



Overview

Profile

Kempen (Lux) Global Small-cap Fund (the Fund) offers investors the opportunity to invest in an actively and professionally managed portfolio of smaller listed companies worldwide, while at the same time complying with strict exclusion and sustainability criteria. These are defined as companies with a maximum market capitalisation at the time of initial purchase of either EUR 8 billion, or the highest market capitalisation of any company included in the MSCI World Small Cap Index, whichever is the greater. The Fund primarily aims to generate a better long-term return than the benchmark. The portfolio construction process involves a disciplined end to end framework initially utilizing proprietary in-house stock filters screening for high quality and attractively valued stocks. Thereafter, fundamental in-house research is carried out to identify high conviction investment ideas. The end result is a portfolio of approximately 60 - 90 stocks, well diversified across all regions and sectors

Management Team

Jan Willem Berghuis, Drew Milgate, Victoria Bons, Michael Kretschmer, Henk Veerman

More information about the team and the strategy

Key Figures

Total fund size	EUR 1,199.34 M	2023-09-30
Share class size	EUR 167.07 M	2023-09-30
Number of shares	3,023,195	2023-09-30
Net Asset Value	EUR 55.26	2023-09-30

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

Jabil	5.6%
Thermon Group	4.0%
Fujitec	3.5%
Brunswick	3.4%
ASR Nederland	3.0%
Ulvac	2.9%
Teradata	2.8%
Encompass Health Corporation	2.6%
Quidelortho	2.5%
BAWAG Group	2.4%

Share Class Details

Share class	BN
Investor type	Private
Distributing	Yes
Benchmark	MSCI World Small Cap Index
Investment category	Small Caps
Universe	Global Small- & Mid-cap equities
Inception date	2014-07-08
Domicile	Luxembourg
May be offered to all investors in	Belgium, Finland, Germany, Italy, Luxembourg, Netherlands, Spain, Sweden, Switzerland, United Kingdom
May be offered to professional investors only in	Singapore
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
Morningstar rating™	★★★★
Morningstar Analyst rating	Bronze

Tradability

Minimum subscription	Initial subscription €1
Listed	no
Subscription/Redemption Frequency	Daily
ISIN	LU1078127419

Fund Characteristics Per 2023-09-30

	Fund	Benchmark
Number of holdings	63	4286
Dividend yield	2.42%	2.24%
Weighted average market capitalization	EUR 4,361 M	EUR 3,520 M
P/E ratio	13.88	13.25
Active share	98.27%	

Ongoing Charges

Management fee	0.75%
Service fee	0.20%
Taxe d'abonnement	+ 0.05%
Expected ongoing charges	1.00%
Ongoing charges last financial year	1.00%

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

Dividends

Last dividend	EUR0.45
Ex-date last dividend	2023-07-14
Number of distributions per year	2
Dividend calendar	Open the calendar



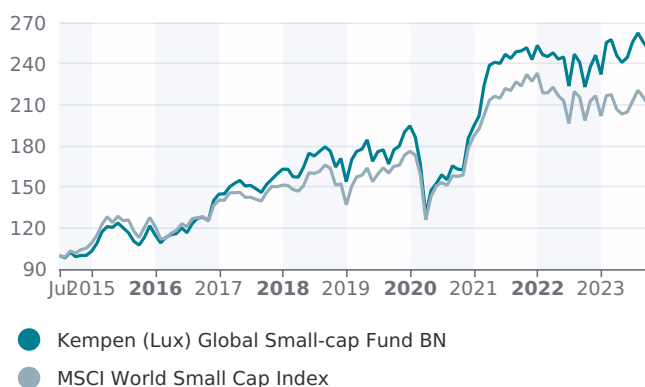
Performance

Performance Per 2023-09-30

	Fund	Benchmark
1 month	-2.1%	-2.9%
3 months	-2.1%	-1.5%
This year	7.8%	3.7%
2020	-0.2%	6.4%
2021	30.4%	24.5%
2022	-8.4%	-13.4%
1 year (on annual basis)	12.3%	5.5%
3 years (on annual basis)	15.4%	9.9%
5 years (on annual basis)	7.3%	5.0%
Since inception (on annual basis)	10.5%	8.3%

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. As of 30 June 2018 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 2023-09-30 (Rebased)



Risk Analysis (Ex Post) Per 2023-09-30

	3 Years	Since Inception
Maximum drawdown	-9.70%	-33.62%
Tracking error	5.54%	5.46%
Information ratio	0.99	0.39
Beta	1.00	1.03
Volatility	0.18	0.18
Volatility benchmark	0.17	0.17



Portfolio

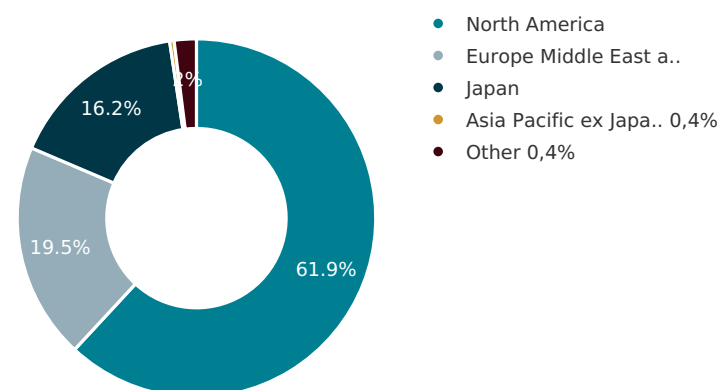
Top 5 Contribution (2023-09-30)

	Contribution	Performance
Jabil	0.68%	13.68%
Tripadvisor	0.23%	12.49%
Luxfer (US)	0.15%	11.20%
Haseko	0.11%	7.63%
RenaissanceRe	0.10%	8.19%

Bottom 5 Contribution (2023-09-30)

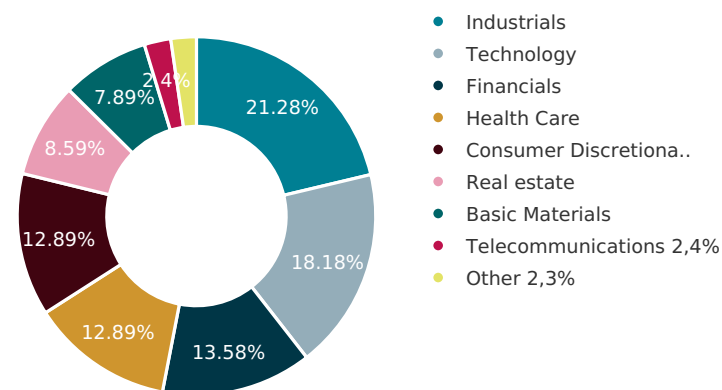
	Contribution	Performance
Befesa	-0.33%	-14.94%
First Solar	-0.32%	-12.38%
ASR Nederland	-0.30%	-9.21%
Sanken Electric Co Ltd	-0.29%	-18.51%
Fujitec	-0.24%	-6.44%

Geographic Allocation (2023-09-30)



The cash position is included in 'Other'.

Sector Allocation (2023-09-30)



The cash position is included in 'Other'.



Developments Per 2023-09-30

In September, the NAV of the Fund (I-class) decreased by 2.1% (net of fees) while the MSCI World Small Cap index decreased by 2.9%. The Fund is up 8.0% year-to-date, outperforming the benchmark by 4.2% and the MSCI World Small Cap Value index by 6.1%. The year-to-date performance further strengthened the long term-track record of the strategy with more than 2% outperformance after costs on 3 and 5-year basis and since inception. The Kempen Global Small-cap strategy has been soft-closed since Q1 2021. At the end of Q1 2023 the Kempen Global Small-cap strategy experienced team turnover that led to a subsequent net outflow of 15% in the Fund. As a result, the current AuM is below our maximum capacity range providing ample room for growth. The team was back to a fully resourced situation in June 2023. We would like to thank our clients for their confidence and support. To give new shareholders the opportunity to invest and in line with our corporate policy, the management of Van Lanschot Kempen Investment Management (VLK IM) has decided the Global Small-cap Strategy will no longer have a soft-close status as of 5 October 2023. This lifts all current restrictions on subscriptions to the Kempen Global Small-cap Strategy. Please contact your relationship manager or visit our website for more information.

The three top contributing stocks during the month of September were Jabil (+14%), TripAdvisor (+12%) and Luxfer Holdings (+11%). Jabil shares were up 14% in September. The company reported full-year earnings above consensus and guided for margin expansion through 2025. After divesting the Mobility business (components for consumer electronics, including iPhones), the company is now focused on growing its footprint in Electric Vehicles, Healthcare, Renewable Energy, and AI Cloud Datacenters. Margins are expected to improve sequentially due to this more profitable business mix. Jabil remains the largest holding in the Fund. TripAdvisor rallied last month after a prolonged period of lackluster performance without significant news flow. Whilst consumer confidence continued to deteriorate, TripAdvisor benefited from solid spending on travel and experiences. Especially its Viator product, a website through which tourists can book activities, had very strong traffic numbers. Shares of Luxfer Holdings experienced a partial recovery following a significant price decline during the previous month, which was attributed to disappointing second quarter results. Company-specific news flow in the month was limited.

The largest three negative contributors in September were Befesa (-15%), First Solar (-12%) and ASR (-10%). Befesa suffered from ongoing weak economic news flow out of China in combination with weak volume reports coming out of the global steel industry as a result of weakness in construction and automotive. In terms of pricing, zinc prices are holding up although energy prices have also moved up in the past few weeks. First Solar shares were down 12% in September in sympathy with other solar names. Pricing of silicon solar modules has declined significantly YTD, which is eroding profitability for the industry. Silicon panels are an alternative to First Solar's CdTe technology, but are historically reliant on Chinese supply chains. First Solar instead benefits from domestic US production, which allows the company and its customers to benefit from IRA tax credits. First Solar has sold out its capacity through to 2026 and should not face the same near-term pricing pressures. First Solar additionally held an analyst day in September which provided clarity on capacity and margins through to 2026. ASR shares retreated 10% in September. The ruling of the Court of Appeal in The Hague on investment insurance products sold by amongst others ASR deviated from previous rulings. ASR will appeal in cassation following the ruling. Based on the share price correction, financial markets are already assuming a fairly negative scenario (€1.6 billion in compensation (pre tax)). We have been adding to ASR on share price weakness. We have a 3% portfolio weight in ASR.



Sustainability-related disclosures

No Sustainable Investment Objective

The Kempen Global Small-cap Fund (the "Fund") falls under the scope of article 8 of the SFDR, indicating the fund promotes environmental and/or social characteristics. The fund does not have sustainable investment as its objective, but will have a minimum proportion of 15% of sustainable investments.

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:

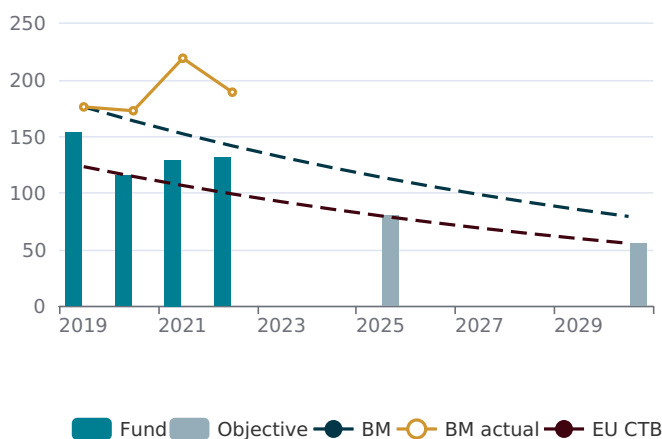
- Decent work;
- Adequate living standards and wellbeing for end-users;
- Other social topics such as gender equality and broader diversity matters.

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 EU Climate Transition Benchmark (EU CTB) pathway. This pathway assumes a carbon intensity that is 30% lower than the MSCI World Small-cap Index 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



Morningstar Sustainability Rating



ESG Label



Investment Strategy

The Fund offers an actively and professionally managed portfolio of smaller listed companies, while at the same time complying with strict exclusion and sustainability criteria. The Fund primarily aims to generate a long-term return in excess of the MSCI World Small Cap Index (the "Benchmark"), comprising capital gains or losses plus net dividend. 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).

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).

Kempen (Lux) Global Small-cap 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).

Paying agent and representative in Switzerland is RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, CH-8027 Zurich. 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 as well as annual report, semi-annual report and the articles of incorporation of the Fund are available free of charge at the registered office of the Fund located at 60, avenue J.F. Kennedy, L-1855, Luxembourg, at the offices of the representative in Switzerland 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. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.