

# Think ETF Asset Management B.V.

Semi-Annual Report 2019



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## 1. Report from the Board of Directors

### *Business activities*

2019 marked the tenth year of Think ETF Asset Management B.V. existence since the listing of the first Think ETF on 14 December 2009.

The total fund assets under management increased in the first half of 2019 from EUR 1,800 million on 31 December 2018 to EUR 1,891 million on 30 June 2019, an increase of approximately 5%. These developments occurred in differing degrees at the various ETF's. The equity ETF's in particular showed growth, but the assets in fixed income ETF's decreased. Based on the number of outstanding ETF's. The assets under management totalled approximately EUR 1.9 billion at the beginning of August 2019.



Think does not form an opinion on the price developments of the chosen indices, but only aims to follow these indices as closely as possible. Therefore, Think will not make any statements about expected returns. Also, historical returns do not form a good indicator of managements' performance. What is important though, is the Tracking Difference of the ETF's.

The Tracking Difference (T.D.) is the difference in yield between the product or portfolio of investments and a particular benchmark. The benchmark is often an index. It could be a well-known stock market index, or a customised index. It is important in this context whether the benchmark is a Price index or a Gross Total Return index. The tracking difference per ETF-fund is disclosed in the most recent (semi) annual report of ThinkCapital ETFs N.V., which is available on our website.

### *Result first half of 2019*

The negative result for the first half of 2019 amounts to EUR 357,284 (first half of 2018: positive result of EUR 245,237). The costs incurred which amounted to EUR 2,365,810 (first half of 2018: EUR 1,495,583) mainly concern the proper structuring and maintaining of the ETF's; attention was primarily devoted in this context to excluding counterparty risk, ensuring tax efficiency and keeping costs low for the end investor. In order to guarantee a clear and transparent cost structure, the costs of the funds fall under the manager and not in the fund. Think ETF Asset Management B.V.'s income consists of a management fee on the assets under management.

**Risk management**

Think ETF's objective is to have its ETF's follow an index as closely as possible, both as it goes up and as it goes down. This brings the investment risks of the ETF's entirely in line with the investment risks of the particular reference indices. The risk that prices can decrease is therefore not hedged. The ETF's are subject to operational risks, however. The way in which Think ETF's offsets these operational risks as much as possible is discussed in more detail below.

Think ETF's owns all the underlying securities for the benefit of the ETF's. No use is made of synthetic replication, therefore. The underlying securities are held in custody by KAS BANK N.V. Think ETF's consciously opts not to lend out these underlying securities; this prevents counterparty risk from arising. Under the Securities (Bank Giro Transactions) Act (Wge), the property of the funds is legally separate from KAS BANK. Any bankruptcy on the part of KAS BANK would not affect the assets of the Think ETF's.

Several processes and procedures are outsourced to KAS Bank N.V. and Markit. Even though these processes and procedures are ISAE 3402 certified, Think ETF's closely monitors these processes and procedures as part of their responsibility as a fund manager. We have identified the following operational risks:

**Compliance risk**

The risk that statutory and internal rules will not be complied with. Think ETF's has implemented the following control measures to mitigate this risk:

- clear descriptions of the administrative processes and internal control
- appointment of an external compliance officer
- appointment of an internal compliance officer;
- compliance statements are put on the agenda of the meeting of the board of directors
- Think ETF's periodically receives external advice on new regulations

**Outsourcing risk**

The risk that a party to which activities have been outsourced will not (properly) comply with its obligations, thus jeopardising the continuity and/or quality of the outsourced activities. Think ETF's has implemented the following control measures to mitigate this risk:

- careful selection process in relation to the services outsourced;
- sound Service Level Agreements;
- sufficient in-house expertise and experience to solve problems for some time;
- fall-back arrangements.

**Concentration risk**

The risk of dependence on a few large (clusters of) clients. Think ETF's has implemented the following control measures to mitigate this risk:

- optimal servicing of the (relevant) clients;
- active efforts towards a larger spread of clients.

**Legal risk**

The risk that our working method must be amended due to changing regulations and the risk that contracts are not in good legal order. Think ETF's has implemented the following control measures to mitigate this risk:

- appointment of in-house counsel;
- appointment of an external compliance officer.

**Operational risk**

The risk of errors in the business operations. Think ETF's has implemented the following control measures to mitigate this risk:

- clear work processes and good monitoring of these;
- fall-back arrangements in the event of malfunctions in IT systems.

**Continuity risk**

The risk that an important policymaker will be unavailable for a longer period of time or will be definitively lost. Think ETF's has implemented the following control measures to mitigate this risk:

- back-up for positions within the business;
- Board of Directors is very closely involved in the day-to-day policy.

There are also risks in the funds which are indirectly applicable for Think ETF Asset Management B.V. as a manager. We can identify the following operational risks for Think ETF Asset Management B.V. as manager of the funds:

**Creation/redemption**

This concerns the issuing of new shares and/or the taking back of shares issued earlier. The shares are delivered on the basis of DVP, delivery versus payment, with the counterparty being an Authorised Participant or a broker. In the creation process, the ETF's are delivered and the basket of shares reflecting the percentages in the index or indices is received. The converse takes place for a redemption. Both Think ETF Asset Management B.V. and the Authorised Participant check that the composition is correct - it is in the interest of both parties that the composition be correct, after all.

**Reweighting**

As soon as an index is reweighted, Think ETF Asset Management B.V. takes the necessary action to reweight the ETF's as well. Either by reweighting the fund itself by means of an execution-only agreement with KAS BANK or another broker, or by outsourcing the reweighting to a third party.

**Dividend payment by Think ETF's**

Dividend payment takes place on cash basis and is only made from the freely distributable reserves. It is also monitored whether adequate liquid assets remain to cover the costs that will be charged to the fund in the next period. This prevents a situation from arising in which the fund must sell assets to pay the costs.

**Corporate actions**

In the event of corporate actions in underlying securities, Think ETF's follows the index followed by the particular ETF.

**Settlement risk**

Virtually all settlement risks have been offset with the use of DVP. A risk that cannot be offset is the market (delta) risk of non-settlement of the underlying securities in the event a counterparty defaults. The principal is always guaranteed by the DVP settlement, however.

*Outlook second half of 2019*

We expect that our assets under management will further increase during the second half of 2019. This expectation is based on, among other things, the continued growth forecast for the ETF market in the Netherlands and Europe. Now that we have become part of the European VanEck organization, we will be able to benefit even more from the growth in Europe. We are currently well advanced in our efforts to actively promote our ETFs in several European countries. We expect these developments to contribute to further growth of assets under management in the second half of 2019.

23 August 2019,

The Board of Directors,

M. Rozemuller      G. Koning

## 2. Interim Financial Statements

### 2.1 Balance sheet (before appropriation of the result)

(amounts x € 1)		30 June 2019	31 December 2018
<b>ASSETS</b>			
<u>Fixed assets</u>			
Property, plant and equipment	{1}	126,458	143,988
Financial fixed assets	{2}	-	-
<u>Current assets</u>			
Other assets	{4}	429,181	427,940
Cash and cash equivalents	{5}	1,944,809	2,860,690
<b>Total assets</b>		<b>2,500,448</b>	<b>3,432,618</b>
<b>Equity</b>			
Paid-up and called-up capital		18,013	18,013
Share premium		6,074,191	6,074,191
Other reserves		(4,387,896)	(3,443,732)
Unappropriated result		(357,284)	(944,164)
<b>Total equity</b>	{6}	<b>1,347,024</b>	<b>1,704,308</b>
<b>LIABILITIES</b>			
Current liabilities	{7}	1,153,424	1,728,310
<b>Total liabilities</b>		<b>1,153,424</b>	<b>1,728,310</b>
<b>Total equity and liabilities</b>		<b>2,500,448</b>	<b>3,432,618</b>

The numbers next to the items refer to the notes to the balance sheet and profit and loss account. The notes form an integral part of the interim financial statements.

## 2.2 Profit and loss account

(amounts x € 1)		1 January 2019 through 30 June 2019	1 January 2018 through 30 June 2018
<b>Income</b>			
Management fees	{8}	1,858,093	1,675,677
Charging on of creation/redemption		152,365	147,630
<b>Total income</b>		<b>2,010,458</b>	<b>1,823,307</b>
<b>Expenses</b>			
Personnel costs	{9}	(755,537)	(493,406)
Other management costs	{10}	(1,610,273)	(1,002,177)
<b>Total expenses</b>		<b>(2,365,810)</b>	<b>(1,495,583)</b>
Interest expense		(462)	(21)
Exchange differences foreign currency		(1,470)	(323)
<b>Financial income and expenses</b>		<b>(1,932)</b>	<b>(345)</b>
<b>Result before tax</b>		<b>(357,284)</b>	<b>327,380</b>
Taxes	{3}	-	(82,143)
<b>Result after tax</b>		<b>(357,284)</b>	<b>245,237</b>

The numbers next to the items refer to the notes to the balance sheet and profit and loss account. The notes form an integral part of the interim financial statements.

## 2.3 Cash flow statement

(amounts x € 1)		1 January 2019 through 30 June 2019	1 January 2018 through 30 June 2018
Result after tax		(357,284)	245,237
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment		17,530	-
<i>Change in working capital:</i>			
Deferred tax assets		-	82,143
Other assets		(1,241)	(549,140)
Current liabilities		(574,886)	261,964
<b>Cash flow from operating activities</b>		<b>(915,881)</b>	<b>40,204</b>
<b>Cash flow from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Increase/ (decrease) in cash</b>		<b>(915,881)</b>	<b>40,204</b>
Liquid assets at beginning of the period		2,860,690	2,358,748
<b>Liquid assets at end of the period</b>		<b>1,944,809</b>	<b>2,398,952</b>

## 2.4 Notes to the balance sheet and profit and loss account

### General notes

These interim financial statements have not been audited by the external independent auditor.

### Activities

Think ETF Asset Management B.V. was incorporated on 10 October 2008. The address of Think ETF Asset Management B.V.'s registered office is Barbara Strozilaan 310, 1083 HN in Amsterdam. Hereafter the name 'Think ETF AM' will be used to designate Think ETF Asset Management B.V.

The company's objects are to participate in, finance, manage companies and other undertakings and provide advice and other services. Beyond this its objects are to invest assets, furnish security for the debts of legal entities affiliated with it in a group and to do everything which is related to or may be conducive to the foregoing, all in the broadest sense of the word.

The company does not provide any credit for the account of third parties, does not stand as guarantor and does not enter into any suretyship obligations.

### Group relations

In November 2010, BinckBank N.V. took a majority interest of 60 percent in Think ETF AM. The other 40 percent was held by the founders and Flow Traders N.V. In 2018, VanEck obtained a controlling interest in Think ETF AM. The founders and management of Think ETF AM retains a small interest in Think. The group relations were as follows as of 30 June 2019:

Shareholder	30 June 2019
Van Eck Associates Corporation	99,0%
Angkor Holding B.V.	0,5%
Dutch Derivatives Holding B.V.	0,5%

### Affiliated parties

All shareholders, members of the board of directors, supervisory directors and closely related persons are designated as affiliated parties. Transactions with affiliated parties take place at arm's length, unless stated otherwise.

### Going concern

The interim financial statements of the company have been prepared on the basis of the going concern assumption.

### Notes to the cash flow statement

The cash flow statement has been prepared in accordance with the indirect method, whereby a distinction is made between cash flows from operational, investing and financing activities. In relation to the cash flow from operational activities, the net result is corrected for income and expenses that did not result in receipts and expenditure in the same financial year and for changes in provisions and accruals and deferrals. Cash includes cash in hand as well as freely available bank credits with a settlement date less than three months from the date of acquisition. Movements on account of currency translation differences are presented separately.

**Estimates**

In order to be able to apply the policies and rules for drawing up the annual report, Think ETF AM's board of directors must reach a judgement on certain matters and make estimates that could be essential for the amounts included in the annual report.

If necessary for providing the insight required by article 2:362 (1) of the Dutch Civil Code, the nature of these judgements and estimates, including the corresponding assumptions, is included in the notes to the particular items.

**Accounting policies for the valuation of assets and liabilities and determination of the result****General**

The company's interim financial statements have been drawn up in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the authoritative statements from the Annual Reporting Guidelines published by the Dutch Accounting Standards Board.

Assets and liabilities are generally stated at acquisition price or manufacturing cost or current cost. If no specific basis is reported for the valuation, valuation takes place at acquisition price. References are included in the balance sheet. These references refer to the notes.

**Foreign currency****Functional currency**

The items in the interim financial statements are valued taking into account the currency of the economic environment in which the company mainly conducts its business activities (the functional currency). The interim financial statements have been prepared in euros (€), which is both the functional currency and presentation currency of Think ETF AM.

**Transactions, receivables and liabilities**

Transactions in foreign currency during the period under review are included in the interim financial statements at the rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate as of the balance sheet date. The exchange rate differences arising from settlement and conversion are credited to or debited from the financial income and expenses in the profit and loss account.

**Tangible fixed assets**

Tangible fixed assets are recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably.

The cost comprises the price of acquisition, plus other costs that are necessary to get the assets to their location and condition for their intended use. Expenditure is only capitalised when it extends the useful life of the asset.

Depreciation is recognised in the profit and loss account on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets, taking into account any estimated residual value of the individual assets. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment.

**Financial fixed assets**

Participating interests where significant influence can be exercised are valued using the net asset value method. Significant influence is assumed if 20% or more of the voting rights can be exercised.

The net asset value is calculated according to Think ETF AM's accounting policies. The accounting principles of the particular participating interest are used for participating interests in respect of which there is insufficient information for adjustment in line with these accounting policies. If the valuation of a participating interest is negative according to the net asset value, it is valued at zero. A provision is created if and insofar as Think ETF AM wholly or partially guarantees the participating interest's debts in this situation, or has the firm intention of enabling the participating interest to pay its debts.

The initial value of purchased participating interests is based on the fair value of the identifiable assets and liabilities at the moment of acquisition. For subsequent valuations, the principles that apply to this annual report are applied, based on the values at the initial valuation.

Participating interests in which no significant influence can be exercised are valued at acquisition price. If there is a permanent decrease in value, the participating interest is stated at this lower value; downward revaluation takes place at the expense of the profit and loss account.

**Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses, to the extent that it is likely that taxable profit will be available against which the unused tax loss can be offset.

**Other assets**

The other assets consist of trade receivables and interest income still to be received. Trade receivables are initially valued at the fair value of the consideration. Provisions for bad debts are deducted from the carrying amount of the receivable.

**Cash and cash equivalents**

Cash and cash equivalents consist of cash, bank credits and call deposits with a term of less than twelve months. Current-account debts at banks are included under debts to credit institutions under current liabilities. The cash and cash equivalents are stated at nominal value.

**Equity**

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under equity. Payments to holders of these instruments are deducted from the equity as part of the profit distribution. Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense. The purchase of own shares is deducted from the other reserves.

**Share premium**

Amounts contributed by the shareholders of the company in excess of the nominal share capital, are accounted for as share premium. This also includes additional capital contributions by existing shareholders without the issue of shares or issue of rights to acquire shares of the Company.

Costs and capital taxes associated with the issue of shares that are not capitalized are deducted from share premium, after taken into account tax effects. If the share premium is insufficient for such deductions, the amounts are deducted from retained earnings.

**Pensions**

Think ETF AM has a pension scheme for its board and employees which is based on a so-called 'defined contribution' system. With the defined contribution system, a percentage of the employee's fixed salary is deposited as premium with a pension insurer, whereby the entity has no further obligations. The height of the percentage is age-dependent. The pension premiums are recognised in the year to which they relate.

**Provisions**

Provisions are created for obligations enforceable by law or constructive obligations that exist on the balance sheet date if it is probable that an outflow of resources will be required and the size of these can be reliably estimated.

The provisions are valued at the best estimate of the amounts necessary to settle the obligations as of the balance sheet date. The provisions are valued at the nominal value of the expenditure expected to be required to settle the obligations, unless otherwise stated.

If it is expected that a third party will pay for obligations, and if it is probable that this payment will be received when the obligation is settled, this payment is included as an asset on the balance sheet.

**Income and expenses**

Income and expenses are recognised in the period to which they pertain. Liabilities and possible losses originating prior to the end of the financial year are included to the extent that they are known before preparation of the financial statements and the other conditions for including provisions have been satisfied.

**Corporate income tax**

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity, or to business combinations.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences.

For taxable temporary differences, a provision for deferred tax liabilities is recognised.

For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognised, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the company expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value.

**Charging on of creation/redemption**

The charging on of creation/redemption are the costs charged on by Think ETF AM for the effectuation of the entries and exits.

**Notes to the balance sheet and profit and loss account****1. Property, plant and equipment**

Movements in the property, plant and equipment can be specified as follows:

(amounts x € 1)	1 January 2019 through 30 June 2019	1 January 2018 through 30 June 2018
Opening balance	143,988	-
Investments	-	-
Depreciation	(17,530)	-
<b>Closing balance</b>	<b>126,458</b>	-

In the second half year of 2018 various investments were made in IT facilities. The historical acquisition costs amount to 153,716.

**2. Financial fixed assets****Participating interests**

Movements in the participating interests can be specified as follows:

(amounts x € 1)	1 January 2019 through 30 June 2019	1 January 2018 through 30 June 2018
Opening balance	-	45,000
Investments	-	-
Result of participating interests	-	-
Disposals	-	-
<b>Closing balance</b>	-	<b>45,000</b>

During the second half year of 2018 a refund was made of the required statutory minimum capital in Think Capital ETF's N.V.

**3. Deferred tax assets**

(amounts x € 1)	30 June 2019		31 December 2018	
	Recognised differences	Not included differences	Recognised differences	Not included differences
Opening balance	-	-	564,056	-
Deferred tax assets	-	-	-	-
Write-down	-	-	(82,143)	-
Realisation	-	-	-	-
<b>Closing balance</b>	-	-	<b>481,913</b>	-

The board of directors of Think ETF AM decided in 2015 to recognise the deferred tax assets, based on the positive financial results forecast. The deferred tax assets included in the records pertain to offsettable losses for the years 2010 to 2014, inclusive. The deferred tax asset was adjusted in 2017 on the basis of the expectation that not all offsettable losses for 2010 to 2014 can be set off against future profits. The deferred tax asset was fully written down in the second half year of 2018.

**4. Other assets**

(amounts x € 1)	30 June 2019			31 December 2018		
	Total	Remaining term		Total	Remaining term	
		< 1 year	> 1 year		< 1 year	> 1 year
<b>Trade receivables</b>						
Management fee still to be received	352,594	352,594	-	358,713	358,713	-
<b>Accrued assets</b>						
Interest income still to be received	-	-	-	-	-	-
Intragroup receivables	50,366	50,366	-	-	-	-
Prepaid expenses	26,221	26,221	-	69,227	69,227	-
<b>Total</b>	<b>429,181</b>	<b>429,181</b>		<b>427,940</b>	<b>427,940</b>	-

All trade receivables have a remaining term of less than one year. No loans or advances have been provided to directors or supervisory directors.

**5. Cash and cash equivalents**

The composition of the item cash and cash equivalents is as follows:

(amounts x € 1)	30 June 2019	31 December 2018
Rabobank	1,924,304	2,819,628
Kasbank N.V.	18,991	39,851
Binckbank N.V.	1,513	1,211
<b>Total</b>	<b>1,944,809</b>	<b>2,860,690</b>

All the cash and cash equivalents are freely at the company's disposal.

**6. Equity**

The issued capital amounts to € 18,013 and consists of 18,013 ordinary shares with nominal value of € 1.

The composition of the equity as of 30 June 2019 is as follows:

(amounts x € 1)	Issued capital	Share premium	Other reserves	Undistributed result	Total
<b>Balance as of 1 January 2019</b>	<b>18,013</b>	<b>6,074,191</b>	<b>(3,443,732)</b>	<b>(944,164)</b>	<b>1,704,308</b>
<b>Movements</b>					
Result for the financial year	-	-	-	(357,284)	(357,284)
Other movements in the reserves	-	-	(944,164)	944,164	-
<b>Closing balance as of 30 June 2019</b>	<b>18,013</b>	<b>6,074,191</b>	<b>(4,387,896)</b>	<b>(357,284)</b>	<b>1,347,024</b>

(amounts x € 1)	Issued capital	Share premium	Other reserves	Undistributed result	Total
<b>Balance as of 1 January 2018</b>	<b>18,013</b>	<b>6,074,191</b>	<b>(3,182,959)</b>	<b>(260,773)</b>	<b>2,648,472</b>
<b>Movements</b>					
Paid in share premium	-	-	-	-	-
Result for the financial year	-	-	-	245,237	245,237
Other movements in the reserves	-	-	(260,773)	260,773	-
<b>Closing balance as of 30 June 2018</b>	<b>18,013</b>	<b>6,074,191</b>	<b>(3,443,732)</b>	<b>245,237</b>	<b>2,893,709</b>

The result of the current financial year is reported in the unappropriated result. There were no dividend payments or other capital withdrawals in 2019.

## 7. Current liabilities

The current liabilities can be broken down as follows:

(amounts x € 1)	30 June 2019	31 December 2018
Trade payables	465,803	684,781
VAT payable	20,964	18,120
Wage costs still to be paid	8,052	672,750
Auditors and advisers	7,600	7,600
Accrued liabilities	651,005	345,059
<b>Total</b>	<b>1,153,424</b>	<b>1,728,310</b>

The current liabilities all have a remaining term of less than one year. The trade payables as of 30 June 2019 mainly relate to recent marketing activities and administration and management costs for the ETF's.

## 8. Management fees

The management fees consist of the management costs deducted daily from the definitive net intrinsic value of a share in a Sub-fund in relation to the Sub-funds in Think ETF's. The management costs for the investors in Sub-funds can vary per Sub-fund and are expressed as a percentage of the net intrinsic value of every individual Sub-fund.

Management costs per Sub-fund	Prospectus
Series A: Think AEX UCITS ETF	0.30%
Series B: Think AMX UCITS ETF	0.35%
Series C: Think Total Market UCITS ETF Defensive	0.28%
Series D: Think Total Market UCITS ETF Neutral	0.30%
Series E: Think Total Market UCITS ETF Offensive	0.32%
Series F: Think Global Equity UCITS ETF	0.17%
Series G: Think Global Real Estate UCITS ETF	0.25%
Series H: Think iBoxx Corporate Bond UCITS ETF	0.15%
Series I: Think iBoxx Government Bond UCITS ETF	0.15%
Series J: Think iBoxx AAA-AA Government Bond UCITS ETF	0.15%
Series K: Think Sustainable World UCITS ETF	0.30%
Series L: Think European Equity UCITS ETF	0.20%
Series M: Think Morningstar North America Equity UCITS ETF	0.20%
Series N: Think Morningstar High Dividend UCITS ETF	0.38%

## 9. Personnel costs

The personnel costs can be broken down as follows:

(amounts x € 1)	1 January 2019 through 30 June 2019	1 January 2018 through 30 June 2018
Salaries	507,800	321,975
Social security costs	43,573	39,453
Pension costs	36,422	22,297
Other personnel costs	167,742	109,681
<b>Total</b>	<b>755,537</b>	<b>493,406</b>

**10. Other management costs**

The other management costs can be broken down as follows:

(amounts x € 1)	1 January 2019 through 30 June 2019	1 January 2018 through 30 June 2018
Commercial costs	268,919	248,158
ICT costs	2,936	26,739
Auditing costs*	75,902	41,891
Consultancy costs	39,048	53,112
Index calculation costs	109,052	6,468
Administration costs	16,661	252,635
Supervision costs	231,887	170,995
Custody charges	94,192	68,981
Legal expenses	13,288	25,929
Intercompany costs	69,000	-
Depreciation costs	17,530	-
Listing costs	131,776	-
License costs	116,985	-
Fund related costs	303,114	-
Other expenses	119,983	107,269
<b>Total</b>	<b>1,610,273</b>	<b>1,002,177</b>

**Other notes****Off-balance-sheet rights and commitments**

There are no off-balance-sheet rights or commitments at 30 June 2019.

**Affiliated parties**

The following affiliated parties are recognised:

- Van Eck Associates Corporation - 99,0% shareholder
- Angkor Holding B.V. - 0,5% shareholder
- Dutch Derivatives Holding B.V. - 0,5% shareholder
- Think Board of Directors
- Supervisory Directors of Think

No transactions took place with the board of directors or the supervisory directors during the period under review, other than transactions arising from the (employment) contracts. End of June 2019, Think ETF Asset Management B.V. does not have any commitments to affiliated parties.

**Average number of employees**

During the first half of 2019, an average of 7 employees including the board of directors were employed by Think ETF Asset Management B.V. on the basis of full employment (in 2018: 8 employees). The employees all work in the Netherlands.

Amsterdam, 23 August 2019

Think ETF Asset Management B.V.

The Board of Directors

M. Rozemuller

G. Koning

The Supervisory Board

B.J. Smith

A.E. Philips

T. Hunke

J.R. Simon

### 3. Other information

#### **Provisions from the articles of association concerning profit appropriation**

The company's profit appropriation is laid down in article 23 of the articles of association:

1. The company may only make distributions to the shareholders insofar as the equity of the company exceeds the amount of the paid-up capital of the company plus the reserves that must be maintained pursuant to the law.
2. For each of the classes of shares a dividend reserve is kept on behalf of the holders of those shares, which reserve bears the same letter as the shares in question. If and to the extent the profit allows, an amount will be added from this profit to each of the dividend reserves in an amount equal to a percentage mentioned below of the relevant dividend reserve as of the end of the financial year. If a dividend reserve has not shown the same amount throughout the financial year, the profit addition will be calculated on the year average of the particular reserve. To determine the amount of the profit addition, the amount by which the dividend reserve must be supplemented pursuant to paragraph 7 of this article, second sentence, is added to the dividend reserve. The percentage referred to above is equal to half of the deposit rate of the European Central Bank effective as of the end of the particular financial year, plus two percentage points.
3. The profit remaining after the profit addition pursuant to paragraph 2 is at the disposal of the general meeting. The general meeting may add all or part of the remaining profit to the distributable reserves.
4. The profit that is not reserved by the general meeting in accordance with paragraph 3 will be added to the dividend reserves of a specific class in proportion to the total paid-up nominal amounts on the various classes of shares.
5. Only at the proposal of the meeting of holders of a certain class of share can the general meeting decide to partially or fully eliminate a dividend reserve for holders of shares of the class in question, subject to the provisions in paragraph 8. In that case the amount to which the elimination pertains is paid out to the holders of shares of the class in question prorated to the paid-up nominal amount of their shares of that class.
6. The general meeting can at any time make additions to the dividend reserves of a particular class at the expense of the distributable reserves. The addition takes place such that every one of the dividend reserves enjoys the addition proportionate to the nominal amounts paid up on the shares of the particular class, without prejudice to the provisions of paragraph 7, second sentence.
7. The general meeting will partially or fully eliminate a dividend reserve to cover losses. If a dividend reserve is drawn on to cover a loss, no payment of dividend - other than as a result of the elimination of a dividend reserve in the manner referred to in paragraph 5 - or reservation or addition to another dividend reserve will take place as long as the amount withdrawn to cover the loss has not been added to the particular dividend reserve. This can be deviated from if the general meeting unanimously resolves to do so. If several dividend reserves have been drawn on to cover losses, an addition as referred to in the second sentence of paragraph 6 takes place to the reserves in question in a manner proportionate to the withdrawals.
8. Profit additions or distributions may only take place to the extent the equity is greater than the paid-up and called-up portion of the capital plus the reserves that must be maintained pursuant to the law.
9. A profit addition or distribution takes place after the adoption of the financial statements showing that this is permissible.
10. The general meeting can resolve to make an interim profit addition or distribution, provided the provisions of paragraph 8 are duly observed.
11. The general meeting can, with analogous application of the provisions in paragraph 8, resolve to make distributions chargeable to a reserve which is not required to be maintained pursuant to the law.
12. No distribution for the benefit of the company takes place on shares the company holds in its own capital or the depositary receipts for such shares.
13. In calculating the profit distribution, the shares or depositary receipts for shares on which no distribution takes place for the benefit of the company pursuant to paragraph 12 are not counted.
14. The claim to payment expires by the passage of five years counted from the day the claim becomes payable.