



Overview

PROFILE

Kempen European Sustainable Equity Fund NV (KESEF) is primarily created for long-term investors and offers the opportunity to invest in a diversified portfolio of European publicly traded shares of companies open to stakeholders and environmental, social and governance criteria in their strategy. KESEF aims to select investments focusing on long-term and sustainable growth.

Investments in the fund are screened by an independent data provider to assess compliance with environmental, social and governance (ESG) criteria. KESEF will only invest in companies with an ESG rating of at least BB or a similar rating. On June 28, 2021, the name of this fund was changed from Kempen European Sustainable Value Creation Fund NV into Kempen European Sustainable Equity Fund NV.

MANAGEMENT TEAM

Richard Klijnstra, Mark Oud, Martijn Kleinbussink, Ivo Kuiper, Raoul Martin

[More information about the team and the strategy](#)

KEY FIGURES

Total fund size	EUR 531.75 M	2022-02-28
Share class size	EUR 531.75 M	2022-02-28
Number of shares	3,847,832	2022-02-28
Net Asset Value	EUR 138.20	2022-02-28
Transaction price	EUR 139.85	2022-02-28

TOP 10 HOLDINGS

Siemens Healthineers	4.5 %
SAP	4.3 %
Assa Abloy	4.3 %
EssilorLuxottica	4.3 %
Mowi	4.2 %
AstraZeneca	4.2 %
Roche Holding	4.2 %
ASML	4.2 %
Novo Nordisk	4.0 %
Kion	3.9 %

SHARE CLASS DETAILS

Share class	N
Investor type	Institutional & Private
Distributing	Yes
Benchmark	MSCI Europe Net Total Return Index
Investment category	Sustainable Equity
Universum	European equities
Inception date	2017-11-13
Domicile	The Netherlands
May be offered to all investors in	The Netherlands
UCITS status	Yes
Status	Open-end
Base currency	EUR
Share class currency	EUR
Administrator	BNP Paribas Securities Services S.C.A., Amsterdam branch
Management company	Kempen Capital Management N.V.
Depository and custodian	BNP Paribas Securities Services S.C.A., Amsterdam branch
Morningstar rating™	★★★★★
Morningstar Analyst rating	null

TRADABILITY

Listed	yes, listed on the NAV Trading Facility of Euronext
Subscription/Redemption Frequency	Daily
ISIN	NL0012512958

FUND CHARACTERISTICS PER 2022-02-28

	FUND	BENCHMARK
Number of holdings	34	428
Dividend yield	2.03 %	2.56 %
Weighted average market capita...	EUR 67,953 M	EUR 85,351 M
P/E ratio	19.03	
Active share	83.69 %	

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 2020/2021.

DIVIDENDS

Last dividend	EUR 1.72
Ex-date last dividend	2022-02-28
Number of distributions per year	1
Dividend calendar	Open the calendar



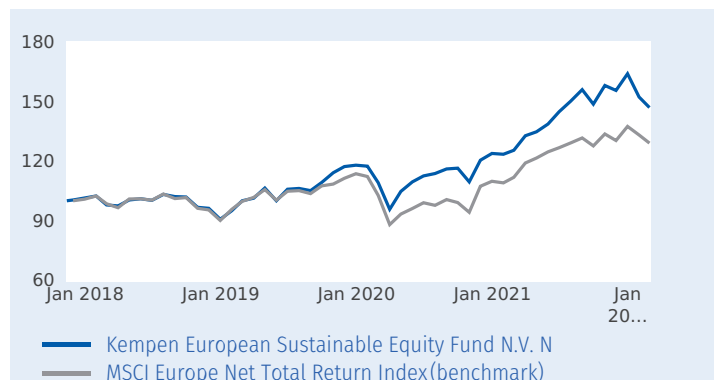
Performance

PERFORMANCE PER 2022-02-28

	FUND	BENCHMARK
1 month	-3.5 %	-3.0 %
3 months	-5.5 %	-0.9 %
This year	-10.4 %	-6.1 %
2019	29.9 %	26.0 %
2020	5.1 %	-3.3 %
2021	32.3 %	25.1 %
1 year (on annual basis)	17.2 %	15.4 %
3 years (on annual basis)	13.7 %	9.0 %
Since inception (on annual basis)	9.4 %	6.1 %

Performance is shown after deduction of ongoing charges and including the reinvestment of dividend that has been paid out. The performance figures shown in the graph are rebased. 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	-18.85 %	-12.33 %

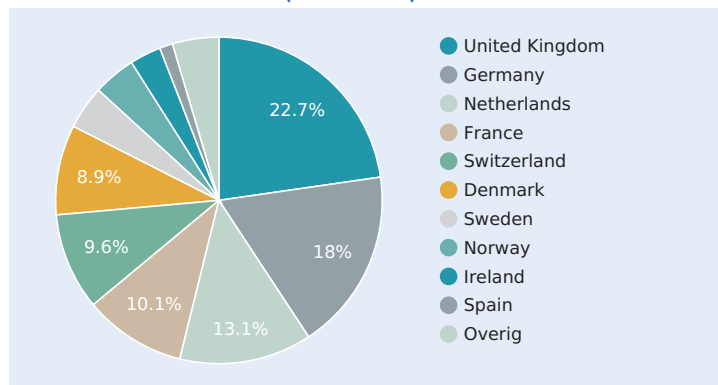


Portfolio

TOP 5 CONTRIBUTION (2022-02-28)

	CONTRIBUTION	PERFORMANCE
AstraZeneca	0.28 %	6.71 %
Mowi	0.27 %	6.11 %
Novo Nordisk	0.18 %	3.81 %
Siemens Healthineers	0.12 %	2.56 %
BE Semiconductor Industries	0.10 %	3.17 %

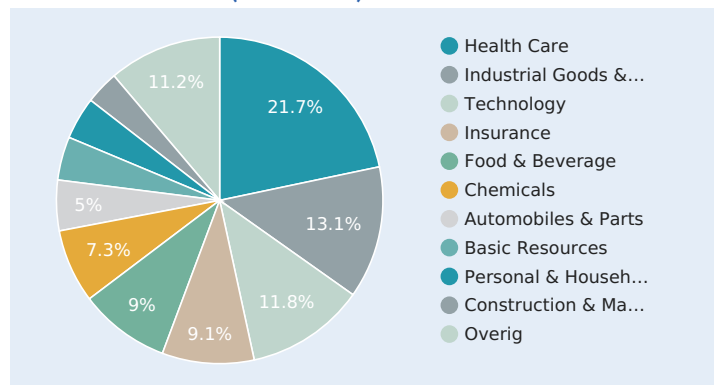
GEOGRAPHIC ALLOCATION (2022-02-28)



BOTTOM 5 CONTRIBUTION (2022-02-28)

	CONTRIBUTION	PERFORMANCE
Cie Generale des Etablissements...	-0.59 %	-16.05 %
Nationale Nederlanden Group	-0.53 %	-13.72 %
Valeo	-0.48 %	-19.64 %
Kion	-0.47 %	-11.14 %
Allianz	-0.44 %	-10.58 %

SECTOR ALLOCATION (2022-02-28)





Developments

DEVELOPMENTS PER 2022-02-28

In February the fund earned a net return of -3.5% versus a return on the MSCI Europe Index of -3.0%. This brings the return over the year so far to -10.4% versus a return on the MSCI Europe Index of -6.1%.

The healthcare, consumer staples and information technology sectors made the largest positive contributions to the return, the biggest negative contribution came from materials. The allocation effect was positive and the selection effect negative for the month.

AstraZeneca, Mowi and Novo Nordisk accounted for the largest positive contributions to the result. Salmon farmer Mowi reported quarterly results in line with expectations. The outlook was even better than expected due to the growing demand for salmon and low growth in supply. Mowi lent force to its words by paying a one-off special dividend.

Valeo, NN Group and Michelin made the biggest negative contributions to the result. Valeo reported quarterly results in line with expectations but the outlook was worse than expected. The long-term outlook for 2025 is unchanged but in the short term the company anticipates lower profit margins. The automotive market faces longer delivery times and higher costs deriving from transport and energy costs.

What kind of companies do we seek?

We seek profitable companies undergoing structural growth that will create shareholder value in the long term alongside a clear social mandate.

The best results are achieved if the interests of all the stakeholders are aligned. This requires not only products and services but also operations to be in line with the wishes and requirements of society (licence to operate). Moreover, the companies need to have sufficient opportunities for growth to be able to invest at an attractive return (innovation and expansion). In order to sustain earnings growth over the long term, companies need to enjoy sustainable competitive advantages compared to existing and new competitors (strong strategic position).

The role of management

We expect management to pursue a long-term strategy in addition to conducting sound day-to-day management. The risks and opportunities relating to ESG need to be clearly incorporated, backed up by sensible investment plans that respond to long-term trends and match the company's strategic positioning and growth opportunities.

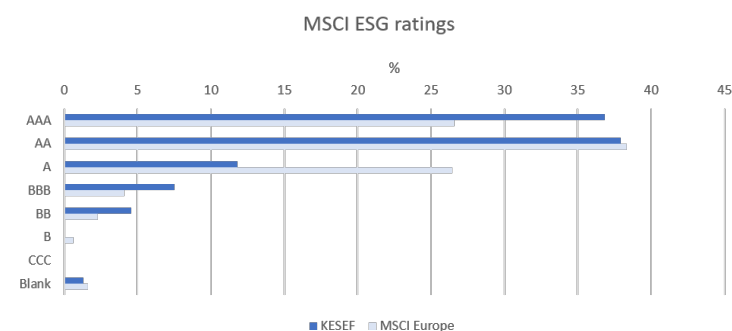
Quality and valuation

We believe the selected companies are above-average quality in terms of strategy and operations and are capable of creating long-term value for all stakeholders. Depending on the absolute valuation of their equities, they could form an interesting long-term addition to the portfolio.

ESG

ESG MSCI ratings

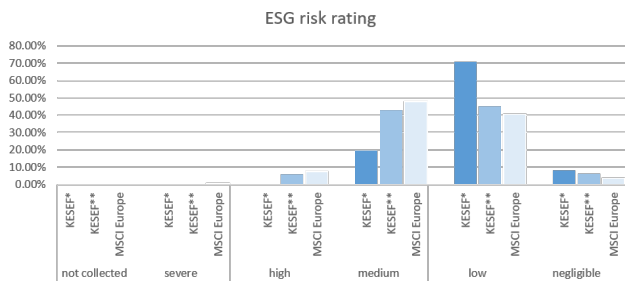
The portfolio has a clear overweight in the leaders (AAA/AA) and does not invest in the laggards (B/CCC).



Source: MSCI

KCM versus Sustainalytics ESG risk rating

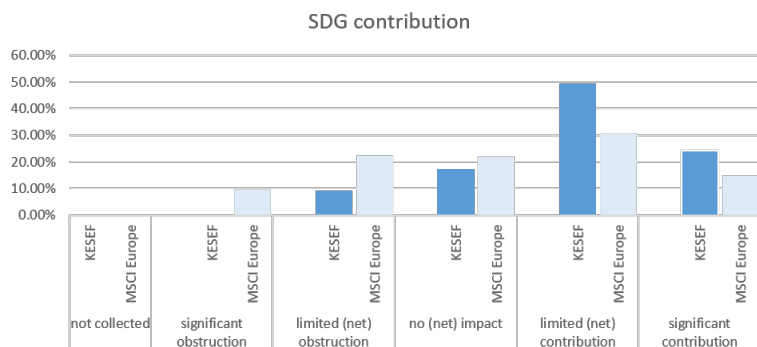
The portfolio is not invested in companies with a high or severe ESG risk according to the KCM risk rating.



Source: Sustainalytics. KESVC* according to KCM ESG risk rating, KESVC** and MSCI Europe according to Sustainalytics ESG risk rating

SDG Solutions Exposure

The SDG Solutions Assessment identifies a product or service category’s contribution or obstruction towards attaining each of 15 individual sustainability objectives. A company has a score between -10 (significant obstruction) and +10 (significant contribution). The SDG Solutions score for the portfolio is **2.9** versus **0.6** for the benchmark.



Source: ISS

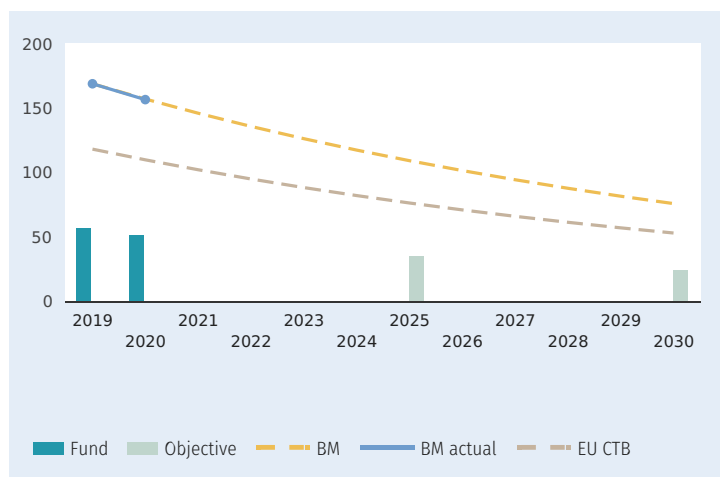


ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS PROMOTED

The Kempen European Sustainable Equity Fund (the “Fund”) falls under the scope of article 9 of the SFDR which means that the fund has a sustainable investment objective which is on climate change.

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 pathway in line with the EU Paris Aligned Benchmark. At all times, we want to be below the Paris Aligned Benchmark.

FUND CARBON EMISSION TARGETS



MORNINGSTAR SUSTAINABILITY RATING



ESG INVESTMENT PROCESS

The sustainable investment objective 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 four relevant pillars of: Exclusion, ESG integration, Active ownership and Positive impact.

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 and award a score (1-5). We apply adequate due diligence measures when selecting the assets and such due diligence measures take into account ESG related risks as it could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Fund.

EXCLUSION

The product excludes at least 20% of the investment universe 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. The Fund applies additional exclusion criteria based on product involvement and business conduct. Furthermore, the Fund excludes companies with low ESG ratings.

KEY FIGURES

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

Kempen Capital Management N.V. (KCM) is the management company of Kempen European Sustainable Equity Fund 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 the prospectus (available in English). These documents are available on the website of KCM (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.