December 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.