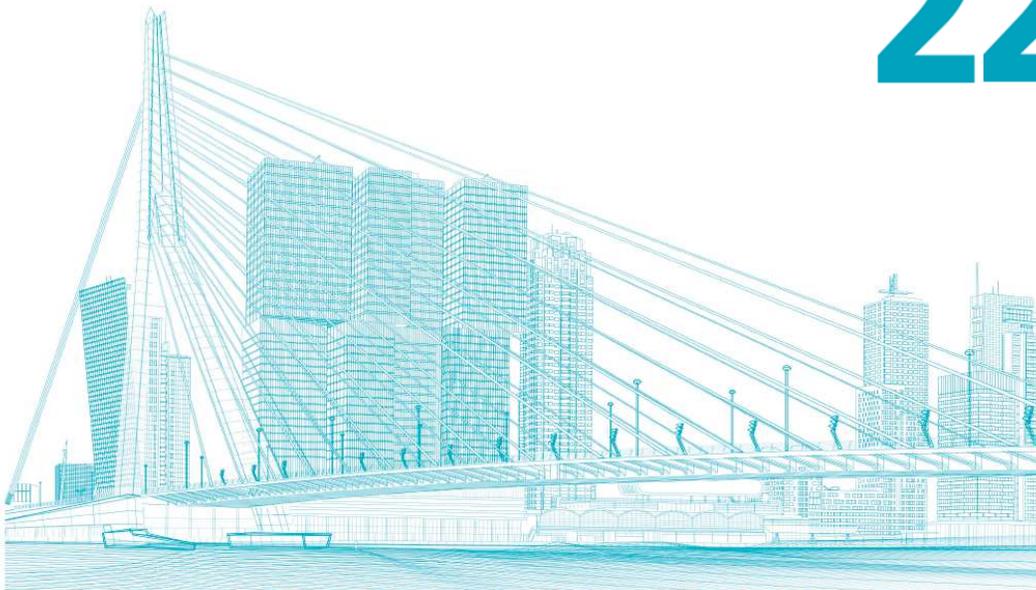


# Robeco Institutional Asset Management B.V.

# 22



Interim financial statements  
For the six-month period ended 30 June 2022

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## General information

### Management Board ('MB')

K. (Karin) van Baardwijk  
M.C.W. (Mark) den Hollander  
M. (Marcel) Prins (since 1 June 2022)

### Executive Committee ('ExCo')

K. (Karin) van Baardwijk  
I.R.M. (Ivo) Frielink (since 1 March 2022)  
M.C.W. (Mark) den Hollander  
M.F. (Mark) van der Kroft  
M. (Marcel) Prins (since 1 June 2022)  
V. (Victor) Verberk  
A.J.M. (Lia) Belilos-Wessels (until 31 January 2022)  
H-C. (Christoph) von Reiche (until 31 March 2022)

### Supervisory Board

M.F. (Maarten) Slendebroek (Chair)  
S. (Sonja) Barendregt – Roojers (Vice Chair)  
S.H. (Stanley) Koyanagi  
M.A.A.C. (Mark) Talbot  
R.R.L. (Radboud) Vlaar

More information can be found on the website [www.robeco.com](http://www.robeco.com).

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**Rotterdam Chamber of Commerce number 24123167**

# Report of the Management Board

## General

We are pleased to present the interim financial statements of Robeco Institutional Asset Management B.V. (also referred to as 'Robeco' or 'the Company') for the first half-year 2022 along with the report of the Management Board.

Established in Rotterdam in 1929, Robeco offers investment management and advisory services to institutional and private investors, and manages UCITS<sup>1</sup> and alternative investment funds. As such, Robeco acts as the manager of investment funds in the Netherlands and France (and as director in case the funds are in the form of Dutch legal entities), and for its Luxembourg-based investment funds since 1 January 2021. Robeco also operates as the direct distribution channel in the Dutch retail market for Robeco funds.

Robeco has both an AIFMD license as referred to in Article 2:65 of the Dutch Financial Supervision Act ('Wft') and a license to act as manager of UCITS as referred to in Article 2:69b of the Wft, and to offer the additional services within the meaning of Article 2:97 (3). Total client assets<sup>2</sup> (assets managed, sub-advised or distributed by the Company) amounted to approximately EUR 178.2 billion as at 30 June 2022 (EUR 200.7 billion on 31 December 2021).

## Corporate governance

The Company has a two-tier board consisting of a Management Board and a Supervisory Board. In addition, an Executive Committee ('ExCo') is in place to assist the Management Board in the exercise of its day-to-day management of the Company.

### *Management Board*

The Management Board is the Company's statutory managing board and is entrusted with the management of the Company. The Management Board is ultimately responsible for setting the strategy, objectives and overall direction, and overseeing and monitoring management decision-making. The Management Board directs the Company. The members of the Management Board are appointed by the General Meeting of the Company. The Supervisory Board must be consulted on an intended appointment, which is subject to the prior approval of the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten, 'AFM'). Finally, the Works Council provides its advice on the appointment of members of the Management Board.

### *Executive Committee*

The Articles of Association of the Company provide that the Management Board may establish an Executive Committee ('ExCo'), consisting of all members of the Management Board and one or more other members to support the Management Board in performing its tasks. Certain key officers (Senior Executives) have been appointed to support the Management Board in the exercise of its duties and responsibilities, and to perform the day-to-day management of the Company together with the Management Board.

Senior Executives are appointed, dismissed and suspended by the Management Board upon proposal by the CEO. The Supervisory Board, advised by the Nomination & Remuneration Committee, approves such appointment, dismissal or suspension. The appointment of Senior Executives also needs prior approval from the AFM, because a member of the ExCo is considered to be a daily policymaker of Robeco.

The ExCo has five sub-committees with the following responsibilities:

- the Product Approval Committee;
- the Enterprise Risk Management Committee;

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<sup>1</sup> Undertaking for Collective Investment in Transferable Securities

<sup>2</sup> Related to all Robeco entities

- the Sustainability and Impact Strategy Committee;
- the Pricing Committee; and
- the Customer Committee.

Please refer to the section 'Risk Management' in our 2021 financial statements for a description of the abovementioned Executive Committee sub-committees.

#### *Supervisory Board*

The Supervisory Board is responsible for supervising the duties with respect to the general affairs of the Company and its business as executed by the Management Board and the ExCo. The Supervisory Board advises both the Management Board and the ExCo, taking into account the dynamics and the relationship between the ExCo and the Management Board and their members while preserving the respective statutory tasks and responsibilities in compliance with applicable law and regulations, the articles of association and the applicable rules of procedure. In carrying out its duties, the Supervisory Board shall be guided by the interests of the Company, its group companies and their connected businesses. The Supervisory Board shall take into account the relevant interests of all relevant stakeholders.

The Supervisory Board has two sub-committees: the Audit & Risk Committee and the Nomination & Remuneration Committee. The tasks and responsibilities of the committees are laid down in their respective rules of procedure. The role of the committees is to advise and prepare decisions to be taken by the Supervisory Board and carry out responsibilities that are delegated to them by the Supervisory Board.

Members of the Supervisory Board are appointed by the General Meeting of Shareholders upon nomination by the Supervisory Board. According to the 'Large Company Scheme', the General Meeting of Shareholders and the Works Council may recommend nominees for the position of supervisory director to the Supervisory Board. The Works Council has an enhanced right of recommendation for one-third of the supervisory directors. The Works Council's nominee can only be rejected in exceptional circumstances. Given the total number of members, one member of the Supervisory Board (Sonja Barendregt-Roojers) was appointed on the Works Council's recommendation. The appointment of members of the Supervisory Board also needs prior approval from the AFM.

### **Audit and risk management**

The 2022 interim financial statements of the Company have not been audited or partially assessed by the external auditor.

We refer to the Report of the Management Board in our 2021 financial statements for the section Risk management. This is unchanged for the first half-year of 2022.

### **Corporate structure**

The Company is incorporated under Dutch law and has its corporate seat in Rotterdam, the Netherlands. Robeco Holding B.V. holds 100% of the shares of the Company and also holds 100% of the shares in Robeco Nederland B.V., the Dutch central service company of Robeco and other operating entities that are part of the Robeco group.

Robeco Nederland B.V. is the formal employer of almost all of the Company's staff based in the Netherlands, who are provided to the Company by Robeco Nederland B.V. on the basis of an intercompany service agreement.

ORIX Corporation in Japan is the sole shareholder of ORIX Corporation Europe N.V., the domestic parent company of Robeco Holding B.V.

## Strategy

Over a year ago, Robeco launched its strategy for 2021-2025: Building on our key strengths. Since then, the global political and macroeconomical context has changed substantially with financial markets becoming much more volatile. Our strategy is well-positioned for circumstances like these. The key to achieving our ambitions and continued success is to focus on execution.

Robeco's Strategy 2021-2025 combines organic and non-organic growth. It aims to expand its distribution and asset base in markets with potential for significant growth, and it will also be exploring potential acquisitions in selected product and skill areas.

The Company's intellectual property is unique and forms the foundation for its world-class investment capabilities. In the coming years, Robeco will continue to build on its position in sustainable investing ('SI'), and aims to accelerate its growth in this area as well as in its other key strengths: Quant, Credits, Trends & Thematic, and Emerging Markets. In addition, Robeco has identified key areas in which it aims to develop further, including Private Debt, Multi-Asset and Next Generation Quant. The latter involves, for example, further investing in artificial intelligence and machine learning.

Robeco has continued to invest significantly across teams and domains to increase its SI capacity. Our strategy is to maximize profitable sustainable assets under management, creating positive real-world impact.

In terms of distribution activities, the aim is to maintain the current growth trajectory in the countries, regions and market segments where the Company has a presence. In addition, we will strive to accelerate our growth in two of the largest wholesale markets in EMEA: Germany and Italy. Broadening our client base via the insurance market with a focus on Europe and Asia is also one of the cornerstones of Robeco's strategy for 2021-2025. It will also focus on strengthening our presence in China. Furthermore, Robeco targets to scale its business in Singapore and advance environmental, social and governance (ESG) capabilities in Asia. This includes expanding our range of sustainable strategies available to investors in the region. In 2022, we have strengthened the investment team in Singapore with new members.

## Sustainable investing and corporate responsibility

Our corporate mission is to enable our clients to achieve their financial and sustainability goals by providing superior investment returns and solutions. We are convinced that integrated sustainability leads to better-informed investment decisions and enhanced risk-adjusted returns. We also believe that exercising our voting rights and engaging with the companies in which we invest will have a positive impact on both our investment results and on society. Robeco issued its roadmap to net zero emissions by 2050, reducing the carbon footprint of our investments and operations by an average of 7% year on year. This is in line with what science indicates is required for keeping the global temperature rise to 1.5°C.

Robeco is committed to achieving net zero greenhouse gas emissions across all its assets under management by 2050. Our decarbonization targets<sup>3</sup> are -30% by 2025 and -50% by 2030, both relative to 2019. This means that we aim to follow the Paris agreements which implies we decarbonize our assets 7% per annum on average. Our ability to do so, in the longer run, will however also be dependent on the decarbonization of the global economy. We will leverage our influence as investors to accelerate climate action by companies and countries. We will also collaborate with clients, peers, standard setters and relevant stakeholders in the industry to accelerate net zero investing. As part of our sustainable investing approach, Robeco aims to contribute to the Sustainable Development Goals (SDGs) and we are convinced that we can create socioeconomic benefits in addition to competitive financial returns. We have developed our own SDG Framework which enables us to define to what extent a company has a positive or negative impact on the goals, thus informing our investment decisions.

<sup>3</sup> The initial scope is the Robeco fund range, ~40% of total AuM. Our metric is carbon footprint (tons of CO<sub>2</sub>e per EUR invested), based on companies' scope 1 and 2 emissions. For further details refer to Robeco's roadmap to net zero emissions by 2050 - <https://www.robeco.com/docm/docu-robeco-roadmap-to-net-zero.pdf>

Robeco has also implemented an exclusion policy for companies involved in the production of, or trade in, controversial weapons such as cluster munition and anti-personnel mines, along with tobacco, controversial behavior in relation to the production of palm oil and companies that structurally and severely breach the United Nations Global Compact (UNGC) and/or the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. Robeco's fossil fuel exclusion policy excludes companies involved in thermal coal, Arctic drilling and oil sands, subject to certain revenue thresholds. In 2021, the criterion of no new coal power plants was added to the exclusion policy.

Information and data are vital to us. Our business processes rely on data that is accurate and complete, available when needed, and accessible only to those authorized. We arm ourselves against cybercrime, which is on the rise worldwide and therefore poses an increasing risk to the continuity of the operation. Therefore, protecting the data of our customers, employees, as well as our own data, is a top priority. For Sustainable investing continued improvement of quality, reliability and coverage of SI data and analytics is key, including further investing in IT systems to provide for the SI information demand.

## Significant events

As of 1 January 2022 Karin van Baardwijk, former COO, has taken over the role of CEO from Gilbert Van Hassel.

In the first quarter of 2022 the ExCo assessed the market developments and our strategy, with the conclusion that going forward (1) Robeco must be prepared for more volatile markets, however our strategy is well-positioned and (2) Robeco need to focus on strategy execution if we want to achieve our ambitions and continue our success.

In 2022 Robeco has been recognized and received numerous awards around the world. This recognition highlights the work done in teams across Robeco and steps we continue to make on our strategic journey. Morningstar awarded Robeco 'Best Asset Manager - Sustainable Investing' in Switzerland, Belgium, Italy, Germany, Spain, France and Taiwan. Robeco was awarded for two funds at CDP's Climetrics Fund Awards. For three funds Robeco won the 2022 Europe Refinitiv Lipper Fund Awards. In Sweden, Soderberg & Partners awarded Robeco with their annual "Fund company of the year".

Coinciding with the 10-year anniversary of factor investing in credits, Robeco has launched RobecoSAM QI Global SDG & Climate Multi-Factor Credits in June 2022, our first Climate and SDG focused quant fixed income strategy, classified as Article 9 under SFDR.

In May 2022, Robeco marked 15 years of Emerging Markets Quant Investing. It started in 2007 with the Robeco QI Institutional Emerging Markets Enhanced Index Equities Fund, which was launched to offer Dutch institutional clients an alternative to passive investing in Emerging Markets. Extensive and pioneering research since the end of the 90's revealed that investors could capture a stable alpha with a limited tracking error by using a quantitative approach to bottom-up stock picking.

In May 2022, Robeco has launched the Sustainable Asian Bonds fund, an SDG-aligned bond strategy investing in diversified Asian Fixed Income. The fund, which seeks to provide long-term capital growth, intends to offer an attractive yield. Exposure is predominately in companies that are contributing to the United Nations Sustainable Development Goals.

In 2020, the AFM issued an Order under Penalty ('Last onder dwangsom') to Robeco to undertake a number of remedial measures to improve the processes in relation to the Money Laundering and Terrorist Financing (Prevention) Act ('Wwft') and the Sanctions Act in Robeco Retail, Robeco's on-line execution-only platform for Dutch retail customers before 31 December 2021. The work to undertake remedial measures commenced in 2020 and has been completed. On 28 April 2022, the AFM has informed us that they have accepted all our improvements and that Robeco has not forfeited (not paid for) any penalty.

In connection to this matter, the AFM has imposed an administrative fine of EUR 2 million on 31 March 2022. We have accepted and paid the fine.

In consultation with Robeco, Rabobank has decided to discontinue the Roparco (Retail) savings account product as of the end of October 2022, and it will no longer be part of Robeco's Retail offering. After Roparco is discontinued, Retail investors can purchase and sell their investments directly from their contra account (nominated account).

## **Financial results, investment performance & result for the six-month period ended 30 June 2022**

The operating result over the reporting period decreased from EUR 73.5 million in the first half-year 2021 to EUR 66.8 million in the first half of 2022. Financial markets have declined during the first six months of 2022 after high rise in 2021. Given the high asset base at the start of 2022, the average Assets under Management over the first half of 2022 were almost similar to that of the first half year of 2021. The net client flows were slightly positive in the first six months of 2022. Total client assets (assets managed, sub-advised or distributed by the Company) amounted to EUR 178.2 billion as at 30 June 2022<sup>4</sup> (EUR 200.7 billion as at 31 December 2021).

The Company's half-year 2022 gross margin over the reporting period was EUR 237.5 million, EUR 1.8 million (1%) lower than in the first half-year of 2021. Like average Assets under Management, our average fees were almost similar in both periods. In the first half-year of 2022 subadvisory costs increased relating to increased distribution of Boston Partners funds.

Administrative expenses increased from EUR 119.2 million in the first half-year of 2021 to EUR 128.7 million in the first half-year of 2022 due to (amongst others) higher fixed salaries, higher temporary staff costs and higher (employee) recharges from other Robeco entities. Other expenses decreased with EUR 7.3 million to EUR 27.7 million mainly due to a lower addition to the other provisions.

The tax expense in the first half of 2022 was EUR 18.3 million (first half 2021: EUR 18.9 million). In 2022 the effective tax rate was 27.6% (2021: 25.9%). The increase is mainly caused by a higher corporate tax rate in the Netherlands, adjustment of the deferred tax asset position in 2022 and more non-deductible costs. The result before tax for the period was EUR 66.4 million, a decrease of EUR 6.7 million (9%) compared to the previous half-year year.

Management considers the financial position of the Company to be sound. During the financial period a dividend of EUR 146.3 million was distributed. Due to the net result half-year 2022 of EUR 48.1 million and the dividend distribution, equity decreased with EUR 98.1 million to an amount of EUR 188.8 million (31 December 2021: EUR 286.9 million). The available cash position at the end of the period is EUR 115.6 million. Both are sufficient to meet regulatory requirements.

The Company submits FINREP&COREP and IF reports to the Dutch Central Bank (De Nederlandsche Bank, 'DNB') on a quarterly basis as required by CRD IV and IFR/IFD rules, and did so most recently on 30 June 2022. Furthermore, the Company reports the information required by the Alternative Investment Fund Managers Directive ('AIFMD') to the AFM. The most recent reporting relates to 30 June 2022 and has been submitted to both DNB and AFM through one combined filing. All capital and liquidity requirements were met on these reporting dates and are met continuously.

## **Financial market environment**

The first quarter of the year 2022 saw the global economic expansion decelerating its pace, moving into a slowdown phase by the end of the second quarter, with the US economy even bordering on a technical recession. Key to this dynamic has been that inflation did not prove to be transitory (as widely expected in 2021) but instead unleashed in the first half of 2022, eroding purchasing power and denting consumer confidence. Annual inflation

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<sup>4</sup> Related to all Robeco entities

in both the US and Europe accelerated to 8.6% by the end of June 2022. The highest inflation in 40 years emerged as a result of a multiplicity of shocks. The unusual strong recovery in goods demand following the 2020 Covid recession (propelled by significant fiscal as well as monetary stimulus) and persisting supply constraints were aggravated by a major shock to commodities (the GSCI commodities total return index rose 35.8% in USD over the first half of 2022) stemming from Russia's invasion of Ukraine on 24 February 2022. Though food prices have been tumbling since the second half of May 2022, the earlier price spikes in cereals markets will reverberate in countries with a high cereal import dependence and low GDP per capita, stoking unrest after having pushed up inflation in many frontier markets.

The strong inflationary impulse occurred against a backdrop of tight labor markets in developed economies and naturally has central bankers now on high alert to prevent inflation becoming entrenched. Central banks turned outright hawkish in the first half of 2022, signaling an unconditional commitment to contain inflation even if that requires a cooling of the economy and restrictive monetary policy. This pivot was clearly picked up by financial markets. Whereas the Fed funds futures curve signaled a terminal Fed funds rate of only 1.25% at the start of 2022, it had moved up to almost 3.75% by the end of June 2022. In the Eurozone, futures markets now reflect expectations for the ECB to swiftly hike towards a 1.95% policy rate by June 2023.

Compared to developed markets, inflation has remained relatively muted in the Asia Pacific region, with inflation in China at 2.1% in May 2022. The Chinese economy has been gradually opening up in June 2022 after stringent Covid lockdowns closed down complete cities like Shanghai. To prevent growth from undershooting severely in advance of the 20th national Congress of the CCP in November 2022, where president Xi Jinping seeks re-election, policymakers have adopted a more forceful stimulus approach, predominantly towards infrastructure. While central banks in developed markets are forced to tighten monetary policy, moderate inflation allows Chinese monetary policy to stay in easing mode.

## **Outlook for the equity markets**

The first half of 2022 has seen the worst first half in US equity market performance of the past 50 years with the S&P500 losing 20.9% in USD. The MSCI World unhedged in euro lost 19.1%. This performance is a reflection of an exceptional macro-economic environment that, given the multiplicity of recent shocks, is at least on par with other momentous episodes like the start of the Volcker disinflation era or the global financial crisis.

The current bear market has created more attractive entry points and opportunities should present themselves in the second half of 2022. The path of inflation remains key for equity markets as big market turnarounds have often been observed around inflation peaks, especially in high inflation episodes like the 1970s and early 1980s. For instance, the S&P500 troughed in June 1970 after inflation having peaked in February 1970, in December 1974 (following a November 1974 peak in inflation) and April 1980 (coinciding with inflation peaking in April 1980). Signs of inflation peaking in H2 2022 are clearly increasing as supply constraints are easing while the inflationary impulse of commodity, agriculture and core goods prices is fading. In addition, equity markets typically lead the business cycle and had by the end of June 2022 already been fully discounting a mild recession. Earnings growth has remained surprisingly resilient in H1 2022 with many companies able to raise selling prices and maintain pricing power. Yet, downside risks are still present as reflexivity in current inflation dynamics could cause inflation to peak later than expected, necessitating further tightening of financial conditions by central banks. Subsequently, this could make a potential recession (a risk being flashed by the 2s10s segment inversion of the US Treasury yield curve in April 2022) less benign than currently anticipated. In short, while downside risks linger, the risk-reward balance for equities has become more favorable in light of disinflation ahead.

## **Bond markets outlook**

Global government bond markets delivered negative returns in the first half of 2022 with -9.38% in euro (hedged). Globally, interest rates rose very sharply as inflation further continued its aggressive upward path. Central banks have all come on board with the new narrative that it is better to deal with inflation quickly. If necessary, this could be at a cost to economic growth with rising unemployment, as they recognize the impact of allowing a wage-price spiral to develop will potentially be much greater. Guiding interest rate expectations to

a higher level is now a more important tool for central banks. By tightening fast now and signaling that more is to come the risk of having to do even more tightening at a later stage will be lower.

Allowing risk assets like equities and corporate bonds to decline on growth fears also appears to be part of the current central bank toolkit as this helps tighten financial conditions, reduce wealth and lower consumer sentiment, which should help slow discretionary spending and in turn inflation. This is a break with the past few decades in which central banks like the Fed or the ECB would step in and would cut interest rates or restart quantitative easing programs in order to prevent a growth slowdown or recession. They simply cannot cut interest rates or restart quantitative easing programs when inflation is close to 9% and 11% respectively for the US and Euro area. Hence, we expect interest rates to further increase, yield curves to further invert and risk assets to trade weaker in the second half of the 2022 offering good opportunities in due course for overweight allocations in Investment Grade and High Yield corporates.

## **Company's Outlook**

Robeco is constantly reviewing the internal and external factors that impacts its business and modifying strategic plans to accommodate those factors. Part of this review is to assess the possibilities to scale up existing activities. In addition, Robeco intends to build or buy capabilities that institutional investors are looking for in their search for yield and for strategic partnerships, all outlined in the announced 2021-2025 strategy.

As the business of the Company is strongly interrelated with international financial markets through the assets under management, the decline of financial markets has a negative impact on the financial performance of the Company in the first six months of 2022. The financial markets remain volatile at the moment of finalizing the 2022 half-year financial statements. Based on a number of scenarios we estimate that this will have more or less downward effect on profitability, but the most negative scenario still projects a healthy profit level for the Company.

Other industry developments will have impact on the future profitability of the Company such as fee pressure due to the rise of passive asset management, regulatory pressure and an increasing competition amongst active managers. Furthermore, costs face an upward pressure, amongst other things because of necessary investments in e.g. new technology and the 'war for talent'. Nevertheless, the Company is well positioned to face future market challenges and is committed to the execution of its strategy.

The Company's financial position in terms of equity and financial resources is sound, but we will carefully keep monitoring the impact of the decline of the financial markets on our capital and liquidity position. For the remainder of 2022 the Management Board anticipates a positive net result.

Rotterdam, 25 August 2022

The Management Board

# Interim Financial Statements 2022

## ***Interim Income Statement***

for the six-month period ended 30 June

<i>EUR x million</i>	<i>Notes</i>	<i>Half-year 2022 Unaudited</i>	<i>Half-year 2021 Unaudited</i>
Net revenues	1	407.7	397.6
Distribution and subadvisory costs	2	170.2	158.3
<b>Gross margin</b>		<b>237.5</b>	<b>239.3</b>
Administrative expenses	3	128.7	119.2
Employee benefits expense	4	13.0	10.7
Depreciation and amortization		1.3	0.9
Other expenses	5	27.7	35.0
<b>Total operating expenses</b>		<b>170.7</b>	<b>165.8</b>
<b>Operating result</b>		<b>66.8</b>	<b>73.5</b>
Finance income		0.5	0.1
Finance expense		0.9	0.5
<b>Result before tax</b>		<b>66.4</b>	<b>73.1</b>
Income tax expense	6	18.3	18.9
<b>Result for the period</b>		<b>48.1</b>	<b>54.2</b>

## Interim Balance Sheet as at 30 June

before profit appropriation

<i>EUR x million</i>	<i>Notes</i>	<i>30 June 2022</i>	<i>31 December 2021</i>
		<i>Unaudited</i>	<i>Audited **</i>
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets		1.1	1.9
Tangible fixed assets		0.4	0.4
Right-of-use assets		2.2	2.6
Deferred tax assets	7	5.6	8.4
<b>Total fixed assets</b>		<b>9.3</b>	<b>13.3</b>
<b>Current assets</b>			
Trade receivables	8	60.5	74.2
Receivables from group companies	9	95.8	88.9
Accrued fees		17.5	26.1
Other receivables		1.5	1.7
Cash and cash equivalents		115.6	256.1
<b>Total current assets</b>		<b>290.9</b>	<b>447.0</b>
<b>Total assets</b>		<b>300.2</b>	<b>460.3</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Issued capital	10	0.1	0.1
Share premium		31.5	31.5
Other reserves		1.0	1.3
Retained earnings		108.1	140.8
Result financial period/year*		48.1	113.2
<b>Total equity</b>		<b>188.8</b>	<b>286.9</b>
<b>Provisions</b>			
	11	<b>5.0</b>	<b>12.3</b>
<b>Non-current liabilities</b>			
Employee benefits		1.8	3.3
Lease liabilities		1.4	1.7
<b>Total non-current liabilities</b>		<b>3.2</b>	<b>5.0</b>
<b>Current liabilities</b>			
Distribution costs and subadvisory costs liabilities		41.0	48.5
Employee benefits		6.4	7.3
Liabilities to group companies	9	33.6	79.2
Lease liabilities		0.8	0.9
Current tax liabilities		3.2	8.8
Other liabilities		18.2	11.4
<b>Total current liabilities</b>		<b>103.2</b>	<b>156.1</b>
<b>Total equity and liabilities</b>		<b>300.2</b>	<b>460.3</b>

\* The result financial period for 2022 is related to the six-month period ending 30 June 2022. The result financial year for 2021 relates to the full year. \*\* These figures are taken from the audited annual report 2021.

## ***Accounting principles for measurement of assets and liabilities and the determination of the result***

### **General information**

Robeco Institutional Asset Management B.V. (also referred to as “the Company” or RIAM) is established in the Netherlands, having its legal seat in Rotterdam. The main activities of the Company are regular investment management activities on behalf of clients, including investment funds. The Company receives management fees and other fees for these activities. Offering alternative investments, including structured investment products, can also be considered as main activities of the Company. The Company also offers investment products to retail clients directly. The product range encompasses equity and fixed-income investments and also facilitates saving products through Rabobank (Coöperatieve Rabobank U.A). Sales relate mainly to funds which are legally located in the Netherlands and Luxembourg.

All shares of the Company are held by Robeco Holding B.V. The domestic ultimate parent of the Company is ORIX Corporation Europe N.V. which is wholly owned by ORIX Corporation (ORIX), with registered office in Tokyo, Japan.

In these interim financial statements, Robeco Group Companies refer to those subsidiaries of ORIX Corporation Europe N.V. that have transactions with the Company.

The Company has both an AIFMD license as referred to in article 2:65 of the Dutch Financial Supervision Act (‘Wft’) and a license to act as manager of UCITS as referred to in article 2:69b of the Wft. RIAM is moreover authorized to manage individual assets and give advice with respect to financial instruments. RIAM is subject to supervision by the Dutch Authority for the Financial Markets (the ‘AFM’).

The Company reports to the DNB on a quarterly basis the FINREP&COREP and IF reports as required by CRD IV and IFR-IFD rules. The most recent reporting was done as of 30 June 2022. All capital and liquidity requirements were met on these reporting dates and are met continuously.

### **Changes in the current reporting period**

We have assessed external (partly correlated) circumstances such as the ongoing Russia-Ukraine conflict, decline in financial markets and other macroeconomic developments (e.g. inflation), and consider the Company well placed to anticipate to these challenges appropriately. The Company has reviewed its exposure to its business risks and has not identified any risks that could significantly impact the financial performance or position of the Company as at 30 June 2022.

## **Accounting policies**

### **Interim financial statements**

The interim financial statements of the Company are prepared in accordance with Dutch law (section 2:9 of the Dutch Civil Code) and the Dutch accounting standards issued by the Dutch Accounting Standards Board (DAS 394).

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021 of the Company. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. The interim financial statements of the Company do not contain consolidated statements, statement of changes in equity or a cash flow statement, consistent with the annual financial report.

The interim financial statements cover the first six months of 2022, which ended at the balance sheet date of 30 June 2022.

## Notes to the interim income statement

### 1 Net revenues

The net revenues can be specified as follows:

<i>EUR x million</i>	<b>Half-year 2022</b>	<b>Half-year 2021</b>
Management fees	328.8	326.5
Service fees	51.2	51.5
Subadvisory fees	9.0	7.7
Fees from clients	8.3	8.9
Performance fees	7.3	-
Revenues from marketing and sales activities	3.1	3.0
<b>Total net revenues</b>	<b>407.7</b>	<b>397.6</b>

The Company receives management fees and service fees for its asset management activities directly from funds and mandates. The average assets under management and average fees are similar in the first half-year of 2022 compared to the first half-year of 2021.

Subadvisory fees and Revenues from marketing and sales activities are received from other Robeco Group companies. Fees from clients relate to retail clients.

### 2 Distribution and subadvisory costs

The costs can be broken down as follows:

<i>EUR x million</i>	<b>Half-year 2022</b>	<b>Half-year 2021</b>
Distribution costs	111.7	110.7
Subadvisory costs	58.5	47.6
<b>Total distribution and subadvisory costs</b>	<b>170.2</b>	<b>158.3</b>

Distribution costs paid to other Robeco Group Companies amounts to EUR 29.4 million (half-year 2021: EUR 32.0 million). Subadvisory costs paid to other Robeco Group Companies amounts to EUR 58.5 million (half-year 2021: EUR 47.6 million).

### 3 Administrative expenses

Administrative expenses consist of costs charged by other group companies in the amount of EUR 128.7 million (half-year 2021: EUR 119.2 million) of which Robeco Nederland B.V. charges operating costs in the amount of EUR 121.2 million (half-year 2021: EUR 115.3 million). Charged operating costs relate to the management of investment funds and mandates and related financial services. The cost allocation includes indirect organizational costs and direct business-related costs, which, amongst others, include costs for staff, information technology, marketing and housing. Part of the operating costs charged by Robeco Nederland B.V. is disbursed to other group companies.

Domestic staff is made available to the Company through an intercompany service agreement. Robeco Nederland B.V. is legally the employer of personnel, recharging related expenses to the Company. The charge concerns 707 FTE's as per 30 June 2022 (30 June 2021: 648 FTE's) direct and indirect personnel. These expenses also include disbursements by other entities within Robeco Group. Robeco Nederland B.V. is a wholly owned (indirect) subsidiary of ORIX Corporation Europe N.V., the domestic ultimate parent company of Robeco Institutional Asset Management B.V.

The remainder of administrative expenses relate to recharges to and from other Robeco entities and to expenses to support the set-up of distribution opportunities in China and Japan of EUR 7.5 million in total (half-year 2021: EUR 3.9 million in total).

#### 4 Employee benefits expense

The staff of Robeco Institutional Asset Management B.V is employed in two different ways. Domestic staff is located in the Netherlands and is legally employed by Robeco Nederland B.V., the group's domestic service company. See note 3 for the recharge of the domestic staff expenses. International staff is formally employed by the Company and is located in the Company's international offices. Staff costs can be specified as follows:

<i>EUR x million</i>	<b>Half-year 2022</b>	<b>Half-year 2021</b>
Wages and salaries	10.0	9.0
Social security and pension costs	1.6	0.9
Other employee benefits expenses	1.4	0.8
<b>Total employee benefits expense</b>	<b>13.0</b>	<b>10.7</b>

As per 30 June 2022 65 FTE's (30 June 2021: 52 FTE's) international staff was executing operational activities on behalf of the Company. The pensions of legally employed staff are based on defined contribution plans. These plans are provided by external insurance companies. The pension costs concern the paid insurance premiums by the Company.

#### 5 Other expenses

Other expenses can be specified as follows:

<i>EUR x million</i>	<b>Half-year 2022</b>	<b>Half-year 2021</b>
Fund and client related costs	22.9	22.7
Marketing	1.6	1.3
Audit costs	0.7	0.7
Travel and accommodation	0.4	-
Information technology	0.8	0.3
Housing and furniture	0.4	0.2
Advisory	0.3	0.4
Addition to other provisions (refer to note 11)	0.6	9.4
<b>Total other expenses</b>	<b>27.7</b>	<b>35.0</b>

#### 6 Income tax expense

The Dutch statutory tax rate in half-year 2022 was 25.8% (half-year 2021: 25.0%). The current tax is settled monthly, through Robeco Holding B.V., with ORIX Corporation Europe N.V., the head of the Dutch fiscal unity (see also note 12).

The income tax expense in half-year 2022 was EUR 18.3 million (half-year 2021: EUR 18.9 million). In half-year 2022 the effective tax rate was 27.6% (half-year 2021: 25.9%). The difference in statutory and effective tax rate is mainly caused by adjustment of the deferred tax asset position (refer to note 7) and non-deductible costs.

## Notes to the interim balance sheet

### 7 Deferred tax assets

The deferred tax asset relates to temporary differences in the Company and its branches that are deductible in determining taxable profit of future periods in total of EUR 1.5 million (2021: EUR 3.2 million). The deferred tax assets include EUR 4.1 million as a result of the merger with Robeco Luxembourg which is amortized in 10 years, starting 2021. In 2022 this deferred tax asset was adjusted downwards with EUR 1.0 million, based on the final agreement on the deductible amount in the Netherlands. The current part of the deferred tax assets amounts to EUR 1.8 million (2021: EUR 3.8 million).

### 8 Trade receivables

Trade receivables relate to outstanding invoices and fees from funds, which are collected without invoicing.

### 9 Receivables and liabilities from group companies

This item relates to current account receivables and payables with Robeco Group entities. The current accounts are settled periodically.

The Company has granted a current account to Robeco Holding B.V. This current account is immediately payable upon request of the Company. The balance was EUR 80.0 million at 30 June 2022 (31 December 2021: EUR 80.0 million). The loans are granted for cash management purposes and the interest rate is based on Euribor and a risk premium. The effective interest rate in half-year 2022 was 0.4% (half-year 2021: 0.4%). The fair value of the receivables approximates the carrying amount due to their short-term character.

### 10 Equity

At 30 June 2022, the Company's issued and paid in full share capital amounted to EUR 41 thousand (90 ordinary shares).

	Issued capital	Share premium	Other reserves	Retained earnings	Result financial Period	Total
<i>EUR x million</i>						
<b>At 1 January 2022</b>	<b>0.1</b>	<b>31.5</b>	<b>1.3</b>	<b>140.8</b>	<b>113.2</b>	<b>286.9</b>
Dividend distribution	-	-	-	-33.1	-113.2	-146.3
Release: Luxembourg Net Wealth Tax	-	-	-0.3	0.3	-	-
Rounding differences	-	-	-	0.1	-	0.1
Add: result half-year 2022	-	-	-	-	48.1	48.1
<b>At 30 June 2022</b>	<b>0.1</b>	<b>31.5</b>	<b>1.0</b>	<b>108.1</b>	<b>48.1</b>	<b>188.8</b>

In accordance with paragraph 8a of the Luxembourg Net Wealth Tax law, a Net Wealth Tax reserve (as part of the other reserves) was formed as per 1 January 2021 as a result of the legal merger with Robeco Luxembourg SA. The reserve will gradually be released during the coming five years period to the Retained earnings.

## 11 Provisions

Movements in provisions were as follows:

<i>EUR x million</i>	Possible loss of income	Restructuring	Other	Total
<b>Cost at 1 January 2022</b>	<b>1.6</b>	<b>0.4</b>	<b>10.3</b>	<b>12.3</b>
Additions	-	-	0.6	0.6
Usage	-	-0.3	-7.6	-7.9
<b>Net carrying amount at 30 June 2022</b>	<b>1.6</b>	<b>0.1</b>	<b>3.3</b>	<b>5.0</b>

In 2016 the Company has recorded a provision of EUR 1.6 million for an estimated loss of income. It is expected that the period of uncertainty is between one to three years as of 30 June 2022. As per 30 June 2022 no amounts were used.

The provision for restructuring pertains to a plan to outsource back office operations to a third party. This plan, which was formalized in 2017 was completed in the second half of 2020. The provision covers the estimated costs for outplacement and redundancy based on existing social plan terms and conditions. The restructuring provision relating to the final redundancies is due within one year.

In 2020, the AFM issued an Order under Penalty ('Last onder dwangsom') to Robeco to undertake a number of remedial measures to improve the processes in relation to the Money Laundering and Terrorist Financing (Prevention) Act ('Wwft') and the Sanctions Act in Robeco Retail, Robeco's on-line execution-only platform for Dutch retail customers before 31 December 2021. The work to undertake remedial measures commenced in 2020 and has been completed. On 28 April 2022, the AFM has informed us that they have accepted all our improvements and that Robeco has not forfeited (not paid for) any penalty.

In connection to this matter, the AFM has imposed an administrative fine of EUR 2 million on 31 March 2022. We have accepted and paid the fine.

The Company has added EUR 0.6 million to the other provision in the first half-year of 2022 related to the termination of a service contract by a third party. As per 30 June 2022 the usage was EUR 5.6 million.

The other provisions are due within one year.

## 12 Contingent assets and liabilities

The amount of accrued carried interest, which is not yet distributed by the Investee Funds, is to be marked as a contingent asset of EUR 4.6 million as per 30 June 2022 (as per 31 December 2021: EUR 4.6 million). The final amount of the carried interest to be distributed by the Investee Funds may be significantly different from the amount earlier marked as contingent assets.

In a recent judgment, the Belgian High Court confirms that Belgium is not entitled to levy Belgian subscription tax under the double tax treaty with the Netherlands for the tax years 2008-2014. However, it remains uncertain if the Belgian tax authorities will apply the ruling of the Belgian High Court for the tax years 2015-2022 and challenge the High Court ruling. If also for these years the Belgian tax should not apply, the Company is entitled to receive this disputed Belgian tax for the period 2015-2022 amounting to maximum EUR 8.0 million (excluding interest). Given the uncertain outcome of the legal proceedings this is marked as a contingent asset.

Stichting Robeco Funds ("SRF") is the holding of cash for the purpose of facilitating the purchase and sale of participation rights in investment institutions managed by a manager belonging to the Robeco Group. SRF acts as facilitator for the cash flows of these investment institutions for the account and risk of such investment institutions, exclusively in the interests of the participants or shareholders. The Company has issued a guarantee in which the Company commits itself to cover the credit default risk relating to the collection accounts of Stichting Robeco Funds.

In consideration of the Monetary Authority of Singapore granting a license to Robeco Singapore Private Limited, the Company has confirmed that it accepts full responsibility for all operations of Robeco Singapore and ensures that Robeco Singapore maintains sound liquidity and a sound financial position at all times.

For a few clients where a sister company acts as formal manager, the Company covers for certain liabilities resulting from that formal manager role.

The Company is part of a tax group headed by ORIX Corporation Europe N.V. and is jointly and severally responsible for the resulting tax liability, as are the other companies that are part of the tax group.

The Company has commitments regarding IT-related contracts of EUR 0.1 million (2021: EUR 0.1 million). These commitments have remaining terms of between 1 and 2 years.

The Company has irrevocable credit facilities related to guarantees of EUR 0.1 million (2021: EUR 0.1 million).

### **13 Subsequent events**

There are no subsequent events to be reported.

Rotterdam, 25 August 2022

The Management Board:

Karin van Baardwijk  
Mark den Hollander  
Marcel Prins

Supervisory Board:

Maarten Slendebroek  
Sonja Barendregt – Roojers  
Stanley Koyanagi  
Mark Talbot  
Radboud Vlaar