

KEY FIGURES IN THE 15TH FINANCIAL YEAR

Funds totalling CHF 11.1 million (2011: 11.3; 2010: 10.0) were used for the Foundation's activities (cash-out). CHF 10.2 Mio. (10.4; 9.1;) were channelled into direct grants and implementation activities for 47 (50; 36) support projects. Of these projects, 14 (16; 6) were ≤ CHF 50,000, 31 (31; 28) between CHF 50,000 and CHF 500,000 and 2 (3; 2) ≥ CHF 500,000. Total foundation expenditure amounted to 8.5 % (8.2; 9.3) of the funds used, of which 2.6 % (2.5; 3.2) were administrative expenses and 5.9 % (5.7; 6.1) direct project expenses for the themes supported. Foundation assets as at 31.12.12 amounted to CHF 170.6 million (170.0; 177.3). In the year under review, a net portfolio performance of 8.07 % (1.08; 3.60) was achieved with a largely passive asset allocation.

SELECTION

The evaluation of projects is based on a grant-making strategy comprising a two-stage process of selection by the board of trustees: If a project proposal is approved, an invitation is extended to submit a detailed application. Not all projects that meet the grant-making strategy criteria can be financed. This is why, in a final step, a ranking is drawn up which in many cases leads to the exclusion of applications as "approved but not funded".

TRANSPARENCY

The website grstiftung.ch presents the foundation's policy and strategy in the form of target domains and areas of activity, it openly discloses the support criteria and provides information on procedures. The following information is given for every project supported: project managers, total grant amount, abstract, project status and results. All information reported, which is structured by project stages, is continuously updated. The present short report of the executive team is also available in German and French. The full annual report of the board of trustees in accordance with Swiss GAAP ARR can be downloaded from grstiftung.ch as of May 2013.

GOOD GOVERNANCE

Gebert RUF Stiftung complies with the Swiss Foundation Code 2009, is a member of SwissFoundations and works closely with the University of Basel's CEPS (Centre for Philanthropy Studies). Relying on an internal control system (ICS), the board of trustees carries out an annual risk assessment of all foundation activities.

MANAGEMENT

Board of Trustees: Prof. Dr. Rudolf Marty (since 2005; chairman), Prof. Dr. Peter Forstmoser (since 1997; deputy chairman), Prof. Dr. Richard Bühler (since 2011), Prof. Dr. René Dändliker (since 2007, until end 2012), Prof. Dr. Susan Gasser (since 2006), Dr. Katja Gentinetta (since 2013), Christiane Langenberger (since 2008, until end 2012), Prof. Dr. Jürg Schifferli (since 2007), Prof. Dr. Roland Siegwart (since 2012); Executive Team: Dr. Philipp Egger (Director), Dr. Pascale Vonmont (Deputy Director), Jacqueline Grollimund (Project Controlling), Corinne Burkhardt (Assistant / Back Office); Committees and Advisory Boards: Chairman's Committee, Nominations Committee, Finance Committee, Eastern Europe Committee, ad-hoc committees, "venture kick" Strategy Board, "Modellprojekte Fachhochschulen" Advisory Board, "Rare Diseases" Advisory Board

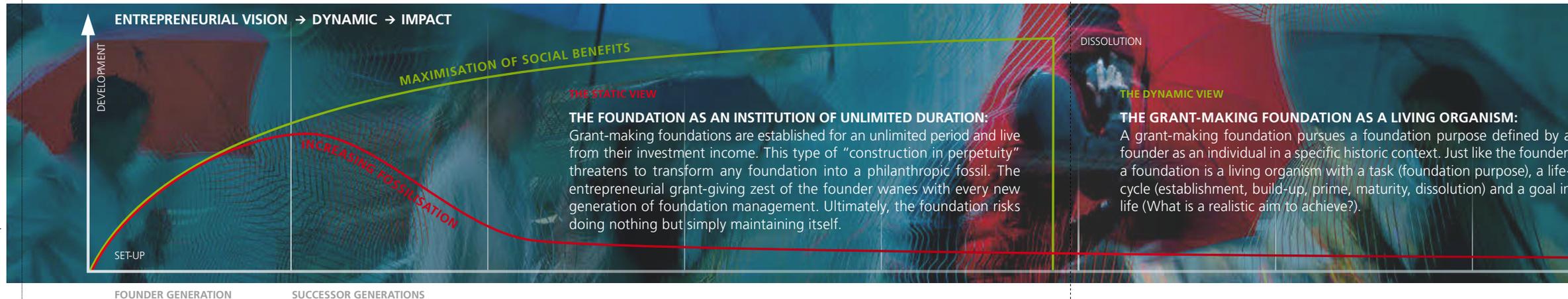
EXTERNAL UNITS

Investment concept / Strategic pooling partner: ECOFIN Portfolio Solutions AG, Zurich; Asset management / Fund management: State Street Global Advisors (SSgA), Boston (global equities and bonds); Bank Syz AG, Zurich (for CHF bonds); Investment Controlling: ECOFIN Investment Consulting AG, Zurich; Accounting: Bourcart Treuhand AG, Basel; Auditors: Copartner Revision AG, Basel; Supervisory authority: Swiss Federal Supervisory Board for Foundations, Berne

Layout and design: at-basel

— GEBERT RUF STIFTUNG —
WISSENSCHAFT.BEWEGEN





FOUNDATIONS AND THE FINANCIAL CRISIS

Grant-making foundations rely on investment income to fund project activities. However, over the past ten years, the capital markets have gone from one crisis to the next. Whereas a good decade ago foundations could expect to see an annual return of 5% to 7%, any forecast made today is pure speculation.

Despite temporary rallies, returns on capital are expected to remain modest in the longer term with the fundamentals unlikely to change any time soon: debt crisis, euro structural crisis, bank and finance crisis, and the welfare state crisis.

Saving on grants as the seemingly obvious thing to do ...

Quite a number of foundations have used up their reserves and resorted to slashing grant budgets. This knee-jerk response hits potential beneficiaries with full force – and is felt even harder in a general economic climate in which state funding is also being scaled back. It is alarming to see private foundations blindly following the trend to save money and focus on their own interests.

... raises doubts about the legitimacy of a grant-making foundation

A foundation which hugely reduces or even suspends its grant-making activities for an indeterminate period calls into question both its “entrepreneurial purpose” and its justification. Taking a broader philanthropic view,

preserving the foundation’s assets cannot be the legitimate overriding objective of the foundation management. On the contrary, the foundation’s ongoing grant-making activities should take precedence.

GEBERT RÜF STIFTUNG IN 2012 AT A GLANCE

SUPPORT PROVIDED:	CHF 10.85 million and increasing
YOUNG SCIENTISTS SUPPORTED:	ca. 500
EXECUTIVE TEAM:	3.2 full-time equivalents
ADMINISTRATIVE EXPENSE RATIO:	2.6% of cash out
FOUNDATION EXPENSE RATIO:	8.5% of cash out
RETURN ON ASSETS:	8.07% net
REGULATORY BASIS:	Swiss Foundation Code

THE SPEND-OUT FOUNDATION AS A MODEL FOR OUR TIME

In light of the enduring crisis, Gebert Rüt Stiftung’s board of trustees has drawn inspiration from a model adopted by US foundations which use up their funds within a defined period, rendering the principle of asset preservation obsolete in foundation charters.

A spend-out foundation does not need to cut back on activities during lean phases. It can even buck the crisis and increase grant support: This entrepreneurial model is a good fit for any innovation-led foundation.

The rationale for a transition to a spend-out foundation is rooted in a belief in the capabilities and innovativeness of a robustly developing society. Large pools of assets will also be generated in future and used to set up new foundations providing private grants to complement state-funded research. This conviction explains Gebert Rüt Stiftung’s extensive commitment to Switzerland as a foundation location.

REFERENCES

Giving Our All: Reflections of a Spend out Charity
 The tubney charitable trust (1997–2012), London 2012

Innovation statt Stagnation, wie sich Stiftungen aus der Krise befreien
 Band 10 der Buchreihe Foundation Governance: von Schnurbein, Georg/Egger, Philipp (Hrsg.)
 Basel: Helbing Lichtenhahn, 2013

