

Global Impact Pool

Quarterly | Q2 2023

Dear Investor

We are pleased to report on the second quarter of 2023 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, health and climate nexus whilst contributing to 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.

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 CO₂ emissions.

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1 Impact highlights for the quarter

Impact is central to our philosophy and approach. Together with our participants we aim to contribute to our four impact themes and help create a better, more resilient and inclusive world. This quarter saw a significant increase in our water consumption savings metric as Komet, an innovative irrigation manufacturer held in Trill Impact's portfolio, started measuring and reporting on impact. In the last twelve months, the company has contributed to 592 million m³ in water savings. We also expect to report an increase in the metric 'underserved people reached via healthcare services' next quarter, owing to our co-investment in HealthifyMe. New investments also contributed to an increase in multiple metrics. CO₂ emissions avoided increased due to the inclusion of impact data for our investment in Environmental Technologies Fund 4 of ETF Partners. Underserved people reached via financial services increased due to the investment in Leapfrog's Emerging Consumer Fund IV. Both metrics also saw growth in impact contribution from existing funds as their positive impact creation increases over time. The investments made by the GIP have led to the following positive quarterly impact*:




 **Basic needs & well-being**

1,150,705 underserved reached via healthcare services¹

16,497,643 m³ water consumption savings (LTM)²


Equivalent to the water used by **315,354 people** in a year²

 **SME development & decent work**

15,883,483 underserved reached via financial services³

18,152 jobs supported⁴



 **Circular economy**

129,591 Certified hectares cultivated

Equivalent to the size of **191,419 football fields**⁵



 **Climate & energy**

33,774 MWH Green energy generated LTM

Equivalent to powering **10,797 households** in the Netherlands⁶

16,558 tons CO₂ emissions avoided (LTM)

Equivalent to **7,701 cars** taken off the road for a year⁷



2 Financial return

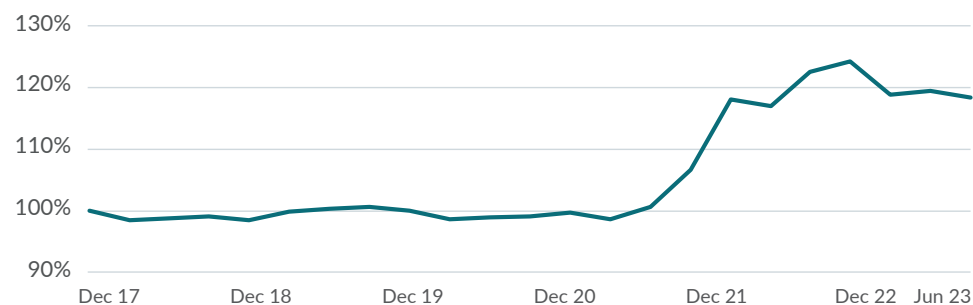
The Global Impact Pool (GIP) achieved a return of -0.9% for the FA share class during the second quarter of 2023.

The Private Equity (PE) and Venture Capital (VC) buckets detracted from performance, as both these asset classes face continued headwinds from the challenging market environment. There is still less capital available in this market, as investors have become more risk averse due to the high interest rates, high energy prices and inflation rates and perceived worldwide political instability. All these developments eventually led to more uncertainty, a more difficult fundraising and IPO environment and eventually lower valuations in the market. This also has an impact on the GIP's portfolio of companies within the PE/VC bucket. On the positive side, most of the underlying fundamentals of GIP's portfolio companies (like e.g. revenue growth and profitability) look solid and are developing in line with expectations.

The GIP's investments in Private Infrastructure, focusing on European greenfield renewable infrastructure projects, continued its strong momentum over the last several quarters. Some of the greenfield renewables infrastructure investments in our portfolio were developed and reached operational status. Becoming an operational assets typically goes hand in hand with a valuation uplift, as underlying income streams (from selling electricity) values the asset at a higher level than when the asset is valued at cost. Exposure to this asset class provides a natural hedge against inflation and rising energy prices, as this has a positive effect on the income stream for infrastructure projects. The Private Debt bucket had a more or less flat return during the quarter.

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
-0.9%	-0.3%	0.7%	18.3%	-0.3%	1.6%	-1.6%	6.2%	18.4%

* Returns are annualized.



3 Portfolio developments

The GIP continued its mission to pool capital and scale impact on behalf of its participants during the second quarter of 2023. Assets under management increased significantly to €196 million at the end of June 2023. This increase can be attributed to called capital from investors in the E-share class (commitment share class) in order to fund new portfolio opportunities, as the negative performance decreased the assets being managed slightly. On a net basis, there have been inflows of approximately €3 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. Most capital was drawn by LeapFrog, the GIP's Emerging Market Private Equity investment partner focused on underserved low-income consumers, for their Emerging Consumer Fund IV and for the co-investment in HealthifyMe. Also Impax, a European value-add sustainable infrastructure manager, called a significant amount of capital for their Impax New Energy Investors Fund IV. Furthermore, we received the first call for the Environmental Technologies Fund 4 of ETF Partners, our European climate investment partner focused on investing in start-ups which provide technological solutions for the climate transition.

GIP's investment team has worked on further enhancing its promising pipeline with new investment opportunities across asset classes and geographies. Examples include a potential investment in an impact secondaries fund and a promising opportunity for a PE climate solution in Emerging Markets.

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 finance their Fund IV investment in [Redcliffe Labs](#) and to finance the co-investment in [HealthifyMe](#). Redcliffe Labs is one of India's largest digital health companies and caters to the large, fast-growing general diagnostics services market in the country. It is a diagnostics platform combining customer acquisition via online performance marketing and home collection of samples with a traditional offline collection centre network and referral labs. At the end of 2022, it owned 52 labs across more than 150 towns and cities and employs over 1,100 phlebotomists and drivers who work from the 1,226 collection centres located close to the customers in the neighbourhoods. HealthifyMe is the largest consumer health app 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. A large share of its customer base concerns users who live in lower-tier cities and who lack easy access to health-services. 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 for their existing investment portfolio. The funds were used for follow on investments in [ZestMoney](#), [Sunday](#) and [Tarfin](#). ZestMoney is an Indian digital consumer lending brand for customers with no or limited credit history, the firm offers affordable cardless loans through online and offline partners. Sunday offers a one-stop insurance

product to the underserved population in Thailand, which includes insurance for healthcare, mobile gadgets, motor vehicles or travel insurance. Tarfin is aimed at the agricultural value chain in Turkey and Romania by providing farmers with agricultural-input financing, inventory financing and point-of-sale and crop financing during the harvest period. LeapFrog called capital to finance their investments in [Sun King](#), a leading supplier and financier of solar home systems across Africa and Asia. The company distributes and finances affordable solar devices ranging from lanterns to larger conventional solar systems. The products of Sun King are distributed through wholesale partners or directly through a direct-to-consumer pay-as-you-go distribution network with 20,000 agents and 260 branches in eight African markets. Although this company has a clear link with the Climate and Energy theme, it also contributes to SME development as it enables small business to save costs on energy usage by installing energy-generating solar systems.



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 second quarter of 2023 occurred in Sub-Saharan Africa, where loans were disbursed to an intermediate who has created an online marketplace which connects coffee farmers and roasters on a global scale. It promotes fairer and more equitable practices in the coffee supply chain, as it bypassed intermediaries and therefore a larger share of the margins flows to the coffee producers. Another noteworthy investment concerns a loan to a Ugandan company that helps transition farms to grow organic crops, sources organic commodities for farmers and has local processing facilities for organic soybean, sesame, chia, cotton and other locally produced organic products. The remaining disbursement of Responsibility went to India, Latin America, the Middle East and Eastern Europe.



Climate & energy

With its investments within the Climate and energy transition theme, the GIP contributes to the energy transition towards more sustainable energy sources. ETF Partners called their first capital, which was used as equalization financing for the already completed investments in [Net Purpose](#), [Fairly Made](#) and [Dexter](#). Net Purpose is an ESG data-provider for Impact and ESG data, with a focus on services for institutional investors. Fairly Made focussed on the fashion industry, where its products are used for supply chain visibility and impact measurement. Dexter is a Dutch start-up which provides renewable energy generation forecasting and trade optimization services to energy companies.

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 Portugal. Funds were also used to finance the acquisition of a stake in a German project which focuses on the development of a mixed solar and wind project. Impax, our London-based investment partner focussing on renewables, called capital to finance investments in development companies for solar power plants and wind farms in Poland, Germany, Italy, Ireland, Greece and the United States.

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 Arya Group, an Indian based agricultural services firm which is part of both Quona Fund II and the ResponsAbility Agriculture Fund.

4 Impact case study

Arya Group

Arya Group is a digital integrated agriculture service company focused on warehousing, (post-harvest) financing and market linkages for India's underserved. They focus on smallholder farmers in primary and secondary markets. Arya seeks to bring efficiency and transparency to the post-harvest value chain. Warehousing forms the solid foundational layer of the business, with several integrated services for all types of clients such the provision of loans to support farmers' cash flows. Any farmer can store their harvest with an Arya warehouse and receive a loan against their stored commodity's value⁸.

What

An estimated \$13 billion is lost post-harvest in India due to challenges in storage, market inefficiencies, and a lack of financing options. Professional warehousing is focused heavily on corporates and commodity exchanges⁸. This leaves local and smallholder farmers without a safe solution to store their produce. In addition to this, farmers are especially vulnerable to the seasonality of cash flows as they are often dependent on the cash flows from one harvest to prepare for the next cycle. The availability of financing is severely limited as banks seldom finance smallholder and rural farmers. These factors force the smallholder farmers to sell their produce immediately post-harvest when prices are the lowest.

Who

Agriculture remains the largest source of employment in India⁸ with a large majority of rural households still dependent on it for their livelihood⁹. Food insecurity in India has increased in recent years and in 2021 India ranked 101st out of 116 countries on the Global Hunger Index (GHI)¹⁰.

Contribution

The provision of financing to smallholder farmers can allow them generate liquidity, afford safe and trusted storage solutions for their produce – thereby reducing post-harvest loss- and sell the crops when they can receive a better price thereby improving their cash flows and income. If the post-harvest loss can be mitigated, the increased availability of food could address food insecurity and also reduce the stress on the environment from excessive water use and pressure on land¹¹.

Arya directly impacts smallholder farmers and other players in the agricultural value chain that would otherwise be unable to access safe storage solutions and commodity financing. The company also assists farmers through access to a broad range of buyers in an integrated marketplace. They also undertake consulting projects that have a positive impact on smallholder farmers,





such as training on the scientific handling of commodities in order to enable storage and sale directly. Arya also undertook capacity building projects for 48,000 women who are smallholder farmers, including market integration through Arya's digital channels, resulting in a 15% increase in their income¹¹.

Risks

From a financial perspective which affects Arya's ability to create positive impact, there is a risk that farmers may default on their loans. However, the in-house storage facilities enable them to have better control of their collateral. Risks also exist at the start of the value chain if farming efforts and harvest are unsuccessful. The changing local climate poses a further risk to this.

How much?

> 2,500

Arya manages more than 2,500 warehouses storing approximately 4 million metric tonnes of produce across the country⁸.

> 100,000

Arya has helped to aggregate the produce of more than 100,000 farmers in the last year facilitating over USD 350 million worth of loans annually to its customers⁸.

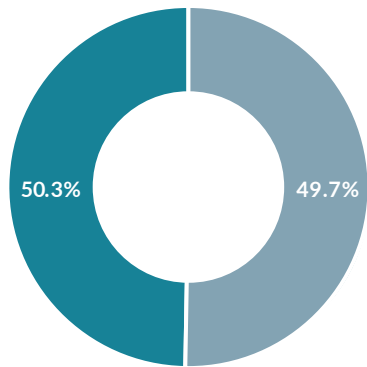
> 40%

Approximately 40% of clients are first time borrowers⁸.

5 Portfolio overview

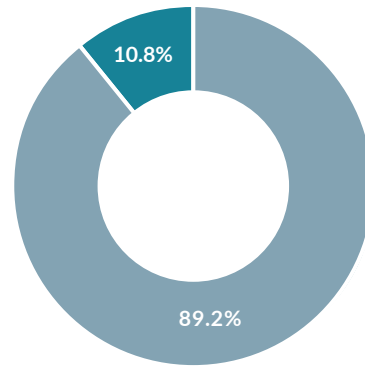
The graphs and tables on the next two pages are reflecting the portfolio as of the end of June 2023 and are based on commitments made by the fund to its investment partners. Please note that GIP's investment partners typically invest out of closed-end funds that report with a significant lag. As a result,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

Developed / Emerging Markets



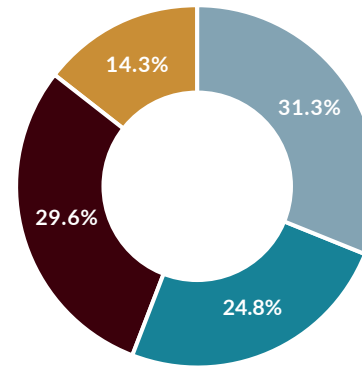
- Developed Markets
- Emerging Markets

Fund type



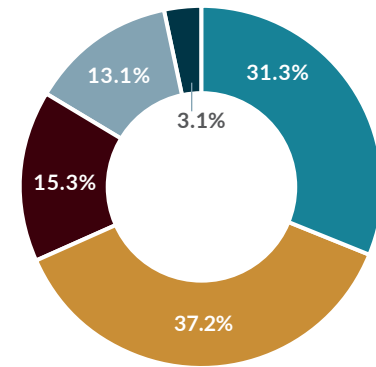
- Closed-end
- Open-end

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 Q2 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	\$32.0 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 Q2 2023 market value as this is an open ended vehicle without a commitment structure.

Overview top-10 holdings look-through (based on Q1 2023 reporting)

Company	Sector	Investment Partner	Asset Class	Impact theme	Country	% of total value**
Zepz	Financial Services	LeapFrog Investments	Private Equity	SME development & decent work	Global	4.4%
GP Joule***	PV & Onshore Wind	KGAL	Infrastructure	Climate & energy	Germany	4.1%
ZeroAvia	Transportation	Ecosystem Integrity Fund	Venture capital	Climate & energy	US, UK	2.8%
Klar***	Financial Services	Quona Capital	Venture capital	SME development & decent work	Mexico	1.8%
Allurity	IT Services	Trill Impact	Private Equity	SME development & decent work	Germany	1.8%
Nordomatic	Industrial Services	Trill Impact	Private Equity	Climate & energy	Sweden	1.7%
Redcliffe Labs	Healthcare	LeapFrog Investments	Private Equity	Basic needs & well-being	India	1.5%
Sun King	Financial Services	LeapFrog Investments	Private Equity	SME development & decent work	India	1.5%
Bäckhammar	Onshore Wind	KGAL	Infrastructure	Climate & energy	Sweden	1.5%
INOKS STF	Agriculture	responsAbility	Private Debt	Circularity	Luxembourg	1.5%
Total top 10						22.6%

Footnotes

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

** Source: Van Lanschot Kempen, concerns figures which are delayed one quarter. Calculated by multiplying the value of the underlying investments by the ownership percentage of the GIP in the closed end funds. This valuation can differ from the official GIP valuation since the official NAV includes e.g. estimates and corrections for capital calls & distributions.

*** Concerns a holding in two funds of the respective manager.

¹ Impact of investment by GIP in Emerging Consumer Fund III and Emerging Consumer Fund IV (Q1 2023). This is the first quarter that we are reporting on impact contribution from the Emerging Consumer Fund IV. The addition of the fund and substantial impact contribution growth from Fund III both contributed to a significant increase in this metric.

² Impact of investment by GIP in ESPF 4 (Q1 2023), Trill Impact (Q1 2023) and Ecosystem Integrity Fund 4 (Q4 2022). 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 (Q1 2023), Emerging Consumer Fund IV (Q1 2023), Inclusion Fund II, Inclusion Fund III, Opportunity Fund (Q1 2023), Northern Arc India Impact Fund (Q4 2022) and Agriculture Fund (Q4 2022). The growth in this metric is due to the first time reporting of impact contribution from the Emerging Consumer Fund IV as well as substantial growth in impact contribution from Emerging Consumer Fund III.

⁴ Impact of investment by GIP in Emerging Consumer Fund III, Inclusion Fund II, Inclusion Fund III, Opportunity

Fund and Trill Impact (Q1 2023), Ecosystem Integrity Fund 4 (Q4 2022), Northern Arc India Impact Fund (Q4 2022) and Agriculture Fund (Q4 2022).

⁵ Impact of investment by GIP in Agriculture Fund (Q4 2022). The equivalent figure on football fields is calculated based on field size of 6770 m².

⁶ Impact of investment by GIP in ESPF 4 and Green Bonds (Q1 2023), 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.

⁷ Impact of investment by GIP in ESPF 4, Trill Impact, and Green Bonds (Q1 2023), 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.

⁸ Why we invested: Arya. Quona Capital: <https://quona.capital.medium.com/why-we-invested-arya-894d1b70a246>

⁹ India at a glance | FAO in India | Food and Agriculture Organization of the United Nations

¹⁰ World Food Day 2022: India has enough food but it lacks an effective distribution mechanism - BusinessToday

¹¹ India forum: Securing the harvest for food security | IFPRI : International Food Policy Research Institute

Photos used in the impact case study have been sourced from the website Unsplash.

Fund details

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	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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