



ACTIAM NV
Semi-annual Report 2021



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1 Management Board Report

1.1 GENERAL

ACTIAM NV (ACTIAM) is fund manager and asset manager and is a wholly owned subsidiary of Athora Netherlands NV (Athora Netherlands). ACTIAM has its registered office located in Utrecht, the Netherlands and has its principal place of business located at De Entree 95 (AlphaTower, 21st floor), 1101 BH Amsterdam, the Netherlands. ACTIAM is an alternative investment fund manager within the meaning of section 2:65, and has a license based on 2:67(1), of the Dutch Financial Supervision Act. Under its license ACTIAM is authorised to provide the following MIFID II services: receipt and transmission of orders in relation to one or more financial instruments, discretionary investment management services and investment advice.

More information on ACTIAM can be found on its website: www.actiam.com.

STRATEGY

ACTIAM is an asset manager that offers sustainable investment strategies and solutions to insurance companies, pension funds, banks and distribution partners, primarily in the Dutch market and Northern Europe. Actively and passively managed investment funds as well as mandates are part of this offering. ACTIAM's mission is to deliver relevant investment solutions, maximizing longer-term financial, environmental and social returns. At ACTIAM, financial and social return go together. This makes ACTIAM "Responsible for growth".

ACTIAM recognizes that companies and countries that have prepared for the transition to sustainability perform better than those that do not consider the changing material environmental, social and governance (ESG) requirements of society. ACTIAM adopts a holistic and forward-thinking approach to all the companies and countries in which it invests on behalf of clients. This plays an important role in the risk management of these investments, in stimulating behavioural change and in contributing towards achieving the Sustainable Development Goals (SDGs). This approach is aligned with that of the EU Sustainable Finance Disclosures Regulation (SFDR), as it is assessing the sustainability risks that could cause a material negative impact on the value of an investment. The types of sustainability issues that are being considered include climate change, biodiversity loss, water scarcity, chemical emissions, waste, social and community issues, human capital, and organizational behaviour (including governance issues). These issues may result in transition risks driven by policy, legal and technology changes as there is a move towards a more sustainable economy, as well as reputational, operational, and physical risks to entities if they are not able to manage the issues sufficiently. ACTIAM's view is that integrating assessments of sustainability risks and opportunities leads to better informed investment decisions and better risk-adjusted returns in the long run.

ACTIAM works with scientifically based goals and bases its activities on an innovative, data driven approach and reports not only on financial returns but also on the social impact of the investments, amongst others in terms of a carbon and water footprint, ESG risks as well as engagement and voting outcomes.

ACTIAM's Sustainable Investment Policy stimulates companies and countries to prosper while operating within the planetary boundaries and respecting the social foundations of society. The policy describes how sustainability risks are integrated into the ACTIAM investment decision-making process. It also describes how principal adverse impacts on sustainability factors for all investment decisions are being identified and prioritized. However, the basis of ACTIAM's policy is that companies and countries must comply with ACTIAM's socio-ethical investment principles, namely the Fundamental Investment Principles. These principles define the bottom-line of its investments. Companies and countries not complying with these principles are not included in the investment universe.

NOTABLE ACHIEVEMENTS IN THE FIRST HALF OF 2021

ACTIAM is "the sustainable investment specialist". Our focused offering is a combination of financial material ESG integration, compliance to international standards, ESG risk mitigation and insights in positive impacts, with the following front foot strategies: Impact investing, active equity (Europe and SDG) and (enhanced) index equities. The market demand for sustainable investment funds is still growing, especially the demand for sustainable index funds due to the liquidity and low costs. ACTIAM has seen a net inflow into the ACTIAM-labelled funds of more than € 200 million over the first 6 months. This inflow consists of investments from existing clients as well as from new distribution partners ACTIAM was able to welcome.

ACTIAM's sustainable investment and impact strategies continue to win awards. ACTIAM was proud winner of the 'Gouden Stier' award for its ACTIAM Duurzaam Index Aandelenfonds Wereld. Moreover, ACTIAM has won the 'ESG Engagement Initiative of the Year' award for its satellite image-based engagement programme in the fight against deforestation.

FUND MANAGEMENT

ACTIAM is the Alternative Investment Fund Manager (AIFM) of the following funds as per 30 June 2021:

- ACTIAM Beleggingsfondsen N.V.;
- ACTIAM Beleggingsfondsen II;
- ACTIAM Duurzaam Index Aandelenfonds Europa (ADIA Europa);
- ACTIAM Duurzaam Index Aandelenfonds Noord-Amerika (ADIA Noord-Amerika);
- ACTIAM Duurzaam Index Aandelenfonds Pacific (ADIA Pacific);
- ACTIAM Duurzaam Index Aandelenfonds Opkomende Landen (ADIA Opkomende Landen);
- ACTIAM Sustainable Index Fund Equity Europe ;
- ACTIAM Sustainable Index Fund Equity North America;
- ACTIAM Sustainable Index Fund Equity Pacific;
- ACTIAM Sustainable Emerging Markets Debt Fund (H.C.);
- ACTIAM Financial Inclusion Fund;
- ACTIAM-FMO SME Finance Fund I;
- Zwitserleven Beleggingsfondsen;
- Zwitserleven Institutionele Beleggingsfondsen;
- Euro Obligatiepool;
- Euro Aandelenpool;
- Amerika Aandelenpool;
- Azië Aandelenpool;
- Euro Vastgoedfondsenpool;
- Global Emerging Markets Equity Pool; en
- Global Equity Impact Pool.

ACTIAM serves as Managing Board of the following legal entities:

- Stichting Juridisch Eigenaar Zwitserleven Beleggingsfondsen;
- Stichting Juridisch Eigenaar ACTIAM Institutional Microfinance Fund III;
- Stichting Juridisch Eigenaar ACTIAM Beleggingsfondsen; and
- Stichting Juridisch Eigenaar ACTIAM SME Finance Fund.

ASSET MANAGEMENT

ACTIAM manages the assets of institutional investors, of which Athora Netherlands and its subsidiaries represent the largest share divided over own account and unit linked distribution assets. ACTIAM also manages assets for a select group of external institutional investors.

OTHER ACTIVITIES

The ACTIAM Sustainability & Strategy team conducts ESG (Environment, Social and Governance) research, policy setting, voting, and engagement for investment funds and institutional clients.

1.2 KEY DEVELOPMENTS

1.2.1 ORGANISATIONAL DEVELOPMENTS

In the first half of 2021, two appointments were made to ACTIAM's Management Board. Hilde Veelaert was appointed as Chief Investment Officer at ACTIAM. She had held this position on an interim basis since 1 February 2020. Dudley Keiller was appointed as Chief Financial and Risk Officer (CFRO). His duties and responsibilities as Chief Transformation Officer (CTO) were integrated in the CFRO role. These appointments followed the strategic review that ACTIAM conducted in 2020. It further strengthens ACTIAM's position as a sustainable investment



specialist and its commitment to institutional clients and wholesale distributors as well as Athora Netherlands' unit linked distribution.

One of the outcomes of the Strategic Review conducted in 2020, was to transfer Own Account related activities to Athora Netherlands' Investment Office (IO) as this could accommodate Athora's desire for a more dynamic tactical asset allocation whilst enabling ACTIAM to focus more on third-party growth. As a result of this decision the asset management activities for Athora Netherlands' own account assets were transferred to Athora Netherlands per 14 June 2021, which included a smooth migration of assets, data and the operational infrastructure. In addition, 15 ACTIAM staff members were transferred to Athora Netherlands per 1 July 2021. Furthermore, as part of the strategic reorientation, ACTIAM and its parent Athora Netherlands have embarked on a market assessment and are exploring strategic options for ACTIAM.

The SFDR project was another major organization-wide activity that took place and is currently still continuing. The terms and conditions of the ACTIAM funds were amended in accordance with the requirements of the SFDR (Sustainable Finance Disclosure Regulation). This required including sustainability information in prospectuses of the investment funds it manages. This was done in addition to further optimizing the funds from a tax point of view.

Also in 2021 ACTIAM committed itself to the Dutch charity "Het Oranje Fonds". As the corona virus measures relaxed slightly, fortunately the in-kind volunteer work during the annual charity event 'NL Doet' took place. As the corona crisis has an impact on society as a whole, it makes it even more valuable to commit ACTIAM to this charity that has a broad target group of (amongst others) elderly people, young people and refugees.

1.2.2 DEVELOPMENTS IN ASSETS UNDER MANAGEMENT

As of 30 June 2021, the total AuM of ACTIAM NV was € 21.5 billion (ultimo 2020: € 58.1 billion) of which € 18.3 billion consisted of assets in investment funds (ultimo 2020: € 17.1 billion). Total AuM decreased by € 36.6 billion compared to ultimo 2020 as a result of the transfer of the general account assets to Athora Netherlands, partly compensated by favorable market movements.

Assets under Management

in € millions	ASSETS UNDER MANAGEMENT
30 June 2021	21,507
31 December 2020	58,107
30 June 2020	59,647
31 December 2019	63,829
30 June 2019	60,505
31 December 2018	56,105
30 June 2018	56,279
31 December 2017	54,125
30 June 2017	54,123
31 December 2016	54,626
30 June 2016	55,884

Financial Markets

Developments in AuM are influenced by external factors including the trends in global financial markets.

Fixed Income

There were positive economic growth surprises during the first half of 2021. The continued improvement in European growth prospects was closely linked to the reassuring progress of vaccination programmes. Financial markets became more volatile after the news of the surprisingly high inflation of 4.2% in the US, which pushed up interest rates. Central bankers tried to downplay the importance of the pick-up in inflation by stating that it would be temporary. Apart from some ECB members who would like to see higher interest rates, ECB officials indicated that it is still too early to stop or reduce monetary stimulus. This reassured the financial markets and the German 10-year yield fell from 0.10% minus to 0.21% minus, still an increase of 36 basis points compared to the end of December 2020. In addition, spreads between Germany and most other countries within the eurozone widened. For example, the spreads of countries such as Belgium (+14 bps), Ireland (+11 bps) and France (+10 bps) clearly widened. The southern European countries of Italy (-8 bps) and Portugal (unchanged) were the main exceptions, thanks to the European Union's large support package to combat the effects of the corona crisis. Credit spreads tightened in this period with about 12 basis points. ACTIAM's sustainable fixed income strategy ended the first half of 2021 with a negative absolute performance of 1.2% due to the higher interest rates.

Equity Markets

The equity markets performed strongly in the first half of 2021. The hopes of a rapid and strong economic recovery, a continued expansionary monetary policy and the strong corporate earnings were the main drivers for the high performance. Equities in North America (+19%) in particular performed well and attractive gains were also recorded in Europe (15%). Equities in the Pacific (+7%) and Emerging Markets (+11%) underperformed in the first six months of the year. Chinese equities largely explain the weaker performance of the Emerging Markets region. The economic development in China was disappointing and the crackdown by the Chinese government on listed companies such as Alibaba, Tencent and Meituan had a negative impact.

1.3 COMPOSITION OF THE MANAGEMENT BOARD

On 30 June 2021, the ACTIAM Management Board consists of F.L. Kusse (Chief Executive Officer, CEO), D.G. Keiller (Chief Finance and Risk Officer, CFRO) and H.S.R. Veelaert (Chief Investment Officer, CIO). The board members have extensive experience and expertise in the asset and fund management industry at management level. The AFM has approved the members and the composition of the ACTIAM Management Board. On 30 March 2021, H.S.R. Veelaert joined the ACTIAM Management Board as CIO. As of 1 February 2021, D.G. Keiller, formerly Chief Transformation Officer and Chief Risk Officer a.i., assumed the role of Chief Finance and Risk Officer (CFRO).

1.4 SUSTAINABLE INVESTMENT MANAGEMENT

Sustainable investing has experienced stormy growth in recent years. A niche topic for a limited number of financial institutions has evolved into a topic that almost all financial institutions are working on, especially in Europe. Despite the growing attention for sustainability, there is still a long way to meeting the targets set under the Paris agreement in 2015. Therefore, it is important to understand to what extent financial products address environmental challenges such as climate change. Well defined targets and improved disclosure are essential for investors to make comparisons between financial products. To match these developments, ACTIAM has for example published a new climate strategy and classified its funds in line with the SFDR, which come with additional disclosures on impact indicators.

New climate strategy for ACTIAM

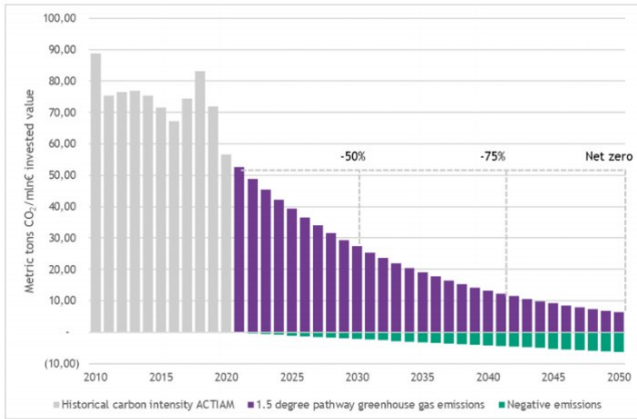
Already in 2015, just after the Paris Climate Agreement was agreed upon, ACTIAM formulated a long-term climate target in line with that Agreement. At that moment, an intermediate target was formulated to reduce greenhouse gas emissions of its investments by 30% before 2030 compared to 2010. Already in 2020, ACTIAM has surpassed this target.

Parallel, ACTIAM has made its investment policy more sustainable, by selecting issuers that reduce their greenhouse gas (GHG) emissions and by divesting from highly polluting issuers. So, it is time for new ambitions. Not only to formulate a pathway and agenda towards climate neutrality, but also to mitigate financial risks and exploit financial opportunities that climate change brings about. With these new ambitions, ACTIAM will again be in line with the latest scientific insights and with the financial sector guidance on target-setting of the Science-Based Target Initiative (SBTI).

ACTIAM aims to achieve net-zero greenhouse gas emissions across all assets under management by 2050 to limit global warming to a maximum of 1.5°C. We will do so by taking three climate change mitigation measures: (1) reduce greenhouse gas emissions of issuers through active stewardship; (2) invest in solutions that reduce greenhouse gas emissions, increase low-carbon energy supply or that avoid or that capture and store greenhouse gas emissions, if possible nature-based solutions; and (3) divest from issuers that are non-adaptive to the transition required for a net-zero economy.

ACTIAM has defined two intermediate targets; to reach 50% emissions reduction by 2030 and 75% by 2040 compared to 2020. These are based on an average 7% annual greenhouse gas emissions reduction pathway in line with the 1.5°C trajectory with limited overshoot. Reductions will especially stem from energy efficiency, low-carbon energy supply and renewable energy solutions. Yet, as only approximately 67% of all greenhouse gases originates from fossil fuels-related activities that emit CO₂, reductions will also be realised by lowering methane and nitrous oxide emissions from land use (through land use change, livestock raising, fertilizer use and landfills) and reducing fluorinated gas emission e.g. from cooling appliances. In addition, terrestrial, marine and technological carbon capture and storage solutions will lead to enhanced natural carbon sinks and storage of carbon e.g. in empty gas fields. This includes e.g. avoided deforestation, peatland restoration, reforestation, improved agricultural practices and protection of land and marine biodiversity.

The following chart provides insight into the greenhouse gas emissions reduction target pathway for ACTIAM.



To achieve these interim goals, an ambitious plan has been developed to encourage companies through stewardship to set climate goals and take related actions. The pace of companies to transition is different per sector. Some sectors are already further along and have the right technologies available to reduce their emissions. In other sectors, such as the metal, materials and cement industries, innovations are needed to be able to phase out fossil fuels. Companies in the oil and gas sector will have to reinvent themselves to be viable in the future. Companies making the transition too slowly or companies too far removed from the transition pathways, do not match ACTIAM’s portfolios and will be divested. The strategy is described in detail in [ACTIAM’s climate strategy document](#).

SFDR classification of ACTIAM funds

In December 2019, the European Commission published the European Green Deal. This is a series of policy initiatives aimed at making Europe climate neutral by 2050. The Commission has drawn up an Action Plan for Financing Sustainable Growth. This action plan consists of a large number of rules and regulations for the financial sector.

As part of the action plan, the SFDR came into effect in March this year. The SFDR stands for 'Sustainable Finance Disclosure Regulation' and contains rules for the disclosure of sustainability information. The purpose of these rules is to make customers (even more) aware of the sustainable impact of financial products. In addition, it is necessary to make products more comparable so that more sustainable choices can be made.

As of 10 March 2021 ACTIAM has amended the terms and conditions in accordance with the requirements of the SFDR. With the introduction of SFDR, managers are required to include sustainability information in prospectuses of the investment funds they manage. In addition to updating the prospectuses, ACTIAM has published as part of the SFDR a [Principal Adverse Impacts \(PAI\) statement](#) and the [SFDR classification of ACTIAM funds](#), as well as an updated Remuneration Policy and [Fund documentation](#).

Overview classification ACTIAM funds

Art. 6: Products not having ESG factors or objectives	ART. 8: PRODUCTS WITH E OR S CHARACTERISTICS	ART. 9: PRODUCTS WITH SUSTAINABLE OBJECTIVES
Not applicable	-Fixed income sovereign -Fixed income long duration -Sustainable EMD	-Equity products (index/active/impact) -Fixed income credit -Sustainable real estate

1.5 REGULATORY REQUIREMENTS

As a licensed alternative investment fund manager ACTIAM is primarily subject to Directive 2011/61/EU on Alternative Investment Fund Managers (AIFM Directive), as implemented in the Dutch Financial Supervision Act (Dutch acronym: Wft) and regulations and acts based on it. For the provision of ancillary MiFID II services ACTIAM is subject to the relevant requirements of Directive 2014/65/EU on markets in financial instruments (MiFID II Directive) as implemented in the Wft, including applicable delegated directives & regulation. ACTIAM has designed its organisational structure to ensure that it meets the regulatory requirements.

1.6 RISK MANAGEMENT

1.6.1 RISK APPETITE

ACTIAM's risk appetite has been described in the ACTIAM Enterprise Risk Management framework and is updated on an annual basis. This risk appetite statement specifies the risk level that ACTIAM is willing to accept and is used as a basis for a number of policies implemented within the organisation. The risk level is translated into the key risk indicators which are periodically reported to the RMC. In the first half of 2021 no exceedance of risk tolerances occurred. An important attention point was related to human resources due to the uncertainty regarding the working from home situation as a consequence of COVID-19. At the date of publication of the semi-annual report, the transition to working from home has not had a material impact on ACTIAM's business operations.

1.6.2 GOVERNANCE

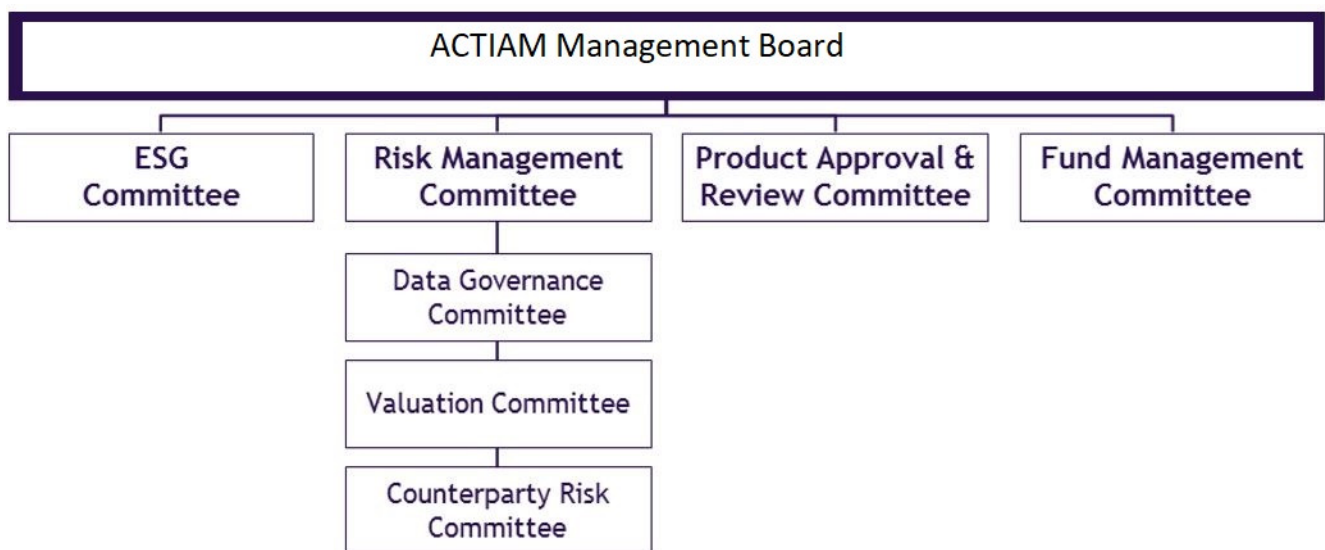
ACTIAM has implemented a framework of procedures and internal controls for mitigating operational and financial risks. The 'three lines of defence' approach is applied, in which various organisational layers each have their own tasks and responsibilities. The three lines of defence support and reinforce each other.

The first line is responsible for the executive management tasks and therefore responsible for controlling and managing the risks. The Management Board and Senior Managers are ultimately responsible for establishing and maintaining effective systems and controls, although all ACTIAM employees play an important role in managing and controlling risk.

The second line consists of Risk and Compliance departments within ACTIAM. These departments have the responsibility to advise management on internal controls and to assess/monitor whether the internal controls implemented by management are in accordance with the (regulatory) requirements as laid down in the ACTIAM policies and procedures.

Athora Netherlands Internal Audit constitutes the third line of defense within ACTIAM. Athora Netherlands Internal Audit uses a risk-based audit methodology in developing the annual audit plan, focusing on areas of higher risk. This risk assessment determines the frequency of review of the individual departments/processes based on an independently assigned audit rating.

The Management Board has delegated some of its responsibilities to a number of committees. These multidisciplinary committees each have a certain mandate, take decisions, prepare advisory opinions and monitor risks. A brief description of the key committees and their responsibilities is provided below:



- **ACTIAM Risk Management Committee (RMC)** The RMC is responsible for risk management and the related processes. The RMC defines the risk appetite for both financial and non-financial risk, and ensures that

policies are drafted/updated. It also monitors the processes and procedures in place to manage identified risks.

- **ACTIAM Counterparty Risk Committee (CRC)** The CRC's responsibility is to monitor, identify and give advice on counterparty credit risk. Its scope is limited to exposure due to derivatives transactions as part of portfolio management including exposure due to repos and securities lending.
- **ACTIAM Fund Management Committee (FMC)** The FMC is responsible for supervising the policies, the operational compliance and the performance and risk reporting of the funds and taking decisions on behalf of the Management Board regarding the funds.
- **ACTIAM Product Approval & Review Committee (PARC)** This committee focuses on introducing and managing ACTIAM products. Its responsibilities include product evaluation and safeguarding the quality of the products in relation to risks involved, profit margins, rules and regulations, and consistency with the strategy. The PARC also monitors the products through their life cycle.
- **ACTIAM Valuation Committee (VC)** The VC is responsible for defining the valuation policy and monitoring the quality of valuations of all investments.
- **ACTIAM Data Governance Committee (DGC)** This committee is responsible for ensuring that all data used in the ACTIAM processes has the required quality level. This includes monitoring compliance with client requirements, and regulatory requirements.
- **ACTIAM ESG Committee** This committee decides on the Fundamental Investment Principles and is tasked with decisions related to Environment, Social & Governance (ESG) aspects.

1.6.3 RISK MANAGEMENT

The Risk Management department focuses on the strategic, financial and operational risks. The Risk Management Department has a veto right in the ACTIAM committees. The CFRO of ACTIAM reports functionally to the CRO of Athora Netherlands. The Risk Management department consist of three pillars:

- Portfolio Compliance;
- Operational Risk Management; and
- Financial Risk Management

Portfolio Compliance pillar

ACTIAM Risk Management monitors restrictions that are either stated in the prospectus of an investment fund or have been agreed within a mandate.

Operational Risk Management pillar

The objective of Operational Risk Management (ORM) is to support the organisation in identifying, assessing and monitoring operational risks. Amongst others, this includes a formalised risk appetite, risk awareness and mitigation, governance and instruments to identify and monitor the effectiveness of designed controls.

Financial Risk Management pillar

ACTIAM Financial Risk Management independently identifies, monitors, reports and makes recommendations on how to manage the financial risks, managed by the first line of defence. Financial Risk Management makes use of various valuation techniques and tools, statistical models, and quantitative analysis for financial risk assessment and analysis.

1.6.4 COMPLIANCE

The compliance function is fulfilled by a dedicated Compliance Officer from Athora Netherlands. The principal duties of the compliance function are to support the first line in drafting (and updating) policies, giving advice regarding new laws and regulations and monitoring the implementation thereof. The Manager Legal & Compliance maintains oversight on compliance and legal matters pertaining to ACTIAM's business and reports to the ACTIAM Board.

1.6.5 RISKS

Strategic risk

Strategic risks are risks that affect how an organisation executes its business strategy and reaches its strategic objectives. The following facts apply to ACTIAM:

- ACTIAM is a fund manager and institutional asset manager that makes investments on behalf of its clients;

- ACTIAM provides high-quality services based on controlled and sound business operations;
- ACTIAM aims to achieve the investment targets of its clients in line with investment management agreements; and
- ACTIAM works hard to maintain its reputation as a responsible and reliable fund- and asset manager.

Potential strategic risks may arise from the points as mentioned above. These risks may include the risk of capital inadequacy (for more information refer to [1.6.6 Capital adequacy](#)), business risk (related to fees, products, customer concentration and possible lack of execution power) and reputation risk.

Following the acquisition of VIVAT by Athora, a new strategic plan for ACTIAM was announced. A risk related to the envisioned strategic changes was considered to be human capital. During the course of 2020 ACTIAM noted some resignations which were managed accordingly and periodically reported to the Risk Management Committee such that it could undertake proper actions where needed.

	RISK APPETITE	IMPACT	MATERIALIZATION	RISK CONTROL
Strategic risk	Low	Medium	Strategic risks in relation to the acquisition of VIVAT by Athora, and respectively the new strategic plan for ACTIAM did not materialize during the reporting period.	ACTIAM has a governance structure in place, supported by several committees and workinggroups, in order to adequately execute the business strategy and reach ACTIAM's strategic objectives.

Financial risk

Financial risks are defined as the risks to which ACTIAM is exposed on its own ACTIAM account investment portfolio. Financial risks break down into several other risks such as credit risk, market risk and liquidity risk. ACTIAM only performs investment activities on its own ACTIAM portfolio for 1) cash management purposes or 2) for employee entitlements under a deferred variable remuneration program. Given the limited size and scope of activities, these activities cannot be considered proprietary trading activities under the Wft. ACTIAM's own investment portfolio is subject to the ACTIAM treasury policy. In order to mitigate financial risks, this policy sets restrictions with respect to the own investment portfolio in terms of liquidity, maturity, rating and asset class.

- ACTIAM does not allow proprietary trading activities;
- ACTIAM accepts a limited amount of credit risk;
- ACTIAM accepts significant volatility in fee revenues, due to market movements; and
- ACTIAM maintains a high level of available liquidity.

	RISK APPETITE	IMPACT	MATERIALIZATION	RISK CONTROL
Financial risk	Low	High	No breaches of ACTIAM's treasury policy during the reporting period.	In order to mitigate financial risks, ACTIAM adheres to the treasury policy by set restrictions with respect to the own investment portfolio in terms of liquidity, maturity, rating and asset class.

Operational risk

Operational risk is the risk of losses due to inadequate or failing internal processes, people or systems. External events may have an impact on the magnitude of this risk. ACTIAM internal control framework is designed to acquire reasonable assurance regarding this risk, meaning that:

- ACTIAM accepts that its governance cannot completely rule out the operational risk related to the asset management business;
- ACTIAM has reasonable assurance that processes are executed effectively;
- ACTIAM has competent and committed employees;
- ACTIAM has a reasonable assurance that IT processes are reliable;
- ACTIAM has reasonable assurance about the quality, integrity and continuity of its outsourced services;
- ACTIAM has the intention to limit key man dependency;
- ACTIAM has agreements which are legally sound, unambiguous and enforceable. Liability has been carefully addressed; and

- ACTIAM treats relevant information confidentially.

Insufficiently designed processes and systems or human error manifest themselves as incidents. Incident Management follows a formal process in which root cause analyses are made in order to determine adequate mitigating measures. Risk Management is responsible for this process.

In order to ensure that ACTIAM is able to implement its investment policy and address current and future clients' and businesses' needs, ACTIAM conducts staff and succession planning on a regular basis.

Outsourcing risk

Outsourcing risk may be considered as an aspect of operational risk. Outsourcing of activities gives rise to the risk that the other party is unable to meet its obligations, despite detailed arrangements being laid down in contracts with the providers of outsourced services. Formal contracts have been signed with these parties. ACTIAM has an outsourcing policy in place which contains procedures to control its outsourced activities. This policy is in compliance with relevant rules and regulations.

ACTIAM has outsourced its mid- and back-office activities (administration, reporting and accounting) to BNP Paribas Securities Services SCA. To safeguard sufficient monitoring over these outsourced activities (in accordance with the ACTIAM Outsourcing Policy) an Oversight & Change department has been installed at ACTIAM.

Cybercrime risk

A specific operational risk is the cybercrime risk, with ransomware risk becoming more and more prominent recently. Fighting cybercrime is a top priority of ACTIAM. In the first half of 2021, there were no reported incidents with regard to cybercrime within ACTIAM. Appropriate organisational and technological measures have been taken to mitigate cybercrime risks, including the use of new tooling, stricter monitoring of security at suppliers and joint action with other insurers regarding this risk. Extra measures have also been taken in the area of ransomware.

	RISK APPETITE	IMPACT	MATERIALIZATION	RISK CONTROL
Operational risk	Low	High	The extent of risk accepted on an operational level is formally set in a risk appetite statement. In the first hal of 2021, a net loss of € 19 thousand was caused due to incidents. This impact was within acceptable levels.	The ACTIAM control framework in place has worked effectively throughout the first half of 2021. Operational risks resulting from increased working from home due to COVID-19 restrictions, have been effectively mitigated through ACTIAM's working from home policy.

Integrity risk

Integrity risk relates to ACTIAM's employees, products, clients and cooperation with ACTIAM's business relations. ACTIAM does not tolerate actions or conduct from employees, clients or partners that violate its principles of integrity. ACTIAM does not tolerate departures from legal principles or internal values and policies.

	RISK APPETITE	IMPACT	MATERIALIZATION	RISK CONTROL
Integrity risk	Low	High	This risk has not materialized during the reporting period.	The selection process ensures that people are rejected who cannot provide a Certificate of Conduct (<i>verklaring omtrent gedrag</i>) that evidences no issues. Furthermore, within ACTIAM a Code of Conduct and related procedures have been implemented. Finally, KPI's are designed to avoid incentivizing and discourage behavior that may degrade integrity.

Portfolio compliance risk

Portfolio compliance risk relates to compliance with terms and conditions in mandates and prospectuses. Within ACTIAM, Risk Management is responsible for identifying, measuring, monitoring and controlling all breaches with

regard to client portfolios. Active breaches are always considered as incidents and follow the same process as incidents. Corrective and mitigating measures are implemented in the case that such situations arise.

- ACTIAM identifies, measures, monitors and controls relevant risks associated with its client portfolios.

	RISK APPETITE	IMPACT	MATERIALIZATION	RISK CONTROL
Portfolio compliance risk	Low	High	This risk has not materialized during the reporting period.	During the first half of 2021, the risk control framework was up to standard.

COVID-19 related risk

The COVID-19 pandemic is causing significant impact to our society, to Athora Netherlands and its subsidiaries which includes ACTIAM, to ACTIAM's clients and other stakeholders, including employees and suppliers. Since the beginning of 2020, financial markets have been volatile, characterised by amongst others significant swings in interest rates and equity markets and credit spreads. The Dutch government as well as other governments and central banks have responded with aid packages and further quantitative easing. At the time of publication of the semi-annual report, it is still unclear how long and how deep the effect of the measures to combat the virus on the economy will be. Due to the vaccination campaigns and the diminishing impact of the virus, the relaxation of the corona measures should continue in the major economies, although this is surrounded by a certain degree of uncertainty.

ACTIAM continues monitoring the impact on ACTIAM's financial position and result, is continuously monitoring the market and economic turbulence that has arisen as a consequence of the COVID-19 outbreak, and is taking necessary mitigation actions. In addition, the advance of the new Delta variant of the virus is closely monitored by ACTIAM in order to be able to take appropriate measures where necessary. Since 16 March 2020, nearly all ACTIAM employees have been working from home and have started hybrid working since June 2021, where employees have the option to work from home as well as from the office. All processes continue to run smoothly. ACTIAM is proud of the willingness and flexibility of all its employees which contributes to the capability to support its business operations and its clients. At the date of publication of the semi-annual report, the transition to working from home and hybrid working has not had a material impact on ACTIAM's business operations.

	RISK APPETITE	IMPACT	MATERIALIZATION	RISK CONTROL
COVID-19 related risk	Low	High	All processes continue to run smoothly and no disruptions to ACTIAM's governance structures occurred as a consequence of the COVID-19 pandemic.	ACTIAM continuously monitors the impact of COVID-19 on its operations and has taken necessary mitigation actions. All ACTIAM staff have been working successfully from home since the start of the COVID-19 pandemic.

Brexit risk

At the end of 2020 after a long period of uncertainty, an agreement has been reached between the European Union (EU) and the United Kingdom (UK). From 1 January 2021, the UK is not a part of the EU (and therefore the UK is also not a part of the EU customs union). European laws and regulations are not automatically applicable to the UK. The agreement documents that the EU and the UK will draft a Memorandum of Understanding in which an arrangement will be made for financial services between the EU and UK. The contents of a Memorandum of Understanding were agreed upon on 26 March 2021. However in the first half of 2021 this document was not yet signed into effect. Even if signed into effect substantial uncertainty will continue to exist with regard to financial services to and from the UK. The EU did not make a statement recognizing the UK laws and regulation to establish "equivalence" and therefore allow the cross border delivery of financial services between the EU and UK.

Over the years, ACTIAM made preparations in relation to the announced Brexit. ACTIAM implemented access to the clearing facilities of Eurex for derivatives. This access is operational and ACTIAM migrated several positions in derivatives with success. Next to that, ACTIAM has an adequate number of OTC-counterparties available in the EU to continue its activities with derivatives and migrated UK relations to European parties when applicable to ensure service continuity. ACTIAM does not service UK clients. As a result, ACTIAM does not foresee problems in the context of Brexit and expects a continuous service delivery to her clients.

	RISK APPETITE	IMPACT	MATERIALIZATION	RISK CONTROL
Brexit risk	Low	Low	No Brexit related risks have materialized during the reporting period.	ACTIAM has closely monitored the developments concerning Brexit and has timely executed actions to mitigate all Brexit related risks in the first half of 2021.

1.6.6 CAPITAL ADEQUACY

Given that ACTIAM is an AIFMD manager that also provides discretionary asset management services, it qualifies as a fund and discretionary asset manager. As a result, ACTIAM is required to comply with the capital requirements of both AIFMD and CRD IV. The capital requirement figures in this paragraph are based on the 2021 ICAAP requirements.

The capital requirement under AIFMD (Pillar 1) has been determined at € 15.6 million. Since the Board of ACTIAM places a high priority on maintaining the internal capital level above this required level, it applies an extra prudential buffer of 25%. This leads to an internally required ICAAP amount of € 19.5 million. This is considered the ACTIAM Required ICAAP capital.

The desired required capital as defined by the DNB, consisting of the required minimum capital, a buffer of 25% and a rolling forecast of the next four quarterly losses, is € 25,1 million. Based on the balance sheet per ultimo Q2 2021 the available capital is 34.0 million.

Should the identified risks in the annual ICAAP occur simultaneously, the total impact would equal the required minimum capital. Given the prudential buffer and the amount of excess capital, ACTIAM is confident that it is well capitalized to mitigate any assessed risk. The full 2021 ICAAP report is expected in September 2021.

1.6.7 ISAE 3402

In order to provide ACTIAM's clients assurance regarding its internal activities and monitoring on outsourced activities, ACTIAM issues on an annual basis an ISAE 3402 type II report. In this report the key controls are included and tested by the external auditor.

Ernst & Young Accountants LLP has been appointed as external auditor and are responsible for completion of the 2020 ISAE 3402 type II report. The 2020 ISAE 3402 type II report was finalised in January 2021 with an unqualified auditor's opinion.

1.7 DEVELOPMENTS IN EARNINGS

The net result over the reporting period was a loss of € 1.4 million. Asset management fees income received in the reporting period decreased to € 22.7 million (year 2020: € 34.3 million). The decrease in asset management fees income was the result of a change in tariff structure by Athora Netherlands and the exit of a prominent customer.

In the first half of 2021 the asset management fee rebate for SRLEV N.V. was € 3.0 million lower than in 2020 driven by a change in tariff structure by Athora Netherlands. The asset management fee rebate is recognized as negative income, as explained in chapter 2.

Asset management fees expenses decreased by € 7.9 million to € 4.2 million (year 2020: € 12.1 million) due to a change in tariff structure by Athora Netherlands and lower costs of outsourced asset management.

Operating expenses decreased by € 1.6 million to € 20.3 million (year 2020: € 21.9 million) as a result of lower fund administration costs, lower IT costs and lower salaries as a result of lower headcount.

Operating result before tax increased from € -2.8 million in 2020 to € -1.9 million in 2021. To conclude, the net result over the reporting period was a loss of € 1.4 million (year 2020: loss of € 2.1 million).



Amsterdam, the Netherlands, 25 August 2021

ACTIAM NV

F.L. Kusse, CEO

D.G. Keiller, CFRO

H.S.R. Veelaert, CIO

2 Semi-annual Financial Statements 2021 ACTIAM NV

2.1 BALANCE SHEET

Before result appropriation and in € thousands	REF.	30 JUNE 2021	31 DECEMBER 2020
Assets			
Tangible fixed assets	1	5	7
Financial assets	2	29,512	42,121
Total fixed assets		29,517	42,128
Receivables	3	13,073	7,576
Cash at banks	4	5,974	2,752
Total current assets		19,047	10,328
Total assets		48,564	52,456
Equity and liabilities			
Equity	5		
Issued capital		45	45
Share premium reserve		29,777	29,777
Revaluation reserve		32	22
Other reserves		5,505	10,163
Net result		-1,409	-4,658
Total equity		33,950	35,349
Liabilities			
Current liabilities	6	14,614	17,107
Total liabilities		14,614	17,107
Total equity and liabilities		48,564	52,456

2.2 PROFIT AND LOSS ACCOUNT

in € thousands	REF.	1 JANUARY 2021 - 30 JUNE 2021	1 JANUARY 2020 - 30 JUNE 2020
Income			
Asset management fees income		22,732	34,337
Asset management fees rebate		-	-3,019
Gross fee income	10	22,732	31,318
Asset management fees expenses	11	4,166	12,060
Net fee income		18,566	19,258
Operating expenses			
- Employee benefits expenses	12	10,959	11,486
- Depreciation non-current assets		2	2
- Other operating expenses	13	9,361	10,418
Total operating expenses		20,322	21,906
Total operating result		-1,756	-2,648
Net financial result	14	-123	-115
Result before tax		-1,879	-2,763
Tax income (-) / Tax expense (+)	15	-470	-691
Net result		-1,409	-2,072

2.3 CASH FLOW STATEMENT

in € thousands	REF.	1 JANUARY 2021 - 30 JUNE 2021	1 JANUARY 2020 - 30 JUNE 2020
Cash flow from operating activities			
Operating result before tax		-1,879	-2,763
Adjustments for non-cash items included in profit before tax:			
Depreciation and amortisation of non-current assets	1	2	2
Amortisation investments	2	-	331
Impairments	2	-	10
Unrealised results on investments through profit or loss	2	11	51
Change in operating assets and liabilities:			
Change in other operating activities		-7,412	3,344
Net cash flow from operating activities		-9,278	975
Cash flow from investment activities			
Sale and redemption of financial assets (shares and bonds)	2	12,500	-
Purchase of financial assets (shares and bonds)	2	-	-11,000
Net cash flow from investment activities		12,500	-11,000
Cash flow from financing activities			
Capital injection	5	-	12,000
Net cash flow from financing activities		-	12,000
Net increase in cash at banks		3,222	1,975
Cash at banks 1 January	4	2,752	673
Cash at banks as at end of period	4	5,974	2,648
Additional disclosure with regard to cash flows from operating activities:			
Interest paid		-	1

2.4 NOTES TO THE SEMI-ANNUAL FINANCIAL STATEMENTS 2021

2.4.1 GENERAL INFORMATION

ACTIAM NV (ACTIAM or the Company), incorporated and established in the Netherlands, is a public limited liability company incorporated under the laws of the Netherlands and registered with Chamber of Commerce under the number 30143634.

ACTIAM is fund manager and asset manager. ACTIAM has its registered office located in Utrecht, the Netherlands and has its principal place of business located at De Entree 95 (AlphaTower, 21st floor), 1101 BH Amsterdam, the Netherlands.

The company's financial information is included in the consolidated financial statements of Athora Netherlands NV (Athora Netherlands).

The financial statements were authorised for issue by the Management Board on 25 August 2021.

Group Structure

ACTIAM is a wholly owned subsidiary of Athora Netherlands with a registered office at Amstelveen, the Netherlands.

Athora Netherlands is a wholly owned subsidiary of Athora Netherlands Holding Ltd. with a registered office at Dublin, Ireland, whose ultimate parent company is Athora Holding Ltd. domiciled in Bermuda.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code and the Dutch Financial Supervision Act (Dutch acronym: Wft).

The financial statements have been prepared on an accrual basis and based on the Company's ability to continue as a going concern.

The financial statements have been prepared on a historical cost basis, except for financial assets that have been measured at fair value.

GENERAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in the financial statements.

Estimates and Assumptions

The preparation of the financial statements requires the management to make estimates and assumptions, which have a significant impact on the reported amounts of assets and liabilities at the reporting date, and on the reported income and expenses for the reporting period. Actual amounts may differ from these estimates.

Estimates and underlying assumptions are reviewed on a regular basis. The impact of the adjustments is recognised in the period in which the estimate is revised or in the period of revision and future periods if the revision impacts both the reporting period and future periods. Management fees in the last period of the financial year are based on estimates.

Functional Currency and Reporting Currency

The financial statements have been prepared in thousands of euros (€). The euro is the functional and reporting currency of ACTIAM. All financial data presented in euros is rounded to the nearest thousand, unless stated otherwise.

Foreign Currencies

Upon initial recognition, transactions in foreign currencies are converted into euros against the exchange rate at the transaction date.

The exchange rate differences of non-monetary items in the statement of financial position measured at fair value, with changes in the fair value recognised in the profit and loss account, are accounted for as part of these changes in the value of the related item in the statement of financial position. Non-monetary items measured at historical cost are measured at the exchange rate applicable on the initial transaction date.

Related Parties

ACTIAM's related parties are its ultimate parent Athora, its parent Athora Netherlands, affiliates and ACTIAM's key management personnel and their close family members.

ACCOUNTING POLICIES FOR THE BALANCE SHEET

Unless indicated otherwise, assets and liabilities are recognised at the amounts at which they were acquired or incurred.

Assets are recognised in the balance sheet when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated.

If a transaction results in a transfer of all or virtually all future economic benefits or when all or virtually all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer recognised in the balance sheet. Assets and liabilities are no longer recognised in the balance sheet as soon as economic benefits are not probable or can no longer be measured with sufficient reliability. This means that transactions are recognised on the trading date. As a result, the balance sheet may have a line item by the name of 'transactions to be settled'. This can be either an asset or a liability.

Tangible fixed assets

Tangible fixed assets are measured at cost net of accumulated depreciation and, if applicable, accumulated impairment losses. Costs include the expenses directly attributable to the acquisition of the assets. Assets are depreciated on a straight-line basis over their useful lives, taking into account any residual value. The estimated useful life for IT equipment is four years.

Periodic impairment tests are performed on assets. If the carrying amount of an asset exceeds its recoverable amount, it is written down to the recoverable amount.

Repair and maintenance expenses are recognised in other operating expenses as incurred. Expenses incurred after the acquisition of an asset that increase or extend the future economic benefits of assets in relation to their original use are capitalised and subsequently depreciated.

Gains and losses on the sale of assets are defined as the balance of the recoverable amount less transaction costs and the carrying amount. These gains and losses are recognised within other operating income/expense.

Financial Assets

Financial assets comprise bonds and shares and are measured at fair value. At initial purchase, bonds are valued against Fair Value including accrued interest (Dirty Value). Unrealised gains and losses arising from changes in the fair value of these assets are recognised in the revaluation reserve (equity), taking into account deferred taxes, if their cumulative total is positive. If unrealised losses exceed the revaluation reserve, the excess is recognised in the profit and loss account. When the financial assets are sold, the related cumulative changes in fair value are recognised in the profit and loss account.

Financial assets also concern receivables from banks (deposits) with a remaining maturity of one month or more, not including interest-bearing securities. These receivables are measured at amortised cost using the effective interest method, less any impairment losses.

An investment in equity instruments is considered to have been subject to impairment if its carrying amount exceeds the recoverable value for an extended period, which means that its fair value:

- Has decreased 25% or more below cost; or
- Has been at least 5% below cost for nine months or more.

Impairments on equity securities are never reversed.



Receivables

Receivables are presented at face value less an allowance for bad debts, if applicable.

Cash at banks

Cash at banks comprises bank balances at face value. Unless indicated otherwise, they are at the Company's free disposal.

Equity

Issued capital

The share capital comprises the issued and paid-up ordinary shares.

Share premium reserve

The share premium reserve concerns capital that has been paid-up over and above the nominal value of the issued ordinary shares. Costs directly attributable to the issue of equity instruments (net of tax) are deducted from the issue proceeds.

Revaluation reserve

Unrealised gains and losses arising from changes in the fair value of financial assets are recognised in the revaluation reserve (net of taxes), if their cumulative total is positive. If unrealised losses exceed the revaluation reserve, the excess is recognised in the profit and loss account.

Other reserves

The other reserves comprise retained earnings of prior years.

Net result

This concerns the result for the reporting period net of income tax.

Current Liabilities

Upon initial recognition, the current liabilities are included at fair value and then valued at amortised cost. The fair value and amortised cost equal the face value.

Taxes

Income tax expense

Income tax relates to payable or recoverable tax on the taxable profit for the reporting period and taxes due from previous periods, if any. Current tax receivables and payables are measured using the tax rate applicable at the reporting date or the tax rate applicable to the previous period the taxes due relate to.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for tax losses carried forward and for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. This is based on the tax rates that will apply in the period in which the deferred tax assets or tax liabilities are settled.

Deferred tax assets and liabilities are measured at the undiscounted amount expected to be received or paid. Deferred tax assets are only recognised if sufficient taxable profits are expected to be available in the near future against which these temporary differences can be utilised. Deferred taxes are recognised for temporary differences between the carrying amount and the value for tax purposes.

Deferred tax assets are assessed at the reporting date; if it is no longer likely that the related taxable profit will be achieved, the asset is reduced to its recoverable value. Deferred tax assets and liabilities are presented on a net basis to the extent that they relate to the same tax authority and that they are settled simultaneously.

Tax Group

Athora Netherlands NV and its subsidiaries, including ACTIAM NV, form a tax group for corporate income tax and value added tax (VAT) and as a result are jointly and severally liable for the fiscal unity's corporate income tax and VAT liabilities. Internal settlement of tax between Athora Netherlands NV and its subsidiaries is executed upon receipt of an assessment after filing the corporate income tax return. As a result, any corporate income tax payables and receivables are recognised in the financial statements of those legal entities until the tax return is filed, rather than in Athora Netherlands' financial statement only.



ACCOUNTING POLICIES FOR THE PROFIT AND LOSS ACCOUNT

Income is recognised in the profit and loss account when an increase in economic benefits in the form of inflows or enhancements of assets or a decrease in liabilities has arisen and the amount can be measured reliably. Expenses are recognised when decreases in the economic benefits related to outflows or depletions of assets or an incurrences of liabilities has arisen, the amount of which can be measured reliably.

The profit and loss account comprises the income and expense attributable to the reporting period. Gains from transactions are recognised in the year in which they are generated; losses are recognised as soon as they are identified.

Income

Income consists of management fee less management fee rebates which are recognised in the reporting period in which the services are provided.

Expenses

Operating expenses consist primarily of staff costs (all currently employed personnel is hired by Athora Netherlands and the staff expenses are charged to ACTIAM) and other operating expenses.

The calculation of depreciation on equipment is based on the purchase price or cost of manufacturing. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. Realised capital gains and losses on the disposal of fixed assets are included under depreciation expenses.

Net Finance Costs

Interest income and expenses is the interest received from, or paid to, third parties, respectively.

ACCOUNTING POLICIES FOR THE CASH FLOW STATEMENT

The cash flow statement is prepared according to the indirect method, and distinguishes between cashflows from operational, investment and financing activities. Cash flows in foreign currency are converted at the exchange rate applicable on the transaction date. With regard to cash flows from operations, operating results before tax are adjusted for gains and losses that did not result in income and payments in the same financial year and for movements in provisions and accrued and deferred items. In the context of the cash flow statement, cash at banks are equal to the balance sheet item cash at banks.

2.4.2 NOTES TO THE BALANCE SHEET

ASSETS

1. TANGIBLE FIXED ASSETS

Breakdown of Tangible fixed assets

in € thousands	30 JUNE 2021	31 DECEMBER 2020
IT equipment	5	7
Total	5	7

Statement of Changes in IT equipment

in € thousands	2021	2020
Accumulated acquisitions costs	13	13
Accumulated depreciation	-8	-6
Total	5	7
At 1 January	7	10
Depreciation	-2	-3
Balance as at 30 June / 31 December	5	7

2. FINANCIAL ASSETS

Breakdown of Financial Assets

in € thousands	30 JUNE 2021	31 DECEMBER 2020
Shares	29,512	42,121
Bonds	-	-
Total	29,512	42,121

Shares

The largest part of the shares portfolio consists of investments in a money market fund (€ 29,278 thousand). In 2021, € 12,500 thousand has been withdrawn from this money market fund. The remaining part of the shares portfolio consists of investments in ACTIAM Duurzaam Mixfonds Neutraal.

Bonds

All bonds have been redeemed in 2020.

Statement of Changes in Shares

in € thousands	2021	2020
Balance as at 1 January	42,121	14,795
Purchases and advances	-	27,500
Disposals and redemptions	-12,500	-
Revaluations	-109	-159
Impairments	-	-10
Dividend Received/Negative Distribution	-	-5
Balance as at 30 June / 31 December	29,512	42,121

Statement of Changes in Bonds

in € thousands	2021	2020
Balance as at 1 January	-	16,611
Disposals and redemptions	-	-16,000
Revaluations	-	7
Amortisation	-	-358
Received Coupons	-	-560
Accrued Interest	-	300
Balance as at 30 June / 31 December	-	-

The fair value of financial assets is determined using bid quoted prices. The accumulated revaluations of financial assets amounts to € 186 thousand negative at 30 June 2021 (31 December 2020: €165 thousand negative).

3. RECEIVABLES

Breakdown of Receivables

in € thousands	30 JUNE 2021	31 DECEMBER 2020
Asset management fees to be received	2,453	4,336
Corporate income tax and dividend tax	2,024	1,558
Receivables from group companies	7,372	521
Trade receivables	34	488
Accrued assets	1,190	673
Total	13,073	7,576

Receivables are due in less than one year.

Asset management fees to be received

Asset management fees to be received mainly consist of fees to be received from third parties.

Receivables from group companies

Per 30 June 2021 receivables from group companies consists of the intra-group balances with SRLEV, Proteq Levensverzekeringen and Zwitterleven PPI. Per 31 December 2020 receivables from group companies consists of the intra-group balances with Proteq Levensverzekeringen and Zwitterleven PPI.

4. CASH AT BANKS

Cash at banks

Cash at banks comprise bank account balances at SNS Bank, BNP Paribas Bank and ABN AMRO. At 30 June 2021 the cash at banks stood at € 6.0 million (31 December 2020: € 2.8 million). Cash at banks are at the company's free disposal.

EQUITY

5. EQUITY

Statement of Changes in Equity

in € thousands	ISSUED CAPITAL	SHARE PREMIUM RESERVE	REVALUATION RESERVE	OTHER RESERVES	NET RESULT	TOTAL EQUITY
At 1 January 2020	45	17,777	12	15,577	-5,414	27,997
Transfer of net result 2019	-	-	-	-5,414	5,414	-
Revaluation assets	-	-	10	-	-	10
Capital injection	-	12,000	-	-	-	12,000
Net result 2020	-	-	-	-	-4,658	-4,658
At 31 December 2020	45	29,777	22	10,163	-4,658	35,349
Transfer of net result 2020	-	-	-	-4,658	4,658	-
Revaluation assets	-	-	10	-	-	10
Net result 2021	-	-	-	-	-1,409	-1,409
At 30 June 2021	45	29,777	32	5,505	-1,409	33,950

The authorised capital of € 227 thousand consists of 500 shares of € 453.79 nominal each. Of these, 100 shares have been issued and paid up.

ACTIAM's equity capital requirement stems from the provisions of Section 3:53 of the Dutch Financial Supervision Act (Wft) in conjunction with Section 48(c)(63) and (63b) of the Dutch Prudential Rules Decree (Financial Supervision Act).

The required internal minimum capital was € 25.1 million (31 December 2020: € 27.6 million) according to the 2021 ICAAP performed by the Management Board in close cooperation with Risk Management. At the end of the reporting period ACTIAM's equity was € 34.0 million.

In 2020, the share premium reserve increased with € 12 million due to a capital injection by Athora Netherlands.

LIABILITIES

6. CURRENT LIABILITIES

Breakdown of Current Liabilities

in € thousands	30 JUNE 2021	31 DECEMBER 2020
Debts to group companies	4,393	4,927
Variable remuneration and allowances payable	3,215	3,782
Management fees payable	2,596	1,720
Dividend tax payable	-	93
Regulatory expenses	365	206
Audit fees	247	272
Asset management fees rebate payable	-	63
Accrued liabilities	3,798	6,044
Total	14,614	17,107

Current liabilities are due in less than one year.

Debts to Group Companies

Per 30 June 2021 and per 31 December 2020 debts to group companies consists of the intra-group balance with Athora Netherlands and SRLEV.

Dividend Tax Payable

This item concerns received foreign dividend tax (including interest) to be transferred to the Dutch tax authority and various investment funds managed by ACTIAM.

Accrued Liabilities

This relates to other costs payable, such as costs for data, advisory services, external employees, outsourcing and other operating expenses payable.

7. COMMITMENTS AND CONTINGENCIES

There are no commitments and contingencies that are not disclosed in the balance sheet.

8. RELATED PARTIES

Identity of Related Parties

Parties qualify as a related party if one of the parties has the power to exercise control or significant influence on the other in terms of deciding on financial or operational issues.

Until 1 April 2020, ACTIAM's related parties were its ultimate parent Anbang, its parent Athora Netherlands, affiliates and ACTIAM's key management personnel and their close family members. On 1 April 2020, Athora acquired 100% of the shares of VIVAT (current: Athora Netherlands NV) from Anbang. Subsequently, Athora has sold 100% of the shares of VIVAT Schade to NN Schade. From that date, Athora and its affiliates became part of ACTIAM's related parties. Anbang and its affiliates and VIVAT Schade were no longer related parties.

Intra-group Balances and Transactions

Unless stated otherwise, transactions with related parties are conducted at arm's length as part of ACTIAM's normal operations. Besides the transactions at arm's length, ACTIAM has agreed, with effect from 1 January 2015 until 31 December 2020 and subject to specific conditions including the expectation of adequate capitalisation of ACTIAM, that ACTIAM will offer a prescribed capped rebate on the fee it charges to SRLEV.

Intra-group Balances and Transactions

In € thousands	ATHORA NETHERLANDS		AFFILIATES		TOTAL	
	30 JUNE 2021	31 DECEMBER 2020	30 JUNE 2021	31 DECEMBER 2020	30 JUNE 2021	31 DECEMBER 2020
Positions						
Assets						
Asset management fees to be received	-	157	62	7	62	164
Receivables from group companies	-	-	7,372	521	7,372	521
Corporate income tax and dividend tax	2,024	1,558	-	-	2,024	1,558
Liabilities						
Debts to group companies	4,393	4,401	-	526	4,393	4,927
Asset management fees rebate payable	-	-	-	63	-	63
In € thousands	1 January 2021 - 30 June 2021	1 January 2020 - 30 June 2020	1 January 2021 - 30 June 2021	1 January 2020 - 30 June 2020	1 January 2021 - 30 June 2021	1 January 2020 - 30 June 2020
Transactions						
Income						
Asset management fees income	146	630	13,779	12,641	13,925	13,271
Asset management fees rebate	-	-	-	-3,019	-	-3,019
Gross fee income	146	630	13,779	9,622	13,925	10,252
Distribution fees expenses	-	-	-	7,193	-	7,193
Net fee income	146	630	13,779	2,429	13,925	3,059
Expenses						
Employee benefits expenses	3,271	3,480	-	-	3,271	3,480
Other operating expenses	1,077	888	-	-	1,077	888

There were no intra-group balances and transactions between ACTIAM and Athora.

Key Management Personnel

The key management personnel consists exclusively of the members of the ACTIAM Management Board. The ACTIAM Management Board comprised of three employees as at 30 June 2021 (31 December 2020: 2). Refer to Paragraph 1.8 Remuneration Policy in Annual Report 2020 for the remuneration of key management personnel. There are no loans, advances and guarantees outstanding on 30 June 2021 (and 31 December 2020) and/or granted to key management personnel during 2021.

9. EVENTS AFTER THE BALANCE SHEET DATE

There are no events after reporting date which should be disclosed in the financial statements.

2.4.3 NOTES TO THE PROFIT AND LOSS ACCOUNT

INCOME

10. GROSS FEE INCOME

Breakdown of income

in € thousands	1 JANUARY 2021 - 30 JUNE 2021	1 JANUARY 2020 - 30 JUNE 2020
Asset management fees income	22,732	34,337
Asset management fees rebate	-	-3,019
Total	22,732	31,318

Asset Management Fees Income

This concerns all-in fees received from investment funds and fees received for asset management and administration services. The decrease in asset management fees income was the result of a change in tariff structure by Athora Netherlands and the exit of a prominent customer.

Asset Management Fees Rebate

Athora Netherlands is the sole shareholder of both ACTIAM and SRLEV. As requested and approved by Athora Netherlands, SRLEV and ACTIAM have agreed that ACTIAM will, with effect from 2015 until 31 December 2020 and subject to specific conditions, including the expectation of adequate capitalisation of ACTIAM, offer a prescribed capped rebate on the fee it charges to SRLEV. In the event of lagging operating profit, the Management Board will decide on a case-by-case basis whether the discretionary power should be used to postpone the Rebate Agreement with SRLEV. The decline in asset management fees rebate was driven by a change in tariff structure by Athora Netherlands.

11. ASSET MANAGEMENT FEES EXPENSES

Breakdown of Asset Management Fees Expenses

in € thousands	1 JANUARY 2021 - 30 JUNE 2021	1 JANUARY 2020 - 30 JUNE 2020
Distribution fees	269	7,494
Costs of outsourced asset management	2,477	3,411
Custodial fees	1,420	1,155
Total	4,166	12,060

Distribution Fees

Distribution fees mainly concern fees paid or payable to SRLEV. A distribution fee is a fee paid for the fact that the premiums for unit-linked policies, savings pools and pension products for the purposes of institutional asset management are invested in the funds managed by ACTIAM. The decrease in distribution fees resulted from a change in tariff structure by Athora Netherlands.

Costs of Outsourced Asset Management

This concerns costs of asset management services outsourced to third parties.

Custodial Fees

This concerns costs as paid to the custodian, amongst others for keeping securities in safe custody.

OPERATING EXPENSES

12. EMPLOYEE BENEFITS EXPENSES

Breakdown of Employee Benefit Expenses

in € thousands	1 JANUARY 2021 - 30 JUNE 2021	1 JANUARY 2020 - 30 JUNE 2020
Salaries and wages	7,191	7,770
Pension costs	1,189	1,218
Social security contributions	918	766
Other personnel expenses	1,661	1,732
Total	10,959	11,486

The employee benefits expenses are comprised of personnel expenses, directly associated with employees and the members of the Management Board, who are on Athora Netherlands' payroll and indirect expenses recharged by Athora Netherlands. ACTIAM's number of internal FTE's is 87 on 30 June 2021 (30 June 2020: 94). The total employee benefit expenses decreased mainly as a result of a lower headcount in 2021.

Other personnel expenses consist mainly of personnel expenses as charged by Athora Netherlands NV.

13. OTHER OPERATING EXPENSES

Breakdown of Other Operating Expenses

in € thousands	1 JANUARY 2021 - 30 JUNE 2021	1 JANUARY 2020 - 30 JUNE 2020
Administrative, accounting and reporting costs	5,245	5,857
Costs data vendors	1,721	1,697
Recharged expenses	934	1,032
Costs external advisors	823	815
Automatisation	138	391
Costs operational errors	24	32
Other costs	476	594
Total	9,361	10,418

Administrative, Accounting and Reporting Costs

Included within administrative, accounting and reporting costs are amounts paid in respect of outsourcing of certain mid and back office asset management operations, fund and investment accounting and reporting services.

14. NET FINANCIAL RESULT

Breakdown of net financial result

in € thousands	1 JANUARY 2021 - 30 JUNE 2021	1 JANUARY 2020 - 30 JUNE 2020
Interest income	-	278
Interest expenses and result on financial assets	-123	-63
Amortisation	-	-330
Total	-123	-115

Interest Income

This concerns interest received on bonds. Ultimo December 2020 the bonds portfolio has been completely redeemed.

Interest Expenses and Result on Financial Assets

This concerns interest paid on bank charges and results on financial assets. In 2021 results on financial assets consist of results on the shares portfolio.

Amortisation

This concerns amortisation of government bonds.

15. INCOME TAX

Breakdown of Tax Income (-) / Tax Expense (+)

In € thousands	1 JANUARY 2021 - 30 JUNE 2021	1 JANUARY 2020 - 30 JUNE 2020
In financial year	-466	-607
Due to temporary differences	-4	-84
Total	-470	-691

The corporate income taxes are irrevocable for the years up to and including 2018.



Reconciliation between the Statutory and Effective Tax Rate

In € thousands	1 JANUARY 2021 - 30 JUNE 2021	1 JANUARY 2020 - 30 JUNE 2020
Statutory income tax rate	25%	25%
Result before tax	-1,879	-2,763
Statutory corporate income tax amount	-470	-691
Total	-470	-691
Effective tax rate	25%	25%

Amsterdam, the Netherlands, 25 August 2021

ACTIAM NV
F.L. Kusse, CEO
D.G. Keiller, CFRO
H.S.R. Veelaert, CIO



3 **Other Information**

3.1 **INDEPENDENT AUDITOR'S REPORT**

This semi-annual report is not audited or reviewed by an external auditor.

