

European Participations

Strategy Overview 2024
For professional investors only

Why Van Lanschot Kempen?

- **Small-cap specialist for over 30 years:** We have over three decades of experience in identifying and selecting high quality, small-cap businesses with attractive fundamentals and valuations..
- **Robust and repeatable investment process:** Emphasises understanding the quality of the company, its ESG positioning and valuation
- **Long-term, engaged shareholder:** Our long-term investment horizon and a mindset for rigorous focus on fundamentals positions us as a valuable active owner for our portfolio companies

Four investment principles



Fundamental

In-depth analysis of the business and its management



Long-term

Long-term perspective, and not afraid to be contrarian



Value

We look for a margin of safety between price and intrinsic value



Engaged

Engaging with management on strategy, operations and ESG

Investment philosophy

European Participations invests tax-efficiently in a select group of European small-caps based on the idea of long-term co-ownership of the company. The management of the company monitors long-term strategy and day-to-day operations from the perspective of shareholder value with room for our long-term engaged shareholding.



When we find the right companies, we delve into what drives their leaders. This in-depth knowledge helps us to build concentrated portfolios. We support small caps: we challenge them and help them to reach their full potential.



Erwin Dut,
Portfolio Manager

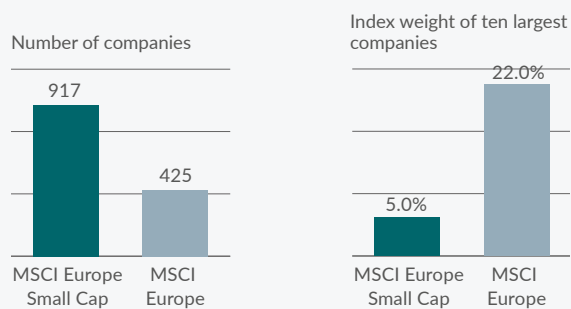
Opportunities in European Small-caps

Graph 1: Long term performance
MSCI Europe Small Cap vs MSCI Europe



Source: Factset, 31 December 2023

Graph 2: More companies and less concentration



Source: Factset, 31 December 2023

Risk warning: The value of investments and income from them may go down as well as up, past performance is not an indicator of future investment returns.

The case for European Small-caps

- **The 'small-cap premium'**
Small-caps have generated returns above those of large-caps over longer periods of time (see graph 1).
- **An inefficient, under-researched market**
The investment opportunities can be more meaningful when there is less analyst coverage and readily available information.
- **Large investment universe for active managers**
In Europe there are about twice as many small-cap companies compared to their larger peers (see graph 2).
- **Strong intrinsic qualities**
Small-cap businesses can often be more niche and entrepreneurial, as well as display greater agility.

Our team



Erwin Dut, CFA
Portfolio Manager
Experience since 1997



Sander van Oort, VBA
Portfolio Manager
Experience since 2001



Ingmar Schaefer
Portfolio Manager
Experience since 2006



Thibault van Heeswijk
Portfolio Manager
Experience since 2012

Disclaimer

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Capital at risk

The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested. Past performance provides no guarantee for the future. Investing in a small-cap strategy may be subject to country risk, equity market risks and small cap company risk, which could negatively affect the performance. Under unusual market conditions the specific risks can increase significantly. Potential Investors should be aware that changes in the actual and perceived fundamentals of a company may result in changes for the market value of the shares of such company. Equities of companies with small capitalization can be more volatile than equities of mid and large companies and may also be less liquid.