

European SRI Transparency Guidelines

KBC Asset Management Statement of Commitment

Offering Socially Responsible Investments is an essential part of the strategic positioning and behaviour of KBC ASSET MANAGEMENT. We have been involved in SRI since 1992 and welcome the European SRI Transparency Guidelines.

This is our second statement of commitment and it is valid for the period July, 1st 2008 to June 30th, 2009. Our full response to the European SRI Transparency Guidelines can be accessed below and is available in the annual report of the retail funds and on our web site <https://www.kbcam.be/sri>.

KBC Asset Management Compliance with the Transparency Guidelines

KBC Asset management is committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in which we operate.

KBC ASSET MANAGEMENT meets the full recommendations of the European SRI Transparency Guidelines.

Date July 22nd 2008

Guideline Categories

Section 1. Basic Details																																																																									
1	Signatories* should be clear about who they are and provide background information on the fund*, and the fund manager*.																																																																								
1a	<p>Provide the name of the fund(s) and fund manager to which these guidelines apply</p> <table border="0"> <tr> <td>Centea Fd Sustainables Short Term 01</td> <td>KBC Eysel World Sustainables 13</td> </tr> <tr> <td>Centea Fd Sustainables Short Term 02</td> <td>KBC Eysel World Sustainables 14</td> </tr> <tr> <td>Fund Partners CSOB Sustainables 1</td> <td>KBC Eysel World Sustainables 15</td> </tr> <tr> <td>Fund Partners KB Sustainables 1</td> <td>KBC Equimax World Sustainables 06</td> </tr> <tr> <td>Horizon CSOB Sustainables Skk 1</td> <td>KBC Equimax World Sustainables 07</td> </tr> <tr> <td>KBC Click CSOB Sustainables 02</td> <td>KBC Equiselect World Sustainables 08</td> </tr> <tr> <td>KBC Click Ethiclick 1</td> <td>KBC Equiselect World Sustainables 09</td> </tr> <tr> <td>KBC Click Short Term Sustainable 01</td> <td>KBC Equiselect World Sustainables 10</td> </tr> <tr> <td>KBC Click Solidarity 1 - Kom Op Tegen Kanker</td> <td>KBC Equiselect World Sustainables 11</td> </tr> <tr> <td>KBC Click Solidarity 2 - Levenslijn Kinderf</td> <td>KBC Equiselect World Sustainables 12</td> </tr> <tr> <td>KBC Click Solidarity 3 - K.O.T.K.</td> <td>KBC If - Ethical Euro Bonds</td> </tr> <tr> <td>KBC Eco Fund - Sustainable Euroland</td> <td>KBC If - Ethical Euro Equities</td> </tr> <tr> <td>KBC Eco Fund World</td> <td>KBC If - Global Ethical Defensive 1</td> </tr> <tr> <td>KBC Eqp Head Start Sustainables 01</td> <td>KBC Institutional Cash Year-End</td> </tr> <tr> <td>KBC Eqp Head Start Sustainables 02</td> <td>KBC Institutional Investors Sustainables Best Of 1</td> </tr> <tr> <td>KBC Eqp Head Start Sustainables 03</td> <td>KBC L Inv Fd Mi Sec World Sustainables 1</td> </tr> <tr> <td>KBC Eqp Head Start Sustainables 04</td> <td>KBC L Inv Fd Mi Sec World Sustainables 2</td> </tr> <tr> <td>KBC Eqp Head Start Sustainables 05</td> <td>KBC L Inv Fd Mi Sec World Sustainables 3</td> </tr> <tr> <td>KBC Eqp Head Start Sustainables 06</td> <td>KBC L Inv Fd Mi Sec World Sustainables 4</td> </tr> <tr> <td>KBC Eqp Head Start Sustainables 07</td> <td>KBC L Inv Fd Mi Sec World Sustainables 5</td> </tr> <tr> <td>KBC Eqp Sustainable Jumpstart 1</td> <td>KBC L Inv Fd Mi Sec World Sustainables 6</td> </tr> <tr> <td>KBC Eqp Sustainable Jumpstart 2</td> <td>KBC L Inv Fd Mi Sec World Sustainables 7</td> </tr> <tr> <td>KBC Eqs Saftey Booster Sustainables Aud 01</td> <td>KBC L Inv Fd Mi Sec World Sustainables 8</td> </tr> <tr> <td>KBC Eqs Special Sustainables 1</td> <td>KBC L Inv Fd Nib Vita Sustainables 1</td> </tr> <tr> <td>KBC Eqs Sustainables 1</td> <td>KBC Life Mi Head Start Sustainables 01</td> </tr> <tr> <td>KBC Eqs Sustainables Short Term Usd 03</td> <td>KBC Life Mi Sec Head Start Sustainables 02</td> </tr> <tr> <td>KBC Eqs Sustainables Short Term Usd 04</td> <td>KBC Life Mi Sec Head Start Sustainables 03</td> </tr> <tr> <td>KBC Eqs Sustainables Short Term Usd 05</td> <td>KBC Life Mi Sec Head Start Sustainables 04</td> </tr> <tr> <td>KBC Eqs World Sustainables 01</td> <td>KBC Obli - Euro</td> </tr> <tr> <td>KBC Eqs World Sustainables 02</td> <td>KBC Renta Aud Renta</td> </tr> <tr> <td>KBC Eqs World Sustainables 03</td> <td>KBC Renta Canarenta</td> </tr> <tr> <td>KBC Eqs World Sustainables 04</td> <td>KBC Renta Decarenta</td> </tr> <tr> <td>KBC Eqs World Sustainables 05</td> <td>KBC Renta Nokrenta</td> </tr> <tr> <td>KBC Eysel Sustainables Short Term Usd 01</td> <td>KBC Renta Nzd Renta</td> </tr> <tr> <td>KBC Eysel Sustainables Short Term Usd 02</td> <td>KBC Renta Sekarenta</td> </tr> <tr> <td></td> <td>KBC Renta Sterlingrenta</td> </tr> </table>	Centea Fd Sustainables Short Term 01	KBC Eysel World Sustainables 13	Centea Fd Sustainables Short Term 02	KBC Eysel World Sustainables 14	Fund Partners CSOB Sustainables 1	KBC Eysel World Sustainables 15	Fund Partners KB Sustainables 1	KBC Equimax World Sustainables 06	Horizon CSOB Sustainables Skk 1	KBC Equimax World Sustainables 07	KBC Click CSOB Sustainables 02	KBC Equiselect World Sustainables 08	KBC Click Ethiclick 1	KBC Equiselect World Sustainables 09	KBC Click Short Term Sustainable 01	KBC Equiselect World Sustainables 10	KBC Click Solidarity 1 - Kom Op Tegen Kanker	KBC Equiselect World Sustainables 11	KBC Click Solidarity 2 - Levenslijn Kinderf	KBC Equiselect World Sustainables 12	KBC Click Solidarity 3 - K.O.T.K.	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1b	<p>Provide contact details for further information regarding the funds.</p> <p>Geert Heuinck, Head of SRI Department Tel. + 32 2 429 33 92 - fax + 32 2 429 81 67 – geert.heuinck@kbc.be KBC Asset Management NV, Socially responsible investments (BRUhav2 - ADM) Havenlaan 6, 1080 Brussels, Belgium.</p>																																																																								
1c	<p>What is the size of the fund? In currency at a specified date</p> <p>Annex1</p>																																																																								
1d	<p>Where can financial performance history data about the fund be found?</p> <p>www.kbc.be</p>																																																																								

<p>1e</p>	<p>Provide details of the content, frequency and means of communicating information to investors.</p> <p>KBC AM has a multi channel communication strategy, involving:</p> <ul style="list-style-type: none"> • Monitor Sustainable Investment: Bimonthly, KBC Asset Management publishes the newsletter, to provide information to interested parties about changes in methodology and decisions taken by the External Advisory Board for Sustainability Analysis and/or Environmental Advisory Committee. • Shareholders days: Each year, KBC Asset Management invites its clients to special info evenings on SRI. • NGO meeting: During this annual working meeting, a broad group of NGOs are given the opportunity to air their opinions on KBC Asset Management's policy regarding SRI. <p>The website www.kbcam.be/sri gives more information on the actual evolutions in the SRI-funds.</p>
<p>Additional</p>	<p>Briefly describe the corporate responsibility policies of the organisation that manages or promotes the fund(s), or give direction to where this information can be located.</p> <p>KBC is an integrated bancassurance group, catering mainly for retail customers, small and medium-sized enterprises and private banking clientele. It occupies leading positions on its home markets of Belgium and Central and Eastern Europe, where it specialises in retail bancassurance and asset management activities, as well as in the provision of services to businesses. The group is also active in a selection of other countries in Europe in private banking and services to businesses. Elsewhere around the globe, the group has established a presence in selected countries and regions.</p> <p>KBC's vision on CSR is embedded in its mission statement, and more specific commitments are set out in its Principles for Socially Responsible Business.</p> <p>As a member of local CSR organisations and signatory to national and international CSR principles (including the United Nations Global Compact and the Luxembourg Charte d'entreprise pour la responsabilité sociale et le développement durable), KBC intends to enter into a proactive commitment vis-à-vis its stakeholders.</p> <p>Since a few years now, the group has also been publishing an annual Corporate Social Responsibility Report, which deals with its vision and achievements in this area. This report provides group-wide information on CSR, including quantitative data on KBC staff and the group's ecological footprint. It is compiled in accordance with the reporting requirements set out in the Global Reporting Initiative G3 Guidelines and the United Nations Global Compact principles.</p> <p>KBC AM is also member of Belsif, Eurosif and subscribed the Principles for Responsible Investment.</p> <p>The CSR report of KBC group gives detailed information about last years realisations. More general group wide principles and policies can be found on www.kbc.com.</p>

Section 2. SRI Investment Criteria	
2	Signatories should be clear about their purpose* and investment criteria*.
2a	<p>How does the fund define SRI?</p> <p>Traditionally, business managers aim to achieve as many of their economic targets as possible (profit). However, modern companies are attaching increasingly more importance to a healthy environment (planet) and to ethical and social issues (people). Companies are addressing these concerns and are acting to meet the demands of their staff, shareholders, customers and stakeholders.</p> <p>KBC Asset Management’s approach to SRI is one which capitalises on this trend, while also taking account of three values: transparency, independence, risk-return. The purpose of our SRI funds is to invest in issuers of bonds and equities who manage ESG issues in an optimal way.</p> <p>We do so because:</p> <ol style="list-style-type: none"> 1. we believe that issuers who are acting in a sustainable way, will take profit out of this strategy; 2. we want to stimulate these issuers to continue/enhance their efforts by investing in them. <p>Hereto, KBC Asset Management adopts the best-in-class approach, where the emphasis is on investing in shares and/or bonds issued by the most socially responsible companies and governments on the broad market. In this approach, KBC Asset Management seeks out companies that perform well in each of the ‘three Ps’ (People, Planet, Profit). Diversification and multi-criteria are key features of the best-in-class approach.</p>
2b	<p>What are the SRI investment criteria of the fund?</p> <p>Triple P: The best-in-class investment approach takes account of the triple bottom line: People (within and outside the company), Planet (consequences for the environment) and Profit (return/gains). KBC Asset Management uses a multi-criteria model in each sector to find companies that successfully implement the triple bottom line. Companies are assessed based on six criteria, each of which is sub-divided into three to seven indicators.</p> <ul style="list-style-type: none"> • economic policy and role in society • business ethics and corporate governance • environment • internal social relations • human rights • socially questionable practices and technologies (negative) <p>The relevance of the indicators is checked constantly which means that they change in line with developments in society. The External Advisory Board determines which criteria are included in the research.</p> <p>In order to fulfil the evaluation criteria, in each of the five positive criteria three questions have to be answered:</p> <ol style="list-style-type: none"> 1. Is there an explicit policy? 2. Are there systems in place to implement this policy? 3. What has actually been achieved? <p>Under the sixth criterion, companies are penalised for any involvement in socially questionable practices. A similar approach is also pursued for the analysis of countries (governments).</p> <p>Detailed information on the criteria : www.kbcam.be/sri</p>

2c	<p>How are the SRI criteria defined, and how frequently and by whom are the criteria reviewed?</p> <p>The SRI criteria are defined by the independent competent external expert committee; in casu the external advisory board.</p> <p>The criteria are continuously discussed and on a regular base, new policies are introduced. Last SRI policies are related to nuclear power and presence/activities in dictatorial regimes..</p>
2d	<p>How are criteria changes communicated to investors?</p> <p>KBC has a multi channel communication strategy, involving:</p> <ul style="list-style-type: none"> • Sustainable Investment Monitor: Bimonthly, KBC Asset Management publishes the Sustainable Investment Monitor (in Dutch only), to provide information to interested parties about changes in methodology and decisions taken by the External Advisory Board for Sustainability Analysis and Environmental Advisory Committee. • Shareholders days: Each year, KBC Asset Management invites its clients to special info evenings on SRI. • NGO meeting: During this annual working meeting, a broad group of NGOs are given the opportunity to air their opinions on KBC Asset Management's policy regarding SRI. <p>Communication with companies: Where there is uncertainty regarding policy, the company concerned will be contacted in writing and asked to provide more information on how they conduct socially responsible business. KBC Asset Management also organises workshops geared at encouraging companies to adopt socially responsible business practices.</p>

Section 3. Research Process	
3	<p>Signatories should provide information on their research process.</p> <p>Describe your SRI research methodology and process.</p> <p>Sustainability screening is carried out completely separately from managing the SRIs. The independent External Advisory Board for Sustainability Analysis determines the screening methodology and also has the deciding vote in defining the investment universe. The screening data come from independent providers of research. Country screening is based on indicators that have been published by renowned institutions, while company screening is based on the EIRIS research data.</p> <p>a) Screening of the companies/countries STEP 1: Establishing a screening methodology KBC Asset Management's External Advisory Board for Sustainability Analysis establishes the screening methodology, setting the criteria and indicators and their weighting in the model for screening countries and companies. STEP 2: Defining the research universe</p> <ul style="list-style-type: none"> • Companies: EIRIS database (approx. 2 700) & Belgian listed companies divided into 27 economic sectors. • Countries: all OECD countries, EU Member States and candidate Member States. <p>STEP 3: Calculating sustainability scores using a mathematical model STEP 4: Selecting a sustainable investment universe</p> <p>Company screening criteria</p> <ol style="list-style-type: none"> 1. Economic policy and role in society 2. Corporate governance and business ethics 3. Environment 4. Internal social relations 5. Human rights 6. Involvement in socially questionable practices <p>Country screening criteria</p> <ol style="list-style-type: none"> 1. Economic performance, structure and policy 2. Welfare and safety of the population 3. Equality and freedom of the population 4. Environment 5. International relations <p>b) Selection of the companies/countries</p> <p>Companies:</p> <ul style="list-style-type: none"> • for each sector, the top 40% of companies are rigorously selected; for the oil & gas and mining sectors (i.e. sectors that have a severe impact on people and the environment), we select only the top 20% of companies. • companies which violate human rights, and/or ILO conventions; gambling companies; tobacco manufacturers and companies from the aerospace & defence sectors are all excluded. We have also specific requirements for companies which are active in controversial countries and/or operate nuclear power plants. <p>Countries: The top 50% of countries with the best scores are selected from a universe of developed countries (OECD + candidate EU member states).</p>
3a	
3b	<p>Does the fund manager use an in-house research team and/or an external research team? Please explain.</p> <p>SRI research is done by an internal SRI department, using external information provided by EIRiS and other information sources (Factiva, Bloomberg, ...) Country screening is based on indicators that have been published by renowned institutions (OECD, World bank, ILO, WWF, ...),</p>

3c	<p>Is there an external control or external verification process in place for the research process? Where an Advisory Committee is used, please state its responsibilities.</p> <p>The independent External Advisory Board for Sustainability Analysis determines the screening methodology and also has the deciding vote in defining the investment universe.</p> <p>Composition; see website: www.kbcam.be/sri</p>
3d	<p>Does the research process include stakeholder consultation? If yes, please provide details.</p> <p>Not structural (Sometimes, for example for the weapon policy, information derived from Netwerk Vlaanderen is used.)</p>
3e	<p>Do companies have the opportunity to see their profile or analysis? If yes, how often?</p> <p>Yes: all results of the 2 700 screened companies, including sector reports and individual company files are made available on the website www.kbcam.be/sri . This information is permanently available for everyone.</p>
3f	<p>How frequently is the research process reviewed?</p> <p>Continuously. The expert committee discuss with the SRI research team about new evolutions regarding corporate social responsibility. As a result of this, we rolled out new criteria concerning nuclear power, breaches of ILO conventions and activities in controversial regimes. New criteria will be established regarding genetic engineering, bio-fuels</p> <p>The best-in-class method will be completely reviewed by September 2010.</p>
3g	<p>What research findings are disclosed to the public? How?</p> <p>Yes: all results of the 2 700 screened companies, including sector reports and individual company files are made available on the website www.kbcam.be/sri. This information is permanently available.</p>

Section 4. Evaluation and Implementation	
4	Signatories should provide information on how the research is used to build and maintain their portfolio*.
4a	<p>How are the results of research integrated into the investment process, including selection and approval of companies for investment?</p> <p>At KBC Asset Management, portfolio managers examine the group of admitted socially responsible companies and countries and select those shares and bonds with the best relationship between expected return and risk. These investments follow a process that is exactly the same as the one followed by traditional investments. In this way, KBC Asset Management is able to ensure that SRI products generate a similar return to traditional investments, without running a higher risk.</p>
4b	<p>What internal or external measures are in place to ensure portfolio holdings* comply with SRI investment criteria?</p> <p>KBC AM took several measures to ensure no positions outside the accepted SRI universes:</p> <ol style="list-style-type: none"> 1. the investment management software for the front-, middle- and back-office activities flags trades exceeding the SRI universes, these trades needs approval from the SRI department; 2. the risk management department runs periodically control-runs on the SRI portfolio's; 3. the external certified audit company screens the portfolio's.
4c	<p>What is the policy and procedure for divestments* on SRI grounds?</p> <p>Issuers which are removed from the accepted SRI universe needs to be removed within a period of one month.</p>
4d	<p>Are investors informed about divestments on SRI grounds? If yes, how frequently and by what means?</p> <p>Changes in the global SRI-universe are communicated by the update of the SRI-universe application, published on our website www.kbcam.be/sri.</p>
4e	<p>Does the fund manager inform companies of portfolio exclusions* or divestments due to non-compliance with its SRI policy and criteria?</p> <p>Not on a regular basis.</p>
Additional	<p>To what extent do any results of engagement* activities feed into company selection? In 2008, KBC AM started engagement activities with companies who are not compliant with the SRI criteria. Hereto, a dialog with the company is organized</p>

Section 5. Engagement Approach**	
5	Signatories should explain their approach to engagement if the fund has such a policy.
5a	<p>What are the aims of the engagement policy? KBC AM will pursue an active voting and engagement policy towards business-economic, corporate governance and corporate social responsibility elements and towards developments which determine the value of a company and which (may) have a significant impact on value creation or the return for clients/investors. The voting and engagement policy is put into practice in the case of firms in which the investment funds managed by KBC AM have a significant interest and where exercising the voting right could have a material impact on the outcome of the vote. The voting and engagement policy includes:</p> <ol style="list-style-type: none"> 1. Actively supporting proposals made at the General Meeting which help create shareholder value in the medium and long term; 2. Encouraging companies to implement policy measures that make them sustainable and socially responsible; 3. Opposing proposals that conflict with shareholder interests and the generally accepted principles of corporate governance and corporate social responsibility. <p>This policy is centred around the Proxy Voting and Engagement Committee (PVEC), which co-ordinates the various steps of the policy pursued and advises the Executive Committee of KBC AM on votes to be cast.</p> <p>Where appropriate, KBC AM will enter into a dialogue with the management of the companies concerned, if necessary before it votes.</p> <p>The following elements, among others, may prompt a dialogue</p> <ul style="list-style-type: none"> • A lack of transparency surrounding economic, strategic, corporate governance or corporate social responsibility elements; • A poor performance as regards one or more 'sustainable business' criteria compared to their peers; • Business-economic measures that threaten to destroy shareholder value.
5b	<p>How does the fund prioritise which companies it will engage with?</p> <p>The Proxy voting and engagement policy focuses on:</p> <ul style="list-style-type: none"> • All companies in which KBC AM, by the managed funds, has a stake of at least 5%; • a set of companies in scope of the eco-funds; • European core-stocks. <p>Additionally, companies involved in specific SRI related topics (human rights, breaches ILO conventions, controversial weapons, ...) can be engaged as well.</p>
5c	<p>Who undertakes engagement on behalf of the fund?</p> <p>KBC AM has created the Proxy Voting and Engagement Committee, which co-ordinates all engagement activities on behalf of the funds. KBC AM's Proxy Voting and Engagement Committee (PVEC) has seven members, including the chairman who is appointed by the Executive Committee. Five members are members of the PVEC by virtue of their job:</p> <ul style="list-style-type: none"> • the head of equity fund management; • the head of the share analysis unit; • the head of the legal department; • the head of SRI; • a compliance officer. <p>The seventh member will be an external expert best placed to help the PVEC fulfil its advisory role.</p> <p>▪ Main responsibilities:</p>

	<ul style="list-style-type: none"> • Starting and co-coordinating shareholder dialogue, including the possibility of placing additional items on SRI-relevant elements on the agenda of the (extraordinary) general meeting of the companies in the scope; • Starting and co-ordinating the voting procedure; • Providing advice on voting decisions to the Executive Committee of KBC AM, including on the way votes will be cast on agenda items to be voted on and on which/how many shares that votes will be cast; • Monitoring the Proxy Voting and Engagement Policy (updating, amending and/or extending it); • Reporting and communicating (internal and external).
5d	<p>What methods of engagement are employed?</p> <p>The following instruments are available:</p> <ul style="list-style-type: none"> • Voting • Dialogue • Class actions
5e	<p>How is the effectiveness of engagement activity monitored/addressed?</p> <p>On a yearly basis, companies in scope for the SRI funds are re-screened. During this screening, evolutions regarding the targeted issues are evaluated. Additionally, if the specific company stays in scope of the voting and engagement policy, the PVEC will on a yearly basis decide whether or not additional engagement is required.</p>
5f	<p>What further steps, if any, are taken if engagement is considered unsuccessful?</p> <p>If engagement is not resulting in the desired changes, KBC AM can consider to vote against management at the upcoming annual meeting on the agenda points, related to the specific raised issue(s). Engagement will also be used to inform companies on new –stringent – SRI criteria, giving them a specific period to comply with our demands.</p>
5g	<p>How, and how frequently, are engagement activities communicated to investors and other stakeholders?</p> <p>KBC AM will report on the actions taken and the outcome of this policy once a year (website). The first report can be expected spring 2009.</p>

Section 6. Voting Policy**	
6	Signatories should make clear their policies on voting*.
6a	Does the fund have a voting policy? If so, what is it? See chapter 5.
6b	Does the fund disclose its voting practices and reasoning for decisions? If so, where can this information be found? On the website, and in the annual report of the different funds, all voting activities will be reported
6c	Does the fund sponsor/co-sponsor shareholder resolutions? All voting and engagement decisions are taken by the executive committee of KBC AM and/or PVEC.

Section 7. Periodical Activities	
7	Signatories should periodically disclose information about their activities. This should be done at least on an annual basis.
7a	List the fund holdings at a specified date within the last 6 months. The fund holdings are communicated via the annual report, available on our website .
7b	What engagement activity has been carried out on behalf of the fund during the past year? In December 2007, we have organised a workshop on CSR and SRI for listed companies. Apart from that, we have on a regular base contact with companies we invest in through company visits, conference calls and management contacts.
7c	What voting actions occurred that were related to the SRI fund criteria? Our first voting report will be published spring 2009.

** if applicable

Annex 1: