



VAN LANSCHOT  
KEMPEN

# Global Impact Pool

Quarterly | Q1 2023

## Dear Investor

We are pleased to report on the first quarter of 2023 for Kempfen'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 four impact themes which are displayed on the right.

INVESTMENT MANAGEMENT

## Impact themes of the Global Impact Pool



### Basic needs & well-being

Healthy 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.



### Climate & energy

Contribute to abundant clean energy and reduction of CO<sub>2</sub> emissions.

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# 1 Impact highlights for the quarter

Within the focus theme Basic Needs and Well-Being, the GIP aims to invest in solutions that increase access to healthcare for the underserved as well as safeguard a vital resource, water, by contributing to water consumption savings. With our focus on SME Development and Decent Work, we seek to increase the number of underserved people or companies reached with essential financial services and create jobs with fair employment practices. By investing in solutions to Climate and Energy we target reducing CO2 emissions and drive renewable energy generation to contribute to the energy transition. Investing in solutions to develop and enhance the Circular Economy allows us to contribute towards more efficient and productive agriculture practices around the world as well as focus on waste reduction initiatives. We aim to contribute where the impact is the largest, this generally entails that we especially focus on solving social challenges in emerging markets while in developed markets we have a stronger tilt towards solving environmental challenges. The investments made by the GIP have led to the following positive quarterly impact\*:




 **Basic needs & well-being**

**401,413** underserved reached via healthcare services<sup>1</sup>

**72,175 m<sup>3</sup>** water consumption savings (LTM)


Equivalent to the water used by **1,388 people** in a year<sup>2</sup>

 **SME development & decent work**

**7,579,638** underserved reached via financial services<sup>3</sup>

**11,684** jobs supported<sup>4</sup>



 **Circular economy**

**129,591** Certified hectares cultivated

Equivalent to the size of **191,419** football fields<sup>5</sup>



 **Climate & energy**

**37,882 MWH** Green energy generated LTM

Equivalent to powering **12,114 households** in the Netherlands<sup>6</sup>

**13,861 tons** CO<sub>2</sub> emissions avoided (LTM)

Equivalent to **6,449 cars** taken off the road for a year<sup>7</sup>



## 2 Financial return

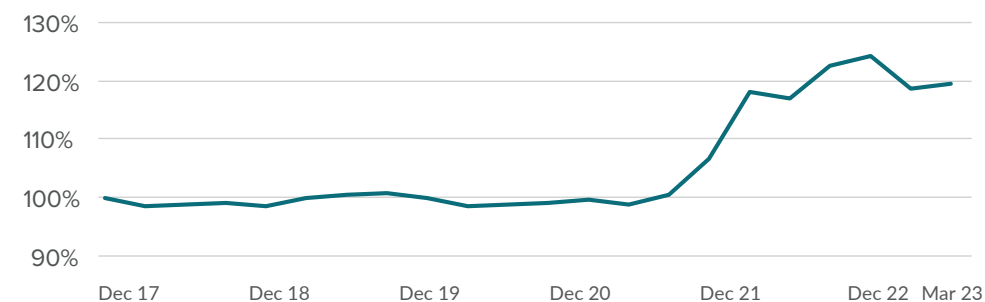
The Global Impact Pool (GIP) achieved a return of 0.6% for the FA share class during the first quarter of 2023.

The positive return in the first quarter emphasizes the diversified nature of the GIP's investment portfolio, as the performance of underlying asset classes differed significantly. Following a challenging 2022, the GIP's investments in Private Equity (PE) and Venture Capital (VC) continued to face some headwinds in the current macro-environment. Investors have become more risk averse as interest rates have soared, supply chains continue to be distorted and rising inflation continues to be a theme, resulting in a challenging environment for companies to raise new capital in order to grow their businesses. As a result, valuations have come down which also has an impact on the GIP's portfolio of PE/VC investments.

Despite the challenging environment for PE/VC, the GIP's investments in Private Infrastructure and Private Debt more than offset the negative performance in PE/VC. In particular, the GIP's investments in infrastructure, focusing on European greenfield renewable infrastructure projects, continued its strong momentum from 2022 onwards driven by the favourable market environment for renewable energy. The allocation to Private Debt also contributed positively, most notably driven by the GIP's investment partner focusing on providing loans to MSME's in India.

Detailed fund-level 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 as the GIP portfolio continues to reach maturity.

Indexed returns, since inception (FA share-class)



QTD	YTD	2022	2021	2020	2019	2018	3 Years*	Since inception*
0.6%	0.6%	0.7%	18.3%	-0.3%	1.6%	-1.6%	6.6%	19.5%

\* Returns are annualized.



# 3 Portfolio developments

The GIP continued its mission to pool capital and scale impact on behalf of its participants during the first quarter of 2023. Assets under management increased significantly to €195 million at the end of March 2023. This increase can be attributed to both positive performance and called capital from investors in the E-share class (commitment share class) in order to fund new portfolio opportunities. On a net basis, there have been inflows of approximately €16 million for the GIP during the quarter. This fresh capital allows the GIP and its investment partners to deploy capital in a market that offers many opportunities at relatively attractive valuations.

During the quarter, capital was called by nearly all of GIP's investment partners, with most capital drawn by the following partners:

- KGAL: ESPF 5, European sustainable infrastructure
- LeapFrog: Emerging Consumer Fund III, Emerging Market Private Equity focused on underserved low-income consumers
- Ecosystem Integrity Fund (EIF) IV, US Venture Capital focused on the energy transition and circularity.

The GIP's investment team is excited to announce two new investments that were concluded in the first quarter of the year, totalling €19 million. The team committed new capital to the fourth fund of ETF Partners (Environmental Technologies Fund 4), a European Venture Capital climate investor focused on investing in start-ups which provide technological solutions for the climate transition. The GIP also completed its first co-investment together with its long-standing investment partner LeapFrog, this transaction centres around an investment in the Indian based digital health- and wellbeing company HealthifyMe. More information on this deal is included below in the Basic Needs & well-being section. GIP's investment team has further enhanced its promising pipeline with new investment opportunities across asset classes and geographies.

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



## Basic needs & well-being

During the quarter, the GIP has increased its exposure to the Basic needs and well-being theme by allocating additional capital. Our investment partner LeapFrog, called capital to amongst others finance follow-on investments in Medgenome and Goodlife. Medgenome is the market leader in South Asia for genetic diagnostics, and plans to expand into other markets across Southeast Asia and Africa. The company has three focus areas: (1) providing diagnostics services to hospitals and clinicians, (2) providing next-generation sequencing research to global pharmaceuticals and academia, and (3) licensing the unique genetic database to external parties. Goodlife Pharmacies is the largest pharmacy and healthcare chain in East Africa. It aims to improve access to quality and affordable healthcare products and services in the fragmented East African retail pharmaceuticals market. Since the firm was added to the portfolio, it has grown from 19 stores to currently more than 100 stores. Another noteworthy development for this theme is the completion of GIP's first co-investment in HealthifyMe, the largest consumer health application in India with over 30 million downloads as of today. Through its app, the company provides affordable digital health services to consumers in India, Southeast Asia and the broader Indian Diaspora. The solutions addresses the growing issue of obesity and non-communicable diseases like Parkinson's and diabetes. The company has experienced a steep growth path over the years, both in financial terms (e.g. revenue growth) as well as the impact it is achieving (e.g. increased the health of a growing number of emerging consumers).



## SME development & decent work

Within the theme of SME development and decent work, our investment partners made good progress by completing new or follow-on investments. Quona Capital, our investment partner focusing on early-stage fintech companies in underserved economies, called capital to finance the purchase of new and existing companies for their investment portfolio. The funds were used for follow on investments in Kanastra, Broom, Alami and Turno and most notably for a new investment in Neofin. Neofin is a Brazilian embedded financing platform which is solely focused on providing a Business-to-Business payment solution for underserved SME's in Brazil.

LeapFrog called capital to finance their investments in PasarPolis and CarDekho. PasarPolis offers embedded digital insurance solutions through multiple partners, the company currently operates in Southeast Asia. CarDekho enhances access to mobility for the Indian population by providing affordable auto loans and insurance, the capital in this case was used for a financing round of its rapidly growing insurance subsidiary: InsuranceDekho.



### Circular economy

ResponsAbility, 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. Most activity during the first quarter of 2023 occurred in Sub-Saharan Africa, where loans were disbursed to cooperatives representing smallholder farmers involved in the production of cashew and macadamia nuts. These smallholder farmers need the working capital in order to harvest their crops. In Latin America, ResponsAbility financed several institutions focused on the production of coffee. The Fund also provided financing to several financial institutions with agricultural portfolios in Eastern Europe. EIF, our US based venture capital investment partner, completed follow-on investments in Ambient Photonics and For Days. Ambient Photonics 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. For Days is a direct-to-consumer manufacturer of essential clothing which produces 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.



### Climate & energy

With its investments within the Climate and energy transition theme, the GIP contributes to the energy transition towards more sustainable energy sources. EIF called a significant amount of capital during the quarter, this funding was used to finance follow-on investments in ThinkIQ and Vibrant Planet. ThinkIQ provides tracking and analytical solutions for industrial food manufacturing systems, addressing the significant waste problem which is currently present in the food supply chain. Vibrant Planet uses advanced technologies to make its customers (i.e., federal agencies, state parks, local counties, fire districts) more

resilient to the effects of climate change; this can entail a land-management tool which assists landholders to restore important ecosystems. KGAL, our German investment partner focusing on renewables (solar and wind) infrastructure continued to make good progress with the development of its projects during the quarter, resulting in a significant amount of capital calls during the quarter. As a result, the GIP's exposure to the Climate and energy theme increased considerably. This capital was used, among other things, to finance the construction of solar power plants in Italy, Spain and Germany. Funds were also used to finance the acquisition of a stake in a Polish project which focuses on the development of a mixed solar and wind project. All these investments will soon add a significant amount of renewable energy capacity to the electrical grid.

The impact case for this quarter will focus on Helligbek, a German wind-project which is part of KGAL's ESPF Fund 4.





# 4 Impact case study

## Project Helligbek

### What

The world is in a critical decade for climate action. The UN's Intergovernmental Panel on Climate Change (IPCC) says limiting warming to around 1.5°C requires global greenhouse gas emissions to peak before 2025 at the latest, and be reduced by 43% by 2030. However, in a report from UN Climate Change it is evidenced that current pledges by national governments puts the world on track for a 2.5°C warmer world by the end of the century. That means the global economy must “mitigate” climate change by reducing and preventing greenhouse gas emissions, while at the same time improving the quality of life and the wellbeing of mankind.



The need to reduce carbon emissions is urgent, if the world is to limit the degree of climate change and its potentially devastating impacts. A holistic approach of adopting all available strategies to move economies around the world to ‘Net Zero’ by 2050 is required. This includes reducing emissions through energy efficiency, as well as adopting all available renewable energy technologies. No single technology is available to completely meet the scale of the challenge in the time available, this entails that investing in greenfield solar and wind projects is of great importance.

### Who

Our investment partner KGAL invests in the development of greenfield solar and wind projects; one example is the Helligbek project in Germany. This project will provide a significant amount of renewable wind energy to the German electricity grid over a projected 25-30 year lifespan. The project will achieve a high degree of positive change as no input/fuel is required for the operation of the plant. Thus in addition to the renewable energy generated, there are also no emissions from power consumption at the operations, and whereby emissions from construction and decommissioning (Scope 3) will be overcompensated.

### Contribution

With an installed capacity of 30.7 MW and an annual production of 84.3 GWh, the project itself is anticipated to provide considerable CO<sub>2</sub> savings per annum, through its estimated 25 year lifespan, compared to fossil power generation. While Helligbek, and wind energy more broadly, will not provide a singular solution to the climate crisis, the project will make a significant contribution. This is particularly true in Europe and Germany, where the war in Ukraine has not only broadened to an energy and cost of living crisis, but has also led to an increase in more carbon intensive energy sources. In the last 12 months there has been an increase in energy production from coal and an increase in the carbon intensity of energy production in Germany approaching 500g CO<sub>2</sub>e/kWh. This is a significant increase and compares to the European

Union average of 275g CO<sub>2</sub>eq/kWh and 275g in 2021. On the basis of the European Union 2021 carbon intensity of 275g CO<sub>2</sub>e/kWh, the CO<sub>2</sub> emission savings are estimated at 23,180 tonnes p.a.. Over a 25 year lifetime the CO<sub>2</sub> emission savings are estimated at 579,500 tonnes.

### Risks

The impact is currently estimated based on a static carbon intensity figure. However, assuming a dynamic carbon intensity development (i.e. continuous reduction of the carbon intensity) the impact is likely to get lower over time. This would actually have a positive impact and is a risk that should not be mitigated as we aim to further decarbonize the carbon intensity of the electricity sector. Furthermore, as the transportation and construction in other industrial sectors also need to rapidly decarbonize, significant amounts of clean electricity production will be required and supported by clean energy production from projects such as Helligbek.

### How much?

➤ **579,500**  
Tons of estimated carbon emissions avoided over a 25-year period.

➤ **56,000**  
People in Germany who can be supplied with clean electricity, based on the latest per capita household energy consumption statistics.

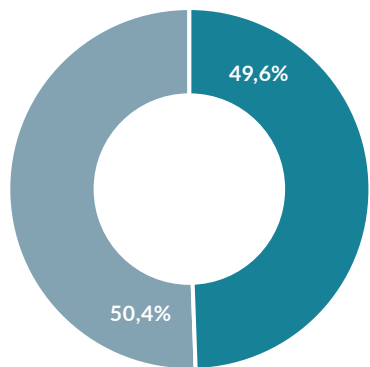
➤ **25-30 year**  
The wind farm is expected to be operational for the upcoming 25-30 years.



# 5 Portfolio overview

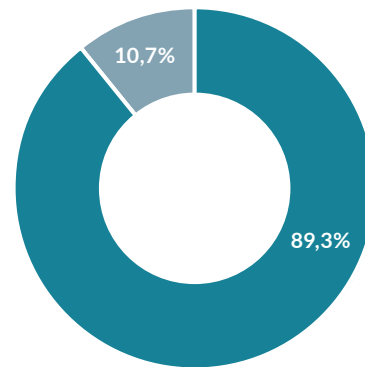
The graphs and tables on the next two pages are reflecting the portfolio as of the end of March 2023 and are based on commitments made by the fund to its investment partners. Please note that GIP's investment partners typically invest out of closed-end funds that report with a significant lag. As a result, the look-through provided on a portfolio level will always lag by one quarter.

Developed / Emerging Markets



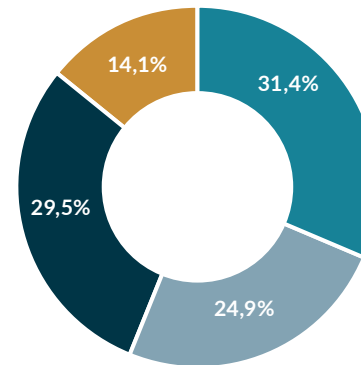
- Developed Markets
- Emerging Markets

Fund type



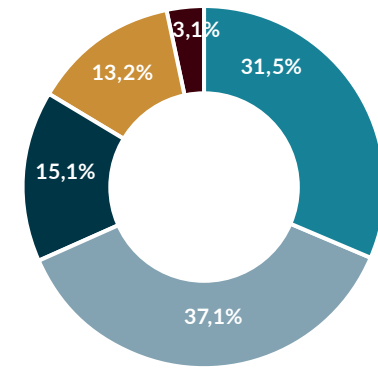
- Closed-end
- Open-end

Asset class



- Private Equity
- Venture Capital
- Infrastructure
- Private Debt

Primary impact exposure



- SME development & decent work
- Climate & energy
- Circular economy
- Basic needs & well-being
- Other



## Overview of Partnerships per Q1 2023

Partnership	Asset Class	Geography	Commitment	Impact themes	SDG's
KGAL ESPF 4	Infrastructure	Developed markets	€22.0 million	● ●	
KGAL ESPF 5	Infrastructure	Developed markets	€37.5 million	● ●	
Impax NEIF IV	Infrastructure	Developed markets	€20.0 million	● ●	
LeapFrog ECF 3	Private Equity	Emerging markets	\$25.0 million	● ●	
LeapFrog ECF 4	Private Equity	Emerging markets	\$35.0 million	● ●	
LeapFrog Co-investment: HealthifyMe	Private Equity	Emerging markets	\$4.0 million	●	
Trill Impact	Private Equity	Developed markets	€25.0 million	● ●	
Quona Inclusion II	Venture Capital	Emerging markets	\$11.0 million	●	
Quona Inclusion III	Venture Capital	Emerging markets	\$20.0 million	●	
Quona Opportunity Fund	Venture Capital	Emerging markets	\$10.0 million	●	
Ecosystem Integrity IV	Venture Capital	Developed markets	\$15.0 million	● ●	
Environmental Technologies Fund 4	Venture Capital	Developed markets	€15.0 million	● ●	
ResponsAbility Agriculture	Private Debt	Emerging markets	\$31.0 million**	● ●	
Northern Arc India Impact Fund	Private Debt	India	\$10.0 million	● ●	

● Basic needs & well-being ● Climate & energy ● SME development & decent work ● Circular economy

\* This overview excludes any cash or cash equivalent investments.

\*\* Concerns Q1 2023 market value as this is an open ended vehicle without a commitment structure.

### Overview top-10 holdings look-through (based on Q4 2022 reporting)

Company	Sector	Manager	Asset Class	Impact theme	Country	% of total value*
Zepz	Financial Services	LeapFrog Investments	Private Equity	SME development & decent work	Global	4.9%
GP Joule	PV & Onshore Wind	KGAL	Infrastructure	Climate & energy	Germany	4.0%
ZeroAvia	Transportation	Ecosystem Integrity Fund	Venture capital	Climate & energy	US, UK	3.0%
Sun King	Financial Services	LeapFrog Investments	Private Equity	SME development & decent work	India	2.5%
Redcliffe Labs	Healthcare	LeapFrog Investments	Private Equity	Basic needs & well-being	India	2.2%
Klar	Financial Services	Quona Capital	Venture capital	SME development & decent work	Mexico	2.0%
Bäckhammar	PV & Onshore Wind	KGAL	Infrastructure	Climate & energy	Sweden	1.6%
Nordomatic	Industrial Services	Trill Impact	Private Equity	Climate & energy	Sweden	1.6%
INOKS	Agriculture	responsAbility	Private Debt	Circularity	Luxembourg	1.5%
Raksystems	Industrial Services	Trill Impact	Private Equity	Climate & energy	Finland	1.4%
<b>Total top 10</b>						<b>24.9%</b>

#### Footnotes

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

<sup>1</sup> Impact of investment by GIP in Emerging Consumer Fund III (Q4 2022).

<sup>2</sup> Impact of investment by GIP in ESPF 4 (Q3 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.

<sup>3</sup> Impact of investment by GIP in Emerging Consumer Fund III, Inclusion Fund II, Inclusion Fund III, Opportunity Fund (Q4 2022), Northern Arc India Impact Fund (Q4 2022) and Agriculture Fund (Q4 2022).

<sup>4</sup> Impact of investment by GIP in Emerging Consumer Fund III, Inclusion Fund II, Inclusion Fund III, Opportunity Fund and Trill Impact (Q4 2022), Ecosystem Integrity Fund 4 (Q4 2022), Northern Arc India Impact Fund (Q4 2022) and Agriculture Fund (Q4 2022).

<sup>5</sup> Impact of investment by GIP in Agriculture Fund (Q4 2022). The equivalent figure on football fields is calculated based on field size of 6770 m<sup>3</sup>.

<sup>6</sup> Impact of investment by GIP in ESPF 4 and Green Bonds (Q4 2022), Ecosystem Integrity Fund 4 (Q4 2022). 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.

<sup>7</sup> Impact of investment by GIP in ESPF 4, Trill Impact, and Green Bonds (Q4 2022), Ecosystem Integrity Fund 4 (Q4 2021). Equivalent pro-rated calculation is based on EEA, with the average new car emitting 107,5 g/km and driving average 20,000 km.

## Fund details

### Management and Administration

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

### Subscriptions and redemptions

<b>Subscriptions</b>	Quarterly, 10 business days' notice before quarter end
<b>Redemptions</b>	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	LU1734080564	Founders' share class: closed for new investments				
FC Class	LU1767084921	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

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## Disclaimer

The Global Impact Pool (the 'Sub-Fund') is a sub-fund of Kempen Alternative Markets Fund, domiciled in Luxembourg. This Fund is authorised in Luxembourg and is regulated by the Commission de Surveillance du Secteur Financier. Van Lanschot Kempen Investment Management NV (VLK Investment Management) is the management company of the Fund. VLK Investment Management is authorised as management company and regulated by the Dutch Authority for the Financial Markets (AFM). Paying agent and representative in Switzerland is RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, CH-8027 Zurich. The Sub-Fund is registered with the Dutch Authority for the Financial Markets (AFM) under the license of the Fund. The information in this document provides insufficient information for an investment decision. Please read the Key Investor Document (available in Dutch, English and several other languages, see website) and the prospectus (available in English). These documents as well as annual report, semi-annual report and the articles of incorporation of the Fund are available free of charge at the registered office of the Fund located at 60, avenue J.F. Kennedy, L-1855, Luxembourg, at the offices of the representative in Switzerland and on the website of Van Lanschot Kempen Investment Management. The information on the website is (partly) available in Dutch and English. The Sub-Fund is registered for offering a limited number of countries. The countries where the Sub-Fund is registered can be found on the website. The value of your investment may fluctuate. Past performance provides no guarantee for the future. The performance shown does not take account of any commissions and costs charged on subscribing to and redeeming units.



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