

H.O. Foundation: Financial Report 2013

8 April 2014

The investment portfolio started with a value of 488'684.35 at 1 January 2013 and the foundation had 23'257.76 of cash totaling to 511'942,11 €. In February the nationalization of SNS bank and subsequent devaluation of the SNS Bank Subordinated 2009 bond had an impact on the portfolio value. However, due to positive economic and stock market development within the remainder of 2013 the overall performance in 2013 was positive and at the end of the year the foundation held assets worth 501'472.09 €, which is 101.5% of the initial capital of 500'000 € and 98.0% of 511'942.11 € at the end of 2012.

At the end of the year 99.07% of the capital was invested in stocks and bonds. No major changes in the overall investment portfolio were made. The fraction of investments in shares rose again due to positive performance from 54.53% in 2012 to 59.84% at the end of 2013. The share of bonds dropped slightly from 39.93% in 2012 to 39.23% at the end of 2012. As of 31 December 2013, we had a negative cash balance of -199.06 € (31 December 2012: 23'257.76 €) on the account, but only because of the fact that 383.66 € dividends from Robeco High Yield Bonds (CH) valuta date 13 December 2013 was booked on our account late by the bank on 6 January 2014.

In 2013 the Foundation received 12'321.75 € from dividends and 8'294.72 € from interest. No donations were received. Money was mainly spent for prizes (30'000.00 €) and for the participation at the EMS Meeting in Reading in September 2013 (13'006.66 €). Other promotion activities (flyers, website) accounted for 877.27 € of the costs. Due to a change in the contract in 2012 with the bank the fees were further reduced from 1'954.97 € in 2012 to 728.31 € in 2013. General administration costs were 1'643.78 €.

It should also be noted that the following expenses which are related to 2012 have been paid in 2013:

EMS Meeting – Travel Cost Reimbursement	826.09 €
Administration	421.27 €
Promotion	94.05 €
Sum	1'341.41 €

In addition to that the following expenses relating to 2013 will be made in 2014:

EMS Meeting – Travel Cost Reimbursement	423.00 €
Promotion & Communication	136.15 €
Sum	559.15 €

The Foundation has filed documentation to the French and Dutch tax authorities in order to reclaim taxes paid on dividends. However, no payment has been received as of date of this report.

Table 1 gives a brief overview of income and expenses in 2013. More detailed information about the financial situation are provided on the next pages in tables 2 (asset overview as of 31 December 2013).

Income	
Dividends	12.321,75 €
Interests	8.294,72 €
Donations	- €
Other	- €
Sum	20.616,47 €

Expenses	
Bank fees	728,31 €
Administration	1.643,78 €
Promotion	642,27 €
Website	235,00 €
EMS Meeting	13.006,66 €
Prizes	30.000,00 €
Unforeseen	- €
Other travel costs	50,00 €
Sum	46.306,02 €

Balance - **25.689,55 €**

Transactions	
Sold investments	2.612,35 €
Bought investments	379,62 €
Sum	2.232,73 €

Cash Balance -**23.456,82 €**

Table 1: Income and expenses from 1 Jan – 31 Dec 2013

Shares	Amount	Price in Euro	Value in Euro	% of Assets
AKZO NOBEL	459	56,34	25.860,06	5,16%
CORIO	563	32,58	18.339,73	3,66%
KONINKLIJKE DSM	517	57,16	29.551,72	5,89%
TOTAL	500	44,53	22.265,00	4,44%
FRANCE TELECOM	1.250	9,00	11.250,00	2,24%
KONINKLIJKE KPN	2.300	2,34	5.388,90	1,07%
ROYAL DUTCH SHELL-A-	1.220	25,91	31.604,10	6,30%
UNIBAIL-RODAMCO SE	202	186,25	37.622,50	7,50%
WERELDHAVE	424	57,17	24.240,08	4,83%
BP	4.000	5,85	23.416,05	4,67%
COCA COLA	800	29,95	23.963,44	4,78%
PROCTER & GAMBLE	400	59,03	23.612,48	4,71%
AT&T	900	25,49	22.945,38	4,58%
Sum shares			300.059,44	59,84%

Bonds	Amount	Price in Euro	Value in Euro	% of Assets
8% ING PERPETUAL IV 2008	20.000	1,04	20.720,00	4,13%
5.22% RABO STEEPENER 2005-35	40.000	1,03	41.300,00	8,24%
ROBECO HIGH YLD BNDS (B)	256	99,51	25.474,56	5,08%
11.25% SNS BANK PERP.2009	20.000	0,02	357,00	0,07%
4.26% AEGON 1996/PERP.CUM.ACHTG	75.000	0,33	24.436,06	4,87%
THREADN.EUR.HIGH YLD B(R)	20.359	1,44	29.302,71	5,84%
6.75% GENERAL ELECTRIC 2002-32	20.000	0,90	18.031,89	3,60%
5.664% NED.WATERSCH.BANK 2005-35	35.000	1,06	37.082,50	7,39%
Sum bonds			196.704,72	39,23%

Sum accumulated interest			4.906,99	0,98%
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Sum invested capital			501.671,15	100,04%
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Sum account			-199,06	-0,04%
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Total assets			501.472,09	100,00%
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Table 2: Asset overview as of 2013-12-31