



# THE HANNA FOUNDATION

Annual Report 2023



# Contents

Contents	3
Legal and Administrative Information	4
Trustees	4
Registered Office	4
Structure and Governance	6
Overview of Activities	6
Achievements and Performance	7
Financial Review	11
Investment Policy and Reserves	11
Risk Management	12
Declaration	12
The Endowment Fund	16
Fund Objectives	16
Fund and Investment Policy	17
Key Data and Performance	18
Fund Performance Report	19
Investment Portfolio and Asset Allocation	20
Expenses	21
Financial Statements	23

# 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 2<sup>nd</sup> January 2015. Formerly acting as an unincorporated association since 20<sup>th</sup> 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. We were able to successfully obtain a larger lump sum donations, destined for the endowment fund, which in turn has helped us achieve the core portfolio needed to meet our objectives.





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 have dedicated 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.

# 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 horizontal line.

Efthimios Hanna, Trustee

20<sup>th</sup> 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 <sup>th</sup> September 2020
Bloomberg LEI:	254900HVV418CW520S12
Investment Platform Provider:	Hargreaves Lansdown plc

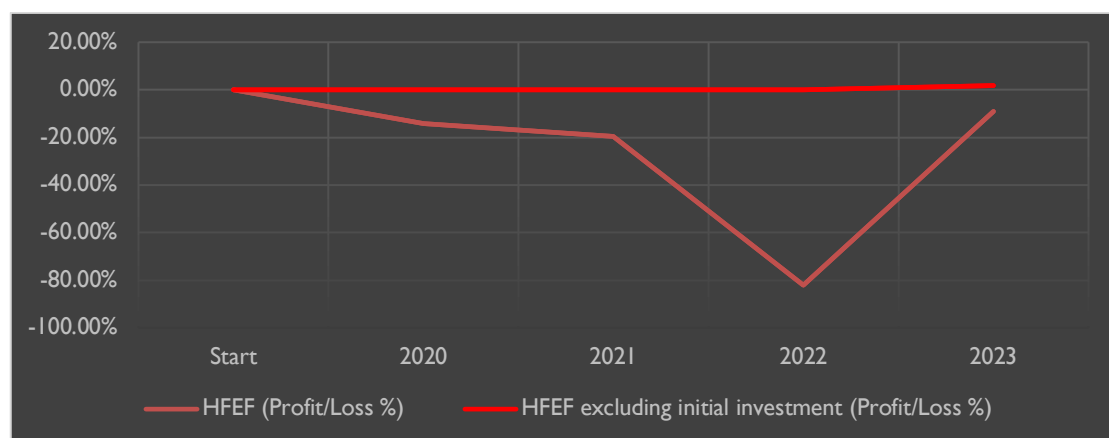
Key Data	2023	2022	2021
Portfolio Capital	£8,447.97	£179.30	£803.78
Investments *	£8,445.60	£116.62	£741.13
Uninvested Cash	£2.37	£62.68	£62.65
Number of Individual Assets	5	1	1
Number of Underlying Holdings	2,457	1	1
Profit/Loss **	(9.16%)	(82.07%)	(19.62%)
Profit/Loss ex-Initial Investment ***	1.78%	-	-

\* Value as of 17<sup>th</sup> November 2021

\*\* Since inception (11<sup>th</sup> September 2020) – adjusted for dividends, fees and cash balance.

\*\*\* Hypothetical Return if excluding initial investment in POLY.L

## Asset Performance since Inception



# Fund Performance Report

The year 2022-2023 was marked by a global economic landscape grappling with the intricate challenges posed by inflation. The core drivers we believe are the rising commodity prices, mostly driven by previous COVID policies of Quantitative Easing/Money Printing and geopolitical tensions, climate-related disruptions, and increased global demand acting as catalysts. The ripple effects of soaring prices for oil, metals, and agricultural products permeated various sectors, intensifying inflationary pressures. In addition, accommodative monetary policies adopted by central banks to combat the economic fallout of the pandemic inadvertently contributed to inflation. Low-interest rates and extensive monetary stimulus, while aiming to spur economic growth, also fuelled concerns about overheating economies and rising inflation.

In turn, the effects of inflation have been multifaced, primary by eroding the purchasing power of consumers globally – as the cost of goods and services outpaced income growth, individuals found themselves with diminished real income, affecting their ability to maintain the same standard of living. A secondary consequence has been that central banks have responded to inflationary pressures by considering adjustments to interest rates. While higher rates were seen as a tool to cool off inflation, they also had the potential to slow down economic growth and increase the cost of borrowing, posing challenges for businesses and households alike. The volatile economic environment spurred by inflation introduced uncertainty for businesses. Rapidly changing costs and unpredictable consumer behaviour made strategic planning and decision-making a formidable task, impacting industries across the board.

With that in mind, we have now seen the resilience of the portfolio since it has now been constructed the way it was initially intended. Even with global economic uncertainty, the fund has returned -9.16%, however if we were to hypothetically exclude the initial investment (as it ultimately suffered from the Russia-Ukraine war's sanctions), the portfolio would have returned a gain of 1.78%. We will continue to grow the portfolio as per the objectives and remain confident in the journey.

# Investment Portfolio and Asset Allocation

The current and target portfolio allocation is shown hereinbelow:

Asset Allocation	Current %	Target %
Total Stock Market	24.43	20
Small Cap Value	11.45	20
Long Term Government Bonds (20Y+)	26.69	20
Short Term Government Bonds (1-3Y)	24.64	20
Gold	12.75	20
Cash	0.03	0
<b>Total</b>	<b>100</b>	<b>100</b>

The composition to date is shown below:

Current Instrument Type Allocation	Current £
Exchange Traded Funds	8,445.60
SPDR MSCI USA Small Cap Value Weighted ETF (USSC.L)	967.68
Vanguard S&P 500 ETF (VUSA.L)	2,064.23
iShares USD Treasury Bond 1-3yr ETF GBP Hedged-D (IBTG.L)	2,081.93
iShares USD Treasury Bond 20+yr ETF GBP Hedged-D (IDTG.L)	2,254.39
Invesco Physical Gold A (SGLP.L)	1,077.37
Traditional Index Funds	0.00
Individual Stocks & Shares	0.00
Cash/Currency	2.37
<b>Total Assets</b>	<b>8,447.97</b>

# Expenses

It is critical for the success of the fund to main 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%
SPDR MSCI USA Small Cap Value Weighted ETF (USSC.L)	0.30%
Vanguard S&P 500 ETF (VUSA.L)	0.07%
iShares USD Treasury Bond 1-3yr ETF GBP Hedged-D (IBTG.L)	0.10%
iShares USD Treasury Bond 20+yr ETF GBP Hedged-D (IDTG.L)	0.10%
Invesco Physical Gold A (SGLP.L)	0.12%

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:

	2023	2022	2021
Fee Type	£	£	£
Dealing Costs	107.55	0	0
Total	107.55	0	0



# 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.

	2023 £	2022 £	2021 £
Donations	7,225	363	100
Gift Aid Reclaim	1,650	0	0
Asset and Investment Sales	0	0	0
Interest Earned	1	0	0
<b>Total Receipts</b>	<b>8,876</b>	<b>363</b>	<b>100</b>
Direct Charitable Activity	336	294	178
Assets and Investment Purchases	8,300	0	0
<b>Total Payments</b>	<b>8,636</b>	<b>294</b>	<b>178</b>
Net of Receipts/(Payments)	240	69	(78)
Cash Funds from Previous Year End	172	0	0
<b>Cash Funds</b>	<b>412</b>	<b>171</b>	<b>102</b>

## Statement of Assets and Liabilities

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

	2023	2022	2021
	£	£	£
Cash Funds	412	171	102
Other Monetary Assets	2	63	63
Investment Assets	8,446	117	741
Assets Retained for Use	0	0	0
<b>Total Assets</b>	<b>8,860</b>	<b>351</b>	<b>906</b>
Liabilities	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Balance</b>	<b>8,860</b>	<b>351</b>	<b>906</b>