Letter from the President:

Since inception, the Foundation has given away over $60 million dollars. Currently, the Foundation sits at over $127 million and we will be increasing that number each year as we work toward our $500 million dollar goal. We have attached a breakdown of our contributions in 2018, by location and by field of interest. Also enclosed are the Foundation’s expenses by category for the tax year ending 2017 whose returns were filed in November of 2018.

The mandate for our Foundation is to have as our primary focus both those philanthropic endeavors which are for the institutions and regions in the United States which have a connection to our family’s history or for Armenian philanthropic institutions and causes. Given the ultimate size of the Foundation, we have recognized the need to incubate a number of Armenian projects to absorb my father’s commitment to give 50% to the Armenian community. Prior to 2018 we incubated and now fully fund Birthright Armenia and Armenian Volunteer Corp, which promote internships in Armenia and HIVE, which invests in and mentors Armenian high tech startups. And in 2018 we took on Hike Armenia, which was formed to improve the hiking trails in Armenia and promote Armenia as a hiking destination. A partial list of Armenia programs and NGO’s both in Armenia and in the USA we continued to support in 2018 includes: Columbia University’s Osteoporosis Center in Yerevan run by Dr. Bilezikian, the Fulbright program run through the US Embassy placing Armenia graduate students focused on studying in the STEM fields at universities in the United States. Our Lady of Armenia Orphanage in Gyumri, the Golden Apricot Film Festival in Yerevan, and Armenian Missionary Association of America. In addition some new Armenian programs and NGO’s received funding in 2018, a partial list of which includes: Creative Armenia for its Art Box project, Women’s Support Center, which provides support and shelter for abused women and their children, American University of Armenia and the Fuller program which provides funding to needy families to renovate their homes throughout rural Armenia. Also our Foundation provided major support to two prestigious American institutions in 2018, the Smithsonian and the Metropolitan Museum of Art in New York, which, respectively, had a summer festival focused on Armenian culture and an exhibit of Armenian art and manuscripts. Finally, in terms of our Armenian projects, we continued our scholarship program in Armenia, providing over 1200 students in 2018 financial support to study at local universities.

Stateside we continue to make major contributions to educational and medical institutions, including Ocean County College and Vocational Technical School of Ocean County, the University of Michigan, and Villanova University. In 2018 we continued our support for Caregivers of New Jersey, which provides services to the home-bound elderly, 180 Turning Lives Around supporting battered women, and expanded into supporting for the first time a number of new NGO’s including: Hope Sheds Light who raises awareness and educates families about addiction, Homes For All, which rennovates homes for the needy in Ocean County New Jersey Big Brother Big Sister, Hunger Relief of Ocean County, Toms River Field of Dreams, Monmouth County Historical Society and Count Basie Theater.

Sincerely,

Edele Hovnanian
### 2018 Foundation Spending by Field of Interest

**Total**

- **Education/Scholarships**: $3,217,295 (52%)
- **Social Services**: $1,073,320 (17%)
- **Healthcare**: $393,547 (6%)
- **Birthright/AVC**: $1,015,075 (17%)
- **HIKE**: $222,337 (4%)
- **HIVE**: $250,910 (4%)

**Total**: $6,172,485

**Total Armenian**

- **Education/Scholarships**: $1,078,686 (36%)
- **Social Services**: $387,500 (22%)
- **Healthcare**: $57,297 (2%)
- **Birthright/AVC**: $1,015,075 (34%)
- **HIKE**: $222,337 (7%)
- **HIVE**: $250,910 (8%)

**Total**: $3,011,805

**Total Non-Armenian**

- **Education/Scholarships**: $2,138,610 (68%)
- **Social Services**: $685,820 (22%)
- **Healthcare**: $336,250 (10%)

**Total**: $3,160,680

**Spent USA vs Armenia 2018**

- Armenia Spent: $2,614,230 (42%)
- USA Spent: $3,558,255 (58%)

**Total**: $6,172,485
<table>
<thead>
<tr>
<th>Expense</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>$5,229,171</td>
</tr>
<tr>
<td>Staff/Travel/Overhead</td>
<td>$302,276</td>
</tr>
<tr>
<td>Investment Fees</td>
<td>$379,701</td>
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<tr>
<td>Depreciation</td>
<td>$551,709</td>
</tr>
<tr>
<td>Taxes</td>
<td>$195,532</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6,658,389</strong></td>
</tr>
</tbody>
</table>

**FOUNDATION EXPENSES 2017**

- **Grants**: $5,229,171 (78%)
- **Staff/Travel/Overhead**: $302,276 (5%)
- **Investment Fees**: $379,701 (6%)
- **Depreciation**: $551,709 (8%)
- **Taxes**: $195,532 (3%)

**Outflow Total**: $6,658,389