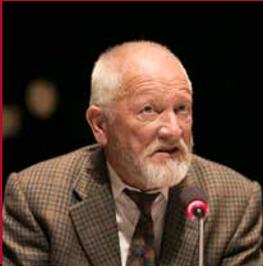


ANNUAL REPORT 2016

CELEBRATING THE DNRF
1991-2016



KEY FIGURES 2012-2016

	2016	2015	2014	2013	2012
Grants and distributions					
Total grants at year-end, centers, and Niels Bohr professors	58	66	57	59	64
Annual distribution, million DKK	381.3	424.5	435.9	423.0	391.0
Return on investment					
Bonds and cash, million DKK	218.6	-44.0	182.7	-38.1	182.4
Equities, million DKK	192.5	1.1	153.8	256.1	207.7
Total return, million DKK	411.2	-42.9	336.5	218.0	390.1
Administrative costs					
Administrative costs including depreciation, million DKK	12.2	11.5	12.1	12.7	11.6
Administrative costs compared to distributions, %	3.2	2.7	2.8	3.0	3.0
Administrative costs per grant, million DKK	0.2	0.2	0.2	0.2	0.2
Capital					
Net capital at year-end, million DKK	6,064.2	6,051.8	3,535.4	3,650.6	3,871.5

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CELEBRATING THE DNRF 1991-2016

In 2016, the Danish National Research Foundation (DNRF) celebrated the foundation's 25th anniversary on November 3 and 4. On November 3, the Royal Danish Academy of Sciences and Letters was the beautiful setting for our annual retreat with center leaders and Niels Bohr professors. In the evening, we had an informal anniversary dinner, including previous center leaders and Niels Bohr professors. On the morning of November 4, the discussion focused on the long-term impact of scientific discoveries on society and the scientific legacy of former and current centers.

In the afternoon of November 4, we welcomed 400 guests at the Black Diamond, the Royal Library, including Minister of Higher Education and Research Ulla Tørnæs, Permanent Secretary Agnete Gersing, "the DNRF family", representatives from universities, other foundations, the research and education community, and the ministry and the Danish Agency for Science, Technology and Innovation, and members of the press. The afternoon included a lively debate on stage among previous DNRF directors and chairs Peder Olesen Larsen, Ole Fejerskov and Klaus Bock, previous board member Gretty Mirdal, current board member Bart De Moor, and center leaders Marja Jäätelä and Eske Willerslev. A highlight of the debate was the panel's report from the foundation's start 25 years ago and the philosophy of the DNRF as it has unfolded from 1991 to the present.

The presentations from center leaders Professor Rubina Raja and Niels Bohr host Professor Tom Gilbert demonstrated that it is still possible to find surprising new themes, and the very nice song and music from Gitta-Maria Sjöberg and Morten Zeuthen created a festive anniversary atmosphere. This atmosphere was further underlined when the center leaders from the 8th application round sang "Happy Birthday" as a surprise intermezzo. We extend our thanks to the Carlsberg Foundation for the special brew it supplied for the anniversary reception. The special beer also enhanced the festive atmosphere.

The Minister of Higher Education and Research, Ulla Tørnæs, gave a visionary speech about research and the future. She mentioned that the ministry is looking forward to participating in our 50th anniversary — a nice vote of confidence in the stability of the DNRF!

In 2015, we initiated the 9th application round for Centers of Excellence, which resulted in 173 outline proposals received in the early summer 2016. Over the summer, all board members and the director read the proposals submitted, and at the board meeting in August 2016, we thoroughly discussed each one. The board selected the 24 best proposals and invited the candidates to submit full applications, which the foundation received in December 2016. We then sent the full proposals to three high-level international experts within the relevant scientific area(s) for external peer review.

Last year, we also finished contract negotiations with six new Niels Bohr professors, portrayed in this annual report. We would like to extend a warm welcome to Denmark and to Danish research to these internationally renowned Niels Bohr professors. We look much forward to collaborating with them and to watching them unfold all of their great potential here in Denmark.

Denmark had three ministers of Higher Education and Research in 2016: Esben Lunde Larsen and Ulla Tørnæs and as of December 2016, the new minister Søren Pind. Thank you to both Esben Lunde Larsen and Ulla Tørnæs for a good collaboration with the DNRF and a warm welcome to Søren Pind.

It was uplifting to hear Søren Pind say that he is the “minister for the future.” That is exactly what it is all about: new knowledge, updated education, and innovation are the basis of a bright future for our country. We in the DNRF do what we can to contribute to the successful story of Danish research by finding and supporting the best researchers. We value the fruitful collaboration and ongoing dialogue with the ministry and research agency.

We would like to convey a warm thank you to our Center of Excellence leaders, the Niels Bohr professors, and all their research groups for their enthusiasm, creativity, and the high quality of their research. It is a pleasure to visit with you at the annual follow-up meetings and to gain insight into your victories and challenges. The exchange of ideas and the inspiration derived from other foundations and collaborators in the universities are also highly appreciated.

The DNRF secretariat in Holbergsgade does a very professional job, as do all our board members. Our board finds it stimulating to read the applications from all research areas: science, technology, life sciences, medicine, social sciences, and the humanities. We try to select the best applicants based on merit and a search conducted through a strict use of peer review combined with all the knowledge and experience that the board brings to the process. The foundation has a large sum of public money — at present approximately 6 billion DKK — and therefore a great responsibility in its custody. The return on the DNRF’s investments amounted to 6.8 % in 2016, a turbulent year on the financial markets.

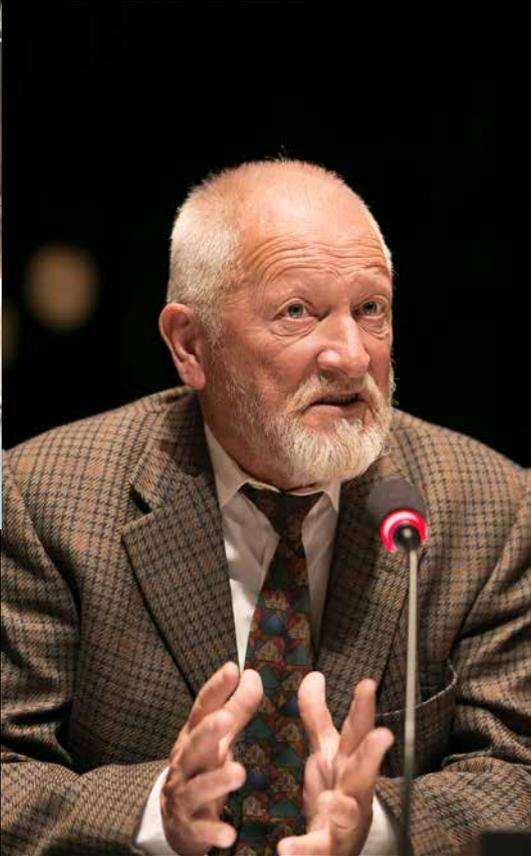
The law that created the Danish National Research Foundation requires us to support and strengthen Danish research, a goal that we aim for in all of our endeavours with our researchers and collaborators.

Professor Liselotte Højgaard
Chair of the Board of the DNRF

Professor Søren-Peter Olesen
Director of the DNRF



REPORT FROM
THE DNRF
ANNIVERSARY
CELEBRATION:





THE DANISH NATIONAL RESEARCH FOUNDATION 1991-2016

On November 4, 2016, the Danish National Research Foundation celebrated its 25th anniversary in the Royal Library, the Black Diamond.

Former DNRF Chair and Director Peder Olesen Larsen, former DNRF board member Gretty Mirdal, former DNRF Director Ole Fejerskov, former DNRF Chair Klaus Bock, center leaders Marja Jäättelä and Eske Willerslev, and DNRF board member Bart De Moor provided an insightful panel debate at the anniversary.

“Around 2000, it was clear that if the foundation were to continue, we had to launch an international evaluation and convince the politicians of all the political parties in the Danish Parliament about the importance of being able to invest in the highest quality

research in Denmark with long-term investments with a duration of maximum 10 years. This would require the addition of substantial additional capital to the foundation, and at the same time, it was crucial that the foundation could continue to have an independent board with an international touch that could operate without control (directly or indirectly) from the Danish Ministry. The former chairman, H. Tvarnø, and I therefore arranged a meeting in Washington with the director of the NIH, Harold Varmus, whom we managed to invite to a 3-day visit in Denmark in order to explain how he had managed in only a few years to double the funding from the Congress to the NIH. Varmus visited, together with us, all the key ministers in Denmark, and especially the meeting with the Finance Minister Lykketoft was a great success.



The duration of the meeting was set to 15 minutes but lasted for more than an hour and culminated with a question from Lykketoft; he asked what Varmus would recommend, in order to convince the prime minister. Varmus suggested that the prime minister, similar to the US president, should, once a year, invite all the country's Nobel Prize winners to a dinner at which research conditions are on the program. For a moment, Lykketoft hesitated as he looked at Tvarnø and me, and we confirmed that there are only two living Nobel laureates in Denmark, both of them getting on in years! I hardly need to say that the proposal was not realized — but the foundation got the Danish Parliament's support and more funding."

Former Director of the Danish National Research Foundation Ole Fejerskov



“ You have played a vital part in taking Danish research to its high position today — recognized as among the best in the world. In short: You foster the Danish research elite.

Minister for Higher Education and Science, Ulla Tørnæs, at the anniversary celebration, November 4, 2016

IN 2016, THE DNRF CELEBRATED ITS 25TH ANNIVERSARY. ON THIS OCCASION, THE DNRF PUBLISHED THE DANISH NATIONAL RESEARCH FOUNDATION 1991-2016.

THE PUBLICATION CONTAINS:

- Former Chair Klaus Bock's personal reflections on the DNRF's history
- A brief introduction to the 100 Centers of Excellence that have been established during the DNRF's first 25 years
- A feature about the evaluation of the DNRF from 2013, showing that the DNRF Centers of Excellence can compete with the best universities in the world in terms of impact, for example, publishing articles in Nature, Science and PNAS.
- A presentation of the DNRF's work to improve the gender balance in research
- A feature about the DNRF board's follow-up meetings with the centers
- Postcards from David E. Clapham, vicepresident and chief scientific officer at Howard Hughes Medical Institute; Wilhelm Krull, secretary general of the Volkswagen Foundation; Gunnar Öquist, former permanent secretary of the Royal Swedish Academy of Sciences; and Jean-Pierre Bourguignon, president of the European Research Council.

“ We look for the idea, the research leader, and the research group and place. It is all about people driven by curiosity. In particular, we look for the idea, the great daring hypothesis, the transformative idea on the cutting edge, which is creative and sometimes wild. We look for a research leader who is of the highest quality, but who also has the ability to take care of a rather large sum of public money and to be responsible for fellow human beings.

Professor Liselotte Højgaard, Chair of the DNRF



“ The anniversary celebration was a festive day, where we looked back in time as well as toward the future with excellent talks that bore witness to the high level which characterizes the researchers and others who are affiliated with the DNRF. In this way, the anniversary celebration reflected the essence of the DNRF.

Professor Søren-Peter Olesen, Director of the DNRF

The Danish National Research Foundation funds frontline, curiosity-driven research of the highest quality in Denmark.

Who are we?

The Danish National Research Foundation (DNRF) is an independent organization established by the Danish Parliament in 1991, promoting and stimulating research at the frontiers of all scientific fields. Since its establishment, the foundation has been endowed with 3 billion DKK in 2008 and again in 2015, allowing it to operate until 2036. The endowment secures independence and a long-term commitment to the best Danish research.

What do we do?

The DNRF has two funding instruments:

- Centers of Excellence — the foundation’s flagship and the primary funding mechanism. A center grant is large and flexible and has a lifetime of up to 10 years. The DNRF expects a center to deliver groundbreaking results.
- Niels Bohr Professorships — this instrument has the distinct purpose of enriching Danish research communities with top-class researchers from abroad.

How do we decide whom to fund?

Funding decisions are based on three core values:

- Excellence — we strive for excellence in every aspect of the research endeavor.
- Transparency — we strive for transparency in the assessment and selection processes.
- Risk-taking — we acknowledge that groundbreaking research requires risk-taking.

How do we support our grantees?

Grant support is based on three core values:

- Freedom — we strive to provide grantees with freedom and flexibility.
- Trust — we strive to support our grantees and trust in them.
- Engagement — we engage with and learn from each grantee.

“ Art and science share the desire to make sense of humans’ place in the world.

Art and science share the desire to make sense of humans’ place in the world. Science uses systematic analytical methods to reach its goals and a concrete language to convey its insights. Art can be analytical or guided by the senses and intuition, but regardless of its method, art is not hostage to concrete concepts of language.

One might think that because of its concreteness, science has to be objective. But deciding which infinitely small section of the world the individual researcher will describe and analyze is mostly ruled by non-rational subjective motives. On the other hand, even the most abstract and passionate work of art can originate from concrete and rational analysis of real problems.

With specific methodology, science can point to concrete solutions to problems or present new opportunities for various ways of life, but science lacks the ability to stimulate desires and visions. Art can kindle new desires, change our behavior, and provide an opportunity for humans to discover themselves anew. Science has the ability to move us in the direction of the desires and dreams that art has planted in us.



Professor

Minik Thorleif Rosing
DNRF board member

This annual report shows a selection of Flora Danica prints on loan from the New Carlsberg Foundation. The prints are all based on the original Flora Danica etchings and were created at the Niels Borch Jensen Gallery & Editions print shop as a project in collaboration with nine Danish artists and the Natural History Museum of Denmark.



Lise Blomberg (2013)
Flora Danica



John Kørner (2013)
Flora Danica

MEET THE 6 NEW NIELS BOHR PROFESSORS ON THE FOLLOWING PAGES

Niels Bohr Professor
[Enrico Ramirez-Ruiz](#)

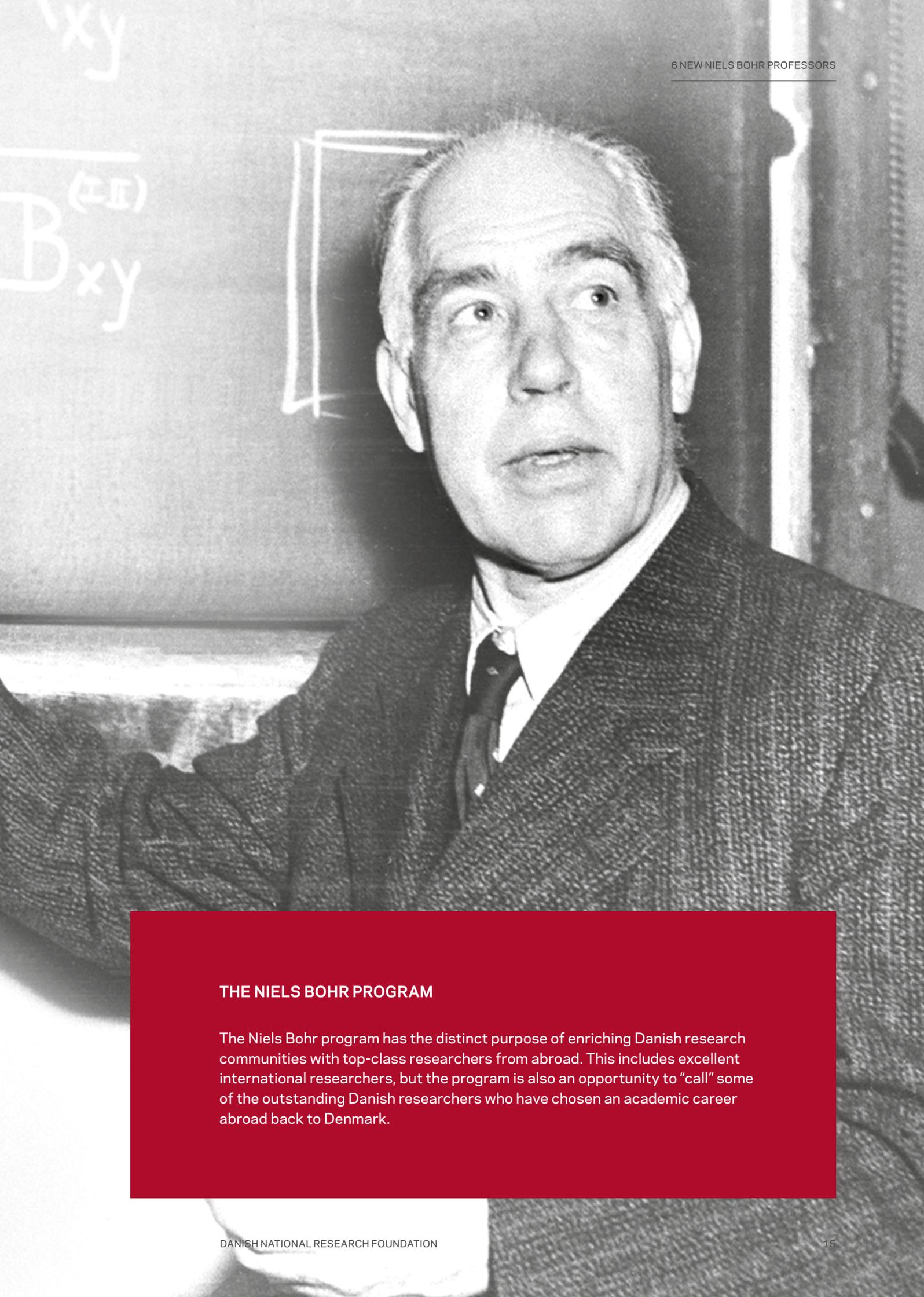
Niels Bohr Professor
[John McGrath](#)

Niels Bohr Professor
[Matthew Collins](#)

Niels Bohr Professor
[Morten Bennedsen](#)

Niels Bohr Professor
[Rita Felski](#)

Niels Bohr Professor
[Thomas Pohl](#)



THE NIELS BOHR PROGRAM

The Niels Bohr program has the distinct purpose of enriching Danish research communities with top-class researchers from abroad. This includes excellent international researchers, but the program is also an opportunity to “call” some of the outstanding Danish researchers who have chosen an academic career abroad back to Denmark.

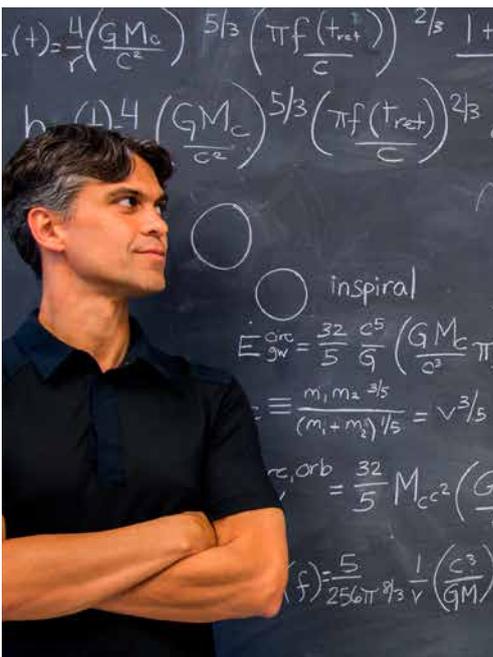


Enrico Ramirez-Ruiz

Location:	University of Copenhagen
Host professor:	Jens Hjorth
Total grant:	30 million DKK

How will Ramirez-Ruiz enrich Danish research?

Jens Hjorth: Successfully recruiting top graduate students and postdoctoral researchers, providing a stimulating environment and unique opportunities to collaborate internationally, and supporting early careers through mentoring — these are proven talents that Ramirez-Ruiz will bring to Denmark where he will continue his work on the source of gravitational waves, the discovery of which represents one of the most exciting developments in recent years.



What makes the Niels Bohr Institute at University of Copenhagen attractive to you?

Ramirez-Ruiz: As a Niels Bohr Professor, I will greatly benefit from the international research success of the Dark Cosmology Centre at NBI. DARK’s well-known research, in particular in observations of astronomical transients, sets the stage for an exciting partnership building a groundbreaking theoretical effort.

How are you going to increase the internationalization of Transient Astrophysics research at University of Copenhagen in the five-year grant period?

Ramirez-Ruiz: Wide-field and all-sky monitoring has already led to a wealth of discoveries and three Nobel prizes in physics. This represents a tremendous opportunity for NBI to take the lead in this rapidly advancing and exciting area of science. We intend to accomplish these goals by creating an environment where young people can shine and where new ideas can be incubated.

What will the long-term effects on Danish research be with this grant?

Ramirez-Ruiz: The model we intend to implement will strengthen and grow the intellectual base within Denmark for time domain astrophysics, a rapidly growing field that has a tremendous future. At the completion of our effort we will have set the stage for the next generation of astronomical surveys. And if past experience is any guide, these surveys will also undoubtedly come up with many groundbreaking discoveries to look forward to.



John McGrath

Location:	Aarhus University
Host professor:	Preben Bo Mortensen
Total grant:	29.9 million DKK

How will John McGrath enrich Danish research?

Preben Bo Mortensen: John McGrath is a world leader in psychiatric epidemiology. His work is dedicated to developing our understanding of the causes of serious mental disorders. In collaboration with our group and colleagues from the Statens Serum Institut, John has discovered a new link between low prenatal vitamin D and risk of schizophrenia. We will follow up this interesting new clue. Also, John will link our local researchers with colleagues from two major international research consortia — the Global Burden of Disease group, and the World Mental Health Survey group.

What makes the National Centre for Register-based Research at Aarhus University attractive to you?

John McGrath: Preben Bo Mortensen leads one of the world's most influential psychiatric epidemiology groups. The chances to work with Preben and his team allows me to explore research questions in an efficient fashion. Danish citizens should be very proud that their country has a long tradition of ethical research based on health registers and biobanks. It not only contributes to better health in Denmark, but allows Denmark to lead the world in many areas of health research.

How are you going to increase the internationalization of this research area in the five-year grant period?

John McGrath: As part of my research over the next 5 years, we will follow-up our discoveries related to neonatal vitamin D and risk of mental illness. In addition, we will build on the strong foundation of psychiatric epidemiology to explore patterns of comorbidity (i.e. the presence of two or more health disorders) across the lifespan. We will do this in collaboration with the Harvard-based World Mental Health Survey, and the University of Washington-based Global Burden of Disease group.

What will the long-term effects on Danish research be with this grant?

John McGrath: We hope that this research will further strengthen Danish research skills by training the next generation of researcher, and also provide an international showcase for the best of Danish health research.





Matthew Collins

Location:	University of Copenhagen
Host professor:	Tom Gilbert
Total grant:	30.9 million DKK

Tom Gilbert: How will Matthew Collins enrich Danish research?

As a member of the British Academy Matthew is uniquely placed to bridge the Humanities-Science, Divide. He has a track record of developing collaborative archaeological science, and particular expertise in the study of ancient proteins, perfectly complementing Danish expertise in ancient biomolecules and evolutionary genomics.

What makes the Natural History Museum of Denmark, Section for Evolutionary Genomics at University of Copenhagen attractive to you?

Matthew Collins: My horizons have been expanded in all directions since arriving, not only by the dynamic group there, but also from the Centres for Protein Research and

GeoGenetics both world leading groups with overlapping interests. A further attraction is the Museum's appointment of Associate Professor Enrico Cappellini who brings a wealth of expertise with him.

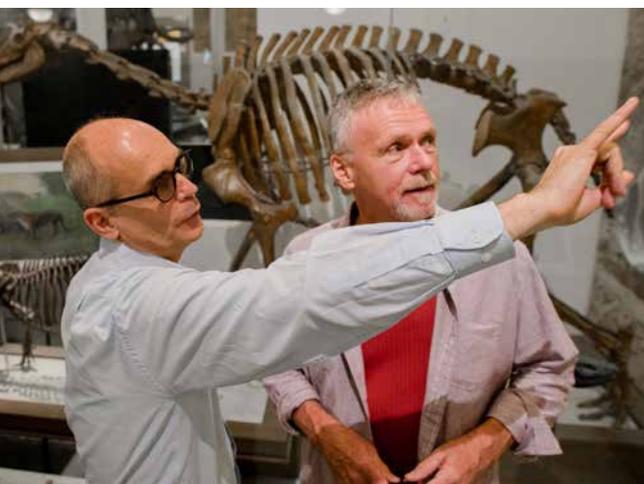
How are you going to increase the internationalization of Evolutionary Genomics at University of Copenhagen in the five-year grant period?

Matthew Collins: Obviously I am using my award to help make things happen. Small sums are being used to attract visitors to Denmark, but I will also help realise some cross and trans-disciplinary workshops, which I hope will lead to new research projects with international partners. We have already made a start on this, as we were lucky enough to be awarded a European Joint Doctoral training programme ArchiSci2020 which links Copenhagen with three other Universities. Enrico Cappellini is leading TEMPERA, which is bringing proteomics to address issues of cultural heritage.

Lead by Hannes Schroeder with colleagues across Copenhagen we are planning a Summer School this summer, which brings Scientists and Archaeologists together, which will attract scholars for overseas and if successful will be a more permanent showcase for Danish research.

What will the long-term effects on Danish research be with this grant?

Matthew Collins: It is hard to say at this early stage. I hope to build long lasting collaborative links between researchers within Denmark and beyond, especially between the Sciences and the Humanities, recognising the remarkable role that Archaeology can play in troubling times. The museum will be redeveloped of the course of my award, and I hope I can contribute to the new vision. Ultimately I hope to grow palaeo-proteomics as a research focus and research strength within Denmark.





Morten Bennedsen

Location:	University of Copenhagen
Host professor:	Peter Norman Sørensen
Total grant:	29.9 million DKK

How will Morten Bennedsen enrich Danish research?

Peter Norman Sørensen: The employment of Morten Bennedsen as Niels Bohr professor and the attachment of his international research group to us is a crucial step in realizing our department's vision to be among the world's best in the field. Morten brings in a research area on business economics that complements and strengthens existing research in the Department, and is very relevant to the many family-owned businesses in Denmark. Our collaboration is a chance of doing excellent research.

What makes the Department of Economics at University of Copenhagen attractive to you?

Morten Bennedsen: The Department of Economics at UCPH is one of the best places

to do register based research in the world. It has hosted a number of applied micro-economics research centers and some of the best individuals in this kind of research.

How are you going to increase the internationalization of Department of Economics in the five-year grant period?

Morten Bennedsen: The Department is already very international. My contribution — besides good research — is my research team consisting of top researchers from Chicago, Michigan, Columbia, Hong Kong, Milan and Singapore. Through visits, conferences and research collaboration this will add to the department's existing international connections.

What will the long-term effects on Danish research be with this grant?

Morten Bennedsen: There are three major long term effects of our work. First: the research will bring new insight into understanding the most typical organizational structure in the world, that is the ownermanaged firm. Second, we will develop new research methods and new ways of identifying causal structures that we are confident will inspire other researchers working on register data. Third, we are confident that the collaboration will develop during the next 5 years adding even closer ties and a greater network opening up for many solid future research projects.





Rita Felski

Location:	University of Southern Denmark
Host professor:	Anne-Marie Mai
Total grant:	28 million DKK

How will Rita Felski enrich Danish research?

Anne-Marie Mai: Professor Felski's work brings new methodologies to literary studies and encourages innovative forms of interdisciplinary collaboration that allow for a stronger understanding of the relations between literature and the social world. Questioning the sway of a hermeneutics of suspicion, with its assumption that literary texts conceal ideological meanings behind alluring surfaces, her research allows for a multi-faceted approach to the uses of literature, including narratives of illness and



social exclusion. Danish researchers have built an organizational framework that will embed Felski's program in SDU's long-term strategy for research in the humanities.

What makes the Department for the Study of Culture, University of Southern Denmark attractive to you?

Rita Felski: SDU is a leader in interdisciplinary collaboration. Moreover, the research group on "Uses of literature - The social dimension of literature" in the Department for the Study of Culture consists of talented and energetic scholars who are eager to explore new approaches to the study of literature. The group has developed a number of specific projects relevant to my own work.

How are you going to increase the internationalization of the Department for the Study of Culture in the five-year grant period?

Rita Felski: Internationalization must take place on two fronts. First, by bringing more overseas scholars to Denmark; excellent candidates have already been identified for our new positions, while conferences will bring internationally renowned scholars to SDU. Second, by promoting the work of Danish scholars overseas; workshops are planned on strategies for publishing in English language journals and publishing houses and strengthening international networks.

What will the long-term effects on Danish research be with this grant?

Rita Felski: The long-term aims of this grant are to increase academic excellence in literary and cultural studies at SDU, while also making this research more visible to an international audience. We also plan to establish research networks that will allow for continued co-operation beyond the period of the grant.



Thomas Pohl

Location:	Aarhus University
Host professor:	Michael Drewsen
Total grant:	30 million DKK

How will Thomas Pohl enrich Danish research?

Michael Drewsen: Being one of the leading theoreticians of his generation within quantum optics, Professor Thomas Pohl will undoubtedly bolster the strong position of Denmark in this vibrant field, important for quantum technology. At Aarhus University his presence is predestined to create an international and dynamic research environment with tight collaborative links to existing theoretical and experimental groups.

What makes the Department of Physics and Astronomy at Aarhus University attractive to you?

Thomas Pohl: The broad first-class research at the Department, from atomic, molecular and optical physics (AMO physics) to quantum gases and quantum information science, all suggest exciting connections to the research in my group. I am looking forward to collaborating with both theorists and experimentalists in these fields, and to further exploring common interests that will likely go beyond the links we identified initially.

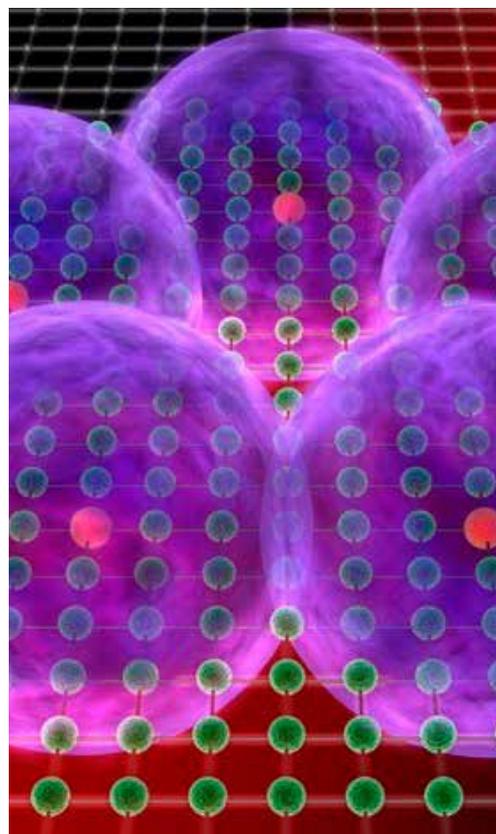
How are you going to increase the internationalization of the Department of Physics and Astronomy in the five-year grant period?

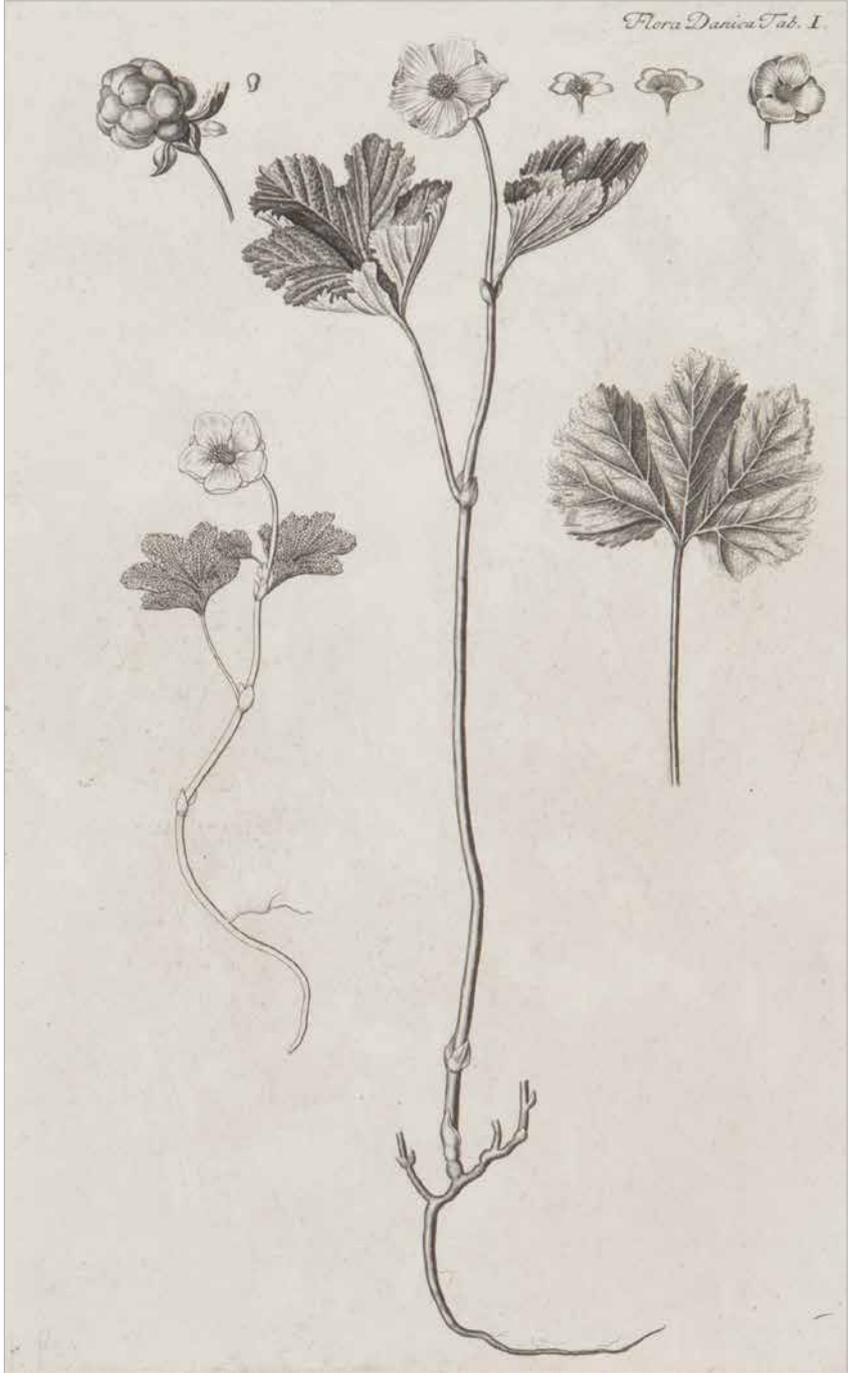
Thomas Pohl: The grant presents several exciting opportunities. This includes the establishment of an international guest program

within the planned NBP-Center for “Quantum Optics and Quantum Matter” and the initiation of a joint conference series with the Institute for Theoretical Atomic Molecular and Optical Physics at the Harvard-Smithsonian Center for Astrophysics. Both will contribute to the promotion of local research, and to our efforts to attract students and post-docs from all over the world.

What will the long-term effects on Danish research be with this grant?

Thomas Pohl: There is high optimism that such initiatives will act beyond the grant period. Generally, the strengthening of theoretical AMO physics with fruitful links to local experiments has great potential to further solidify Aarhus’ position at the forefront of worldwide research in this growing field.

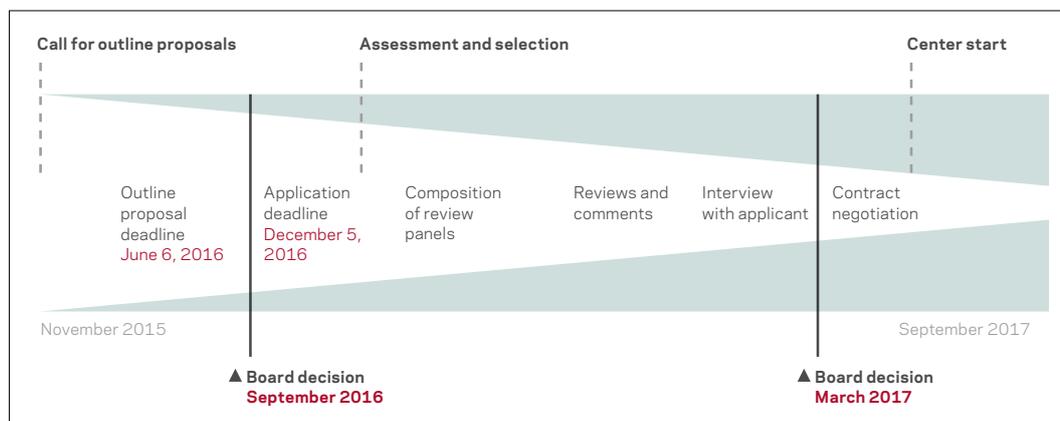




Danh Vo (2013)
Flora Danica

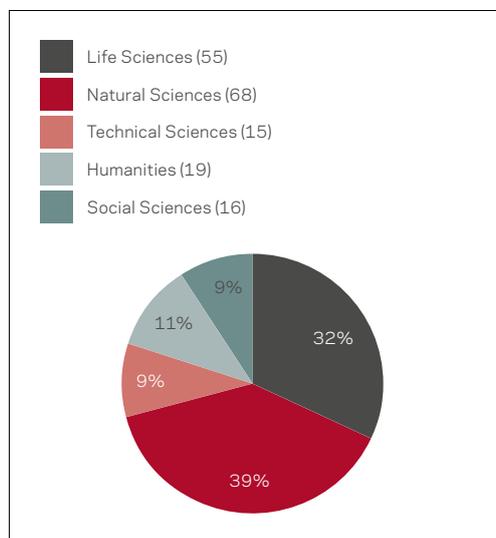
9TH APPLICATION ROUND FOR CENTERS OF EXCELLENCE

During the summer of 2016, the Danish National Research Foundation's board read the 173 outline proposals submitted for the foundation's 9th application round. The board has invited 24 of those applicants to submit full proposals.



OUTLINE PROPOSALS DISTRIBUTED ON FIELDS OF RESEARCH

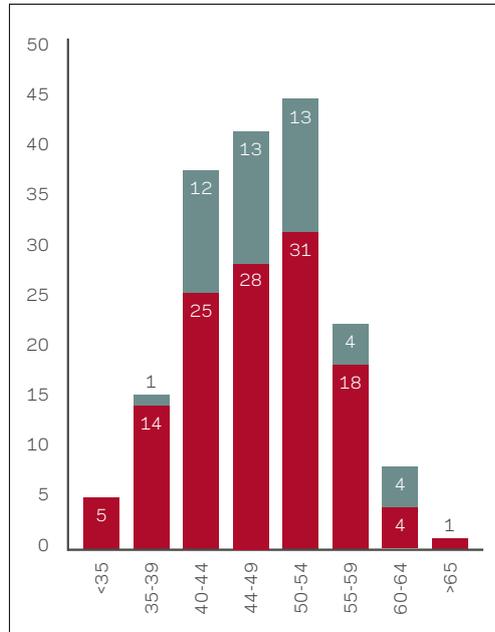
9th application round outline proposals distributed on the 5 fields of research



The distribution among the 5 fields of research has been similar over the past 3 application rounds, except for the 7th round, where the share of applications from the technical sciences was 17% as opposed to 9% during the following 2 rounds. Parallel to this, the number of applications from the natural sciences was lower in the 7th round, where the share was 19% as opposed to 39% in the 9th round. A common factor among the proposals is that the vast majority are interdisciplinary.

GENDER AND AGE

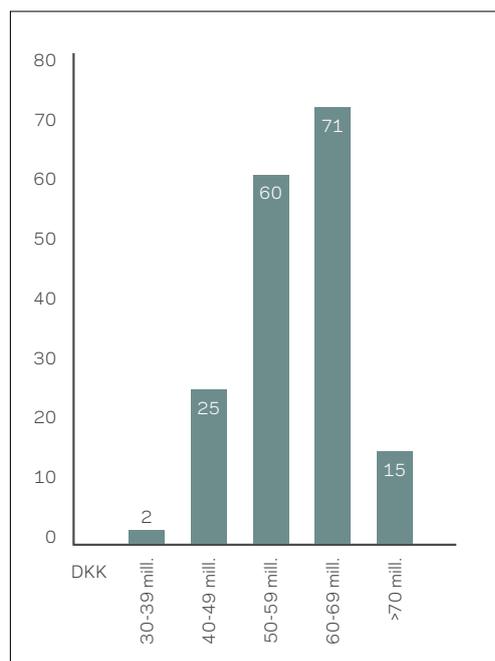
9th application round outline proposals distributed on age and gender



Compared to the 7th and the 8th rounds, there was a significant increase in female applicants ages 40 to 44 in the 9th round — from 6 applicants in the 7th and 8th rounds to 12 applicants in the 9th round. For the entire field of applicants, there was an increase in female applicants of approximately 8% from the 7th and 8th rounds to the 9th.

APPLIED AMOUNT

9th application round applied amount for the outline proposals



There is no fixed formula for creating a CoE. The centers may differ in size and mode of organization, depending on their subject and scope. Centers of Excellence can consist of one or more research groups that work together in an ambitious and visionary way to solve complex research questions. Some centers become rather large during the grant period, employing more than 60 people divided into several research teams, while others have fewer than 15 members. The important thing is that the center members share a common idea or vision and have a well-defined framework for cooperation, so that the sum of the center creates synergy in bringing together complementary competencies in a way that surpasses what the individual elements could achieve.

MIDTERM EVALUATION OF 7TH GENERATION OF CENTERS OF EXCELLENCE

It is a standard procedure of the DNRF carry out a mid-term evaluation before a center's first grant period expires. The evaluation provides the DNRF board, the researchers involved, and the institutions with a thorough insight on the center's performance. Covering both past performance and plans for a possible future funding period, the evaluation also forms part of the board's decision-making on the future of the center.

The foundation appoints a panel of three experts within the field to conduct the evaluation. The panels are composed based on scientific expertise and experience in research management and organization.

In 2016, the DNRF board decided to initiate contract negotiations for a second grant period with these 8 centers:

Center leader Jørgen Christensen-Dalsgaard
[Stellar Astrophysics Centre \(SAC\)](#)

Center leader Antti-Pekka Jauho
[Center for Nanostructured Graphene \(CNG\)](#)

Center leader Henrik Clausen
[Copenhagen Center for Glycomics \(CCG\)](#)

Center leader David Lando
[Center for Financial Frictions \(FRIC\)](#)

Center leader Bo Elberling
[Center for Permafrost \(CENPERM\)](#)

Center leader Mikael Rask Madsen
[Center for International Courts \(iCourts\)](#)

Center leader Barbara Ann Halkier
[Center for Dynamic Molecular Interactions \(DynaMo\)](#)

Center leader Lars Boje Mortensen
[Center for Medieval Literature \(CML\)](#)

EXCERPTS FROM THE EVALUATION REPORTS

- “ The program proposed by the center was even from the beginning highly ambitious and visionary with exceptional originality, novelty, and relevance. The program challenged existing approaches and developed new methodologies and thus incorporated substantial risks that were effectively overcome in part by the strong leadership of the center.
- “ The center leader is to be congratulated on appearing to strike the perfect balance between providing core expertise, research supervision, and intellectual leadership to the center and at the same time encouraging personal development, scientific freedom, and exploration of new research directions from the senior researchers to the PhD students in the center.
- “ There were a number of research findings which were extremely important and represent ‘step changes’ in our understanding of how these systems operate, and will operate in the future.
- “ The center has created an environment and a cohesive and supportive group setting that allows imaginative young scholars to explore new approaches as they enter their fields.
- “ The center has been extremely successful in attracting world leaders to its conferences.
- “ The team members are frequently invited as speakers to international conferences.
- “ The D NRF is all about daring to support the unpredictable and original research that contributes to delivering tomorrow's breakthrough. As documented in the midterm evaluation reports, the D NRF Centers of Excellence are highly ambitious and visionary, risk taking in their approach, strong in leadership, and supportive of the talented young scholar's scientific freedom.

By investing in outstanding scientists with ambitious ideas, we invest wisely in our common future.



Professor

Søren-Peter Olesen
Director of the D NRF

ONGOING ACTIVITIES

CENTERS OF EXCELLENCE ESTABLISHED IN 2005

Nordic Center for Earth Evolution (NordCEE)

Location:	University of Southern Denmark (and University of Copenhagen)
Center leader:	Professor Don Canfield
Total grant:	89.3 million DKK



Center for Individual Nanoparticle Functionality (CINF)

Location:	Technical University of Denmark
Center leader:	Professor Ib Chorkendorff
Total grant:	84.5 million DKK



Centre for Social Evolution (CSE)

Location:	University of Copenhagen
Center leader:	Professor Jacobus J. Boomsma
Total grant:	77.0 million DKK



Centre for Insoluble Protein Structures (inSPIN)

Location:	Aarhus University
Total grant:	80.0 million DKK

Centre for Language Change in Real Time (LANCHART)

Location:	University of Copenhagen
Center leader:	Professor Frans Gregersen
Total grant:	71.1 million DKK



Centre for Textile Research (CTR)

Location:	University of Copenhagen
Center leader:	Professor Marie-Louise Nosch
Total grant:	44.7 million DKK



CENTERS OF EXCELLENCE ESTABLISHED IN 2007

Center for Research in Econometric Analysis of Time Series (CREATES)

Location: Aarhus University

Center leader: Professor Niels Haldrup

Total grant: 80.2 million DKK

**Centre for Carbohydrate Recognition and Signaling (CARB)**

Location: Aarhus University

Center leader: Professor Jens Stougaard

Total grant: 90.6 million DKK

**Centre for DNA Nanotechnology (CDNA)**

Location: Aarhus University

Center leader: Professor Kurt Vesterager Gothelf

Total grant: 94.5 million DKK

**Center for Epigenetics**

Location: University of Copenhagen (and University of Southern Denmark)

Center leader: Professor Kristian Helin

Total grant: 111.0 million DKK

**Centre for Ice and Climate**

Location: University of Copenhagen

Center leader: Professor Dorthe Dahl-Jensen

Total grant: 116.3 million DKK

**Center for Massive Data Algorithmics (MADALGO)**

Location: Aarhus University

Center leader: Professor Lars Arge

Total grant: 72.5 million DKK

**Center for Membrane Pumps in Cells and Disease (PUMPkin)**

Location: Aarhus University

Center leader: Professor Poul Nissen

Total grant: 106.7 million DKK



CENTERS OF EXCELLENCE ESTABLISHED IN 2009/2010

Center on Autobiographical Memory Research (Con Amore)

Location: Aarhus University

Center leader: Professor Dorthe Berntsen

Total grant: 84.1 million DKK



Center for Particle Physics Phenomenology (CP3 - Origins)

Location: University of Southern Denmark

Center leader: Professor Francesco Sannino

Total grant: 80.0 million DKK



Center for Particle Physics (Discovery)

Location: University of Copenhagen

Center leader: Professor Peter H. Hansen

Total grant: 80.0 million DKK



Centre for Symmetry and Deformation (SYM)

Location: University of Copenhagen

Center leader: Professor Jesper Grodal

Total grant: 90.5 million DKK



Center for Materials Crystallography (CMC)

Location: Aarhus University

Center leader: Professor Bo Brummerstedt Iversen

Total grant: 105.2 million DKK



Center for GeoGenetics

Location: University of Copenhagen

Center leader: Professor Eske Willerslev

Total grant: 100.8 million DKK



Centre for Quantum Geometry of Moduli Spaces (QGM)

Location: Aarhus University

Center leader: Professor Jørgen Ellegaard Andersen

Total grant: 89.3 million DKK



Center for Macroecology, Evolution and Climate (CMEC)

Location: University of Copenhagen

Center leader: Professor Carsten Rahbek

Total grant: 112.2 million DKK



Center for Star and Planet Formation (STARPLAN)

Location: University of Copenhagen

Center leader: Professor Martin Bizzarro

Total grant: 82.4 million DKK



CENTERS OF EXCELLENCE ESTABLISHED IN 2012

Centre for Medieval Literature (CML)

Location: University of Southern Denmark

Center leader: Professor Lars Boje Mortensen

Total grant: 36.0 million DKK

**Center for Dynamic Molecular Interactions (DynaMo)**

Location: University of Copenhagen

Center leader: Professor Barbara Halkier

Total grant: 49.0 million DKK

**Center for Permafrost Dynamics in Greenland (CENPERM)**

Location: University of Copenhagen

Center leader: Professor Bo Elberling

Total grant: 60.2 million DKK

**Center for Quantum Devices (QDev)**

Location: University of Copenhagen

Center leader: Professor Charles Marcus

Total grant: 64.4 million DKK

**Center for Financial Frictions (FRIC)**

Location: Copenhagen Business School

Center leader: Professor David Lando

Total grant: 48.0 million DKK

**Center for Nanostructured Graphene (CNG)**

Location: Technical University of Denmark

Center leader: Professor Antti-Pekka Jauho

Total grant: 54.0 million DKK

**Center for Geomicrobiology**

Location: Aarhus University

Center leader: Professor Bo Barker Jørgensen

Total grant: 58.3 million DKK

**Center for International Courts (iCourts)**

Location: University of Copenhagen

Center leader: Professor Mikael Rask Madsen

Total grant: 42.0 million DKK

**Stellar Astrophysics Centre (SAC)**

Location: Aarhus University

Center leader: Professor Jørgen Christensen-Dalsgaard

Total grant: 55.0 million DKK



Copenhagen Center for Glycomics (CCG)

Location: University of Copenhagen
 Center leader: Professor Henrik Clausen
 Total grant: 62.0 million DKK



Center for Vitamins and Vaccines (CVIVA)

Location: Statens Serum Institut
 Center leader: Professor Christine Stabell Benn
 Total grant: 58.0 million DKK



CENTERS OF EXCELLENCE ESTABLISHED IN 2015

Center for Chromosome Stability (CCS)

Location: University of Copenhagen
 Center leader: Professor Ian D. Hickson
 Total grant: 65.0 million DKK



Center for Stem Cell Decision Making (StemPhys)

Location: University of Copenhagen
 Center leader: Professor Lene Oddershede
 Total grant: 60.0 million DKK



Center for Music in the Brain (MIB)

Location: Aarhus University
 Center leader: Professor Peter Vuust
 Total grant: 52.2 million DKK



Centre for Carbon Dioxide Activation (CADIAC)

Location: Aarhus University
 Center leader: Professor Troels Skrydstrup
 Total grant: 60.0 million DKK



Center for Urban Network Evolutions (UrbNet)

Location: Aarhus University
 Center leader: Professor Rubina Raja
 Total grant: 65.0 million DKK



Center for Bacterial Stress Response and Persistence (BASP)

Location: University of Copenhagen
 Center leader: Professor Kenn Gerdes
 Total grant: 50.0 million DKK



Center for Neuroplasticity and Pain (CNAP)

Location: Aalborg University
 Center leader: Professor Thomas Graven-Nielsen
 Total grant: 60.0 million DKK



**Center for Intelligent Oral Drug Delivery and Sensing using
Microcontainers and Nanomechanics (IDUN)**

Location: Technical University of Denmark

Center leader: Professor Anja Boisen

Total grant: 56.0 million DKK



Center for Silicon Photonics for Optical Communications (SPOC)

Location: Technical University of Denmark

Center leader: Professor Leif Katsuo Oxenløwe

Total grant: 59.0 million DKK



Center for Hyperpolarization in Magnetic Resonance (HYPERMAG)

Location: Technical University of Denmark

Center leader: Professor Jan Henrik Ardenkjær-Larsen

Total grant: 55.0 million DKK



Center for Autophagy, Recycling and Disease (CARD)

Location: The Danish Cancer Society

Center leader: Professor Marja Jäättelä

Total grant: 50.0 million DKK



**Center for Personalized Medicine Managing Infectious
Complications in Immune Deficiency (PRESIMUNE)**

Location: Rigshospitalet

Center leader: Professor Jens Lundgren

Total grant: 60.0 million DKK



JOINT FUNDING ACTIVITIES

National Natural Science Foundation of China (NSFC), Danish-Chinese Center for Self-Assembly and Function of Molecular Nanostructures on Surfaces

Location: Aarhus University

Leader: Professor Flemming Besenbacher

Total grant: 24.8 million DKK



National Natural Science Foundation of China (NSFC), Danish-Chinese Center for Organic-based Photovoltaic Cells with Morphology Control

Location: Technical University of Denmark

Leader: Professor Frederik Christian Krebs

Total grant: 25.0 million DKK



National Natural Science Foundation of China (NSFC), Danish-Chinese Center for the Theory of Interactive Computation

Location: Aarhus University

Leader: Professor Peter Bro Miltersen

Total grant: 24.9 million DKK



National Natural Science Foundation of China (NSFC), Danish-Chinese Center for IDEA4CPS: Foundations for Cyber-Physical Systems

Location: Aalborg University

Leader: Professor Kim Guldstrand Larsen

Total grant: 24.4 million DKK



Centre National de la Recherche Scientifique (CNRS)

(0.8 million DKK, which is included in the above mentioned center grants).

National Science Foundation (NSF)

(7.5 million DKK, which is included in the above mentioned center grants).

DNRF'S NIELS BOHR PROFESSORSHIPS ESTABLISHED IN 2013

Professor Anna Lowenhaupt Tsing, University of California, Santa Cruz

Location: Department of Culture and Society, Aarhus University

Total grant: 29.0 million DKK



Professor David Needham, Duke University

Location: Department of Physics, Chemistry and Pharmacy,
University of Southern Denmark

Total grant: 29.0 million DKK



Professor Lars Hesselholt, Nagoya University

Location: Department of Mathematical Sciences, University of Copenhagen

Total grant: 30.0 million DKK



Professor Charles Leshner, University of California, Davis

Location: Department for Geoscience, Aarhus University

Total grant: 30.0 million DKK

**Professor Jaan Valsiner, Clark University**

Location: Department of Communication and Psychology, Aalborg University

Total grant: 20.0 million DKK

**Professor Subir Sarkar, University of Oxford**

Location: Niels Bohr Institute, University of Copenhagen

Total grant: 29.0 million DKK



DNRF'S NIELS BOHR PROFESSORSHIPS ESTABLISHED IN 2016

Professor Rita Felski, University of Virginia

Location: Department of Culture and Society, Aarhus University

Total grant: 28.0 million DKK

**Professor Matthew Collins, The University of York**

Location: Natural History Museum of Denmark, University of Copenhagen

Total grant: 30.9 million DKK

**Professor John McGrath, University of Queensland**

Location: School of Business and Social Science, Aarhus University

Total grant: 29.9 million DKK

COURSE ACTIVITIES FOR CENTER LEADERS/OUTREACH
PROGRAM FOR CENTERS

Total grant: 6.2 million DKK

TOTAL ASSETS AND RETURN ON INVESTMENT

The foundation's total assets at the end of 2016 were 6.066 million DKK, compared to total assets of 6.055 million DKK at the end of 2015. The foundation distributed 381 million DKK in 2016, which is lower than the maximum distribution level, according to regulations, of 447 million DKK (in 2016 prices).

The strategic asset allocation was unchanged during 2016, with an allocation to bonds and equities of, respectively, 65% and 35%.

From the 5-year perspective from 2012 to 2016, the foundation's return of 6.7% was higher than the annual benchmark return of 6.6%.

Return on equities

The foundation's equity portfolio consists of a combination of equities in developed and emerging market countries. The split between the developed and emerging countries in the portfolio follows the breakdown in MSCI's

Return on investment	2016	2015	2014	2013	2012
Bonds and cash, million DKK	218.6	-44.0	182.7	-38.1	182.4
Equities, million DKK	192.5	1.1	153.8	256.1	207.7
Total return, million DKK	411.2	-42.9	336.4	218.0	390.1
Foundation return, % ¹⁾	6.8	1.5	9.3	5.6	10.7
Benchmark, %	6.9	1.9	8.7	5.6	10.1
Foundation 5 years p.a. return, % ²⁾	6.7	6.4	7.9	8.7	5.3
Benchmark 5 years p.a. return, % ²⁾	6.6	6.2	7.6	8.5	5.2

1) The annual return of the total investment is a weighted average of each portfolio's time-weighted return.

2) The geometric mean.

Total return

Total return on investment was 411 million DKK. Broken down into asset classes, return on equities amounted to 192 million DKK and return on the fixed income portfolio amounted to 219 million DKK. Administrative and financial expenses amounted to 17.8 million DKK.

Calculated as a time-weighted return, the total return on investment in 2016 was 6.8%, which was close to the benchmark return of 6.9% for the total portfolio.

benchmark for global equities (MSCI ACWI).

The return from the developed markets equity portfolio was 10.1% compared to a benchmark return of 10.3%

The developed markets equity portfolio is invested in the following passive managed funds: Nykredit Invest Globale A UIAB, Northern Trust World Custom ESG Equity Fund, Northern Trust World Custom ESG EUR hedged Equity Fund and Danske Invest Global Index.

A tender for two indexed global equity portfolio mandates to replace the interim placements in two of the DB x-trackers (Deutsche Bank) was announced in November 2015. After a thorough due diligence process, it was decided in 2016 to replace two of the DB x-trackers by investing in two legally separate Northern Trust Funds both of which have an ethical policy and screening process. Later, it was decided to replace the third DB x-tracker with Nykredit Invest Globale A UIAB (which also has an ethical policy and screening process).

Eighty percent of the exposure to USD and JPY in the developed markets equity portfolio is hedged to DKK except for the investment in Northern Trust World Custom ESG EUR hedged Equity Fund, where all the currency exposure is hedged to EUR. The strengthening of both the USD and the JPY against the DKK in 2016 resulted in a lower return on the equity portfolio after the currency hedge. The return on the developed markets equity portfolio after the currency hedge was 7.9%.

The emerging markets equity portfolio totaled about 3.7% of total assets during the year. This investment takes place through the mutual fund Danske Invest Global Emerging Markets I. This emerging markets equity portfolio had a return of 14.8%, outperforming the benchmark (MSCI emerging markets) by 0.7 percentage point.

Return on bonds

Danish government and mortgage bonds represent the largest part of the fund's asset and 37% of the strategic allocation. Nykredit Asset Management (Nykredit) manages the portfolio, and in 2016, the portfolio had a return of 5.0% compared to a benchmark return of 3.9%. The portfolio's excess return derives mainly from the predominance of callable

mortgage bonds in the portfolio, which had a higher return than the government bonds.

The foundation's benchmark for Danish bonds was changed during the year from a pure government bond benchmark (Nordea Danish government bonds benchmark with a constant duration of 5 years, tightened up with a 0.50% outperformance requirement) to a benchmark with a combination of both government and mortgage bonds (25% Nordea Government CM5 & 75% Nordea Mortgage Bond Index).

The strategic allocation to global inflation-linked bond is 11%. The portfolio's performance in 2016 was in line with the benchmark return of 6.6%. The benchmark is a combination of a customized Barclays benchmark (60%) and 40% Barclays Global Inflation-Linked Bond Index 1-10Y (hedged to DKK).

The return on the European corporate bond portfolio managed by Danske Capital in 2016 was 5.1% versus the benchmark return of 4.8%. The benchmark for the European corporate bonds is Barclays Capital Euro Major Corporate Index (hedged to DKK).

The US high-yield bond portfolio represents 7% of the strategic allocation. During 2016, the high-yield bond portfolio gave a return of 9.3%. The portfolio manager (Columbia Threadneedle), which has a cautious bias in the portfolio, invested in bonds with a higher rating (safer bonds) than the benchmark in 2016. In such a positive market as that of 2016, the riskier bonds rose the most, which resulted in a lower return from the portfolio than the benchmark return of 14.4%. The benchmark for the high-yield portfolio is ML US High-Yield Bonds, Constrained (hedged to DKK).

Donation of 500,000 DKK from J.H. Schultz Foundation

For the third year in a row, the board of the J.H. Schultz Foundation has decided to donate half a million DKK to the DNRF. The J.H. Schultz Foundation was established in 1988 when Ole Trock-Jansen donated 95% of the Schultz company's stocks to the newly established foundation.

THE BOARD

In 2016, the board conducted six regular meetings and was represented at 38 follow-up meetings with the centers, and three with the Niels Bohr Professors. The composition of the board in 2016 was as follows:



Liselotte Højgaard (Chair)

Professor, University of Copenhagen, Head of Department, Rigshospitalet
Nominated by the Minister for Higher Education and Science
(01.01.13-31.12.18)



Bart De Moor

Professor, KU Leuven.
Nominated by the Minister for Higher Education and Science
(01.11.13-31.10.17)



Morten Overgaard Ravn (Deputy Chair)

Professor, Department of Economics, University College London. Nominated by the Danish Rectors' Conference
(01.01.16-31.12.19)



Jesper Ryberg

Professor, Ethics and Philosophy of Law, Roskilde University. Nominated by the Royal Danish Academy of Sciences and Letters
(01.01.16-31.12.19)



Eivind Hiis Hauge

Professor emeritus, Department of Physics, Norwegian University of Science and Technology. Nominated by the Danish Academy of Technical Sciences
(01.11.09-31.10.17)



Anne Scott Sørensen

Professor, Department for the Study of Culture, University of Southern Denmark. Nominated by the Danish Council for Independent Research
(01.01.16-31.12.19)



Minik Thorleif Rosing

Professor, Natural History Museum of Denmark, University of Copenhagen. Nominated by the Joint Committee of Directors at the Governmental Research Institutes
(01.01.16-31.12.19)



Eero Vuorio

Professor and Chancellor emeritus, University of Turku, Finland. Nominated by the Danish Council for Independent Research
(01.11.13-31.10.17)



Christina Moberg

Professor, Royal Institute of Technology, KTH, Stockholm. Nominated by the Danish Council for Strategic Research
(01.11.13-31.10.17)

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The board and the director have today considered and approved the annual report of the Danish National Research Foundation for the financial year 2016.

The annual report is presented in accordance with the Consolidated Act on the Danish National Research Foundation, the Danish Executive Order on the Administration of the Funds of the Danish National Research Foundation, the Royal Decree on the Charter of the Danish National Research Foundation and the provisions of the Danish Financial Statements Act with the adjustments resulting from the special nature of the Danish National Research Foundation.

In our opinion, the annual accounts give a true and fair view of the foundation's financial position at December 31, 2016 and of the results of its operations for the financial year January 1 to December 31, 2016. In addition, we believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

Finally, it is our opinion that the established administrative procedures and internal controls covered by the financial statements comply with the appropriations granted, statutes, other regulations, agreements and usual practice, and that sound financial management is exercised in the administration of the funds and activities covered by the financial statements.

Copenhagen, March 29, 2017

Søren-Peter Olesen
Director

Board members:

Liselotte Højgaard
Chair

Morten Overgaard Ravn
Deputy Chairman

Eivind Hiis Hauge

Christina Moberg

Bart De Moor

Minik Thorleif Rosing

Jesper Ryberg

Anne Scott Sørensen

Eero Vuorio

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DANISH NATIONAL
RESEARCH FOUNDATION

REPORT ON THE
FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Danish National Research Foundation for the financial year 01.01.2016 — 31.12.2016, which comprise the accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act subject to the adjustments caused by the special nature of the Foundation.

In our opinion, the financial statements give a true and fair view of the Foundation's financial position at 31.12.2016 and of the results of the Foundations operations for the financial year 01.01.2016 — 31.12.2016 in accordance with the Danish Financial Statements Act subject to the adjustments caused by the special nature of the Foundation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark, as well as generally accepted public auditing standards, see the Danish Act on the auditing of the government accounts, and the contract of the Danish National Research Foundation

pursuant to S 9(2) Danish Auditor General's Act. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Foundation in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

The Board of Trustees is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act subject to the adjustments caused by the special nature of the Foundation, and for such internal control as the Board of Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, The Board of Trustees is responsible for assessing the Foundation's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the

going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark as well as generally accepted public auditing standards, see the Danish Act on the auditing of the government accounts, and the contract of the Danish National Research Foundation pursuant to S 9(2) Danish Auditor General's Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark as well as generally accepted public auditing standards, see the

Danish Act on the auditing of the government accounts, and the contract of the Danish National Research Foundation pursuant to S 9(2) Danish Auditor General's Act, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by The Board of Trustees.
- Conclude on the appropriateness of The Board of Trustees' use of the going concern basis of

accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

The Board of Trustees is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read

the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act subject to the adjustments caused by the special nature of the Foundation.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act subject to the adjustments caused by the special nature of the Foundation. We did not identify any material misstatement of the management commentary.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Statement on compliance audit and performance audit

The Board of Trustees is responsible for the transactions covered by the financial statements complying with the appropriations granted, statutes, other regulations, agreements and usual practice, and for ensuring that sound financial management is exercised in the administration of the funds and activities covered by the financial statements.

As part of our audit of the financial statements, it is our responsibility in accordance with good public auditing practice, see the Danish Act

on the auditing of the government accounts, and the contract of the Danish National Research Foundation pursuant to S 9(2) Danish Auditor General's Act, to select relevant subject matters for compliance audit as well as performance audit. In a compliance audit, we test the selected subject matters to obtain reasonable assurance about whether the transactions covered by the financial statements comply with appropriations granted, statutes, other regulations, agreements and usual practice. In a performance audit, we make an assessment to obtain reasonable assurance about whether the systems, processes or transactions examined support the exercise of sound financial management in the administration of the funds and activities covered by the financial statements.

If, based on the procedures performed, we conclude that material critical comments should be made, we are required to report this.

We have no material critical comments to report in this respect.

Copenhagen, March 29, 2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Jens Sejer Pedersen
State-Authorised
Public Accountant

ACCOUNTING POLICIES

The annual report is presented in accordance with the Consolidated Act on the Danish National Research Foundation, the Danish Executive Order on the Administration of the Funds of the Danish National Research Foundation, the Royal Decree on the Charter of the Danish National Research Foundation and the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large) with the adjustments resulting from the special nature of the foundation.

The provisions of the Danish Financial Statements Act governing reporting class C enterprises (large) prescribe preparation of a cash flow statement. Due to the nature of the foundation's activities, the cash flows cannot reasonably be broken down by cash flows from operating, investing and financing activities, for which reason the cash flow statement has been omitted, referring to Section 11(3) of the Danish Financial Statements Act. In addition, the foundation has decided to derogate from the format requirements laid down by the Danish Financial Statements Act for the income statement in order to illustrate the special nature of the foundation.

The accounting policies applied are consistent with those applied last year.

INCOME STATEMENT

Interest income

Interest income from bonds and bank deposits are accrued so it relates to the financial year under audit.

Dividend

Dividend received on shares is included in the income statement at the time of distribution.

Realized capital gains and losses on and market value adjustments of securities

Realized capital gains and losses on and market value adjustments of securities (bonds and equities) are included in the income statement.

Other income

Under the Danish Appropriation Act, more funds have been made available to the foundation for distribution. The funds are recognized when transferred to the foundation.

Distribution

Funds distributed are expensed in the financial year in which they are distributed. Funds are distributed as research plans are implemented; see note 16b. Time lags may exist to a limited extent.

External expenses for the scientific activities of the Foundation

Such expenses comprise expenses for the foundation's scientific activities, including expenses for the consideration of applications and evaluation of grants.

BALANCE SHEET

Fixed assets

Leasehold improvements are recognized in the balance sheet at cost less accumulated depreciation. Fixed assets are depreciated straight-line over their estimated useful lives of five years.

Office equipment and furniture is recognized at cost less accumulated depreciation.

Office equipment and furniture is depreciated straight-line over their estimated useful lives, meaning three years for IT hardware and software and five years for other office equipment.

Assets costing less than DKK 25,000 per unit are expensed in the year of acquisition.

Securities

Listed securities (bonds and equities) are measured at fair value (quoted price) at the balance sheet date.

Bonds redeemed at the time of presentation of the annual accounts are recognized at par value.

Other investments are measured at the lower of the value at the date of acquisition and fair value.

Distribution obligations

Distributions by the foundation mainly take the form of multiannual total grants awarded over a number of years as research projects are completed; however, grants usually are not awarded for more than a six-year period.

The distribution obligations that can be accommodated by equity and budgeted earnings are not provided for in the balance sheet. Instead, distribution obligations are disclosed in notes 16a and 16b stating estimated residual amounts to be distributed.

Income tax

The foundation is not liable to tax.

Foreign currency translation

Foreign currency transactions are translated into Danish kroner applying the exchange rate at the transaction date.

Realized and unrealized gains and losses are recognized in capital income in the income statement.

Bank deposits and securities denominated in foreign currencies are translated into DKK applying the balance sheet date exchange rate. Realized and unrealized foreign exchange gains and losses are recognized in capital income in the income statement.

Derivative financial instruments

The Danish National Research Foundation only applies derivative financial instruments to hedge the currency and interest rate risks involved in the portfolio of securities.

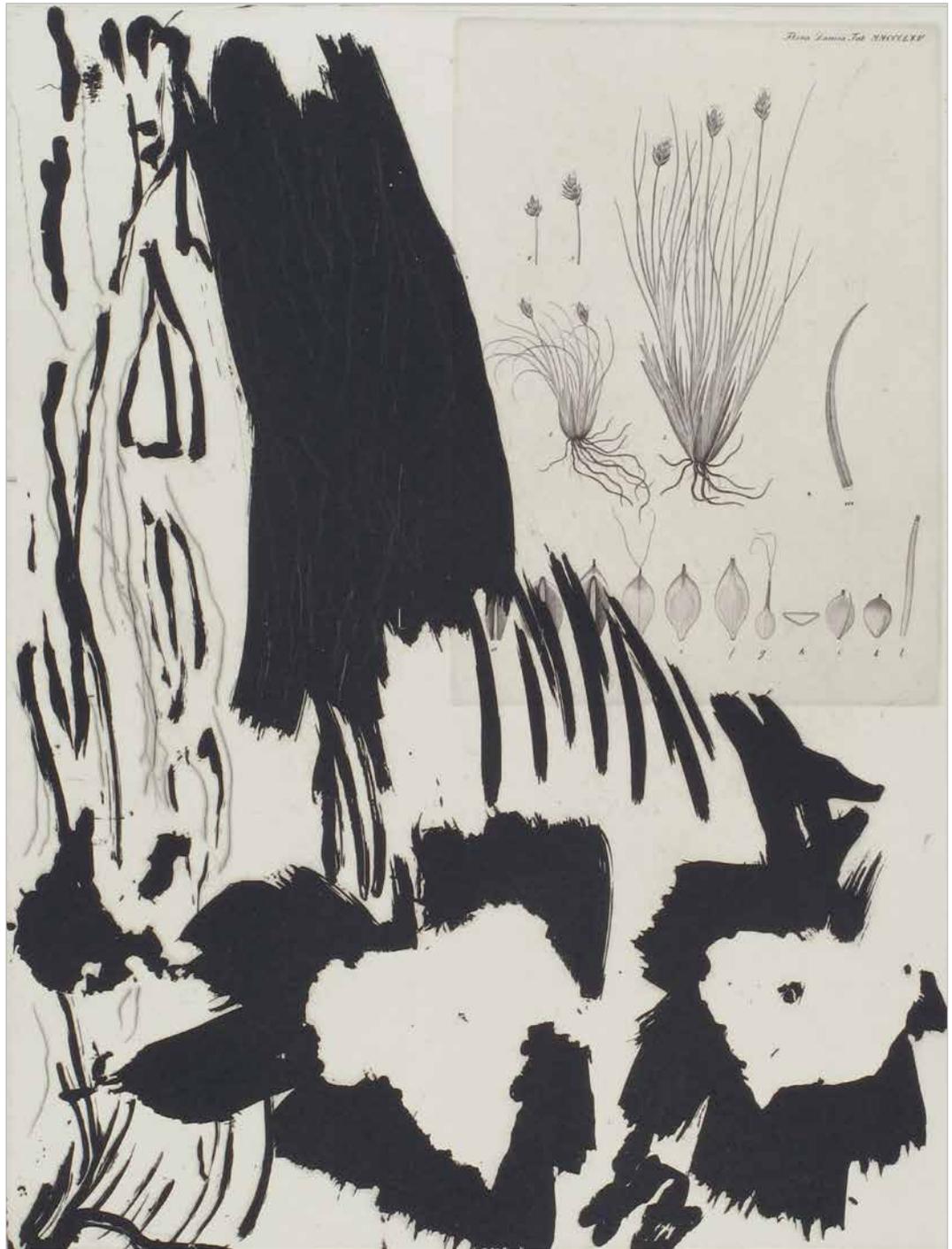
Changes in the fair value of derivative financial instruments classified as and complying with the requirement for hedging the fair value of a recognized asset or a recognized liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability. In doing so, symmetrical recognition of gains and losses on the item hedged and the hedging instrument, respectively, is ensured.

Premiums received or paid as well as forward premiums and discounts are recognized in the income statement over the terms of the instruments.

The fair value of derivative financial statements classified as and qualifying for hedging of an instrument to hedge a recognized asset or liability is recognized in the balance sheet along with the asset or liability to which hedging relates.



Erik A Frandsen (2013)
Flora Danica



Per Kirkeby (2013)
Flora Danica

INCOME STATEMENT

JANUARY 1 - DECEMBER 31

	Note	2016	2015
Return on investment			
Realized gains and losses, bonds		140,572,375	27,683,448
Unrealized gains and losses, bonds		78,254,588	-67,649,597
Realized gains and losses, equities		36,023,682	-127,127,457
Unrealized gains and losses, equities		156,519,853	128,243,240
Interest, bank deposits		-198,908	-4,067,108
Return on investment, total		411,171,590	-42,917,474
Other receipts, net	1	475,492	501,220
Costs			
Distributions	16	-381,285,547	-424,511,555
Custody and bank fees etc.	2	-5,771,232	-5,132,139
Salaries etc.	3	-7,142,792	-7,272,550
Office expenses	4	-588,114	-681,655
Premises	5	-973,041	-957,744
Accountant/attorney remuneration etc.	6	-1,245,910	-730,401
External expenses, external research activities	7	-1,371,366	-626,622
Other costs	8	-722,446	-1,123,908
Costs, total		-399,100,448	-441,036,574
Result before depreciation		12,546,634	-483,452,828
Depreciation	9	-131,105	-139,932
Result for the year		12,415,529	-483,592,760

BALANCE SHEET AS OF DECEMBER 31

	Note	2016	2015
ASSETS			
Fixed assets			
Tangible fixed assets			
	10		
Leasehold improvements		225,485	320,127
Office equipment and furniture		79,330	22,993
		304,815	343,120
Fixed asset investments			
	11		
Other investments		42,964	67,472
Deposits		231,112	223,004
		274,076	290,476
Fixed assets, total		578,891	633,596
Current assets			
Receivables			
Accrued interest		23,482,452	25,180,163
Other receivables		2,125,359	1,044,673
Deferred charges		125,997	136,099
		25,733,808	26,360,935
Liquid assets			
Securities, bonds	12	3,881,452,567	3,906,385,673
Securities, equities	13	2,134,073,708	2,091,393,135
Bank deposits	14	24,105,302	30,192,603
		6,039,631,577	6,027,971,411
Current assets, total		6,065,365,385	6,054,332,346
ASSETS, TOTAL		6,065,944,276	6,054,965,942
EQUITY AND LIABILITIES			
Net capital	15	6,064,176,929	6,051,761,400
Payables			
Short-term payables			
Payables and back costs		1,767,347	3,204,542
Payables, total		1,767,347	3,204,542
EQUITY AND LIABILITIES, TOTAL		6,065,944,276	6,054,965,942
Distribution obligations	16		
Contingent liabilities	17		

NOTES

	2016	2015
1 OTHER RECEIPTS, NET		
Private donation	500,000	500,000
Receipts, intellectual property rights	0	3,201
Market value adjustment, other investments, see note 11	-24,508	-1,981
Other receipts, total	475,492	501,220
2 CUSTODY AND BANK FEES, ETC.		
Bonds	3,941,037	3,722,726
Equities	1,651,272	729,652
Fees, portfolio managers	5,592,309	4,452,378
Remuneration regarding investment of capital injection	156,250	654,997
Bank	10,485	13,712
Other	12,188	11,052
Custody and bank fees, total	5,771,232	5,132,139
3 SALARIES ETC.		
Director and board members	2,386,749	2,217,228
Salaries, other employees	4,163,832	4,500,906
Wage reimbursement	0	-12,909
Pension costs	545,130	526,938
Danish Labor Market Supplementary Pension Scheme (ATP)	47,081	40,387
Salaries etc., foundation staff, total	7,142,792	7,272,550
Average staff number, accounting year	9	10
4 OFFICE EXPENSES		
Office supplies	42,582	61,920
Postage and freight	17,681	3,084
Telephone, internet	135,785	157,648
Minor acquisitions	77,124	128,497
Journal, books, etc.	19,667	29,359
Servicing contracts etc.	295,275	301,147
Office expenses, total	588,114	681,655

	2016	2015
5 PREMISES		
Rent of office	693,336	669,012
Electricity, heating	82,335	77,489
Cleaning	139,609	137,636
Repairs and maintenance	57,761	73,607
Premises, total	973,041	957,744
6 ACCOUNTANT/ATTORNEY REMUNERATION ETC.		
Accountant remuneration, Deloitte	221,250	215,625
Accountancy consultation, Deloitte	109,375	25,000
Attorney's remuneration	193,169	103,412
Other consultancy services	722,116	386,364
Accountant/attorney remuneration etc., total	1,245,910	730,401
7 EXTERNAL EXPENSES, RESEARCH ACTIVITIES		
Peer review expenses	776,960	0
Preparation of publications	324,507	286,196
Research presentations, meetings etc.	218,647	294,649
European Science Foundation, Science Europe membership fee	51,252	45,777
External expenses, research activities, total	1,371,366	626,622
8 OTHER EXPENSES		
Travelling and accomodation	317,437	575,992
Advertising	4,875	272,142
Entertainment expenses, gifts	3,076	41,734
Courses	140,209	15,781
Insurance	98,170	99,266
Cost of staff and board	158,679	118,993
Other expenses, total	722,446	1,123,908
9 DEPRECIATION		
Leasehold improvements, see note 10	94,642	127,902
Office furniture and equipment, see note 10	36,463	12,030
Depreciation, total	131,105	139,932

	Leasehold improvements	Office equipment and furniture	Total
10 TANGIBLE FIXED ASSETS			
Acquisition cost, January 1, 2015	2,018,942	1,027,662	3,046,604
Additions	0	92,799	92,799
Disposals	0	0	0
Acquisition cost, December 31, 2015	2,018,942	1,120,461	3,139,403
Depreciation, accumulated, January 1, 2015	-1,698,815	-1,004,668	-2,703,483
Depreciation for the year			
Reversed depreciation, disposals for the year	-94,642	-36,463	-131,105
Depreciation, accumulated, December 31, 2015	-1,793,457	-1,041,131	-2,834,588
Book value at year-end	225,485	79,330	304,815

	Other investments	Deposits	Total
11 FIXED ASSET INVESTMENTS			
Acquisition cost, January 1, 2016	1,773,954	223,004	1,996,958
Additions	0	8,108	8,108
Disposals	0	0	0
Acquisition cost, December 31, 2016	1,773,954	231,112	2,005,066
Value adjustments, accumulated, January 1, 2016	-1,706,482	0	-1,704,501
Value adjustment for the year	-24,508	0	-24,508
Reversed value adjustments, disposals for the year	0	0	0
Value adjustments, accumulated, December 31, 2016	-1,730,990	0	-1,730,990
Book value at year-end	42,964	231,112	274,076

Other investments include 0.0021% of the capital stock of a listed research- and development company, previously received as remuneration for intellectual property rights. The value of the investment is the listed value as of December 31.

	2016	2015
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12 SECURITIES, BONDS

Asset classes

Danish bonds	2,202,616,767	2,238,713,430
European corporate bonds	590,692,920	592,764,857
Global inflation-linked bonds	661,935,128	654,809,723
US high yield bonds*	426,207,752	420,097,663
Bonds, total	3,881,452,567	3,906,385,673

* Option adjusted duration, December 31, 2016: 4.22 (December 31, 2015: 4.44)

Danish bonds

Distribution by type of security:

Mortgage bonds	1,992,368,167	2,021,894,130
Government bonds	210,248,600	216,819,300
	2,202,616,767	2,238,713,430

Option adjusted duration December 31, 2016: 4.28 (December 31, 2016: 4.22)

European corporate bonds**Distribution by rating category and forward currency contract:**

	2016	2015
AA	28,225,880	25,209,548
A	173,724,975	159,205,711
BBB	388,548,720	408,750,415
Forward currency contracts, EUR	271,851	-442,901
Forward currency contracts, USD	0	17,445
Forward currency contracts, GBP	0	137,712
Interest-rate futures, EUR	-78,506	-117,982
Interest-rate futures, USD	0	4,909
	<u>590,692,920</u>	<u>592,764,857</u>

Rating category according to Standard & Poor's Long-Term Credit Rating.
Option adjusted duration, December 31, 2016: 5.14 (December 31, 2015: 4.78).

Global inflation-linked bonds**Distribution by country and forward currency contract:**

	2016	2015
Denmark	2,222,268	27,203,003
Canada	31,504,638	6,625,665
Germany	48,877,530	34,149,062
France	154,098,778	123,086,194
Great Britain	127,223,183	164,892,549
Sweden	0	6,373,577
USA	300,467,966	272,121,658
New Zealand	2,581,210	7,102,013
Australia	3,099,776	688,484
Forward currency contracts, CAD	-587,306	430,383
Forward currency contracts, EUR	-355,879	74,040
Forward currency contracts, GBP	-407,937	4,917,636
Forward currency contracts, SEK	0	-36,850
Forward currency contracts, USD	-6,597,764	7,178,973
Forward currency contracts, NZD	1,442	-17,810
Forward currency contracts, AUD	-192,777	21,146
	<u>661,935,128</u>	<u>654,809,723</u>

Adjusted duration, December 31, 2016: 4.67 (December 31, 2015: 4.72).

	2016	2015
13 SECURITIES, EQUITIES		
Distribution by type of security and forward currency contract		
DB x-tracker, Custom Global Equity	0	586,342,814
DB x-trackers MSCI World Index UCITS ETF (Class 3C)	0	584,668,704
DB x-trackers MSCI World Index UCITS ETF (Class 1C)	0	586,221,077
Nykredit Invest Globale A UIAB	164,541,168	0
NT World Custom ESG Equity Fund	574,047,387	0
NT World Custom ESG EUR HDG EQY	578,610,091	0
Danske Invest Global Index	589,397,859	137,973,457
Danske Invest Global Emerging Markets I	232,633,098	204,530,294
Forward currency contracts, JPY	1,097,353	-3,160,876
Forward currency contracts, USD	-6,253,248	-5,182,335
Equities, total	2,134,073,708	2,091,393,135
14 LIQUID ASSETS		
Cash	4,122	4,816
Current bank accounts	630,461	481,646
Portfolio accounts	23,470,719	29,706,141
Liquid assets, total	24,105,302	30,192,603
15 NET CAPITAL		
Net capital, January 1	6,051,761,400	3,535,354,160
Capital injection	0	3,000,000,000
Result for the year	12,415,529	-483,592,760
Net capital, December 31, total	6,064,176,929	6,051,761,400

16A DISTRIBUTION OBLIGATIONS

2016 distributions and total grants, DKK thousand

Grant No		Ordinary grant period 1	Ordinary grant period 2	Changes in 2016	Grants total	Disbursed 2016	Residual disbursement, expected
Centers established in 1993/94							
1.	Søren Kierkegaard Research Center	27,739	61,654		89,393		-
2.	The Danish Epidemiology Science Center	41,932	54,152		96,084		-
3.	Center for Labour Market and Social Research	25,127	1,293		26,420		-
4.	Theoretical Astrophysics Center	47,340	40,045		87,385		-
5.	Center for Atomic Physics	53,999	45,899		99,898		-
6.	Center for Atomic-Scale Materials Physics	39,595	50,139		89,734		-
7.	Center for Basic Research In Computer Science	32,608	15,925		48,533		-
8.	International Research Centre for Computational Hydrodynamics	43,950	4,586		48,536		-
9.	Danish Center for Remote Sensing	50,742			50,742		-
10.	Danish Lithosphere Center	71,874	101,653		173,527		-
11.	Danish Center for Experimental Parasitology	48,013	53,216		101,229		-
12.	Center for Biological Sequence Analysis	25,271	35,000		60,271		-
13.	Center for Biomolecular Recognition	35,080			35,080		-
14.	The Copenhagen Muscle Research Center	72,326	85,078		157,404		-
15.	Center for Sensory-Motor Interaction	25,000	64,329		89,329		-
16.	Center for Sound Communication	22,713	25,175		47,888		-
17.	Center for Crystallographic Studies	25,451	30,127		55,578		-
18.	Center for Enzyme Research	22,472	809		23,281		-
19.	Center for Gene Regulation and Plasticity of Neuro-Endocrine Network	37,571	2,442		40,013		-
20.	Center for Semiotic Research	12,741	5,000		17,741		-
21.	Copenhagen Polis Center	7,991	10,714		18,705		-
22.	Center for Maritime Archaeology	40,364	50,047		90,411		-
23.	Economic Policy Research Unit	17,921	19,674		37,595		-
To be carried forward		827,820	756,957		1,584,777	0	0

16A DISTRIBUTION OBLIGATIONS

2016 distributions and total grants, DKK thousand

Grant No		Ordinary grant period 1	Ordinary grant period 2	Changes in 2016	Grants total	Disbursed 2016	Residual disbursement, expected
Brought forward		827,820	756,957		1,584,777	0	0
Other activities							
24.	The National Center for Register-Based Research	11,573	15,000		26,573		-
25.	Statistics Denmark, Research Unit Aarhus	7,090	3,122		10,212		-
26.	Research Machine, Statistics Denmark	1,357			1,357		-
27.	ERAS (Danish Data Archives)	6,401			6,401		-
28.	Research School, Århus	95,074			95,074		-
29.	Research School, Aalborg	39,572			39,572		-
30.	Danish National Birth Cohort	17,990			17,990		-
Centers established in 1997/98							
31.	Center for Solid Phase Organic Combinatorial Chemistry	20,527	19,505		40,032		-
32.	Center for Catalysis	24,986	29,901		54,887		-
33.	Center for Plant-Microbe Symbiosis	24,119			24,119		-
34.	Center for Demographic Research	34,987			34,987		-
35.	The Danish Center for Earth System Science	50,189	9,098		59,287		-
36.	Network in Mathematical Physics and Stochastics	23,519	12,800		36,319		-
37.	Center for Molecular Plant Physiology	40,000	49,558		89,558		-
38.	Center for Experimental Bioinformatics	34,603	35,674		70,277		-
39.	Center for Human-Machine Interaction	25,027			25,027		-
Centers established in 2001							
40.	Center for Metal Structures in 4 Dimensions	36,572	33,825		70,397		-
41.	Center for Nucleic Acid (NAC)	34,307	32,550		66,857		-
42.	Center for Applied Microeconometrics	26,723			26,723		-
43.	Center for Biomembrane Physics	35,137	30,456		65,593		-
44.	Center for Quantum Optics	29,800	50,795		80,595		-
To be carried forward		1,447,373	1,079,241		2,526,614	0	0

16A DISTRIBUTION OBLIGATIONS

2016 distributions and total grants, DKK thousand

Grant No		Ordinary grant period 1	Ordinary grant period 2	Changes in 2016	Grants total	Disbursed 2016	Residual disbursement, expected
Brought forward		1,447,373	1,079,241		2,526,614	0	0
45.	The Water and Salt Research Center	32,503	33,380		65,883		-
46.	Quantum Protein Center	30,468	5,311		35,779		-
47.	Center of Functionally Integrative Neuroscience	33,765	42,198		75,963		-
48.	Wilhelm Johannsen Center for Functional Genome Research	30,226	29,597		59,823		-
Centers established in 2002							
49.	Center for the Study of Cultural Heritage of Medieval Rituals	15,209	12,206		27,415		-
50.	Center for Black Sea Studies	17,292	17,637		34,929		-
51.	Center for Subjectivity Research	19,148	17,230		36,378		-
Initiatives established in 2003							
52.	National Platform for Integrative Biology	17,909			17,909		-
Centers established in 2005							
53.	Nordic Center for Earth Evolution	43,954	45,440	-88	89,306	224	0
54.	Center for Individual Nanoparticle Functionality	38,942	45,605		84,547	896	0
55.	Center for Inflammation and Metabolism	25,824	30,063		55,887		-
56.	Center for Genotoxic Stress	39,533	26,000		65,533		-
57.	Centre for Social Evolution	32,827	44,204		77,031	420	0
58.	Centre for mRNP Biogenesis and Metabolism	39,264	40,686		79,950		-
59.	Center for Insoluble Protein Structures	39,934	40,026	-10	79,950	133	0
60.	Center for Oxygen Microscopy and Imaging	22,228	28,026		50,254		-
61.	Centre for Viscous Fluid Dynamics	38,392	30,000		68,392		-
To be carried forward		1,964,791	1,566,850	-98	3,531,543	1,673	0

16A DISTRIBUTION OBLIGATIONS

2016 distributions and total grants, DKK thousand

Grant No		Ordinary grant period 1	Ordinary grant period 2	Changes in 2016	Grants total	Disbursed 2016	Residual disbursement, expected
Brought forward		1,964,791	1,566,850	-98	3,531,543	1,673	0
62.	Dark Cosmology Centre	49,162	65,123		114,285		-
63.	Centre for Language Change in Real Time	29,757	41,305		71,062	104	0
64.	Centre for Textile Research	19,387	25,361	-23	44,725	928	0
65.	Center for Models of Life	22,053	30,090	-234	51,909	1,312	-
66.	Danish Arrhythmia Research Centre	29,692	40,000		69,692		-
67.	Center for Sustainable and Green Chemistry	24,797			24,797		-
68.	Center for Molecular Movies	31,098	4,320		35,418		-
Niels Bohr Professorships established in 2006							
69.	David Arnot, University of Copenhagen	20,008			20,008		-
70.	Dale T. Mortensen, Aarhus University	12,630			12,630		-
71.	Nikolai Reshetikhin, Aarhus University	21,118			21,118		-
72.	Christopher Frith, Aarhus University	13,033			13,033		-
73.	Cathie Martin, University of Copenhagen	16,823			16,823		-
74.	Hassan Aref, Technical University of Denmark	10,795			10,795		-
DNRF Professorships established in 2007							
75.	Steen Rasmussen, University of Southern Denmark	22,075			22,075		-
76.	Jørgen S. Nielsen, University of Copenhagen	19,090			19,090		-
77.	John Couchman, University of Copenhagen	21,917			21,917		-
Centers established in 2007							
78.	Center for Research in Econometric Analysis of Time Series	40,204	40,000		80,204	6,052	2,707
79.	Centre for Carbohydrate Recognition and Signalling	45,581	45,000		90,581	6,534	3,555
80.	Center for Comparative Genomics	16,489			16,489		-
81.	Centre for DNA Nanotechnology	44,501	50,000		94,501	7,746	660
82.	Centre for Epigenetics	61,014	50,000		111,014	8,734	1,435
83.	Centre for Ice og Climate	60,985	55,000	311	116,296	11,752	4,472
84.	Center for Massive Data Algorithmics	32,541	40,000		72,541	6,681	5,392
85.	Centre for Membrane Pumps in Cell and Disease	56,296	50,311	104	106,711	6,164	2,454
Joint funding							
86.	National Natural Science Foundation of China (NSFC), seminars	641			641		-
86-1.	NSFC, Danish-Chinese Center for Proteases and Cancer	11,534	10,000		21,534		-
86-2.	NSFC, Danish-Chinese Center of Breast Cancer Research	12,681	9,864		22,545		-
To be carried forward		2,710,693	2,123,224	60	4,833,977	57,680	20,675

16A DISTRIBUTION OBLIGATIONS

2016 distributions and total grants, DKK thousand

Grant No		Ordinary grant period 1	Ordinary grant period 2	Changes in 2016	Grants total	Disbursed 2016	Residual disbursement, expected
Brought forward		2,710,693	2,123,224	60	4,833,977	57,680	20,675
86-3.	NSFC, Danish-Chinese Center for Self-Assembly and Function of Molecular Nanostructures on Surfaces	14,755	10,000		24,755	154	0
86-4.	NSFC, Danish-Chinese Center for Molecular Nano-Electronics	14,536	10,000		24,536		-
86-5.	NSFC, Danish-Chinese Center for Nanometals	13,589	10,069		23,658		-
86-6.	NSFC, Danish-Chinese Center for Proton Conducting Systems	14,537			14,537		-
86-7.	NSFC, Danish-Chinese Center for Organic-based photovoltaic cells	15,000	10,000	-3	24,997	1,512	0
86-8.	NSFC, Danish-Chinese Center for Applications of Algebraic Geometry	13,052			13,052		-
86-9.	NSFC, Danish-Chinese Center for the Theory of Interactive Computation	14,908	10,000		24,908	3,436	857
86-10.	NSFC, Danish-Chinese Center for IDEA4CPS: Foundations for Cyper-Physical Systems	14,399	10,000		24,399	3,567	3,183
87.	Max Planck Society, Center for Geomicrobiology	24,029			24,029		-
Course activities for center leaders/outreach program							
88.	Management course/communication	3,550	2,600		6,150	544	2,090
Centers established in 2009/2010							
89.	Center on Autobiographical Memory Research	42,085	42,000		84,085	6,135	26,113
90.	Center for Cosmology and Particle Physics Phenomenology	40,000	40,000		80,000	7,608	24,728
91.	Centre for Particle Physics	40,000	40,000		80,000	4,968	28,464
92.	Center for Symmetry and Deformation	50,104	40,415		90,519	7,548	33,112
93.	Center for Materials and Crystallography	50,174	55,000		105,174	11,688	31,444
94.	Centre for GeoGenetics	50,210	50,363	276	100,849	9,065	18,883
95.	Centre for Quantum Geometry of Moduli Spaces	54,271	35,000		89,271	8,251	17,130
96.	Center for Macroecology, Evolution and Climate	60,747	51,071	415	112,233	10,674	28,889
97.	Center for Star and Planet Formation	38,400	44,000		82,400	7,838	19,534
Centers established in 2012							
98.	Centre for Medieval Literature	36,000			36,000	6,236	7,486
99.	Center for Dynamic Molecular Interactions	49,000			49,000	10,422	7,757
100.	Center for Permafrost Dynamics in Greenland	60,242			60,242	8,716	6,995
101.	Center for Quantum Devices	64,415			64,415	9,795	15,766
102.	Center for Financial Frictions	48,000			48,000	9,479	13,807
103.	Center for Nanostructured Graphene	54,000			54,000	6,556	6,868
104.	Center for Geomicrobiology	58,148		153	58,301	11,006	10,286
105.	Center for International Courts	42,000			42,000	10,275	10,139
To be carried forward		3,690,844	2,583,742	901	6,275,487	213,153	334,206

16A DISTRIBUTION OBLIGATIONS

2016 distributions and total grants, DKK thousand

Grant No	Ordinary grant period 1	Ordinary grant period 2	Changes in 2016	Grants total	Disbursed 2016	Residual disbursement, expected
Brought forward	3,690,844	2,583,742	901	6,275,487	213,153	334,206
106. Stellar Astrophysics Centre	55,000			55,000	12,298	11,606
107. Copenhagen Center for Glycomics	62,000			62,000	10,789	9,946
108. Center for Vitamins and Vaccines	58,000			58,000	9,423	14,664
Niels Bohr Professorships established in 2013						
109. Anna Tsing, Aarhus University	29,000			29,000	5,745	11,083
110. David Needham, University of Southern Denmark	29,000			29,000	5,299	9,029
111. Lars Hesselholt, University of Copenhagen	30,000			30,000	8,768	8,205
112. Charles Leshner, Aarhus University	29,952			29,952	8,588	7,801
113. Jaan Valsiner, Aalborg University	20,000			20,000	3,566	6,458
114. Subir Sarkar, University of Copenhagen	29,000			29,000	4,312	13,342
Centers established in 2015						
115. Center for Chromosome Stability	65,000			65,000	10,519	48,030
116. Center for Stem Cell Decision Making	60,000			60,000	10,023	45,576
117. Center for Music in the Brain	52,000		207	52,207	5,861	44,490
118. Center for Carbon Dioxide Activation	60,000			60,000	6,964	46,594
119. Center for Urban Network Evolutions	65,000			65,000	5,240	57,621
120. Center for Bacterial Stress Response and Persistence	50,000			50,000	8,341	40,033
121. Center for Neuroplasticity and Pain	60,000			60,000	8,080	49,346
122. Center for Intelligent Oral Drug Delivery and Sensing using Micro-containers and Nanomechanics	56,000			56,000	8,954	43,084
123. Center for Silicon Photonics for Optical Communications	59,000			59,000	10,864	43,435
124. Center for Hyperpolarization in Magnetic Resonance	55,000			55,000	6,969	46,163
125. Center for Autophagy, Recycling and Disease	50,000			50,000	9,204	32,317
126. Center for Personalized Medicine Managing Infectious Complications in Immune Deficiency	60,000			60,000	7,039	49,550
Niels Bohr Professorships established in 2016						
127. Rita Felski, University of Southern Denmark			27,997	27,997	870	27,127
128. Matthew Collins, University of Copenhagen			30,860	30,860	331	30,529
129. John McGrath, Aarhus University			29,948	29,948	86	29,862
Grant and distribution, total	4,724,796	2,583,742	89,913	7,398,451	381,286	1,060,097

The number of grants listed in the key figures includes the Centers of Excellence, the joint funding activities and the Niels Bohr Professorships, listed on pages 28-35.

All payments are subject to a contractual qualification that the foundation has to receive the expected and required revenue.

16B DISTRIBUTION OBLIGATIONS

Annual disbursements, DKK thousand:	Disbursed	Expected disbursements to activities listed above	Total
1993	19,133		
1994	141,708		
1995	154,509		
1996	176,194		
1997	200,876		
1998	247,751		
1999	243,346		
2000	224,484		
2001	228,789		
2002	256,877		
2003	239,916		
2004	173,489		
2005	195,185		
2006	195,225		
2007	242,803		
2008	321,277		
2009	274,998		
2010	387,270		
2011	358,754		
2012	390,990		
2013	423,038		
2014	435,944		
2015	424,512		
2016	381,286		
2017		424,632	
2018		278,846	
2019		206,682	
2020		122,209	
2021		27,728	
Disbursements and expected disbursements, total	6,338,354	1,060,097	7,398,451

The disbursements specified above are distributed according to the expected year of disbursement.

Disbursements are made on the basis of the grant holders' revised budgets. In consequence, the final presentation of accounts to the foundation may result in adjustments of the disbursements for the following years.

16C EXPECTED DISTRIBUTIONS 2017-2021

In addition to the distribution obligations listed in notes 16a and 16b, new centers will be established in 2017 as a result of the 9th application round, which was also announced in 2015. In the period 2017-2021, total distributions are expected to be as follows:

	million DKK
2017	460
2018	428
2019	399
2020	376
2021	432
	2,095

17 CONTINGENT LIABILITIES

The foundation has to give six months' notice to terminate the tenancy agreement, at December 31, 2019 at the earliest. The obligation amounts to DKK 2,167,056

The foundation has entered into forward currency contracts for the purchase and sale of the following currencies (amounts calculated in the currencies in question):

	2016	
Currency	Purchase	Sale
AUD	2,091,262	2,688,000
USD	3,351,112	142,655,291
JPY	0	1,548,508,267
CAD	196,000	7,542,000
EUR	61,460	105,470,033
GBP	1,275,567	17,633,000
NZD	0	523,000
		2015
Currency	Purchase	Sale
AUD	1,000	139,000
USD	1,730,000	174,147,224
JPY	10,761,048	2,580,099,121
CAD	14,000	1,344,000
EUR	7,277,175	106,243,000
GBP	120,000	15,683,000
SEK	217,000	8,040,000
NZD	0	1,518,000

The market price of the forward currency contracts as of December 31 is set at the value of the securities in question, see notes 12 and 13.

The foundation has entered into interest-rate futures for the purchase and sale of the following, calculated in the currencies in question:

		2016	
Currency		Purchase	Sale
EUR		4,100,000	3,100,000

		2015	
Currency		Purchase	Sale
USD		0	200,000
EUR		4,200,000	1,600,000

The market price of the interest-rate futures as of December 31 is set at the value of the securities in question, see note 12.

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Audit

The Office of the Auditor General and a chartered accountant shall audit the foundation's annual accounts. The board appoints the chartered accountant for a three-year term and the chartered accountant has to be approved by the Minister for Higher Education and Science. Jens Sejer Pedersen (Deloitte), State Authorized Public Accountant is appointed for the period May 1, 2016 to Maj 31, 2019.

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