

Kempen Euro Credit Strategy

Alpha by Control: active credit management within a strict risk control framework

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’.
- **Integrating sustainability:** Sustainability is one of the key elements of our approach with an emphasis on climate, exclusion, ESG integration, and engagement.

Our Sustainability Framework



Exclusion

Strict exclusion policy (product involvement and business conduct).



ESG Integration

Via proprietary VLK ESG Risk Score.



Climate

Targeting CO₂ footprint lower than benchmark with a 7% annual carbon reduction trajectory¹.



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.

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‘We call our approach ‘Alpha by Control’: a team-based approach based on active top-down and bottom-up analysis (combined with ESG integration) within a strict risk framework.

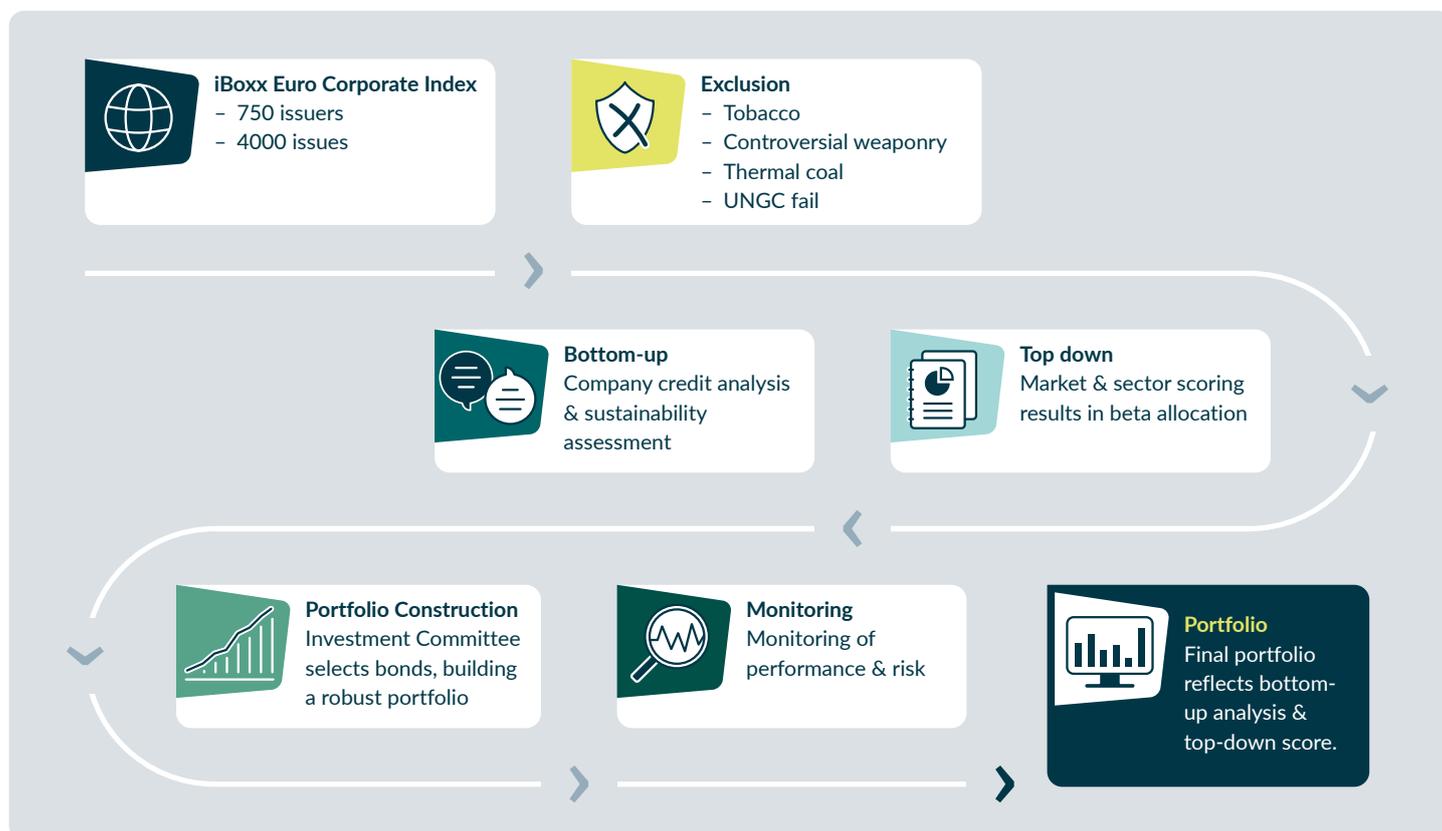
Our defensive, risk-focused approach is implemented across the interest rate and macroeconomic cycle but, we believe, performs best during ‘risk-off’ periods of market volatility.”



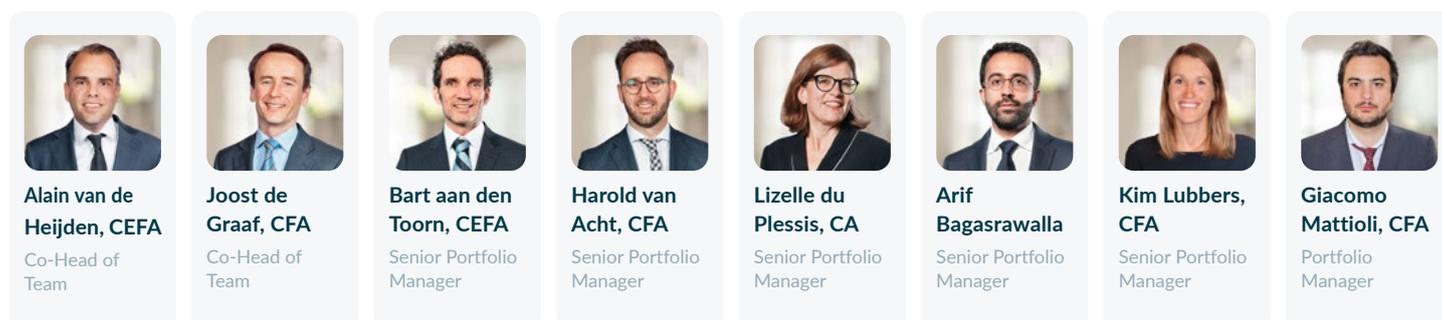
Joost de Graaf,
 Co-Head of Team

1. Benchmark: iBoxx Euro Corporates Index.

Disciplined investment process



Euro Credit Team



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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.