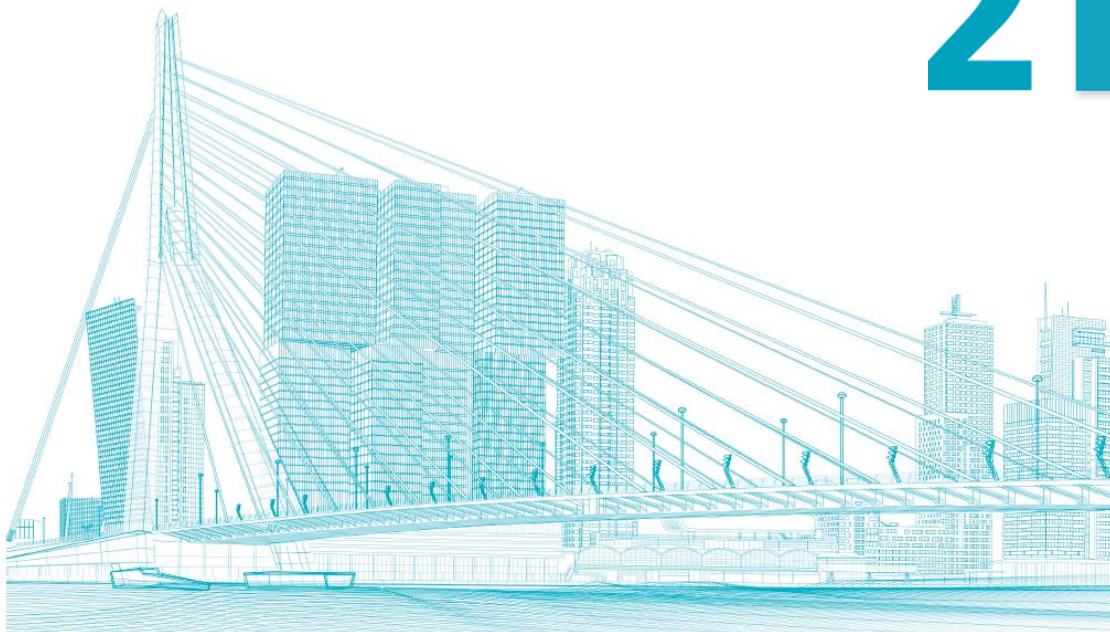


Robeco Institutional Asset Management B.V.

21



Interim financial statements
For the six-month period ended 30 June 2021

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General information

Executive Committee ('ExCo')

G.O.J.M. (Gilbert) Van Hassel (CEO)*
K. (Karin) van Baardwijk (Deputy CEO)*
A.J.M. (Lia) Belilos – Wessels
M.C.W. (Mark) den Hollander*
M.F. (Mark) van der Kroft
M.O. (Martin) Nijkamp
H-Ch.(Christoph) von Reiche
V. (Victor) Verberk

* Also statutory director

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 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 2021 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 are in the form of Dutch legal entities) in the Netherlands, and for its Luxembourg-based investment funds from 1 January 2021. It 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. 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').

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. As part of our sustainable investing approach, Robeco aims to contribute to the Sustainable Development Goals (SDG) and we are convinced that we can create socioeconomic benefits in addition to competitive financial returns. 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. Last year, we extended our exclusions towards fossil fuels. This move is aimed to contribute to Robeco's efforts to lower the carbon footprint of its investments.

Corporate structure

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

Robeco Nederland B.V. is the formal employer of almost all Robeco staff based in the Netherlands, who are provided to the Company by Robeco Nederland B.V. on the basis of an intercompany 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 (members of the Management Board), and a Supervisory Board. The governance principles of the Company are laid down in its Articles of Association, Supervisory Board Rules, Management Board and ExCo Rules and in the Charters of the Supervisory Board committees: the Audit & Risk Committee and the Nomination & Remuneration Committee.

¹ Undertaking for Collective Investment in Transferable Securities

As the so-called 'moderate version' of the 'Large Company Scheme' (Structuurregime, Article 2:265 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 Management Board/ExCo.

The 2021 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 2020 financial statements for the section Risk management. This is unchanged for the first half-year of 2021.

Significant events and transactions

In February 2021, Robeco announced its new strategy for the coming 5-year period which aims to build on the success of our current trajectory and further focus on our key strengths: Sustainable Investing, Quant, Credits, Trends & Thematic and Emerging Markets. Robeco will also establish an ambitious climate strategy, including a decarbonization trajectory and forward-looking indicators. Carbon objectives will be set for all our funds, aiming for an average of 7% reductions per annum, to help meet the net-zero 2050 ambition. Also, new areas of growth potential have been identified to support the acceleration achieved in our key distribution markets. We will aim to grow our penetration in the insurance market, and broaden our coverage of wholesale markets in targeted areas. Our objective is to successfully steer the Company through the current challenges brought on by the global Covid-19 pandemic, as well as the persistent market challenges facing the asset management industry.

In the course of 2021 Robeco launched its climate investing brand campaign, with the central theme "the biggest climate risk is not seeing the opportunities". Opportunities that lie in innovations and companies that can help turn the tide. As investors, we have a responsibility and the power to act and invest in companies that take climate change seriously. The campaign also covers topics related to the climate themes smart farming, the circular economy in construction, and new sources of energy supply. Supporting the campaign is Robeco's climate survey, which reveals a big investor shift on climate change and decarbonization.

Robeco decided to merge Robeco Luxembourg S.A. into Robeco Institutional Asset Management B.V., which took effect per 1 January 2021. As of that date, the responsibilities for managing and overseeing Robeco's Luxembourg domiciled funds were transferred to the Netherlands. There has not been a change to the services provided to Robeco's investors as a result of the legal merger.

As a consequence of the legal merger an amount of EUR 12.9 million has been added to the equity of the Company in 2021.

In 2020, the AFM has determined that Robeco must 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 ('Sw') in Robeco Retail, Robeco's on-line execution-only platform for Dutch retail customers. The improvements have commenced in 2020 and are scheduled to be completed by the end of 2021.

Subsequent to the above, and as a separate matter, the AFM has indicated that it has concerns about the way in which Robeco has set up its business operations. Robeco has engaged with the AFM to substantiate Robeco's views in this respect.

Robeco considers the ongoing Covid-19 pandemic as a significant event which may impact the investment funds under management, which in turn impacts the fees received by the Company.

The impact of the pandemic on people, companies and the economy at large has been significant. While the link between Covid-19 cases and hospitalisation has significantly weakened thanks to vaccinations, the outlook remains uncertain. Pending herd immunity as a result of a substantial vaccination rate, the global economy will, however, still be impacted by opening and closing of (business) operations.

Furthermore, a slowdown in the trajectory towards herd immunity as a result of risks relating to vaccine logistics, vaccine side effects, reduced effectiveness, or public resistance to (mandatory) vaccination, may have a negative impact on markets. In 2021 Robeco's staff were impacted by the Covid-19 pandemic and the related measures.

We put the health and safety of our people first from the moment the pandemic began until this moment. Robeco decided in mid-March 2020 to let all staff (in the Netherlands) work from home. In returning to the office Robeco follows government policy and anyone who doesn't feel comfortable coming to the office is free to decide to work from home.

The results of the first half-year have been remarkable given the still difficult and challenging circumstances. Robeco managed to achieve a higher operating result in 2021. This has been a result of sound cost management, favorable financial markets, positive net client flows and increasing fee income due to a shift to higher fee generating equity capabilities.

Financial results, investment performance & result for the six-month period ended 30 June 2021

The operating result over the reporting period increased from EUR 54.1 million to EUR 73.5 million, due to an increase in gross margin, partly offset by higher operating expenses. During the first half-year of 2021, financial markets have further increased after the Coronavirus crisis of last year. The average Assets under Management of the Company were higher in the first half-year 2021 compared to the prior period due to market appreciation and positive net client flows. Total client assets² (assets managed, sub-advised or distributed by the Company) amounted to EUR 197.1 billion as at 30 June 2021 (EUR 176.0 billion as at 31 December 2020 and EUR 155.2 billion as at 30 June 2020).

The Company's half-year 2021 gross margin over the reporting period was EUR 239.3 million, EUR 58.0 million (32%) higher than in the first half of 2020 mainly due to higher average Assets under Management compensated by lower performance fees and other fees that are affected by revised contract terms. The fees related to Robeco's Luxembourg domiciled funds are directly received by the Company in 2021 as a result of the legal merger earlier described, where in prior year this fee was received net of Luxembourg fund related expenses.

Administrative expenses increased from EUR 107.5 million in the first half of 2020 to EUR 119.2 million in the first half of 2021 due to higher employee benefit costs and lower recharges to other Robeco entities. Other expenses increased with EUR 23.8 million to EUR 35.0 million due to Luxembourg fund related expenses that are accounted for in the Company since the legal merger with Robeco Luxembourg in 2021 and the addition of EUR 9.4 million to the other provisions.

The tax expense in the first half of 2021 was EUR 18.9 million (first half of 2020: EUR 13.9 million). The result after tax for the period was EUR 54.2 million, an increase of EUR 14.0 million (35%) compared to the previous year.

Management considers the financial position of the Company sound. During the financial period a dividend of EUR 74.4 million was distributed. Due to the net result for the first half year 2021 of EUR 54.2 million, the effect on equity of EUR 12.9 million of the legal merger with Robeco Luxembourg and the dividend distribution, equity decreased with EUR 7.3 million to an amount of EUR 227.9 million (31 December 2020: EUR 235.2 million), which is sufficient to meet regulatory requirements. The available cash position at the end of the period is EUR 172.5 million.

Of all portfolios managed or sub-advised by the Company, 64%³ (2020: 53%) outperformed compared to the relevant benchmark over a three-year period; and 67% (2020: 42%) outperformed over a one-year period.

The percentage of outperforming equity portfolios over the past three years was 50% (42% in 2020); and 68% (2020: 34%) outperformed over a one-year period.

The percentage of outperforming fixed income portfolios over the past three years was 93% (79% in 2020); and 65% (2020: 59%) outperformed over a one-year period.

² Related to all Robeco entities

³ All returns are gross of fees.

Changes in regulation

Various initiatives have been undertaken to implement regulatory change, specifically related to Sustainable Finance Disclosure Regulation (SFDR) and Investment Firm Directive (IFD) and Investment Firm Regulation (IFR). Furthermore Robeco started an initiative in 2020 to further enhance its internal control framework.

Robeco has been preparing for the implementation of Level 1 of the SFDR, that sets out which sustainability related disclosures must be made for an investment product. These disclosures have been made as of 10 March 2021 in the prospectus and other key investor documents, on the website and in annual reports.

On 26 June 2021 the new prudential regime for EU investment firms (IFD/IFR) came into effect. RIAM qualifies as a Class 2 investment firm under IFD/IFR, where the so-called K-factors are applicable. There is no impact on the capital requirements of the Company, since the AIFMD/UCITS Pillar I capital requirement is higher than the capital requirement under the IFR/IFD regime. Also other requirements of IFD/IFR are met such as the liquidity requirement.

Financial market environment

The first half of the year of 2021 saw a firm global economic recovery from the Covid-19 pandemic induced recession. Key to this recovery has been the swift availability of effective vaccines, allowing for an easing of the policy trilemma between kickstarting the economy, solving the health crisis and preserving personal freedom. At the end of June 2021 around 25% of the global population had at least one dose of a Covid-19 vaccine. However, there is a strong dispersion in vaccination rates across the globe which also creates divergent economic recovery paths. In the developed economies vaccination rates are between 50%-60% at the time of writing whereas in emerging economies vaccination rates have lagged developed economies in the first half year. The recovery in the manufacturing sector began in 2020, reflected by the leading ISM manufacturing producer confidence indicators in the US reaching the highest level since December 1983. Given prevailing lockdown restrictions during the second and third wave of Covid-19 cases, services activity lagged manufacturing activity in developed economies but made a strong comeback from April 2021 onwards as lockdown intensities eased and social mobility increased.

With the IMF forecasting an expansion of the global economy by 6.0% in 2021 and 4.4% in 2022, the global economy is expected to remain firmly in expansion mode. However, output in the manufacturing and services sectors continues to be challenged by persisting supply shortages, though logistical bottlenecks and shipping fees have been moderating in the second quarter of 2021. In reflection of base rate effects and rising input costs, US headline consumer price index in May 2021 rose to the highest level observed since May 1991.

The powerful policy response to this crisis has clearly spurred the recovery in consumer demand. The interaction between central banks acting as fiscal financiers is creating positive multiplier effects, as a low interest rate environment alleviates the need to raise taxes while enabling fiscal expansion without endangering debt sustainability. However, further down the road, if inflation does show to be more persistent than currently expected by central banks, the alignment of interests between central banks and governments could be challenged.

Outlook for the equity markets

The first half of 2021 has seen strong equity market performance with the MSCI World unhedged in euro returning 16.6%. US equity markets made new all-time highs. Key financial market theme in the first half year has been the reflation trade (markets expecting accelerating economic growth with rising inflation) which typically coincides with a steepening yield curve and value stocks outperforming growth stocks. However, typical reflation trades started to struggle since the second half of May 2021 with the market starting to look beyond the peak in global excess liquidity, peak growth momentum and base rate effect driven inflation.

Looking ahead to the second half of 2021, we envisage higher equity volatility in a peak reflation trade environment with more limited upside for global equities. Risk-adjusted returns will be lower with a more balanced sectoral and style performance within the equity universe. Even in an environment of decelerating economic momentum, equities are able to continue to enjoy positive momentum on the back of global excess

liquidity and above trend level earnings growth. The global earnings cycle is expected to improve further in the second half of the year though bottlenecks in supply chains may limit production levels and sales performance. In addition, while equities remain attractive compared to bonds from a relative valuation point of view, valuation levels are stretched from an absolute historical perspective, especially in the US. The cyclically adjusted price-to-earnings ratio - the US Shiller CAPE[®] -, admittedly a mediocre bellwether for next six months returns but one of the best leading valuation indicators for stock performance in the medium term, has only been higher during the heydays of the IT boom of 1999/2000. Stock market sentiment is very bullish as evidenced by a steep rise in retail margin accounts, meme stocks trading frenzy and upbeat retail investor surveys. Moreover, so-called zombie companies that are unable to generate sufficient cash to cover interest expenses, manage to raise capital. We do not rule out a second leg to the reflation trade. Rising wage growth on the back of persisting labor shortages and rising housing rents could reinvigorate upward inflation pressures as the economic cycle transitions towards self-sustaining expansion. Risks remain however in the remainder of 2021 for equity markets, given event risk around central bank communications while the global economic recovery remains uneven. In addition, we expect rising political hurdles for further fiscal stimulus and elevated political tensions between the US and China.

Bond markets outlook

Global government bond markets delivered negative returns in the first half of 2021 with -2.42% in euro (hedged). Globally, interest rates rose sharply as many economies opened up as the number of vaccinations increased giving room to governments to ease restrictions and lockdowns. Inflation is now the key driver of markets given the unprecedented large fiscal and monetary stimulus since March 2020, in combination with significant supply disruptions in various sectors around the world (logistics, semi-conductors). Our expectation is that the inflation spike will prove to be largely transitory. For many developed economies we expect inflation numbers to gradually drop back to pre-pandemic levels at the end of this year and early next year. We see no need for central banks to tighten policy pre-emptive to combat higher inflation, but do expect central banks to start tapering their emergency asset purchase programs implemented last year to normalize their policy stance. When that will happen, we expect global government bond yields to start trading in a new regime with long maturity yields rangebound and short maturity yields might see some upside pressure if inflation and labor market outcomes proved to be stronger than expected. When both inflation and labor market data remain strong for the rest of the year given re-opening and supply mismatches we expect material flattening of yield-curves. If history is any guide, tapering of asset purchases in the past has led to (sharp) increases in risk premia (spreads) in emerging markets and corporate credit, hence we take a conservative view on that particular asset classes. In our view, the risk/reward ratio on those asset classes are skewed negatively given the (very) tight level of spreads and hence almost no compensation for default, liquidity and downgrade risk.

Company's Outlook

Given the still ongoing Covid -19 pandemic, it remains difficult to predict what the equity markets will do for the remainder of 2021. Other industry developments will have impact on the future profitability of the Company such as ongoing 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 others because of increasing regulation affecting the industry, necessary investments in e.g. new technology and a war for talent. Nevertheless, the Company is well positioned to face future market challenges. The Company's financial position in terms of equity and financial resources is sound, but we will carefully keep monitoring the impact of the pandemic on our capital position. For the remainder of 2021 the ExCo anticipates a positive net result. 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 new strategy in February 2021.

Rotterdam, 26 August 2021
The Executive Committee

Interim Financial Statements 2021

Interim Income Statement

for the six-month period ended 30 June

<i>EUR x million</i>	<i>Notes</i>	<i>Half-year 2021 Unaudited</i>	<i>Half-year 2020 Unaudited</i>
Net revenues	1	397.6	274.1
Distribution and subadvisory costs	2	158.3	92.8
Gross margin		239.3	181.3
Administrative expenses	3	119.2	107.5
Employee benefits expense	4	10.7	7.2
Depreciation and amortization		0.9	1.3
Other expenses	5	35.0	11.2
Total operating expenses		165.8	127.2
Operating result		73.5	54.1
Finance income		0.1	0.1
Finance expense		0.5	0.2
Result before tax		73.1	54.0
Income tax expense	6	18.9	13.9
Result from investments in group and associated companies after tax		-	0.1
Result for the period		54.2	40.2

Interim Balance Sheet as at 30 June

before profit appropriation

<i>EUR x million</i>	<i>Notes</i>	<i>30 June 2021</i> <i>Unaudited</i>	<i>31 December 2020</i> <i>Audited **</i>
ASSETS			
Fixed assets			
Intangible assets		0.9	1.4
Tangible fixed assets		0.5	0.5
Right-of-use assets		2.2	2.0
Deferred tax assets	7	8.8	2.6
Total fixed assets		12.4	6.5
Current assets			
Trade receivables	8	68.8	15.2
Receivables from group companies	9	89.9	126.4
Other receivables		16.2	15.5
Cash and cash equivalents		172.5	168.6
Total current assets		347.4	325.7
Total assets		359.8	332.2
EQUITY AND LIABILITIES			
Equity			
Issued capital	10	0.1	0.1
Share premium		31.5	31.5
Legal reserves		1.3	-
Other reserves		140.8	129.2
Result financial period/year*		54.2	74.4
Total equity		227.9	235.2
Provisions			
	11	13.5	12.9
Non-current liabilities			
Employee benefits		2.1	1.9
Lease liabilities		1.4	1.3
Total non-current liabilities		3.5	3.2
Current liabilities			
Distribution costs and subadvisory costs liabilities		44.4	37.6
Employee benefits		4.0	6.3
Liabilities to group companies	9	41.2	31.9
Lease liabilities		0.7	0.6
Current tax liabilities	7	7.9	1.5
Other liabilities	5	16.7	3.0
Total current liabilities		114.9	80.9
Total equity and liabilities		359.8	332.2

* The result financial period for 2021 is related to the six-month period ending 30 June 2021. The result financial year for 2020 relates to the full year. ** These figures are taken from the audited annual report 2020.

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. 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. 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. 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 and COREP reports as required by CRD IV rules. The most recent reporting was done as of 30 June 2021. All capital requirements were met.

Changes in the current reporting period

Although there are external circumstances such as the ongoing Covid-19 (Corona) pandemic, macroeconomic developments and increasing 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 2021. For a detailed discussion about the group’s performance and financial position please refer to our review of the operations on pages 11 to 16.

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 2020 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 2021, which ended at the balance sheet date of 30 June 2021.

Notes to the interim income statement

1 Net revenues

The net revenues can be specified as follows:

<i>EUR x million</i>	Half-year 2021	Half-year 2020
Management fees	326.5	213.7
Service fees	51.5	30.0
Fees from clients	8.9	8.0
Performance fees	-	5.7
Revenues from marketing and sales activities	9.2	6.4
Subadvisory fees	1.5	4.0
Administration fees	-	1.3
Other income	-	5.0
Total net revenues	397.6	274.1

The Company receives the management fees and service fees for its asset management activities directly from funds and mandates. The increase relates to market appreciation, positive inflow of assets under management and higher average fees amounting to EUR 115.0 million. The fees related to Robeco's Luxembourg domiciled funds are directly received by the Company in 2021 as a result of the legal merger, where in prior year this fee was received net of Luxembourg fund related expenses of EUR 14.9 million.

In addition Service fees increased because of the introduction of the fixed service fee model from April 2020, also increasing fund (related) costs (note 5).

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

Administration fees decreased due to revised contract terms as of October 2020.

Other income, related to revenues from third parties for marketing and sales activities, decreased due to revised contract terms as of October 2020.

2 Distribution and subadvisory costs

The costs can be broken down as follows:

<i>EUR x million</i>	Half-year 2021	Half-year 2020
Distribution costs	110.7	71.1
Subadvisory costs	47.6	21.7
Total distribution and subadvisory costs	158.3	92.8

Distribution costs paid to other Robeco Group Companies amounts to EUR 32.0 million (half-year 2020: EUR 21.9 million). Subadvisory costs paid to other Robeco Group Companies amounts to EUR 47.6 million (half-year 2020: EUR 21.0 million).

3 Administrative expenses

Administrative expenses consist of costs charged from other group companies in the amount of EUR 119.2 million (half-year 2020: EUR 107.5 million). These costs are mainly charged from Robeco Nederland B.V. Robeco Nederland B.V. charges operating costs in the amount of EUR 115.3 million (half-year 2020: EUR 107.2 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 648 FTE's as per 30 June 2021 (2020: 661 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 as well as expenses to support the set-up of distribution opportunities in China, Japan, Singapore and the US of EUR 3.9 million in total (2020: EUR 0.3 million).

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>	Half-year 2021	Half-year 2020
Wages and salaries	9.0	5.8
Social security and pension costs	0.9	0.9
Other employee benefits expenses	0.8	0.5
Total employee benefits expense	10.7	7.2

As per 30 June 2021 52 FTE's (2020: 48 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 and Other liabilities

Other expenses can be specified as follows:

<i>EUR x million</i>	Half-year 2021	Half-year 2020
Fund and client related costs	22.7	5.6
Marketing	1.3	1.0
Audit costs	0.7	0.7
Travel and accommodation	-	0.3
Information technology	0.3	0.3
Housing and furniture	0.2	0.3
Advisory	0.3	1.1
Other	9.5	1.9
Total other expenses	35.0	11.2

The increase in fund and client related costs – similar to the increase in the balance sheet line item Other liabilities – relate to the legal merger of Robeco Luxembourg where these costs were previously accounted for and relate to the introduction of the fixed service fee model as of April 2020.

The other costs includes the EUR 9.4 addition to the Other provisions, refer to note 11.

6 Income tax expense

The Dutch statutory tax rate in half-year 2021 was 25% (half-year 2020: 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 2021 was EUR 18.9 million (half-year 2020: EUR 13.9 million). In half-year 2021 the effective tax rate was 26% (half-year 2020: 26%). 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 Deferred tax assets and Current tax liability

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 8.8 million (2020: EUR 2.6 million). The current part amounts of EUR 3.3 million (2020: EUR 2.0 million). The deferred tax assets and current tax liability increased with EUR 5.7 million as a result of the merger with Robeco Luxembourg.

8 Trade receivables

Trade receivables relate to outstanding invoices and fees from funds, which are collected without invoicing. Because of the merge with Robeco Luxembourg fees of funds located in Luxembourg are directly received by the Company.

9 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 2021 (31 December 2020: 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 2021 was 0.4% (2020: 0.4%). The fair value of the receivables approximates the carrying amount due to their short-term character.

10 Equity

At 30 June 2021, the Company's issued and paid in full share capital amounted to EUR 41 thousand (90 ordinary shares).

	Issued capital	Share premium	Legal reserves	Other reserves	Result financial Period	Total
<i>EUR x million</i>						
At 1 January 2021	0.1	31.5	-	129.2	74.4	235.2
Dividend distribution	-	-	-	-	-74.4	-74.4
Robeco Luxembourg legal merger	-	-	1.7	11.2	-	12.9
Release: Luxembourg Net Wealth Tax	-	-	-0.4	0.4	-	-
Add: result half-year 2021	-	-	-	-	54.2	54.2
At 30 June 2021	0.1	31.5	1.3	140.8	54.2	227.9

The Company merged with Robeco Luxembourg S.A. on 1 January 2021 adding an amount of EUR 12.9 million to the equity of the Company.

In accordance with paragraph 8a of the Luxembourg Net Wealth Tax law, a Net Wealth Tax reserve (as part of the legal reserves) of EUR 1.7 million 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. An amount of EUR 0.4 million, which was related to the year 2016, has been released from the Net Wealth Tax reserve and allocated to the Other reserves.

11 Provisions

Movements in provisions were as follows:

<i>EUR x million</i>	Possible loss of income	Restructuring	Other	Total
Cost at 1 January 2021	1.6	3.4	7.9	12.9
Additions	-	-	9.4	9.4
Usage	-	-2.5	-6.3	-8.8
Net carrying amount at 30 June 2021	1.6	0.9	11.0	13.5

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 of 30 June 2021. As per 30 June 2021 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 early in the second half of 2020. The formal end date of the last employment contract expected to be terminated is planned for the second half of 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. The restructuring provision is due within one year.

In 2020, the AFM has determined that Robeco must 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 ('Sw') in Robeco Retail, Robeco's on-line execution-only platform for Dutch retail customers. The improvements have commenced in 2020 and are scheduled to be completed by the end of 2021.

Subsequent to the above, and as a separate matter, the AFM has indicated that it has concerns about the way in which Robeco has set up its business operations. Robeco has engaged with the AFM to substantiate Robeco's views in this respect.

In addition to the provision of EUR 7.9 million at the beginning of the year, the Company has added EUR 9.4 million to the other provision in 2021 based on the incremental external costs involved. The other provision is due within one year, except for an amount of EUR 2.1 million.

12 Contingent assets and liabilities

The amount of accrued carried interest, which is not yet distributed by the Investee Funds to the Company, is to be marked as a contingent asset of EUR 4.2 million as per 30 June 2021 (as per 31 December 2020: EUR 3.2 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 8.3 million (excluding interest) (2020: EUR 6.9 million). 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 2021, Stichting Robeco Funds has receivables in the amount of EUR 12.8 million (2020: EUR 23.9 million) that relate to items facilitating the purchase and sale of participation rights in investment institutions that are settled on short term.

As mentioned in note 11 a provision is recorded for the estimated, incremental external costs for a number of improvements that Robeco needs to undertake. Next to these costs, management does not consider other related 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 maintains sound liquidity and a sound financial position at all times.

The Company has commitments regarding IT-related contracts of EUR 0.1 million (2020: EUR 0.1 million). These commitments have remaining terms of between 1 and 2 years.

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 has irrevocable credit facilities related to guarantees of EUR 0.1 million (2020: 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.

13 Subsequent events

There are no subsequent events to be reported.

Rotterdam, 26 August 2021

The Executive Committee:

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

Supervisory Board:

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