



# SEMI-ANNUAL REPORT 2022

# Colophon

## **OBAM Investment Management B.V.**

UCITS manager

Schiphol Boulevard 313

1118 BJ Schiphol

Chamber of Commerce number 75849925

## **Management Board**

S.H.W. Zondag (CEO and CIO)

I. Habets (CFRO)

## **Supervisory Board**

J.C. Kragt (Chairman)

L. Meijaard

C.J.M. Janssen

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# Management Board report

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## About OBAM Investment Management B.V.

### Our mission

The mission of OBAM Investment Management B.V. ('OBAM IM') is to achieve consistent long-term capital growth for its clients and the investors in the investment fund at an acceptable risk and in a sustainable manner through its fund and asset management services.

### Our strategy

#### Corporate Strategy

OBAM IM develops investment solutions for both retail and professional investors. At the date of this report, OBAM IM offers the following investment solutions:

- OBAM IM manages the investment fund OBAM N.V. ('OBAM fund'). The OBAM fund is an actively managed investment fund that invests in well positioned, high quality listed companies. The OBAM fund aims to achieve a higher return than the reference benchmark (MSCI AC World NR) in the medium long term (3 to 5 years). The investment fund is offered to both retail and professional investors in the Netherlands, Germany and Luxembourg; and
- Since 7 October 2021, OBAM IM has been granted a license for the provision of (additional) investment services. Based on this license, OBAM IM is authorized to manage individual asset management mandates for professional investors in the Netherlands (client mandates). In addition, OBAM IM is authorized to provide additional investment advice to its asset management clients.

Our strategy for the period 2020 - 2025 is to grow our assets under management in a controlled and sustainable manner by offering clients and investors successful sustainable investment solutions. OBAM IM aims to strengthen its market position in the Netherlands, Germany and Luxembourg and is also exploring the possibilities of offering its investment solutions in other (EU) countries.

### Investment strategy

OBAM IM pursues an active global equity strategy. The investment strategy focuses on selecting well positioned and high quality companies within an industry

that can profit optimally from structural growth trends while striving for an optimal and attractive risk/return profile.

Our investment strategy is based on five investment beliefs:

#### 1. Focus on the long term

Typically, investments remain in our portfolio for a prolonged period. We make investments based on medium-term prospects (3 to 5 years), selecting companies that show stable growth and create value within our investment horizon.

#### 2. Focus on structural growth trends

We select companies within sectors or industries that can profit optimally from structural growth trends. We identified four broad structural growth trends: (i) digitalization of the world, (ii) sustainability & energy transition (iii) robotics & automation and (iv) emerging and aging consumer markets.

#### 3. Focus on quality

We are continuously searching for quality companies with strong market positions in their industries. These are companies which have major competitive advantages based on, for instance, a technological head start, a well-known brand name or access to low raw material prices. Companies are selected based on various selection criteria such as market position, growth/margin structures, cash flow generation, ESG-score and valuation.

#### 4. Focus on valuation

The companies in our portfolio must have attractive valuation metrics, considering the company's risk-return profile.

#### 5. Focus on sustainability

Sustainability is an integrated part of our investment strategy. We believe that asset managers play a pivotal role in creating a more sustainable world. That is why we invest our clients' money by means of a transparent and sustainable investment strategy. We believe in a sustainable investment strategy from both a societal conviction and a strategic

perspective. Sustainability issues may impact the value and reputation of entities. By building a portfolio consisting of companies with strong and leading business models, that contribute to a more sustainable world and future, we will create outperformance for our clients.

### Sustainability strategy

Sustainability is very important to OBAM IM. It is important to us that our products and services contribute to a better world. We ensure that our products and services at least qualify as a 'light green' investment product/service (Article 8 SFDR).

Our sustainable investment strategy is based on three pillars:

1. *Companies in which we invest must comply with our sustainability principles.*

These principles form the foundational layer of our sustainable investment strategy. Our sustainability principles are based on the UN Global Compact Principles. The UN Global Compact is a global sustainability initiative that calls on companies to adhere 10 principles in the area of human rights, labor, environment and anti-corruption. We encourage portfolio companies to comply with the sustainable investment principles by following an active voting and engagement policy. Companies that do not comply with the sustainable investment principles and are unable or unwilling to improve their behavior are excluded.

2. *Sustainability risks can have a negative impact on the value of a company.*

We assess the sustainability risk of (potential) portfolio companies as part of our portfolio selection and our portfolio monitoring activities. A higher sustainability risk may mean that we require a higher potential return.

In addition, OBAM IM does not invest in controversial industries, such as: (i) controversial weapons, (ii) palm oil, (iii) tobacco, (iv) nuclear energy, (v) tar sands, coal and fossil energy and (vi) pornography. The extent to which companies in these industries are excluded from the investment universe

depends on the exclusion levels that are set by OBAM IM.

3. *We endorse the importance of all 17 Sustainable Development Goals (SDGs) as formulated by the United Nations.*

Therefore, during the investment process we identify whether (potential) portfolio companies violate one or more SDGs. We exclude companies that violate one or more SDGs and are unable and/or unwilling to improve their behavior. For the OBAM fund, we have selected five SDGs to which we want to proactively contribute with the fund: quality of education (SDG 4), decent work and economic growth (SDG 8), industry, innovation and infrastructure (SDG 9), responsible consumption and production (SDG 12) and climate action (SDG 13). These SDGs are also referred to as our focus SDGs. We seek to select companies that make positive contributions to one of these focus SDGs. In addition, we encourage portfolio companies to increase their contributions to these focus SDGs through our voting and engagement policies.

## Our organization

At OBAM IM, we believe that a transparent organizational structure contributes towards realizing our strategy in a responsible manner. We pursue an organizational structure that does comply with relevant laws and regulations, but which also matches our strategy and activities.

### Management Board

The Management Board is responsible to ensure that OBAM IM achieves its corporate objectives. In addition, the Management Board is responsible for the day-to-day business of the company. The Management Board is accountable to the Supervisory Board and the General Meeting.

As per the date of signing this report, the Management Board of OBAM IM consists of Mr S.H.W. Zondag (CEO/CIO) and Mr I. Habets (CFRO). Besides his role as chairman of the board, Mr S.H.W. Zondag is responsible for, among other things, product governance, portfolio management, marketing, sales and distribution, client and investor relations management. Mr I. Habets is responsible for risk management, legal and tax affairs, compliance, finance, (regulatory) reporting and monitoring the external service providers (operations, administration and IT).

### Supervisory Board

The Supervisory Board supervises the conduct and policies. The Supervisory Board also provides advice to the Management Board. The supervision by the Supervisory Board focuses among other things, on the realization of the strategy, the general course of affairs within OBAM IM, the internal risk management and control systems and the financial reporting.

As per the date of signing this report, the Supervisory Board of OBAM IM consists of:

- Mr J.C. Kragt (Chairman);
- Mr L. Meijaard; and
- Mr C.J.M. Janssen.

### General meeting

The General Meeting represents the interests of the shareholders of OBAM IM. As per the date of signing this report, the General Meeting of OBAM IM is composed of:

- REX1936 Holding B.V. (76%); and
- BNP PARIBAS ASSET MANAGEMENT France S.A.S. (24%), subsidiary of BNP Paribas S.A.

Shares of REX1936 Holding B.V. are held by Stichting Administratiekantoor REX1936 that in its turn issued depositary receipts to several staff members, either directly or indirectly via a personal holding company.

As per the date of signing this report, REX1936 Holding B.V. acquired the 24% share interest of BNP PARIBAS ASSET MANAGEMENT France S.A.S. resulting in OBAM IM being a 100% subsidiary of REX1936 Holding B.V.

## Our policy

Our policy is an important means of realizing our investment strategy. In this chapter we would like to share how we applied our investment policy, voting and engagement policy, marketing, sales and distribution policy and risk management policy during the reporting period.

### Investment policy

#### *Market developments*

Stock markets were under pressure in the first half of 2022 after a long period of positive returns. Stock markets fell sharply, by 20% on average (in local currency according to MSCI AC World Index). For the S&P500, it were the worst first six months of the year since 1970. Investor's sentiment was already negative at the beginning of the reporting period due to, among others, fears of interest rate increases. Sentiment worsened further in February after Russia's attack on Ukraine, which increased volatility in financial markets. As a result, several commodity prices increased. For example, the price of oil (West Texas Intermediate) rose to a high of USD 130.50 in March, which was over 70% higher than at the end of 2021. Other commodities such as wheat, corn, nickel and aluminum also rose sharply. Finally, during the reporting period, (European) gas prices continued to rise as Russia increasingly reduced gas supplies to Europe.

In addition to the uncertainty about the war on the European continent, a further rise in inflation provides extra pressure on the stock markets. Rising inflation reduced global economic growth expectations. Central banks worldwide (and in the US in particular) felt compelled to raise interest rates more quickly as a result of the inflationary problems. As a result, (long-term) interest rates on the capital markets rose sharply worldwide. The US 10-year yield rose to 3.5% in June, causing bond investors in the US to experience one of the worst months ever. At the end of the reporting period, the Fed implemented a 75 basis point interest rate hike as inflation data reached a new 40-year high. This was one of the most abrupt rate hikes since 1994.

Investors were also further concerned about the resurgent corona virus in China. China's 'zero tolerance' corona policy had major implications for supply chains,

which had already been disrupted by the war in Ukraine and the corona pandemic. European equities came under additional pressure in June due to rising fears of stagflation and a possible debt crisis in southern Europe if interest rates rose too high. Regionally, the United States was the laggard during this reporting period, with the S&P500 falling 20% versus -13% for the MSCI Europe. In euro terms, the differences were not very large as the dollar strengthened some 8% versus the euro. The same for the Japanese market (TOPIX) which fell only 5%, but as the Japanese yen lost 16% versus the dollar, the exchange performed similarly to other exchanges corrected for the yen. Unless otherwise noted, all of the above returns are in local currency.

#### *Returns*

The total investment return on the portfolio of the OBAM fund during this reporting period was -20.4% (based on net asset value after expenses). This left the OBAM fund 7.3% behind the benchmark. This was partly caused due to the sector rotation. For example, during this reporting period, the returns of the (fossil) energy sector (+20%) and the utilities sector (+2%) were significantly higher than, for example, the IT sector (-28%), consumer durables (-27%), and communication services (-25%).

There was also a sharp rotation in the stock market whereby "growth" stocks were exchanged for "value" stocks. Growth stocks with negative cash flows corrected very sharply in particular, as the impact of valuing a future higher interest rate is strongest on these stocks. The stock selection effect was negative in most sectors, particularly in the communications services, information technology and industrial sectors. The allocation effect was particularly negative in the (fossil) energy sector given limited exposure to this industry. The OBAM fund had no Russian shares in its portfolio and has not invested in this country for many years due to governance reasons: the interests of shareholders are often insufficiently protected in Russia.

#### *Voting and engagement policy*

The voting and engagement policy enables OBAM to promote good entrepreneurship of the portfolio companies. The voting and engagement policy is an integral part of the investment process and an important



mechanism for implementing the sustainable investment strategy.

- Voting policy – as a shareholder of portfolio companies, OBAM IM has the right to vote at shareholders' meetings. OBAM IM has formulated key voting guidelines which form the basis for our voting decisions. These voting guidelines are aimed at improving the governance of portfolio companies and increasing the contribution of portfolio companies to the (focus) SDGs. We expect portfolio companies to pursue a transparent policy aimed at long-term value creation in the interest of shareholders and stakeholders. OBAM IM votes in principle for proposals that prevent portfolio companies from violating one or more sustainability principles and/or that decrease the sustainability risk of portfolio companies.

OBAM IM appointed Sustainalytics B.V. ('Sustainalytics') to support the implementation of the voting policy. Based on the general voting policy, Sustainalytics will perform an analysis for each agenda item of each shareholders' meeting and subsequently issue a voting recommendation to OBAM IM. This voting recommendation can be accepted or rejected by OBAM IM, after which Sustainalytics ensures that the votes are cast in accordance with the voting decision of OBAM IM. Each quarter, we publish on our website, per company, how we voted on each agenda item.

During the reporting period, we voted fully in line with our voting policy.

- Engagement policy – through engagement OBAM aims to exert a positive influence on the good entrepreneurship and social involvement of portfolio companies. On behalf of the OBAM fund, OBAM IM distinguishes two forms of engagement.

Responsive engagement is a direct response to an action or omission of a portfolio company as a result of which the portfolio company: (i) violates one or more focus SDGs and/or (ii) violates one or more of our sustainability principles.

Proactive engagement focuses on the opportunities for improving the corporate governance of

portfolio companies. For example, when the sustainability risk of a portfolio company increases.

As of the end of June 2022, there were no portfolio companies that violated one or more sustainability principles. During this reporting period, we kept a close watch on Amazon (watch list name"), because we received signals that Amazon might violate one or more of our sustainability principles. During this reporting period, OBAM IM continued its engagement activities vis-à-vis Amazon. In the past, our engagement activities focused on creating a safe and healthy workplace. Since medio 2021 the focus has been on allegations and charges regarding Amazon's anti-union practices. These alleged anti-union practices of the company do not seem to be isolated incidents according to various analysts. Consequently, Amazon will need to demonstrate how the Global Human Rights Principles, addressing standards established by the International Labour Organization and freedom of association, are implemented in all of its operations. However, the results of our engagement are still limited. Nonetheless, we remain persistent and will continue the dialogue with the company.

### Risk management policy

The objective of risk management at OBAM IM is to ensure controlled and sound business operations. Risk management focuses on the timely identification, assessment and management of risks that may affect the (investment) strategy.

At OBAM IM we identify, assess and manage risks by means of our integral risk management framework. The framework consists of four parts: (i) the risk taxonomy, (ii) the risk appetite, (iii) the risk assessment process and (iv) the risk control framework.

Based on its risk taxonomy, OBAM IM distinguishes three risk categories: financial risks, non-financial risks and compliance and integrity risks. The management of the most important risks for each category are high-level described below.

#### Financial risks

- OBAM IM's capital and liquidity risks did not increase during the reporting period. OBAM IM

applied strict financial planning in the reporting period to ensure that OBAM IM meets its capital requirements and had a solid liquidity position. OBAM IM monitors, evaluates and mitigates the identified capital and liquidity risks on an ongoing basis as part of its business operations.

#### *Non-financial risks*

- Outsourcing risk – outsourcing risk is the risk that a service provider fails to meet its obligations. OBAM IM has delegated part of its business activities to outsourcing parties. OBAM IM remains ultimately responsible for the outsourced activities and periodically monitors the compliance with the agreements made and takes action when it deems necessary. To this end, OBAM IM has established a monitoring cycle for each outsourcing party, consisting of operational, tactical and strategic monitoring activities. The monitoring activities are aimed at the timely identification and adjustment of agreements made. If an outsourcing party structurally fails to comply with an agreement, OBAM IM may reconsider the relevant outsourcing relationship.

With respect to the outsourcing risk, no situations arose during the reporting period that exceeded the risk appetite. Therefore, OBAM IM had no reason to reconsider the current outsourcing relationships.

- Operational risk – operational risk is the risk of direct or indirect losses being incurred as a result of inadequate or defective internal control of processes and systems, inadequate or defective human action and/or external events. OBAM IM has implemented a business continuity policy among other things in order to ensure the continuity of its processes.

During the reporting period, no situation occurred with respect to the operational risk that exceeded the risk appetite of OBAM IM during the reporting period.

- IT risks – this category includes any risk relating to information technology and security. OBAM IM has an information technology and security policy

aimed at the availability, confidentiality and integrity of its IT systems and data.

During the reporting period, no situation occurred with respect to IT risks that exceeded the risk appetite of OBAM IM.

#### *Compliance and integrity risks*

- Risk of conflict of interest – a conflict of interest occurs when one or more interests of stakeholders conflict and this ultimately has negative consequences for the investors of the OBAM fund or the clients of OBAM IM.

OBAM IM has established a policy for conflicts of interest aimed at the timely identification, assessment and mitigation of potential conflicts of interest. Based on this policy, OBAM IM conducts a periodic risk assessment, whereby potential conflicts of interest are identified, and appropriate mitigated measures implemented. If, despite these mitigated measures, (potential) conflicts of interest are identified, these will be reported to the Legal and Compliance Officer. The Legal and Compliance Officer assesses the reported conflicts of interest and evaluates whether additional mitigated measures are necessary.

During the reporting period, no additional conflicts of interest were identified and/or reported that were not adequately managed.

- Legal, tax and regulatory compliance risk – the legal, tax and regulatory compliance risk is the risk that OBAM IM does not comply with applicable laws and regulations.

OBAM IM monitors developments in laws and regulations and discusses the impact of these developments with its legal and tax advisors. The development of new activities, including the distribution of the OBAM fund in Germany and Luxembourg, may lead to additional legal requirements becoming applicable. As part of the product development and distribution process, an impact analysis will be conducted to assess whether the investment solution or the proposed distribution triggers additional legal requirements.

During the reporting period, no situations arose in respect of the legal, tax and regulatory compliance risks that exceeded the risk appetite of OBAM IM.

- Risk of money laundering – the risk of money laundering is the risk that investors in the OBAM fund or clients of OBAM IM (in)directly launder money via an investment solution of OBAM IM.

OBAM IM does not wish to become directly or indirectly involved in money laundering. OBAM IM has therefore established an anti-money laundering policy and processes to identify and assess the risk of money and to mitigate the risk where necessary. One of the focuses in this respect is setting up an effective client investigation ('know-your-customer').

During the reporting period, no situations arose that exceeded the risk appetite of OBAM IM with respect to money laundering risks.

### Remuneration policy

OBAM IM has established a remuneration policy that complies with applicable requirements arising from the UCITS Directive, the ESMA Guidelines for Good Remuneration Policies and the Financial Institutions Remuneration Policy Act. The remuneration policy is available on the website and is high-level outlined below.

The remuneration policy has the following objectives:

- avoidance of conflicts of interest;
- aligning the personal objectives of staff with the long-term objectives of OBAM IM; and
- ensure that staff act in the best interests of clients and investors and do not take excessive risks in performing their duties.

The Supervisory Board is responsible for the establishment, maintenance and evaluation of the remuneration policy. Furthermore, the Supervisory Board monitors the correct implementation of the remuneration policy by the Management Board.

Considering the size, nature scope and complexity of its organization, OBAM IM qualifies all staff members as Identified Staff. The regular remuneration policy

therefore has adequate safeguards to mitigate excessive risk-taking in the short term.

The remuneration structure of OBAM IM consists of the following remuneration components.

- *Fixed remuneration:* each staff member receives a fixed remuneration that is based on the function and role of the staff member, thereby considering the professional experience, tasks and responsibilities, job complexity, market conditions and market standards;
- *variable remuneration:* is a supplement to the fixed remuneration and is based on both the individual performance of the staff member and the collective performance of OBAM IM. When a variable remuneration has been granted, it is always paid in cash. In accordance with applicable laws and regulations, the available budget for variable remuneration is approved by the Supervisory Board based on a proposal from the Management Board;
- *Pension:* all staff members participate in the defined contribution pension scheme of OBAM IM, which provides for retirement pension and partner's pension. In addition, all staff members are separately insured for income in the event of incapacity for work; and
- *Other compensation:* staff members are entitled to other compensation, such as travel allowance.

The annual fixed and variable remuneration for every staff member who is not a member of the Management Board is determined by the Management Board. The annual fixed and variable remuneration for Management Board members is determined by the Supervisory Board.

OBAM IM has implemented a formal performance cycle consisting of a semi-annual development interview and a formal year-end performance review. The performance will be assessed considering the key performance indicators as defined at the beginning of the year for both each staff member individually and collectively as an organization. OBAM IM distinguishes both financial performance criteria and non-financial performance criteria. At least of 50% of the defined key performance indicators should be related to non-

financial performance criteria. In addition, the CFRO assesses whether the individual performance indicators do not encourage staff members to adopt a risk attitude that is not consistent with the risk attitude of OBAM IM.

In addition to the regular remuneration policy, OBAM IM has implemented additional remuneration requirements that apply to staff members who perform a control function:

- the remuneration structure must enable OBAM IM to hire and retain qualified and experienced staff members for control functions;
- the remuneration structure must not influence the independence of these staff members and must not lead to a potential conflict of interest;
- they are assessed on the basis of the achievement of performance indicators related to their position, independent of the performance of the organizational domains they monitor;
- if they qualify for variable remuneration, this remuneration is based on job-specific objectives and is not only determined on the basis of collective performance objectives;
- the Supervisory Board oversees the remuneration for control functions; and
- control functions may not be placed in a position where, for example, approving a transaction, making decisions or giving advice on risk and financial control matters could be directly linked to an increase or decrease in their performance-based remuneration.

Finally, OBAM IM has implemented additional risk management measures regarding variable remuneration. For example, OBAM IM has the option for all staff members to reclaim (clawback) or reduce (malus) the variable remuneration awarded if a staff member has shown serious undesirable behavior or has carried out actions that have led to a substantial deterioration of the staff member's financial position of OBAM IM.

## Our financial position

### Retrospective

The net result after tax of OBAM IM amounted to EUR 479,000 in the reporting period.

The income of OBAM IM consisted of the monthly management fee charged by OBAM IM to the fund OBAM. The monthly management fee amounts to a percentage of the assets under management of OBAM N.V. Therefore, the results of OBAM IM are indirectly influenced by the returns on the investments of OBAM N.V. and the shares of OBAM N.V. in issue at investors.

Due to the volatility in the assets under management in the first half of 2022, the net management fee also increased gradually to an amount of EUR 2,652,000 at the end of June 2022.

The expenses for the reporting period amounted to EUR 2,063,000. The expenses consisted of personnel costs, other operating expenses and depreciation costs on the intangible fixed assets and tangible fixed assets.

### Outlook

These volatile markets also offer OBAM IM, as an active long-term investor, opportunities to buy quality growth shares at a more attractive valuation. We expect equity markets to rotate again in the second half of the year, with investors looking for companies with pricing power that are able to maintain their profit margins despite high inflation. Structural growth trends such as digitalisation, sustainability & energy transition, robotics & automation, and the emerging & ageing consumer will continue to be key drivers for companies to realize above-average growth opportunities. Ultimately, therefore, we believe there are few attractive sustainable alternatives to quality-growth stocks.

Despite the volatile markets, OBAM IM intends to further increase its assets under management in the second half of 2022. OBAM IM aims to strengthen its market position in the Netherlands, Germany and Luxembourg and explores the possibilities of offering its investment solutions in other (EU) countries.

In addition, OBAM IM explores its first individual asset management mandates in 2022, based on other investment strategies which are in line with the global equity strategy in order to be able to offer more tailor-made solutions.

Schiphol, 31 August 2022,

OBAM Investment Management B.V.

S.H.W. Zondag  
CEO/CIO

I. Habets  
CFRO

# Semi-annual figures

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## Balance sheet

Before profit appropriation

	Notes	30 June 2022 EUR x 1,000	31 December 2021 EUR x 1,000
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets	1	6,306	6,700
Tangible fixed assets	2	202	229
<hr/>			
<i>Total fixed assets</i>		6,508	6,929
<b>Current assets</b>			
Receivables	3	597	589
Cash	4	3,853	3,726
<hr/>			
<i>Total current assets</i>		4,450	4,315
<hr/>			
<b>Total assets</b>		<b>10,958</b>	<b>11,244</b>
 <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
	5		
Issued share capital		8,300	8,300
Other reserves		938	168
Undistributed result		479	1,577
<hr/>			
<i>Total shareholder's equity</i>		9,717	10,045
<b>Liabilities</b>			
Current liabilities	6	1,241	1,199
<hr/>			
<i>Total liabilities</i>		1,241	1,199
<hr/>			
<b>Total shareholders' equity and liabilities</b>		<b>10,958</b>	<b>11,244</b>

## Profit and loss account

	Notes	1 January 2022 30 June 2022 EUR x 1,000	1 January 2021 30 June 2021 EUR x 1,000
<b>INCOME</b>			
Management fee	7	2,652	2,719
<b>Total income</b>		<b>2,652</b>	<b>2,719</b>
<b>EXPENSES</b>			
Personnel costs	8	997	914
Other management expenses	9	642	554
Depreciation of tangible and intangible fixed assets	10	424	422
<b>Total expenses</b>		<b>2,063</b>	<b>1,890</b>
<b>Result before taxation</b>		<b>589</b>	<b>829</b>
Corporate income tax	11	-110	-183
<b>Result after tax</b>	12	<b>479</b>	<b>646</b>



## Cash flow statement

Note	1 January 2022 30 June 2022 EUR x 1,000	1 January 2021 30 June 2021 EUR x 1,000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Result after tax	479	646
Depreciation of intangible and tangible fixed assets	424	422
Changes in working capital		
Receivables	-7	-87
Payables	42	437
<b>Total cash flows from operating activities</b>	<b>939</b>	<b>1,418</b>
<b>CASH FLOWS FROM INVESTMENTS ACTIVITIES</b>		
Investments in intangible fixed assets	-	-
Investments in tangible fixed assets	-3	-8
<b>Total cash flows from investments activities</b>	<b>-3</b>	<b>-8</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Newly issued and fully paid-up capital	-	-
Dividend payment to shareholders	-808	-350
<b>Total cash flows from financing activities</b>	<b>-808</b>	<b>-350</b>
CASH AT BEGINNING OF REPORTING PERIOD	3,726	1,005
NET CASH FLOW	127	1,060
CASH AT THE END OF THE REPORTING PERIOD	3,853	2,065

## General notes

### General

OBAM IM is a private company with limited liability, incorporated on 17 September 2019 under Dutch law with its registered office in Amsterdam. OBAM IM is registered with the Chamber of Commerce under number 75849925. Its official registered address is Schiphol Boulevard 313, 1118 BJ Schiphol, The Netherlands.

OBAM IM is regulated by the Authority for the Financial Markets ('AFM') and has a license pursuant to Section 2:69b of the Financial Supervision Act. In addition, OBAM IM has a license under Section 2:69c of the Financial Supervision Act for the provision of individual (discretionary) asset management services and the provision of investment advice.

This report has been prepared taking into account the following principles:

- the semi-annual figures have been prepared in accordance with applicable laws and regulations, including: (i) Title 9 Book 2 Dutch Civil Code, (ii) the Financial Supervision Act and (iii) the Guidelines for Annual Reporting;
- the semi-annual figures have been prepared on the basis of the continuity assumption. This means that the semi-annual figures have been prepared on the assumption that OBAM IM will continue as a going concern and that OBAM IM's continuity will be maintained and that OBAM IM can continue its activities in the foreseeable future;
- The financial year of OBAM IM runs from 1 January to 31 December. The period of this semi-annual report and the semi-annual figures relates to the period 1 January 2022 up to and including 30 June 2022;
- the semi-annual figures are presented in euros, which is both the functional and presentation currency. As a result, rounding differences may arise; and
- The valuation principles, the principles for determining the result as well as the principles for the cash flow statement are unchanged from the principles used in the annual report for the reporting period ending on 31 December 2021.

### Valuation and determination of results

#### *Valuation of assets and liabilities*

Assets and liabilities are generally valued at the acquisition or manufacturing price or the current value. If no specific valuation principle is stated, valuation takes place at the acquisition price. References are included in the balance sheet and profit and loss account. These references are referred to in the explanatory notes. An asset is included in the balance sheet if it is likely that the future economic benefits will flow to OBAM IM, and its value can be reliably determined. A liability is recognized in the balance sheet when it is probable that its settlement will involve an outflow of resources embodying economic benefits and the amount of the liability can be measured reliably.

If a transaction results in virtually all future economic benefits and all or virtually all risks associated with an asset or liability being transferred to a third party, the asset or liability will no longer be included in the balance sheet. Furthermore, assets and liabilities are no longer included in the balance sheet from the moment that the conditions of probability of the future economic benefits and reliability of the determination of the value are no longer satisfied.

### *Determination of results*

Income is recognized in the income statement when an increase in the economic potential has taken place, which is related to an increase in an asset or a decrease in a liability, and the extent of which can be reliably determined.

Revenue from services rendered is recognized in net sales at the fair value of the consideration received or receivable, net of allowances and credits. Revenue from rendering services is recognized in the income statement when the amount of revenue can be measured reliably, recovery of the consideration due is probable, the stage of completion of the service at the date of delivery can be measured reliably, and the costs incurred and likely to be incurred to complete the service can be measured reliably. If the outcome of a particular service contract cannot be determined reliably, revenue is recognized to the extent of the costs of the service that are covered by the revenue.

Expenses are recognized when a reduction in the economic potential has occurred, which is linked to a decrease in an asset or an increase in a liability, and the extent of which can be reliably determined.

Income and expenses are allocated to the period to which they relate.

### *Foreign currencies*

OBAM IM applies the following principles for currency translation:

- assets and liabilities denominated in foreign currencies are translated into euros at the rate prevailing on the date of valuation;
- exchange rate differences are recognized in the income statement; and
- income and expenses denominated in foreign currencies are translated into euros at the exchange rates ruling at the transaction dates.

OBAM IM has assets and liabilities in euros and American dollars. The exchange rate for the American dollar for an exchange value of 1 euro is 1.0455 on 30 June 2022.

### *Estimates*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The actual outcomes may differ from these estimates. The estimates and underlying assumptions are continually assessed. Updates to estimates are included in the period in which the estimate is updated and in future periods for which the update has consequences.

### *Intangible assets*

An intangible fixed asset is recognized, if future economic benefits accrue to OBAM IM, and the costs can be reliably determined.

An intangible asset is valued from the moment the criteria for its capitalization are fulfilled, at the acquisition price. After their initial inclusion, intangible assets are valued at acquisition price, reduced by the accumulated depreciation and any special value reduction losses. During the reporting period, OBAM IM continually assesses whether events or circumstances give rise to any such impairment (impairment test).

Intangible assets are depreciated on a straight-line basis over their estimated useful lives of 10 years. The estimated useful lives and residual values are reviewed at each year-end, and any change in estimates is accounted for on a prospective basis.

#### *Tangible fixed assets*

Assets are capitalized, if future economic benefits accrue to OBAM IM, and the costs can be reliably determined. The valuation of a tangible fixed asset takes place from the moment the criteria for capitalization are fulfilled and is carried out at the acquisition price, including any costs incurred to get the asset in the condition required for its intended use.

OBAM IM uses a straight-line depreciation method for all tangible fixed assets over the estimated period of use. This estimated useful life depends on the type of tangible fixed asset:

- business inventory: 5 years;
- computer equipment: 3 years; and
- means of transportation: 4 to 5 years.

#### *Receivables*

Receivables, loans and prepayments are valued at nominal value after deduction of the provision deemed necessary for bad debts.

#### *Cash*

Cash and cash equivalents are valued at nominal value. If cash is not freely available, this is taken into account in the valuation.

If the period in which the cash is not freely available is longer than one year, the cash is classified as a financial fixed asset.

#### *Shareholders' equity*

##### **Issued capital**

OBAM IM's issued capital consists of issued, fully paid-up ordinary shares.

##### **Other reserves**

The other reserves comprise retained earnings of prior years.

##### **Undistributed result**

The undistributed result represents the net result (revenue minus expenses, net of corporate income tax) for the reporting period from 1 January to 30 June.

#### *Non-current liabilities*

Long-term liabilities (with a term of more than one year) are initially recognized at fair value, less directly attributable costs. After initial recognition non-current liabilities are stated at nominal value.

### *Current liabilities*

Current liabilities (with a term of less than one year) are initially recognized at fair value. After initial recognition, current liabilities are stated at face value.

### *Taxes*

Corporate income tax expense comprises current and deferred tax. Corporate income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. In that case, the tax is recognized in equity. The corporate income tax due for the financial year is the tax that is expected to be paid on the taxable profit for that financial year. It is calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

### **Principles for the preparation of the cash flow statement**

The cash flow statement is prepared according to the indirect method, whereby a distinction is made between cash flows from operating, investment and financing activities. Cash flows in foreign currencies are translated at the exchange rate applicable on the date of the transaction.

## Notes to the balance sheet

The numbers as outlined in the semi-annual figures refer to the relevant numbers in the notes.

### 1. Intangible assets

The presented intangible fixed assets of OBAM IM relate to the intangible fixed assets acquired by OBAM IM prior to the management the OBAM fund. The depreciation takes place on a linear basis on the basis of an estimated life span of 10 years. Depreciation takes place on a straight-line basis, based on an estimated tenor of 10 years. The valuation and estimated tenor are re-assessed during the reporting period.

	1 January 2022 30 June 2022 EUR x 1,000	1 January 2021 31 December 2021 EUR x 1,000
Balance at beginning of reporting period	6,700	7,477
Acquired intangible assets	-	10
Intangible assets sold	-	-
Depreciation	394	787
<b>Balance at end of reporting period</b>	<b>6,306</b>	<b>6,700</b>

### 2. Tangible fixed assets

The tangible fixed assets of OBAM IM relate to investments in business inventory, computer equipment and vehicle fleet. OBAM IM uses an estimate of the useful life and residual value for each category. A linear depreciation method applies to all categories mentioned.

The statement of changes below shows the changes of the company's inventory:

	1 January 2022 30 June 2022 EUR x 1,000	1 January 2021 31 December 2021 EUR x 1,000
Opening balance	30	27
Acquired business inventory	-	12
Sold business inventory	-	-
Depreciation	5	9
<b>Balance at end of reporting period</b>	<b>25</b>	<b>30</b>

The statement of changes below shows the changes of computer equipment:

	1 January 2022 30 June 2022 EUR x 1,000	1 January 2021 31 December 2021 EUR x 1,000
Opening balance	37	51
Acquired computer equipment	3	7
Computer equipment sold	-	-
Depreciation	11	21
<b>Balance at end of reporting period</b>	<b>29</b>	<b>37</b>

The statement of changes below shows the changes of the vehicle fleet:

	1 January 2022 30 June 2022 EUR x 1,000	1 January 2021 31 December 2021 EUR x 1,000
Opening balance	162	191
Acquired vehicles	-	18
Vehicles sold	-	-
Depreciation	14	29
<b>Balance at end of reporting period</b>	<b>148</b>	<b>162</b>

### 3. Receivables

	30 June 2022 EUR x 1,000	31 December 2021 EUR x 1,000
Debtors	456	521
Pledged deposits	34	34
Accrued income	107	34
<b>Total receivables</b>	<b>597</b>	<b>589</b>

The debtors primarily concerns the monthly management fee for June 2022.

The pledged deposit concerns a deposit of EUR 34,133 which OBAM IM pledged to BNP Paribas S.A. in favor of a bank guarantee to CBRE Dutch Office Fund Management B.V. , the lessor of the office space of OBAM IM at World Trade Center Schiphol, to cover the fulfilment of the lease obligations.

Accrued income primarily concerns amounts paid in advance in respect of market data and of the rent of OBAM IM's office space.

The receivables have a remaining maturity of less than one year.

#### 4. Cash

These are exclusively balances on demand held by OBAM IM on bank accounts with ING Bank N.V. and BNP Paribas S.A. OBAM IM considers the creditworthiness of both financial institutions to be good.

#### 5. Shareholders' equity

The shareholders' equity consists of 8,300,000 ordinary shares, each with a nominal value of EUR 1.00. The result after tax of 2021 was partly paid out as dividend (EUR 789,000) and partly added to the Other reserves (EUR 789,000).

The tax liability for the financial years 2020 and 2021 were finally agreed and settled with the tax authorities in the beginning of 2022. Those final tax liabilities were EUR 19,000 higher than initially recorded. Consequently, the higher this higher amount has been accounted for as prior year adjustment to the shareholders' equity in the current reporting period.

The result after tax of the reporting period (1 January 2022 – 30 June 2022) is recognized as undistributed result 2022 (EUR 479,000).

The table below shows the various statement of changes of each component of equity in the past two reporting periods:

<b>Statement of changes shareholders' equity (EUR x1,000)</b>	<i>Share capital</i>	<i>Other reserves</i>	<i>Undistributed result</i>	<b>Total shareholders' equity</b>
<b>Balance per 31 December 2020</b>	<b>8,300</b>	<b>518</b>	-	<b>8,818</b>
Issued and/or paid-up shares	-	-	-	-
Buyback and/or cancellation of shares	-	-	-	-
Distributed dividend	-	-350	-	-350
Undistributed result 2021	-	-	1,577	1,577
<b>Balance per 31 December 2021</b>	<b>8,300</b>	<b>168</b>	<b>1,577</b>	<b>10,045</b>
Issued and/or paid-up shares	-	-	-	-
Buyback and/or cancellation of shares	-	-	-	-
Distributed dividend	-	-	-789	-789
Addition to other reserves	-	789	-789	-
Prior year adjustment	-	-19	-	-19
Undistributed result 2022	-	-	479	479
<b>Balance per 30 June 2022</b>	<b>8,300</b>	<b>938</b>	<b>479</b>	<b>9,717</b>



## 6. Current liabilities

	30 June 2022 EUR x 1,000	31 December 2021 EUR x 1,000
Accounts Payable	155	91
Corporate income tax	109	631
Accrued liabilities	975	477
<b>Total current liabilities</b>	<b>1,241</b>	<b>1,199</b>

- Accounts payable relate to invoices received still to be paid at the end of June 2022;
- Corporate income tax refers to the corporate income tax 2022, payable for the reporting period. The corporate income tax for the financial years 2020 and 2021 were fully paid during the reporting period; and
- Accruals: these include the accruals for
  - the variable remuneration for the staff members of OBAM IM, as determined in accordance with the remuneration policy based on the performance in the financial year 2021, as well as a remuneration accrual for the reporting period;
  - the marketing budget; and
  - the audit fees still to be paid, as well as the costs of AFM supervision and the cost reimbursements for the Supervisory Board members.

The current liabilities have a remaining maturity of less than one year.

## Notes to the Profit and Loss Account

The numbers outlines in the financial figures refer to the relevant numbers in the notes.

### 7. Management fee

OBAM IM charges a management fee of 0.5% of the assets under management to the OBAM fund. The management fee (exempt from VAT) is calculated on a daily basis on the assets of the OBAM fund.

	1 January 2022 30 June 2022 EUR x 1,000	1 January 2021 30 June 2021 EUR x 1,000
Monthly management fees in the reporting period	2,652	2,719
<b>Total management fee</b>	<b>2,652</b>	<b>2,719</b>

### 8. Personnel costs

At the end of June 2022, OBAM IM had 9 staff members with permanent contracts. Personnel costs mainly relate to salaries, social security charges and the employer's share of pension contributions.

	1 January 2022 30 June 2022 EUR x 1,000	1 January 2021 30 June 2021 EUR x 1,000
Salaries, social security charges and employer's pension contributions	767	590
Other personnel related expenses	230	324
<b>Total personnel costs</b>	<b>997</b>	<b>914</b>

## 9. Other management expenses

The other management expenses include all costs incurred by OBAM IM besides personnel costs for the operationalization of the organization and for its fund management activities.

	1 January 2022 30 June 2022 EUR x 1,000	1 January 2021 30 June 2021 EUR x 1,000
Market data costs	109	160
IT expenses	45	37
Rent costs office space World Trade Center Schiphol	69	66
Cost reimbursement for Supervisory Board	38	28
Legal and fiscal advice expenses	9	13
Audit fees statutory annual accounts 2021	15	15
Insurance costs	28	24
Supervision costs AFM and DNB	51	-
Marketing costs	146	-
Other management costs	132	174
<b>Total other administrative expenses</b>	<b>642</b>	<b>554</b>

## 10. Depreciation of tangible and intangible fixed assets

Both the intangible fixed assets and the tangible fixed assets are depreciated on a straight-line basis over their estimated useful life. For the intangible fixed assets, the estimated useful life is 10 years. The estimated useful life of the tangible fixed assets depends on the type of tangible fixed asset. The business inventory has an estimated useful life of 5 years, the computer equipment has an estimated useful life of 3 years, and the vehicles have an estimated useful life of 4 to 5 years.

## 11. Corporate income tax

For 2022 OBAM IM applies the corporate tax rate of 15% to the 'profit before taxation' up to EUR 395,000 and 25.8% to the 'profit before taxation' above EUR 395,000. This results in a corporate income tax of EUR 110,000, which is an effective tax rate of 18.7%.

# Other information

Other information

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## Other information

### Transactions with affiliated parties

Parties are considered to be affiliated if one party can exert control or significant influence over the other party in deciding financial or operational matters.

OBAM IM considers the OBAM fund, REX1936 Holding B.V. and Stichting Administratiekantoor REX1936 to affiliated parties:

- OBAM IM has entered into a management agreement with the OBAM fund for the fund management of the OBAM fund. OBAM IM charges a management fee of 0.5% of the assets under management. The management fee (exempt from VAT) is calculated on a daily basis over the assets of the OBAM fund; and
- The staff members of OBAM IM participate indirectly in OBAM IM via REX1936 Holding B.V. and Stichting Administratiekantoor REX1936. OBAM IM paid regular monthly salaries to its staff members in the reporting period. These were direct payments by OBAM IM to its staff members. No transactions were conducted with the affiliated parties REX1936 Holding B.V. and Stichting Administratiekantoor REX1936.

### Subsequent events after the balance sheet date

#### *Introduction service fee as from 1 July 2022*

As from 1 July 2022 OBAM IM charges a service fee to the OBAM fund. The service fee is a fee that the OBAM fund, as investment fund, pays to OBAM IM as its UCITS manager, in addition to the management fee. In its turn OBAM IM will cover the fund's regular expenses, such as: administration fees, depositary fees, agent fees (fund agent, paying agent, listing agent and transfer agent), external auditor fees, marketing fees, tax and legal advisor fees, supervisory fees, listing fees, fund governance fees.

OBAM IM will bear the excess of any such expenses above the rate of the service fee. Conversely, OBAM IM will be entitled to retain any amount by which the rate of the service fee exceeds the actual expenses. The service fee introduced is based on a graduated scale as set out in the prospectus of the OBAM fund, whereby the amount of the service fee depends on the size of the fund's assets.

#### *Change in ownership structure as from 5 July 2022*

On 5 July 2022, REX1936 Holding B.V. acquired the 24% share interest of BNP PARIBAS ASSET MANAGEMENT France S.A.S. resulting in OBAM IM being a 100% subsidiary of REX1936 Holding B.V.

### Off-balance sheet commitments

OBAM IM has signed a five-year lease contract for its office space at World Trade Center Schiphol. At the end of June 2022, the remaining term of this rental contract is 2,5 years, and it represents a total rental obligation of EUR 335,000. To cover the fulfilment of these rental obligations, OBAM IM has had a bank guarantee drawn up by BNP Paribas S.A. in favor of the tenant CBRE Dutch Office Fund Management B.V. As a counter-guarantee, OBAM IM has provided a lien on a deposit of EUR 34,133. This deposit is included in the balance sheet under 'Receivables'.

## Staff members

During the reporting period OBAM IM had 9 staff members with permanent contracts of employment, a similar number of staff members as in 2021.

Schiphol, 31 August 2022,

OBAM Investment Management B.V.

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