

Global Impact Pool

QUARTERLY

Q2 2022



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DEAR INVESTOR,

We are pleased to report on the second quarter of 2022 for Kempen's Global Impact Pool, in which we continued to deploy capital towards the Global Impact Pool's mission, which is to make investments that positively contribute to solving global problems around the food, water and climate nexus and five Sustainable Development Goals. Specifically, while explicitly targeting a market rate financial return, we aim to address the following impact themes:



Basic needs & well-being: the provision of basic goods & services for the underserved including water and health & well-being;



SME development & decent work: creating decent jobs with fair employment practices to eradicate poverty;



Circular economy: Support sustainable consumption and production aimed at doing more and better with less, and;



Climate & energy: Contribute to abundant clean energy and reduction of CO₂ emissions.

IMPACT HIGHLIGHTS FOR THE QUARTER*



392,665

Underserved reached via
healthcare services¹

50,971 m³

Water consumption savings (LTM)

Equivalent to the water used by **980**
people in a year²



4,618,006

Underserved reached via
financial services³

7,049

Jobs supported⁴



142,395

Certified hectares cultivated

Equivalent to the size of
210,332 football fields⁵



22,344 MWh

Green energy generated (LTM)

Equivalent to powering **7,146**
households in the Netherlands⁶

9,773 tons

CO₂ emissions avoided (LTM)

Equivalent to **3,989 cars** taken
off the road for a year⁷

Kempen



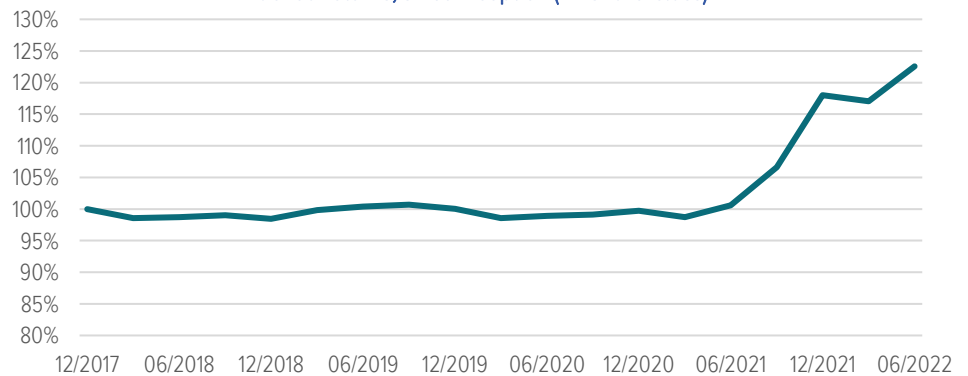
FINANCIAL RETURN

The Kempen Global Impact Pool (GIP) achieved a return of 4.7% for the FA share class during the second quarter of 2022, resulting in a YTD return of 3.9%. The return over the last 12 months amounts to 21.9%, while the average annualized return over the last 3 years is equal to 6.9%. Since the launch of the fund in the beginning of 2018, the fund realized an average annualized return of 4.6% for its participants.

The positive momentum of the fund in 2021 continued during this second quarter of the year. The core impact investments in Private Equity and Venture Capital delivered strong returns mainly as a result of valuation uplifts at the underlying company level and a tailwind from the strengthening US dollar, the result from the global nature of GIP’s investment portfolio. The GIP’s infrastructure allocation, which focuses on European greenfield renewables projects, also realized decent returns as developed assets in solar and wind energy are increasingly becoming operational and are starting to generate revenues.

Detailed performance information is presented below. The GIP investment team is confident that the current portfolio is well positioned to combine impactful investments with solid financial returns towards the future as the GIP portfolio continues to mature in a promising way.

Indexed returns, since inception (FA share-class)



QTD	YTD	2021	2020	2019	2018	3 Years*	Since inception*
4.7%	3.9%	18.3%	-0.3%	1.6%	-1.6%	6.9%	4.6%

* Returns are annualized.

PORTFOLIO DEVELOPMENTS

The GIP continued its mission to pool capital and scale impact on behalf of its participants during the second quarter of 2022. Assets under management increased to €166 million at the end of June 2022. This increase can be attributed to an increase in the value of the investment portfolio and a significant inflow of client assets. On a net basis, there have been inflows of approximately €12 million for the GIP during the second quarter of the year.

During the second quarter of 2022, the team has been successful in deploying a significant amount of new capital. Throughout the quarter, capital was called by most of our investment partners, with EIF (US venture capital - energy transition and circularity) and Trill Impact (Northern Europe Private Equity - broad impact mandate) accounting for the majority called. Also, at the end of the second quarter, the GIP has committed fresh capital to a new fund raised by our partner LeapFrog, which is investing in companies that (1) fuel financial inclusion and (2) provide essential health services to low-income customers in underserved, emerging markets.

GIP’s investment team has further enhanced its promising pipeline with new investment opportunities, the majority of these opportunities reside within the Climate and Energy impact theme.

The overview below provides a summary of the most important developments in the portfolio this quarter per individual impact theme.



Basic needs and well-being: The investments within this theme continued to make significant progress during the quarter. Trill Impact called capital for its investment in [Mesalvo](#), a clinical software provider for medical documentation, workflow- and patient management and administration services for small to mid-sized hospitals and laboratories. Meanwhile, LeapFrog was able to increase the value of one its portfolio companies in Healthcare, as a result of a new financing round that valued the company at a premium compared to the last financing round.



Investments within the theme of **SME development and decent work** developed well during the quarter. During the second quarter of 2022, Quona Capital, focusing on early-stage fintech companies in underserved economies, provided additional capital to several existing portfolio companies. Some examples include ZestMoney, Global66, Julo and Sokowatch, all these companies perfectly align with GIP's goals for financial inclusion in emerging markets by providing essential insurance and health services to low-income customers. [Zestmoney](#) is a provider of short-term unsecured credit to underserved consumers for making digital cardless online and offline point-of-sale purchases. [Global66](#) focuses on Latin American markets where it offers a cross-border money transfer platform to its consumers, allowing migrant workers to transfer funds back home at lower costs compared to services offered by incumbents. Underserved consumers in Indonesia can use the services of [Julo](#) for taking short-term and relatively small loans at affordable rates. [Sokowatch](#) operates in Africa, where it focuses on providing fast-moving consumer goods delivery and credit to, often informal, micro, small & medium sized local enterprises (MSME's).

Leapfrog has completed a follow-on secondary investment in [PasarPolis](#), a leading insurtech player in Indonesia. This firm operates as a digital insurance broker that provides modular and embedded insurance to end-consumers, merchants and partner platforms in an affordable way. The company has expanded its business to Vietnam and Thailand in the last few years and has experienced significant growth since the firm was added to the investment portfolio of the GIP.



One of the GIP's investment partners within the **Circular economy** theme focuses on providing working capital to (cooperatives of) smallholder farmers in developing countries. During the second quarter of 2022, this investment partner provided loans to eleven cooperatives in Latin America, of which seven can be linked to the Peruvian coffee season. The largest deal in Latin America, however, was an investment into one of the world's leading blueberry producers. This producer will use the new funds to expand its operations into other country, including Mexico and Morocco. The investment partner also invested a significant amount in the APAC Region, of which East Timor and Bangladesh are notable examples. Other loans were disbursed to cashew nuts producers operating in Togo and Burkina Faso in the Sub-Saharan Africa region.

The GIP also increased its exposure in [For Days](#), a direct-to-consumer manufacturer of essential clothing. The company aims to create a popular brand of basic clothing with a highly sustainable production process and, most importantly for this theme, a closed loop system in which used clothes are recycled into new apparel.



With its investments within the **Climate and energy** transition theme, the GIP contributes to the transition to more sustainable energy sources. KGAL, with currently two funds in GIP's portfolio, invests in the development of wind farms and solar energy parks. KGAL continued to make good progress during the quarter, as again a significant amount of additional capital was called causing the exposure of the GIP to the Climate and energy theme to

increase. This capital was used, among other things, to provide additional funding to an offshore wind farm in the German North Sea ([Veja Mate](#)), and solar power plants in Portugal and Italy. These investments will soon add a significant amount of renewable energy capacity to the energy network. We can also already share that, after the end of the second quarter, the GIP committed significant additional capital to KGAL's latest fund which reflects our conviction in this investment partner and its exciting pipeline of projects.

EIF added two new exciting companies to the portfolio during the quarter. Capital was called for an investment in [Ambient Photonics](#), a company with the aim to bring low light energy production technology to scale. The company produces photovoltaic cells which can generate energy from e.g., LED, fluorescent or diffuse sunlight, and therefore can be a replacement for batteries in e.g. (small) home appliances. EIF also invested in [Vibrant Planet](#), this company uses cloud-based technology and data-driven science to make its consumers more resilient in light of climate change. An example of a service is a planning and monitoring tool for adaptive land management systems with the goal of restoring the ecosystem.

The impact case for this quarter focuses on [Aviom Housing](#), an investee in the loan portfolio of the Northern Arc India Impact Fund. Aviom Housing has developed and designed a model that allows it to provide affordable and easily accessible housing finance loans to low-income individuals and families in India.



The loan provided by Northern Arc to Aviom Housing is expected to help over thousand rural/semi-urban & underbanked customers to build/improve their house or grow their existing business.



IMPACT CASE STUDY AVIOM INDIA HOUSING FINANCE PVT LTD.

WHAT

Rapid urbanisation and migration to cities have caused severe urban housing shortages in India, particularly for the economically weaker sections (EWS) of the population. The Indian government has been pushing to create more affordable home options for the lower and middle-income groups, women homeowners and the EWS of society. The considerable growth in urbanization in the last 10 years indicates a dire need to roll out cost-effective housing options, ensuring the underprivileged sections can afford a house while giving a boost to the Indian real estate sector.

Making the housing dream come true for everyone across the social spectrum calls for affordable means and measures. India's large population base, rising income levels and rapid urbanization is making the housing industry one of the fastest growing sectors. However, when it comes to making a housing loan, financial institutions are reluctant to lend to informal and semi-formal borrowers due to inconsistent income levels and lack of documentary proof. The major financial institutions look for credit scores or credit history of the loan applicants, which such sectors lack.

WHO

In October 2021, the GIP investment partner Northern Arc made an investment in Aviom India Housing Finance Pvt Ltd. (Aviom) – a woman owned affordable housing finance company – to finance the setting-up of additional branches and expansion of its loan portfolio. The company has developed and designed a model that allows it to provide affordable and easily accessible housing finance loans to low-income individuals and families. Loans are extended for home purchase & construction, home extension & improvement and loan against property.

CONTRIBUTION

The major financial institutions look for credit scores or credit history of the loan applicants, which informal and semi-formal sectors lack. Aviom understands the significant growth potential in these sectors and the growth fuelled by increasing affordability level, favourable regulatory incentives and increased capital inflows. Moreover, Aviom has also set up 'Aviom Shakti', an initiative which aims at providing benefits for rural women as well as effective sourcing of clients for Aviom. It is a unique program which empowers rural Indian women by partnering with them with the possibility of a fixed income thereby providing them with a source of livelihood.

RISK

There is the risk that the intended impact on affordable housing for underbanked and unbanked is not met due to an adverse selection of clients, leading to higher cost of doing business and a slowdown in growth. However, Northern Arc indicates the likelihood of impact is low and mitigation efforts are made via onboarding entities which have strong underwriting capabilities and capital support to continue to maintain their budgeted growth.



HOW MUCH? Q1 2022 Figures

38 million / 12,000



Portfolio & number of loans towards affordable housing

54 million / 17,000



Portfolio & number of loans in rural areas

29 million / 9,500



Portfolio & number of loans in underbanked states

13,000

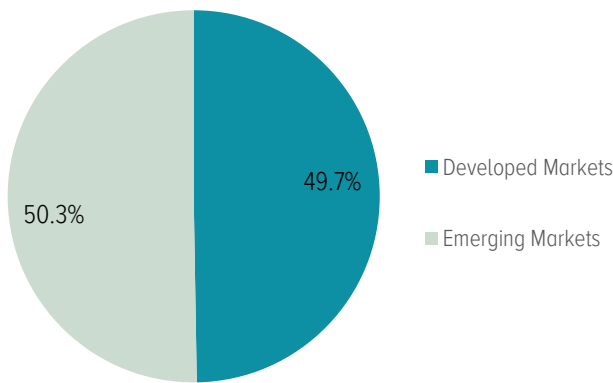


Number of loans disbursed to women in their bank accounts

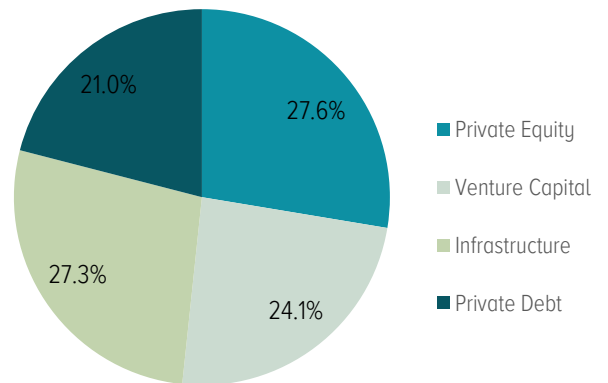
PORTFOLIO OVERVIEW

The graphs and tables on the next two pages are reflecting the portfolio as of the end of June 2022 and are based on commitments made by the fund to its investment partners. Please note that GIP's investment partners typically invest out of closed-end funds that report with a significant lag. As a result, the look-through provided on a portfolio level will always lag by one quarter.

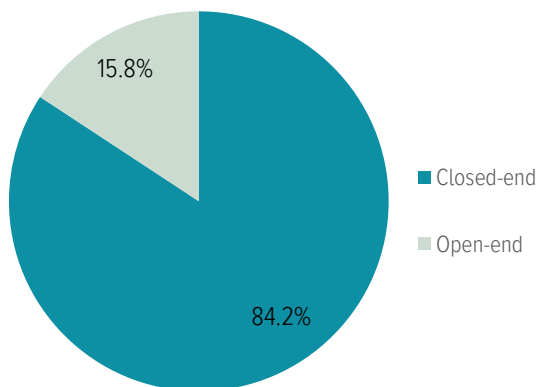
GEOGRAPHICAL EXPOSURE



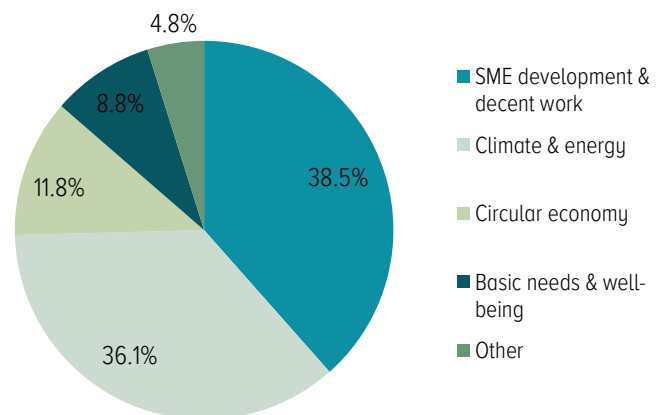
ASSET CLASS EXPOSURE



FUND TYPE EXPOSURE



IMPACT THEME EXPOSURE



Overview Impact Partners per Q1 2022

	Partnership	Asset Class	Geography	Commitment	Impact themes	SDGs
	KGAL ESPF 4	Infrastructure	Developed markets	€22 million	 	
	KGAL ESPF 5	Infrastructure	Developed markets	€25 million	 	
	LeapFrog ECF 3	Private Equity	Emerging markets	\$25 million	 	
	Trill Impact	Private Equity	Developed markets	€25 million	 	
	Quona Inclusion II	Venture Capital	Emerging markets	\$11 million		
	Quona Inclusion III	Venture Capital	Emerging markets	\$20 million		
	Ecosystem Integrity IV	Venture Capital	Developed markets	\$15 million	 	
	ResponsAbility Agriculture	Private Debt	Emerging markets	\$30 million*	 	
	Northern Arc India Impact Fund	Private Debt	India	\$ 10 million	 	

*Concerns Q1 2022 market value since this is a liquid investment without a commitment structure.

Overview top-10 holdings look-through (based on Q4 2021 reporting)

Company	Sector	Manager	Asset Class	Impact theme	Country	% of total value*
Zepz	Financial Services	Leapfrog	Private Equity	SME development & decent work	Global	6.3%
ZeroAvia, Inc	Transportation	EIF	Venture capital	Climate & energy	US / UK	2.4%
GP Joule	PV & Onshore Wind	KGAL	Infrastructure	Climate & energy	Germany	2.2%
Nordomatic	Industrial Services	Trill Impact	Private Equity	Climate & energy	Sweden	2.0%
Addi	E-commerce	Quona	Venture capital	SME development & decent work	Columbia/Brazil	1.9%
Bäckhammar	Onshore Wind	KGAL	Infrastructure	Climate & energy	Sweden	1.8%
Facily	E-commerce	Quona	Venture capital	SME development & decent work	Brazil	1.8%
Mesalvo	Healthcare	Trill Impact	Private Equity	Basic needs & well-being	Germany	1.6%
HD Bank	Financial Services	Leapfrog	Private Equity	SME development & decent work	Vietnam	1.5%
Sokowatch	Industrial Services	Quona	Venture capital	SME development & decent work	Africa	1.3%
Total top 10:						22.8%

FOOTNOTES IMPACT HIGHLIGHTS (P.1)

*In order to publish our quarterly reports in a more timely basis, there is a one-quarter lag on impact figures.

¹ Impact of investment by GIP in Emerging Consumer Fund III (Q1 2022).

² Impact of investment by GIP in ESPF 4 (Q1 2022) and Ecosystem Integrity Fund 4 (Q4 2021). Source for the pro-rated equivalent figure on water use is from Waternet. Calculation based on households using 52,000 litres per year.

³ Impact of investment by GIP in Emerging Consumer Fund III, Inclusion Fund II, and Inclusion Fund III (Q1 2022) and Agriculture Fund (Q4 2021).

⁴ Impact of investment by GIP in Emerging Consumer Fund III, ESPF 4, Inclusion Fund II, and Inclusion Fund III (Q1 2022), Trill Impact, Ecosystem Integrity Fund 4, and Agriculture Fund (Q4 2021).

⁵ Impact of investment by GIP in Agriculture Fund (Q4 2021). The equivalent figure on football fields is calculated based on field size of 6770 m³.

⁶ Impact of investment by GIP in ESPF 4 and Green Bonds (Q1 2022), Ecosystem Integrity Fund 4 (Q4 2021). Source for the equivalent pro-rated figure on Dutch household electricity usage is from <https://www.odyssee-mure.eu/publications/efficiency-by-sector/households/electricity-consumption-dwelling.html>. Calculations based on figure that the average electricity consumption per household in the Netherlands is 3,127 kWh.

⁷ Impact of investment by GIP in ESPF 4, Trill Impact, and Green Bonds (Q1 2022), Ecosystem Integrity Fund 4 (Q4 2021). Equivalent pro-rated calculation is based on EEA, with the average new car emitting 120 g/km and driving average 20,000 km.

MANAGEMENT AND ADMINISTRATION

Fund structure	Luxembourg SICAV Reserved Alternative Investment Fund ('RAIF')
Management company	Kempen Capital Management N.V. (AIFM)
Management team	Ralph Engelchor, Simon Oosterhof
Administrator/depositary	BNP Paribas Luxembourg S.A.
Auditor	PricewaterhouseCoopers
Legal advisor	Elvinger Hoss Prussen
Eligible for:	Professional and/or well-informed investors only

SUBSCRIPTIONS AND REDEMPTIONS

Subscriptions	Quarterly, 10 business days' notice before quarter end
Redemptions	After a 3-year lock-up period, quarterly liquidity on best-effort basis (90 days' notice)

SHARE CLASS DETAILS

Share class	ISIN	Management fee (per annum)	Service fee (per annum)	Subscription tax (per annum)	Anti-Dilution Levy (charged over commitment – one- off)	Minimum Investment
FA Class	LU 1734080564					Founders' share class: closed for new investments
FC Class	LU 1767084921					Founders' share class: closed for new investments
B Class	LU1918768901					Subscription share class: closed for new investments
D Class	LU1918769115					Subscription share class: closed for new investments
E Class	LU2437452258	0.50%	0.20%	0.01%	1.50%	€1,000,000
F Class	LU2437452332	1.00%	0.20%	0.01%	1.50%	€125,000

CONTACT

impactpool@kempen.nl

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The Sub-Fund may have investments in financial instruments mentioned in this document and it may at any time decide to execute buy or sell transactions in these financial instruments. The views expressed in this document may be subject to change at any given time, without prior notice. The information in this document not intended and should not be considered as research, an investment recommendation or as an offer and provides insufficient information for an investment decision.

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