

Update 30 September 2022

### Fund characteristics

Fund AuM	€189m / \$185m
Strategy AuM	€556m / \$545m
Manager Research Solutions AuM	€1,878m
Number of holdings > 1%	13
Top holding	13.8%
Top 5 holdings	54.0%
Top 10 holdings	87.1%

### NAV & MTD performance (net of fees)

Class A	€20.0002	-2.40%
Class B	€20.4981	-2.39%
Class F	€160.6310	-2.40%
Class I	€138.9896	-2.40%
Class I-USD	\$124.1362	-2.57%

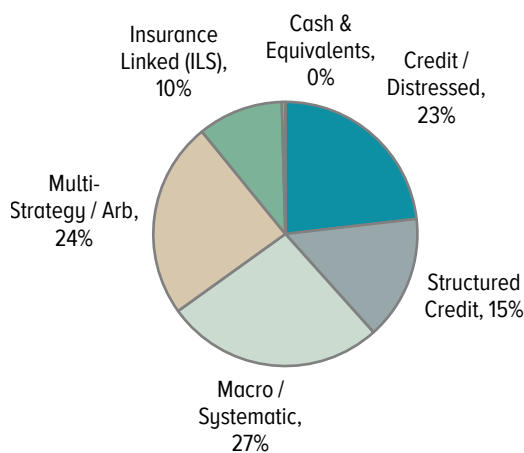
### Fund description

Kempen Non-Directional Partnership is a multi-manager fund that invests in a diversified pool of hedge fund strategies. The portfolio typically consists of between 10 and 20 underlying hedge funds. The fund has an unconstrained mandate and can invest in a wide array of strategies, including relative value strategies (e.g. arbitrage and equity market neutral), alternative credit strategies (e.g. distressed debt, structured credit, and insurance linked (ILS)), and macro / systematic strategies. The focus is typically on strategies with limited directional exposure to traditional markets.

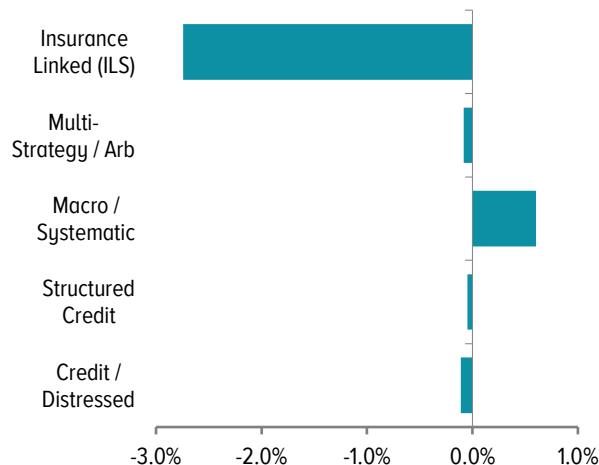
The target funds will be selected on the basis of several criteria, including but not limited to investment strategy, pedigree and experience of the investment team, quality of the organization and service providers, and (commercial) terms of investment. The focus of the Fund will be on specialist managers, or specialist teams that are part of a larger platform. Ideally managers are employee-owned and invest their own capital alongside clients in their funds creating alignment of interest.

The objective of the fund is to generate a long-term return in excess of the relevant risk free rate + 3%.

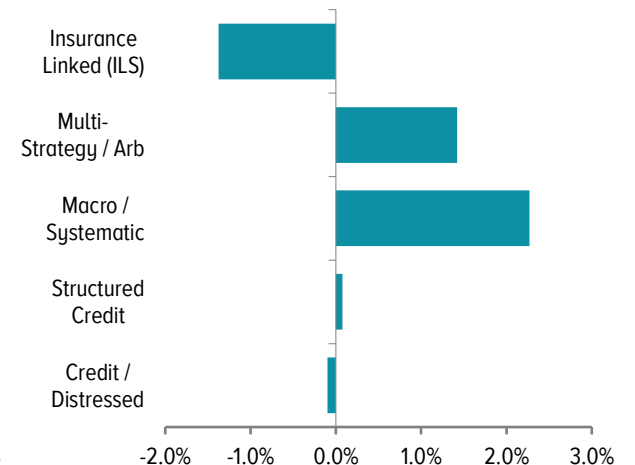
### Strategy breakdown (end-of-month)



### Strategy contribution (MTD, EUR)



### Strategy contribution (YTD, EUR)



### Returns (net of fees, annualized, EUR)

Rolling periods	Fund <sup>1</sup>	HFRX <sup>2</sup>
1-year	3.4%	-6.0%
3-year	4.9%	0.2%
5-year	3.0%	-1.3%
10-year	3.6%	-0.2%
Since inception	2.9%	-0.8%

### Risk (standard deviation)

Rolling periods	Fund <sup>1</sup>	HFRX <sup>2</sup>
1-year	4.4%	3.5%
3-year	6.9%	5.6%
5-year	5.5%	5.1%
10-year	4.3%	4.3%
Since inception	5.0%	5.6%

### Sharpe Ratio

Rolling periods	Fund <sup>1</sup>	HFRX <sup>2</sup>
1-year	0.81	-1.70
3-year	0.77	0.11
5-year	0.60	-0.19
10-year	0.88	0.00
Since inception	0.42	-0.29

### Monthly Fund<sup>1</sup> returns (net of fees, EUR)

Class B <sup>3</sup>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	HFRX <sup>2</sup>
2006					0.03%	-0.25%	0.06%	-0.23%	0.29%	0.25%	0.62%	1.18%	1.95%	2.51%
2007	1.04%	0.38%	1.48%	0.75%	0.62%	0.01%	-0.48%	-0.89%	0.45%	0.43%	-0.81%	0.26%	3.27%	2.66%
2008	-1.25%	0.38%	-3.17%	0.09%	1.10%	0.39%	-1.32%	-0.79%	-6.63%	-9.33%	-1.50%	-1.91%	-21.90%	-23.76%
2009	2.20%	0.13%	-0.57%	2.78%	3.88%	1.91%	2.31%	2.13%	2.19%	0.83%	0.92%	1.47%	22.05%	13.15%
2010	1.18%	0.29%	1.42%	1.09%	-1.75%	0.37%	0.20%	0.74%	0.87%	0.69%	0.49%	0.81%	6.54%	4.63%
2011	1.13%	0.89%	-0.07%	0.72%	0.40%	-0.34%	0.41%	-0.90%	-0.97%	-0.39%	0.14%	-0.21%	0.78%	-8.70%
2012	0.70%	0.69%	0.62%	0.29%	0.00%	-0.26%	0.69%	0.90%	0.62%	0.62%	0.27%	1.18%	6.48%	3.05%
2013	1.48%	0.84%	0.81%	0.97%	1.50%	-0.73%	0.14%	0.06%	0.69%	0.64%	0.96%	0.57%	8.22%	6.31%
2014	0.69%	1.26%	-0.17%	-0.34%	0.75%	0.96%	0.01%	0.58%	0.38%	-2.19%	0.43%	0.04%	2.38%	-0.98%
2015	-0.11%	1.53%	0.63%	0.09%	0.58%	-1.11%	0.37%	-0.86%	-1.45%	0.16%	0.21%	-0.28%	-0.28%	-4.38%
2016	-1.26%	-0.90%	1.02%	0.59%	0.35%	-0.39%	0.87%	1.07%	0.25%	0.36%	1.14%	0.57%	3.71%	0.70%
2017	0.84%	1.02%	0.35%	0.84%	0.68%	-0.12%	0.49%	0.72%	0.48%	0.84%	-0.55%	0.57%	6.34%	3.49%
2018	1.36%	0.05%	-0.03%	0.05%	-0.17%	-0.02%	0.18%	0.06%	0.58%	-0.69%	-1.68%	-0.41%	-0.74%	-9.93%
2019	-0.66%	-0.04%	0.19%	0.81%	-0.80%	0.33%	0.97%	-1.18%	0.36%	-0.85%	0.22%	0.73%	0.06%	3.44%
2020	0.95%	-0.16%	-9.10%	2.34%	2.46%	2.29%	0.78%	1.05%	0.64%	0.51%	2.87%	2.08%	6.29%	3.00%
2021	0.87%	1.26%	0.35%	1.09%	1.19%	0.08%	0.00%	-1.14%	1.28%	1.04%	-0.46%	0.48%	6.19%	2.65%
2022	0.53%	0.03%	2.01%	1.57%	-0.62%	-0.25%	-0.53%	1.99%	-2.39%				2.29%	-5.82%

<sup>1</sup> Fund = Kempen Non-Directional Partnership Class B

<sup>2</sup> Reference index = HFRX Global Hedge Fund EUR Index

<sup>3</sup> Fees and terms differ between share classes; see overleaf for detailed terms of all share classes

**Update 30 September 2022**

### Investor relations

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### Subscriptions & Redemptions

Base currency	Euro
Subscription notice Class A, F, I, I-USD, I-GBP	Monthly, 5 business days
Subscription notice Class B	Quarterly, 5 business days
Minimum subscription Class A, F	-
Minimum subscription Class B	€50,000
Minimum subscription Class I, I-USD, I-GBP	€1,000,000 / \$1,000,000 / £1,000,000
Subscription charge	-
Redemption notice	Quarterly, 92 calendar days
Redemption charge	-
Lock-up Class A, F, I, I-USD, I-GBP	-
Lock-up Class B	Rolling 1-year

### Fees & Expenses

Management fee Class A, F, I, I-USD, I-GBP	0.75%
Management fee Class B	0.55%
Taxe d'Abonnement Class A, B, F	0.05%
Taxe d'Abonnement Class I, I-USD, I-GBP	0.01%
Service fee Class A, B, F, I, I-USD, I-GBP	0.08%
Performance fee	-

The weighted average ongoing charges of the underlying hedge funds (including management fees and other expenses, but excluding performance fees where applicable) are close to 1.8% per annum.

### Management & Administration

Fund structure	Luxembourg SICAV
Management company	Kempen Capital Management N.V.
Administrator	BNP Paribas Securities Services, Luxembourg Branch
Depository	BNP Paribas Securities Services, Luxembourg Branch
Auditor	PricewaterhouseCoopers
Legal Advisor	Elvinger, Hoss & Prussen

### Quarterly commentary Q3-2022

#### Market update

Q3-2022 was off to a good start with both fixed income market and equity markets rallying in the month of July on the back of lower rates. From August onwards however, interest rates continued their way up in a relentless manner as central banks all around the world doubled down on their hawkish stance to fight inflation. US 10-year Treasuries finished the quarter at 3.83%, up +85bps (and up +129bps from the August 1st low). Equities (MSCI World, USD) and Global High Yield (ICE BofA, USD hedged) were down -6.1%, and -1.0% respectively in Q3-2022, after being up +7.9% and +5.0% through July. What's more; the level of volatility and magnitude of moves within rates and FX markets we are witnessing as the world exits an era of extremely accommodative monetary policy, are starting to impact financial stability and the functioning of markets. Of late we have seen hung LBO deals (e.g. Citrix Systems) and forced selling of assets by UK pension funds in their effort to bring down leverage in LDI portfolios as signs of financial market stress.

#### Portfolio update

In Q3-2022 KNDP's uncorrelated nature helped to avoid losses from traditional risk premia as equity markets were weak, credit spreads surrendered their gains from earlier in the quarter and interest rates continued their march higher. While KNDP didn't suffer from aforementioned market moves, it does actually take risk and one of those risks, in the Insurance Linked (ILS) space, cost the fund almost -1.9%. That loss was caused by hurricane Ian that made landfall as a category 4 hurricane in Florida on 28 September and after crossing a wide area of western and central Florida Ian made a second landfall on 30 September as a category 1 hurricane in South Carolina. It is still early days but specialist sources estimate hurricane Ian to have caused \$40 to \$70 billion of insured losses which makes it one of the most significant loss events over the last several decades. The probability of a category 4+ hurricane hitting Florida is assumed as 1-in-8 by RMS (historically 1-in-11 per the National Oceanic and Atmospheric Administration) so whilst this is not a tail event it struck most ILS managers at the heart because it is the event the insurance industry isn't sufficiently capitalized for and therefor offers the highest reinsurance rates and the best risk-adjusted returns for ILS managers like Aeolus. As a result of hurricane Ian, Aeolus was down -15.4% in Q3 detracting -1.87% from KNDP performance. Given the recent nature of the loss, Aeolus' performance estimate is inherently uncertain and likely to change as actual claims information becomes available. The ILS loss outweighed positive returns from Macro/Systematic (+48bps), Multi-Strategy/Arbitrage (+27bps), Credit/Distressed (+21bps), and Structured Credit (+15bps) leading to a quarterly return of -1.0% for KNDP compared to -0.2% for the HFRX Global Hedge Fund EUR Index; YTD KNDP is up +2.3% and the hedge fund index down -5.8%.

#### Manager commentary

##### Contributor #1: Brevan Howard (Global Macro)

Brevan Howard was up +4.5% in Q3-2022 contributing +35bps to KNDP performance. The majority of gains were generated in FX trading where long positions in USD versus EUR and CNH proved particularly profitable. The fund also enjoyed strong results in Rates trading from directional and curve trading in the US, from inflation trading and from trading interest rate volatility. Brevan had a neutral trading result in commodities and digital assets and recorded small losses from trading credit and equities (short-biased).

##### Contributor #2: D.E. Shaw Composite (Multi-Strategy / Arbitrage)

D.E. Shaw delivered its 19th consecutive positive quarterly return: +3.1% contributing +31bps to KNDP performance. While the fund also experienced some losses from hurricane Ian this is a rather insignificant allocation for the fund and it was more than compensated by strong returns from the firm's Equity Arbitrage strategies (mainly technical models) while the fund also enjoyed solid returns in its Systematic Futures trading book. Smaller +ve PnL came from Energy (oil, gas and power) and Discretionary Macro trading books.

##### Contributor #3: One William Street (Structured Credit)

One William Street generated a Q3-2022 return of +2.8% contributing +20bps to KNDP performance. As Structured Credit spreads generally trended wider during the quarter this is a respectable outcome and was in large part the result of positive PnL in the fund's relative value derivatives strategies. Profitable strategies were basis trading in CMBX, CMBX versus CDX, USD synthetic credit versus Euro synthetic credit, and CDX roll strategies particularly around the reconstitution of new index contracts in the US and Europe.

##### Detractor #1: Aeolus (Insurance Linked Investments)

Aeolus lost -15.4% in Q3-2022 detracting -187bps from KNDP performance. September marks reflect best-effort estimations of losses from hurricane Ian and were based on a weighted average of 2 industry loss scenarios of \$40 and 70 billion heavily skewed towards the latter. The property catastrophe reinsurance market was already struggling, i.e. trading distressed, prior to Ian and with an expected increase in demand for reinsurance and less supply of capital a hard market similar to 2006 (post-Katrina) is expected.

##### Detractor #2: Sculptor Credit Ops (Structured Credit and Credit / Distressed)

Sculptor Credit Ops ended Q3-2022 at -0.7% detracting -6bps from KNDP performance. Against the backdrop of a volatile market and generally higher spreads for risky assets this is not a bad result for Sculptor. The fund had to record a loss as it had to sustain more material markdowns in 2 of its restructuring positions. In LatAm Airlines, news around a rights issue impacted the value of the securities held by Sculptor. The fund also lost money in KCA Deutag as the company is repositioning its geographical footprint.

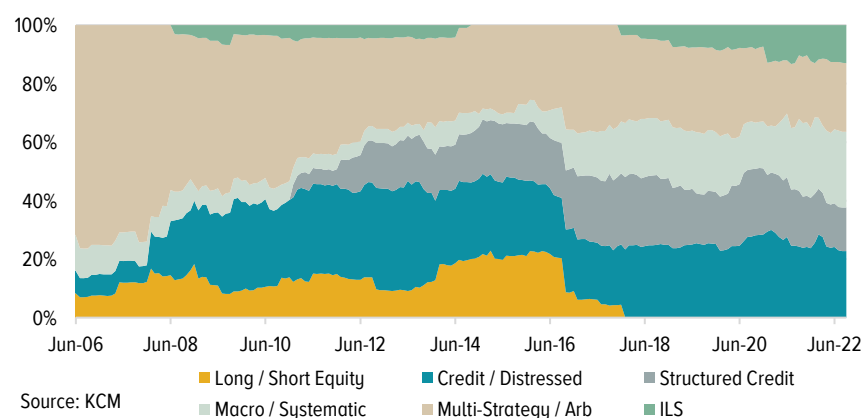
##### Detractor #3: Pharo Gaia (Global Macro)

Pharo Gaia was almost flat over the quarter losing a mere -0.2% and detracting -6bps from KNDP performance. After a tough Q1 (on the back of a difficult 2021) the fund is managed very tactically (i.e. no large outright bets, and modest use of risk budget). Pharo made some money in Rates trading (short US, long Euro and LatAm) and corporate credit (short CDX) while losing money on deep value sovereign debt in EM (LatAM) augmented by smaller losses in EMFX (mix of long and short positions).

#### ESG commentary

From Q4-2022 onwards, Sandro Caluori will represent Kempen on the UN PRI Hedge Funds Advisory Committee. This is a voluntary body, comprised of members from PRI signatories that provides advice and input to the PRI on areas of activity related to Hedge Funds. Sandro joined Van Lanschot Kempen (VLK) in 2020 and he is a director in VLK's Manager Research Solutions team based in the firm's Zurich office. Amongst others, Sandro covers a number of Global Macro / Systematic managers for KNDP.

#### Strategy allocation KNDP



#### Performance KNDP (cumulative, net)

