

Kempen Euro High Yield Strategy

# Active management of Euro-denominated, High Yield corporate bond portfolio

Strategy Overview 2025  
 For professional investors only

## Why Van Lanschot Kempen?

- **An experienced team:** Van Lanschot Kempen has been managing European credit portfolios since 2008. We channel this expertise towards excellence for our clients.
- **Area of market with strong relative value:** Our focus is on BB-rated corporate credits, which offer a compelling risk-return profile.
- **Integrating sustainability:** Sustainability is one of the key elements of our approach with an emphasis on exclusion, ESG risk, climate, and engagement.

## Our Sustainability Framework



### Exclusion

Strict exclusion policy: product involvement, business conduct, Paris Aligned Benchmark.<sup>1</sup>



### ESG Integration

Proprietary VLK ESG Risk Score.



### Climate

Targeting CO<sub>2</sub> footprint 30% lower than benchmark<sup>2</sup>.



### Engagement

Defined engagement process, focusing on companies with higher ESG risk.

## Our approach: Alpha by Control

- **Active management:** Diligent analysis to exploit mispricing and market inefficiencies.
- **Top-down:** Holistic evaluation of market and sectors to set risk limits.
- **Bottom-up:** Fundamental analysis of individual company credit risk.
- **Risk control:** Defensive approach within strict risk framework which aims for lower downside risk.
- **Duration neutral:** No active interest rate risk vs benchmark<sup>2</sup>; we aim to generate outperformance via effective credit risk management.
- **ESG Integration:** we believe sustainability can contribute to long-term value creation.

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We call our approach ‘Alpha by Control’. This is a team-based approach based on active top-down and bottom-up analysis (combined with ESG integration) within a strict risk framework. Our defensive, risk-focused approach is implemented across the interest rate and macroeconomic cycle but, we believe, performs best during ‘risk-off’ periods of market volatility.



**Joost de Graaf**  
 Co-head Fixed Income

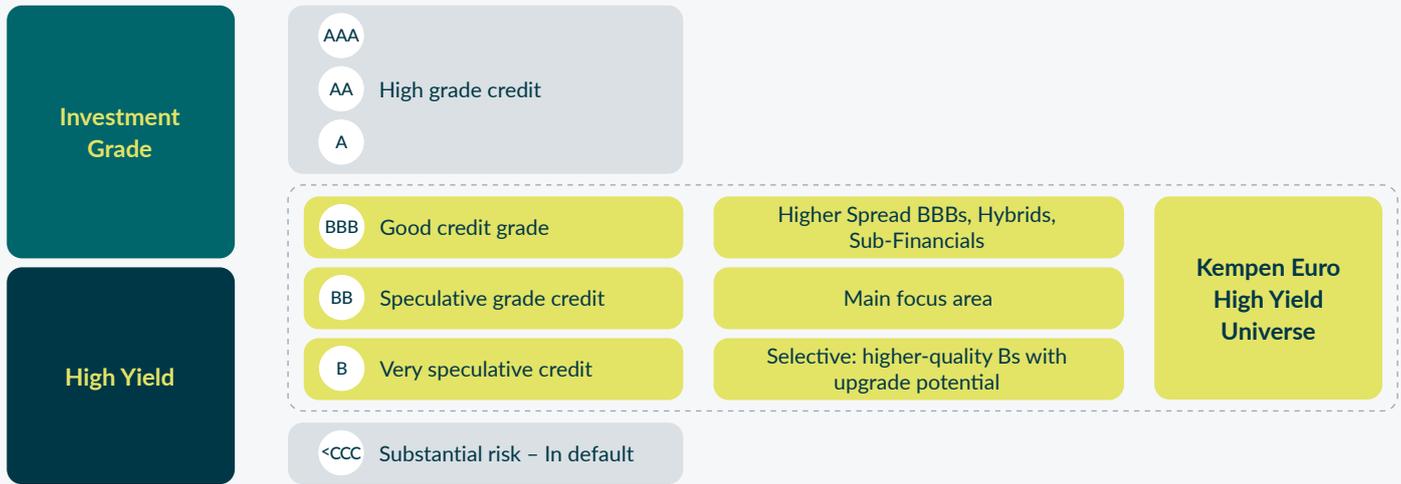
<sup>1</sup> As of May 21, 2025

<sup>2</sup> Benchmark: ICE BofA Q964 Custom Index. The benchmark is for performance comparison purposely only.

## Focus on BB-rated corporate bonds

- The Strategy invests in Euro-denominated, sub-investment-grade corporate bonds.
- It focuses on BB-rated bonds – the largest portion of the Euro high yield market, providing ample investment opportunities and high liquidity.
- Opportunistic positions taken in B-rated bonds based on risk-adjusted returns and rating upgrade potential.
- Actively invest in subordinated bonds of investment-grade issuers, primarily in corporate hybrids and lower tier-two debt from banks and insurers.

## Investment Universe



## Euro Credit Team

 <p><b>Alain van de Heijden, CEFA</b> Co-Head of Team</p>	 <p><b>Joost de Graaf, CFA</b> Co-Head of Team</p>	 <p><b>Bart aan den Toorn, CEFA</b> Senior Portfolio Manager</p>	 <p><b>Harold van Acht, CFA</b> Senior Portfolio Manager</p>	 <p><b>Lizelle du Plessis, CA</b> Senior Portfolio Manager</p>	 <p><b>Arif Bagasrawalla</b> Senior Portfolio Manager</p>	 <p><b>Kim Lubbers, CFA</b> Senior Portfolio Manager</p>	 <p><b>Giacomo Mattioli, CFA</b> Portfolio Manager</p>
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### Disclaimer

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**General risks to take into account when investing in credit strategies** Please note that all investments are subject to market fluctuations. Investing in a credit strategy may be subject to interest rate securities risk, credit risk and bond market risk, which could negatively affect the performance. Under unusual market conditions the specific risks can increase significantly. Potential Investors should be aware that upgrades or downgrades of the issuing institution's credit rating may affect the value of the fixed-income security. The issuing institution may not be able to meet its interest and repayment liabilities, which may result in the strategy sustaining losses.

**Capital at risk** The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested. Past performance provides no guarantee for the future.

**Sustainability** For more information about the sustainability features of the strategy, please visit the Sustainability-Related Disclosures page at [vanlanschotkempenn.com/investment-management/fund-library](https://vanlanschotkempenn.com/investment-management/fund-library).