



# Overview

## PROFILE

Kempen Oranje Participaties N.V. (KOP) offers the opportunity to invest in small-sized European companies. KOP invests in shares of undervalued companies and aims to hold 5% or more of the paid up nominal capital of each company. The environmental, social and governance (ESG) criteria are incorporated in the investment process.

KOP positions itself as an engaged shareholder and aims to generate a long term total return of 10% on an annual basis (on the basis of capital gains and dividends).

## MANAGEMENT TEAM

Michiel van Dijk, Erwin Dut, Sander van Oort, Ingmar Schaefer  
[More information about the team and the strategy](#)

## KEY FIGURES

|                          |                |            |
|--------------------------|----------------|------------|
| <b>Total fund size</b>   | EUR 1,239.33 M | 2021-12-31 |
| <b>Share class size</b>  | EUR 1,157.22 M | 2022-02-28 |
| <b>Number of shares</b>  | 4,107,296      | 2022-02-28 |
| <b>Net Asset Value</b>   | EUR 281.75     | 2022-02-28 |
| <b>Transaction price</b> | EUR 309.89     | 2022-01-03 |

## ONGOING CHARGES

|                                 |              |
|---------------------------------|--------------|
| <b>Management fee</b>           | 0.75 %       |
| <b>Service fee</b>              | 0.20 % +     |
| <b>Expected ongoing charges</b> | <b>0.95%</b> |

**Ongoing charges last financial year** 0.95 %

The Ongoing charges figure of the last financial year relates to 2021.

## SHARE CLASS DETAILS

|   |  |
|---|--|
| <b>Investor type</b>                                    | Institutional & Private  |
| <b>Distributing</b>                                     | Yes  |
| <b>Objective</b>  | To generate a long term return of 10% a year (on the basis of capital gains and dividends) |
| <b>Investment category</b>                              | Small-caps   |
| <b>Universum</b>  | European small-caps  |
| <b>Inception date</b>                                   | 1985-08-29   |
| <b>Domicile</b>   | The Netherlands  |
| <b>May be offered to all investors in</b>               | The Netherlands  |
| <b>May be offered to professional investors only in</b> | United Kingdom   |
| <b>UCITS status</b>                                     | No   |
| <b>Status</b>   | Open-end   |
| <b>Base currency</b>                                    | EUR  |
| <b>Share class currency</b>                             | EUR  |
| <b>Administrator</b>                                    | BNP Paribas Securities Services S.C.A., Amsterdam branch                                   |
| <b>Management company</b>                               | Kempen Capital Management N.V.   |
| <b>Depository and custodian</b>                         | BNP Paribas Securities Services S.C.A., Amsterdam branch                                   |
| <b>Morningstar rating <sup>TM</sup></b>                 | ★★★★★  |
| <b>Morningstar Analyst rating</b>                       | null   |

## TRADABILITY

|  |  |
|--|--|
| <b>Listed</b>                            | yes, listed on the NAV Trading Facility of Euronext  |
| <b>Subscription/Redemption Frequency</b> | Quarterly, on the first business day of January, April, July en October  |
| <b>ISIN</b>                              | NL0000440675   |
| <b>Entry period purchase order</b>       | Approximately 32 calendar days before the start of each quarter  |
| <b>Entry period sell order</b>           | Approximately 32 calendar days before the start of each quarter  |
| <b>Details</b>                           | Orders must be sent by the bank or broker to the NYSE Euronext Trading Facility on the last business day of November, February, May and August, no later than 04.00 PM Amsterdam time in order to be executed on the next dealing day. |

## FUND CHARACTERISTICS PER 2021-12-31

|  | <b>FUND</b> |
|--|-------------|
| <b>Number of holdings</b>                | 25          |
| <b>Dividend yield</b>                    | 1.77 %      |
| <b>Weighted average market capita...</b> | EUR 1,439 M |
| <b>P/E ratio</b>                         | 20.10       |

## DIVIDENDS

|   |                   |
|---|-------------------|
| <b>Last dividend</b>                    | EUR 3.80          |
| <b>Ex-date last dividend</b>            | 2021-05-27        |
| <b>Number of distributions per year</b> | 1                 |
| <b>Dividend calendar</b>                | Open the calendar |





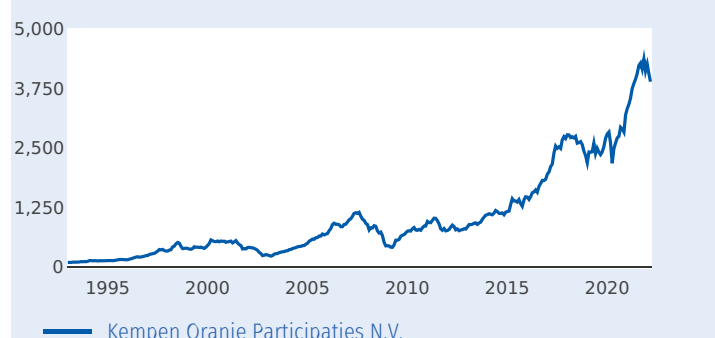
# Performance

## PERFORMANCE PER 2022-02-28

|                                   | <i>FUND</i> |
|-----------------------------------|-------------|
| 1 month                           | -4.0 %      |
| 3 months                          | -5.5 %      |
| This year                         | -8.6 %      |
| 2019                              | 27.6 %      |
| 2020                              | 19.0 %      |
| 2021                              | 28.0 %      |
| 1 year (on annual basis)          | 9.8 %       |
| 3 years (on annual basis)         | 17.3 %      |
| 5 years (on annual basis)         | 13.1 %      |
| Since inception (on annual basis) | 13.4 %      |

As of 1 July 2015 the investment policy of Kempen Oranje Participaties N.V. has changed. In addition to Dutch and Belgian companies it is now also allowed to invest in other European companies. 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.

## PERFORMANCE SINCE INCEPTION PER 2022-02-28 (REBASED)



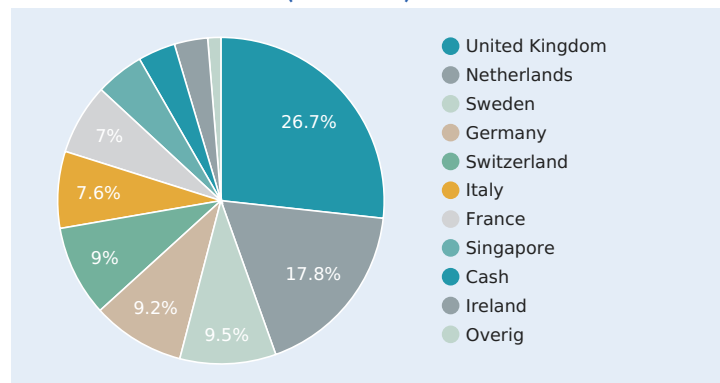
## RISK ANALYSIS (EX POST) PER 2022-02-28

|                   | 3 YEARS  | SINCE INCEPTION |
|-------------------|----------|-----------------|
| Maximum drawdown  | -23.08 % | -21.79 %        |
| Tracking error    | 10.75 %  | 9.55 %          |
| Information ratio | -0.23    | 0.22            |
| Beta              | 0.75     | 0.83            |

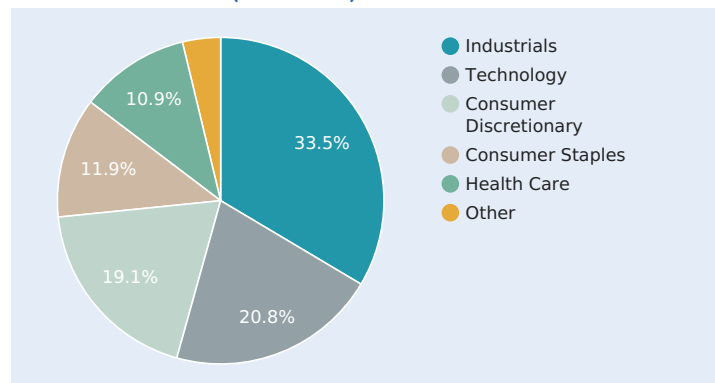


# Portfolio

## GEOGRAPHIC ALLOCATION (2021-12-31)



## SECTOR ALLOCATION (2021-12-31)





# Developments

## DEVELOPMENTS PER 2021-12-31

The following texts refer to the fourth quarter of 2021

### Performance

In the fourth quarter of 2021, the Net Asset Value (NAV) of Kempen Oranje Participaties (KOP) increased from €300.85 to €308.35 per participation, bringing the return over the quarter to +2.5% and over 2021 as a whole to +28.0%. KOP has averaged a return of +24.8% per year over the past three years and +16.9% per year over the past five years, resulting in a performance well above our target of an average of 10% per year in the long term.

### Trading

As of 3 January 2022, the trading price was €309.89, based on the NAV of that date plus a premium of 0.5% caused by net inflow into the fund. As of the start of the first quarter, the fund's size is over €1.2 billion. For the next trading date of 1 April 2022, an instruction deadline of 4pm on 28 February 2022 applies for orders in KOP (via Euronext) and a few days before that for the holding companies (via the Van Lanschot Kempen transfer agent).

### Market review

The MSCI Europe Index climbed by 7.7% in the fourth quarter of 2021 and in doing so performed substantially better than the MSCI Europe small cap index, which was up by 4.6%. Momentum returned to the markets in the fourth quarter following the caution that was evident in September. The Omicron variant's potential symptoms are milder than feared, inflation is high but under control and central banks therefore continue to pursue accommodating interest rate policies, although they are gradually tapering their bond-buying programmes. The monthly amount purchased under the EU's Pandemic Emergency Purchase Programme has been cut and the programme will end in March 2022. In contrast to the US, as yet no interest rate hikes are anticipated in Europe for 2022. As a result, real interest rates remain negative and when combined with the sizeable financial buffers held by private investors, this will have an upward effect on the financial markets. Inflation-resistant investments such as equities and real estate continue to perform well. The markets got off to an optimistic start in 2022 in the expectation of the global Covid-19 pandemic slowly fizzling out, sustained corporate earnings growth (aided by stimulatory government policies) and low interest rates. In addition to the geopolitical tensions in Ukraine and Taiwan, the main risks for financial markets can be found in these three components. Rising (wage) inflation and central banks responding by introducing interest rate policies that are more aggressive than expected could cause market sentiment to undergo a rapid reversal.

### Portfolio

Our companies' third quarter results were generally in line with expectations. Most are experiencing an ongoing recovery in their revenues and in a position to absorb cost-push inflation by raising prices and cutting costs.

Lectra (+24%) reported solid results and is making clear progress on integrating Gerber. Revenue growth of 23% means that the company expects its results over 2021 to be at the upper end of earlier forecasts.

The third-quarter results of EL.En (+10%) displayed persisting robust growth. Its medical division noted revenue growth of 24%, while revenue from its industrial laser activities grew by 25% despite the weakness in China. Its gross margins were also up and EL.En repeated its forecasts for 2021 as a whole.

Coats (+6%) caused a positive surprise in the shape of an acceleration in growth in the third quarter versus the first half of the year, despite the lockdowns in its all-important Vietnam market. The company even succeeded in maintaining its profit margins in spite of the higher cost of raw materials.

The results published by Kendrion (-2%) showed a mixed picture, with on the one hand solid revenue growth in both its Automotive and Industrial divisions but on the other also pressure on margins due to the last-minute cancellation of orders caused by component-related production problems at its customers. Margins are expected to be under pressure in the first half of 2022 as well. The component shortages (especially semiconductors) should gradually be resolved over the course of 2022.

Avon Protection (-40%) reported the disappointing findings that one of the 800 tested bulletproof vests failed to meet its customer's requirements. This came as a surprise to both the company and shareholders and its share price subsequently plummeted. Until shortly before this news the management had expressed confidence that the new generation of bulletproof vests would be accepted by the customer and lead to new orders.

The faulty test prompted Avon's management to evaluate its vest activities; technical redevelopment of the vests would take a great deal of time and money. The upshot of this detailed evaluation is that the board has decided to spend the next two years winding down the vest activities and concentrate fully on the core activities of masks and helmets instead. In doing so it is keeping the option of selling the vest business in its entirety open but we believe there is little chance of this happening. The bulletproof vest activities came from the 2020 Ceradyne acquisition that was mainly motivated by the company's helmet activities. The vest activities represented 15% of Avon's forecast group revenue for 2021/22.

On publication of its annual results in December, Avon gave analysts and investors insight into the financial situation of its core activities as well as the now non-strategic vest activities. From this, we can conclude that Avon's core activities have been unaffected by the problems with the vests and moreover enjoy an excellent outlook. Avon has launched a new mid-range helmet for use primarily by the police and fire brigade and on top of this the European mask programme is being expanded to include more NATO members.

It will take Avon some time to regain the trust of investors but we believe that Avon's stocks are currently trading at an extremely attractive price. We therefore took advantage of the lower price to increase our position in the fourth quarter.

Other news came from BESI (+9%) after torrential rain caused flooding at its Malaysian manufacturing facility. The company anticipates one-off costs of €4-6 million and the delivery of about 60 machines (involving revenue of €25 million) has shifted from 2021 to 2022. BESI will make a strong start to the new year thanks to a record order intake worth €180-190 million in the fourth quarter.

In preparation for splitting the company in March 2022, in December Momentum Group AB (-5%) changed its name to Alligo AB. The commercial trading activities (75% of the current group) will continue under this name and listing. The component activities (25% of the current group) will be split off and listed separately under the name Momentum AB. When the split takes place existing shareholders in Alligo AB will receive one Momentum AB share, pro rata, for each Alligo AB share in their possession as of that date. KOP will therefore have an additional participation in the portfolio in the course of the first half of 2022. Alligo will focus on revenue growth and cost-cutting following its acquisition of Swedol, while Momentum will concentrate primarily on conducting takeovers in fragmented markets.

We further reduced our position in ForFarmers (-7%) in the fourth quarter. The company again reported poor quarterly results due to rising raw materials prices and operating costs. In November it was announced that CEO Yoram Knoop's contract would not be renewed and that he will step down after the 2022 shareholder meeting. ForFarmers launched a share buyback programme in the fourth quarter, which was one of the items on our wish list. However, talks with the management and supervisory boards have failed to give us sufficient confidence that the company's high-risk international growth strategy will finally be completely abandoned and the value contained in ForFarmers' current foreign operations released and paid out to the owners of the company. The speed with which the company is adjusting to changing market conditions is also a disappointment. KOP now holds less than 5% of the share capital of ForFarmers.

Our survey of the European Value Added Reseller market brought Dustin (+13%) onto our radar. Following wide-ranging discussions with the management as well as a visit to the company's Swedish operations, over the course of 2021 we accrued an interest in this company that culminated in us announcing this new participation in December. Dustin is a leading online IT partner in Scandinavia and the Benelux. The company helps about 500,000 customers to find the right IT solutions in the form of 280,000 different hardware and software products. Dustin has a 2,400-strong workforce and revenue of SEK21.6 billion.

Alongside selling the hardware and software of third parties, Dustin is large enough to develop and sell its own brands. When combined with a distinctive business model based on plentiful stock levels and mainly online sales this gives the company a clear competitive edge. Dustin also occupies a leading position on sustainability, with clear reporting and big ambitions that we view as a boost to its financial goals.

Dustin aims to achieve an average of 10% revenue growth per year over the next few years, 8% of which organically and 2-3% via acquisitions. As this growth is not capital intensive, the company will also be in a position to pay attractive dividends. Our participation in Dustin represents about 5% of the KOP portfolio.

We currently have a number of new participations under accrual and hope to be able to announce a new participation in 2022 as well.

#### Valuations

The value of the KOP portfolio increased across the quarter. The portfolio's cash-adjusted price/earnings ratio (EV/EBIT 2022E) stands at 17. This is high from a historic perspective but given the low interest rates we continue to believe that our portfolio enjoys long-term price potential.

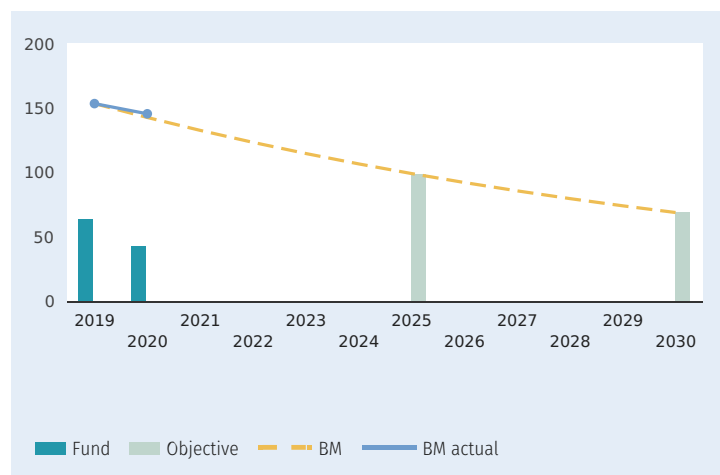


### ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS PROMOTED

Kempen Oranje Participaties (the “Fund”) falls under the scope of article 8 of the SFDR which means that the fund promotes environmental and/or social characteristics. This fund will invest in a broad range of companies, of which some will have sustainability objectives.

We commit to the goals of the Paris Agreement. This encompasses short-term objectives (2025), a mid-term ambition (2030) and a long-term commitment to be a net zero investor by 2050. By 2025, we aim to be aligned with a path to achieving the Paris Agreement and Dutch Klimaatakkoord. We follow the market reduction, which assumes a pathway in line with the EU Benchmarks.

### FUND CARBON EMISSION TARGETS



### ESG INVESTMENT PROCESS

The promotion of environmental and/or social characteristics is achieved through the consistent implementation of the funds ESG policy. The ESG policy is fully implemented in our strategy's investment process across the three relevant pillars of: Exclusion, ESG integration and Active ownership.

In the investment process we assess the ESG profile of a company. We look at each company on a case-by-case basis, taking into account material risks in a given industry in combination with 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 as well as making internal assessments. Furthermore, we look into the company's exposure to past controversies and future ESG opportunities. Based on the fundamental ESG analysis we form an opinion on the quality of a company's ESG profile.

### EXCLUSION

The Fund excludes companies through the application of strict exclusion criteria. These take into account international standards, such as UN Global Compact Framework, the OECD Guidelines for Multinational Enterprises, UN Guiding Principles for Business and Human Rights, and our Principles for Responsible Investment commitments. We have summarized how we integrated the principle adverse indicators in our ESG policy and process in the ESG Policy & Process document that can be found on our website.

### KEY FIGURES

|                                     | KEMPEN CRITERIA | ADDITIONAL CRITERIA |
|-------------------------------------|-----------------|---------------------|
| <b>BUSINESS CONDUCT</b>             |                 |                     |
| Human Rights                        |                 |                     |
| Labour                              |                 |                     |
| Environment                         |                 |                     |
| Anti Corruption                     |                 |                     |
| <b>PRODUCT INVOLVEMENT</b>          |                 |                     |
| Controversial Weapons               |                 |                     |
| Tobacco                             |                 |                     |
| Thermal Coal                        |                 |                     |
| Tar Sands                           |                 |                     |
| Adult Entertainment                 |                 |                     |
| Alcohol                             |                 |                     |
| Animal Welfare & GMO                |                 |                     |
| Gambling                            |                 |                     |
| Power Generation Nuclear            |                 |                     |
| Power Generation Carbon Intensi...  |                 |                     |
| (Un)conventional Oil & Gas Extra... |                 |                     |
| Weaponry                            |                 |                     |

Kempen Capital Management N.V. (KCM) is the management company of Kempen Oranje Participaties N.V. (the "Fund"). KCM 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 Investor Document (available in Dutch and English) and the prospectus (available in English). These documents are available on the website of KCM ([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.