



Overview

Profile

Kempen Global High Dividend Fund (KGHDF) offers a diversified portfolio of listed companies worldwide with an above-average dividend yield at the time the company is purchased for the first time. The portfolio contains around 70 investments, which are approximately equally weighted. The environmental, social and governance (ESG) criteria are incorporated in the investment process. The primary objective of KGHDF is to achieve a structurally better long-term return, comprising capital gains plus net dividends, than the MSCI World Total Return Index. KGHDF pays out dividend on a quarterly basis and aims to pay all the received net dividends to the shareholders. Share class Y will only be available for distributors who submit orders on behalf of their clients, and who have been selected by the management company.

Management Team

Joris Franssen, Luc Plouvier, Marius Bakker, Robert van den Barselaar, Reineke Davidsz, Roderick van Zuulen

More information about the team and the strategy

Key Figures

Total fund size	EUR 801.88 M	2023-02-28
Share class size	EUR 433.87 M	2023-02-28
Number of shares	11,820,447	2023-02-28
Net Asset Value	EUR 36.71	2023-02-28
Transaction price	EUR 36.97	2023-02-28

Top 10 Holdings

LyondellBasell Industries	2.3%
Taylor Wimpey	2.2%
Power Corp of Canada	2.1%
Shell	2.1%
Technip Energies	2.1%
Repsol	2.1%
National Grid	2.0%
Reckitt Benckiser	2.0%
Sysco	2.0%
Sanofi	1.9%

Ongoing Charges

Management fee	0.50%
Service fee	+ 0.10%
Expected ongoing charges	0.60%
Ongoing charges last financial year	0.60%

The ongoing charges figure of the last financial year relates to 2021/2022. The service fee is determined annually on basis of the net asset value as of the last day of the previous financial year: < or equal to EUR 200 million: 0.20% Between EUR 200 million and EUR 700 million: 0.15% >EUR 700 million: 0.10%

Share Class Details

Share class	Y
Investor type	Institutional & Private
Distributing	Yes
Benchmark	MSCI World Net Total Return Index (calculated in Euro)
Investment category	High Dividend Equity
Universe	Global equities
Inception date	2016-07-20
Domicile	Netherlands
May be offered to all investors in	Netherlands
UCITS status	Yes
Status	Open-end
Base currency	EUR
Share class currency	EUR
Management company	Van Lanschot Kempen Investment Management NV
Depository and custodian	BNP Paribas S.A., Netherlands Branch
Morningstar rating™	★★★★
Morningstar Analyst rating	Bronze

Tradability

Listed	no
Subscription/Redemption Frequency	Daily
ISIN	NL0011755855
Details	Orders must be submitted via Fundsettle.

Class Y of Kempen Global High Dividend Fund N.V. will only be available for orders submitted via the Fundsettle platform. Share class Y will only be available for distributors who submit orders on behalf of their clients, and who have been selected by the management company.

Fund Characteristics Per 2023-02-28

	Fund	Benchmark
Number of holdings	69	1507
Dividend yield	4.14%	2.12%
Weighted average market capitalization	EUR 58,629 M	EUR 306,186 M
P/E ratio	10.35	16.01
Active share	94.29%	

Dividends

Last dividend	EUR0.37
Ex-date last dividend	2022-11-04
Number of distributions per year	4
Dividend calendar	Open the calendar

The dividend distribution of KGHDF (ex-date 01 August 2018) is included in the NAV per 31 July 2018 and is therefore included in the performance figures of July.



Performance

Performance Per 2023-02-28

	Fund	Benchmark
1 month	1.0%	0.0%
3 months	2.3%	-2.8%
This year	6.3%	5.2%
2020	-9.9%	6.3%
2021	29.8%	31.1%
2022	0.2%	-12.8%
1 year (on annual basis)	8.8%	-1.8%
3 years (on annual basis)	12.2%	11.2%
5 years (on annual basis)	7.9%	9.9%
Since inception (on annual basis)	7.2%	7.8%

The results shown of the periods before 20 July 2016, the inception date of Kempen Global High Dividend Fund N.V. class Y, are those of Kempen Global High Dividend Fund N.V. class N. Performance is shown after deduction of ongoing charges and including the reinvestment of dividend that has been paid out. The value of your investments may fluctuate. Past performance provides no guarantee for the future. The dividend distribution of KGHDF (ex-date 01 August 2018) is included in the NAV per 31 July 2018 and is therefore included in the performance figures of July.

Performance Since Inception Per 2023-02-28 (Rebased)



- Kempen Global High Dividend Fund Y
- MSCI World Total Return Net Index (berekend in euro's)

Risk Analysis (Ex Post) Per 2023-02-28

	3 Years	Since Inception
Maximum drawdown	-8.65%	-33.53%
Tracking error	9.79%	5.78%
Information ratio	0.10	-0.10
Beta	0.94	0.91



Portfolio

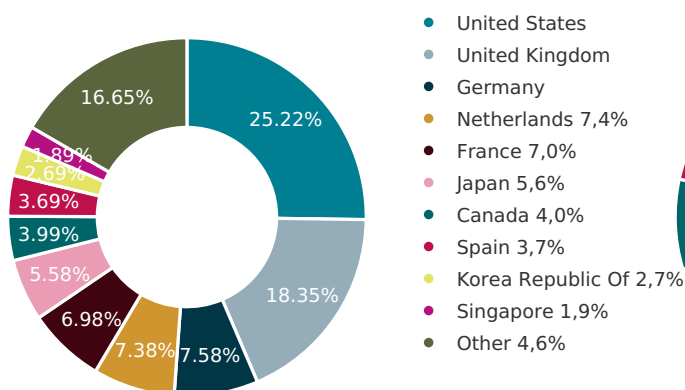
Top 5 Contribution (2023-02-28)

	Contribution	Performance
BP	0.22%	14.50%
Shell	0.15%	7.87%
Telefonica	0.15%	10.38%
WPP	0.14%	9.27%
Taylor Wimpey	0.12%	5.86%

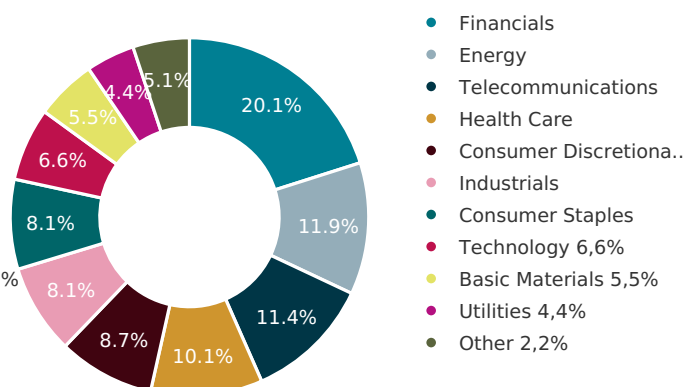
Bottom 5 Contribution (2023-02-28)

	Contribution	Performance
Rio Tinto	-0.14%	-8.88%
Samsung Electronics Pref	-0.14%	-7.44%
Blackrock	-0.14%	-7.00%
Glencore International	-0.12%	-7.82%
Singapore Telecommunications	-0.11%	-5.59%

Geographic Allocation (2023-02-28)



Sector Allocation (2023-02-28)



The cash position is included in 'Other'.



Developments Per 2023-02-28

February 2023 was a modestly negative month for equities. Better-than-expected economic data and resilient business results were a clear positive. However, these positive developments also suggested that any hoped-for pause in interest rate rises may still be some way off. Central banks continue to execute their monetary tightening policies. The US Federal Reserve Board indicated that policy intervention was starting to work on curbing inflation, but that the policy rate may peak at a higher point. ECB officials have made similar comments. Despite lower energy prices, overall inflation is still deemed to be too high, which justifies interest rate increases. Higher interest rates were a negative for stock market sentiment. The stock market ended February with a modest loss. Within this environment, the performance of KGHDF was ahead of the broader market.

The sector that contributed most to the absolute performance of KGHDF was the consumer discretionary sector. Especially the more cyclically exposed companies like UK home builder Taylor Wimpey performed well. With Bridgestone (tires), BMW, and Autoliv (airbags), we also benefited from positive investor sentiment within the automotive sector. The sector that detracted most from the absolute performance of KGHDF was the materials sector. Mining companies were out of favor, which was driven by lower expected commodity prices. From a relative perspective we gained the most in energy. European oil majors like BP and Shell performed well. Despite lower commodity prices, these companies continue to generate impressive earnings. The relative performance of KGHDF was negatively impacted by strong performance of tech-related benchmark heavyweights like Apple, Microsoft, and NVIDIA. Negative sentiment around the cyclical memory chip sector pressured the shares of Samsung Electronics.

One of the biggest contributors was BP (+15% in February). The UK-based oil major reported full year results and provided a strategy update. There were three important topics that impacted the share price positively. Firstly, BP announced that it would shift their low-carbon intensive activities towards areas such as biogas, biofuel, hydrogen and EV charging. Investors are increasingly confident that BP can achieve a sufficiently high return on these investments. Secondly, the company is also investing more in its upstream activities, which should make their high cash flows much more recurring than was previously thought. Thirdly, the projected shareholder returns were better than expected. Not only did they raise the dividend per share by 10%, they also announced a 2.75 billion USD share repurchase plan. This brings the shareholder return to around 11% of the current market cap. Despite the strong share price performance, we still find the shares to be undervalued.

The worst performing stock in the portfolio was Rio Tinto (-9% in February). Rio Tinto is one of the world's largest diversified mining companies. Rio's main commodities are iron ore and copper. It has several high-quality, low-cost assets, mainly in Australia, North America, Chile, and Mongolia. Thanks to high commodity prices, the company has recently reported strong 2022 results. Despite strong free cash flows and substantial capital returns, the shares declined after the earnings publication. Investors are worried about increasing investments and lower iron ore prices. Even with a sharp decline in iron ore prices we believe that the company is able to continue to generate substantial free cash flows. The dividend policy is to return 40-60% of earnings through the cycle. At the current share price, this would indicate a dividend yield of nearly 7%.

In February, we built up a position in Hana Financial. Hana Financial is one of the top financial conglomerates in Korea. Although it also has activities in other Asian countries, Hana derives most of their income from Korean banking. The Korean banking industry is dominated by 4 listed financial conglomerates, which allow Hana to achieve solid financial results. Hana is trading at low multiples of earnings (~4 times expected 2023 earnings). The low valuation can be partially explained by suboptimal capital allocation. Driven by regulatory guidance and management conservatism, the company retains too much capital. Buying back shares at 4 times earnings is by far the best value-creating move that the management can make. A Korean activist investor has started a sector-wide activist campaign that is pushing for higher payout ratios. Driven by continued shareholder engagement, we believe that Hana's payout ratio will meaningfully increase over the next years. This will drive shareholder yields to double-digit levels. To finance the acquisition of Hana Financial, we have sold our position in United Overseas Bank (UOB). This Singaporean bank is benefiting from higher interest rates. However, following reasonable share price performance, the valuation is not attractive anymore.

We currently expect a dividend yield of around 4.5% for KGHDF. This number is based on the consensus estimate of dividends paid out over the next 12 months. KGHDF still trades at a strong discount versus the market (the average valuation of all the holdings in KGHDF versus the broader equity market). Historically, this has led to a strong relative performance in the medium term. Also, the absolute valuation of the strategy is compelling. We continue to focus on attractively valued companies, that have good capital discipline and generate positive cash flow through the cycle. In summary, the current environment offers the opportunity to buy a well-diversified portfolio with solid earnings power at an attractive valuation. In addition, ESG (Environmental, Social and Governance) is fully incorporated in our investment process.



Sustainability-related disclosures

No Sustainable Investment Objective

The Kempen Global High Dividend Fund (the “Fund”) Falls under the scope of article 8 of the SFDR, indicating that the fund promotes environmental and/or social characteristics. The fund does not have sustainable investment as its objective.

The Fund excludes companies through the application of strict exclusion criteria. These take into account international standards, such as the UN Global Compact framework, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights, and our Principles for Responsible Investment commitments. The Fund applies additional exclusion criteria based on product involvement and business conduct.

Environmental Or Social Characteristics Of The Financial Product

The Fund promotes environmental characteristics related to:

- Climate change mitigation and climate change adaptation in line with the Paris Climate Agreement;
- The protection of biodiversity and ecosystems;
- The transition to a circular economy.

The Fund promotes social characteristics related to:

- Decent work;
- Adequate living standards and wellbeing for end-users;
- Other social topics such as gender equality and broader diversity matters.

The environmental characteristics promoted by the Fund seek to contribute to the achievement of the climate goals of the Paris Agreement and the National Climate Agreement of the Netherlands (‘Klimaatakkoord’). This decarbonization pathway encompasses short-term (2025) objectives, a mid-term (2030) ambition and a long-term commitment to be net zero by 2050. Although there has been no index designated as a reference benchmark, by 2025 the Fund aims to have a carbon intensity that is below the 7% reduction pathway. This pathway assumes a carbon intensity that lower than a relevant Global Dividend benchmark in 2019 with a subsequent 7% annual reduction.

Investment Strategy

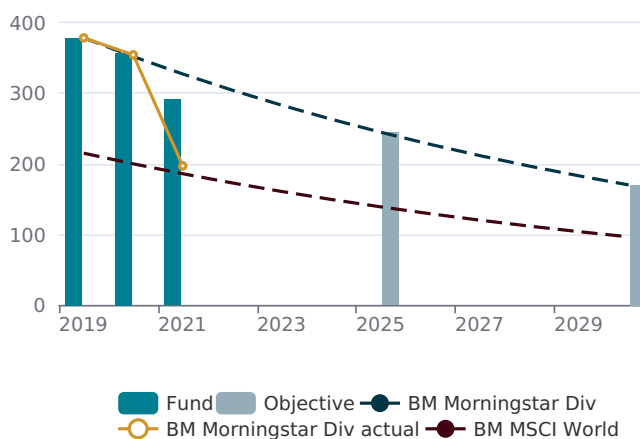
The Fund offers a diversified portfolio of companies worldwide with an expected attractive dividend yield, while at the same time complying with strict exclusion and sustainability criteria. Our ESG-policy, described in the ESG Policy & Process document, is aimed at the promotion of environmental and/or social characteristics. This ESG policy is implemented in our strategy's investment process across four pillars: Exclusion, ESG Integration, Active ownership and Positive impact.

Before and after selecting the asset, we apply adequate (ESG) due diligence measures. This can help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Fund. We look at each company on a case-by-case basis, taking into account both material risks in a given industry and the company's respective risk exposure, practices and disclosure. This includes:

- an assessment of good governance practices. The investee companies are rated for governance aspects using external research and internal assessments .
- the company's exposure to past controversies and future ESG opportunities

Based on fundamental ESG analysis we form an opinion on the quality of a company's ESG profile and award a score (1-5).

Fund Carbon Emission Targets



Morningstar Sustainability Rating



Limitations To Methodologies And Data

Externally provided ESG data is far from perfect. Therefore we conduct rigorous due diligence of the data used in our ESG processes to ensure the limitations will not affect the environmental and social characteristics. To ensure data quality we regularly engage with portfolio companies and third party vendors. Limitations include, but are not limited to discrepancies between company reported data and data provided by third parties, inconsistencies across data vendors, market cap bias and modelling assumptions.

Due Diligence

Before a company is invested in, Portfolio Managers perform a due diligence on potential ESG risks and principal adverse impact indicators, opportunities, as well as potential past controversies. ESG due diligence is integrated in the different stages of the investment process (screening of the investable universe, fundamental research & portfolio management). ESG specialists challenge the portfolio managers on the implementation of the ESG process on a quarterly basis.

Data Sources And Processing

External data providers include (but are not limited to)

- Institutional Shareholder Services (ISS), used for proxy voting, governance research, carbon data and Sustainable Development Goals data;
- MSCI ESG Research: used for company ESG Ratings, product involvement data, principal adverse indicators and to assess the degree to which the investments are in environmentally sustainable economic activities under the EU Taxonomy, measured by turnover;
- Sustainalytics: used for ESG Risk Ratings and product involvement data.

Internal as well as external data is collected and processed in several data analytics (including FactSet, PowerBI, Tableau) and internal compliance systems (including ThinkFolio).

Proportion Of Investments

Information about the proportion of investments with environmental or social characteristics is available in the annex II of this product.

Monitoring Of Environmental Or Social Characteristics

The holdings are screened quarterly for compliance with Kempen's ESG criteria. The screening process allows Kempen to monitor the ESG performance of all companies in the fund. It also encourages engagement on potential issues identified. Furthermore, the results of the screening feeds into quarterly challenging sessions between ESG specialists and portfolio managers. These sessions are used to assess whether ESG risks and opportunities are sufficiently reflected in the investment decision making process of Kempen.

Methodologies

Principal Adverse Impact Indicators are monitored at individual holding level and at the portfolio level.

Kempen ESG Score serves as input throughout the investment process (exclusion, integration in the valuation models, engagement). Scores are based on 21 ESG risk factors, which are selected based on their materiality per industry.

Carbon emission intensity is used as the key carbon metric. We calculate carbon intensity based on revenues (weighted average carbon intensity), which we use for our commitment, ambition and objectives.

EU Taxonomy alignment is measured by turnover, for which we use a combination of actual data from investee companies and estimates on EU Taxonomy alignment made by a third party provider.

Engagement Milestones are used in order to measure engagement success. All engagement contacts are recorded and classified: Milestone 1 (company is informed), Milestone 2 (company acknowledges request), Milestone 3 (company commits to improve), up until Milestone 4 (proof of improvement).

Kempen Global High Dividend Fund (the “Sub-Fund”) is a sub-fund of Kempen Umbrella Fund I NV (the “Fund”). Van Lanschot Kempen Investment Management NV is the management company of the Fund. Van Lanschot Kempen Investment Management NV is authorised as a management company and regulated by the Dutch Authority for the Financial Markets (AFM). The Sub-Fund is registered under the license of Van Lanschot Kempen Investment Management NV at the Dutch Authority for the Financial Markets (AFM).

The information in this document provides insufficient information for an investment decision. Please read the Key Information Document (available in Dutch) and the prospectus (available in English). These documents are available on the website of Van Lanschot Kempen Investment Management NV (www.vanlanschotkempen.com/investment-management). The information on the website is (partly) available in Dutch and English. The value of your investment may fluctuate. Past performance provides no guarantee for the future.