



### Overview

#### Profile

Kempen European High Dividend Fund N.V. (KEHDF) offers a diversified portfolio of European listed companies with an above-average dividend yield at the time the company purchased for the first time. KEHDF invests in companies that are listed or do business in geographical Europe including Eastern Europe. The portfolio contains around 40 investments, which are approximately equally weighted. The environmental, social and governance (ESG) criteria are incorporated in the investment process. KEHDF primarily aims to generate a better long-term total return than the MSCI Europe Total Return Index (net dividends reinvested), comprising capital gains plus net dividends. This index consists of about 500 companies in 15 countries. KEHDF pays its dividend on a quarterly basis and aims to pay all the received net dividends to the shareholders.

#### Management Team

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

More information about the team and the strategy

#### Key Figures

Total fund size	EUR 213.47 M	2023-01-31
Share class size	EUR 109.00 M	2023-01-31
Number of shares	15,543,983	2023-01-31
Net Asset Value	EUR 7.01	2023-01-31
Transaction price	EUR 7.01	2023-01-31

#### Top 10 Holdings

Sanofi	3.0%
Unilever PLC	2.9%
Reckitt Benckiser	2.9%
BAWAG Group	2.8%
Autoliv	2.8%
WPP	2.7%
Deutsche Post	2.7%
ALD	2.7%
BMW	2.6%
ING Groep	2.6%

#### Ongoing Charges

Management fee	0.63%
Service fee	+ 0.20%
Expected ongoing charges	0.83%
Ongoing charges last financial year	0.76%

The ongoing charges figure of the last financial year relates to 2021/2022. The service fee changed as of 1 October 2022 into 0.20% (was 0.15%). 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	N
Investor type	Institutional & Private
Distributing	Yes
Benchmark	MSCI Europe Total Return Index (calculated in Euro)
Investment category	High Dividend Equity
Universe	European equities
Inception date	1998-04-01
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	Neutral

#### Tradability

Listed	yes, listed on the NAV Trading Facility of Euronext
Subscription/Redemption Frequency	Daily
ISIN	NL0000293348

#### Fund Characteristics Per 2023-01-31

	Fund	Benchmark
Number of holdings	44	425
Dividend yield	4.92%	3.07%
Weighted average market capitalization	EUR 48,684 M	EUR 91,710 M
P/E ratio	8.05	11.40
Active share	85.94%	

#### Dividends

Last dividend	EUR 0.09
Ex-date last dividend	2022-11-04
Number of distributions per year	4
Dividend calendar	Open the calendar

The dividend distribution of KEHDF (ex-date 01-08-2018) is included in the NAV per 31 July 2018 and is therefore included in the performance figures of July.



## Performance

### Performance Per 2023-01-31

	Fund	Benchmark
1 month	6.4%	6.8%
3 months	10.4%	10.1%
This year	6.4%	6.8%
2020	-11.0%	-3.3%
2021	24.6%	25.1%
2022	-5.4%	-9.5%
1 year (on annual basis)	-1.3%	-0.2%
3 years (on annual basis)	4.6%	5.8%
5 years (on annual basis)	3.8%	5.3%
Since inception (on annual basis)	2.1%	2.3%

The performance track-record of KEHDF is based on the Orange European Large Cap Fund until ultimo February 2007 including the corresponding benchmark (Dow Jones STOXX 50 Index). As of February 2007 the return data of KEHDF with the current benchmark are shown. 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 KEHDF (ex-date 01-08-2018) is included in the NAV per 31 July 2018 and is therefore included in the performance figures of July.

### Performance Since Inception Per 2023-01-31 (Rebased)



- Kempen European High Dividend Fund N.V. N
- MSCI Europe Total Return Index (berekend in euro's)

### Risk Analysis (Ex Post) Per 2023-01-31

	3 Years	Since Inception
Maximum drawdown	-29.38%	-38.92%
Tracking error	7.27%	3.85%
Information ratio	-0.17	-0.05
Beta	1.06	0.96



## Portfolio

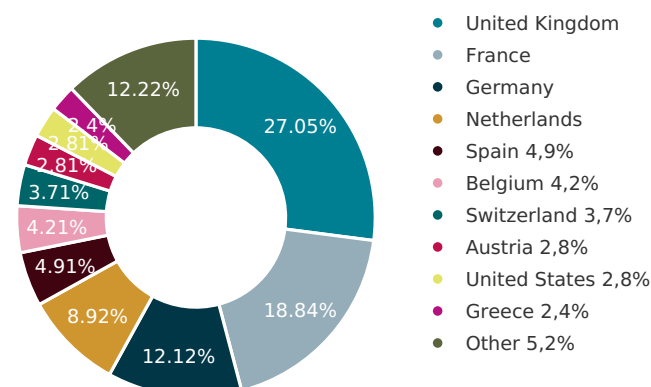
### Top 5 Contribution (2023-01-31)

	Contribution	Performance
Technip Energies	0.53%	21.43%
BNP Paribas	0.45%	18.12%
Autoliv	0.44%	18.23%
ING Groep	0.43%	17.14%
WPP	0.38%	15.73%

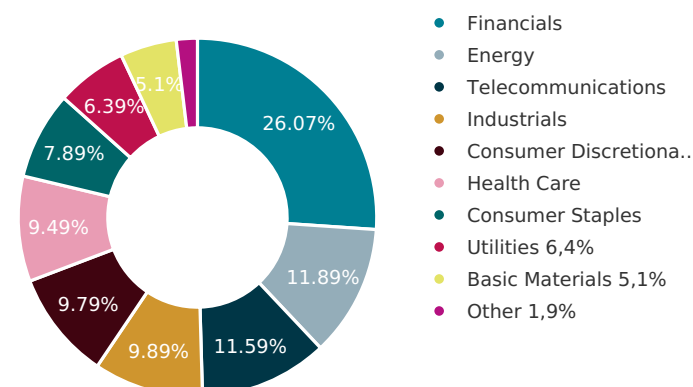
### Bottom 5 Contribution (2023-01-31)

	Contribution	Performance
Equinor	-0.38%	-14.03%
Roche Holding	-0.05%	-3.03%
Glencore International	-0.04%	-1.47%
ENGIE EUR1 (Prime Fidelite 2022) Loy. sh	-0.04%	-3.95%
ENGIE EUR1 (Prime Fidelite 2024) Loy. sh	-0.03%	-2.75%

### Geographic Allocation (2023-01-31)



### Sector Allocation (2023-01-31)



The cash position is included in 'Other'.



### Developments Per 2023-01-31

January 2023 was a very strong month for equities. There are three underlying drivers of this positive sentiment. The first driver is the re-opening of the Chinese economy. The Chinese government tried to contain the spread of the coronavirus by imposing severe lockdowns. This policy had far-reaching negative consequences for the economy. Suddenly, the Chinese government made a U-turn, and opened up the economy. Despite a substantial rise in the number of infections, the Chinese government seems to be determined to keep the economy open. The second driver of the positive stock market sentiment was a slew of encouraging data points on inflation. General price inflation seems to be slowing down. The (related) last driver of sentiment was a fall in oil and gas prices. This should not only help to ease inflationary pressures, it also meaningfully improves consumer spending power. Within this positive environment, the performance of KEHDF was in line with the broader market.

The sector that contributed most to the absolute performance of KEHDF was the financial services sector. Especially banks extended their late 2022 bull run into January 2023. Banks like ING Group, ABN AMRO, and BNP Paribas benefited from the expectation that rising interest rates will be beneficial for their earnings. The sectors that did not add to the absolute performance of KEHDF were the consumer staples and healthcare services sectors. Investors were clearly not interested in these more defensive sectors and the shares therefore did not move in January. From a relative perspective we gained the most in the consumer discretionary sector. The more cyclically exposed Taylor Wimpey and Autoliv did well. The relative performance of KEHDF was negatively impacted by stock selection within the materials sector.

One of the best contributors was Technip Energies (+21% in January). Technip operates as an engineering and technology company within the energy sector. For example, the company is one of the leading companies with respect to building LNG terminals. The shares have more than doubled from their March 2022 lows. It was uncertain at that time what the impact would be of the Russian-Ukrainian war. After strong quarterly numbers in November, it now looks like the company's performance is close to normal again. The company has been repurchasing shares over the past few months. An additional positive development is the improvement in performance with regards to ESG. We have been engaging with the company to, for example, improve its disclosure on ESG topics. We are pleased that Technip published its inaugural sustainability report earlier this year. Through an improved ESG risk score, this progress has also been recognized by ESG-specialist Sustainalytics. On full year guidance, the shares trade at around 11 times earnings. Despite the strong performance, we still find the shares to be undervalued.

The worst performing stock in the portfolio was Equinor (-14% in January). The relatively warm winter in Europe has been limiting the demand for oil and gas. As a consequence of this, energy prices have declined over the past months. On a shorter term basis, Equinor's earnings will come down. Longer term, we continue to expect higher than normal energy prices. Although it is still unclear how this will play out of the next months, we believe the valuation looks quite attractive and the free cash flows are paid out through buybacks and dividends.

In January, we built up positions in Kering. Kering is a French luxury goods company. It has 13 brands, of which Gucci, Saint Laurent, and Bottega Veneta are the most important. The luxury goods sector is generally a sector with attractive economic characteristics. After years of experience with making high-quality designer products and decades of spending on brand-building activities, the companies can command high prices for their products. Especially the high end brands are relatively recession-proof. I.e., the affluent consumers will buy expensive handbags whether the economy is in a recession or not. Because of these strong economic characteristics, investors are usually willing to pay up for luxury companies like Kering. Based on short-term growth headwinds of Gucci (China slowdown, a change of the chief creative designer), investors sold their shares and pushed down the share price. We are willing to take a longer term view and purchased the shares at a 2.5% dividend yield and a P/E of 18 times. We expect investors to come back to Kering again once Gucci's earnings momentum starts to improve. To finance the purchase of Kering we have sold our position in Hennes & Mauritz. Over the last years, the fast-fashion retailer had been suffering from a number of negative developments. Examples are inflationary pressures, over-expansion of the store base, and a poorly executed turnaround plan. After a nearly 40% rise in the shares over the past months, we believe that the shares offer no more than a reasonable risk/reward. On a P/E basis, Kering is actually cheaper than H&M, despite Kering's superior long-term business fundamentals.

We currently expect a dividend yield of around 5.4% for KEHDF. This number is based on the consensus estimate of dividends paid out over the next 12 months. KEHDF still trades at a strong discount versus the market (the average valuation of all the holdings in KEHDF 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 flows 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 European high Dividend 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 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. This pathway assumes a carbon intensity that is lower than a relevant European Dividend benchmark in 2019 with a subsequent 7% annual reduction.

### Investment Strategy

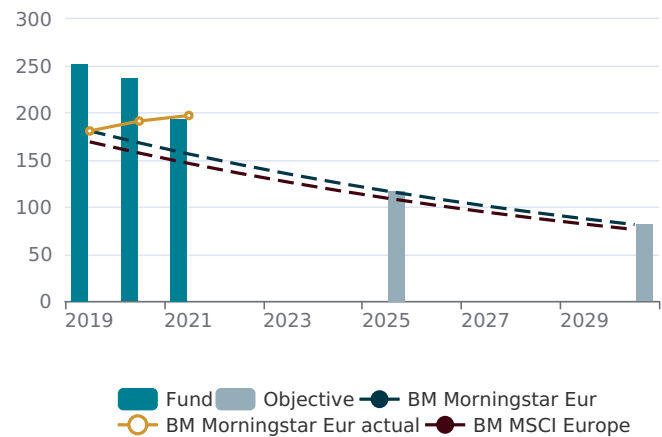
The Kempen European High Dividend Fund offers a diversified portfolio of companies worldwide with an expected attractive dividend yield, while at the same time complying with strict exclusion and sustainability criteria. Our ESG-policy, described in the ESG Policy & Process document, is aimed at the 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



## 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).

Van Lanschot Kempen Investment Management NV is the management company of Kempen European High Dividend Fund N.V. (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 Fund is registered under the license of KCM 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.kempen.com/en/asset-management](http://www.kempen.com/en/asset-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.