

Kempen Private Markets Fund

QUARTERLY INVESTOR LETTER
AMSTERDAM, Q2 2019



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DEAR INVESTOR,

At the end of the second quarter, our participants have committed a total of EUR 98.7 million in capital to the Kempen Private Markets Fund. We have committed almost the same amount to ten partnerships and two direct co-investments – a well-diversified portfolio. In this quarter we allocated additional capital to three current investments in the portfolio, so that the allocations to the various categories are more in line with the target weights. We also saw a lot of activity at the underlying partnerships level and we are very satisfied with the build-up of the portfolio. All investments are focused on good value-creation strategies. We will elaborate on all of these topics in this quarterly report.

PORTFOLIO ACTIVITIES AND FORECAST

We introduced two new partnerships in the first quarter: we invested circa EUR 5 million in both the RMS Evergreen US Forestland Fund and GSA Coral. In the second quarter we doubled both positions to circa EUR 10 million each, so that the allocations are more in line with the allocation to most other partnerships in our portfolio. An additional advantage of both partnerships is that they are both fully invested, so we immediately put capital to work in attractive market segments.

RMS is fully focused on investing in and managing of forests and it has gained extensive experience in this market. RMS focuses on sustainable forestry in the southeast of the United States, the largest commercial forestry region worldwide. The level of timber prices is still relatively low historically, and we expect a positive growth in the demand for timber in this region – in particular due to the arrival of a large number of new, modern sawmills. GSA Coral is one of the global market leaders in the real-estate niche segment of student housing. GSA is active in Europe and Asia and focuses on both more mature and growing markets for student housing investments.

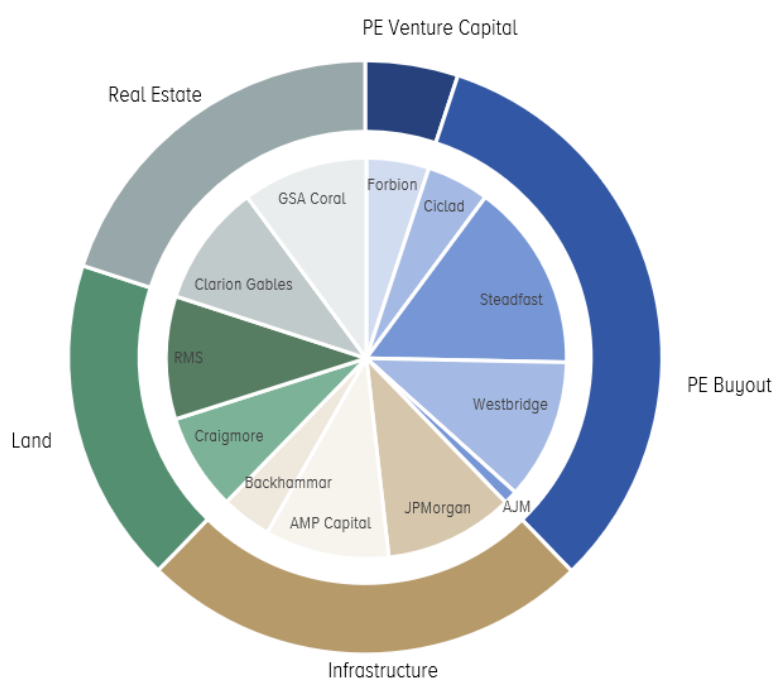
The third investment we have increased in the second quarter is our commitment in Steadfast Capital Fund IV. Steadfast is a German private equity GP that announced no fewer than four new investments this spring. The additional commitment in this exclusive final closing was attractive, as around 40% of Steadfast's capital will be invested. Further on in this report, you can read about the various investments that Steadfast has completed.

Kempen

We closed the second quarter with a negative return of -0.9%. We recorded a positive result of +1.1% in the first quarter, bringing the return for the first half of 2019 to +0.2%. The investments in Infrastructure, Land and Real Estate contributed positively to the return in both the first and second quarter. The private equity partnerships are still in the build-up phase: the costs precedes the benefits (called 'J-curve effect') and the underlying portfolio companies are still held at cost in the first year. In addition, fluctuations in currency exchange rates had an impact on the return: positive in the first quarter and negative in the second quarter. In general, we see the underlying investments developing positively in the entire portfolio and we expect this to result in a positive return development in the medium term.

€ 99 MILLION COMMITTED CAPITAL

PER 30 JUNE 2019



Source: Kempen Capital Management, per 30 June 2019.

MOST IMPORTANT PORTFOLIO DEVELOPMENTS

Forbion (Forbion Capital Fund IV) announced one new investment in AM Pharma that will be completed in the third quarter. This means the portfolio will soon consist of five investments. This new Dutch investment develops a drug against acute kidney injury.

Ciclad (Ciclad VI) invested in two new businesses: Kyotherm and Bonioni. Ciclad has now completed nine investments and the tenth investment to be completed in the third quarter has already been announced. Around 45% of the capital has now been invested.

Steadfast (Steadfast Capital Fund IV) announced no fewer than four new investments, two of which were completed in the second quarter: Wilvo and Söhngen. The other two investments will be completed in the third quarter. This means that around 40% of the capital will be invested, and part of it will also be set aside for financing add-on acquisitions.

WestBridge (WestBridge SME Fund II) has not completed any new investments in the second quarter. We do see a full pipeline and also good traction at the three portfolio companies that Westbridge invested in.

AJM Healthcare (direct co-investment) won additional long-term contracts that will positively contribute to turnover and profit growth. Together with our British investment partner an independent chairman is appointed at AJM.

J.P. Morgan (J.P. Morgan Infrastructure Investments Fund) has made no new investments, but it did announce a waiting list for new entrants, given the continuing demand for infrastructure investments.

AMP (AMP Global Infrastructure Fund II) has made no new investments in this quarter, but there have been various activities at all four underlying investments.

Project Bäckhammar (direct co-investment) concluded a long-term financing package with DNB, a Norwegian bank. As a result, the project has been capitalised more efficiently and more in line with the market, which has increased the expected return.

Craigmore (Craigmore Permanent Crop Partnership) announced a new investment on Noordereiland, where a meadow is being developed into a kiwi orchard. The OIO (Overseas Investment Office) has now approved the project.

RMS (RMS Evergreen US Forestland Fund) benefited from an increase in timber prices that was influenced by wet weather conditions.

Clarion Gables (Clarion Gables Multifamily Trust) did not complete any new purchases in this quarter. The fund has successfully refinanced part of its loan capital.

GSA (GSA Coral) is working on six new student complexes in Dublin, Barcelona and Bournemouth. The aim is to let as many of the 2550 beds as possible before the start of the semester.

CHARACTERISTICS

GP	Forbion Capital Partners Fund IV
Structure	Closed-end
Focus	Venture capital - life sciences
Fund size	EUR 360 million
More info	www.forbion.com

FORBION

The Private Markets Fund has an investment in Forbion Capital Partners Fund IV. Forbion started in 2006 as an independent venture-capital company, as a spin-out from ABN-AMRO Lifesciences. Forbion is one of the most experienced life-science GPs in Europe.

Forbion focuses primarily on Europe. While most investments are expected to be made in the Netherlands, Germany and the UK, Forbion also has some assets in North America. The company operates from two offices in Naarden and Munich. There is also a representation in Boston (via a venture partner). Most members of the core team have been with the company since its start in 2006. We believe that Forbion is one of the few GPs with a serious franchise in pan-European life sciences, combining a good academic network with a good financial network, also in the US.

Q2 update

No new investments were made by Forbion in the second quarter. However, the fifth investment in the fund was announced shortly after the end of the quarter.

Forbion participated in a series-A financing round in **AM Pharma**, a company based in Bunnik (the Netherlands) that develops a drug against acute kidney injury, which often is a fatal disease. Forbion has been investing in the company for a long time and managed to add new investors to the consortium in this round. The American pharmaceutical company Pfizer also took an interest in the company previously. The newly raised capital is used to fund a phase-3 clinical study, the last study before approval can be requested for the drug.

Forbion still sees a well-filled pipeline of investment opportunities. Ultimately, the fund's intention is to invest in around fifteen companies.



AM Pharma develops drugs against kidney disease



Acute kidney injury often turns out to be a fatal disease

CHARACTERISTICS

GP	Ciclad VI
Structure	Closed-end
Focus	Small buyouts in France
Fund size	EUR 180 million
More info	www.ciclad.com

CICLAD

The Private Markets Fund has an investment in Ciclad VI. Ciclad is a French private equity company that focuses on the small to lower middle market segment of the French buyout market. It was founded in 1988 as one of the first private equity companies in France and currently operates from two offices, in Paris and in Lyon. Ciclad has set up and managed five funds since 1988 and the fundraising for number six (Ciclad VI) has recently been successfully completed. All Ciclad funds follow the same strategy and approach.

Q2 update

Ciclad made two new investments in Q2 of 2019, bringing the total to nine and 45% of the portfolio is now invested. One of the two new investments is **Kyotherm**. This company offers external financing for renewable heat-production projects (including geothermal energy, biomass and solar energy) and energy efficiency. Kyotherm bridges the gap between developers and consumers and offers value-added services in the contractual, industrial and financial structuring of the projects. With Ciclad's investment, Kyotherm can work on its order book and pipeline of projects.

Additionally, Ciclad invested in **Bonioni**. This is a family business specialised in the production of fasteners and technical screws, in particular for the automotive and electrical markets. Its head office is located in Scionzier, 100 kilometres from Lyon. We see the broad regional orientation of Ciclad as an important strength. This transaction involves a management buy-in, in which an experienced manager from outside the organisation will join and co-invest in the company. The intention is to work with this manager to realise the further development of the company, in France and abroad.

We visited Ciclad in Paris at the end of May and discussed the current portfolio as well as the pipeline. Both look very good in our opinion. Although all of Ciclad's transactions belong to the so-called 'small segment' in terms of size, there is still a group of interesting companies that Ciclad cannot invest in now because they are too small for the current fund. For this reason, Ciclad intends to launch a fund that focuses on these (even) smaller companies.



Kyotherm finances biomass projects, amongst other things



Bonioni's machine park

CHARACTERISTICS

GP	Steadfast Capital IV
Structure	Closed-end
Focus	DACH lower mid-market buyout
Fund size	EUR 300 million
More info	www.steadfastcapital.de

STEADFAST

The Private Markets Fund has an investment in Steadfast Capital IV. Steadfast is a Frankfurt-based lower mid-market buyout GP focused on the DACH market (Germany, Austria and Switzerland). Steadfast is founded in 2001. Through this investment, the Private Markets Fund aims to gain access to the large German SME market (Kleine und Mittlere Unternehmungen, KMU). The DACH market contains more than 60,000 small and medium-sized businesses. Many entrepreneurs and family businesses are now opening their doors to Private Equity capital, due to succession issues or because they have the intention to grow internationally with a professional partner.

Q2 update

We visited Steadfast in Frankfurt in May and discussed the current investment and the pipeline of targeted investments in detail. Steadfast announced no fewer than four investments, two of which were closed in the second quarter and two will close at the start of the third. We'll consider the latter two investments in more detail in the next quarterly report.

Wilvo Group is an advanced technological precision metal company, focused on the manufacturing of metal products using CNC machines and fully robotic laser, punching, bending and welding machines. In addition to light construction work, special industrial services are offered. Wilvo covers high-tech assembly and exceptional expertise, which means that complex projects in small and large series are carried out in a short time for customers at home and abroad. Wilvo also has two cleanrooms (together 1000 m²), which are among the largest in the Netherlands. Wilvo also is supplier of the chip machine manufacturer ASML, for which it produces tools for transporting and installing the chip machines. With this management buyout deal, growth is pursued through both organic growth and acquisitions. In parallel to Steadfast Capital Fund IV, the Kempen European Private Equity Fund has taken a direct interest in Wilvo Group.

Söhngen is a premium producer and distributor of first aid kits and related products such as gauzes, bandages and medicines: the total range is 14,000 items. In various countries, like Germany, first aid kits are required by law. Söhngen has a strong reputation, also because of the superior shelf life of its products. With this management buyout, Steadfast aims to roll out a buy-and-build strategy and realise international growth.



Wilvo, metal working



Söhngen, producer and distributor of first aid kits

CHARACTERISTICS

GP	WestBridge Capital SME Fund II
Structure	Closed-end for 10 years
Focus	Smaller buyouts in the UK
Fund size	GBP 100 million
More info	www.westbridgecapital.co.uk

WESTBRIDGE

The Private Markets Fund has an investment in the WestBridge SME fund II. WestBridge was founded in 2008 by four highly experienced founding partners with an average of 27 years of experience in private equity. WestBridge has a team size of ten investment professionals to cover the small buyout market in the UK. We believe that WestBridge, with its focus on the British market for small buyouts, is well-positioned to generate attractive returns. The enterprise value which it is targeted is relatively small, usually GBP 15 to 20 million. We find this an attractive market with a large pond of >15,000 commercial companies, in which only a handful of Private Equity GPs fish. The average entry-level multiple that Westbridge pays for companies is still relatively low compared to other private equity firms in the middle segment. WestBridge continues to focus on investments in somewhat more defensive sectors and on niche players with demonstrable growth.

Q2 update

WestBridge has not completed any new investments in this quarter, but it's doing well with a current portfolio of three investments. All three are developing well beyond expectations, given the short-term investment period. Wheel chair company **AJM Healthcare** has won several new long-term contracts. See the next page for more details.

Environmental consultancy firm **APEM** – which focuses on ecological consultancy for water and energy companies, government and regulatory bodies – has had a good first half year. The company is doing considerably better than last year and is performing above budget, while the pipeline of projects for the rest of the year is also well-filled. A commercial chairman has been appointed to help senior management focus more on the further commercial expansion of the business in the coming years. In addition to WestBridge Capital SME Fund II, the Kempen European Private Equity Fund has taken a direct interest in APEM.

Wilcomatic Wash Systems is the UK market leader in the design and manufacturing of integrated machines and equipment for car washes. WestBridge seeks to shift the company's focus on one-time machine sales to an annuity-based business model supported by long-term service contracts. The first 5-year contract with a leading British supermarket chain has just been won.



APEM does ecological research



Wilcomatic manufactures car wash machines

AJM HEALTHCARE

CHARACTERISTICS

Company	AJM Healthcare Limited
GP	WestBridge Capital
Structure	Direct deal (co-investment)
Focus	Healthcare in the UK
Turnover	App. GBP 10 million
More info	www.ajmhealthcare.com

The Private Markets Fund has a direct interest in the UK healthcare services company AJM Healthcare Limited. This participation is a co-investment with our British investment partner WestBridge Capital. It's a management buyout, in which the management team of AJM together with (and thanks to) WestBridge Capital and the Private Markets Fund, has acquired a significant interest in their own organisation.

AJM Healthcare is a UK provider of maintenance, service and equipment for mobility and support resources. Think of wheelchairs, temporary hospital beds, wall grips and more, focused on services such as logistics, maintenance, repair and reuse. Thanks to AJM's tools and services, patients and other people in need can stay at home and function independently instead of being dependent on health professionals or hospitals. AJM works with fixed long-term contracts with strong counterparts, like the British National Health Service (NHS) and local British hospitals. Positive trends, like an aging population and a growing desire for the need to live at home longer independently, result in a positive and stable profit development.

Q2 update

Since the management buyout, AJM has won five new long-term contracts. The first and biggest one started in January and is already contributing to higher revenues and profits. The other four contracts have been won and started in the second quarter. They will going forward also contribute to higher turnover and profit levels.

These new contracts are aimed at the Midlands region. This a region AJM has not been active before and where it aims to expand further.

At the same time, AJM is busy preparing the extension of contracts that expire this year. WestBridge has appointed Andrew Dun as an independent chairman. Dun has gained a lot of experience at various companies in the British healthcare market and will assist the management team with advice, and act as a sounding board for strategic issues.

We expect the impact of Brexit on the company's profit to be limited. The exchange rate of the British Pound does have a direct impact on the interim valuation of AJM in Euros. In the second quarter, the Pound has weakened against the Euro.



AJM Healthcare works for hospitals on a contract basis and delivers and repairs wheelchairs among other things

J.P. MORGAN

CHARACTERISTICS

GP	J.P. Morgan Infrastructure Investments Fund (IIF)
Structure	Open-end
Focus	Core + OECD countries
Fund size	USD 21.9 billion GAV USD 10.3 billion NAV
More info	https://am.jpmorgan.com

The Private Markets Fund has an investment in the J.P. Morgan Infrastructure Investments Fund. The fund is managed by a large, dedicated infrastructure team that operates from two locations: London and New York. The J.P. Morgan fund is one of the largest global core-plus funds in the market with a track record since 2007. Its institutional investor base consists of some of the world's largest pension funds, insurance companies and endowments. As this is an open-end fund, the capital drawn is put to work immediately in an existing globally diversified portfolio of infrastructure assets.

Q2 update

The latest platform or business investments date from the beginning of the year. In recent years, the fund has focused primarily on portfolio risk and operational business risk. The most important consideration is the increased regulatory pressure in the regulated sectors. The regulated part of the portfolio is slowly decreasing, but still covers 30% of the total, consisting mainly of water companies, distribution (gas and electricity) companies and district heating companies.

The water companies in the UK in particular are struggling due to strained negotiations with the water authority (OFWAT) about the permitted return for the next five years. Their private right to exist is explicitly questioned by some political parties. The fund owns a minority interest in **Southern Water**, that was accused of manipulation through local water controllers by the environmental authorities. Corrective measures have been taken and the employees concerned have been dismissed. We don't expect any material negative consequences for the financial result of the fund this year. Southern Water's total position in the infrastructure fund is relatively small (4%) and some of the struggles have already been priced in.

In recent months, our discussions with J.P. Morgan have again focused on ESG (in particular governance and sustainability) more generally. During the second quarter we attended an ESG day in which a large number of CEOs and members of the fund participations' supervisory board were invited to share best practices. We think that JPM is on the right track, but more can still be done concerning ESG practices.



Southern Water



North Sea Midstream Partners

AMP CAPITAL

CHARACTERISTICS

GP	AMP GIF II
Structure	Closed-end
Focus	Value-Add Infrastructure
Fund size	USD 3 billion target
More info	www.ampcapital.com

The Private Markets Fund has an investment in the AMP Capital Global Infrastructure Fund II. AMP Capital is one of the largest infrastructure investors in the world. With more than 30 years of experience in this field, AMP is considered a pioneer in the field of unlisted infrastructure objects. With over thirty highly experienced professionals, the infrastructure team based in London and New York is seen as one of the largest and most experienced in the sector. AMP strives to add extra value through active asset management.

Q2 update

The fund got off to a good start with five attractive investments, two of which (Regard and CMG) have merged into one company. The fund has already invested 47% of the capital.

Everstream: the cable company in the midwest of the US beats its growth target partly thanks to the contract with T-Mobile that contributes to the operating profit.

Invernergy: this American energy company has won several new contracts at local auctions. The company intends to continue its growth through acquisitions.

Regard/CMG: this combination also keeps searching for local acquisitions and has already succeeded twice this year. The demand for good healthcare service providers is still increasing with the quality of execution as the most important success factor. The Regard Group scores particularly high here. The expected cost synergies are being realised as well.

Luton: revenue and profit growth were above budget in 2018, partly as a result of the faster connection from London, new routes and extra planes. Negotiations on the renewal of the concession with Luton Borough Council are progressing and can already be completed this summer.

We also notice that AMP is not always successful in new acquisitions of companies. This is partly due to increased pressure on the market and a number of new fund providers. But also because of the critical attitude of AMP regarding the price and quality of potential investments.



The Regard Group/CMG



Luton Airport



Everstream

WINDPARK BÄCKHAMMAR

CHARACTERISTICS

Company	Windpark Bäckhammar
GP	KGAL Investment Management
Structure	Direct deal (co-investment)
Focus	Sustainable energy
Turnover	Not applicable yet
More info	www.kgal.de

The Private Markets Fund has a direct investment in a wind farm in Sweden. The new wind farm is being built in Bäckhammar, close to Lake Vänern, the largest lake of Sweden. It's expected to be completed in two years.

The park will have a capacity of 130 megawatts, generated by 31 turbines up to 200 meters high. The investment of the Kempen Private Markets Fund is a co-investment with KGAL ESPF 4, a pan-European sustainable energy fund. This fund is advised by KGAL Investment Management, a German renewable energy and real-assets specialist with one of the largest green-energy investment teams in Europe.

Q2 update

Following the conclusion of the 10-year Power Purchase Agreement (PPA) with Amazon*, we have successfully been able to conclude a long-term financing for EUR 70 million (50% leverage) with the Norwegian bank DNB. As a result of this PPA, there is much less electricity price risk in the future, which means that a higher amount could be financed under attractive conditions and this could benefit the expected return. No new valuations are made at this stage.

In terms of construction work, the project is still on schedule. Some activities concentrate on the development of the foundations on which the mills will be placed, other activities focus on the groundwork that is being done for the 'Sjöhammaren' electricity station. The coming months will revolve around building the actual foundations, constructing the roads and preparing the soil for the more remote plots of land. It's expected that the project will be ready and the mills can start running in August 2020.



Preparations project Bäckhammar, Kristinehamn & Degerfors, Sweden



Amazon Web Services has agreed a Power Purchase Agreement for Bäckhammar

* <https://press.aboutamazon.com/news-releases/news-release-details/amazon-announces-three-new-renewable-energy-projects-support-aws>

CHARACTERISTICS

GP	Craigmore Permanent Crop Limited Partnership
Structure	Closed-end for 10 years
Focus	Agricultural land in New Zealand (permanent crops)
Fund size	NZD 169 million
More info	www.craigmore.com

CRAIGMORE

The Private Markets Fund has an investment in the Craigmore Permanent Crop Limited Partnership. Craigmore was founded by Forbes Elworthy and Mark Cox in 2009 and is fully focused on agricultural land investments in New Zealand. Craigmore is based in Christchurch (New Zealand) with a satellite in London (UK).

With the investment in Craigmore, the Private Markets Fund has access to the attractive New Zealand agricultural market for permanent crops. Craigmore aims to invest alongside some of the leading growers, packers, processors and exporters of permanent crops in New Zealand. The focus is on permanent crops and especially kiwis, apples and wine grapes. Given the seasonal effects, New Zealand mainly competes with other southern-hemisphere countries like Chile, South Africa and Argentina.

Q2 update

In the second quarter, the New Zealand authorities OIO (Overseas Investment Office) approved the entry of a large German investor in the fund, thereby definitively closing the fund for new investors.

The fund also received the approval of the OIO for a major acquisition on the North Island near Kerikeri. This is a piece of grassland where dairy cows currently graze. Craigmore wants to convert around 70 hectares to a kiwi orchard, the majority in Kiwi Gold. Native trees and bushes will be planted on the remaining land that is not suitable for kiwi cultivation.

With this acquisition, Craigmore has already used a significant part of the fund assets for acquisitions. Kempen has a seat on the advisory board of the fund where the remaining investment pipeline has been discussed. We expect a further diversification towards crops in the rest of the investment period.



Kerikeri, acquisition of a kiwi orchard



Hawke's Bay, development of an apple orchard

RMS

CHARACTERISTICS

GP	RMS Evergreen US Forestland Fund
Structure	Open-end
Focus	Forestry US
Fund size	USD 714 million NAV USD 954 million GAV
More info	www.resourcegmt.com

The Private Markets Fund has an investment in the RMS Evergreen US Forestland Fund. This fund focuses on sustainable forestry in the southeast of the United States, the largest commercial forestry region worldwide. RMS has a long history in the region and it has managed the forests in its portfolio since 2006, when it was transferred from International Paper. RMS is an organisation that is largely owned by its own employees and that focuses entirely on forestry.

The RMS approach is characterised by vertical integration, which means that the operational management is carried out by RMS itself. The organisation has about 170 employees. This complete alignment of interests has in the past resulted in a stronger performance than that of many of its competitors. The entire portfolio of the fund is certified with an SFI sustainability label.

Q2 update

The start of 2019 was characterised by very wet conditions in the southeast of the United States. As a result, the possibilities to cut trees were limited. But RMS benefited from the large size of its forest area by cutting in drier areas in their portfolio. Through this flexibility, RMS was able to continue supplying wood and the prices that were received for this wood were higher than budgeted.

No major purchases or sales took place during the quarter, other than the sale of a few small plots to private individuals.



Forest in Alabama



Florida, forestry combined with conservation easement, bringing the native longleaf pine back into the landscape

CLARION GABLES

CHARACTERISTICS

GP	Clarion Gables Multifamily Trust
Structure	Open-end
Focus	Multifamily apartments US
Fund size	USD 2.2 billion NAV USD 4.2 billion GAV
More info	www.gables.com

The Private Markets Fund has an investment in the Clarion Gables Multifamily Trust. This fund is managed by a rather unusual partnership between a renowned manager of American Real Estate (Clarion) and a real-estate developer (Gables) that manages one of the top real-estate development brands in the southern United States. Gables is 100% owned by the fund and therefore the interests of staff and fund are fully aligned.

The portfolio consists of apartment complexes in high-quality residential areas, especially in the southern states of the US. Gables mainly invests in so-called second-tier cities with more than one million inhabitants. The south has a higher job growth and better affordability of homes (based on the rent-to-income ratio). Gables develops homes for the higher rental segment. The complexes fit well with the trend developments around the high-quality urban lifestyle.

Q2 update

No new investments or divestments took place in the second quarter. The fund attracted new investors again. Clarion Gables refinanced part of the loan capital during the quarter and on balance a larger part was financed with a fixed interest rate and the effective leverage decreased somewhat.

Clarion Gables remains positive about developments in the housing market: it uses a higher return forecast for 2019 and 2020 compared to the past three years. The development portfolio is an important source of value creation. In the next years, 10 apartment complexes will be developed consisting of a total of 2600 homes. They are slightly delayed by somewhat slow permit processes. The level of expected revenues remains the same, but will shift one or two quarters.



Gables Seaport, Boston, development of 307 apartments



Gables Ashley, Atlanta Buckhead Village, project completed in 2018

GSA CORAL

CHARACTERISTICS

GP	GSA Coral
Structure	Open-end
Focus	Student housing Europe and Asia Pacific
Fund size	USD 236 million
More info	www.gsa-gp.com

The Private Markets Fund has an investment in GSA Coral. This fund is managed by the Global Student Accommodation (GSA). GSA was founded in 2014 by a senior management team that was previously at the cradle of the successful players Unite and Urbanest, respectively market leaders in student housing in the UK and Australia. Since then, GSA has grown into one of the largest global players in student housing, active in both mature and growing markets. Development, maintenance and management of the real-estate portfolio is done in-house. GSA invests through its flagship fund, GSA Coral, together with a number of large institutional capital partners. Through this unique structure, an investor in the GSA Coral fund gains superior access and diversification to the world's best diversified student housing portfolio.

The student housing sector is interesting due to a growing global student population, student mobility and range of international courses. Due to limited space in cities, the need for student housing is increasing and growth markets in Continental Europe and Asia/Pacific are expected to follow the trend in the US and UK.

Q2 update

GSA Coral is currently active in six countries. The largest positions have been taken in the UK, Ireland, Spain and Australia. In addition, GSA Coral has now built up eight student housing complexes in Germany and it has opened the first student housing complex in Japan. The portfolio has an exposure to more than 20,000 beds in total (including the development pipeline).

The summer is always an important period for student housing operators as most student rooms then change tenants. For GSA, various projects will be completed this summer and hopefully they will be fully booked before the start of the new semester. There are two openings in Dublin (750 beds), two in Barcelona (850 beds) and two in Bournemouth (UK, 950 beds). GSA is optimistic as the demand to supply ratios in these specific cities and locations are relatively favourable.



Garbi Student Residence in Barcelona, opening July 2019



Dominick Place, Dublin, 320 beds, expected opening September 2019

MANAGEMENT EN ADMINISTRATION

Fund structure	Luxembourg SICAV Reserved Alternative Investment Fund (RAIF)
Management company	Kempen Capital Management N.V. (AIFM)
Management team	Sven Smeets, Richard Jacobs, Marvin de Jong, Edzard Potgieser, Bram Bikker
Administrator/depositary	J.P. Morgan Bank Luxembourg S.A.
Auditor	PricewaterhouseCoopers
Legal advisor	Elvinger, Hoss & Prussen
Eligible for	Professional and/or well-informed investors only

SUBSCRIPTIONS AND REDEMPTIONS

Subscriptions	Quarterly, 10 business days' notice before quarter end
Redemptions	After a 3-year lock-up period, quarterly liquidity on best-effort basis (90 days' notice)
Minimum investment	€ 125,000
Subscription charge	None
Redemption charge	None
ISIN Code EUR	Kempen Private Markets Fund, Class FC EUR: LU1789511141
ISIN Code GBP	Kempen Private Markets Fund, Class FC GBP: LU1789511224

FEES AND EXPENSES

Management fee	0.55% p.y.* (>10 million commitment) 0.80% p.y. ** (<10 million commitment)
Taxe d'Abonnement	0.01%
Service fee	0.17%
Performance fee	None

* For investors who have committed to an amount in excess of EUR 10 million before March 15, 2019, a management fee of 0.40% per year applies for the period ending May 2, 2023.

** For investors who have committed before March 15, 2019, a management fee of 0.55% per year applies for the period ending May 2, 2023.

CONTACT

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DISCLAIMER

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