

H.O. Foundation: Financial Report 2017

5 May 2018

Financial Situation:

The investment portfolio started with a value of 540'385.77 € at 1 January 2017 and the foundation had a cash amount of 2'566.04 € totaling to 542'951.81 €. As in every second year when the Harry Otten Prize is awarded, the Foundation has a high cash requirement. In 2017 a negative cash balance of 50'794.34 € was financed by selling invested assets worth 49'977.54 €. The overall performance of the investment portfolio was very good with a yield of 5% which was more than the 4% we anticipate in our long-term plan. On 31 December 2017, the foundation held assets worth 517'986.60 € and cash of 1'749.24 €, so in total 519'735.84 €. This is 103.9% of the initial capital of 500'000 € and 96.2% of the 542'951.81 € owned at the end of 2016.

In 2015 the Foundation changed the investment strategy and invested in mutual funds managed by Vanguard Group with the aim to hold 2/3 in Vanguard SRI Global Stock Fund and 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). When converting assets into cash mid September 2017 we used the opportunity to rebalance the investment portfolio to the target split between the Stock Fund and the Bond Index Fund.

On 31 December 2017, the Foundation held 2'199.84 of Vanguard SRI Global Stock Fund worth 351'851,75 € (67.9% of all assets) and 1'508 of Vanguard Global Bond Index Fund worth 166'134.85 € (32.1% 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 2016 the Foundation received no dividends and 27.21 € in interest. No donations nor any other income were received.

Money was mainly spent on prizes with 30'000.00 € as well as travel and other arrangements worth 15'095.22 € for awarding the prize during the Annual Meeting of the European Meteorological Society in Dublin, Ireland. Other costs were related to general administration costs of 5'164.40 €, bank fees summed up to 326.93 € and we spent 235.00 € for the administration of our website.

There were no payments in 2017 relating to 2016, nor had the Foundation any outstanding payments at the end of 2017.

Table 1 gives a brief overview of income and expenses in 2017. More detailed information about the financial situation are provided on the next pages in table 2 (asset overview as of 31 December 2017).

Income	
Dividends	- €
Interest	27.21 €
Donations	- €
Other	- €
Sum	27.21 €
Expenses	
Bank fees	326.93 €
Administration	5'164.40 €
Promotion	- €
Website	235.00 €
EMS Meeting	
Promotion and ceremony costs	1'585.39 €
Travel costs	10'252.22 €
Conference Dinner	2'057.61 €
Sponsoring	1'200.00 €
Prizes	30'000.00 €
Unforeseen	- €
Other travel costs	- €
Sum	50'821.55 €
Balance	- 50'794.34 €
Transactions	
Sold investments	49'977.54 €
Bought investments	- €
Sum	49'977.54 €
Cash Balance	-816.80 €

Table 1: Income and expenses from 1 Jan – 31 Dec 2017

Category	Description	Amount	Price on 31 Dec	Value on 31 Dec
Shares	Vanguard SRI Global Stock Fund	2'199.84	159.94 €	351'851.75 €
Bonds	SNS Bank 2009/PERP	20000	0.00%	- €
Bonds	Vanguard Global Bond Index Fund	1'508	110.17 €	166'134.85 €
Cash	NL96 RABO 0304 0795 53			1'617.47 €
Cash	NL96 RABO 0305 5019 25			131.77 €
Subtotal investments				517'986.60 €
Subtotal cash				1'749.24 €
Total				519'735.84 €

Table 2: Asset overview as of 2017-12-31