

# Global Impact Pool

QUARTERLY

Q1 2022



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IS PART OF VAN LANSCHOT KEMPEN

## DEAR INVESTOR,

We are pleased to report on the first 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, 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 & wellbeing;



**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 CO<sub>2</sub> emissions.

Bearing in mind our mission, there is also the explicit target to generate a market rate financial return.

## IMPACT HIGHLIGHTS FOR THE QUARTER\*



**383,580**

Underserved reached via  
healthcare services<sup>1</sup>

**48,789 m<sup>3</sup>**

Water consumption savings (LTM)

Equivalent to the water used by **938**  
**people** in a year<sup>2</sup>



**4,463,028**

Underserved reached via  
financial services<sup>3</sup>

**6,308**

Jobs supported<sup>4</sup>



**142,395**

Certified hectares cultivated

Equivalent to the size of  
**210,332** football fields<sup>5</sup>



**21,327 MWh**

Green energy generated (LTM)

Equivalent to powering **6,820**  
**households** in the Netherlands<sup>6</sup>

**11,523 tons**

CO<sub>2</sub> emissions avoided (LTM)

Equivalent to **4,703 cars** taken  
off the road for a year<sup>7</sup>

Kempen



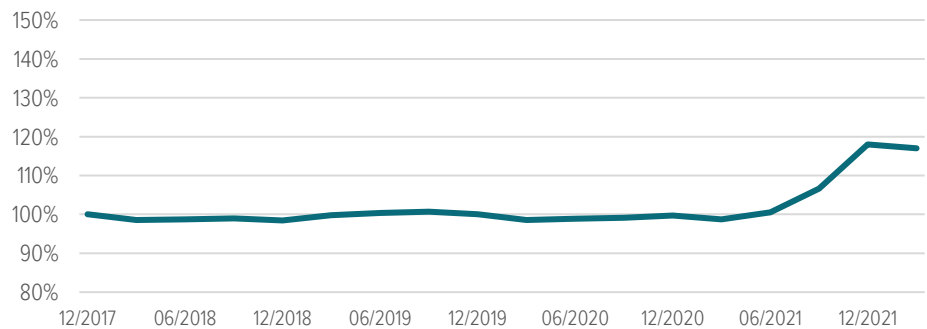
## FINANCIAL RETURN

The Kempen Global Impact Pool (GIP) achieved a return of -0.8% for the FA share class during the first quarter of 2022, resulting in a return of 18.6% over the last 12 months and an average annualized return of 5.4% over the last 3 years. Since the launch of the fund in the beginning of 2018, the fund realized an average annualized return of 3.8% for its participants.

Following the excellent performance of the GIP during the last quarter of 2021, the return of the fund turned slightly negative during the first quarter of 2022. The core impact portfolio of the GIP, which largely consists of private market investments such as Private Equity and Infrastructure, delivered a slightly positive return. The negative return of the GIP can mainly be attributed to the Green Bonds allocation, where the rising interest rates on capital markets negatively influenced valuations. Due to the limited allocation of the GIP to Green Bonds, as this asset category is mainly used for liquidity purposes, the negative effects on a total portfolio level were limited. By switching to a portfolio of corporate Green Bonds during the first quarter, the management team of the GIP lowered the interest rate sensitivity of the portfolio. Towards the future, this change will decrease the negative effects as a result of rising interest rates.

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.

Indexed returns, since inception (FA share class)



QTD	YTD	2021	2020	2019	2018	3 Years*	Since inception*
-0.8%	-0.8%	18.3%	-0.3%	1.6%	-1.6%	5.4%	3.8%

\* Returns are annualized.

### Introduction of new share classes per March 1, 2022

On March 1<sup>st</sup>, the E and F share classes were introduced, effectively replacing the B and D share classes. The changes will not impact (the terms of) current positions in existing share classes.

While the F share class will essentially be a replica of the D share class (capital immediately 'called' from investors, max. investment of €1 million), the E share class (accessible with investments larger than €1 million) will have a commitment structure. This commitment structure will allow the investment team to call capital efficiently from clients based on capital needs of the portfolio. As a result, the investment team is able to manage liquidity in the portfolio which is beneficial for financial and impact returns and thus in the interest of existing and new participants.

A 1.5% Anti-Dilution Levy will be charged when investors commit new capital to the GIP. This one-off charge is to compensate existing participants for the dilution of their holding, triggered by new capital inflows and subsequent commitments to underlying funds.

Please reach out to your point of contact within Van Lanschot Kempen for additional information regarding the above.

## PORTFOLIO DEVELOPMENTS

The GIP continued its mission to pool capital and scale impact on behalf of its participants during the first quarter of 2022. Assets under management slightly declined to €146 million at the end of March 2022. This decline can be attributed to a decline in the value of the investment portfolio. On a net basis, there have been inflows of capital for the GIP during the first quarter of the year. We are furthermore proud to announce that an additional amount of €74 million has been committed to the GIP in March 2022, of which approximately 10% was called by the GIP shortly after the end of the quarter.

GIP's portfolio management team has further enhanced its promising pipeline with new investment opportunities. During the first quarter of 2022, the team has been successful in deploying a significant amount of capital. The most notable addition to the portfolio is an investment through an Indian asset manager, which specializes in reducing the financial including gap in India by providing loans to subordinated householders or SMEs. In addition, the GIP has committed additional capital to an existing partner, which is investing early in fintech companies that drive financial inclusion in underserved emerging markets.

The overview below provides a brief 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. In the previous quarterly update we mentioned that an investment partner of the GIP had increased its investment in Goodlife Pharmacies by participating in a new financing round. The company has shown exponential growth in recent years and developed into the largest pharmacy and healthcare chain in East Africa. This strong growth has made the investment partner decide to partially reduce its stake in the company during the first quarter of 2022. With this partial sale, the investment partner has recovered 49% of the initial investment, while still holding a majority stake in the company.



Investments within the theme of **SME development and decent work** developed well during the quarter. In the first quarter of 2022, one of the investment partners of the GIP increased its investment in BIMA, a company that focuses on offering digital health and life insurance in several countries in Asia (including Bangladesh, Cambodia, and the Philippines). BIMA aligns perfectly with GIP's goals for financial inclusion in emerging markets by providing essential insurance and health services to low-income customers. Currently, approximately 3 million underserved consumers in emerging markets are reached with these impactful services. The same investment partner has also added a new name to the portfolio: HD Bank, a consumer bank operating in Vietnam with a strong focus on the retail and SME-segment of the market. This company also focuses on financial inclusion, for example by offering products that are affordable for consumers with a low income.

GIP's investment partner that focuses on early-stage companies within this theme has taken an interest in Acasa, a Latin America based 'proptech' company. The property market for homeowners in this region is full of inefficiencies, including low levels of liquidity, little opportunities for bank loans, low levels of transparency and often a time-consuming process to buy or sell a house. Acasa focuses on facilitating the buying and selling process of (small-scale) real estate for homeowners.



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 first quarter, this investment partner provided loans to five cooperatives in Togo and Burkina Faso (cashew nuts), Kenya (macadamias) and Uganda (coffee and cotton). Now that the coffee season in Costa Rica and Honduras has come to an end, the investment partner has started financing farmers in Peru (cocoa) and Bolivia (quinoa). In Asia, loans were provided in Indonesia and India (soybeans, warehousing and financial services aimed at agriculture).



With its investments within the **Climate and energy** transition theme, the GIP contributes to the transition to more sustainable energy sources. During the quarter, one of the investment partners of the GIP exposed to this theme continues to make good progress with the development of wind farms and solar energy parks. During the first quarter of 2022, capital was called for both funds from the existing investment partner, thus increasing the exposure to the Climate and energy theme. This capital was used, among other things, to finance a solar power plant in Italy. These investments will soon add a significant amount of renewable energy capacity to the energy network.

The impact case for this quarter focusses on Ampersand, a company from our investment partner within this theme with a focus on early-stage companies.. Ampersand is tackling fuel consumption and CO<sub>2</sub>-emissions through the electrification of motorcycles in Rwanda.



*There are roughly 30-40 million motorcycle taxis across the African continent. In Rwanda, Ampersand is enabling the replacement of highly polluting petrol with hydro-based renewable energy, a zero-emissions transportation solution.*



## IMPACT CASE STUDY AMPERSAND

### WHAT

Over the past several decades, motorcycles have emerged as a dominant mode of transportation in many developing countries across Africa, Asia, and Latin America. Motorcycle taxi services have flourished, covering more distance and consuming more petrol than any other motorized transport in urban Africa, including personally owned and delivery motorbikes. However, the emergence of this transportation has led to increased carbon emissions, air & noise pollution, and fuel costs. For the city of Kigali in Rwanda, moto taxis are a primary means of getting around as only 2% of Rwandans own their own vehicles. Petrol costs are high and there is a dependency on fuel imports. Meanwhile the country has a surplus power supply of hydroelectricity. Converting motorcycles to electric, focusing first on regions with clean power, is therefore a “low-hanging” fruit for emission reductions.

### WHO

Ampersand, founded in 2014 by CEO Josh Whale, focusses on low-costs electric mobility to combat climate change. The company offers electric motorcycles to commercial motorcycle taxi (“moto”) drivers in Rwanda. It is one of the first companies to launch commercially in the African mass-market electric motorcycle sector and has plans to expand beyond to other African countries. Kenya, Ampersand’s second target market, has an estimated 1.5 million motos, which consume about \$2 – 2.5 billion in fuel annually.

### CONTRIBUTION

Ampersand has developed the entire ecosystem necessary to electrify the moto taxi fleet. It finances bikes under a rent-to-own arrangement. The company also sells electricity through quick battery “swaps” while its stations also serve as bike maintenance depots. Switching to electric saves drivers money and increases their take-home pay, due to a lower cost of ownership and lower fueling cost. Ampersand helps reduce carbon emissions, reduce air and noise pollution, increase energy security, and lower costs (and therefore improved livelihoods) for motorcycle taxi drivers.

### RISK

Rwanda has a supportive regulatory environment for sustainability-focused and electric mobility startups. However, there is still execution risk if the demand and expected adoption of electric motos is lackluster, causing the projected positive impact – lower emissions and pollution – to not occur.



### HOW MUCH?

Q1 2022 Figures

201 tonnes



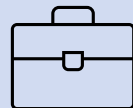
CO<sub>2</sub> emission savings

266



Bikes on the road

170

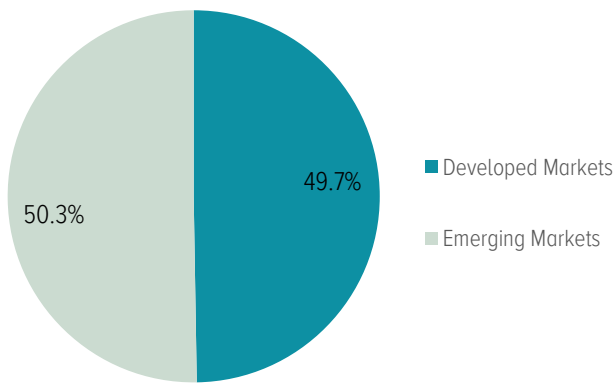


Jobs supported

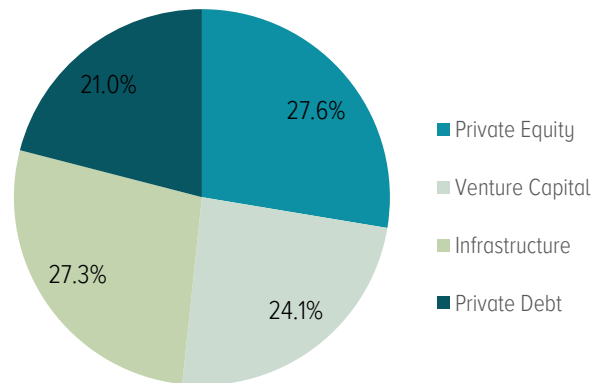
## PORTFOLIO OVERVIEW

The graphs and tables on the next two pages are reflecting the portfolio as of the end of March 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 lookthrough provided on a portfolio level will always lag by one quarter.

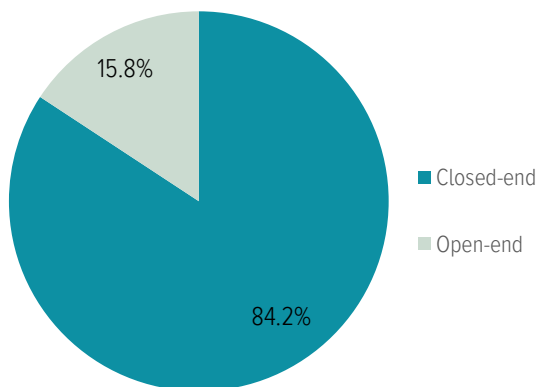
### GEOGRAPHICAL EXPOSURE



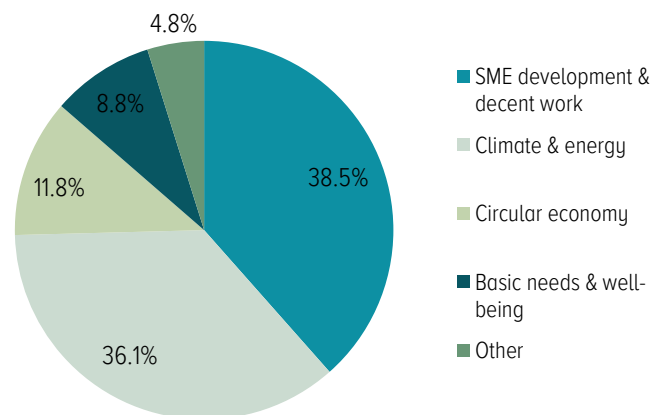
### ASSET CLASS EXPOSURE



### 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%
<b>Total top 10:</b>						<b>22.8%</b>

## 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.

<sup>1</sup> Impact of investment by GIP in Emerging Consumer Fund III (Q4 2021).

<sup>2</sup> Impact of investment by GIP in ESPF 4 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, and Agriculture Fund (Q4 2021).

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

<sup>5</sup> Impact of investment by GIP in Agriculture Fund (Q4 2021). 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, Green Bonds, and 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.

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

## 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](mailto:impactpool@kempen.nl)

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