

Kempen Euro Sustainable Credit Strategy

Alpha by Control: active credit management with sustainability at its core

Strategy Overview 2026
 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.
- **Alpha by Control:** our proven investment process combines fundamental analysis with a strict risk control framework – we call this ‘Alpha by Control’.
- **Focus on sustainability:** carbon reduction trajectory significantly below traditional market index¹ with min. 50% of portfolio classified as sustainable investments².
- **ESG Integrated:** emphasis on climate, exclusion of controversial industries, ESG risk integration, and engagement with portfolio companies.

Our Sustainability Framework

Climate

Carbon trajectory that begins 50% lower than traditional market index in 2019 with a subsequent 7% annual CO₂ reduction¹.

Exclusion

Strict exclusion policy (product involvement and business conduct).

ESG Integration

Via proprietary VLK ESG Risk Score.

Engagement

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

Our approach: Alpha by Control

- **Active management:** Diligent analysis to exploit mispricings 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 benchmark¹; we aim to generate outperformance via effective credit risk management.
- **ESG Integration:** we believe sustainability can contribute to long-term value creation and reduce downside risk.

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



Joost de Graaf,
 Head of Team

Van Lanschot Kempen ESG Risk Score

- Inputs and data from MSCI ESG and Sustainalytics
- Portfolio Managers form independent, forward-looking opinion on company ESG profile
- VLK ESG Risk Score feeds directly into valuations and is a catalyst for engagements

VLK ESG Risk Score

Severe	High	Medium	Low	Negligible
1	2	3	4	5
Avoid	Engage	Engage and/or invest		

Identify issuers with high ESG risk (low score); if ESG risk is too high, we avoid investing

Euro Credit Team



Alain van de Heijden, CEFA
Oversight

Investment Committee



Joost de Graaf, CFA
Head of Team



Bart aan den Toorn, CEFA
Senior Portfolio Manager



Kim Lubbers, CFA
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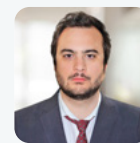
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Senior Portfolio Manager



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Giacomo Mattioli, CFA
Portfolio Manager

- 1 Benchmark: iBoxx EUR Corporates Net Zero 2050 Paris-Aligned ESG Index, which has a carbon intensity 50% lower than the iBoxx Euro Corporates Index in 2019 with a subsequent target to reduce its carbon intensity by 7% year-on-year.
- 2 The Kempen Euro Sustainable Credit Strategy is classified as Article 8 under the EU Sustainable Financial Disclosure Regime (SFDR) and does not have sustainable investment as its objective. However, it will have a minimum proportion of 50% of its portfolio invested in sustainable investments.

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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 vanlanschotkempen.com/investment-management/fund-library.