

Société d'Investissement à
Capital Variable (SICAV)
RCS B 82.955

Kempen Alternative Investment Fund

**Semi-Annual Report
30 June 2021**

Subscriptions cannot be received on the basis of financial reports. Subscriptions are valid only if made on the basis of the current prospectus, supplemented by the last annual and the most recent semi-annual report, if published thereafter.

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¹ Long/Short Equity Pool was launched on 4 January 2021

² Diversified Distressed Debt Pool was launched on 4 January 2021

Directors and Administration

Board of Directors

Chairman

Henry Kelly, Managing Director, KellyConsult Sàrl,
Grand Duchy of Luxembourg

Directors

Jacques Elvinger, Partner, Elvinger, Hoss & Prussen,
Grand Duchy of Luxembourg

Hendrik Luttenberg, Managing Director, LBGConsult,
The Netherlands

Richard Goddard, The Directors' Office S.A., Grand
Duchy of Luxembourg

John Vaartjes, Vice President, Kempen Capital
Management N.V., The Netherlands

Job de Kort, Executive Director, Kempen Capital
Management N.V., The Netherlands

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Global Distributor

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Grand Duchy of Luxembourg

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6h, Route de Trèves, L-2633 Senningerberg,
Grand Duchy of Luxembourg

Profile

Kempen Alternative Investment Fund (the "Fund"), a Luxembourg based umbrella fund, was incorporated on 16 July 2001 and consists of six Sub-Funds: Kempen Non-Directional Partnership (KNDP), Allocation Fund (AF), Global Alternative Investment Partners (GAIP), Diversified Structured Credit Pool (DSCP), Long/Short Equity Pool (LSEP) and Diversified Distressed Debt Pool (DDDP).

Investment objective KNDP

The investment objective of KNDP is to generate a long term return in excess of Euribor plus 3%. The investment portfolio of KNDP will primarily consist of participations in Investment Vehicles managed by third-party investment managers. These investment vehicles may be operating in various fields of the capital markets. The investment vehicles in which KNDP invests use a broad variety of investment strategies and styles to achieve attractive absolute returns. KNDP invests in investment vehicles which primarily follow non-directional strategies, including relative value strategies, non-directional arbitrage strategies, market neutral long/short investment strategies and event driven strategies.

Investment objective GAIP

The investment objective of GAIP is to generate a long term return in excess of Euribor plus 4%. The investment portfolio of GAIP will primarily consist of participations in Investment Vehicles managed by third-party investment managers. These Investment Vehicles may be operating in various fields of the capital markets, from (distressed) debt to equities, utilizing various investment strategies, from traditional ("long only") to so called "alternative" strategies.

Investment objective AF

AF is designed as a tool to implement the tactical asset allocation view of Kempen Capital Management N.V. into the portfolios of its discretionary clients and thereby aims to improve the risk return profile of the total portfolios of these discretionary clients.

The exposure to the various investment categories in AF (such as fixed income, equities, real estate, currencies and commodities) is based on the tactical allocation view of Kempen Capital Management N.V. whereby the level of exposure is determined on the basis of the level of conviction of the relevant investment categories. To obtain the exposure to the various investment categories AF may invest (either using long or short positions) worldwide in index futures providing exposure to investment categories such as stocks, bonds, commodities, currencies and real estate. AF is allowed to invest in investment funds as well as, directly or indirectly, in total return swaps and credit default swaps. AF can also invest its cash balances, which should in principle not exceed 98% of the AF net assets, in money market funds, deposits and bonds with a maximum maturity of 27 months. Investments may be made in all available sectors. AF uses derivatives such as, but not limited to, futures as an integral part of its investment policy. AF is allowed to hold short positions by means of derivatives.

Investment objective DSCP

The investment objective of DSCP is to provide long term capital growth. DSCP will primarily consist of a concentrated pool of participations in investment funds managed by third-party investment managers. These investment funds will operate as long-only funds and will focus on the global structured credit markets investing in a variety of market segments including but not limited to RMBS (residential mortgage backed securities), CMBS (commercial mortgage backed securities), CLOs (collateralised loan obligations), Consumer ABS (consumer asset-backed securities) and other types of ABS (asset-backed securities) both in the US as well as in Europe.

Investment objective LSEP

The investment objective of LSEP is to provide long term capital growth. LSEP will primarily consist of a concentrated pool of participations in Investment Vehicles managed by third-party investment managers ('Managers'). These Investment Vehicles will operate as long/short equity funds and will primarily focus on the global equity markets (and their derivative markets) with an emphasis on developed markets in the US, Europe and Asia. Albeit to a lesser extent, Managers also have the flexibility to invest in securities listed in emerging markets.

Investment objective DDDP

The investment objective of DDDP is to provide long term capital growth. DDDP will primarily consist of a concentrated pool of participations in Investment Vehicles managed by third-party investment managers. These Investment Vehicles will operate as opportunistic credit funds and will primarily focus on the (sub-investment grade) global credit markets (and their derivative markets) with an emphasis on developed markets in the US, Europe and Asia. Albeit to a lesser extent, the third-party investment managers of the target Investment Vehicles ("Managers") also have the flexibility to invest in credit markets in emerging markets.

Legal and fiscal aspects

No corporate tax, income or capital gains tax is currently levied in Luxembourg on the Fund. The Fund is however liable to a subscription tax ('taxe d'abonnement'). Institutional share classes are liable in Luxembourg to a 'taxe d'abonnement' of 0.01% per annum, based on their net asset value calculated at the end of each quarter. All other share classes are liable to a 'taxe d'abonnement' of 0.05% per annum, based on their net asset value calculated at the end of each quarter.

Investments in Luxembourg UCIs by the Fund enjoy full tax exemption so as to prevent double taxation. Under the current Dutch tax regime, investments by Dutch private investors in any of the Sub-Funds will in principle be taxed on the basis of an assumed income.

Dividend policy

Class B Shares of DSCP are distribution shares. All other share classes are capitalisation shares. The Board of Directors of the Fund has the option, in any given accounting year, to propose to the shareholders of any Sub-Fund at the Annual General Meeting of Shareholders, the payment of a dividend.

Subscriptions and redemptions of shares

For KNDP, GAIP, AF, DSCP, LSEP and DDDP the shares are not listed on any stock exchange.

Shares in the different Sub-Funds of KAIF are issued and redeemed subject to any applicable commitment period and prior notice requirements as described in the prospectus.

The table 'Detailed information on subscriptions, redemptions and charges' on page 36 shows the details regarding the dealing frequency of the subscriptions and redemptions for the different Sub-Funds in KAIF together with the charges involved.

Directors' Report

To our shareholders,

The Board of Directors of Kempen Alternative Investment Fund SICAV (the "Fund" or "KAIF") has the pleasure of presenting the Semi-Annual Report, including the financial statements, which covers the first six months of the financial year 2021, ended 30 June 2021.

COVID-19

Beginning in January 2020, the global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 have and may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may negatively impact the Fund's performance.

Activities and outlook

The Fund currently comprises six Sub-Funds: Kempen Non-Directional Partnership (KNDP), Global Alternative Investment Partners (GAIP), Allocation Fund (AF), Diversified Structured Credit Pool (DSCP), Long/Short Equity Pool (LSEP) and Diversified Distressed Debt Pool (DDDP).

After the end of the financial year, on the 4th of January 2021, two new Sub-Funds were launched: Long/Short Equity Pool and Diversified Distressed Debt Pool.

KOIP shareholders were informed that, per a decision of the Board, the Sub-Fund would be merged into the KNDP Sub-Fund. Such merger was successfully completed in January 2021.

As at 30 June 2021, the total Assets under Management of the Fund amounted to €825,894,723. The performance of the six Sub-Funds is shown in the table immediately following this report.

At the start of the DDDP five 'Launching' (or 'Founders') Share-Classes were launched with the intention to facilitate the initial growth by offering a discount on the regular management fee. As the size of the fund has reached the USD 100 million mark the 'Launching' Share-Classes will be closed for new subscriptions per 1 September 2021. To facilitate any new subscriptions five new share-classes will be launched which carry the regular management fee.

In accordance with the EU regulation 2019/2088 (the Sustainable Financial Disclosure Regulation), applicable as from 10 March 2021, the prospectus has been updated in order to include the required disclosures in relation to sustainable investments, the content of which depends on its classification under the SFDR (i.e., "article 9" for sub-funds having a sustainable investment objective; "article 8" for sub-funds promoting environmental or social characteristics and "article 6" in relation to the integration of the sustainability risks in the investment decisions for all sub-funds).

Corporate Governance statement

The Board of Directors of the Fund is responsible for supervising the Fund and its delegates in accordance with the articles of incorporation, prospectus, and laws and regulations applicable to Luxembourg investment funds.

The names and addresses of the Directors are listed with their principal occupations in the Directors and Administration section of the Semi-Annual Report.

The Board of Directors confirms the Fund's adherence to the ALFI Code of Conduct for Luxembourg Investment Funds, as published in July 2013.

The Board consists of six Directors, two of whom are employees of the Management Company and Distributor, Kempen Capital Management NV ("KCM"). The remaining four directors are independent of KCM.

At the Board meetings, which generally number at least three per financial year, the Directors review the management of the Fund's assets and all other significant matters so as to ensure that the Directors maintain overall control and supervision of the Fund's affairs. The Board is responsible for the appointment and monitoring of all service providers to the Fund. The Directors are kept fully informed of investment and financial controls and other matters relevant to the business of the Fund.

The Directors are responsible for ensuring the Fund's Semi-Annual Report is prepared in accordance with Luxembourg GAAP and applicable legal and regulatory requirements.

Internal Controls

The Board is also ultimately responsible for the Fund's system of internal controls and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Fund.

Luxembourg, 24 August 2021

The Board of Directors of Kempen Alternative Investment Fund

Investment Management Report

We hereby report to you on the first six months of the financial year 2021 of the Fund, which covers the period from 1 January 2021 to 30 June 2021 inclusive. The report starts with a summary of the results of all Sub-Funds followed by a discussion of the investment policy and outlook of KNDP, GAIP, AF, DSCP, LSEP and DDDP for the remainder of 2021.

Results

For the period under review, the return of KNDP based on the net asset value was +4.8% for Class A, +4.9% for Class B, 4.8% for Class F, +4.8% for Class I and +5.3% for Class I-USD.

KNDP 30-06-2021 31-12-2020

Net asset value per share		
- Class A	€ 19.37	€ 18.48
- Class B	€ 19.80	€ 18.87
- Class F	€ 155.57	€ 148.40
- Class I	€ 134.53	–
- Class I-USD	\$ 119.02	\$ 113.04
Net assets	€ 189,615,212	€ 90,110,700

For the period under review, the return of GAIP based on the net asset value was +4.6% for Class I.

GAIP 30-06-2021 31-12-2020

Net asset value per share		
- Class I	€ 122.01	€ 115.89
Net assets	€ 67,894,287	€ 64,761,964

AF generated a return of +9.8% for the first half of 2021.

AF 30-06-2021 31-12-2020

Net asset value per share		
- Class IG	€ 1,798.07	€ 1,632.42
Net assets	€ 130,347,634	€ 223,599,951

For the period under review, the return of DSCP based on the net asset value was +4.2% for Class A, +3.8% for Class A-EUR, +4.2% for Class I, +3.8% for Class I-EUR, +4.1% for Class I-GBP and +2.5% for Class B-EUR (hedged).

DSCP 30-06-2021 31-12-2020

Net asset value per share		
- Class A	\$ 1,204.97	\$ 1,156.76
- Class A-EUR	€ 1,096.93	€ 1,056.99
- Class B-EUR	€ 1,036.38	€ 1,011.33
- Class I	\$ 1,205.32	\$ 1,156.88
- Class I-EUR	€ 1,097.31	€ 1,057.09
- Class I-GBP	£ 1,032.65	£ 992.36
Net assets	\$ 352,272,292	\$ 307,217,319

For the period under review, the return of LSEP based on the net asset value was +6.2% for Class A and +8.8% for Class A (unhedged).

LSEP 30-06-2021 31-12-2020

Net asset value per share		
- Class A	€ 106.21	–
- Class A (unhedged)	€ 108.79	–
Net assets	€ 63,162,447	–

For the period under review, the return of DDDP based on the net asset value was +14.0% for Class LA, +13.5% for Class LA-EUR, +14.0% for Class LI, +13.5% for Class LI-EUR and +13.8% for Class LI-GBP.

DDDP	30-06-2021	31-12-2020
Net asset value per share		
- Class LA	\$ 113.98	–
- Class LA-EUR	€ 113.54	–
- Class LI	\$ 114.00	–
- Class LI-EUR	€ 113.55	–
- Class LI-GBP	£ 113.77	–
Net assets		
	\$ 92,292,140	–

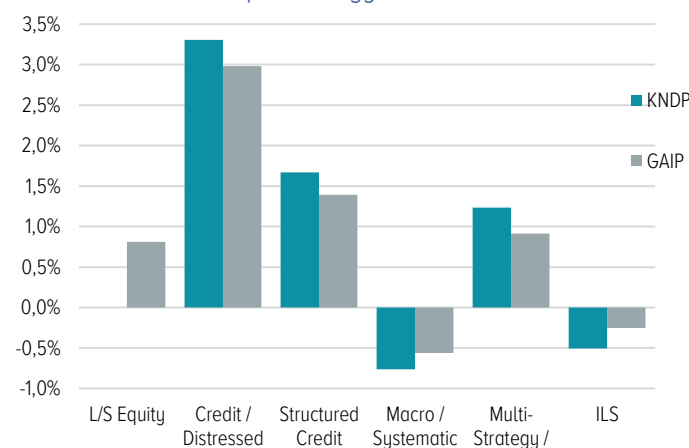
Investment policy & Outlook KNDP & GAIP

In the first six months of the year, the two sub-funds produced returns of +4.9% (KNDP, Class B), and +4.6% (GAIP, Class I) versus +3.2% for the reference hedge fund index (HFRX Global Hedge Fund EUR Index).

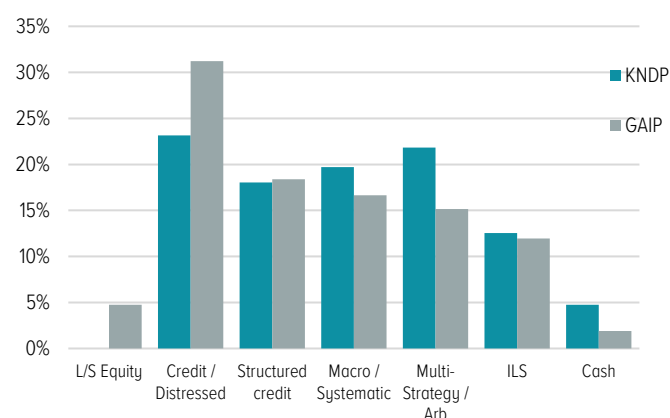
Performance was driven by strong performance from credit-related managers, followed by multi-strategy / Arbitrage managers. Credit / Distressed led the way with Anchorage, Diameter, Sculptor, and Silver Point each contributing significantly to performance. The next largest contribution came from Structured Credit, with One William Street being the largest contributor. In the group of Multi-Strategy / Arbitrage managers, DE Shaw contributed the most, followed by Boussard & Gavaudan and DK International.

ILS and Macro/Systematic managers detracted modestly from performance. Within ILS, Aeolus' performance was impacted by US winter storm Uri. Within Macro / Systematic, Pharo encountered a more difficult H1-2021 as EM assets sold off in Q1 when US rates increased significantly.

Contribution to return per strategy in H1-2021



Per the start of H2-2021, strategy exposures were as follows:



Both Sub-Funds run with diversified exposure across strategies, balancing alternative credit strategies (Credit/Distressed and Structured Credit) with uncorrelated strategies (Macro/Systematic, Multi-Strategy/Arb, and ILS). With that the funds are positioned to be able to take advantage of a variety of market opportunities across asset classes, with limited correlation to traditional markets.

Investment policy AF

AF is a vehicle used for tactical allocation for discretionary managed multi asset portfolios. The Sub-Fund is used as an overlay in the client portfolio. A short position corresponds to an underweight in the overall client portfolio and vice versa for a long position (overweight).

Over the first half of the 2021 the equity exposure in the allocation fund decreased. Within the fixed income category the fund reduced its underweight position in short-duration bonds. As of July 1st the fund has net exposure of 33% in government bonds, reflecting a -17% underweight position versus our benchmark. The fund a net exposure of 67% in equity markets, reflecting a 17% overweight to our benchmark. As per the reporting date, the fund holds no short positions.

Outlook AF

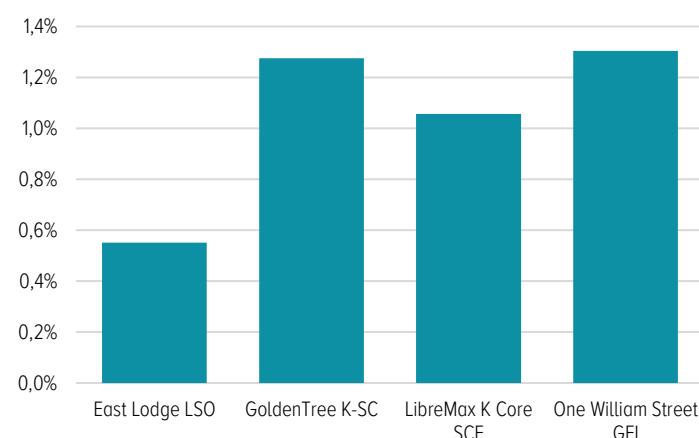
In the first half of 2021, equity markets continued to rally strongly, with developed equities outperforming emerging markets. Bond yields rose strongly up to early April in the US and late May in Germany, but have retreated thereafter. These performances have been driven by a strongly favorable growth outlook. Highly effective vaccines against Covid and rapid vaccination programs have enabled reopening of especially Western economies. Growth is set to stay strong in the coming quarters, although the growth rate should peak and Europe is expected to overtake the US. Headline inflation has surged globally, strongly driven by higher commodity prices. In the US core inflation has also risen sharply, for a large part due to base effects (falling prices a year ago). The Fed has convinced markets that inflation is transitory. Still, the bank is slowly moving towards a less supportive monetary policy. The Fed may announce tapering of its asset purchases in the second half of 2021, although no actual changes are expected. The ECB increased the pace of its asset purchases in the second quarter, leaning against rising bond yields. It will keep this higher pace in the third quarter. High valuations, risks of more sticky inflation and higher yields pose risks for equities. However, we think that strong earnings and upward revisions should be supportive, especially in Europe. We expect bond yields to drift higher. Gradually higher yields and a favorable economic outlook should keep spreads on corporate bonds at low levels. Emerging market debt looks more vulnerable in such a climate.

Investment Policy & Outlook DSCP

In the first six months of the year DSCP generated a return of +4.2% (Class I (USD)) versus +3.5% for the ICE BofAML 0-5 Year BB-B US High Yield Constrained Index (TR, USD).

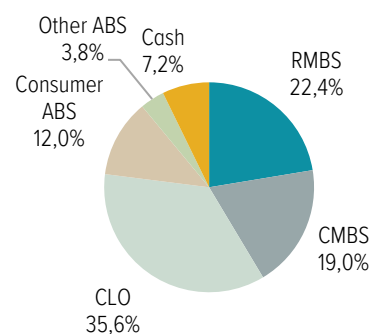
Each of the four underlying managers contributed positively to performance, with One William Street contributing the most, followed by GoldenTree, LibreMax, and East Lodge. Looking-through the four managers, all underlying sectors contributed positively. For One William Street, RMBS contributed the most, followed by CMBS, CLOs and Consumer ABS. In the instance of GoldenTree, the majority of performance was generated by its investments in CLOs.

Contribution to return per manager in H1-2021



On a look-through basis, DSCP's largest sector exposure is to CLOs, followed by RMBS, CMBS, and Consumer ABS.

Sector mix DSCP



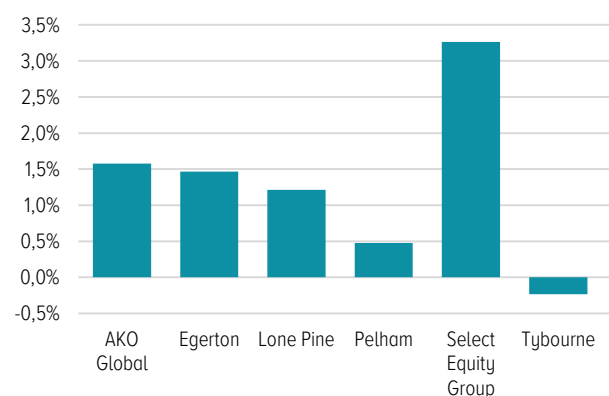
With a yield in excess of 4%, an average credit rating of BBB, and interest rate duration of only 1.2 years, DSCP is in a position to provide investors with a higher yield than comparably rated traditional corporate credit and virtually no sensitivity to rising interest rates.

Investment Policy & Outlook LSEP

In the first six months of the year LSEP generated a return of +8.8% (Class A-EUR (unhedged)) versus +7.3% for the HFRX Equity Hedge EUR Index.

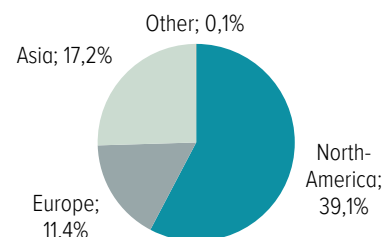
Six out of seven managers contributed positively to performance. The strongest contribution was produced by US mid cap manager Select Equity Group, followed by global managers AKO Global, Egerton, and Lone Pine. European manager Pelham and Asian manager Zaaba also contributed positively to performance. The only small detractor from performance was Tybourne as its growth-oriented style and bias to Asia was impacted by sector rotations and lagging Asian managers.

Contribution to return per manager in H1-2021



On a look-through basis, the fund has a net equity exposure of circa 68% with the following regional break-down.

Regional mix LSEP (net exposure)



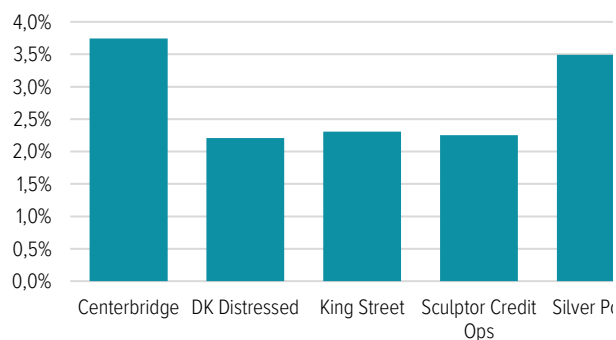
Whilst the stock picking environment was relatively difficult in H1-2021 with numerous trend reversals, short squeezes, and deleveraging occurring in the L/S Equity space, we are pleased to note that the majority of manager in the portfolio were nevertheless able to add value with their stock picks. On a forward-looking basis, the ability of managers to generate alpha on two sides of the portfolio (long and short) gives them the toolkit to produce asymmetric returns with upside capture outstripping downside capture.

Investment Policy & Outlook DDDP

In the first six months of the year DDDP generated a return of +14.0% (Class LI-USD) versus +12.8% for equally weighted mix of the Credit Suisse Event Driven Distressed Hedge Fund Index (USD) and the HFRI ED: Distressed/Restructuring Index (USD).

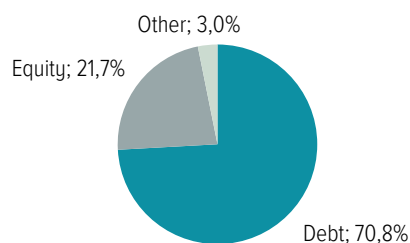
All five underlying managers contributed positively to performance. The largest contribution came from Centerbridge and Silver Point, both of which generated significant returns in the Steinhoff complex, including Mattress Firm and Pepco. In general, the environment proved beneficial for distressed debt with manager adding value in a mix restructurings created pre- and during Covid-19.

Contribution to return per manager in H1-2021



On a look-through basis, the fund has a net exposure of 96% with the following asset class mix.

Asset Class mix 3DP (net exposure)



On a forward-looking basis, the managers in the portfolio provide a mix of (a) restructuring plays dating back to pre-Covid19, (b) restructuring plays created during Covid19 and (c) dry powder to put to work going forward helping over-levered companies to restructure their debt.

COVID-19

The coronavirus outbreak has caused the outlook for the global economy to become uncertain. It is very likely that this will continue to have an impact on the global economy. There will undoubtedly be countries that enter into a technical recession. At this stage it is difficult to predict how long it will last.

Financial Statements

Statement of net assets as at 30 June 2021

	KNDP	GAIP	AF	DSCP	LSEP ¹	DDDP ²	COMBINED
Currency	EUR	EUR	EUR	USD	EUR	USD	EUR
Assets							
Investments in securities at cost (note 2)	165,204,117	55,143,458	110,366,914	315,229,098	56,976,881	78,672,238	719,845,292
Unrealised gain/(loss)	22,924,181	9,405,660	(1,001,880)	35,106,291	5,017,431	7,344,883	72,141,980
Investments in securities at market value (note 2)	188,128,298	64,549,118	109,365,034	350,335,389	61,994,312	86,017,121	791,987,272
Cash at bank and at brokers	5,175,780	4,519,950	20,015,923	9,374,883	1,263,824	15,090,913	51,606,050
Receivables on subscriptions	–	–	150,898	–	–	–	150,898
Receivables on investments sold	–	102,531	128	–	–	–	102,659
Unrealised gain on financial futures contracts (note 3)	–	–	1,469,674	–	–	–	1,469,674
Unrealised gain on forward currency exchange contracts (note 3)	6,619	–	–	919,962	64	347,841	1,075,747
Formation expenses, net of amortisation	–	–	–	3,624	(1,072)	(1,305)	883
Other assets	69	–	–	4,153	–	–	3,571
Total Assets	193,310,766	69,171,599	131,001,657	360,638,011	63,257,128	101,454,570	846,396,754
Liabilities							
Bank overdrafts	–	–	–	7,884,371	–	8,788,498	14,059,254
Payables on redemptions	–	–	185,480	–	–	–	185,480
Payables on investments purchased	–	–	36	–	–	–	36
Interest payable	2,151	2,880	14,214	800	879	719	21,405
Management fees payable (note 5)	209,995	72,528	–	205,096	75,962	54,877	577,705
Unrealised loss on financial futures contracts (note 3)	–	–	379,421	–	–	–	379,421
Unrealised loss on forward currency exchange contracts (note 3)	3,422,656	1,189,042	–	198,442	217	300,232	5,032,416
Other liabilities	60,752	12,862	74,872	77,010	17,623	18,104	246,314
Total Liabilities	3,695,554	1,277,312	654,023	8,365,719	94,681	9,162,430	20,502,031
Total net assets	189,615,212	67,894,287	130,347,634	352,272,292	63,162,447	92,292,140	825,894,723

¹Long/Short Equity Pool was launched on 4 January 2021

²Diversified Distressed Debt Pool was launched on 4 January 2021

The accompanying notes form an integral part of these financial statements.

Statement of operations and changes in net assets for the period ended 30 June 2021

	KOIP ¹	KNDP	GAIP	AF	DSCP	LSEP ²	DDDP ³	COMBINED
Currency	EUR	EUR	EUR	EUR	USD	EUR	USD	EUR
Net assets at the beginning of the period	289,167,090	90,110,700	64,761,964	223,599,951	307,217,319	–	–	918,726,561
Income								
Bank interest	–	–	–	–	–	12	–	12
Other income	4,172	–	–	–	–	–	–	4,172
Total income	4,172	–	–	–	–	12	–	4,184
Expenses								
Management fees (note 5)	–	632,330	213,889	–	586,209	195,656	119,122	1,636,639
Taxe d'abonnement	–	47,615	3,399	10,326	20,494	13,557	6,196	97,403
Amortisation of formation expenses	–	–	–	–	2,367	1,073	1,305	4,169
Bank and other interest expenses	8,879	27,504	13,379	99,776	1,266	4,236	3,228	157,564
Other Operating expenses	–	160,778	53,364	103,248	183,763	26,087	31,765	525,219
Less: Fee waiver	–	–	–	(17,668)	–	–	–	(17,668)
Total expenses	8,879	868,227	284,031	195,682	794,099	240,609	161,616	2,403,326
Net investment income/(loss)	(4,707)	(868,227)	(284,031)	(195,682)	(794,099)	(240,597)	(161,616)	(2,399,142)
Net realised gain/(loss) on:								
Sale of investments	40,687,043	7,459,812	3,792,652	1,177,721	4,825,400	157,986	473,020	57,743,061
Financial futures contracts (note 3)	–	–	–	19,547,662	–	–	–	19,547,662
Forward currency exchange contracts (note 3)	1,033,241	(412,430)	708,399	–	6,501,695	(316)	(926,811)	6,029,867
Currency exchange (note 2)	224,465	233,688	(28,333)	77,710	(1,326,326)	(276,642)	(133,577)	(1,000,162)
Net realised gain/(loss) for the period	41,944,749	7,281,070	4,472,718	20,803,093	10,000,769	(118,972)	(587,368)	82,320,428
Net change in unrealised appreciation/(depreciation) on:								
Investments	(34,792,729)	7,941,661	1,902,739	(1,735,251)	9,539,837	5,017,431	7,344,883	(7,428,254)
Financial futures contracts (note 3)	–	–	–	717,627	–	–	–	717,627
Forward currency exchange contracts (note 3)	(3,151,606)	(5,381,465)	(2,722,868)	–	(8,801,985)	(153)	47,609	(18,638,144)
Currency exchange (note 2)	(2,080,679)	65,653	24,037	96,266	231,397	231	265,849	(1,475,194)
Net change in unrealised appreciation/(depreciation) for the period	(40,025,014)	2,625,849	(796,092)	(921,358)	969,249	5,017,509	7,658,341	(26,823,965)
Increase/(decrease) in net assets as a result of operations	1,915,028	9,038,692	3,392,595	19,686,053	10,175,919	4,657,940	6,909,357	53,097,321
Subscriptions	–	108,087,800	2,975,100	10,742,221	37,783,489	58,504,507	85,985,256	284,676,560
Redemptions	(291,082,118)	(17,621,980)	(3,235,372)	(123,680,591)	(2,878,310)	–	(602,473)	(438,555,201)

¹Kempen Orange Investment Partnership has been merged into Kempen Non-Directional Partnership on 4 January 2021

²Long/Short Equity Pool was launched on 4 January 2021

³Diversified Distressed Debt Pool was launched on 4 January 2021

Statement of operations and changes in net assets for the period ended 30 June 2021 (continued)

	KOIP ¹	KNDP	GAIP	AF	DSCP	LSEP ²	DDDP ³	COMBINED
Currency	EUR	EUR	EUR	EUR	USD	EUR	USD	EUR
Increase/(decrease) in net assets as a result of movements in share capital	(291,082,118)	90,465,820	(260,272)	(112,938,370)	34,905,179	58,504,507	85,382,783	(153,878,641)
Dividend distributions	—	—	—	—	(26,125)	—	—	(22,030)
Foreign currency translation difference	—	—	—	—	—	—	—	7,971,512
Net assets at the end of the period	—	189,615,212	67,894,287	130,347,634	352,272,292	63,162,447	92,292,140	825,894,723

¹Kempen Orange Investment Partnership has been merged into Kempen Non-Directional Partnership on 4 January 2021

²Long/Short Equity Pool was launched on 4 January 2021

³Diversified Distressed Debt Pool was launched on 4 January 2021

The accompanying notes form an integral part of these financial statements.

Statistical information

	SHARES OUTSTANDING AS AT 30 JUNE 2021	CURRENCY	NAV PER SHARE AS AT 30 JUNE 2021	NAV PER SHARE AS AT 31 DECEMBER 2020	NAV PER SHARE AS AT 31 DECEMBER 2019
KOIP¹					
Class A	—	EUR	—	1,393.96	1,318.13
Class B	—	EUR	—	1,425.15	1,346.29
Class C	—	EUR	—	1,457.11	1,375.11
Class F	—	EUR	—	143.92	136.09
Class I	—	EUR	—	128.32	121.29
Class I-GBP	—	GBP	—	115.52	109.24
Class I-USD	—	USD	—	107.46	100.05
Total net assets in EUR			—	289,167,090	361,865,150
KNDP					
Class A	427,684	EUR	19.37	18.48	17.40
Class B	3,843,002	EUR	19.80	18.87	17.76
Class F	613,533	EUR	155.57	148.40	139.76
Class I	58,129	EUR	134.53	—	—
Class I-USD	19,506	USD	119.02	113.04	104.87
Total net assets in EUR			189,615,212	90,110,700	107,812,230
GAIP					
Class I	556,444	EUR	122.01	115.89	106.40
Total net assets in EUR			67,894,287	64,761,964	73,402,882
AF					
Class IG	72,457	EUR	1,798.07	1,632.42	1,422.94
Total net assets in EUR			130,347,634	223,599,951	249,457,314
DSCP					
Class A	3,466	USD	1,204.97	1,156.76	—
Class A-EUR	10,341	EUR	1,096.93	1,056.99	—
Class B-EUR	2,131	EUR	1,036.38	1,011.33	—
Class I	97,935	USD	1,205.32	1,156.88	—
Class I-EUR	81,846	EUR	1,097.31	1,057.09	—
Class I-GBP	75,339	GBP	1,032.65	992.36	—
Total net assets in USD			352,272,292	307,217,319	—

¹ Kempen Orange Investment Partnership has been merged into Kempen Non-Directional Partnership on 4 January 2021

Statistical information (continued)

	SHARES OUTSTANDING AS AT 30 JUNE 2021	CURRENCY	NAV PER SHARE AS AT 30 JUNE 2021	NAV PER SHARE AS AT 31 DECEMBER 2020	NAV PER SHARE AS AT 31 DECEMBER 2019
LSEP²					
Class A	330	EUR	106.21	–	–
Class A (unhedged)	580,293	EUR	108.79	–	–
Total net assets in EUR			63,162,447	–	–
DDDP³					
Class LA	35,660	USD	113.98	–	–
Class LA-EUR	160,207	EUR	113.54	–	–
Class LI	90,201	USD	114.00	–	–
Class LI-EUR	275,010	EUR	113.55	–	–
Class LI-GBP	123,055	GBP	113.77	–	–
Total net assets in USD			92,292,140	–	–

² Long/Short Equity Pool was launched on 4 January 2021

³ Diversified Distressed Debt Pool was launched on 4 January 2021

The accompanying notes form an integral part of these financial statements.

Realised Gains/(Loss) and Change in Unrealised Appreciation/(Depreciation) on Investments and Derivatives

	KOIP ¹	KNDP	GAIP	AF	DSCP	LSEP ²	DDDP ³	COMBINED
Currency	EUR	EUR	EUR	EUR	USD	EUR	USD	EUR
Realised gain on:								
Investments	50,681,097	7,459,812	3,792,652	2,198,393	4,825,585	158,053	473,318	68,758,261
Financial futures contracts	–	–	–	23,244,563	–	–	–	23,244,563
Forward currency exchange contracts	1,093,395	8,224,705	1,026,620	–	10,665,600	–	193,051	19,501,184
Realised loss on:								
Investments	(9,994,054)	–	–	(1,020,672)	(185)	(67)	(298)	(11,015,200)
Financial futures contracts	–	–	–	(3,696,901)	–	–	–	(3,696,901)
Forward currency exchange contracts	(60,154)	(8,637,135)	(318,221)	–	(4,163,905)	(316)	(1,119,862)	(13,471,317)
Net realised gain/(loss) for the period	41,720,284	7,047,382	4,501,051	20,725,383	11,327,095	157,670	(453,791)	83,320,590
Change in unrealised appreciation on:								
Investments	(44,765,155)	9,324,622	1,890,377	(2,173,624)	9,551,426	5,017,431	7,613,874	(16,231,857)
Financial futures contracts	–	–	–	(307,581)	–	–	–	(307,581)
Forward currency exchange contracts	(3,231,214)	(2,078,230)	(1,534,674)	–	(8,603,542)	63	347,841	(13,805,604)
Change in unrealised depreciation on:								
Investments	9,972,426	(1,382,961)	12,362	438,373	(11,589)	–	(268,991)	8,803,603
Financial futures contracts	–	–	–	1,025,208	–	–	–	1,025,208
Forward currency exchange contracts	79,608	(3,303,235)	(1,188,194)	–	(198,443)	(216)	(300,232)	(4,832,540)
Net change in unrealised appreciation (depreciation) for the period:	(37,944,335)	2,560,196	(820,129)	(1,017,624)	737,852	5,017,278	7,392,492	(25,348,771)

¹Kempen Orange Investment Partnership has been merged into Kempen Non-Directional Partnership on 4 January 2021

²Long/Short Equity Pool was launched on 4 January 2021

³Diversified Distressed Debt Pool was launched on 4 January 2021

The accompanying notes form an integral part of these financial statements.

Schedule of investments and other net assets as at 30 June 2021

1. Kempen Non-Directional Partnership

Kempen Non-Directional Partnership

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
Units of authorised UCITS or other collective investment undertakings				
Collective Investment Schemes - AIF				
Bermuda				
Aeolus Property Catastrophe Keystone PF Fund LP Hedge Fund	USD	25,528	21,324,563	11.25
Aeolus Property Catastrophe Keystone PF Fund LP Series J18	USD	688	902,709	0.47
Aeolus Property Catastrophe Keystone PF Fund LP Series MY18	USD	509	383,341	0.20
			22,610,613	11.92
Cayman Islands				
Anchorage Capital Partners Offshore Ltd. Series K	USD	24,563,223	48,689,777	25.68
Brevan Howard Fund Ltd. - Class I EUR	EUR	129,722	23,982,871	12.65
D.E. Shaw Composite International Fund Class B	USD	6,153,642	17,236,730	9.09
D.E. Shaw Composite International Fund Side Pocket	USD	26,158	15,748	0.01
Farallon Capital Offshore Investors II Holdings LP	USD	418,828	–	–
Farallon Capital Offshore Investors II Holdings LP Special Situation Investments	USD	6,315,882	281,030	0.15
Harbinger Capital Partners Offshore LLC Class L Series 01-11	USD	3	905	–
Harbinger Capital Partners Offshore LLC Class L Series 04-10	USD	4	1,197	–
Harbinger Capital Partners Offshore LLC Class L Series 04-11	USD	3	852	–
Harbinger Capital Partners Offshore LLC Class L Series 07-11	USD	3	850	–
Harbinger Capital Partners Offshore LLC Class L Series 10-10	USD	3	904	–
Harbinger Capital Partners Offshore LLC Class L Series 2	USD	5	5,966	–
Harbinger Capital Partners Offshore LLC Class L Series 3	USD	2	1,653	–
Harbinger Capital Partners Offshore LLC Class L Series 6	USD	–	35	–
Harbinger Capital Partners Offshore LLC Class LS Series 04-11	USD	1,356	–	–
Harbinger Capital Partners Offshore LLC Class LS Series 07-11	USD	1,343	–	–
Harbinger Capital Partners Offshore LLC Class PE Series 01-11	USD	86	5,731	–
Harbinger Capital Partners Offshore LLC Class PE Series 04-10	USD	137	7,641	0.01
Harbinger Capital Partners Offshore LLC Class PE Series 04-11	USD	77	5,731	–
Harbinger Capital Partners Offshore LLC Class PE Series 07-11	USD	81	5,731	–
Harbinger Capital Partners Offshore LLC Class PE Series 1	USD	749	35,812	0.02
Harbinger Capital Partners Offshore LLC Class PE Series 10-10	USD	89	5,731	–
Harbinger Capital Partners Offshore LLC Class PE Series 2	USD	196	10,043	0.01
Harbinger Capital Partners Offshore LLC Class PE Series 6	USD	4	216	–
One William Street Capital Offshore Fund Ltd. Class DD - Initial Series	USD	7,179	19,453,872	10.26
Sculptor Credit Opportunities Overseas Fund LP	USD	2,733	9,403,458	4.96
Sculptor Credit Opportunities Overseas Fund LP	USD	3,894	10,294,204	5.43
Sculptor Overseas Fund II Ltd. Class D/1 and H	USD	31	–	–
Sculptor Overseas Fund II Ltd. Series H	USD	136	23,258	0.01

Kempen Non-Directional Partnership (continued)

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
Silver Point Capital Offshore Fund Ltd. Class H-160	USD	623	18,634,434	9.83
Warwick European Distressed & Special Situations Credit Fund LP	EUR	281	1,051	–
Warwick European Distressed & Special Situations Credit Fund, Inc. Class - B3	EUR	47,144	488,260	0.26
			148,593,691	78.37
Guernsey				
Boussard & Gavaudan Holding Ltd.	EUR	222,458	4,849,585	2.56
			4,849,585	2.56
United States of America				
Nokota Capital Offshore Fund Ltd. Series E NR Sub-Series 1 Unrestricted	USD	679,770	41,346	0.02
Nokota Capital Offshore Fund Ltd. Series E NR Sub-Series 2 Unrestricted	USD	588,594	40,852	0.02
Shepherd Select Asset Ltd. Class A	USD	23	8,878	0.01
			91,076	0.05
Virgin Islands, British				
Davidson Kempner International (BVI) Ltd. Tranche3 01 Jan 21	USD	103,815	11,983,333	6.32
			11,983,333	6.32
Total Collective Investment Schemes - AIF			188,128,298	99.22
Total Units of authorised UCITS or other collective investment undertakings			188,128,298	99.22
Total Investments			188,128,298	99.22
Cash			5,175,780	2.73
Other assets/(liabilities)			(3,688,866)	(1.95)
Total net assets			189,615,212	100.00

The accompanying notes form an integral part of these financial statements.

2. Global Alternative Investment Partners

Global Alternative Investment Partners

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
Units of authorised UCITS or other collective investment undertakings				
Collective Investment Schemes - AIF				
Bermuda				
Aeolus Property Catastrophe Keystone PF Fund LP Hedge Fund	USD	6,883	5,755,698	8.48
Aeolus Property Catastrophe Keystone PF Fund LP Series J18	USD	94	123,098	0.18
Aeolus Property Catastrophe Keystone PF Fund LP Series MY18	USD	69	52,274	0.07
			5,931,070	8.73
Cayman Islands				
Anchorage Capital Partners Offshore Ltd. Series K	USD	5,463,847	25,406,722	37.42
Brevan Howard Fund Ltd. - Class I EUR	EUR	22,081	4,330,587	6.38
D.E. Shaw Composite International Fund	USD	38,536	5,767,520	8.49
One William Street Capital Offshore Fund Ltd. Class DD Series 0920	USD	1,000	955,646	1.41
One William Street Capital Offshore Fund Ltd. Hedge Fund	USD	500	470,613	0.69
Pharo Gaia Fund Ltd. Class A - Series 9	USD	310	990,835	1.46
Sculptor Credit Opportunities Fund	USD	1,688	5,160,901	7.60
SEG Partners Offshore Ltd. UIT USD	USD	7,239	4,437,503	6.54
Zaaba Pan Asia Fund A Founders Benefit Shares Unrest Initial Series April 2016	USD	2,271	3,138,139	4.62
			50,658,466	74.61
Guernsey				
Boussard & Gavaudan Holding Ltd.	EUR	80,641	1,757,974	2.59
			1,757,974	2.59
Ireland				
MW Eureka New Issue Fund B2 EUR	EUR	14,373	3,432,833	5.06
			3,432,833	5.06
United States of America				
Lyxor Bridgewater Fund Ltd. Class S	USD	32,790	2,755,331	4.06
Nokota Capital Offshore Fund Ltd. Series E NR Sub-Series 1 Unrestricted	USD	111,180	6,762	0.01
Nokota Capital Offshore Fund Ltd. Series E NR Sub-Series 2 Unrestricted	USD	96,268	6,682	0.01
			2,768,775	4.08
Total Collective Investment Schemes - AIF			64,549,118	95.07
Total Units of authorised UCITS or other collective investment undertakings			64,549,118	95.07
Total Investments			64,549,118	95.07
Cash			4,519,950	6.66
Other assets/(liabilities)			(1,174,781)	(1.73)
Total net assets			67,894,287	100.00

The accompanying notes form an integral part of these financial statements.

3. Allocation Fund

Allocation Fund

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
Units of authorised UCITS or other collective investment undertakings				
Collective Investment Schemes - UCITS				
<i>Ireland</i>				
BlackRock ICS Euro Liquid Environmentally Aware Fund - Class Premier Accumulating EUR	EUR	434,567	42,957,854	32.95
Insight Liquidity Funds plc - EUR Cash Fund Class 3	EUR	36,698,243	35,633,994	27.34
			78,591,848	60.29
<i>Luxembourg</i>				
JPMorgan EUR Liquidity LVNAV Fund - JPM EUR Liquidity LVNAV C (acc.)	EUR	3,124	30,773,186	23.61
			30,773,186	23.61
Total Collective Investment Schemes - UCITS			109,365,034	83.90
Total Units of authorised UCITS or other collective investment undertakings			109,365,034	83.90
Total Investments			109,365,034	83.90
Cash			20,015,923	15.36
Other assets/(liabilities)			966,677	0.74
Total net assets			130,347,634	100.00

The accompanying notes form an integral part of these financial statements.

4. Diversified Structured Credit Pool

Diversified Structured Credit Pool

Investments	Currency	Quantity/ Nominal Value	Market Value USD	% of Net Assets
Units of authorised UCITS or other collective investment undertakings				
Collective Investment Schemes - AIF				
<i>Cayman Islands</i>				
Goldentree 2017 K-SC Ltd. Class A Series	USD	239,450	287,205,765	81.53
			287,205,765	81.53
<i>Ireland</i>				
East Lodge Long Structured Opportunities Fund Class A USD EB6AN Series 09 Jul 19	USD	31,500	32,791,479	9.31
East Lodge Long Structured Opportunities Fund Class A USD EB6AN Series 12 Oct 2019	USD	1,800	1,818,971	0.52
East Lodge Long Structured Opportunities Fund Class A USD EB6AN Series 14 Dec 2019	USD	600	602,736	0.17
East Lodge Long Structured Opportunities Fund Class A USD Series 17 Mar 2020	USD	3,000	2,957,283	0.84
East Lodge Long Structured Opportunities Fund Class A USD Series 20 Jun 2020	USD	4,000	4,363,624	1.24
East Lodge Long Structured Opportunities Fund Class A USD Series 21 Jul 2020	USD	14,000	15,075,729	4.28
East Lodge Long Structured Opportunities Fund Class A USD Series 22 Aug 2020	USD	3,300	3,538,371	1.00
East Lodge Long Structured Opportunities Fund Class A USD Series 25 Nov 2020	USD	500	526,239	0.15
East Lodge Long Structured Opportunities Fund Class A USD Series 26 Dec 2020	USD	1,400	1,455,192	0.41
			63,129,624	17.92
Total Collective Investment Schemes - AIF			350,335,389	99.45
Total Units of authorised UCITS or other collective investment undertakings			350,335,389	99.45
Total Investments			350,335,389	99.45
Cash			1,490,512	0.42
Other assets/(liabilities)			446,391	0.13
Total net assets			352,272,292	100.00

The accompanying notes form an integral part of these financial statements.

5. Long/Short Equity Pool

Long/Short Equity Pool

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
Units of authorised UCITS or other collective investment undertakings				
Collective Investment Schemes - AIF				
<i>Bermuda</i>				
Pelham Long/Short Fund Ltd. - Class A USD	USD	28,049	7,210,518	11.41
			7,210,518	11.41
<i>Cayman Islands</i>				
Lone Cedar Ltd. - Class E Shares	USD	8,006,720	17,685,536	28.00
Zaaba Pan Asia Fund A Founders Benefit Shares Unrest Initial Series April 2016	USD	5,310	7,337,459	11.62
			25,022,995	39.62
<i>United States of America</i>				
SEG Partners Offshore Ltd.	USD	15,996	9,789,634	15.50
			9,789,634	15.50
<i>Virgin Islands, British</i>				
Egerton Long Short Fund (EUR GBP & NOK) Ltd. Class B Series Apr 21	EUR	780,000	8,602,191	13.62
			8,602,191	13.62
Total Collective Investment Schemes - AIF			50,625,338	80.15
Collective Investment Schemes - UCITS				
<i>Ireland</i>				
AKO Global UCITS Fund - Class B2 Hedged EUR Cap	EUR	68,398	11,368,974	18.00
			11,368,974	18.00
Total Collective Investment Schemes - UCITS			11,368,974	18.00
Total Units of authorised UCITS or other collective investment undertakings			61,994,312	98.15
Total Investments			61,994,312	98.15
Cash			1,263,824	2.00
Other assets/(liabilities)			(95,689)	(0.15)
Total net assets			63,162,447	100.00

The accompanying notes form an integral part of these financial statements.

6. Diversified Distressed Debt Pool

Diversified Distressed Debt Pool

Investments	Currency	Quantity/ Nominal Value	Market Value USD	% of Net Assets
Units of authorised UCITS or other collective investment undertakings				
Collective Investment Schemes - AIF				
<i>Cayman Islands</i>				
Centerbridge Credit Partners Offshore Ltd. Class E Series 2021-01	USD	33,515	69,147,049	74.92
			69,147,049	74.92
<i>Virgin Islands, British</i>				
King Street Capital Ltd.	USD	75,981	16,870,072	18.28
			16,870,072	18.28
Total Collective Investment Schemes - AIF			86,017,121	93.20
Total Units of authorised UCITS or other collective investment undertakings			86,017,121	93.20
Total Investments			86,017,121	93.20
Cash			6,302,415	6.83
Other assets/(liabilities)			(27,396)	(0.03)
Total net assets			92,292,140	100.00

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

1. General

Kempen Alternative Investment Fund (the Fund) was incorporated in Luxembourg on 16 July 2001 for an indefinite period as a '*Société d'Investissement à Capital Variable*' (SICAV) in accordance with Part II of the law of 30 March 1988 relating to collective investment undertakings. The Fund is organized as an alternative investment fund in accordance with the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011. The Fund is governed by the part II of the law of 17 December 2010 as amended relating to collective investment undertakings. The Fund is registered with the *Registre du Commerce et des Sociétés*, Luxembourg, under number RC 82.955.

The Fund consists of six Sub-Funds: Kempen Non-Directional Partnership (KNDP), Allocation Fund (AF), Global Alternative Investment Partners (GAIP), Diversified Structured Credit Pool (DSCP), Long/Short Equity Pool (LSEP) and Diversified Distressed Debt Pool (DDDP).

Shares in the Sub-Funds KNDP may be issued in the following share classes: Class A; Class B; Class C; Class F; Class FD, Class I, Class I-GBP and Class I-USD. Class I, Class I-GBP and Class I-USD shares may only be subscribed to by institutional investors. The other classes will each be issued to any investor.

Shares in the Sub-Fund GAIP may be issued in the following share classes: Class A and Class I. Class I shares may only be subscribed to by institutional investors. The other class can be issued to any investor.

Shares in the Sub-Fund AF may be issued in the following share classes: Class IF and Class IG. These classes can only be acquired and held by institutional investors.

Shares in the Sub-Fund DSCP may be issued in the following share classes: Class A; Class A-GBP; Class A-EUR; Class B; Class B-GBP and Class B-EUR. Class I, Class I-GBP, Class I-EUR, Class J, Class J-GBP and Class J-EUR shares may only be subscribed to by institutional investors. The other classes will each be issued to any investor.

Shares in the Sub-Fund LSEP may be issued in the following share classes: Class A (unhedged); Class A; Class A-GBP (unhedged); Class A-GBP; Class A-USD (unhedged); Class A-USD; Class B (unhedged); Class B; Class B-GBP (unhedged); Class B-GBP; Class B-USD (unhedged) and Class B-USD. Class I (unhedged), Class I, Class I-GBP (unhedged), Class I-GBP, Class I-USD (unhedged), Class I-USD, Class J (unhedged), Class J, Class J-GBP (unhedged), Class J-GBP, Class J-USD (unhedged) and Class J-USD shares may only be subscribed to by institutional investors. The other classes will each be issued to any investor.

Shares in the Sub-Fund DDDP may be issued in the following share classes: Class A; Class A-GBP; Class A-USD; Class LA; Class LA-GBP; Class LA-USD; Class B; Class B-GBP; Class B-USD; Class LB; Class LB-GBP and Class LB-USD. Class I, Class I-GBP, Class I-USD, Class LI, Class LI-GBP, Class LI-USD, Class J, Class J-GBP, Class J-USD, Class LJ, Class LJ-GBP and Class LJ-USD shares may only be subscribed to by institutional investors. The other classes will each be issued to any investor.

The entry into force of the Alternative Investment Fund Managers Directive (AIFMD) on July 22, 2014 has had the effect of reinforcing management and administration requirements for the Fund. As a consequence, as from 22 July 2014, Kempen Capital Management N.V. (previously the Investment Manager) has been appointed as the Management Company and external alternative investment fund manager of the Fund.

2. Significant accounting policies

These financial statements are prepared in accordance with generally accepted accounting principles and legal and regulatory requirements in the Grand Duchy of Luxembourg.

Combined Financial Statements

The Combined Financial Statements are expressed in Euro and correspond to the sum of items in the financial statements of each Sub-fund, converted into Euro at the exchange rate prevailing at the closing date.

Valuation of Investments in Securities

Investments are comprised of funds in the case of KNDP, GAIP and AF. The valuation dates of the underlying funds may differ from those of the Sub-Fund. Market quotations may not be available and the latest audited financial statements of the underlying investment vehicles may not be available within a reasonable time period before or after the reporting date of the Sub-Fund.

Investments are thus valued in the statement of net assets at their fair value which is the latest available net asset value as determined by the Board of Directors, in good faith and in accordance with generally accepted accounting principles, based on estimates received from the different administrators or investment managers of the underlying investments.

As the calculation of the net asset value of the Sub-Fund on a valuation day may be based on estimates of the net asset values for the funds, redemptions and subscriptions of shares may represent a discount (or premium) on the actual value of net assets.

Shares to Issue / Shares to Redeem

Subscriptions per the dealing day falling on the business day following the last calendar day of the reporting period are reflected in the statement of net assets as 'Advance for subscriptions received'. The investments or disinvestments resulting from the subscriptions or redemptions are reflected as 'Receivable from advance purchases', 'Payable on purchase of securities' and 'Receivable from sale of securities', respectively.

Any shareholder may apply for redemption of his Shares in part or in whole on any applicable Dealing Day.

Realised and Unrealised Gains and Losses on Sales of Investments

Realised and unrealised gains and losses on sales of investments are calculated on the average book cost.

Security Transactions and Investment Income

Security transactions are accounted for on the trade date. Interest income and retrocession commission are recognized on an accrual basis. Dividend income is recognized on the 'ex-dividend' date.

Swing Pricing

Swing Pricing only applies to the Sub-Fund Allocation Fund. Investment and/or disinvestment costs may have an adverse effect on the shareholders' interests in a Sub-Fund. In order to prevent this effect, called "dilution", the Board of Directors has the authority to allow for the net asset value per Share to be adjusted (by no more than 1.50%) by effective dealing and other costs and fiscal charges which would be payable on the effective acquisition or disposal of assets in the Sub-Fund.

If the net capital activity on a given Valuation Day leads to a net inflow of assets in the Sub-Fund, the net asset value used to process all subscriptions, redemptions or conversions in the Sub-Fund is adjusted upwards by the swing factor that shall be determined from time to time by the Board of Directors.

If the net capital activity on a given Valuation Day leads to a net outflow of assets in the Sub-Fund, the net asset value used to process all subscriptions, redemptions or conversions in the Sub-Fund is adjusted downwards by the swing factor that shall be determined from time to time by the Board of Directors.

As at 30 June 2021 swing pricing was applied on the NAV per share of the following Sub-Funds:

Sub Fund Name	Share class currency	Unswung NAV per share	Swung NAV per share
AF			
Class IG	EUR	1,798.97	1,798.07

Redemption Charge

No redemption charge is levied by the Sub-Fund.

Foreign Currencies

The books and records of Kempen Non-Directional Partnership (KNDP), Global Alternative Investment Partners (GAIP), Allocation Fund (AF) and Long/Short Equity Pool (LSEP) are denominated in Euro (€), the base currency of the Fund. The books and records of Diversified Structured Credit Pool (DSCP) and Diversified Distressed Debt Pool (DDDP) are denominated in USD (\$).

The value of assets and liabilities denominated in a currency other than the reference currency of a Sub-Fund is determined by taking into account the rate of exchange prevailing at the time of the determination of the net asset value. Assets and liabilities are translated into Euro at the rate of exchange ruling at the statement of net assets date. Purchases and sales of foreign investments, income and expenses are converted into the base currency using currency exchange rates prevailing on the respective dates of such transactions. Resulting realised and net change in unrealised foreign exchange rate gains and losses, if any, are included in the statement of operations.

The exchange rates applied as at 30 June 2021 were as follows:

1	EUR	=	1.1859	USD	1	EUR	=	0.8584	GBP
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Allocation Share Classes

The income and expenses of the Sub-Funds are allocated on a monthly basis to the different share classes based on the total net asset value per share class at the beginning of the month.

Futures contracts

Unsettled futures contracts are valued at the last available price at the relevant valuation date. All unrealised gains and losses are recognised in the statement of net assets, net change in unrealised gains and losses are recognised in the statement of operations and statement of changes in net assets in determining the increase or decrease in the net assets as a result of operations.

Forward Foreign Exchange Contracts

Unsettled forward foreign exchange contracts are valued by reference to the forward rate of exchange applicable to the outstanding life of the contract. All unrealised gains and losses are recognised in the statement of net assets, net change in unrealised gains and losses are recognised in the statement of operations and statement of changes in net assets in determining the increase or decrease in the net assets as a result of operations.

3. Futures and Forward Foreign Exchange Contract

From time to time, the Sub-Funds enter into forward exchange contracts in order to mitigate impacts of exchange rate fluctuations. As at 30 June 2021 the following forward exchange contracts were open:

Kempen Non-Directional Partnership

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) EUR	% of Net Assets
USD	50,000	EUR	40,834	2-7-2021	Credit Suisse	1,328	—
USD	2,320,000	EUR	1,947,093	4-10-2021	Credit Suisse	5,291	0.01
Total Unrealised Gain on Forward Currency Exchange Contracts - Assets						6,619	0.01
EUR	159,758,099	USD	193,600,000	27-7-2021	Credit Suisse	(3,406,917)	(1.80)
USD	2,260,000	EUR	1,921,465	2-7-2021	Credit Suisse	(15,739)	(0.01)
Total Unrealised Loss on Forward Currency Exchange Contracts - Liabilities						(3,422,656)	(1.81)
Net Unrealised Loss on Forward Currency Exchange Contracts - Liabilities						(3,416,037)	(1.80)

Global Alternative Investment Partners

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) EUR	% of Net Assets
EUR	55,025,352	USD	66,700,000	27-7-2021	Credit Suisse	(1,189,042)	(1.75)
Net Unrealised Loss on Forward Currency Exchange Contracts - Liabilities						(1,189,042)	(1.75)

Diversified Structured Credit Pool

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) USD	% of Net Assets
EUR	100,080,000	USD	117,855,209	2-7-2021	Van Lanschot	829,663	0.23
GBP	73,000,000	USD	100,755,549	2-7-2021	Van Lanschot	90,299	0.03
Total Unrealised Gain on Forward Currency Exchange Contracts - Assets						919,962	0.26
EUR	1,688,000	USD	2,059,891	2-7-2021	Van Lanschot	(58,091)	(0.02)
GBP	3,490,000	USD	4,961,611	2-7-2021	Van Lanschot	(140,351)	(0.04)
Total Unrealised Loss on Forward Currency Exchange Contracts - Liabilities						(198,442)	(0.06)
Net Unrealised Gain on Forward Currency Exchange Contracts - Assets						721,520	0.20

Long/Short Equity Pool

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) EUR	% of Net Assets
EUR	9,200	USD	10,834	2-7-2021	Van Lanschot	64	—
Total Unrealised Gain on Forward Currency Exchange Contracts - Assets						64	—
EUR	13,200	USD	15,911	2-7-2021	Van Lanschot	(217)	—
Total Unrealised Loss on Forward Currency Exchange Contracts - Liabilities						(217)	—
Net Unrealised Loss on Forward Currency Exchange Contracts - Liabilities						(153)	—

Diversified Distressed Debt Pool

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) USD	% of Net Assets
EUR	40,000,000	USD	47,104,400	2-7-2021	Van Lanschot	331,600	0.36
GBP	13,130,000	USD	18,122,197	2-7-2021	Van Lanschot	16,241	0.02
Total Unrealised Gain on Forward Currency Exchange Contracts - Assets						347,841	0.38
EUR	8,395,000	USD	10,238,967	2-7-2021	Van Lanschot	(283,336)	(0.31)
GBP	570,000	USD	804,322	2-7-2021	Van Lanschot	(16,896)	(0.02)
Total Unrealised Loss on Forward Currency Exchange Contracts - Liabilities						(300,232)	(0.33)
Net Unrealised Gain on Forward Currency Exchange Contracts - Assets						47,609	0.05

As at 30 June 2021 the following futures contracts were open:

Allocation Fund

Security Description	Number of Contracts	Currency	Unrealised Gain/(Loss) EUR	% of Net Assets
Euro-Bund, 08/09/2021	128	EUR	62,720	0.05
Euro-OAT, 08/09/2021	139	EUR	33,360	0.02
Foreign Exchange EUR/GBP, 13/09/2021	(73)	GBP	39,231	0.03
Foreign Exchange EUR/USD, 13/09/2021	(311)	USD	911,383	0.70
MSCI Emerging Markets Index, 17/09/2021	193	USD	24,015	0.02
S&P 500 Emini Index, 17/09/2021	249	USD	398,965	0.31
Total Unrealised Gain on Financial Futures Contracts - Assets			1,469,674	1.13
EURO STOXX 50 Index, 17/09/2021	514	EUR	(234,300)	(0.18)
FTSE 100 Index, 17/09/2021	138	GBP	(145,121)	(0.11)
Total Unrealised Loss on Financial Futures Contracts - Liabilities			(379,421)	(0.29)
Net Unrealised Gain on Financial Futures Contracts - Assets			1,090,253	0.84

The counterparty for the above futures contracts is J.P. Morgan.

4. Taxes and expenses payable

The taxes and expenses payable as at 30 June 2021 are as follows:

	Subscription Tax	Expenses	Total
Currency	EUR	EUR	EUR
Kempen Orange Investment Partnership ¹	2,660	162,689	165,349
Kempen Non-Directional Partnership	23,489	243,858	267,347
Global Alternative Investment Partners	1,687	86,585	88,272
Allocation Fund	22,384	66,255	88,639
Diversified Structured Credit Pool Fund	9,219	273,687	282,906
Long/Short Equity Pool ²	7,495	86,968	94,463
Diversified Distressed Debt Pool ³	3,470	70,230	73,700

¹Kempen Orange Investment Partnership has been merged into Kempen Non-Directional Partnership on 4 January 2021

²Long/Short Equity Pool was launched on 4 January 2021

³Diversified Distressed Debt Pool was launched on 4 January 2021

5. Fees

Management Fee

The Management Company receives a management fee from the Sub-Funds KOIP, KNDP, GAIP, AF, DSCP, LSEP and DDP which is payable at month-end out of the assets attributable to the relevant class of shares. The monthly fees are based on the net asset value of the assets attributable to the relevant class of shares on the relevant valuation day.

The maximum percentages per Sub-Fund are disclosed in the Appendix of the Prospectus. The actual percentages are available at www.kempen.com/en/asset-management

Service fee

The Fund pays Service Fee as a fixed percentage of the net assets of the relevant Sub-Funds. For the Sub-Funds KOIP, KNDP and GAIP the fee is approximately 0.08% per annum. For the Sub-Fund DSCP the fee is approximately 0.09% per annum. For the Sub-Fund AF, LSEP and DDDP the fee is approximately 0.10% per annum.

	Service fee (%)
Kempen Orange Investment Partnership¹	
Class A	0.08
Class B	0.08
Class C	0.08
Class F	0.08
Class I	0.08
Class I-GBP	0.08
Class I-USD	0.08

Kempen Non-Directional Partnership

Class A	0.08
Class B	0.08
Class F	0.08
Class I	0.08
Class I-USD	0.08

Global Alternative Investment Partners

Class I	0.08
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Allocation Fund

Class IG	0.10
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Diversified Structured Credit Pool Fund

Class A	0.09
Class A-EUR	0.09
Class B-EUR	0.09
Class I	0.09
Class I-EUR	0.09
Class I-GBP	0.09

Long/Short Equity Pool²

Class A	0.10
Class A (unhedged)	0.10

Diversified Distressed Debt Pool³

Class LA	0.10
Class LA-EUR	0.10
Class LI	0.10
Class LI-EUR	0.10
Class LI-GBP	0.10

¹Kempen Orange Investment Partnership has been merged into Kempen Non-Directional Partnership on 4 January 2021

²Long/Short Equity Pool was launched on 4 January 2021

³Diversified Distressed Debt Pool was launched on 4 January 2021

The Management Company bears the excess of any such fees above the rate specified for each class of shares in the Appendix of the prospectus of the relevant Sub-Fund. Conversely, the Management Company will be entitled to retain any amount by which the rate of these fees to be borne by the classes of shares, as set out in the Appendix of the prospectus, exceeds the actual expenses incurred by the relevant class of the relevant Sub-Fund. The Service Fee covers the Custodian and administration agent fees, fees and out-of-pocket expenses of the Board of Directors of the Fund, legal and auditing fees, publishing, translation and printing expenses, the cost of preparing the explanatory memoranda, financial reports and other documents for the shareholders, postage, telephone and telex, advertising expenses, as well as notification expenses, regulatory costs, costs of the preparation of the prospectus and of the Key Investor Information Documents and any additional registration fees.

Marketing costs are not chargeable to the Fund.

Service Fees do not include tax d'abonnement and normal banking and brokerage fees and commissions on transactions relating to the assets and liabilities of the Fund as well as interest and bank charges and extraordinary expenses, including but not limited to, litigation expenses and the full amount of any tax, levy, duty or similar charge imposed on the Fund or its assets that would not be considered as ordinary expenses.

6. Taxation

In conformity with current legislation in the Grand Duchy of Luxembourg, the Fund is not subject to any Luxembourg withholding, income, capital gains or wealth taxes. However the Fund is subject to a 0.05% subscription tax ('taxe d'abonnement') payable and assessed on the basis of the net asset value of each Sub-Fund at the end of each calendar quarter. Class I, Class I-GBP, Class IF, Class IG and Class I-USD Shares which are held exclusively by Institutional Investors, are liable in Luxembourg to a taxe d'abonnement of 0.01% per annum of their net assets. In respect of assets invested in Luxembourg UCIs, a full exemption from this tax is available to avoid double taxation.

7. Net asset value

The net asset value of each class of the Sub-Funds KOIP, KNDP, GAIP, DSCP, LSEP and DDDP is calculated as of the last business day of each month in Luxembourg. The net asset value per share of each class of the Sub-Fund AF is determined as of each business day.

8. Transaction with related parties

When arranging transactions of securities for the Fund, related parties may have provided securities brokerage, foreign exchange banking and other services or may have acted as principal on their usual terms and may benefit from them. Commissions have been paid to brokers and agents in accordance with the relevant market practice. The services of related parties (including broker dealers) were used by the management company where it was considered appropriate to do so and provided that their commissions and other terms of business are generally comparable with those available from unassociated brokers and agents in the markets concerned. During the year there have been no transactions which were outside the ordinary course of business or which were not on normal commercial terms.

9. Directors fees and interests

For the year 2021, Directors' fees will amount to a total of Euro 75,000 and will be paid to four independent Directors. The fees are fixed and there is no variable amount. The two Directors who are employees of the Management Company do not receive remuneration from the Fund in respect of their roles as Directors of the Fund.

The members of the Board of Directors had no holdings as referred to in Section 122 paragraph 2 of the Decree on Conduct of Business Supervision of Financial Undertakings under the Wft (*Besluit Gedragstoezicht financiële ondernemingen Wft*) as at 30 June 2021.

10. Securities Financing Transactions

The Fund does not engage in securities financing transactions (as defined in Article 3 of Regulation (EU) 2015/2365 (the "Regulation")), securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the period ended 30 June 2021.

Additional Information

General information

The current Articles of Association were lodged with the registrar of the Luxembourg District Court, from whom copies may be obtained.

The issue price and the redemption price are made public at the registered office of the Fund where annual and semi-annual reports may be obtained. These reports will be sent to registered shareholders.

Detailed information on subscriptions, redemptions and charges

Fund	Share class	Subscriptions	Redemptions	Charges	Gate
KNDP	Class A, F, I, I-USD, I-GBP	Each first Business Day of a calendar month. Subscriptions are subject to a written prior notice of 5 Business Days before the relevant Dealing Day.	Each first Business Day of a calendar quarter. Redemptions are subject to a written prior notice of 90 calendar days before the relevant Dealing Day.	None	25% fund level gate per Dealing Day may apply
KNDP	Class B	Each first Business Day of a calendar quarter. Subscriptions are subject to a written prior notice of 5 Business Days before the relevant Dealing Day.	Each first Business Day of a calendar quarter. Redemptions are subject to a written prior notice of 90 calendar days before the relevant Dealing Day. Redemptions are subject to a rolling one-year commitment period.	None	25% fund level gate per Dealing Day may apply
GAIP	All Classes	Each first Business Day of a calendar month. Subscriptions are subject to a written prior notice of 5 Business Days before the relevant Dealing Day.	Each first Business Day of a calendar quarter. Redemptions are subject to a written prior notice of 90 calendar days before the relevant Dealing Day.	None	25% fund level gate per Dealing Day may apply
AF	All Classes	Each Business Day. Subscriptions are subject to a written prior notice of 1 Business Day before the relevant Dealing Day.	Each Business Day. Redemptions are subject to a written prior notice of 1 Business Day before the relevant Dealing Day.	An anti-dilution levy of up to 1.5% may apply.	10% fund level gate per Dealing Day may apply.
DSCP	All Classes	Each first Business Day of a calendar month. Subscriptions are subject to a written prior notice of 3 Business Days before the relevant Valuation Day.	Each first Business Day of a calendar quarter. Redemptions are subject to a written prior notice of 92 calendar days before the relevant Valuation Day.	None	25% fund level gate per Dealing Day may apply
LSEP	All Classes	Each first Business Day of a calendar month. Subscriptions are subject to a written prior notice of 3 Business Days before the relevant Valuation Day.	Each first Business Day of a calendar quarter. Redemptions are subject to a written prior notice of 92 calendar days before the relevant Valuation Day.	None	25% fund level gate per Dealing Day may apply
DDDP	All Classes	Each first Business Day of a calendar month. Subscriptions are subject to a written prior notice of 3 Business Days before the relevant Valuation Day.	Each first Business Day of a calendar quarter. Redemptions are subject to a written prior notice of 92 calendar days before the relevant Valuation Day.	None	25% fund level gate per Dealing Day may apply

