



ACTIAM NV
Semi-annual Report 2018



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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 VIVAT NV (VIVAT). ACTIAM has its registered office located in Utrecht, the Netherlands and has its principal place of business located at Graadt van Roggenweg 250, 3531AH Utrecht, the Netherlands. On 30 June 2018 assets under management amounted to € 56.3 billion (year-end 2017: € 54.1 billion).

Within the meaning of the section 2:65(1)a Dutch Financial Supervision Act, ACTIAM is an alternative investment funds manager. Under its license ACTIAM is authorized to provide the following MIFID II services: receipt and transmission of orders in relation to one or more financial instruments, portfolio management services and investment advice. Amongst others, ACTIAM manages listed and non-listed investment funds for institutional and retail investors, various pension funds, insurance companies and corporate clients in Europe.

ACTIAM provides both fund and asset management services to institutional investors and fund management services to retail investors. Investment funds for retail investors are offered through the affiliated labels Reaal and Zwitserleven, through the investment platform Zwitserleven Beleggen and via external distributors such as brokers, private banks and family offices. ACTIAM's mission is to deliver relevant investment solutions, maximizing longer-term financial, environmental and social returns.

ACTIAM is committed to responsible asset management, meaning that its assets under management are invested in accordance with the Fundamental Investment Principles (FIP) it has defined. Investments that conflict with international standards and conventions or ACTIAM's FIP are not acceptable. Improving responsible management by stimulating changes in the behaviour of investees is central in ACTIAM's approach. On behalf of its clients, ACTIAM uses its position as a partial owner of or lender to an entity to stimulate that behavioural change, this may be achieved through engagement strategies. ACTIAM identified focus themes for its active ownership approach: climate, water and land.

More information about ACTIAM is published on its website: www.actiam.nl.

STRATEGY

ACTIAM delivers relevant investment solutions, maximizing longer-term financial, environmental and social returns. This mission guides ACTIAM in providing clients with the best possible investment performance and services. ACTIAM believes that the financial sector has the fiduciary duty to lead the transition towards a sustainable society. Next to that ACTIAM sees technology as the main driver of change in the asset management industry. ACTIAM's strategy going forward will capitalize on the company's intellectual property around these themes.

In the coming years ACTIAM strives to accelerate its growth in the Netherlands, France, Belgium and the 'Nordics', since ACTIAM sees the best opportunities in these regions to be successful given its capabilities and services. To this end, ACTIAM continues to invest in future growth and in this respect is investing in infrastructure robustness as related to data systems, portfolio management and ESG-tooling. In addition, ACTIAM has launched its direct distribution platform aimed at Dutch retail investors, named Zwitserleven Beleggen, in July 2018.

To be able to achieve its growth ambition ACTIAM will work on completing her product-offering and broaden its services. Being a pureplay responsible and impact investor, this means product development related to the Sustainable Development Goals and a broader range of private debt impact investing in areas where ACTIAM holds strong and proven track records. Related to services, ACTIAM will strengthen its current offering of active ownership.

A relatively new development is ESG related data integrated into different areas, for example into portfolio management related scenario-analyses to make better informed decisions. ACTIAM has developed a so called dashboard that provides insight in both financial returns and social impact, offering integrated portfolio information on items such as concentration risk, financial returns, water- and carbon footprint and Sustainable Development Goals (SDG) allocation.

FUND MANAGEMENT

ACTIAM is the Alternative Investment Fund Manager (AIFM) of the following funds:

- ACTIAM Responsible Index Fund Equity Europe (ARIFE EU);
- ACTIAM Responsible Index Fund Equity Europe-A (ARIFE EU-A);
- ACTIAM Responsible Index Fund Equity North America (ARIFE NA);
- ACTIAM Responsible Index Fund Equity North America-A (ARIFE NA-A);
- ACTIAM Responsible Index Fund Equity North America-B (ARIFE NA-B);
- ACTIAM Responsible Index Fund Equity Pacific (ARIFE Pacific);
- ACTIAM Responsible Index Fund Equity Emerging Markets (ARIFE EM);
- ACTIAM Institutional Microfinance Fund I;
- ACTIAM Institutional Microfinance Fund II;
- ACTIAM Institutional Microfinance Fund III;
- ACTIAM-FMO SME Finance Fund I;
- ACTIAM Beleggingsfondsen NV;
- RZL Beleggingsfondsen NV;
- Zwitserleven Beleggingsfondsen;
- Zwitserleven Mix Beleggingsfondsen;
- Zwitserleven Institutionele Beleggingsfondsen;
- Euro Liquiditeitenpool;
- Euro Obligatiepool;
- Euro Aandelenpool;
- Global Equity Mixpool;
- Amerika Aandelenpool;
- Azië Aandelenpool;
- Euro Vastgoedfondsenpool; en
- Global Emerging Markets Equity Pool.

Since 22 July 2014 ASN Beleggingsfondsen Beheer BV (ABB) had appointed ACTIAM as AIFM of the following investment entities, for which as of 22 May 2018, ABB took back the role as AIFM:

- ASN Beleggingsfondsen NV;
- ASN Aandelenpool;
- ASN Obligatiepool;
- ASN Mixpool;
- ASN Milieupool;
- ASN Small & Midcappool;
- ASN Groenprojectenpool; en
- ASN Microkredietpool.

In relation to the fund management, ACTIAM serves as Managing Board of the following legal entities:

- Pettelaar Effectenbewaarbedrijf NV
- Stichting Juridisch Eigenaar Zwitserleven Beleggingsfondsen
- Stichting Juridisch Eigenaar ACTIAM Institutional Microfinance Fund III
- Stichting Juridisch Eigenaar ACTIAM Beleggingsfondsen
- Stichting Juridisch Eigenaar ACTIAM SME Finance Fund (since 8 May 2018)

ASSET MANAGEMENT

ACTIAM manages the assets of institutional investors, of which VIVAT 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 research team conducts ESG (Environment, Social en Governance) research, policy setting, voting, and engagement for the investment entities and a number of institutional clients.

1.2 KEY DEVELOPMENTS

1.2.1 DEVELOPMENTS IN ASSETS UNDER MANAGEMENT

As of 30 June 2018, the total assets under management were € 56.3 billion (year-end 2017: € 54.1 billion) of which € 17.5 billion consisted of assets in investment funds (year-end 2017: € 20.4 billion). The increase in assets under management was related to the inflows into real estate investment management services and ACTIAM-labelled funds. The decrease in assets in investment funds can be predominantly attributed to ABB taking back the role as AIFM on 22 May 2018 for the ASN-labelled funds.

Total assets under management increased by € 2.2 billion compared to ultimo 2017. The net inflow of € 1.4 billion during the reporting period can be attributed to inflows in real estate investment management services and ACTIAM-labelled funds. Assets under management grew € 0.8 billion due to market developments.

Assets under Management

in € millions	ASSETS UNDER MANAGEMENT
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
31 December 2015	52,056
30 June 2015	50,787
31 December 2014	51,356
30 June 2014	46,796
31 December 2013	44,192

Financial Markets

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

Fixed Income

Bond yields in Germany and other core eurozone countries rose relatively sharply. The reason was an unexpectedly high wage growth figure in the United States of America (US). The financial markets feared further rate tightening by the American central bank (Fed). A turnaround followed later on the back of rising tensions relating to Trump's protectionist agenda. Worries about the political developments in Italy and the consequences for the euro project led to risk-averse behaviour and drove up the prices of core country bonds. The European Central Bank (ECB) announced plans to end quantitative easing, however this had no significant upward effect on interest rates during the reporting period as the programme is only due to terminate at the end of December 2018. During the reporting period, the 10-year interest rate on German government bonds declined 13 basis points to 0.30%.

Equity markets

Equity prices retreated during the first months of 2018 amidst fears of interest rate hikes in the US. Later, the trade conflict between the US and other countries provided a new source of concern. In April and May 2018, optimism prevailed in the financial markets and equity prices moved higher. Many companies, notably in the US, published good results, confirming that strong global economic growth was fuelling corporate profits to record highs. However, the regional returns measured in euros showed large differences due to the strong US dollar. North America was the best performing region with a return of roughly 5%, while equities from the Pacific gained about 1%. The Europe (-1%) and Emerging Markets (-4%) regions posted losses in the reporting period. Companies from Emerging Markets economies saw their dollar-denominated debts rise in local currency terms which caused extra pain for this region. Moreover, Emerging Markets are more sensitive than average to the global wave of protectionist measures.

1.2.2 ORGANISATIONAL DEVELOPMENTS

Successful introduction of Zwitserleven Beleggen

In July 2018 ACTIAM launched its direct distribution platform named Zwitserleven Beleggen. Zwitserleven Beleggen is a registered trade name of ACTIAM NV. The platform offers retail investors the opportunity to invest in a selection of ACTIAM funds via Stichting ACTIAM Beleggersgiro. Zwitserleven Beleggen distinguishes itself in the market by only investing in sustainable funds and at a remarkably low cost. Retail investors can easily follow the developments of the assets online, and daily buying and selling is possible. ACTIAM has noticed a satisfactory interest from retail clients and hopes to welcome more investors via this platform going forward.

The parent company

ACTIAM is a public limited company. Anbang Group Holdings Co. Limited holds 100% of the shares in VIVAT, which holds 100% of the shares in ACTIAM. The Chinese regulator China Insurance Regulatory Committee (CIRC) announced on 23 February 2018 that it is temporarily taking over the management of Anbang. VIVAT has taken notice of this.

1.3 COMPOSITION OF THE MANAGEMENT BOARD

On the 30th of June 2018 the ACTIAM Management Board consisted out of Hans van Houwelingen (CEO), Dudley Keiller (CTO) and Arnold Gast (CIO). The Dutch Authority for the Financial Markets (AFM) has approved the members of the ACTIAM Management Board. In July 2018, Arnold Gast resigned from the ACTIAM Management Board.

In August 2018, ACTIAM announced the appointment of Wilma Schouten to the Managing Board of ACTIAM in the position of Chief Risk Officer (CRO). The appointment is subject to regulatory approval. With the receipt of regulatory approval, ACTIAM's managing board will comprise the following members: Hans van Houwelingen (CEO), Dudley Keiller (CTO) and Wilma Schouten (CRO).

During the reporting period the ACTIAM Management Board consisted entirely of men. Therefore, the composition of the ACTIAM Management Board did not meet the requirements of a 'balanced composition' as referred to in article 2:166 of the Dutch Civil Code. With the proposed appointment of Wilma Schouten the ACTIAM Management Board will meet these requirements.

1.4 RESPONSIBLE INVESTMENT MANAGEMENT

ACTIAM's vision is to take responsibility in everything it does, continue to surprise and inspire, working both for and with customers. Investments must not be in contravention of international standards and conventions. ACTIAM acts as an active and engaged shareholder (on behalf of our clients) in order to attain a far-reaching change of conduct in businesses and in the regulatory frameworks.

ACTIAM's responsible investment policies are developed by a dedicated ESG team (Environmental, Social, Governance) reporting directly to the CEO as of 1 January 2018 underscoring both its independence from the investment teams as well as its strategic importance for the company and its clients. The Fundamental Investment Principles form the basis of these policies. These principles are derived from international treaties, conventions and best practices, such as the UN Global Compact, and relate to a variety of important themes: human rights, fundamental labour rights, corruption, the environment, weapons, customer and product integrity and animal welfare.

As an investor, ACTIAM has different tools to influence behaviour and contribute to sustainability, such as impact investing, engagement (dialogues), exerting shareholder voting rights, and exclusion. The in-house ESG team conducts engagements (dialogues) with companies and other entities to induce behavioural change towards sustainable practices. If an entity does not comply with ACTIAM's responsible investment policies and is not responsive to engagement, it is excluded from investment by the ESG Committee.

1.5 REGULATORY REQUIREMENTS

Directive 2011/61/EU on Alternative Investment Fund Managers (AIFM Directive), which came into effect on 22 July 2013, has been implemented in the Dutch Financial Supervision Act (Dutch acronym: Wft), by which ACTIAM is governed. In 2016 ACTIAM started with the implementation of Directive 2014/65/EU MIFID II which came into force on 3 January 2018. In 2017 a project structure was set up to implement the different

requirements of MIFID II. ACTIAM has designed its organisational structure to ensure that it meets the regulatory requirements.

1.6 CONTROL ENVIRONMENT

1.6.1 RISK APPETITE

ACTIAM's risk appetite has been described in ACTIAM's Risk Appetite Statement and is updated on an annual basis. The statement is the basis for a number of policies applied within the organisation. This statement specifies the risk level that ACTIAM is willing to take and the acceptance level of the risks it incurs as an asset manager. ACTIAM seeks reasonable assurance regarding operational risks. Key Risk Indicators are defined and periodically reported and monitored in the Risk Management Committee.

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 this approach, different departments have their own specific duties and responsibilities. The front and back office form the first line, Risk Management and Compliance represent the second line. The third line of defense is formed by Audit VIVAT. In this function, Audit VIVAT reports to the Managing Board of ACTIAM and is responsible for conducting internal audits to evaluate and to improve the effectiveness of ACTIAM's risk management, control and governance processes. Audit VIVAT complies with the standards of the Institute of Internal Auditors. On behalf of the Managing Board of ACTIAM, Audit VIVAT monitors and reports on the follow-up points for improvements on a quarterly basis. The ACTIAM Managing Board is responsible for formulating standards for follow-up actions and actively managing follow-up points.

Key controls throughout the organisation are defined, tested and recorded. Risk self-assessments are performed throughout the year. An ISAE 3402 report type II report is issued annually and is certified by an independent auditor. This report describes the outcome of the test of the effectiveness of the key controls.

The Management Board has delegated some of its responsibilities to a number of committees. These committees form part of the first line of defence. These multidisciplinary committees, which 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:

- 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 and updated. It also monitors the processes and procedures in place to manage identified risks.
- Product Approval & Review Committee (PARC): this committee focuses on introducing and managing ACTIAM products and financial instruments distributed to its clients. Its responsibilities include safeguarding the quality of the products in relation to risks involved, profit margins, rules and regulations including target markets (if applicable), and consistency with the strategy. The PARC also monitors the products through their investment policy and their performance in terms of return and risk, therefore investment teams are accountable to the PARC. Furthermore the PARC monitors the quality of content delivered by performance reporting. In respect of financial instruments distributed to its clients, the PARC monitors and reviews the applicability of the identified target market.
- Fund Management Committee (FMC): the FMC is responsible for supervising the policies of the funds and taking decisions on behalf of the Management Board regarding the funds.
- Valuation Committee (VC): the valuation committee is responsible for defining the valuation policy and monitoring the quality of valuations of all investments.
- 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.
- Counterparty Risk Committee (CRC): the Counterparty Risk Committee's responsibility is to monitor, identify and give advice on counterparty risk. Its scope is not limited to exposure due to transactions as part of portfolio management but also includes exposure due to securities lending.
- 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 forms the second line of defence and is responsible for both operational and financial risk management. Risk Management has a direct reporting line to ACTIAM's Management Board in its role as ACTIAM's risk management function. Risk Management ACTIAM operates independently of the first line and has escalation options to VIVAT's CRO. The Head of Risk Management is a member of all committees listed above except for the Selection Committee. The Risk Management department consist of three pillars:

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

1.6.4 COMPLIANCE

The compliance function is fulfilled by a dedicated Compliance Officer of VIVAT and a Compliance Officer of ACTIAM (the latter as of 1 February 2018). The principal duties of the compliance function are to support the first line in drafting (and updating) policies and give advice regarding new laws and regulations and monitoring the implementation thereof. The dedicated Compliance Officer of VIVAT reports directly to its manager at VIVAT and to the Management Board of ACTIAM. The Compliance officer of ACTIAM reports directly to the Management Board of ACTIAM. VIVAT Compliance has a group mandate that includes the authority to initiate investigations and has access to all relevant information.

1.6.5 RISKS

Strategic risk

Strategic risks are risks that affect or are created by an organisation's business strategy and 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.

Although not exhaustive, from the above bullets, potential strategic risks may occur. 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.

Financial risk

Financial risks are defined as the risks to which ACTIAM is exposed. Financial risks break down into several other risks such as credit risk, market risk and liquidity risk. Although ACTIAM has an investment portfolio, investment activities are performed only as part of a cash management process. ACTIAM accepts a limited level of credit risk. The bonds (€ 13.3 million) have a triple AAA rating. ACTIAM also accepts significant volatility in fee income due to market movements.

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 seeks to have reasonable assurance regarding this risk, meaning that:

- ACTIAM accepts that its governance structure cannot entirely exclude operational risk attaching to the asset management business;
- ACTIAM has reasonable assurance that processes are executed effectively;
- ACTIAM has competent and committed employees;
- ACTIAM has reasonable assurance as to the quality, integrity and continuity of its outsourced services;
- ACTIAM has the intention to limit its dependence on key managers
- ACTIAM has entered into agreements that are legally sound, unambiguous and enforceable. Liability issues have been addressed with due care.



ACTIAM treats information confidentially. Insufficiently designed processes and systems or human error manifest themselves in incidents. Incidents follow a formal process in which root cause analyses are made in order to determine adequate mitigating measures. Risk Management is responsible for this process.

Outsourcing 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 implemented an outsourcing policy to control its outsourced activities. This policy is in compliance with relevant rules and regulations.

All phases need to be performed in order to achieve an adequate level of control of the outsourced activities. Primary responsibility for these activities lie with the first line business. Risk Management has a monitoring role with respect of these activities. As of 1 July 2017, ACTIAM has outsourced certain mid- and back-office activities (administration, reporting and accounting) to BNP Paribas Securities Services SCA (BNP). The outsourcing was implemented using a lift & drop principle which entailed that systems, processes and people involved in the processes in scope remain unchanged. To safeguard sufficient monitoring over the outsourced activities (in accordance with the ACTIAM Outsourcing Policy) and to relocate parts of the outsourced processes (amongst others valuation and change management) an oversight department has been installed at ACTIAM.

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 towards employees, clients or partners that violate its principles of integrity. ACTIAM does not tolerate departures from legal principles or internal values and policies.

Portfolio compliance

Portfolio compliance 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.

1.6.6 CAPITAL ADEQUACY

Given that ACTIAM is an AIFMD manager that also provides asset management services, it qualifies as a fund and asset manager. As a result, ACTIAM is required to comply with the capital requirements of both AIFMD and CRD IV.

The capital requirement under AIFMD has been set at € 12.2 million. The CRD IV/CRR Pillar 1 capital requirement has been set at € 10.2 million.

ACTIAM has defined its internal capital adequacy by the way of the Internal Capital Adequacy Assessment Process (hereafter: ICAAP) and as such described its capitalisation plan. The ICAAP describes in detail the likelihood, impact and mitigating actions of the capital adequacy risks identified in the Risk Self-Assessment of the Management Board. ACTIAM distinguishes between instant-impact risks and risks with a gradual impact over time. Instant-impact risks are expected to be absorbed by capital, while risks with a gradual impact are first expected to be absorbed by accumulated operating profit before being absorbed by capital. ACTIAM concluded that no mitigating actions are not required. Based on the ICAAP, the most prudent methodology resulted in a capital requirement of € 12.2 million.

The AIFMD methodology leads to the highest outcome; this result is considered the required minimum capital. Since the Management Board of ACTIAM has assigned priority to keeping the internal capital above this required level, it applies a buffer out of prudence and for potential future losses of € 12.0 million on 30 June 2018 (the buffer year-end 2017 of € 16.0 million was lowered by the net result over the reporting period of € -4.0 million). This leads to a desired internal minimum capital of € 24.2 million on 30 June 2018 (year-end 2017: € 28.2 million).

Based on the balance sheet as it is on 30 June 2018, ACTIAM's available capital is € 28.4 million. Given that this exceeds the desired minimum, it is considered to be adequate. In the event of lagging operating profit, the Management Board will decide on a case-by-case basis whether any adverse impact should be charged against the available capital or that it's discretionary power should be used to postpone the Rebate Agreement with SRLEV NV.



1.6.7 ISAE 3402

In order to provide ACTIAM's clients assurance regarding their 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. The ISAE 3402 type II report over 2018 will be finalized by the beginning of 2019. To this end, the annual audit has been initiated by ACTIAM together with the external auditor.

1.7 DEVELOPMENTS IN EARNINGS

The net result over the reporting period was a loss of € 4.0 million. Asset management fees received in the reporting period decreased to € 44.9 million (half-year 2017: € 47.8 million). The decrease in assets management fees resulted from ABB taking back the role as AIFM per 22 May 2018. Additionally, fees received declined in the reporting period due to maturing and changing product propositions by distributors of the investment funds. The decline in fees were partly offset by the increase in fees received for real estate investment management services and ACTIAM-labelled funds. Additionally, the decline in fees was partly offset by positive market returns which have a strong correlation to total assets under management.

The asset management fee rebate for SRLEV NV is recognized as negative income, as explained in chapter 2. Total income before the rebate to SRLEV NV amounted to € 44.9 million (half-year 2017: € 47.8 million). The rebate caused total income to fall by € 10.2 million, therefore total income after the rebate amounted to € 34.7 million.

Total expenses rose to € 40.0 million in the reporting period (half-year 2017: € 37.9 million). As compared to the first half of 2017, total operating expenses rose by € 2.3 million to € 23.1 million, this is mainly due to strategic investments in distribution channels and additions in human capital over the entire supply chain. Asset management fees paid were stable at € 16.8 million (half-year 2017: € 17.0 million).

The operating profit stood at € 4.9 million, disregarding the fee rebate offered to SRLEV NV (SRLEV). Operating profit before fee rebate is down € 5.0 million on the same period last year (€ 9.9 million).

To conclude, the net result over the reporting period was a loss of € 4.0 million (half-year 2017: profit of € 0.4 million). The major causes of this loss were strategic investments in combination with lower asset management fees.

Utrecht, the Netherlands, 30 August 2018

ACTIAM NV
H. van Houwelingen
D.G. Keiller



2 Semi-annual Financial statements 2018 ACTIAM NV

2.1 BALANCE SHEET

Before result appropriation and in € thousands	REF.	30 JUNE 2018	31 DECEMBER 2017
Assets			
Financial assets	1	29,700	26,183
Total fixed assets		29,700	26,183
Receivables	2	27,111	19,715
Cash and cash equivalents	3	9,292	13,028
Total current assets		36,403	32,743
Total assets		66,103	58,926
Equity and liabilities			
Equity	4		
Issued capital		45	45
Share premium reserve		8,777	8,777
Revaluation reserve		-	8
Other reserve		23,641	22,893
Net result		-4,021	748
Total equity		28,442	32,471
Liabilities			
Current liabilities	5	37,661	26,455
Total liabilities		37,661	26,455
Total equity and liabilities		66,103	58,926

2.2 PROFIT AND LOSS ACCOUNT

in € thousands	REF.	1 JANUARY 2018 - 30 JUNE 2018	1 JANUARY 2017 - 30 JUNE 2017
Income	10		
Asset management fees income		44,903	47,780
Asset management fees rebate		-10,233	-10,333
		34,670	37,447
Expenses			
Asset management fees expenses	11	16,822	17,073
Operating expenses			
- Employee benefits expenses	12	12,781	13,239
- Depreciation non-current assets		-	286
- Other operating expenses	13	10,350	7,264
Total operating expenses		23,131	20,789
Total expense		39,953	37,862
Net finance cost	14	-64	-92
Result before tax		-5,347	-507
Tax expense		-1,326	-126
Net result		-4,021	-381

2.3 CASH FLOW STATEMENT

in € thousands	1 JANUARY 2018 - 30 JUNE 2018	1 JANUARY 2017 - 30 JUNE 2017
Cash flow from operating activities		
Operating profit before tax	-5,347	-507
Adjustments for:		
Depreciation and amortisation of non-current assets	-	286
Amortisation investments	166	244
Taxes (paid) received	660	-
Change in operating assets and liabilities:		
Change in other operating activities	4,277	-6,053
Net cash flow from operating activities	-244	-6,030
Cash flow from investment activities		
Disposal and redemption of financial assets	23,625	49,180
Purchase of intangible assets	-	-376
Purchase and advances of financial assets	-27,117	-37,831
Net cash flow from investment activities	-3,492	10,973
Cash flow from finance activities		
Issue of shares and share premium	-	6,000
Net cash flow from financing activities	-	6,000
Net increase in cash and cash equivalents	-3,736	10,943
Cash and cash equivalents 1 January	13,028	13,232
Cash and cash equivalents as at end of period	9,292	24,175
Additional disclosure with regard to cash flows from operating activities:		
Interest income received	116	180
Interest paid	11	19



2.4 NOTES TO THE SEMI-ANNUAL FINANCIAL STATEMENTS 2018

2.4.1 GENERAL INFORMATION

ACTIAM NV (ACTIAM), 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 30099450.

ACTIAM is fund manager and asset manager and is a wholly owned subsidiary of VIVAT NV (VIVAT) with a registered office at Utrecht, the Netherlands.

ACTIAM has its registered office and its principal place of business at Graadt van Roggenweg 250 in Utrecht, the Netherlands.

The company's financial information is included in the consolidated financial statements of VIVAT.

The financial statements were authorized for issue by the Management Board on 30 August 2018.

Group structure

ACTIAM is a wholly owned subsidiary of VIVAT, which is a wholly owned subsidiary of Anbang Group Holdings Co. Limited with a registered office at Hong Kong, ultimate parent of which is Anbang Insurance Group Co. Ltd with its headquarters in Beijing, People's Republic of China.

Related parties

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

Tax group

VIVAT and its subsidiaries, including ACTIAM, form a tax group and are jointly and individually liable for the fiscal unity's corporate income tax and VAT debts.

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 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. Counts are based on unrounded figures. Their sum may differ from the sum of the rounded figures.

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.

Intangible assets

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

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 equipment in relation to their original use are capitalised and subsequently depreciated.

Gains and losses on the sale of equipment 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.

Financial assets

Financial assets comprise bonds and shares and are measured at fair 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. When the financial assets are sold, the related cumulative changes in fair value are recognised in the profit and loss account within investment income.

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.

Receivables

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

Cash and cash equivalents

Cash and cash equivalents are stated at face value. Unless indicated otherwise, they are at the Company's free disposal.

Equity

Issued capital and share premium reserve

The share capital comprises the issued and paid-up ordinary shares. 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 fair revaluation reserve (net of taxes), if their cumulative total is positive. If unrealised losses exceed the revaluation reserve, the excess is recognised in profit or loss.

Other reserves

The other reserves comprise retained earnings of prior years.

Retained earnings

This concerns the profit 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 amortized cost. The fair value and amortized cost equal the face value.

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 decreases 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 fees and other income, 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 VIVAT 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. Realized 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.

Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and where deferred tax assets (if applicable) are only valued insofar as their realisation is likely. The statutory tax rate is 25%.

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. 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.

2.4.2 NOTES TO THE BALANCE SHEET

ASSETS

1. FINANCIAL ASSETS

Breakdown of Financial Assets

in € thousands	30 JUNE 2018	31 DECEMBER 2017
Shares	6,385	12,273
Bonds	13,315	3,910
Deposits	10,000	10,000
Total	29,700	26,183

Shares

The largest part of the shares portfolio consists of investments in a money market fund. The remaining part consists of investments in ACTIAM Duurzaam Mixfonds Neutraal.

Bonds

The entire bond portfolio consists of Dutch and German government bonds. The duration of the bonds is less than 0.2. These investments are part of ACTIAM's investment portfolio with respect to its cash management process.

The fair value of financial assets is determined using quoted prices.

Deposits

The amount of € 10 million consists of two deposits of € 5 million. The maturity dates of these deposits are 11 October 2018 and 16 October 2018 respectively.

Changes in Shares

in € thousands	2018	2017
Balance as at 1 January	12,273	250
Purchases and advances	2,000	29,980
Disposals and redemptions	-7,825	-17,965
Revalued	-63	8
Balance as at 30 June 2018 / 31 December 2017	6,385	12,273

Changes in Bonds

in € thousands	2018	2017
Balance as at 1 January	3,910	29,176
Purchases and advances	20,117	19,868
Disposals and redemptions	-10,800	-44,643
Interest addition	257	-236
Amortisation	-166	-257
Revalued	-3	2
Balance as at 30 June 2018 / 31 December 2017	13,315	3,910

Changes in Deposits

in € thousands	2018	2017
Balance as at 1 January	10,000	-
Purchases and advances	5,000	10,000
Disposals and redemptions	-5,000	-
Balance as at 30 June 2018 / 31 December 2017	10,000	10,000

2. RECEIVABLES

Breakdown of Receivables

in € thousands	30 JUNE 2018	31 DECEMBER 2017
Asset management fees to be received	24,085	18,569
Corporate income tax	1,106	440
Trade receivables	296	49
Accrued assets	1,624	657
Total	27,111	19,715

Receivables are due in less than one year.

3. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents

Cash and cash equivalents comprise bank account balances at SNS, KAS BANK and ABN AMRO. At half-year 2018 the cash and cash equivalents stood at € 9.2 million (year-end 2017: € 13.0 million). Cash and cash equivalents are at the company's free disposal.

EQUITY

4. EQUITY

in € thousands	ISSUED CAPITAL	SHARE PREMIUM RESERVE	REVALUATION RESERVE	OTHER RESERVE	NET RESULT	TOTAL EQUITY
At 1 January 2017	45	2,777	-	24,966	-2,073	25,715
Transfer of net result 2016	-	-	-	-2,073	2,073	-
Revaluation assets	-	-	8	-	-	8
Change in share premium reserve	-	6,000	-	-	-	6,000
Net result 2017	-	-	-	-	748	748
At 31 December 2017	45	8,777	8	22,893	748	32,471
Transfer of net result 2017	-	-	-	748	-748	-
Revaluation assets	-	-	-8	-	-	-8
Net result 2018	-	-	-	-	-4,021	-4,021
At 30 June 2018	45	8,777	-	23,641	-4,021	28,442

The authorised capital of € 0.23 million 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 € 24.2 million (2017: € 28.2 million) according to the 2018 ICAAP performed by the Management Board in close cooperation with Risk Management. At the end of the reporting period ACTIAM's equity was € 28.4 million.



LIABILITIES

5. CURRENT LIABILITIES

in € thousands	30 JUNE 2018	31 DECEMBER 2017
Asset management fees rebate payable	10,233	6,928
Debts to group companies	8,803	4,853
Distribution fees payable	4,221	4,367
Dividend tax payable	3,204	-
Management fees payable	2,152	3,783
Variable remuneration and allowances payable	1,738	1,668
Regulatory expenses	283	565
Audit fees	234	248
Accrued liabilities	6,793	4,043
Total	37,661	26,455

Asset Management Fee Rebate Payable

This item concerns rebate fees payable to SRLEV.

Distribution Fee Payable

This item concerns distribution fees payable to SRLEV.

Accrued Liabilities

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

6. COMMITMENTS AND CONTINGENCIES

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

7. CORPORATE INCOME TAX GROUP

Following a verdict from the European Court of Justice of 22 February 2018, the Dutch government published a proposal of law on 6 June 2018 affecting the tax position of consolidated tax groups. The proposed legislation is expected to have retroactive force until 25 October 2017 and may therefore, when enacted, have a financial impact on the tax year 2017 which cannot yet be determined or reflected in the financial statements.

The statutory tax rate is equal to the effective tax rate.

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

Intra-group Balances and Transactions between ACTIAM, VIVAT, Anbang and Affiliates

As a wholly owned subsidiary of VIVAT, ACTIAM maintains standard at arm's length relations with VIVAT and its affiliates as part of its normal operations, especially when it comes to offering high-quality and transparent investment solutions to VIVAT and its affiliates. Transactions with related parties are conducted based on the arm's length principle. Besides the transactions at arm's length, ACTIAM has agreed, with effect from 1 January 2015 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.



	VIVAT		AFFILIATES		TOTAL	
In € thousands	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Positions						
Asset management fees to be received	-	-	1,124	896	1,124	896
Debts to group companies	8,803	4,853	-	-	8,803	4,853
Asset management fees rebate payable	-	-	10,233	6,928	10,233	6,928
Distribution fees payable	-	-	4,221	4,367	4,221	4,367
In € thousands	1 January 2018 - 30 June 2018	1 January 2017 - 30 June 2017	1 January 2018 - 30 June 2018	1 January 2017 - 30 June 2017	1 January 2018 - 30 June 2018	1 January 2017 - 30 June 2017
Transactions						
Employee benefits expenses	4,562	3,892	-	-	4,562	3,892
Other operating expenses	1,631	1,693	-	-	1,631	1,693
Distribution fees expenses	-	-	8,426	9,006	8,426	9,006
Asset management fees rebate	-	-	10,233	10,333	10,233	10,333
Asset management fees income	76	185	15,799	15,497	15,875	15,682

There are no intra-group balances and transactions between ACTIAM and Anbang.

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 2018 (31 December 2017: 3). Refer to Annual Report ACTIAM NV 2017 Paragraph 1.9 Remuneration Policy for the remuneration of key management personnel. There are no loans, advances and guarantees outstanding on 30 June 2018 (and 31 December 2017) and/or granted to key management personnel during 2018.

9. EVENTS AFTER THE BALANCE SHEET DATE

Arnold Gast was appointed as Chief Investment Officer (CIO) in June 2017 and resigned per 5 July 2018. In August 2018, ACTIAM announced the appointment of Wilma Schouten to the Managing Board of ACTIAM in the position of Chief Risk Officer (CRO). The appointment is subject to regulatory approval.

2.4.3 NOTES TO THE PROFIT AND LOSS ACCOUNT

10. INCOME

Breakdown of income

in € thousands	1 JANUARY 2018 - 30 JUNE 2018	1 JANUARY 2017 - 30 JUNE 2017
Asset management fees income	44,903	47,780
Asset management fees rebate	-10,233	-10,333
Total	34,670	37,447

Asset management fees income

This concerns all-in fees received from investment funds and fees received for asset management, administration services and ESG advice.

Asset management fees rebate

VIVAT is the sole shareholder of both ACTIAM and SRLEV. As requested and approved by VIVAT, SRLEV and ACTIAM have agreed that ACTIAM will, with effect from 2015 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 amount of € 10.2 million includes € 19 thousand related to the final rebate for 2017. This final rebate is € 19 thousand lower than the estimate disclosed in the annual report 2017.

11. ASSET MANAGEMENT FEES EXPENSES

Breakdown of asset management fees expenses

in € thousands	1 JANUARY 2018 - 30 JUNE 2018	1 JANUARY 2017 - 30 JUNE 2017
Distribution fees	8,426	9,006
Costs of outsourced asset management	6,459	5,885
Custodial fees	1,937	2,182
Total	16,822	17,073

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.

Costs of outsourced asset management

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

Custodial fees

This concerns costs for keeping securities in safe custody.

12. EMPLOYEE BENEFITS EXPENSES

Breakdown of employee benefit expenses

in € thousands	1 JANUARY 2018 - 30 JUNE 2018	1 JANUARY 2017 - 30 JUNE 2017
Salaries and wages	5,612	6,284
Pension costs	820	1,016
Social security contributions	487	645
Other personnel expenses	1,300	1,402
Charged from group companies	4,562	3,892
Total	12,781	13,239

The employee benefits expenses is comprised of personnel expenses directly associated with employees and the members of the Management Board who are on VIVAT's payroll and indirect expenses charged from group companies. Recharged expenses corresponded with 105 FTEs (2017: 142 FTEs).

13. OTHER OPERATING EXPENSES

Breakdown of other operating expenses

in € thousands	1 JANUARY 2018 - 30 JUNE 2018	1 JANUARY 2017 - 30 JUNE 2017
Administrative, accounting and reporting costs	5,038	-
Costs data vendors	1,794	2,065
Recharged expenses	1,482	1,453
Costs external advisors	1,092	897
Recharged depreciation	149	240
Costs operational errors	105	341
Automatisation	102	1,708
Other costs	588	560
Total	10,350	7,264

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.

Costs external advisors

This item includes audit fees for the investment funds managed by ACTIAM and the annual report ACTIAM.

14. NET FINANCE COSTS

Breakdown of net finance costs

in € thousands	1 JANUARY 2018 - 30 JUNE 2018	1 JANUARY 2017 - 30 JUNE 2017
Interest income	116	180
Interest expenses and result on financial assets	-14	-28
Amortisation	-166	-244
Total	-64	-92

Interest income

This concerns interest received on bonds, deposits and bank account balances.

Interest expenses and result on financial assets

This concerns interest paid on bank charges and on short term Dutch and German government bonds.

Utrecht, the Netherlands, 30 August 2018

ACTIAM NV

H. van Houwelingen

D.G. Keiller



3 **Other information**

3.1 **INDEPENDENT AUDITOR'S REPORT**

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

