



VAN LEER GROUP

Annual Report 2020

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Message from the Chair and the CEO



Nanno Kleiterp
Chair, Governing Council



Michael Feigelson
Chief Executive Officer

A year of resilience and innovation

When the Board met in March 2020, we had just started to process what would become the global pandemic that is now an all too familiar fact of life. Faced with great uncertainty, we decided early on not to change strategy, but rather to look for creative ways to pursue existing areas of work amidst the changing circumstances. Throughout this report, you can read how the institutions we support took up that challenge.

At the Bernard van Leer Foundation, the team looked for new modalities to bring comfort to parents and young children under extraordinary levels of stress due to lockdowns and reduced access to health and education services. They helped partners around the world bring parent coaching activities online, create safe spaces for play nearby where children live, and share insights about how policymakers could ensure the pandemic response was sensitive to the needs of babies, toddlers and their caregivers.

At the Van Leer Jerusalem Institute, the newly formed digital team quickly transitioned online and re-oriented its public programming to address questions brought to the fore by the experience of the pandemic. How was COVID-19 impacting women differently than men? How would the public health restrictions affect the religious communities and their sacred practice? What kinds of economic policies would provide the best protection for people in the face of such health and economic shocks? These and other questions stimulated debate in the media as well as in a variety of education programmes run at the Institute.

At the Jerusalem Film Center, the team also pivoted online to a new model bringing artistic and socially relevant content into the homes of its audience. This included activities such as a series called *The Day After?*, which encouraged viewers to reflect on what they would wish for in a post-COVID future and the digital launch of the Israel National Film Archive, which attracted several hundred thousand visitors from around the world. Then, in the latter part of the year, the Center was one of the first to re-open for live screenings starting in its courtyard and then in Jerusalem's Liberty Bell Park Amphitheatre.

Our endowment was perhaps the one area where we did not adapt, but rather remained committed to the new investment and spending policy approved at the end of 2019. While we saw significant drops in the net asset value in the early stages of the crisis, it had fully recovered by year-end avoiding any major disruptions to our charitable spending.

The Board itself also had to adapt and held all four annual meetings in a virtual setting for the first time. This was a challenge in a year where we had a change in Chair and welcomed a new cohort of Trustees. To this end, we would like to thank Jacqueline Tammenoms Bakker and Robert Swaak, who stepped down at the end of their terms, and to welcome Ngairé Woods, Fay Twersky and Ory Okolloh, who joined the Board in June.

Finally, we are deeply grateful for the commitment of the team at the Van Leer Group, the Bernard van Leer Foundation, the Van Leer Jerusalem Institute and the Jerusalem Film Center. With their partners, they exemplify the resilience and innovation that we need when confronted with such difficult challenges. We are sure that in 2021 they will find new and creative ways to bring people together in the spirit of building back better.

The Hague, 25 June 2021

Van Leer Group Director's Report

The Van Leer Group performs the holding function for all the Van Leer charitable activities. As such, it supervises its investment portfolio and the governance of its charitable activities. This includes overseeing the work of the Bernard van Leer Foundation to help all children get a good start in life; as well as supporting the Van Leer Jerusalem Institute and the Jerusalem Film Center, focused on strengthening democracy, equality and regional peace.

Our work traces back to 1949 when Bernard van Leer decided to dedicate the profits of his business – Royal Packaging Industries Van Leer – to philanthropy. Having lived through the Second World War as a Jewish man and as a refugee, he wanted to use his wealth to help build a more peaceful society. His wife Polly and sons Wim and Oscar agreed, relinquished their inheritance rights and set up a foundation.

When his father Bernard passed away in 1958, Oscar took over the business and philanthropic activities. He believed that the methods and insights of the business world could strengthen those of the social sector and vice versa. He sought an ideal synthesis, which over time evolved to form the Van Leer Group.

In these pages, we report on how we advanced this vision during 2020.

Bernard van Leer Foundation

Oscar van Leer decided to focus on early childhood development in the early 1960s. Today, the Foundation believes the major challenge is the transition to scale. Plenty of ideas to improve babies' and toddlers' health, nutrition, protection, and learning have proven their worth at small scale, but how do we effectively reach hundreds of thousands or millions of children? Answering this question is the focus of the current strategic plan, which runs until 2023.

The strategic plan has three areas of work: Parents+, centred on training for caregivers combined with at least one service that meets families' basic needs; Urban95, bringing a focus on babies, toddlers and caregivers into the planning, design, and management of cities; and Early Years Thought Leadership, supporting leaders who want to advance the wellbeing of young children and families by sharing research and ideas, running executive programmes and organising convenings.

Early in the pandemic, the Foundation decided to continue with this strategy but with the understanding that creativity and adaptation would be crucial. For example, in Recife, Brazil, this meant reallocating resources from an existing grant to provide health supplies to a children's hospital and conduct online workshops about healthy nutrition. In Israel, it required supporting the Ministry of Health to shift training for nurse leaders and parent coaching sessions online so they could continue to support families. In Jordan – when the lockdown prevented humanitarian staff from travelling to refugee camps – Foundation partner Civic produced digital content such as a video challenge, activity kits and care packages so activities could be self-organised by refugee parents. Finally, the Foundation converted its travel budget into a rapid response fund supporting projects such as mental health care and information about the pandemic to migrant families with young children and pregnant women in India through Aide et Action.



Photo: Courtesy of Metropolitan Municipality of Lima, Communications Department

During the year we also observed the need for safe, local, green spaces to play was more salient than ever. This translated into increased interest in the Foundation's Urban95 programme. For example, the Foundation launched the Nurturing Neighbourhoods Challenge in partnership with the Indian Ministry of Housing and Urban Affairs and the World Resources Institute, signing up 25 new cities. In Brazil, a new Urban95 Network was launched expanding participating cities from three to 14. At the end of the year, the Foundation held its first-ever fully digital Urban95 Convening, bringing together 150 people from across the world, including leaders such as the mayors of Lima and Recife, the Deputy Mayor of Tel Aviv, and world-renowned architect and urban planner Jan Gehl.

Finally, the Foundation ramped up its advocacy to ensure young children and families were not left out of the discussions about response and recovery. For example, in the Netherlands, Foundation partners built on the increased debate about parenting and childcare amidst the lockdown to successfully advocate for an extension of legal paternity leave and build momentum for future improvement to childcare services. Globally, the Foundation developed briefs featuring practical, science-based ideas to help decision-makers limit the impact of COVID-19 on the most vulnerable children and families. In parallel, it ran a COVID-19 Twitter campaign sharing resources for caregivers during the pandemic, with ideas to promote play, interaction, and mental health.

In 2021, the Foundation is strengthening its partnerships with institutions such as ministries of health and cities that are on the frontlines supporting children and families and will continue to use its expertise and its voice to help ensure babies, toddlers and caregivers are seen as central stakeholders in the debate about how to 'build back better'.

Photo: Courtesy of ARIES/Giselle Mendes Cahú Costa



Van Leer Jerusalem Institute



Photo: Courtesy of Tamar Abadi

Established in 1958, the Institute is a hub for interdisciplinary research in the humanities and social sciences, hosting innovative approaches to global issues of particular significance for Israeli society and the region, building bridges and introducing new ways of thinking.

Having formed a new digital team in January 2020, the Institute was able to rapidly shift its activities to the virtual world and to address timely issues at the intersection of its research and the experience of the pandemic. For example, the team organised a series of online events on topics such as the effect of the emergency in the Haredi society and the gender implications of the pandemic. Forty-eight events were streamed on Facebook, YouTube, and the Institute's new website, attracting an average of 220 real-time participants and 1,200 views.

Considering the economic dimension of the crisis, the Institute also found more openness to discuss and debate ideas emerging from its Globalization and Sovereignty programme. For example, it explored universal basic income as a policy solution to protect people from similar economic shocks with results showcased in *Haaretz Weekend Magazine* and other national media.

The Young Intellectuals leadership programme continued in 2020, albeit in a condensed form due to the pandemic. In its second year, this programme brings together 15 young adults from diverse communities in Israel (Arabs and Jews, religious and non-religious, from the centre and the periphery) who spend six weeks together, this year in an isolated "bubble". They are taught and mentored by academics for an intensive summer programme and throughout their first year of university, engaging on a personal project that addresses crucial social issues. In 2021, the Institute plans to work with other universities to expand the programme to serve more students.

The Van Leer Institute Press continued publishing books, academic journals, and online articles throughout the year. The *Ofek* portal, an online platform that brings Arabic news and opinion to Hebrew audiences, gained traction with a new weekly cooperation with media outlets such as *Ynet* and *Haaretz*. Four books and three booklets were published within the Maktoob series, a project to translate Arabic literature into Hebrew. Such initiatives have contributed to the work of the Israel in the Middle East programme, which strives to contextualise Israel within the region and to explore ties with neighbours to pursue peaceful coexistence.

Finally, the team created a new programme focused on Living Together with Difference, exploring avenues beyond the traditional understanding of this issue. In 2021, the team hopes to grow this aspect of their work especially considering the latest wave of violence in the region.



Photo: Courtesy of Tamar Abadi

Jerusalem Film Center



Photo: Courtesy of Jerusalem Film Center

The Center was established in 1974 by Lia and Wim van Leer. Since that time, it has served as a bastion of pluralism within a city full of divisions and conflicts. Through year-round programming and festivals, the Center provides a meeting ground and forum for respectful, serious, and fruitful dialogue between people of all faiths, ethnicities, and worldviews.

Some of its most notable activities include acting as the home to the Jerusalem Film Festival, the Israeli National Film Archive, the Jerusalem Cinematheque, an educational programme for children and youth and a variety of thematic activities such as Jewish, Arabic and Turkish Film Festivals, Cinema and Brain Week, and an International Writers Festival.

In 2020, the Center – like cultural institutions worldwide – was forced to close its doors and cancel in-person activities for most of the year. For an institution that exists to bring people together, this was an enormous challenge, but its team quickly adapted, innovated, and found its way.

During the Passover holidays at the start of the first lockdown in April, the Cinematheque quickly re-organised to produce special online content for children, including educational lectures and workshops in Hebrew, Arabic and English alongside screenings of popular films.

Two months later, as the initial lockdown began to ease, the team worked with the Van Leer Jerusalem Institute, the Bernard van Leer Foundation and *Haaretz*, to organise its first online film series entitled *The Day After?* The series combined interviews with thought leaders from around the world such as Ai Weiwei, Ngairé Woods and Jonathan Safran Foer with films about major global challenges facing society. The movies and interviews received over 75,000 views.

In September – after seven years of intensive work – the Center finalised the digitisation of the Israel National Film Archive and launched its public website. The Archive now provides public access to thousands of films and media clips spanning the last 120 years. In the first five months online, the Archive received more than 200,000 visits. In late 2020, the Center began working with the Israeli Ministry of Education to design ways to make the content more accessible to both Arabic and Hebrew speaking teachers and students.

In October, the Cinematheque, in collaboration with the Jerusalem Municipality, started exploring COVID-safe ways to bring people back to the in-person experience of film. It organised open-air screenings alongside performances with the participation of filmmakers. The venue was the Liberty Bell Park Amphitheatre, offering films for Jerusalem’s many, often divided communities.

In 2021, the team is taking the lessons from last year and looking for ways to adjust their programming and operations to the new realities through which we are living. More than ever, they are committed to bringing diverse communities together, both in-person and online.

Photo: Courtesy of Jerusalem Film Center



Our endowment

Initially, the dividends of the Royal Packaging Industries Van Leer funded our philanthropic activities. In 1996, its board decided on an initial public offering (IPO) for the company, the ultimate proceeds of which formed an endowment that funds our philanthropic activities today.

The endowment predominantly invests in a highly diversified portfolio of public market equity and debt through passive index funds. It also contains a substantial allocation to private equity funds and a limited portfolio of direct venture capital investments in Israel through its wholly-owned subsidiary Crecor.

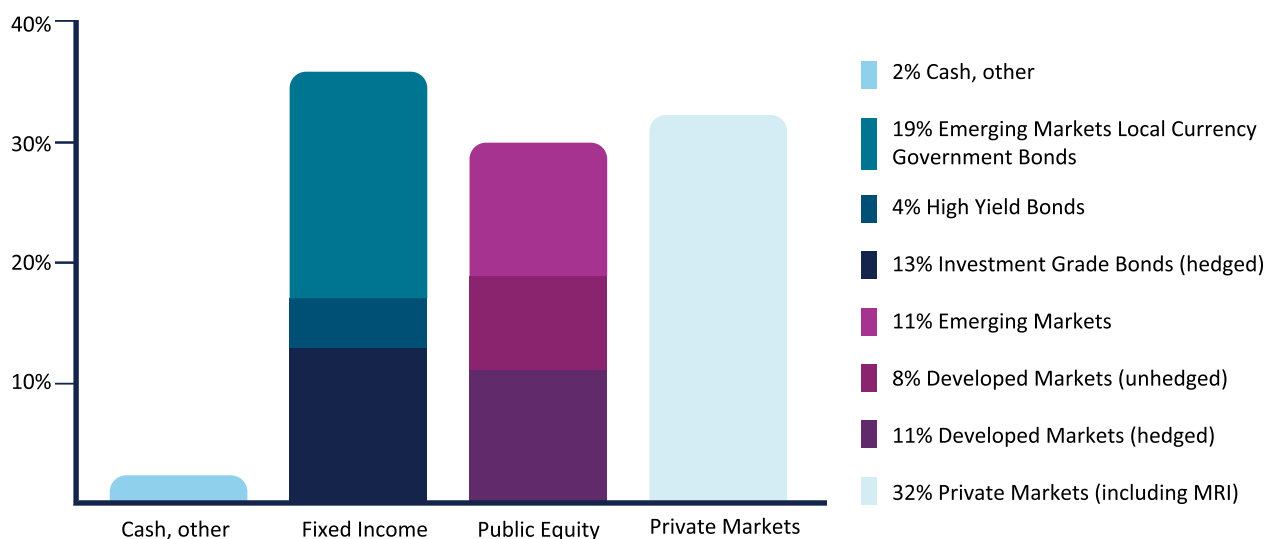
At year-end, after 2020 spending, the endowment's investments were valued at EUR 766 million (2019: EUR 738 million).

A new investment and spending policy – adopted in late 2019 – calls for spending of 3.6% (of a three-year moving average of the endowment's net asset value).

Asset allocation

By year-end, the portfolio was fully in line with the new policy (2019: 83%, with 17% in yet-to-be-liquidated legacy assets from previous investment programs).

Asset allocation, year-end 2020



Performance

In 2020, the endowment's performance was +7.5% vs +5.1% for the market benchmark (a composite of 15% investment grade bonds, 5% high yield bonds, 20% emerging markets local-currency bonds, and 60% public equity). The average total return on the endowment's investment portfolio since inception (1997) has been +6.1%.

ESG and mission related investing

MSCI and Institutional Shareholder Services screen the allocations to public equity markets based on environmental, social and governance (ESG) criteria. As a result, they exclude certain companies not considered to meet socially responsible principles (related to non-compliance with the UN Global Compact Principles, tobacco, nuclear weapons, controversial weapons, civilian firearms, conventional weapons, thermal coal, controversies, and governance criteria). Northern Trust and EOS at Federated Hermes undertake company engagement. The allocation to high yield bonds is subject to similar ESG exclusions (by Northern Trust).

We reserved part of the private markets target allocation for mission related investments (MRI; 2.8% of the endowment). By year-end, we had not yet made any specific MRI commitments, although a search and selection process was ongoing.

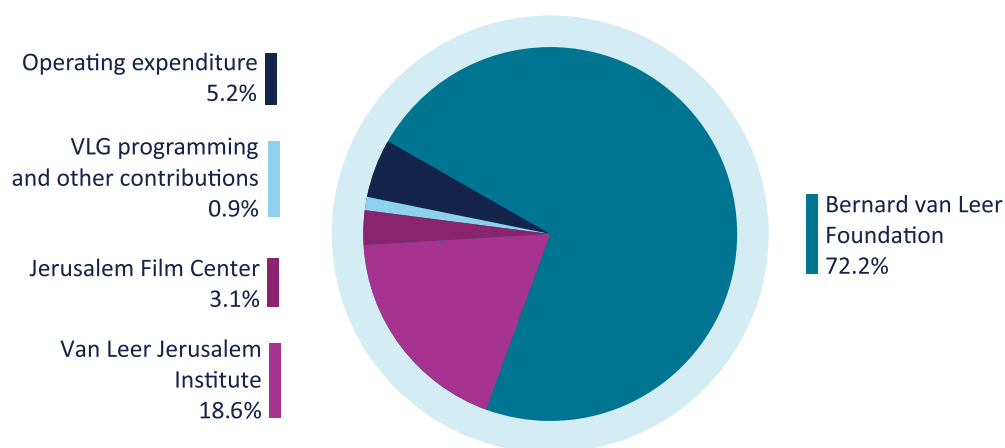
Outlook

The COVID-19 pandemic has had far-reaching economic consequences beyond the disease's spread and efforts to quarantine it. We have monitored our investment portfolio's performance and currently do not predict a negative impact on our charitable spending in 2022. However, we will only make final decisions about 2022 budgets later in 2021.

The going concern assumption applied in preparing the financial statements is upheld.

As of the time of writing, despite the ongoing COVID-19 pandemic, the management of the endowment remains fully operational without incident.

2020 Expenditure and Contributions



Expenditure in 2020 was EUR 25,779,228 (2019: 25,328,210). This is equivalent to 3.5% (2019: 3.7%) of the average net asset value of the endowment during the same year. The chart and table below provide more details regarding the distribution of expenditure across our activities.

2020 expenditure and contributions (in EUR)

Bernard van Leer Foundation	18,616,376
Van Leer Jerusalem Institute	4,274,398
Van Leer Jerusalem Institute (building)	529,265
Jerusalem Film Center	803,227
VLG programming and other contributions	226,078
Operating expenditure	1,329,884
Total	25,779,228

Team

At the end of 2020, the Van Leer Group employed 4 FTEs. These staff members work in close collaboration with the Executive Directors of the Bernard van Leer Foundation, the Van Leer Jerusalem Institute, and the Jerusalem Film Center, as well as members of their teams, drawing on their expertise to help shape and strengthen the activities of the Group.

Compensation for employees of the Van Leer Group is indexed against a remuneration benchmark conducted by an outside firm. We benchmark against the median of the general market in the Netherlands in line with our desire to recruit staff from the public, private, and non-profit sectors. As we work internationally, we then adapt this benchmark to maintain a competitive position in the different markets where we recruit and employ team members.

Michael Feigelson

Chief Executive Officer, Van Leer Group

Cecilia Vaca Jones

Executive Director, Bernard van Leer Foundation

Dr Shai Lavi

Executive Director, Van Leer Jerusalem Institute

Dr Noa Regev

Executive Director, Jerusalem Film Center

Bob Galesloot

Investment Manager, Van Leer Group

Blanca Rey Ariza

Executive Assistant to the CEO, Van Leer Group

Neil van der Meer

Director Finance Operations and HR, Van Leer Group

Tim Otto

Finance Manager, Van Leer Group

Governing Council

The Governing Council has fiduciary responsibility for all Van Leer Group activities.

All members also sit on the Board of the Bernard van Leer Foundation. Several members also sit on the Board of the Van Leer Jerusalem Institute. The Governing Council appoints its own members, who serve a maximum of three 3-year terms. Members receive remuneration and are reimbursed for travel and other related expenses.

Yarom Ariav

Member since 2015 Yarom is a senior economist with expertise in macroeconomic policy. He served as Director General of the Ministry of Finance for three years until the end of 2009. He is the CEO of Yarom Ariav (consultancy firm) Ltd, Chairman of the Executive Committee of Ben-Gurion University of the Negev, Chairman of the Lod Foundation and Chairman of the Investment Committee of Jewish Agency pension funds.

Wim Borgdorff

Member since 2015 Wim is the former co-founder of AlInvest Partners, a global private equity fund management firm, and most recently a non-executive board member of CDC, the UK Development Finance Institution investing in Africa and South Asia. Prior to AlInvest he held positions as the Senior Managing Director real estate at APG investments and as a Managing Director at ING Real Estate.

Nanno Kleiterp, Chair

Member since 2018 Nanno worked with the Dutch Development Bank, FMO, for 29 years and he was CEO from 2008 to 2016. He was also the Chairman of the European Development Finance Institutions. He is now Chairman of the Board of Directors of the &Green Fund, a senior fellow of the World Resources Institute, and a member of the Advisory Boards of Form International, Commonland and the Boards of Banco Sudameris, Arise and Ecosystem Restoration Camps.

Eloy Lindeijer

Member since 2018 Eloy is the former Chief Investment Management of Dutch pension fund service provider PGGM, and a former member of the FSB Task Force on Climate Related Financial Disclosures. He previously worked at De Nederlandsche Bank and represented the Netherlands in ECB and BIS committees. He is on the board of the Global Impact Investing Network.

Julia Neuberger

Member since 2012 Julia is Chair of University College Hospital NHS Foundation Trust and Chair of The Whittington Hospital NHS Trust. She was Senior Rabbi of the West London Synagogue and is now Rabbi Emerita. She is a cross bench Peer in the House of Lords, former CEO of the King's Fund, and a founding Trustee of the Walter and Liesel Schwab Charitable trust, set up in memory of her parents. She is a Trustee of the Rayne Foundation and Chair of Independent Age. She is also a member of the Executive Board, Leo Baeck Institute London. Her latest book 'Antisemitism What it is. What is isn't. Why it matters' was published in 2019.

Ory Okolloh

Member since 2020 Ory was the Managing Director of Omidyar Network and Luminate Group. She is on the Board of Directors of Growth Africa and the advisory boards of the Harvard Center for African Studies and Global Witness. She was Google's policy and strategy manager for Africa, and a founding member of software company Ushahidi and Mzalendo, a website that tracks the performance of Kenyan MPs.

Fay Twersky

Member since 2020 Fay has been President of the Arthur M. Blank Family Foundation since February 2021. She previously served in senior roles at the William and Flora Hewlett Foundation, the Bill and Melinda Gates Foundation and Yad Hanadiv, and was a founding principal of BTW – Informing Change, a strategic consulting firm. Fay serves on the Board of the Center for Effective Philanthropy and is the founding co-chair of the Fund for Shared Insight.

Ngaire Woods

Member since 2020 Ngaire is the founding Dean of the Blavatnik School of Government and Professor of Global Economic Governance at Oxford University. She is a member of the Asian Infrastructure Investment Bank's International Advisory Panel, the Boards of the Mo Ibrahim Foundation and the Stephen A. Schwarzman Education Foundation, and the advisory boards of the Centre for Global Development and the African Leadership Institute.

Sam Worthington, Vice-Chair

Member since 2014 Sam is CEO of InterAction. He sits on the UN Inter-Agency Standing Committee, the boards of the Center for Disaster Philanthropy, Forus, Religions for Peace, and the Alliance to End Hunger. He is a member of the Council on Foreign Relations. Previously he was CEO of Plan International USA and a resident policy fellow at the Rockefeller Foundation's Bellagio Center.

Financial Statements

Balance sheet (after appropriation of result)

31 December 2020

EUR thousands

	<u>2020</u>	<u>2019</u>
Investments		
Participating interests	17,006	19,655
Financial investments	749,112	718,192
	<u>766,118</u>	<u>737,847</u>
Other assets and liabilities		
Tangible fixed assets	6	49
Receivables	121	115
Cash and cash equivalents	105	58
Current liabilities	<u>(18,550)</u>	<u>(18,260)</u>
Net other assets/(liabilities)	<u>(18,318)</u>	<u>(18,038)</u>
Total assets less liabilities	<u>747,800</u>	<u>719,809</u>
Capital and reserves		
Capital	2,268	2,268
Reserve BvLF	18,534	18,616
Reserve VLJI	4,329	4,274
Reserve VLJI building	1,835	2,364
Reserve JFC	800	803
Reserve VLG programming	300	-
General reserve	719,734	691,484
	<u>747,800</u>	<u>719,809</u>
	<u>747,800</u>	<u>719,809</u>

Statement of comprehensive income and expenditure for the year 2020

31 December 2020

EUR thousands

	<u>2020</u>	<u>2019</u>
Income		
Result from participating interests	(2,699)	(6,971)
Income from financial investments	15,482	22,273
(Un)realised gains / (losses) and valuation & exchange rate differences in financial investments	41,000	71,779
Net investment fees/rebates	<u>(14)</u>	<u>(2,243)</u>
	53,769	84,838
Expenditure		
General and administrative expenses	(1,145)	(998)
Remuneration and expenses Governing Council members	<u>(185)</u>	<u>(300)</u>
	<u>(1,330)</u>	<u>(1,298)</u>
Net result	52,439	83,540
Direct capital movements		
Contributions BvLF	18,616	18,740
Contributions VLJI	4,274	4,303
Contribution VLJI/Polonsky building contributions	529	107
Jerusalem Film Center	803	809
VLG programming and other contributions	<u>226</u>	<u>72</u>
	24,448	24,031
Total net result and direct capital movements	<u>27,991</u>	<u>59,509</u>