



Kempen (Lux) Global Sustainable Equity Fund I LU1854903868



Overview

Profile

Kempen International Funds SICAV – Kempen (Lux) Global Sustainable Equity Fund (the Fund) is primarily created for long-term investors and offers the opportunity to invest in a diversified portfolio of global publicly traded shares of companies open to stakeholders and environmental, social and governance criteria in their strategy. The Fund aims to select investments focusing on long-term and sustainable growth. Investments in the Fund are screened by an independent data provider to assess compliance with environmental, social and governance (ESG) criteria. The Sub-Fund was known as Kempen (Lux) Global Sustainable Value Creation Fund until February 15, 2021.

Management Team

Ivo Kuiper, Herman Kleeven, Richard Klijnstra, Mark Oud, Martijn Kleinbussink, Raoul Martin

More information about the team and the strategy

Key Figures

Total fund size	EUR 368.49 M	2023-06-30
Share class size	EUR 2.94 M	2023-06-30
Number of shares	1,794	2023-06-30
Net Asset Value	EUR 1,640.63	2023-06-30

The turnover rate figure is per the end of the financial year of the fund and will be updated once a year.

Top 10 Holdings

Microsoft	5.4%
Alphabet Class A	5.1%
Applied Materials	4.7%
Mastercard	4.6%
Nike Class B	3.4%
IQVIA	3.4%
Booking Holdings	3.3%
Thermo Fisher Scientific	3.3%
S&P Global	3.2%
SAP	3.2%

Share Class Details

Share class	I
Investor type	Institutional
Distributing	No
Benchmark	MSCI World Total Return Index Net (calculated in Euro's)
Investment category	Sustainable Equity
Universe	Global equity
Inception date	2018-09-03
Domicile	Luxembourg
May be offered to professional investors only in	Austria, Belgium, Denmark, Finland, France, Germany, Netherlands, Norway, Sweden, Switzerland, United Kingdom
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., Luxembourg Branch

Tradability

Minimum subscription	Initial subscription: €50,000, additional subscriptions: €10,000
Listed	no
Subscription/Redemption Frequency	Daily
ISIN	LU1854903868

Fund Characteristics Per 2023-06-30

	Fund	Benchmark
Number of holdings	40	1512
Dividend yield	1.36 %	2.00 %
Weighted average market capitalization	EUR 301,507 M	EUR 438,407 M
P/E ratio	21.65	17.62
Active share	89.24 %	

Ongoing Charges

Management fee	0.70 %
Service fee	0.20 %
Taxe d'abonnement	+ 0.01 %
Expected ongoing charges	0.91 %
Ongoing charges last financial year	0.91 %

The ongoing charges figure of the last financial year relates to 2021/2022.



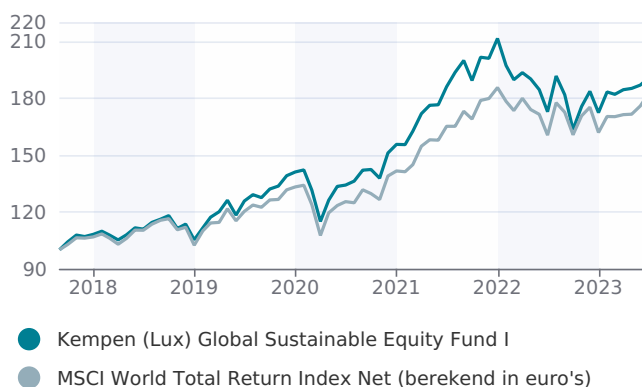
Performance

Performance Per 2023-06-30

	Fund
1 month	2.0%
3 months	3.3%
This year	10.6%
2020	10.3%
2021	35.9%
2022	-18.5%
1 year (on annual basis)	10.3%
3 years (on annual basis)	12.4%
5 years (on annual basis)	11.4%
Since inception (on annual basis)	11.7%

The results shown of the periods before 13 September 2018, the inception date of Kempen (Lux) Global Sustainable Equity Fund class I, are those of Kempen Global Sustainable Equity Fund N.V. (ISIN NL0010558854). Performance is shown after deduction of ongoing charges and including the reinvestment of dividend that has been paid out. The Total Expense Ratio before September 2018 has been copied from Kempen Global Sustainable Equity Fund N.V. The value of your investments may fluctuate. Past performance provides no guarantee for the future. On March 10, 2021 the management fee of this share class was increased from 0,50% to 0,70%. Performance data until this date are based on the lower management fee. A deviating Net Asset Value (NAV) is used for the calculation of the performance figures. This NAV is calculated based on closing prices of the Fund investments thereby deviating from the NAV which was originally issued and partly calculated based on snapshots (Asia & Pacific investments). The deviating NAV is used to make a better comparison with the benchmark, which is also solely based on closing prices of the investments. However, for the calculation of the performance of 31 December 2021 the originally issued NAV of 3 January 2022 was used as the deviating NAV could not be calculated due to technical circumstances.

Performance Since Inception Per 2023-06-30 (Rebased)



Risk Analysis (Ex Post) Per 2023-06-30

	3 Years	Since Inception
Maximum drawdown	-14.71%	-19.14%
Tracking error	5.31%	4.39%
Information ratio	-0.16	0.19
Beta	1.08	1.02



Portfolio

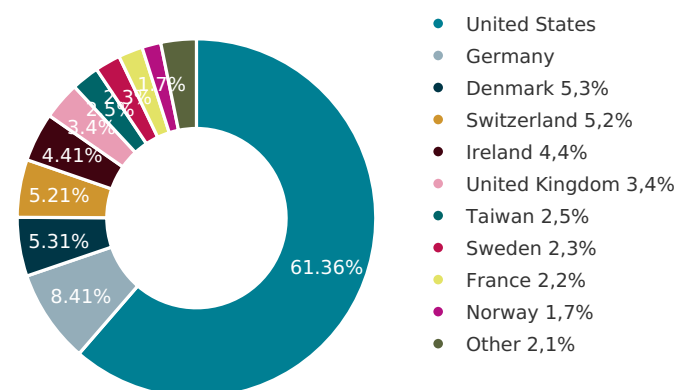
Top 5 Contribution (2023-06-30)

	Contribution	Performance
Deere	0.38%	14.80%
IQVIA	0.35%	11.54%
Applied Materials	0.27%	5.96%
Mastercard	0.24%	5.29%
S&P Global	0.20%	6.62%

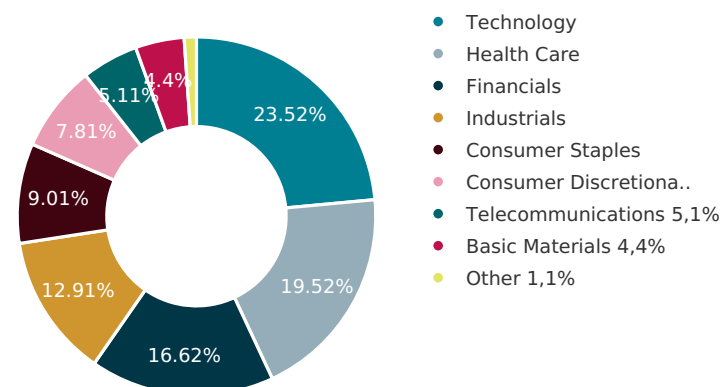
Bottom 5 Contribution (2023-06-30)

	Contribution	Performance
Alphabet Class A	-0.26%	-4.80%
Salesforce	-0.20%	-7.58%
Mowi	-0.17%	-9.20%
Croda	-0.15%	-7.55%
Lonza	-0.14%	-6.47%

Geographic Allocation (2023-06-30)



Sector Allocation (2023-06-30)





Developments

Developments Per 2023-06-30

The fund's I share class earned a net return of 2.0% versus a return on the MSCI World Index of 3.6%. This brings the net return over the year so far to 10.6% versus a return on the MSCI World Index of 12.6%.

Since its inception the fund has outperformed the benchmark (11.7% versus 10.8% for the MSCI World Index), including on a 5-year basis (11.4% versus 10.6% for the MSCI World Index).

The financial and industrial sectors made the largest positive contributions to the return, while the biggest negative contribution came from the materials sector. The allocation and selection effects were negative for the month.

John Deere, IQVIA and Applied Materials accounted for the largest positive contributions to the result. There was little directional news about the three names. Agricultural giant John Deere recovered somewhat from the negative sentiment surrounding agriculture. Demand for new machines remains strong but investors fear that stock levels are excessively high.

Mowi, Alphabet and Salesforce made the biggest negative contributions to the result. Alphabet and Salesforce experienced a small downturn following the robust AI-driven rally. The Norwegian government has finally set the definitive tax rate for salmon farming. While it was much lower than the rate announced initially, this had already been widely anticipated by the market.

No changes were made to the portfolio in June.

What kind of companies do we seek?

We seek profitable companies undergoing structural growth that will create shareholder value in the long term alongside a clear social mandate. The best results are achieved if the interests of all the stakeholders are aligned. This requires not only products and services but also operations to be in line with the wishes and requirements of society (licence to operate). Moreover, the companies need to have sufficient opportunities for growth to be able to invest at an attractive return (innovation and expansion). In order to sustain earnings growth over the long term, companies need to enjoy sustainable competitive advantages compared to existing and new competitors (strong strategic position).

The role of management

We expect management to pursue a long-term strategy in addition to conducting sound day-to-day management. The risks and opportunities relating to ESG need to be clearly incorporated, backed up by sensible investment plans that respond to long-term trends and match the company's strategic positioning and growth opportunities.

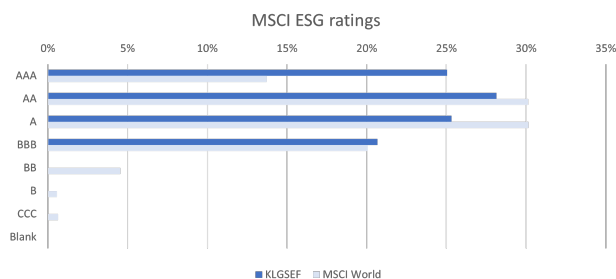
Quality and valuation

We believe the selected companies are above-average quality in terms of strategy and operations and are capable of creating long-term value for all stakeholders. Depending on the absolute valuation of their equities, they could form an interesting long-term addition to the portfolio.

ESG

ESG MSCI ratings

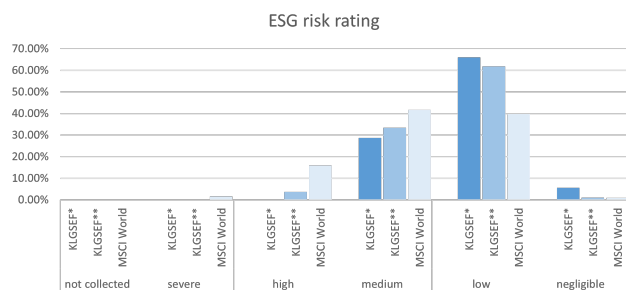
The portfolio has a clear overweight in the leaders (AAA/AA) and does not invest in the laggards (B/CCC).



Source: MSCI

KCM versus Sustainalytics ESG risk rating

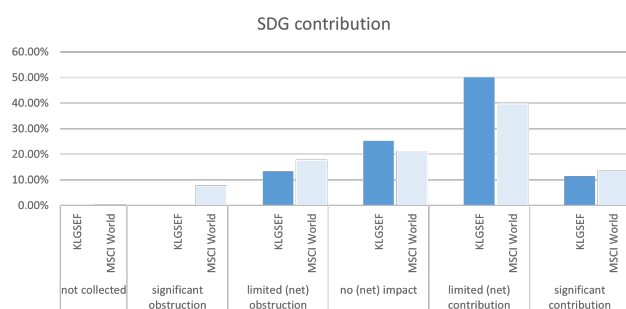
The portfolio is not invested in companies with a high or severe ESG risk according to the KCM risk rating.



Source: Sustainalytics. KLGSEF* is according to KCM ESG risk rating, KLGSEF** is according to Sustainalytics ESG risk rating, MSCI World*** is according to ESG risk rating

SDG Solutions Exposure

The SDG Solutions Assessment identifies a product or service category's contribution or obstruction towards attaining each of 15 individual sustainability objectives. A company has a score between -10 (significant obstruction) and +10 (significant contribution). The SDG Solutions score for the portfolio is **1.81** versus **0.74** for the benchmark.



Source: ISS



Sustainability-related disclosures

No Sustainable Investment Objective

The Kempen Lux Global Sustainable Equity Fund (the "Fund") falls under the scope of article 8 of the SFDR which means that the Fund promotes environmental and/or social characteristics. While it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments. The Fund considers principle adverse impact on sustainability factors.

The Fund excludes at least 20% of the investment universe 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. Furthermore, the Fund excludes companies with low ESG ratings.

The Fund uses a combination of principal adverse impact indicators and exclusion criteria to ensure the sustainable investments do not significantly harm any of the sustainable investment objectives. Furthermore, we monitor the number of severe controversies and take this broad set of indicators into account in the portfolio construction, when integrating ESG factors and when executing our active ownership activities.

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:

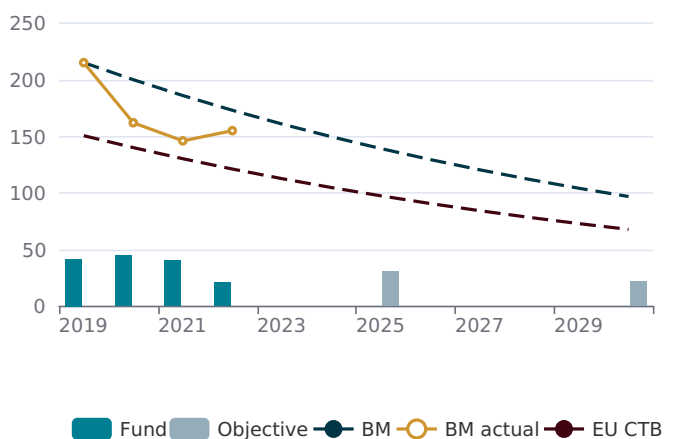
- Decent work;
- Adequate living standards and wellbeing for end-users;
- Other social topics such as gender equality and broader diversity matters.

The environmental characteristics promoted by the Fund seek to contribute to 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 Sub-Fund aims to have a carbon intensity that is below the EU Paris Aligned (EU PAB) pathway. This pathway assumes a carbon intensity that is 50% lower than the MSCI World Index (the "Benchmark") in 2019 with a subsequent 7% annual reduction.

Key Figures

	Kempen Criteria	Additional Criteria
Business conduct		
Human Rights		
Labour		
Environment		
Anti Corruption		
Product involvement		
Controversial Weapons		
Tobacco		
Thermal Coal		
Tar Sands		
Adult Entertainment		
Alcohol		
Animal Welfare & GMO		
Gambling		
Power Generation Nuclear		
Power Generation Carbon Intensive		
(Un)conventional Oil & Gas Extraction		
Weaponry		

Fund Carbon Emission Targets



ESG Label



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.

Investment Strategy

The Fund's investment objective is to offer Investors the opportunity to invest in an actively and professionally managed portfolio of listed companies worldwide which are open to shareholder engagement and integrate environmental, social and governance ("ESG") criteria in their strategy. 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).

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).

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).

Kempen (Lux) Global Sustainable Equity Fund (the "Sub-Fund") is a sub-fund of Kempen International Funds SICAV (the "Fund"), domiciled in Luxembourg. This Fund is authorised in Luxembourg and is regulated by the Commission de Surveillance du Secteur Financier. Van Lanschot Kempen Investment Management NV is the management company of the Fund. Van Lanschot Kempen Investment Management NV is authorised as management company and regulated by the Dutch Authority for the Financial Markets (AFM). The Sub-Fund is registered with the Dutch Authority for the Financial Markets (AFM) under the license of the Fund.

The information in this document provides insufficient information for an investment decision. Please read the Key Information Document (available in Dutch, English and several other languages, see website) and the prospectus (available in English). These documents of the Fund are available at the registered office of the Fund located at 60, avenue J.F. Kennedy, L-1855, Luxembourg and 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 Sub-Fund is registered for offering in a limited number of countries. The countries where the Sub-Fund is registered can be found on the website. The value of your investment may fluctuate. Past performance provides no guarantee for the future.