

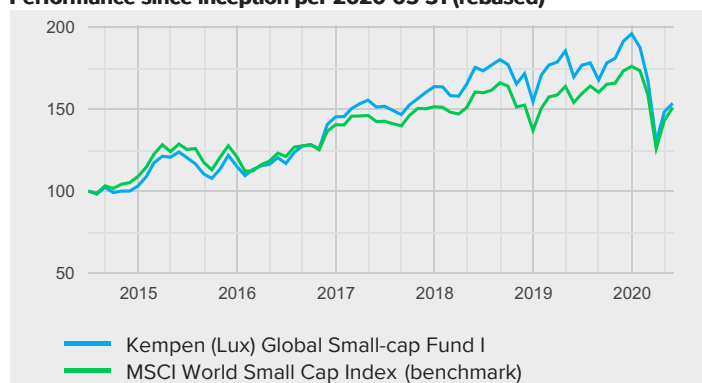
**Market developments per 2020-05-31**

In the month of May the Fund (I-class) was up 3.5% versus the MSCI World Small-cap index, which was up 5.4% (for the performance of the other shareclasses please check the performance tab of the Fund on the website <https://www.kempen.com/en/asset-management>). On a daily and weekly basis the stock market remains volatile. After a weak absolute and relative performance in the first two weeks of May, the last two weeks showed a strong recovery in absolute and relative performance. The month ended with two weak trading days with respect to our relative performance potentially driven by annual index constituent changes, turning a small monthly outperformance into 1.9% underperformance. The Fund recouped this underperformance in the first three days of June (the time of writing of this report) which shows the underlying volatility in the market. The prospects of lifting the lock-down and starting up the economy have helped market sentiment in recent weeks. YTD the Fund is down 21.6% compared to the MSCI World Small cap index decline of 14.3% and the MSCI World Small Cap Value index decline of 23.3%. We continue to take a long-term view despite the current volatility, with a strong focus on balance sheet strength. The market volatility offers opportunities to add on weakness and trim existing positions on strength. We are also selectively adding new companies to our portfolio.

**Portfolio developments per 2020-05-31**

Three top contributing stocks during the month of May were Dialog (35%), Brunswick (+14%) and LHC Group (+24%). Dialog's stock rebounded another 24% in May as the company reported better than expected Q1 results combined with a Q2 guide materially ahead of consensus. To us the main news did not relate to H1 2020 expectations, but was more medium to longer term in nature. Dialog announced a new market opportunity in next generation battery management systems in consumer IoT and mobile. We believe the potential of this announcement could still be underestimated by the market. We have a lot of trust in Dialog's management team and the stock remains attractively valued, while the strong balance sheet provides downside protection in an uncertain environment. Brunswick's stock was up 14% in the month of May and made it in the top three performers for the second consecutive month. As a leading company in the Marine industry the company benefits from data points that show that boating activity is picking up. We believe boating is an activity that could benefit from social distancing measures. Last month we wrote: although the near term remains very uncertain, we believe Brunswick will be able to manage through the Covid-19 recession and emerge stronger. At the end of May Brunswick's competitor BRP announced it will discontinue its outboard engine business and BRP signed an agreement with Mercury Marine to support and supply outboard engines to its boat business. This is a clear proofpoint Brunswick has the potential to accelerate its market share gains. LHC Group's stock was up 24% in May after the company reported strong Q1 results. LHC Group, a US home healthcare provider, was on track to report very strong Q1 2020 results. Although Covid-19 impacted the last few weeks of Q1, the company showed that the impact was only temporary as visits recovered sharply the beginning of Q2. Interestingly, the company is gaining market share which will likely result in a 2021 result that may be even higher than the company's expectations prior to Covid-19.

Negative contributors in May were Teradata (-14%), Delek US (-15%), and Western Forest Products (-19%). Teradata's stock was down 14% in May. The company reported Q1 results that were impacted by Covid-19 results. Teradata also announced that its Board of Directors has appointed Steve McMillan President and Chief Executive Officer, and a member of the Board of Directors, effective June 8, 2020. Mr. McMillan was previously at F5 Networks, Inc. as Executive Vice President of Global Services. Teradata has improved its management ranks in the past few years and we expect the addition of Mr. McMillan to be another positive driver. We look forward to work with Mr. McMillan. Delek US' stock price declined approx. 15% in May, after a very strong run from trough levels seen in mid-March. Gasoline demand in the US has slowly been picking up as lock downs were gradually eased. Though product margins remain weak, the company's ability to supply attractive niche product markets allows Delek US to run its refineries at a significantly higher utilization than many peers. In our view, Delek US continues to trade at a sizable discount to its sum-of-the-parts value. Western Forest Products (WEF, -19%) reported Q1 results. During most of the quarter, the company was adversely affected by a labour union strike, which was resolved late February. When WEF was in the process of ramping up production again after the strike ended, it was hit by the Covid-19 reality. Given healthy demand for building products in the DIY channel, also reflected in better specialty lumber pricing, we expect Q2 to look better and believe WEF is trading well below intrinsic value. We are actively engaging with the management and Board of Directors to define levers to further unlock value.

**Performance since inception per 2020-05-31 (rebased)**

**Dividends**

Distributing	No
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**Risk analysis (ex post) per 2020-05-31**

	3 years	Since inception
Maximum drawdown	-33.62 %	-33.62 %
Tracking error	5.45 %	5.36 %
Information ratio	-0.27	0.06
Beta	1.08	1.06

**Share class details**

Share class	I
Investor type	Institutional
Distributing	No
Benchmark	MSCI World Small Cap Index
Investment category	Small-caps
Universum	Global Small- & Mid-caps
Inception date	2014-07-08
Domicile	Luxembourg
May be offered to professional investors only in	Belgium, Finland, France, Germany, Italy, Luxembourg, Norway, Spain, Sweden, Switzerland, The Netherlands, United Kingdom
UCITS status	Yes
Status	Open-end
Base currency	EUR
Share class currency	EUR
Management company	Kempen Capital Management N.V.
Depository and custodian	J.P. Morgan Bank Luxembourg S.A.
Morningstar rating <sup>™</sup>	★★★
Morningstar Analyst rating	Bronze

**Ongoing charges**

Management fee	0.70 %	
Service fee	0.20 %	
Taxe d'abonnement	0.01 %	+
<b>Expected ongoing charges</b>	<b>0,91 %</b>	

**Fund characteristics per 2020-05-31**

	Fund	Benchmark
Number of holdings	63	4259
Dividend yield	3.17 %	2.32 %
Weighted average market capitalization	EUR 2,514 M	EUR 3,036 M
P/E ratio	15.92	19.48
Active share	97.97 %	

**Performance per 2020-05-31**

	Fund	Benchmark
1 month	3.5 %	5.4 %
3 months	-8.4 %	-5.0 %
This year	-21.6 %	-14.3 %
2017	12.6 %	7.7 %
2018	-5.5 %	-9.5 %
2019	26.6 %	28.5 %
1 year (on annual basis)	-9.5 %	-2.0 %
3 years (on annual basis)	0.5 %	2.0 %
5 years (on annual basis)	4.4 %	3.2 %
Since inception (on annual basis)	7.5 %	7.2 %

Performance is shown after deduction of ongoing charges. The value of your investments may fluctuate. Past performance provides no guarantee for the future. As of 30 June 2018 a deviating Net Asset Value (NAV) is used for the calculation of the performance figures. This NAV is calculated based on closing prices of the Fund investments thereby deviating from the NAV which was originally issued and partly calculated based on snapshots (Asia & Pacific investments). The deviating NAV is used to make a better comparison with the benchmark, which is also solely based on closing prices of the investments.

**Management team**

Jan Willem Berghuis, Maarten Vankan, Chris Kaashoek, Luuk Jagtenberg

[More information about the team and the strategy](#)

**Key figures**

Total fund size	EUR 627.03 M	2020-05-31
Share class size	EUR 462.19 M	2020-05-31
Number of shares	301,266	2020-05-31
Net Asset Value	EUR 1,555.80	2020-05-31

The turnover rate figure is per the end of the financial year of the fund and will be updated once a year.

**Profile**

Kempen (Lux) Global Small-cap Fund (the Fund) offers investors the opportunity to invest in an actively and professionally managed portfolio of smaller listed companies worldwide, while at the same time complying with strict exclusion and sustainability criteria. These are defined as companies with a maximum market capitalisation at the time of initial purchase of either EUR 5 billion, or the highest market capitalisation of any company included in the MSCI World Small Cap Index, whichever is the greater. The Fund primarily aims to generate a better long-term return than the benchmark.

The portfolio construction process involves a disciplined end to end framework initially utilizing proprietary in-house stock filters screening for high quality and attractively valued stocks. Thereafter, fundamental in-house research is carried out to identify high conviction investment ideas. The end result is a portfolio of approximately 60 - 90 stocks, well diversified across all regions and sectors

**Tradability**

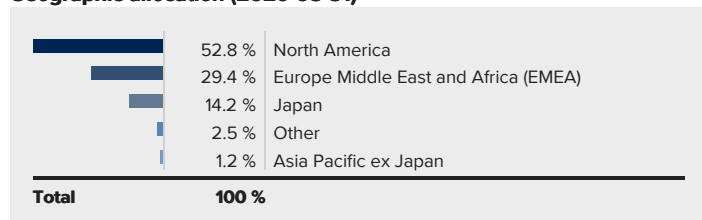
Minimum subscription	Initial subscription €50,000, additional subscriptions €10,000
Listed	no
Subscription/Redemption Frequency	Daily
ISIN	LU1078159883

## Portfolio

### Top 5 contribution (2020-05-31)

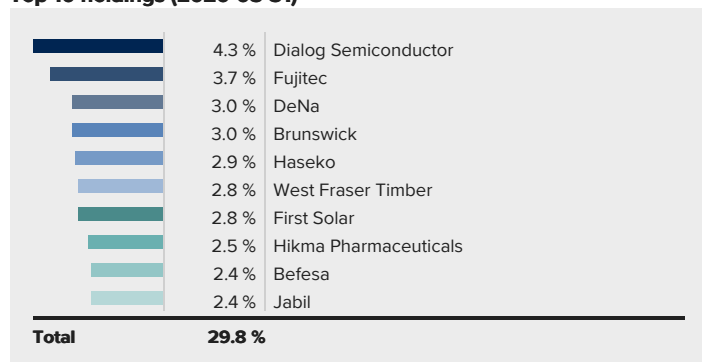
	Contribution	Performance
Dialog Semiconductor	0.85 %	23.55 %
Brunswick	0.49 %	13.95 %
LHC	0.41 %	22.59 %
Befesa	0.40 %	18.46 %
American Eagle Outfitters	0.34 %	13.69 %

### Geographic allocation (2020-05-31)



The cash position is included in 'Other'.

### Top 10 holdings (2020-05-31)



Kempen (Lux) Global Small-cap Fund (the "Sub-Fund") is a sub-fund of Kempen International Funds SICAV (the "Fund"), domiciled in Luxembourg. This Fund is authorised in Luxembourg and is regulated by the Commission de Surveillance du Secteur Financier. Kempen Capital Management N.V. (KCM) is the management company of the Fund. KCM 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.

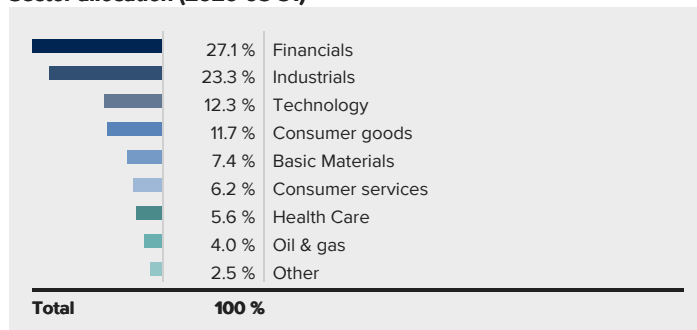
The information in this document provides insufficient information for an investment decision. Please read the Key Investor Document (available in Dutch, English and several other languages, see website) and the prospectus (available in English). These documents as well as annual report, semi-annual report and the articles of incorporation of the Fund are available free of charge at the registered office of the Fund located at 6H, route de Trèves, L-2633 Senningerberg, Luxembourg, at the offices of the representative in Switzerland and on the website of KCM ([www.kempen.com/en/asset-management](http://www.kempen.com/en/asset-management)). The information on the website is (partly) available in Dutch and English.

The Sub-Fund is registered for offering in 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 when subscribing to and redeeming units.

### Bottom 5 contribution (2020-05-31)

	Contribution	Performance
Teradata	-0.39 %	-14.33 %
Western Forest Products	-0.32 %	-19.14 %
Delek	-0.31 %	-15.78 %
Vesuvius	-0.25 %	-11.34 %
Varex Imaging	-0.23 %	-34.47 %

### Sector allocation (2020-05-31)



The cash position is included in 'Other'.