



Overview

Profile

Kempen Global High Dividend Fund (KGHDF) offers a diversified portfolio of listed companies worldwide with an above-average dividend yield at the time the company is purchased for the first time. The portfolio contains around 70 investments, which are approximately equally weighted. The environmental, social and governance (ESG) criteria are incorporated in the investment process. The primary objective of KGHDF is to achieve a structurally better long-term return, comprising capital gains plus net dividends, than the MSCI World Total Return Index. KGHDF pays out dividend on a quarterly basis and aims to pay all the received net dividends to the shareholders. Share class Y will only be available for distributors who submit orders on behalf of their clients, and who have been selected by the management company.

Management Team

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

More information about the team and the strategy

Key Figures

Total fund size	EUR 760.19 M	2023-05-31
Share class size	EUR 410.92 M	2023-05-31
Number of shares	11,747,389	2023-05-31
Net Asset Value	EUR 34.98	2023-05-31
Transaction price	EUR 35.10	2023-05-31

Top 10 Holdings

National Grid	2.3%
Reckitt Benckiser	2.2%
Taylor Wimpey	2.2%
Power Corp of Canada	2.1%
Sanofi	2.1%
Fresenius	2.1%
Cisco	2.1%
Singapore Telecommunications	2.1%
Samsung Electronics Pref	2.0%
Nexstar Media Group	2.0%

Ongoing Charges

Management fee	0.50%
Service fee	+ 0.10%
Expected ongoing charges	0.60%
Ongoing charges last financial year	0.60%

The ongoing charges figure of the last financial year relates to 2021/2022. 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	Y
Investor type	Institutional & Private
Distributing	Yes
Benchmark	MSCI World Net Total Return Index (calculated in Euro)
Investment category	High Dividend
Universe	Global equities
Inception date	2016-07-20
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	Bronze

Tradability

Listed	no
Subscription/Redemption Frequency	Daily
ISIN	NL0011755855
Details	Orders must be submitted via Fundsettle.

Class Y of Kempen Global High Dividend Fund N.V. will only be available for orders submitted via the Fundsettle platform. Share class Y will only be available for distributors who submit orders on behalf of their clients, and who have been selected by the management company.

Fund Characteristics Per 2023-05-31

	Fund	Benchmark
Number of holdings	66	1506
Dividend yield	4.40%	2.09%
Weighted average market capitalization	EUR 56,861 M	EUR 420,336 M
P/E ratio	10.31	16.62
Active share	94.90%	

Dividends

Last dividend	EUR 0.40
Ex-date last dividend	2023-05-30
Number of distributions per year	4
Dividend calendar	Open the calendar

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



Performance

Performance Per 2023-05-31

	Fund	Benchmark
1 month	-1.9%	2.5%
3 months	-2.5%	3.3%
This year	3.6%	8.6%
2020	-9.9%	6.3%
2021	29.8%	31.1%
2022	0.2%	-12.8%
1 year (on annual basis)	2.5%	2.6%
3 years (on annual basis)	16.0%	12.5%
5 years (on annual basis)	6.5%	9.8%
Since inception (on annual basis)	6.9%	7.9%

The results shown of the periods before 20 July 2016, the inception date of Kempen Global High Dividend Fund N.V. class Y, are those of Kempen Global High Dividend Fund N.V. class N. 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 KGHDF (ex-date 01 August 2018) is included in the NAV per 31 July 2018 and is therefore included in the performance figures of July.

Performance Since Inception Per 2023-05-31 (Rebased)



- Kempen Global High Dividend Fund Y
- MSCI World Total Return Net Index (berekend in euro's)

Risk Analysis (Ex Post) Per 2023-05-31

	3 Years	Since Inception
Maximum drawdown	-8.65%	-33.53%
Tracking error	9.28%	5.90%
Information ratio	0.37	-0.16
Beta	0.79	0.91



Portfolio

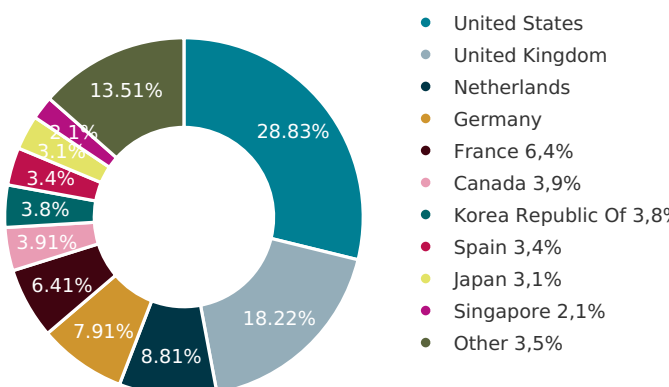
Top 5 Contribution (2023-05-31)

	Contribution	Performance
Lite-On Technology	0.40%	25.45%
Samsung Electronics Pref	0.18%	9.86%
Cisco	0.17%	8.86%
BMW	0.13%	7.78%
Texas Instruments	0.12%	8.50%

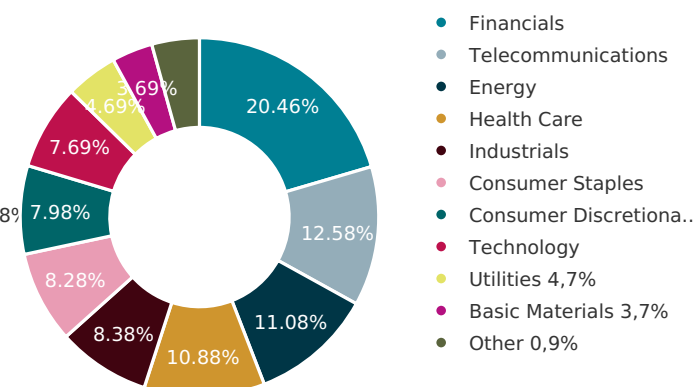
Bottom 5 Contribution (2023-05-31)

	Contribution	Performance
Vodafone Group	-0.30%	-18.68%
Taylor Wimpey	-0.21%	-9.04%
BP	-0.18%	-12.43%
Kering	-0.18%	-12.58%
Nexstar Media Group	-0.14%	-9.12%

Geographic Allocation (2023-05-31)



Sector Allocation (2023-05-31)



The cash position is included in 'Other'.



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 KGHDF underperformed the broader market index. It performed in line with the dividend universe.

From an absolute perspective, the information technology sector contributed most to the performance. Lite-on, Samsung Electronics, and Cisco Systems benefited from the bullish sentiment around AI-related technology stocks. From a relative point of view, performance of the information technology sector detracted from the performance as index-heavyweights like NVIDIA, Microsoft, and Apple stole the show. These stocks do not have a high enough dividend yield (if they pay a dividend at all), so we do not invest in them. The communication services sector detracted most from the absolute performance of KGHDF. Vodafone lost ground because they reset 2024 expectations. The industrials sector (Ferguson, Knorr-Bremse) contributed most to the relative performance.

One of the best performing stocks in KGHDF was Lite-On Technology (+25%). This Taiwan-based company makes a wide range of electronic components. These components are used in a broad range of applications, such as cloud computing, automotive electronics, optoelectronics, computers, 5G, artificial intelligence, internet of things, information technology and consumer electronics. The stock was up thanks to its (indirect) exposure to artificial intelligence and an expected near-term cyclical upswing in the PC/server market. Meanwhile, the company also published better than expected financial statements. With an indicated dividend yield of more than 6%, the shares are still not overvalued in our view.

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 positions in Glencore and in Sun Hung Kai Properties.

Glencore is one of the largest mining companies in the world. One of our ESG concerns has been their Cerrejon mine in Columbia. The mine has faced numerous ongoing environmental and human rights-based concerns. Over the last years Glencore has made significant steps in the right direction on other ESG related topics such as carbon emissions, and based on this positive momentum we felt there was an opportunity to start an engagement with the company on their Cerrejon mine. Especially since Glencore took full ownership of the mine in 2022 by buying out other investors. However, we are no longer convinced that the company is willing/able to make enough progress on this issue. As a result, we have sold our shares in Glencore. 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. The shares are now fairly valued.

We currently expect a dividend yield of around 4.7% for KGHDF. This number is based on the consensus estimate of dividends paid out over the next 12 months. KGHDF still trades at a strong discount versus the market (the average valuation of all the holdings in KGHDF 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 flow 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 Global High Dividend Fund (the "Fund") Falls under the scope of article 8 of the SFDR, indicating that 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 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 7% reduction pathway. This pathway assumes a carbon intensity that lower than a relevant Global Dividend benchmark in 2019 with a subsequent 7% annual reduction.

Investment Strategy

The 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:

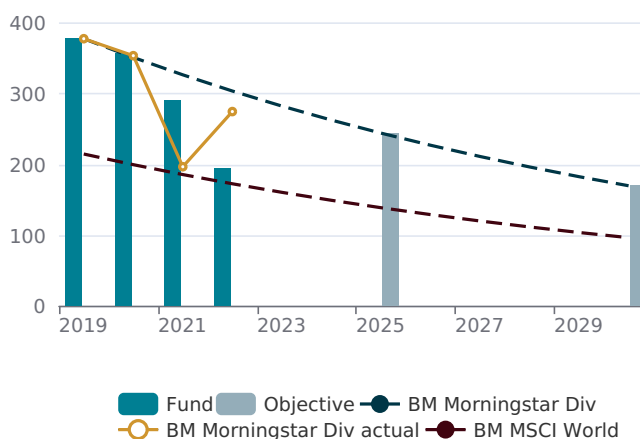
- an assessment of good governance practices. The investee companies are rated for governance aspects using external research and internal assessments .
- the company's exposure to past controversies and future ESG opportunities

Based on fundamental ESG analysis we form an opinion on the quality of a company's ESG profile and award a score (1-5).

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



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.

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 Global High Dividend Fund (the “Sub-Fund”) is a sub-fund of Kempen Umbrella Fund I NV (the “Fund”). Van Lanschot Kempen Investment Management NV is the management company of 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 Sub-Fund is registered under the license of Van Lanschot Kempen Investment Management NV 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.vanlanschotkempen.com/investment-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.