

# Semi-annual report 2023



# 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

## **Accountant**

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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 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 on worldwide scale. The OBAM fund aims to achieve a higher return than the reference benchmark MSCI All Country World ('MSCI AC World NR') in the medium long term (3 to 5 years). The OBAM fund is offered to both retail and professional investors in the Netherlands, Germany and Luxembourg;
- additionally, OBAM IM has a license for the provision of investment services. Based on this license, OBAM IM is authorized to manage individual asset management mandates for professional clients in the Netherlands. In addition, OBAM IM is authorized to provide additional investment advice to its clients.

Our strategy for the longterm 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 further strengthen its market position in the Netherlands, Germany and Luxembourg and to offer 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 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 companies' 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

OBAM IM promotes environmental and social characteristics, provided that investee companies follow good governance practices (article 8 SFDR). Our sustainable investment strategy is based on three pillars:

#### 1. Exclusions policy

Through its exclusions policy, OBAM IM limits investments in companies with business activities that are incompatible with its sustainable investment strategy. OBAM IM does not invest in:

- (i) sanctioned jurisdictions or companies;
- (ii) controversial sectors that should be avoided due to their potential sustainability risk; and
- (iii) (potential) portfolio companies that violate the UN Global Compact principles and are unable or unwilling to improve behaviour.

#### 2. Companies in which we invest, must comply with our sustainability principles

OBAM IM encourages portfolio companies to adhere to the UN Global Compact principles. The UN Global Compact is a global sustainability initiative that calls on companies to adhere to 10 principles on human rights, labour, environment and anti-corruption. OBAM IM encourages companies in its investment portfolio to comply with the sustainability principles by pursuing an active voting and engagement policy. Companies that do not comply with the sustainability principles and are unable and/or unwilling to improve their behaviour, are excluded.

#### 3. Limitation of increased sustainability risk

OBAM IM limits investments in portfolio companies with an increased sustainability risk. OBAM IM measures and monitors the ESG risk score of (potential) portfolio companies. A maximum of 15% of the OBAM fund portfolio is invested in portfolio companies with a high or severe ESG risk score measured by the market weight in the portfolio.

4. OBAM IM aims for a weighted above-average ESG risk score compared to the benchmark MSCI AC World NR.

5. OBAM IM aims to have a Scope 1+2 CO2 footprint at least 40% lower than the benchmark (MSCI AC World NR).

In addition to the environmental and/or social characteristics promoted above, OBAM IM aims to invest in (potential) portfolio companies that make a positive contribution to the UN Sustainable Development Goals.

## 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 for ensuring that OBAM IM achieves its corporate objectives, and 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 others, 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. Since 5 July 2022, REX1936 Holding B.V. is the sole shareholder of OBAM IM. The 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.

## Our policy

Our policy is an important means of realizing our investment strategy. In this chapter we describe 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*

Sentiment in global equity markets was positive in the first half of 2023. The MSCI AC World NR index in euro ended 11.5% higher. In many cases, the first half of the year was a mirror image of the course of equity markets in 2022. Then sentiment was clearly negative and equity markets were under significant pressure. Sectors that lagged significantly last year (IT communications and internet sectors) performed above average during the reporting period, while the energy sector was now the least performing sector while it was the best performing last year.

Equity markets started the year strongly after inflation data in the U.S. and the euro zone showed softening. The prospect of eventually less restrictive central bank monetary policies drove positive sentiment. The relatively mild winter and energy savings caused natural gas prices to halve in Europe. These lower energy prices also caused lower inflation rates, although core inflation remained at relatively high levels in both Europe and the US. The service sector in particular continued to perform well in the U.S. and Europe, helped by consumers who continued to spend above expectations. This also had to do with the fact that unemployment remained at low levels. It was the deteriorating manufacturing sector that ultimately pulled Europe into the smallest possible recession. In the U.S., the long-awaited recession did not take place for the time being. As a result, corporate profits also held up reasonably well despite central banks worldwide continuing to raise interest rates in 2023.

In March, stock markets were rocked by the collapse of Silicon Valley Bank (SVB), the second largest bank failure in U.S. history. There were also major problems at Credit Suisse in Europe, which eventually had to be bailed out by UBS. This resulted in major concerns about the financial sector with equity markets coming

under temporary pressure. Gradually, equity markets recovered as investors assumed that as a result of the banking turmoil, central banks would not need to raise interest rates as much. Also, it began to look more and more like it was a number of isolated incidents particularly at some regional banks in the US, while the larger banks in the US were in good shape with sufficient liquidity.

Positive sentiment around artificial intelligence, following ChatGPT's breakthrough, has furthermore also led to sharp price increases in a number of mega-caps in the U.S., which boosted overall stock markets. For example, many technology stocks got a boost from Nvidia, which announced much higher-than-expected growth for the rest of the year. This was driven by strong demand for artificial intelligence solutions.

#### *Returns*

The total investment return on the OBAM fund portfolio for this reporting period was 13.5% (based on net asset value after costs). The OBAM fund outperformed the reference MSCI AC World NR index by 2%. Both the stock selection and allocation effects were positive. Almost all sectors contributed positively to performance, only within materials and communication services did returns lag behind the reference index. Healthcare and consumer non-durables were the relatively strongest contributors to returns. Stocks such as Amazon, Applied Materials, Microsoft, Intuitive Surgical and Infineon had the largest positive impact over the reporting period. While stocks such as IFF, CVS Health, Abbvie, Plug Power and Enphase showed a negative contribution.

### Voting and engagement policy

The voting and engagement policy enables OBAM IM to promote good and sustainable corporate governance of portfolio companies. The voting and engagement policy is an integral part of the investment process and an important mechanism to implement the sustainable investment strategy. This section outlines OBAM IM's voting and engagement policy. For more information, please refer to the "Voting and Engagement Policy" as published on our website.

- *Voting policy* – As a shareholder of portfolio companies, OBAM IM has the right to vote at share-



holders' meetings. OBAM IM formulated voting guidelines that form the basis for voting behavior. These voting guidelines are aimed at improving the governance policy of portfolio companies and increasing the contribution of portfolio companies to a sustainable world. We expect 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 reduce the sustainability risk of portfolio companies.

OBAM IM appointed Sustainalytics B.V. ('Sustainalytics') to assist, in the first half of 2023, in implementing 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 advice may be adopted or rejected by OBAM IM, after which Sustainalytics arranges for the votes to be cast in accordance with OBAM IM's decision. Every quarter we publish on our website for each company how we voted per agenda item. In the past reporting period, we voted fully in line with our voting policy.

- *Engagement policy* – through engagement, OBAM IM aims to exert a direct and positive influence on good and sustainable entrepreneurship and the social involvement of portfolio companies. OBAM IM distinguishes between two forms of engagement:
  - (i) *Reactive agreement*  
Reactive engagement is a direct response to an act or omission by a portfolio company that causes the portfolio company to violate the UN Global Compact principles. The goal of reactive engagement is not only to remedy the incident, but also to improve a portfolio company's sustainability policies and risk management so that incidents can be prevented in the future.
  - (ii) *Proactive engagement*  
Proactive engagement focuses on opportunities to improve the corporate governance of portfolio companies. Proactive engagement is

used, for example, if a portfolio company's sustainability risk increases.

Engagement can be carried out in various ways, such as: engaging in dialogue discussions or initiating or supporting joint engagement initiatives. OBAM believes that a collective of investors with the same vision can make a greater impact.

As of the end of June 2023, there are no companies in the portfolio that violate the UN Global Compact principles. During this reporting period, we kept an additional eye on the position in Amazon and Activision Blizzard ('watchlist names'). Accordingly, (collective) engagements have taken place in respect of these portfolio companies. In the event that Amazon and Activision Blizzard are unable and/or unwilling to improve their behavior with regard to our sustainability principles, the companies may be excluded. We highlight two examples of engagement activities below:

- (i) *Amazon*  
During the reporting period, OBAM IM continued its engagement activities with Amazon. Amazon faces allegations of poor and stressful working conditions that have negatively affected the (mental) health of many of its warehouse employees. Amazon does report on some of its improvement initiatives and training programs, however, the effectiveness of these measures remains to be seen. Therefore, we have kept Amazon on the "watch list." It may take a significant amount of time to prove the effectiveness of improvements to the company's management of health and safety issues and labor relations. Nevertheless, we persevere and will continue our dialogue with the company.
- (ii) *Activision Blizzard*  
Activision Blizzard faces allegations of sexual harassment and discrimination against female employees at the company. The CEO and management acknowledged the problem and stated that action would be taken to address it. However, the progress of collective engagement activities is currently suspended pending results of the lawsuit and because the company

is in the process of being acquired by Microsoft. Nevertheless, we proactively contacted the company and found that the allegations were initially poorly handled, leading to employee unrest. However, the company does appear to have improved its processes and set new targets. We continue to monitor developments closely.

For more information on our engagement activities, please refer to our Proxy Voting and Engagement Reports as published on our website.

### 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.

## Developments in our financial position

### Retrospective

The net result after tax of OBAM IM amounted to EUR 835,000 in the reporting period, an increase compared to half year 2022 (EUR 479,000).

Income in the reporting period increased to EUR 3,254,000, an increase compared to half year 2022 (EUR 2,652,000). The increase of income is a result of the introduction of the service fee, which has been introduced on 1 July 2022, in addition to the management fee. Both the management fee and service fee are charged by OBAM IM to the OBAM fund, as a percentage of the assets under management of the fund. 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.

The expenses in the reporting period amounted to EUR 2,200,000, an increase compared to half year 2022 (EUR 2,063,000). The expenses consisted of personnel expenses, other management expenses and depreciation expenses on the intangible fixed assets and tangible fixed assets. The increase of expenses level was mainly caused by all the service fee related expenses formerly charged to the OBAM fund.

Schiphol, 28 August 2023,

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 2023 EUR x 1,000	31 December 2022 EUR x 1,000
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets	1	5,519	5,913
Tangible fixed assets	2	154	171
<hr/>			
<i>Total fixed assets</i>		5,673	6,084
<b>Current assets</b>			
Receivables	3	2,628	2,945
Cash	4	2,678	2,677
<hr/>			
<i>Total current assets</i>		5,306	5,622
<hr/>			
<b>Total assets</b>		<b>10,979</b>	<b>11,706</b>
 <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
	5		
Issued share capital		8,300	8,300
Other reserves		872	938
Undistributed result		835	734
<hr/>			
<i>Total shareholder's equity</i>		10,007	9,972
<b>Liabilities</b>			
Current liabilities	6	972	1,734
<hr/>			
<i>Total liabilities</i>		972	1,734
<hr/>			
<b>Total shareholders' equity and liabilities</b>		<b>10,979</b>	<b>11,706</b>

## Profit and loss account

	Notes	1 January 2023 30 June 2023 EUR x 1,000	1 January 2022 30 June 2022 EUR x 1,000
<b>INCOME</b>			
Management fees and services fees	7	3,214	2,652
Interest income	8	40	-
<b>Total income</b>		<b>3,254</b>	<b>2,652</b>
<b>EXPENSES</b>			
Personnel expenses	9	931	997
Other management expenses	10	845	642
Depreciation of tangible and intangible fixed assets	11	424	424
<b>Total expenses</b>		<b>2,200</b>	<b>2,063</b>
<b>Result before taxation</b>		<b>1,054</b>	<b>589</b>
Corporate income tax	12	-219	- 110
<b>Result after tax</b>		<b>835</b>	<b>479</b>



## Cash flow statement

Note	1 January 2023 30 June 2023 EUR x 1,000	1 January 2022 30 June 2022 EUR x 1,000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Result after tax	835	479
Depreciation of intangible and tangible fixed assets	424	424
Changes in working capital		
Receivables	316	-7
Payables	-762	42
<b>Total cash flows from operating activities</b>	<b>813</b>	<b>939</b>
<b>CASH FLOWS FROM INVESTMENTS ACTIVITIES</b>		
Investments in intangible fixed assets	-	-
Investments in tangible fixed assets	-12	-3
<b>Total cash flows from investments activities</b>	<b>-12</b>	<b>-3</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Newly issued and fully paid-up capital	-	-
Dividend payment to shareholders	-800	-808
<b>Total cash flows from financing activities</b>	<b>-800</b>	<b>808</b>
CASH AT BEGINNING OF REPORTING PERIOD	2,677	3,726
NET CASH FLOW	1	127
CASH AT THE END OF THE REPORTING PERIOD	2,678	3,853

## 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 2023 up to and including 30 June 2023;
- 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 2022.

### 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 expenses 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 expenses 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 1.091 on 30 June 2023.

### *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 expenses 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 expenses 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 expenses 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 2023 to 30 June 2023.

#### *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. The tax due for the financial year is the tax that is expected to be paid on the taxable profit for that financial year, based on the applicable corporate income tax rates for the reporting period and any adjustments to tax payable in respect of previous years. For the current reporting period the following tax rates are used:

- 19% to the 'result before taxation' up to and including EUR 200,000; and
- 25.8% to the 'result before taxation' above EUR 200,000.

### **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

This relates to the intangible assets that OBAM IM acquired 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 2023 30 June 2023 EUR x 1,000	1 January 2022 31 December 2022 EUR x 1,000
Balance at beginning of reporting period	5,913	6,700
Acquired intangible assets	-	-
Intangible assets sold	-	-
Depreciation	394	787
<b>Balance at end of reporting period</b>	<b>5,519</b>	<b>5,913</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 2023 30 June 2023 EUR x 1,000	1 January 2022 31 December 2022 EUR x 1,000
Opening balance	21	30
Acquired business inventory	9	-
Sold business inventory	-	-
Depreciation	6	9
<b>Balance at end of reporting period</b>	<b>24</b>	<b>21</b>

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

	1 January 2023 30 June 2023 EUR x 1,000	1 January 2022 31 December 2022 EUR x 1,000
Opening balance	16	37
Acquired computer equipment	4	3
Computer equipment sold	-	-
Depreciation	10	24
<b>Balance at end of reporting period</b>	<b>10</b>	<b>16</b>

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

	1 January 2023 30 June 2023 EUR x 1,000	1 January 2022 31 December 2022 EUR x 1,000
Opening balance	134	162
Acquired vehicles	-	-
Vehicles sold	-	-
Depreciation	14	28
<b>Balance at end of reporting period</b>	<b>120</b>	<b>134</b>

### 3. Receivables

	30 June 2023 EUR x 1,000	31 December 2022 EUR x 1,000
Debtors	625	821
Pledged deposits	40	34
Accrued assets	176	70
Intragroup current account liquidity facility	1,787	2,020
<b>Total receivables</b>	<b>2,628</b>	<b>2,945</b>

The debtors concern the monthly management fee and the monthly service fee for June 2023, as well as research invoices that are paid in advance by OBAM IM and on-charged to the OBAM fund.

The pledged deposit concerns a deposit of EUR 40,000 which OBAM IM pledged to SRE WTC B.V., the administrator of World Trade Center Schiphol, in favor of CBRE Dutch Office Fund Management B.V., the lessor of the office space at World Trade Center Schiphol, to cover the fulfilment of the remaining rental obligations.

Accrued income primarily concerns amounts paid in advance in respect of market data, rent of OBAM IM's office space, annual insurance premia and some of the OBAM fund related expenses (refer to 'other management expenses' on page 27).

On 5 July 2022 OBAM IM and its shareholder REX1936 Holding B.V. entered into an intragroup current account facility, under which REX1936 Holding B.V. can borrow liquidity for general corporate purposes. The drawdowns do not have a specific duration, but are due and payable at the first request of OBAM IM. In addition, the outstanding principal is immediately payable in the event of a default situation of OBAM IM. Over the amount drawn, REX1936 Holding B.V. owes a daily calculated interest of 5.0% per annum which is added to the outstanding amount of the intragroup current account facility

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 as good<sup>1</sup>.

#### 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 the reporting period (1 January 2023 – 30 June 2023) is recognized as undistributed result 2023 (EUR 835,000). Furthermore, on 5 January 2023 a dividend amount of EUR 800,000 was paid to the shareholder.

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

Statement of changes shareholders' equity (EUR x1,000)	<i>Share capital</i>	<i>Other reserves</i>	<i>Undistributed result</i>	Total shareholders' equity
<b>Balance per 31 December 2021</b>	<i>8.300</i>	<i>168</i>	<i>1.577</i>	10.045
<i>Profit appropriation 2021</i>	-	-	-	-
Distributed dividend 2021 (interim and final)	-	-	-789	-789
Remaining result 2021 to Other reserves	-	789	-789	-
<i>Results 2022</i>	-	-	-	-
Distributed dividend 2022 (interim)	-	-	-650	-650
Undistributed result 2022	-	-	1.384	1.384
<i>Other</i>	-	-	-	-
Prior year adjustment	-	-19	-	-19
<b>Balance per 31 December 2022</b>	<i>8.300</i>	<i>938</i>	<i>734</i>	9.972
<i>Profit appropriation 2022</i>	-	-	-	-
Distributed dividend 2022 (final)	-	-	-700	-700
Remaining result 2022 to Other reserves	-	34	-34	-
<i>Results 2023</i>	-	-	-	-
Undistributed result 2023	-	-	835	835
<i>Other</i>	-	-	-	-
Distributed dividend from Other reserves	-	-100	-	-100
<b>Balance per 30 June 2023</b>	<i>8.300</i>	<i>872</i>	<i>835</i>	10.007

<sup>1</sup> ING Bank N.V. per 30 June 2023: S&P long term A+, short term A-1, and Moody's long term A1, short term P-1  
BNP Paribas S.A. per 30 June 2023: S&P long term A+, short term A-1, and Moody's long term A1, short term P-1



## 6. Current liabilities

	30 June 2023 EUR x 1,000	31 December 2022 EUR x 1,000
Accounts payable	560	518
Corporate income tax	55	250
Accrued liabilities	357	1,026
<b>Total current liabilities</b>	<b>972</b>	<b>1,734</b>

The current liabilities primarily comprise of:

- Accounts payable relate to invoices received still to be paid at the end of June 2023;
- Corporate income tax refers to the remaining payable corporate income tax for the first half year of 2023, after a considerable provisional tax assessment (*voorlopige aanslag 2023*). The corporate income taxes for the previous financial years were fully paid during the reporting period; and
- Accrual liabilities include:
  - 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 2022, as well as a remuneration accrual for the reporting period; and
  - OBAM fund related expenses (refer to 'other management expenses' on page 27) to the extent that are paid in arrears.

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.

As from 1 July 2022, OBAM IM also charges a service fee that covers the regular expenses of the fund (with the exception of transactions fees), 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). The service fee is determined in accordance with the below:

- 0.16% is charged over the net asset value less than EUR 1 billion;
- 0.14% is charged over the net asset value between EUR 1 billion and EUR 2.5 billion; and
- 0.12% over the net asset value more than EUR 2.5 billion.

Any surplus or shortfall that remains after payment of the expenses from the service fee will be for the benefit of, or charged to, the Management Company.

Both the management fee and service fee (both exempted from VAT) are calculated on a daily basis on the assets under management to the OBAM fund.

	1 January 2023 30 June 2023 EUR x 1,000	1 January 2022 30 June 2022 EUR x 1,000
Monthly management fees and service fees	3,214	2,652
<b>Total management fee</b>	<b>3,214</b>	<b>2,652</b>

### 8. Interest income

OBAM IM charges a daily calculated interest of 5.0% over the total amount that is drawn by REX1936 Holding B.V. under the intragroup current account facility.

	1 January 2023 30 June 2023 EUR x 1,000	1 January 2022 30 June 2022 EUR x 1,000
Interest income	40	-
<b>Total interest income</b>	<b>40</b>	<b>-</b>

## 9. Personnel costs

At the end of June 2023, OBAM IM had 9 staff members with permanent employment contracts and one staff member with a temporary employment contract. Personnel costs mainly relate to salaries, social security charges and the employer's share of pension contributions.

	1 January 2023 30 June 2023 EUR x 1,000	1 January 2022 30 June 2022 EUR x 1,000
Salaries, social security charges and employer's pension contributions	847	767
Other personnel related expenses	84	230
<b>Total personnel costs</b>	<b>931</b>	<b>997</b>

## 10. 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.

Since 1 July 2022, OBAM IM charges a service fee to the OBAM fund and subsequently covers the regular expenses of the OBAM fund (with the exception of transactions fees): 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. Because of the introduction of the service fee, the 'other management expenses' increased compared to half year 2022 when the service fee was not yet.

During the reporting period OBAM IM assessed the marketing accrual and determined that the current accrual amount is more than sufficient to cover expected marketing expenses. Consequently, it decided to release the excess in favour of its profit and loss account. As a result, the marketing expenses show a negative balance.

	1 January 2023 30 June 2023 EUR x 1,000	1 January 2022 30 June 2022 EUR x 1,000
Market data costs	135	109
IT expenses	62	45
Rent expenses office space World Trade Center Schiphol	59	69
Insurance expenses	36	28
Remuneration Supervisory Board OBAM IM	38	38
Legal and fiscal advice expenses OBAM IM and OBAM N.V.	53	9
Audit fees annual accounts and ISAE3402 OBAM IM and OBAM N.V.	102	15
Supervision expenses AFM and DNB OBAM IM and OBAM N.V.	54	51
Marketing expenses OBAM IM and OBAM N.V.	-55	146
Other fund related expenses and distribution expenses OBAM N.V.	259	-
Other administrative expenses	102	132
<b>Total other administrative expenses</b>	<b>845</b>	<b>642</b>

## 11. 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.

## 12. Corporate income tax

As of 5 July 2022, REX1936 Holding B.V. owns 100% of the legal and economic ownership of the shares in OBAM IM, and REX1936 Holding B.V. and OBAM IM have entered into a fiscal unity (*fiscale eenheid*) as of that date. This offered both companies the possibility to pay a common corporate income tax. Where REX1936 Holding B.V. is formally designated as the taxable parent company, OBAM IM is the company where the actual activities take place and to which the tax burden is therefore allocated.

For 2023 OBAM IM applies the corporate tax rate of 19% to the 'profit before taxation' up to and including EUR 200,000 and 25.8% to the 'profit before taxation' above EUR 200,000. This results in a corporate income tax of EUR 219,000 as per 30 June 2022, which represents an effective tax rate of 20.8%.

# 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 OBAM fund, REX1936 Holding B.V., Stichting Administratiekantoor REX1936 and its three Supervisory Board members to be affiliated parties:

- OBAM IM has entered into a management agreement with OBAM fund for the fund management of the 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 OBAM N.V. Since 1 July 2022 OBAM IM also charges a service fee covering the fund's normal expenses based on a table (staffel) as outlined in the prospectus. The service fee (including VAT) is calculated on a daily basis over the assets of OBAM N.V.

Additionally, OBAM IM holds two shares of the shareclass X of OBAM N.V. These two shares were purchased on 1 July 2022 to initiate and operationalize the order flow of the transfer agent's fund platform on which shares of the shareclass X of OBAM N.V. can be purchased and sold;

- REX1936 Holding B.V. is the sole 100% shareholder of OBAM IM as from 5 July 2022. During the reporting period OBAM IM paid EUR 800,000 of (interim) dividend to its shareholder. In addition, an intragroup current account facility has been established between OBAM IM and REX1936 Holding B.V. All transactions are conducted in the normal course of business;
- Stichting Administratiekantoor REX1936 is the sole shareholder of REX1936 Holding B.V. and as such the indirect shareholder of OBAM IM. The staff members of OBAM IM participate indirectly in OBAM IM via REX1936 Holding B.V. and Stichting Administratiekantoor REX1936. In the reporting period OBAM IM did not carry out any transactions with Stichting Administratiekantoor REX1936; and
- The three members of OBAM IM's Supervisory Board are considered affiliated parties of OBAM IM. In the reporting period, OBAM IM did not carry out any other transactions with these three Supervisory Board members other than their annual fixed remuneration for their membership of the Supervisory Board.

### Subsequent events after the balance sheet date

There are no post-balance sheet events that require further disclosure.

### Off-balance sheet commitments

OBAM IM signed a five-year lease contract for its office space at World Trade Center Schiphol. At the end of June 2023, the remaining term of this rental contract is 1.5 years and the contract represents a total remaining rental obligation of approximately EUR 228,000.

## Staff members

During the reporting period OBAM IM had 9 staff members with a permanent employment contract and one staff member with a temporary employment contract. In 2022 OBAM IM had 9 staff members with permanent employment contracts and 2 staff members with a temporary employment contract.

Schiphol, 29 August 2023,

OBAM Investment Management B.V.

S.H.W. Zondag  
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