

## H.O. Foundation: Financial Report 2012

26 August 2013

The first three months of 2012 showed a positive development, in April and May the value of the portfolio decreased by 15'777 Euro and 11'435 Euro, respectively. For the remainder of the 2012 the development was positive.

The investment portfolio balance reached its lowest value in May. It increased after this low point, and at the end of the year the foundation held assets worth 511'942.11 €, which is 102.4% of the initial capital of 500'000 € and 107.9% of the value of 477'602.83 at the end of 2011.

At the end of the year 95.46% of the capital was invested in stocks and bonds. The foundation reduced its investments in shares from 61.8% at the end of 2011 to 54.53% at the end of 2012. Subsequently the share of bonds rose from 32.2% in 2011 to 39.93% at the end of 2012. This was supported by selling all the shares in Telefonica – for which the Foundation had to pay taxes on dividends anyway – and to buy bonds of General Electric instead. As of 31 December 2012 we had cash of 23'257.76 € (31 December 2011: 23'813.62 €) on the account.

In 2012 the Foundation received 15'378.54 € from dividends and 9'892.95 € from interest. No donations were received. Money was mainly spent for promotion (4'023.99 € for printing and distribution of flyers) and for the participation at the EMS Meeting in Lodz in September 2012 (7'301.22 €). Due to a change in the contract with the bank the fees could be reduced from 3'134.62 € in 2011 to 1'954.97 € in 2012. As there were only two Honorable Mention and no prize awarded the costs for prizes were only 1'000 € compared to 30'000 € which were planned.

It should also be noted that the following expenses which are related to 2012 have been paid in 2013 and are therefore not part of the financial overview for 2012:

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

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 2012. More detailed information about the financial situation is provided in tables 2 (asset overview as of 31 December 2012).



Shares	Amount	Price in Euro	Value in Euro	% of Assets
AKZO NOBEL	459	49.75	22'832.96	4.46%
CORIO	563	34.32	19'319.35	3.77%
KONINKLIJKE DSM	517	45.79	23'673.43	4.62%
TOTAL	500	39.01	19'505.00	3.81%
FRANCE TELECOM	1'250	8.34	10'423.75	2.04%
KONINKLIJKE KPN	2'300	3.72	8'546.80	1.67%
ROYAL DUTCH SHELL-A-	1'220	25.98	31'689.50	6.19%
UNIBAIL-RODAMCO SE	200	181.95	36'390.00	7.11%
WERELDHAVE	424	48.00	20'352.00	3.98%
BP	4'000	5.20	20'799.40	4.06%
COCA COLA	800	27.50	21'997.95	4.30%
PROCTER & GAMBLE	400	51.50	20'599.18	4.02%
AT&T	900	25.57	23'013.65	4.50%
<b>Sum shares</b>			<b>279'142.97</b>	<b>54.53%</b>

Bonds	Amount	Price in Euro	Value in Euro	% of Assets
8% ING PERPETUAL IV 2008	20'000	1.02	20'364.00	3.98%
5.22% RABO STEEPENER 2005-35	40'000	0.99	39'720.00	7.76%
ROBECO HIGH YLD BNDS (B)	1'000	25.28	25'280.00	4.94%
11.25% SNS BANK PERP.2009	20'000	0.68	13'600.00	2.66%
4.26% AEGON 1996/PERP.CUM.ACHTG	75'000	0.31	23'027.08	4.50%
THREADN.EUR.HIGH YLD B(R)	15'000	1.81	27'097.50	5.29%
6.75% GENERAL ELECTRIC 2002-32	20'000	0.99	19'814.84	3.87%
5.664% NED.WATERSCH.BANK 2005-35	35'000	1.01	35'518.00	6.94%
<b>Sum bonds</b>			<b>204'421.42</b>	<b>39.93%</b>

<b>Sum accumulated interest</b>			<b>5'119.96</b>	<b>1.00%</b>
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<b>Sum invested capital</b>			<b>488'684.35</b>	<b>95.46%</b>
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<b>Sum account</b>			<b>23'257.76</b>	<b>4.54%</b>
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<b>Total assets</b>			<b>511'942.11</b>	<b>100.00%</b>
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Table 2: Asset overview as of 2012-12-31