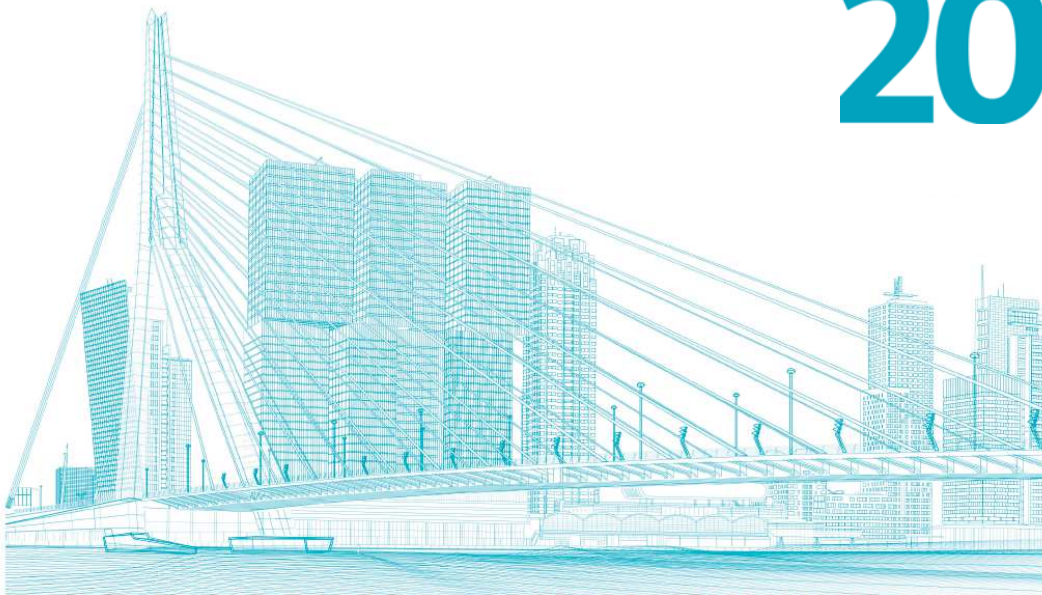


Robeco Institutional Asset Management B.V.

20



Interim financial statements
For the six-month period ended 30 June 2020

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General information

Executive Committee ('ExCo')

G.O.J.M. (Gilbert) Van Hassel*
K. (Karin) van Baardwijk*
A.J.M. (Lia) Belilos – Wessels
P.J.J. (Peter) Ferket (until 22 May 2020)
M.C.W. (Mark) den Hollander*
M.O. (Martin) Nijkamp
H-Ch.(Christoph) von Reiche
V. (Victor) Verberk

* Also statutory director

Supervisory Board

M.F. (Maarten) Slendebroek (since 13 August 2020)
S. (Sonja) Barendregt – Roojers
S.H. (Stanley) Koyanagi (since 13 August 2020)
J.J.M. (Jeroen) Kremers (until 30 March 2020)
M.A.A.C. (Mark) Talbot
R.R.L. (Radboud) Vlaar

More information on the ExCo and Supervisory Board can be found on the website www.robeco.com.

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Rotterdam Chamber of Commerce number 24123167

Report of the Executive Committee

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 2020 along with the report of the Executive Committee.

Established in Rotterdam in 1929, Robeco offers investment management and advisory services to institutional and private investors, and manages UCITS¹ and alternative investment funds. As such, Robeco acts as the manager of investment funds (and as director in case the funds have the form of legal entities) in the Netherlands and 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 under 3.

Corporate structure

The Company is established in the Netherlands. Robeco Holding B.V. holds 100% of the shares of the Company. ORIX Corporation is the sole shareholder of ORIX Corporation Europe N.V., the domestic parent company of Robeco Holding B.V., which also holds 100% of the shares in Robeco Nederland B.V., the Dutch central service company of Robeco. Robeco Nederland B.V. is the formal employer of all Robeco staff based in the Netherlands, these employees are provided to Robeco by Robeco Nederland B.V. by way of an inter-company service agreement.

Corporate governance, audit and risk management

The Company has a two-tier board: an Executive Committee (also referred to as the 'ExCo') of which three members are also statutory directors and a Supervisory Board. The governance principles of the Company are laid down in its Articles of Association, Supervisory Board Rules, Management Board Rules and ExCo Rules and in the Charters of the Supervisory Board committees: the Audit & Risk Committee and the Nomination & Remuneration Committee.

As the so-called 'moderate version' of the 'Large Company Scheme' (Structuurregime, Article 2:155 of the Dutch Civil Code) applies, a Supervisory Board has been established for Robeco. In addition to performing general duties relating to supervision and advice, the Supervisory Board must also approve certain resolutions of the ExCo.

The 2020 interim financial statements of the Company have not been audited or partially assessed by the external auditor.

We refer to the Report of the Executive Committee in our 2019 financial statements for the section Risk management. This is unchanged for the first half-year of 2020, except for changes in the crisis organization which is discussed below as part of the effects of the Covid-19 Pandemic.

¹ Undertaking for Collective Investment in Transferable Securities

Financial situation and result for the six-month period ended 30 June 2020

The operating result over the reporting period increased from EUR 42.2 million to EUR 54.1 million, due to an increase in gross margin and lower operating expenses. During the first half-year of 2020, the financial markets have been heavily impacted by the Coronavirus crisis, however the average Assets under Management of the Company was higher in the first half-year 2020 compared to the prior period after high market rise end of 2019. Total client assets² (assets managed, sub-advised or distributed by the Company) amounted to around EUR 155.2 billion as at 30 June 2020 (EUR 173.5 billion as at 31 December 2019 and EUR 149.5 billion as at 30 June 2019).

The Company's half-year 2020 gross margin over the reporting period was EUR 181.3 million, EUR 6.5 million (4%) higher than in the first half of 2019 mainly due to higher average Assets under Management and higher performance fees compensated by lower fees from the discontinued businesses.

Administrative expenses decreased from EUR 114.5 million in the first half of 2019 to EUR 107.5 million in the first half of 2020 due to lower recharges from other Robeco entities and lower expenses to support the set-up of distribution opportunities in China, Japan, Singapore and the US.

The tax expense in the first half of 2020 was EUR 13.9 million (first half of 2019: EUR 12.3 million). The result after tax for the period was EUR 40.2 million, an increase of EUR 7.8 million (24%) compared to the previous year.

Management considers the financial position of the Company sound. During the financial period a dividend of EUR 33.0 million was distributed. As the result for the year 2019 amounted to EUR 66.1 million, the remaining EUR 33.1 million was added to the other reserves. Due to the net result for the first half year 2020 of EUR 40.2 million and the dividend distribution, equity increased with EUR 7.2 million to an amount of EUR 201.0 million (31 December 2019: EUR 193.8 million), which is sufficient to meet regulatory requirements. The unrestricted available cash position at the end of the period is EUR 94.2 million.

Significant events and transactions

Effects of the Covid-19 Pandemic

We are currently experiencing exceptional and challenging times, with the Covid-19 pandemic affecting clients, employees, service providers and financial markets. Over the past few months Robeco has proven its resilience. Adequate decision making and our BCM (Business Continuity Management) procedures and infrastructure have ensured continuity of operations globally. However, the working from home situation in combination with the high market volatility resulted in higher operational risks and operational losses due to incidents. Financial markets experienced a significant drop in March 2020. It is uncertain how long the current situation will persist and what its longer term (economic) effects will be, but a continuous higher volatility is to be expected.

The Covid-19 pandemic puts Robeco on multiple challenges. Robeco needs to ensure that its employees work in a safe environment, meet with local lock-down requirements and ensure that investment portfolios are managed in the best way to protect its clients' interest. In addition, all of these developments will impact the profitability of Robeco and the capital requirements. Robeco has taken measures to ensure business continuity and to protect clients interest. For 2020 the ExCo anticipates a positive net result and that the Company meets regulatory capital requirements.

Robeco has several governance bodies and processes in place to cope with crisis situations. The Corona Crisis is coped by (1) the Robeco Crisis Team (to ensure the health and safety of our people and the continuation of Robeco's processes and services to clients), (2) Business Continuity Management, (3) the Financial Crisis Committee (monitoring on counterparty, market and liquidity risks and intraday monitoring of capital flows in

² Related to all Robeco entities

and out of Robeco's portfolios), and (4) the Valuation Committees (discuss pricing matters within the funds). The Coronavirus is discussed regularly in the weekly ExCo meetings. In addition, several meetings between the CEO and representatives of the crisis team have taken place and will continue to take place whenever there are relevant updates. In the last period the Business Continuity Management calls are held on a monthly basis, the Financial Crisis Committee went back to the regular status and the Valuation Committees returned back to regular meeting cycles.

Given the rapid development of the Coronavirus in the Netherlands, Robeco's Executive Committee decided as per 11 March 2020 to divide employees over various locations in the Netherlands to help protect the health and safety of the people, and ensure the continuity of the business. Our staff in the Netherlands has been divided into three groups (A) work from Robeco's alternative office location at Schiphol-Rijk (B) continues to work from Robeco's Rotterdam office and (C) working from home. Over May and June 2020 we have phased out this division of our staff. Robeco's alternative office location was discontinued as of 8 June 2020. The colleagues who used this location have either been approved to work at Robeco's Rotterdam office and/or from home. We have introduced safety measures at our offices in the last few months. The initial phase of return to our office started 2 June 2020 with a maximum capacity of 25%.

Robeco has been active with its engagement partners and in the media since the start of the Covid-19 pandemic about the ESG (Environment, Society and Governance)-related impact of the crisis. Below, we highlight a few activities that have taken place.

1. *Robeco signed the Investor Statement on Coronavirus Response*

As long-term investors, Robeco urged the business community to take what steps they could and to consider the following steps in particular: provide paid leave if necessary, prioritize health and safety of workers, maintain employment, maintain supplier and customer relationships, and exhibit financial prudence.

2. *Green Recovery Statement*

Robeco co-signed a letter that was sent to EU leaders ahead of the European Council meeting of 18-19 June 2020. The letter calls for an economic recovery in the EU that includes maintaining momentum on the Green Deal and sustainable finance agenda, with at least 25% of the EU's long-term budget contributing to climate objectives. The letter has been prepared by IIGCC (Institutional Investors Group on Climate Change), in coordination with the Principles for Responsible Investment (PRI) and Carbon Disclosure Project (CDP).

3. *Robeco's Active Ownership team participates in working groups PRI and ICCR*

Robeco participates in two PRI working groups and one working group within the Interfaith Center for Corporate Responsibility (ICCR) that started following the off-set of Covid-19. The working groups focus on short-term responses to Covid-19, and ensuring a responsible approach to a future economic recovery phase which considers how the financial system should function to ensure sustainable outcomes.

4. *Robeco calls on the pharmaceutical sector to maximize efforts in combatting Covid-19*

In collaboration with other international asset managers, pension funds and insurers, Robeco has supported several initiatives that call on pharmaceutical companies to uphold their social license to operate and maximize cooperation to minimize the spread of the virus.

5. *Impact on and call to the garment industry*

The Platform Living Wages Financials published a public statement outlining investors' expectations on how the garment industry should manage the Covid-19 crisis responsibly. Robeco engages with several companies that are participating in this call to action to limit the damage caused by the pandemic to enterprises and livelihoods, and also encourages other brands to take this responsibility.

Outsourcing of operations

On 24 January 2018, Robeco announced that it would be outsourcing part of its operations and administration activities to JP Morgan. The decision to outsource is part of the Company's strategic plan for the 2017-2021 period, which envisages further international growth in both investment and client servicing activities. Given

industry developments and Robeco's global ambitions, new and ongoing investments would have to be made to keep its operations activities cutting edge. JP Morgan became Robeco's service provider for fund accounting, custody, depositary, transfer agency, securities lending and middle office operations. The outsourcing process began in early 2018 and involved a phased migration that has recently been completed in July 2020. The first four milestones have been realized according to plan in 2018. In 2019, Milestone 5 was successfully completed after the transfer agency services were migrated to JP Morgan. Over the first weekend of July 2020, the 6th and final Milestone was successfully completed with the cutover for middle office services to JP Morgan. Until the end of 2020 an extensive after care period will take place in which infrastructure will be decommissioned and improvements will be implemented to fully realize the benefits of the outsourcing. In addition share class hedging will be outsourced to Brown Brothers Harriman (BBH).

Around 70 employees based in Rotterdam whose positions are in scope for the outsourcing process became redundant throughout the lifecycle of the program. Those employees have certain rights under Robeco's social plan, including to receive outplacement counseling. The risks associated with the outsourcing were investigated in advance and are monitored continuously in the Steering committee and discussed with Operational Risk Management and Internal Audit.

Other developments

The sale and transfer of Robeco's Private Equity (PE) business to Stafford Capital Partners was completed on 29 May 2020. With this transaction, the management of the various PE funds, mandates and the PE team have been transferred to Stafford Capital Partners. The transaction is in line with Robeco's strategic focus on capabilities where it can continue to create the most added value for its clients. This transaction has a very limited impact on balance sheet and results.

In 2019, Robeco announced the discontinuation of its fiduciary management services, in line with its ambition to focus on its key asset management activities. The discontinuation has been completed early 2020. This transaction has a very limited impact on balance sheet and results.

Next to this, Robeco is considering the integration of the entity Robeco Luxembourg S.A. into Robeco Institutional Asset Management B.V. (RIAM) in Rotterdam through a cross border legal merger at the start of 2021.

We have been informed that the AFM has determined that RIAM is to undertake remedial measures with respect to its compliance framework regarding customer due diligence, transaction monitoring and related requirements in the area of our retail fund distribution activities, and that the AFM intends to impose an order on RIAM in this respect. We are ensuring full compliance with all relevant laws and regulations and extend our ongoing compliance enhancements to incorporate these measures.

Outlook

Financial market environment

The first half of the year 2020 will be reflected upon by economic historians in the future as a defining moment for the global economy. Initially, the first weeks of 2020 got off to a promising start. The long-anticipated signing of a "phase 1" trade agreement between China and the US took place on 15 January while global leading indicators surprised to the upside and confirmed expansion of economic activity. In the second half of January, however, these signals of reflation (increasing global growth towards trend level) were completely overshadowed by rising concerns over the outbreak of a coronavirus starting in Wuhan, which the WHO eventually named "Covid-19" and declared a pandemic later on.

With the IMF forecasting a contraction of the global economy by 4.9% in 2020, the global economy has been experiencing a deep recession. This is not a classic recession triggered by an unwind of excesses in the real economy built up during a long economic expansion. The policy-induced sudden stop of the global economy in response to an exogenous shock is what makes this crisis (and the aftermath) unique. Covid-19 has delivered a simultaneous negative supply and demand shock.

What also has been unprecedented, is the policy response to this crisis. Central banks and governments have pulled all stops to mitigate the economic downturn. The Federal Reserve Bank of the United States has provided massive liquidity by increasing its balance sheet by USD 3 trillion since the end of February. This is more than double the effort undertaken in the direct aftermath of the Great Financial crisis. The overall direct fiscal stimulus measures in response to Covid-19 amount to 7% of global GDP according to rating agency Fitch.

Local lockdowns seem to be the most effective mode to control the virus until there is an effective vaccine. From a policy perspective, this implies the pendulum will swing between local re-openings and partial lockdowns for longer. In response, more monetary and fiscal stimulus will likely be needed as bridge financing before a self-sustaining global economic recovery takes hold.

Outlook for equities

For financial markets, the first half of 2020 has been a rollercoaster. The S&P 500 index peaked on 19 February before sliding into a bear market at the fastest pace seen since 1929, but it also experienced the strongest bear market relief rally in equities since 1929. The MSCI World Index in local currency was still 5.3% down since the start of the year as of June 30th but also experienced a steep rebound in the second quarter, returning 18.5%.

Given the V-shaped recovery in developed equity market prices with the global economy only showing tentative signs of recovering towards a new post-Covid-19 normal, the divergence between risky asset prices and current economic fundamentals is notable. Nonetheless, central banks have given strong guidance to keep risk free rates low for an extended period of time, with low discount rates and a strong fiscal stimulus impulse supportive for the medium term equity outlook. The announcement of an effective vaccine late 2020 could also provide a boost for consumer sentiment. Risks remain however in the remainder of 2020 for equity markets as the global economic recovery will remain uneven and incomplete creating significant dispersion between equity sectors, regions and themes. A malignant mutation of the Covid-19 virus, the November 2020 US elections, an incomplete US-China trade deal and Brexit are additional risk factors that could create headwinds.

Outlook for bonds

Global government bond markets delivered very attractive returns in the first half of 2020 with 3.4% in euro (hedged). Globally, interest rates fell sharply as central banks cut policy rates and announced additional quantitative easing programs following the unprecedented Covid-19 shock which is a strong recessionary and deflationary shock. Governments and central banks reacted by announcing large fiscal and monetary easing programs which should help soften the blow to growth and deflation. That said, we expect that the longer-term damage to the economy will be larger than currently anticipated as elevated levels of unemployment and corporate defaults will be with us for the medium term keeping central banks firmly in the mode of keeping rates low and continuing quantitative easing.

We view global government bonds as a range trade for now. Ongoing central bank purchases across many jurisdictions should help cap the upside for 5-10 year yields; conversely, new lows in yields would require a return of risk aversion and/or more central banks crossing the Rubicon of negative rates. We think the former is more likely than the latter. As many central banks across the globe added investment grade corporate bonds to their purchase programs, we think that asset class is well protected in terms of sharp spread widening hence we are cautiously optimistic there. Asset classes like High Yield and Emerging Markets don't have that specific protection from global central banks and are vulnerable in our economic outlook of high levels of unemployment and defaults hence our underweight stance there.

Because of the very rapid developments around the Covid-19 pandemic and its impact on the worldwide economy, we refer to our website www.robeco.com for the latest updates on our outlook for equity and bond markets.

Company's outlook

Robeco's strategy for the period 2017-2021 is aimed at monetizing the Company's intellectual property in combination with a continued focus on providing our clients with the best possible investment performance and services. During this strategic period, Robeco is striving to accelerate its growth in the UK, US, Italy, Australia, Japan and in the Asia-Pacific region. These countries, including China, offer the best opportunities for growth in the years to come.

In terms of products and solutions, the focus is on further increasing the scale of those investment capabilities that are currently among the world's best in terms of either performance, investment process and consultant ratings or a combination thereof. These include quant equities (including factor investing), trends & thematic investing, credits, emerging markets equities and Asia-Pacific equities.

Sustainable investing (SI) is one of Robeco's key strengths, and sustainability is integrated across investment capabilities. In 2020 Robeco has launched a specialist center to further build on its world leadership in sustainable investing. The new Sustainable Investing Center of Expertise, which combines teams from both Robeco and RobecoSAM, acts as a focal point within the investment domain for all Robeco's activities related to SI.

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.

End of May 2020, Peter Ferket left Robeco. We thank Peter Ferket for his many contributions to Robeco and the commitment he has shown during the twenty-three years he has served the Company, where he has taken on many positions.

Rotterdam, 27 August 2020
The Executive Committee

Interim Financial Statements 2020

Interim Income Statement

for the six-month period ended 30 June

<i>EUR x million</i>	<i>Notes</i>	<i>Half-year 2020 Unaudited</i>	<i>Half-year 2019 Unaudited</i>
Net revenues	1	274.1	276.5
Distribution and subadvisory costs	2	92.8	101.7
Gross margin		181.3	174.8
Administrative expenses	3	107.5	114.5
Employee benefits expense	4	7.2	6.9
Depreciation and amortization		1.3	0.8
Other expenses	5	11.2	10.4
Total operating expenses		127.2	132.6
Operating result		54.1	42.2
Finance income		0.1	0.2
Finance expense		0.2	0.2
Result before tax		54.0	42.2
Income tax expense	6	13.9	12.3
Result from investments in group and associated companies after tax	7	0.1	2.5
Result for the period		40.2	32.4

Interim Balance Sheet as at 30 June

before profit appropriation

<i>EUR x million</i>	<i>Notes</i>	<i>30 June 2020</i> <i>Unaudited</i>	<i>31 December 2019</i> <i>Audited **</i>
ASSETS			
Fixed assets			
Intangible assets		1.8	2.6
Tangible fixed assets		0.5	0.6
Right-of-use assets		0.9	1.3
Investment in group and associated companies	7	-	-
Loans		0.1	1.6
Deferred tax assets		0.4	0.8
Total fixed assets		3.7	6.9
Current assets			
Trade receivables		15.5	18.0
Receivables from group companies	8	123.0	136.2
Other receivables		15.1	24.8
Cash and cash equivalents		94.2	106.4
Total current assets		247.8	285.4
Total assets		251.5	292.3
EQUITY AND LIABILITIES			
Equity			
Issued capital	9	0.1	0.1
Share premium		31.5	31.5
Other reserves		129.2	96.1
Result financial period/year*		40.2	66.1
Total equity		201.0	193.8
Provisions	10	6.1	7.6
Non-current liabilities			
Employee benefits		1.6	2.1
Lease liabilities		0.4	0.5
Other liabilities		-	0.9
Total non-current liabilities		2.0	3.5
Current liabilities			
Liabilities to group companies	8	7.9	46.7
Lease liabilities		0.5	0.7
Other liabilities		34.0	40.0
Total current liabilities		42.4	87.4
Total equity and liabilities		251.5	292.3

* The result financial period for 2020 is related to the six-month period ending 30 June 2020. The result financial period for 2019 relates to the full year. ** These figures are taken from the audited annual report 2019.

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”) 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. The Company also offers investment products to retail clients directly. The product range encompasses equity and fixed-income investments and 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. ORIX Corporation (ORIX), with registered office in Tokyo, Japan, holds a 100% stake in ORIX Corporation Europe N.V.

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 and to offer the additional services within the meaning of article 2:97 under 3.

Changes in the current reporting period

Although there are external circumstances such as the Covid-19 (Corona) pandemic, macroeconomic developments, increasing fee pressure and competition, the Company remains 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 group as at 30 June 2020. For a detailed discussion about the group’s performance and financial position please refer to our review of the operations on pages 12 to 17.

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 2019 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 2020, which ended at the balance sheet date of 30 June 2020.

Notes to the interim income statement

1 Net revenues

The net revenues can be specified as follows:

<i>EUR x million</i>	Half-year 2020	Half-year 2019
Management fees	213.7	226.8
Service fees	30.0	25.6
Fees from clients	8.0	6.6
Revenues from marketing and sales activities	6.4	5.1
Performance fees	5.7	0.2
Subadvisory fees	4.0	6.2
Administration fees	1.3	1.2
Other income	5.0	4.8
Total net revenues	274.1	276.5

The Company receives the management fees and service fees for its asset management activities directly from funds and mandates or (in case of sub advisory activities) indirectly from group companies in the amount of EUR 181.5 million (half-year 2019: EUR 179.8 million).

Revenues from marketing and sales activities and Subadvisory fees are received from other Robeco Group companies.

Other income also includes revenues from third parties for marketing and sales activities.

Segment information

The revenues are allocated based on the legal entities where the revenues are produced.

<i>EUR x million</i>	%	Half-year 2020	%	Half-year 2019
Total revenue by region				
Luxembourg	66%	181.5	65%	179.8
Netherlands	30%	82.7	31%	87.6
Outside Europe	1%	3.8	2%	4.6
Rest of Europe	2%	6.1	2%	4.5
Total net revenues	100%	274.1	100%	276.5

2 Distribution and subadvisory costs

The costs can be broken down as follows:

<i>EUR x million</i>	Half-year 2020	Half-year 2019
Distribution costs	71.1	68.8
Subadvisory costs	21.7	32.9
Total distribution and subadvisory costs	92.8	101.7

Distribution costs paid to other Robeco Group Companies amounts to EUR 21.9 million (half-year 2019: EUR 21.4 million). Subadvisory costs paid to other Robeco Group Companies amounts to EUR 21.0 million (half-year 2019: EUR 29.4 million).

3 Administrative expenses

Administrative expenses consist of costs charged from other group companies in the amount of EUR 107.5 million (half-year 2019: EUR 114.5 million). These costs are mainly charged from Robeco Nederland B.V. Robeco Nederland B.V. charges operating costs in the amount of EUR 107.2 million (half-year 2019: EUR 106.5 million), relating 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 643 FTE's as per 30 June 2020 (30 June 2019: 679 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.

Administrative expenses also include EUR 2.4 million expenses to support the set-up of distribution opportunities in China, Japan, Singapore and the US, recharges of Robeco entities of EUR 3.0 million to the company and vice versa of EUR -5.1 million (half-year 2019: EUR 4.7 million, EUR 6.9 million respectively EUR -3.4 million).

4 Employee benefits expense

The staff of Robeco Institutional Asset Management B.V is employed in two different ways. Domestic staff is 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 in the Company's international offices. Staff costs can be specified as follows:

<i>EUR x million</i>	Half-year 2020	Half-year 2019
Wages and salaries	5.8	5.2
Social security and pension costs	0.9	0.9
Other employee benefits expenses	0.5	0.8
Total employee benefits expense	7.2	6.9

As per 30 June 2020 46 FTE's (30 June 2019: 53 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>	Half-year 2020	Half-year 2019
Fund and client related costs	5.6	5.1
Marketing	1.0	1.8
Audit costs	0.7	0.7
Travel and accommodation	0.3	0.5
Information technology	0.3	0.4
Housing and furniture	0.3	0.2
Advisory	1.1	0.2
Other	1.9	1.5
Total other expenses	11.2	10.4

6 Income tax expense

The Dutch statutory tax rate in half-year 2020 was 25% (half-year 2019: 25%). 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 10).

The income tax expense in half-year 2020 was EUR 13.8 million (half-year 2019: EUR 12.3 million). In half-year 2020 the effective tax rate was 26% (half-year 2019: 29%), the decrease of the effective tax rate is caused by less non-deductible costs. The difference in statutory (25%) and effective tax rate (26%) is mainly caused by the higher tax rate at several of the company's branches.

Notes to the interim balance sheet

7 Investment in group and associated companies

The Company had 100% shareholdings in 11 subsidiaries, being the general partner entities of its Private Equity business. In May 2020 Robeco sold its Private Equity business to a third party, including the mentioned subsidiaries.

8 Receivables and liabilities from group companies

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

The Company has granted current account loans to Robeco Holding B.V. These loans are receivable on demand in order to meet the liquidity requirements of the regulator. The balance was EUR 80.0 million at 30 June 2020 (31 December 2019: 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 2020 was 0.4% (2019: 0.4%). The fair value of the receivables approximates the carrying amount due to their short-term character.

The decrease in liabilities to group companies from EUR 46.7 million to EUR 7.9 million resulted from netting receivables and liabilities positions per individual group company on 30 June 2020.

9 Equity

At 30 June 2020, the Company's placed and paid in full share capital amounted to EUR 41 thousand (90 ordinary shares).

<i>EUR x million</i>	Issued capital	Share premium	Other reserves	Result financial Period	Total
At 1 January 2020	0.1	31.5	96.1	66.1	193.8
Result 2019 distribution	-	-	66.1	-66.1	-
Dividend distribution	-	-	-33.0	-	-33.0
Add: result half-year 2020	-	-	-	40.2	40.2
At 30 June 2020	0.1	31.5	129.2	40.2	201.0

The Company reports to the DNB on a quarterly basis the FINREP and COREP reports as required by CRD IV rules. The most recent reporting was done as of 30 June 2020. All capital requirements were met.

10 Provisions

Movements in provisions were as follows:

<i>EUR x million</i>	Possible loss of income	Restructuring	Total
Cost at 1 January 2020	1.6	6.0	7.6
Usage	-	-1.5	-1.5
Net carrying amount at 30 June 2020	1.6	4.5	6.1

The provision for restructuring pertains to a plan to outsource back office operations to a third party. This plan, which was formalized in 2017 is expected to be completed early second half of 2020. The formal end date of the last employment contract expected to be terminated is planned for end of May 2021 (this implies that all payments will be made before the end of 2021). The provision covers the estimated costs for outplacement and redundancy based on existing social plan terms and conditions; contract termination fees related to service providers and other unavoidable expenses irrevocably related to the restructuring.

Approximately EUR 1.6 million of the restructuring provision is due within one year. The remaining EUR 2.8 million is expected to be due in 2021.

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 five years. As per 30 June 2020 no amounts were used.

11 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 2020 (as per 31 December 2019: EUR 5.3 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 few recent judgments, the Brussels Court of Appeal confirms the previous case law of the Court of First Instance that Belgium is not entitled to levy Belgian subscription tax under the double tax treaties with the Netherlands and Luxembourg. The Belgian state has recently appealed to the Belgian High Court. If the Belgian High Court rules in favor of the asset management industry, the Company is entitled to receive this disputed Belgian tax amounting to EUR 0.7 million (excluding interest). Given the uncertain outcome of the legal proceedings this is marked as a contingent asset.

The Company has issued a guarantee in which the Company commits itself to fulfill the obligations of Stichting Robeco Funds towards their clients. As per 30 June 2020, Stichting Robeco Funds has cash in the amount of EUR 13.7 million (31 December 2019: EUR 1.2 million) that relate to items to be settled in the short term.

The company has informed that the AFM has determined that RIAM is to undertake remedial measures with respect to its compliance framework regarding customer due diligence, transaction monitoring and related requirements in the area of our retail fund distribution activities, and that the AFM intends to impose an order on RIAM in this respect. We are ensuring full compliance with all relevant laws and regulations and extend our ongoing compliance enhancements to incorporate these measures. The impact is not yet known. However management does not consider the cash outflow, if any, to be material.

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 always maintains sound liquidity and a sound financial position.

The Company has commitments regarding IT-related contracts of EUR 0.1 million (31 December 2019: 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 (31 December 2019: EUR 0.1 million).

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.

12 Subsequent events

There are no subsequent events to be reported.

Rotterdam, 27 August 2020

The Executive Committee:

Gilbert Van Hassel
Karin van Baardwijk
Lia Belilos – Wessels
Mark den Hollander
Martin Nijkamp
Christoph von Reiche
Victor Verberk

Supervisory Board:

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