

Case Study: Tailored private markets access

For Professional Investors only

Project overview

Drawing on years of expertise in private markets investing, Van Lanschot Kempen has created a bespoke alternative Investment pool, enabling a large UK superfund to access private market assets with a significant portion of its holdings. The Luxembourg-based vehicle will invest across a range of private market assets, initially focusing on Direct Lending within Private Debt. Over time, the vehicle may consider additional assets such as private equity, infrastructure and other real assets.

This approach effectively grants the client the scale and tailored access typical of a larger investor. The vehicle will be managed by Van Lanschot Kempen, capitalising on the broad expertise and network of our Alternative Manager Research team.



Rayane Cheniouni
Director, Manager
Selection and Research

“This bespoke vehicle offers clients diversified access to high quality alternative assets. It’s an exciting opportunity to support our clients’ growth strategy, using our full expertise and staying at the forefront of private markets investing.”

Project highlights

Bespoke access to illiquid assets

We have developed a bespoke private markets vehicle that provides the client with carefully tailored access to a broad spectrum of illiquid asset classes, with the flexibility to add more preferred managers and asset categories.

Diversification and economy of scale

We have prioritised diversification within the vehicle by selecting multiple high-quality managers, which helps to mitigate risk. The scale of Van Lanschot Kempen established alternative debt solutions enables the client to benefit from more competitive fees and enhanced returns.

Flexible structure

The flexible pooled structure allows pension schemes joining the superfund to seamlessly transfer their existing private markets holdings at an agreed valuation, potentially at a significant lower cost than a forced divestment.

Extensive support

The client can benefit from the guidance of an experienced team of illiquid asset specialists, drawing on strong relationships with a broad set of alternative fund managers. In addition, dedicated legal, operations and trading teams are available to provide assistance. This full-service approach ensures clients receive optimal support and solutions tailored to their needs.

Project summary

The Van Lanschot Kempen Alternative Manager Research team has created an alternative investment vehicle designed to provide flexible, tailored access to private markets. Aiming for strong risk-adjusted returns and long-term growth, the current allocation is close to 100% European, split between direct lending (80%) and specialty lending (20%), with issuer diversification across more than 130 issuers. All underlying managers integrate ESG risk into their investment process.

The vehicle can accommodate legacy managers from schemes joining the superfund client, enabling pension schemes to transfer private market holding at an agreed valuation. It is also open for third party investments. The client intends to allocate up to 35% of its assets under management into private markets, making use of benefits of scale, diversification and risk-adjusted returns that the Van Lanschot Kempen manager research service offers.

Looking ahead, the vehicle will build scale, aiming to increase allocations to asset-based lending, real asset debt, and exposure to North America and Asia-Pacific markets. Our extensive manager network and the scale of our established alternative solutions, position us to broaden the vehicle's offerings across many alternative asset classes.

Key points

Tailored private markets access

Customised investment vehicle providing access to a range of high-quality alternative debt managers to mitigate risk and optimise performance.

Focus

Current allocation is nearly 100% European, emphasising region-specific opportunities and market expertise, with 80% allocated to direct lending and 20% to specialty lending aiming for enhanced return.

Broad issuer diversification

Risk is currently spread across more than 130 issuers, with the number of issuers continuing to rise, further reducing concentration risk and adding stability.

ESG integration

All underlying managers integrate ESG risk considerations into their investment process for responsible investing.

Open architecture

The pool accommodates both newly selected preferred managers and legacy managers from other schemes joining the superfund, transferred in at agreed valuations.

Main risk

Illiquid assets, investments in private markets, may be less readily tradable, meaning assets can take more time to sell at an expected value. Private markets therefore typically require a longer-term investment horizon.

Disclaimer

Van Lanschot Kempen Investment Management NV (VLK Investment Management) is licensed as a manager of various UCITS and AIFs and authorised to provide investment services and as such is subject to supervision by the Netherlands Authority for the Financial Markets.

The views expressed in this document may be subject to change at any given time, without prior notice. VLK Investment Management has no obligation to update the contents of this document. As asset manager VLK Investment Management may have investments, generally for the benefit of third parties, in financial instruments mentioned in this document and it may at any time decide to execute buy or sell transactions in these financial instruments.

This document is for information purposes only and provides insufficient information for an investment decision. This document does not contain investment advice, no investment recommendation, no research, or an invitation to buy or sell any financial instruments, and should not be interpreted as such. This document is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. The views expressed herein are our current views as of the date appearing on this document. This document has been produced independently of the company and the views contained herein are entirely those of VLK Investment Management.

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.



**VAN LANSCHOT
KEMPEN**

Beethovenstraat 300
1077 WZ, Amsterdam
Netherlands

Kom verder

{sharing the path to success}

Supporting and guiding over the long term with a clear goal in mind, that's sharing the path to success, we call it Kom verder.