



THE HANNA FOUNDATION

Annual Report 2022

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Legal and Administrative Information

Trustees

Efthimios Hanna

Hanna Samuel Hanna

Lydia Hanna, PhD

Magali O. Hanna

Maria Hanna

Registered Office

United Kingdom

The Hanna Foundation
16 Iceni Way
Cambridge CB4 2NZ
United Kingdom

Greece

The Hanna Foundation
The Hanna Centre,
Central Square, Stylida
Fthiotida 35300, Greece

Structure and Governance

The Hanna Foundation ("Foundation") is a registered charity (number 1159761) operating since 2nd January 2015. Formerly acting as an unincorporated association since 20th October 2013, The Hanna Foundation was established in accordance with the wish and honour of the Hanna family to provide education, healthcare, relief of poverty and the promotion of Greek culture. The Hanna Foundation is governed by constitution, constituted by association and trustees are selected by the existing trustees.

Overview of Activities

Principle Objectives

The principal objectives of the foundation are:

1. The prevention or relief of poverty by providing grants, items and services to individuals in need and/or charities, or other organisations working to prevent or relieve poverty;
2. To promote and protect the physical and mental health of people suffering ill health through the provision of financial assistance, support, education and practical advice;
3. To advance the education of the general public in such ways as the trustees think fit, including by awarding to such persons scholarships, awards, maintenance allowances or grants tenable at any university, college or institution of higher or further education;
4. To promote Greek culture, advancing the education of the public in Greek civilisation and language through the provision of grants, goods or services.

Principle Activities

The principal activities of The Hanna Foundation primarily concern the provision of grants to students and other health related charities.

The process of university student donations has changed since 2019. We are now relinquishing the entire selection process to the appropriate Cardiff University teams which will continue to follow the criteria and support that we had in mind when we started this scholarship. This change will in turn permit them to manage the various donations they receive more efficiently and will allow us to pursue more charitable objectives and organisations in line with our principles.

Other grants are handled in an ad-hoc basis where each trustee can recommend a candidate organisation or fundraiser. In addition to this, we are continuing to support a selected group of our long term charities via a monthly donation process.

Lastly, we are continuing our work to re-enforce and grow the endowment fund setup in 2020.

Achievements and Performance

The key achievement of The Hanna Foundation during the year of review were:

1. Able to secure donations from sponsors on a monthly basis.
2. Talks in have been started to obtain a larger lump sum donation, destined for the endowment fund.

The background of the slide is a detailed mosaic from the House of the Dolphins in Delos, Greece. It features a large, stylized dolphin in the center, depicted in a leaping pose. The dolphin's body is composed of various shades of blue and white mosaic tiles, with a prominent eye and a curved tail. Below the dolphin, there is a decorative border consisting of a series of concentric circles or spirals, also made of mosaic tiles. The overall color palette is dominated by blue and white, with some darker blue accents.

Financial Review

House of the Dolphins,
Delos, Greece

Financial Review

All activities of The Hanna Foundation are funded exclusively by private family donations, public and corporate donations, with strict ethical requirements and diligence forming the core selection criterions. The Hanna Foundation strives to ensure 100% managing efficiency with all proceeds and expenses covered by our sponsors and by the foundation members and trustees.

Investment Policy and Reserves

Our investment policy since establishing the Foundation has been to retain reserves in a non-interest earning capacity and is to be reviewed annually. The fundamental reasons were to reduce the compliance and regulatory obligations as such the need to incorporate a Company Limited by Guarantee, produce HMRC tax returns and in turn require further accountancy services which would ultimately reduce the funds available for donations.

Since 2020 however, we have decided to change our approach to this since our donor from the beginning of the Foundation has regrettably ceased to contribute annually to our Foundation and had notified us of their intention over a year ago. This has resulted in the foundation needing to find, besides additional donors; a more sustainable way to ensure funding which has lead to The Hanna Foundation Endowment Fund ("The Fund"). We will dedicate a chapter in our Annual Report going forward that will present the reader with the investment policy, research and objectives of the fund and its respective performance.

Risk Management

The Trustees are responsible for establishing and monitoring internal control systems within the Foundation. The major risks which may impact the activities of the Foundation have been reviewed during the year and the Trustees are satisfied that the system of internal controls currently in place is adequate, whilst recognising that they are designed to manage rather than eliminate risk. Internal controls are reviewed on an on-going basis as part of the day-to-day risk management process within the Foundation.

It is hard to escape the less than desired results of the endowment fund during 2022, however since the desired duration of the fund is to be as long term as possible, the investment strategy will continue on the path agreed previously and will be re-evaluated in the future to ensure that it still adheres to the strategy and expected results. We have therefore introduced a new chapter in our annual report named “fund performance report” to provide the reader with more information.

Declaration

The Trustees are aware there is no relevant audit information of which the charitable group auditor is unaware and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. Finally, the trustees declare that they have approved the trustees' report above and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Efthimios Hanna', followed by a long horizontal line.

Efthimios Hanna, Trustee

20th December 2022

The Hanna Foundation Endowment Fund

House of the Dolphins,
Delos, Greece

The Endowment Fund

An introduction of the Hanna Foundation Endowment Fund (“The Fund”, “Endowment Fund” or “HFEF”) is provided in this section. The Fund’s objectives, management and performance will be shown and updated annually from its conception.

For more information on the Fund, please contact us.

Fund Objectives

The objective of the Fund is to provide long-term capital growth and passive income in the form of dividends and bond coupons, whilst preserving the capital in an inflation protected manner. It should be able to provide a fairly dependable income each year which can be used to both grow the Endowment fund (re-invest profits) but more importantly, to be able to allow the Foundation to continue with its grant-making objectives and policy.

In addition, it should – to the best of its abilities and within its means of control – strive to do so regardless of the economic or political situation during that year.

Fund and Investment Policy

The Trustees have agreed to allow flexibility of the fund's management; however, it should be defensive and where possible able to produce annual distributions. On conception, it will be modelled after the "Golden Butterfly" portfolio allocation that was created by Portfolio Charts. In summary the target allocation is: 20% Total Stock Market, 20% Small Cap Value, 20% Long Term Bonds, 20% Short Term Bonds and 20% Gold.

As we shall see further on, the portfolio might seem very defensive in nature, with a high allocation to bonds and gold, however, the Trustees still believe it would be a prudent way to start with the Endowment Fund. Arguably, it might be said that the Golden Butterfly portfolio might be better suited for largest portfolios that are more interested in preserving their capital and reducing risk and volatility.

In the case of the Hanna Foundation, whilst the initial period would benefit from a larger capital gain due to the modest size of our initial fund, the Trustees have unanimously agreed that it would be prudent to guard the capital and ensure this is a fundamental priority at all times over potential capital gain.

Key Data and Performance

Key Data of the portfolio and its performance since inception is summarised below:

Fund Information

Fund Type:	Private
Fund Launch:	11 th September 2020
Bloomberg LEI:	254900HVV418CW520S12
Investment Platform Provider:	Hargreaves Lansdown plc

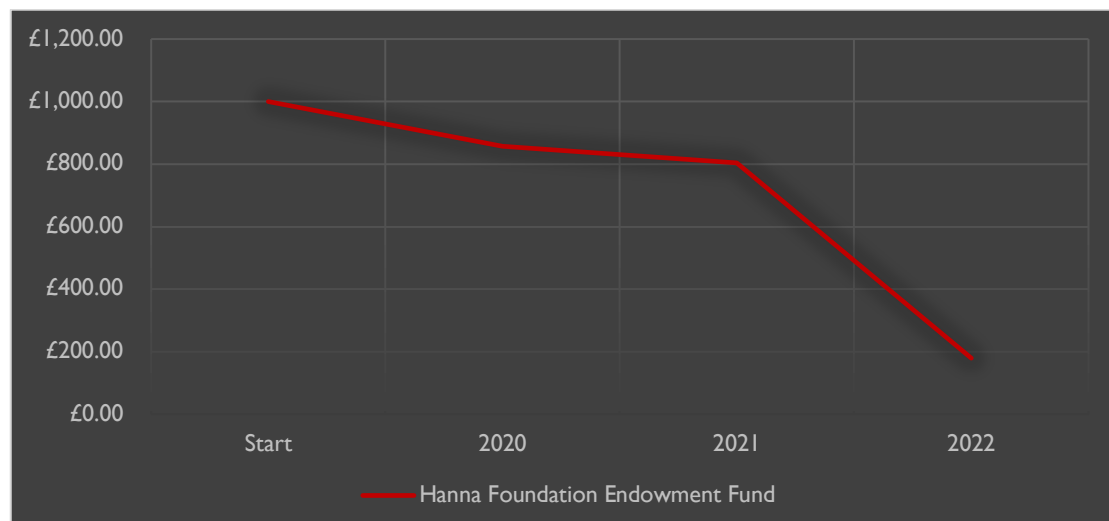
Key Data	2022	2021	2020
Portfolio Capital	£179.30	£803.78	£857.28
Investments *	£116.62	£741.13	£841.64
Uninvested Cash	£62.68	£62.65	£15.640
Number of Individual Assets	1	1	1
Number of Underlying Holdings	1	1	1
Profit/Loss ***	(82.07%)	(19.62%)**	(14.27%)

* Value as of 17th November 2021

** Data for 2021 corrected from -6.24% to -19.62%

*** Since inception (11th September 2020) – adjusted for dividends, fees and cash balance.

Asset Performance since Inception



Fund Performance Report

Although the fund's decline had started very close from inception, the nature of the particular phase of setting up the fund and the nature of the underlying asset caused no immediate alarm, but disappointment. The developments however in 2022 was an economic and humanitarian shock beyond most people's control, triggered by the Russia-Ukraine conflict. Our hearts go out to all the victims and hope for a speedy end of the conflict and reconciliation, however since the chapter is regarding the endowment fund, we are obliged to focus on the economic implications for us.

Phase I of the fund was to obtain gold exposure ideally with dividend paying capabilities (versus the traditional Gold ETF trackers of GLD, IAU, GLDM, SGOL etc). The reason a dividend stock was preferred was to help produce income that could be either re-invested or distributed as donations. This strategy comes with a risk however as the only exposure would be to hold a gold miner or processor. With careful due diligence and fundamental analysis, POLY (Polymetal International PLC) was selected, however since the company has a strong Russian presence, part ownership and key management, it was not spared the panic selling. This resulted in an 85% crash of the share price in a couple of weeks with the dividend eventually suspended. With these figures it makes no sense to close out the position, with the hope that once the crisis resolves, economical activities can resume and the company can be repriced by the markets favourably.

Be that as it may, it highlights to us the importance to continue with the plan and build the diversified portfolio that the strategy needed in order to function. This will be the priority for us in the coming months and once the fund is setup as per the strategy, we can then test it in fairness and over a long period of time. The size of the initial investment didn't allow us for effective diversification as per the strategy as the brokerage fees and commissions would be penalising.

We remain optimistic and continue to pursue the work we do meeting the core objectives of the Foundation.

Investment Portfolio and Asset Allocation

As with most portfolios that have a target allocation, rebalancing is usually necessary which seeks to re-establish the percentage allocations of each asset to their original ratios. Rebalancing can either occur from selling off the performing assets and with the proceeds purchasing the non-performing assets, or another way would be to use newly donated money to rebalance. The option and frequency will be left to the Trustees to agree, since constant rebalancing is a costly process due to brokerage fees, therefore the initial period set is annually and most likely when the asset allocation jumps 20% outside the target range. The current and target portfolio allocation is shown hereinbelow:

Asset Allocation	Current %	Target %
Total Stock Market	0	20
Small Cap Value	0	20
Long Term Government Bonds (20Y+)	0	20
Short Term Government Bonds (1-3Y)	0	20
Gold	100	20
Total	100	100

The composition to date is shown below:

Current Instrument Type Allocation	Current £
Exchange Traded Funds	0.00
Traditional Index Funds	0.00
Individual Stocks & Shares	0.00
Polymetal International PLC (POLY.L)	116.62
Cash/Currency	62.65
Total Assets	179.30

Expenses

It is critical for the success of the fund to maintain a low expense ratio of the funds but also the brokerage platform. The expense ratio of the fund is an internalised deduction (i.e. the net value of the fund has the fees deducted) and they are listed herein below:

All Single Named Stocks 0.00%

Whilst there are no holding fees for the brokerage account we have used, nor any monthly service fees, there are dealing fees of £11.95 (depending on trades done per month) for buy orders outside the regular investment or sell order.

Total Fees incurred to date:

	2022	2021	2020
Fee Type	£	£	£
Dealing Costs	0	0	11.95
Total	0	0	11.95

Financial Statements

House of the Dolphins,
Delos, Greece

Financial Statements

Receipts and Payments Accounts

To the nearest £ with cross currency amounts converted to £ according to realised cost.

	2022 £	2021 £	2020 £
Corporate Donations	363	100	1,950
Asset and Investment Sales	0	0	0
Total Receipts	363	100	1,950
Direct Charitable Activity	294	178	770
Assets and Investment Purchases	0	0	1,000
Total Payments	294	178	1,770
Net of Receipts/(Payments)	69	(78)	180
Cash Funds from Previous Year End	0	0	0
Cash Funds	171	102	180

Statement of Assets and Liabilities

To the nearest £ with cross currency amounts converted to £ according to realised cost.

	2022	2021	2020
	£	£	£
Cash Funds	171	102	180
Other Monetary Assets	63	63	16
Investment Assets	117	741	842
Assets Retained for Use	0	0	0
Total Assets	351	906	1,038
Liabilities	0	0	0
Total Liabilities	0	0	0
Net Balance	351	906	1,308