

H.O. Foundation: Financial Report 2015

27. April 2016

Financial Situation:

The investment portfolio started with a value of 512'716.21 € at 1 January 2015 and the foundation had a cash amount of 35'825.24 € totaling to 548'541.45 €. Due to expenditures which the Foundation incurs during years when a prize is awarded, the overall assets of the foundation were reduced. On 31 December 2015 the foundation held assets worth 503'525.69 € and cash of 3'884.55 €, so in total 507'410.24 €. This is 101.5% of the initial capital of 500'000 € and 92.5% of 548'541.45 € at the end of 2014.

During 2015 the Foundation changed the investment strategy. Instead of investing in individual bonds and shares, the Foundation is now investing in mutual funds managed by Vanguard Group with the aim to hold $\frac{2}{3}$ in Vanguard SRI Global Stock Fund and $\frac{1}{3}$ in Vanguard Global Bond Index Fund. These funds don't pay dividends or interest, but will generally appreciate in value over the long term (based on historical performance). We will use moments when we need cash and therefore have to sell assets to rebalance the proportion of stocks and bonds.

On 31 December 2015 the Foundation held 2'502.67 of Vanguard SRI Global Stock Fund worth 339'250.21 (67.4% of all assets) and 1'549 of Vanguard Global Bond Index Fund worth 164'275.48 (32.6% of all assets). In addition to that the foundation still holds 20.000 SNS Bank 2009/PERP bonds with a current value of 0.

In 2015 the Foundation received 11'811.69 € from dividends and 6'433.90 € from interest. No donations were received. 2'720.98 €, which we received back from UK IP for a duplicate payment in 2014, was booked as other income.

Money was mainly spent for prizes (30'000.00 €) as well as travel costs for the Board and finalists to the EMS Meeting in Sofia (10'496.92 €) where we also sponsored the Icebreaker reception with 1'200 € and incurred costs of 1'048.90 Euro for the awards ceremony and the dinner with the finalists thereafter. Other promotion activities (flyers, website) accounted for 417.06 € of the costs. Bank feed dropped further to 276.18 € in 2014. General administration costs were 1'352.78 €.

There were no payments in 2015 relating to 2014, nor had the Foundation any outstanding payments at the end of 2015.

Table 1 gives a brief overview of income and expenses in 2015. More detailed information about the financial situation are provided on the next pages in table 2 (asset overview as of 31 December 2015).

Income	
Dividends	11'811.69 €
Interest	6'433.90 €
Donations	- €
Other	2'720.98 €
Sum	20'966.57 €

Expenses	
Bank fees	276.18 €
Administration	1'352.78 €
Promotion	182.06 €
Website	235.00 €
EMS Meeting	12'745.82 €
Prizes	30'000.00 €
Unforeseen	- €
Other travel costs	- €
Sum	44'791.84 €

Balance -23'825.27 €

Transactions	
Sold investments	532'001.56 €
Bought investments	540'116.98 €
Sum	-8'115.42 €

Cash Balance -31'940.69 €

Table 1: Income and expenses from 1 Jan – 31 Dec 2015

Category	Description	Amount	Price on 31 Dec	Value on 31 Dec
Shares	Vanguard SRI Global Stock Fund	2'502.67	135.56 €	339'250.21 €
Bonds	SNS Bank 2009/PERP	20'000	0,00%	- €
Bonds	Vanguard Global Bond Index Fund	1'549	106.05 €	164'275.48 €
Cash	NL96 RABO 0304 0795 53			3'079.02 €
Cash	NL96 RABO 0305 5019 25			805.53 €
Subtotal investments				503'525.69 €
Subtotal cash				3'884.55 €
Total				507'410.24 €

Table 2: Asset overview as of 2015-12-31