

Kempen Euro Sustainable Credit Strategy

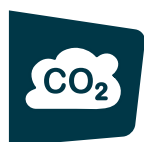
Alpha by Control: active credit management with sustainability at its core

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.
- **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.

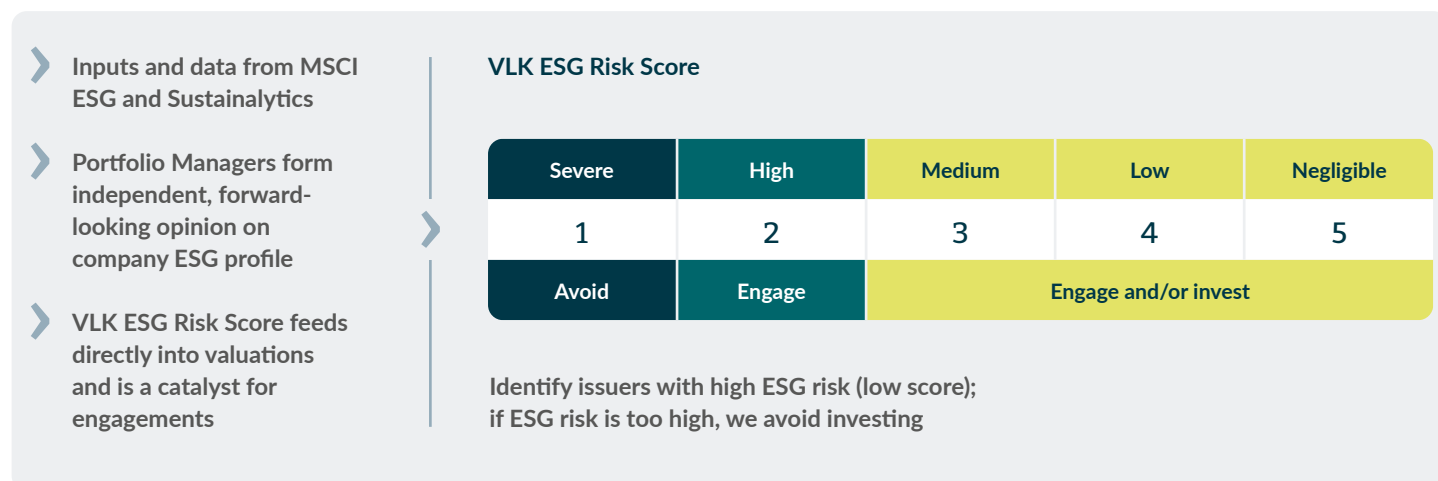
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We call our approach ‘Alpha by Control’: a team-based methodology based on active top-down and bottom-up analysis, combined with ESG integration, within a strict risk framework. Our defensive, risk-focused approach is applied across the interest rate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











Joost de Graaf,
Co-Head of Team

Van Lanschot Kempen ESG Risk Score



Euro Credit Team

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

- 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.

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