



Overview

Profile

Kempen International Funds SICAV - Kempen (Lux) Global Value Fund (the Fund) offers investors the opportunity to invest in an actively and professionally managed portfolio of listed companies worldwide that trade at a discount to their (assessed) intrinsic value. The primary objective of the Fund is to generate a long-term return in excess of the MSCI World Value Net Total Return USD Index (the "Benchmark"), comprising capital gains or losses plus net dividend.

Management Team

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

Key Figures

Total fund size	EUR 44.75 M	2023-04-30
Share class size	EUR 5.78 M	2023-04-30
Number of shares	170,385	2023-04-30
Net Asset Value	EUR 33.89	2023-04-30

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

Sanofi	3.3%
Booking Holdings	3.1%
Reckitt Benckiser	3.1%
Visa Class A	3.0%
The St Joe Company	2.9%
Valaris	2.8%
flatexDEGIRO	2.4%
Taylor Wimpey	2.4%
Builders Firstsource	2.3%
Brunswick	2.2%

Share Class Details

Share class	AN
Investor type	Private
Distributing	No
Benchmark	MSCI World Value Net Total Return Index
Investment category	Other
Universe	Global equities
Inception date	2018-07-10
Domicile	Luxembourg
May be offered to all investors in	Luxembourg, Netherlands, 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 €1
Listed	no
Subscription/Redemption Frequency	Daily
ISIN	LU1813857585

Fund Characteristics Per 2023-04-30

	Fund	Benchmark
Number of holdings	50	
Dividend yield	3.69%	
Weighted average market capitalization	EUR 62,153 M	
P/E ratio	9.94	
Active share	96.20%	

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.



Performance

Performance Per 2023-04-30

	Fund	Benchmark
1 month	1.3%	0.3%
3 months	-0.1%	-3.3%
This year	7.6%	-0.6%
2020	-9.9%	-9.3%
2021	34.1%	31.2%
2022	-0.5%	-0.4%
1 year (on annual basis)	8.3%	-2.7%
3 years (on annual basis)	21.0%	13.1%
Since inception (on annual basis)	6.6%	6.5%

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 30 November 2021 the originally issued NAV of 1 December 2021 was used as the deviating NAV could not be calculated due to technical circumstances. Also 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 is shown after deduction of ongoing charges. The value of your investments may fluctuate. Past performance provides no guarantee for the future.

Performance Since Inception Per 2023-04-30 (Rebased)



- Kempen (Lux) Global Value Fund AN
- MSCI World Value Net Total Return Index

Risk Analysis (Ex Post) Per 2023-04-30

	3 Years	Since Inception
Maximum drawdown	-10.13%	-33.93%
Tracking error	7.46%	7.73%
Information ratio	1.06	0.01
Beta	1.14	1.20



Portfolio

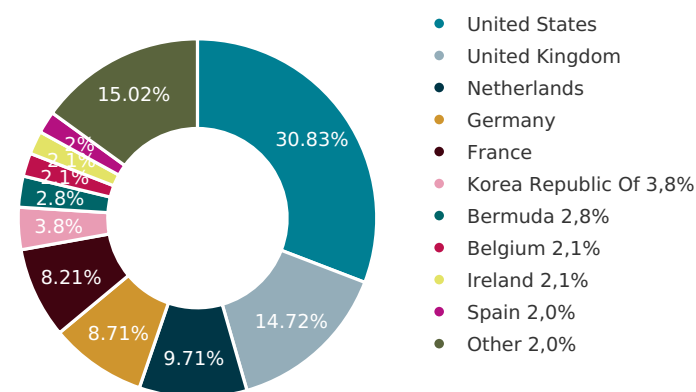
Top 5 Contribution (2023-04-30)

	Contribution	Performance
flatexDEGIRO	0.44%	22.64%
Medtronic	0.21%	11.02%
Reckitt Benckiser	0.19%	6.32%
Engie	0.18%	9.21%
Taylor Wimpey	0.17%	7.82%

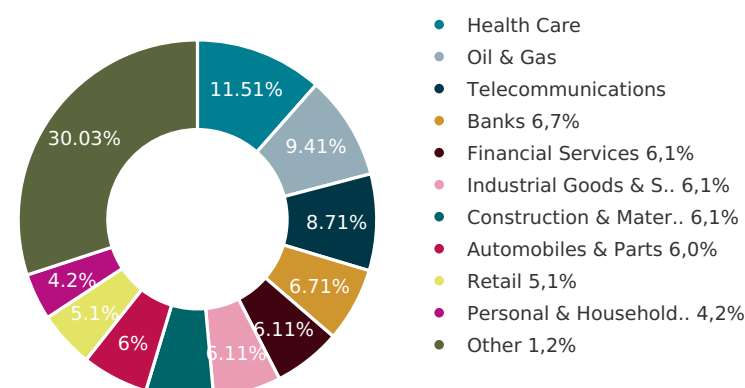
Bottom 5 Contribution (2023-04-30)

	Contribution	Performance
Nokia	-0.28%	-14.26%
Valaris	-0.25%	-9.26%
ArcelorMittal	-0.16%	-7.75%
Western Forest Products	-0.14%	-8.82%
CNH Industrial	-0.13%	-6.95%

Geographic Allocation (2023-04-30)



Sector Allocation (2023-04-30)





Developments Per 2023-05-31

May was a volatile month for equities. This was driven by a couple of conflicting macro-economic indicators and uncertainty about the debt ceiling impasse between Democrats and Republicans. The positive news included strong services indicators in the US and in Europe. Unemployment remains near historic lows and wages are growing strongly. At the same time, manufacturing sentiment is negative. Business sentiment in the eurozone reached its lowest level in three years. Commodities remain weak, with oil down nearly 40% from the end of May 2022. This helps to bring down headline inflation numbers, which is seen as a positive. However, core inflation remained stubbornly high in Europe and the US. The UK core inflation is now at its highest rate in 30 years. Japan's core inflation reached levels not seen in more than 40 years. Investors fear that strong wage growth and high core inflation will force central banks to keep on raising interest rates. On top of these mixed economic indicators, investors were nervous about the discussions between Democrats and Republican about the debt ceiling. By the end of May it looked like a deal was in the making. It is worth noting that the positive year-to-date performance of the stock market (especially in the US) is for the most part driven by a small number of large, mostly tech-related companies. Large tech companies outperformed the broader market, backed by strong earnings reports and growing investor expectations about the future potential of artificial intelligence. In May, the NASDAQ technology index bested the Dow Jones Industrials Average by 9%. Stocks that are related to AI (like NVIDIA and Broadcom) spiked upwards like they did during the tech-bubble at the end of the 1990's. Most non-tech-related stocks are muddling through. Within this environment the fund underperformed the broader market index. It performed in line with the value universe.

The fund's performance was driven by strong stock selection within the industrials (Builders FirstSource) and real estate (St. Joe Company) sectors. The communication services (Vodafone), consumer staples (Anheuser-Busch InBev), and energy (B.P.) sectors detracted from performance.

Builders FirstSource was one of the strongest performers in May (+27%). The company is an American distributor of building materials. It sells products like windows, doors, wall panels and trusses. Increasingly, the company is pre-fabricating products in their factories. These products save customers (homebuilders and contractors) many work hours, which allows Builders FirstSource to make higher profit margins. The company has been able to generate strong free cash flows. With these free cash flows, the company is buying back shares at a rapid rate. It has reduced the share count by more than 30% over the last two years. Especially when done at low valuations, this makes perfect sense. It is therefore no surprise that the shares have been doing well, with an approximate 80% increase in the share price over the last year. Despite the sharp share price increase, we still deem the shares to be undervalued at 13 times expected trough earnings.

One of the bottom contributors in May was Vodafone (-19%). The European telecom operator reported weak fourth quarter earnings and provided disappointing 2024 guidance. Vodafone is underperforming its peers in several important markets (Germany, Spain, Italy). Especially the German market is a worry, and investors fear that Vodafone may need to increase investments in its network to turn around the performance. Although the short-term trends are disappointing, we believe there is meaningful value that will be unlocked over the next few years. Among other things, Vodafone can cut costs, sell non-core assets (e.g. Spain, telecom towers), or split up the business. Activist investors have taken a stake in Vodafone, which is likely to lead to operational improvement going forward. Arguably, this will take time. However, with a dividend yield of approximately 9%, we are paid to wait.

In May we have started to build a position in Universal Music Group (UMG). UMG is the largest record label in the world. Over the past decades UMG has amassed a catalogue of millions of songs which are played on a daily basis. The company adds to this catalogue by signing artists and recording music. As a result of piracy, the music publishing industry was in decline up until 2014. In that year, the growth of streaming services (e.g. Spotify) was offsetting the decline in the traditional physical products (e.g. CD's). Thanks to the streaming tailwind, music publishing has now become a growth industry. There are around 443 million users of music streaming services. This is just 12% of global smartphone users, which would suggest that there is substantial room for further growth. We believe that UMG can grow its free cash flows by more than 10% per annum over the next 10 years. This is driven by an increasing user base, higher prices, and operating leverage. In May, the shares had been under pressure due to the perceived threat of artificial-intelligence-made music. In our view, UMG will be able to prevent copyright infringements, for example by training their own artificial intelligence in recognizing unauthorized music. The shares do not appear cheap with a dividend yield of 2.7% and a free cash flow yield just above 4%. However, we are confident that the strong growth and their well-entrenched market position will eventually be reflected in the share price.

To finance the new position, we sold our position in Sun Hung Kai Properties. Sun Hung Kai is a Hong Kong-based property developer. The long-term prospect for the Hong Kong real estate market is unattractive, as companies and inhabitants reconsider where to settle as the company is slowly integrated into China. Counter to this trend, the shares of Sun Hung Kai have done well, mainly driven by a re-opening of the Chinese economy. We sold our position on short term strength.

The valuation dispersion between, and within regions and sectors remains at a very high level. We are still able to find companies that are cash generative, have market leading positions and embrace and benefit from digitalization and ESG trends. These companies are definitely not priced for that and are in our view a very interesting investments both in relative and absolute terms. 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.



No Sustainable Investment Objective

The Kempen (Lux) Global Value 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.

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 Sub-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 7% reduction pathway.

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 that trade at a discount to their intrinsic value, so assessed by the Management Company. 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).

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 (Lux) Global Value 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. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.