

**William T. Grant Foundation, Inc.**

Financial Statements

December 31, 2010



## Independent Auditors' Report

**The Board of Trustees  
William T. Grant Foundation, Inc.**

We have audited the accompanying statements of financial position of the William T. Grant Foundation, Inc. (the Foundation) as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the William T. Grant Foundation, Inc. as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the 2010 and 2009 basic financial statements taken as a whole. The supplementary information included on pages 13, 14 and 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the 2010 and 2009 financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*O'Connor Davies Munns & Dobbins, LLP*

New York, New York  
May 24, 2011

**William T. Grant Foundation, Inc.**

Statements of Financial Position

December 31,

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,165,434	\$ 4,196,287
Accrued investment income	56,023	249,904
Prepaid Federal excise tax	49,000	220,000
Investments	295,688,584	263,756,548
Prepaid expenses and other assets	<u>54,603</u>	<u>267,925</u>
	<u>\$ 299,013,644</u>	<u>\$ 268,690,664</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 203,557	\$ 242,564
Grants payable	11,249,733	11,826,802
Postretirement benefit obligation	2,756,994	2,600,416
Deferred Federal excise tax	1,430,000	931,000
Deferred rent	<u>444,048</u>	<u>373,455</u>
Total Liabilities	<u>16,084,332</u>	<u>15,974,237</u>
 Net Assets	 <u>282,929,312</u>	 <u>252,716,427</u>
	<u>\$ 299,013,644</u>	<u>\$ 268,690,664</u>

See notes to financial statements

**William T. Grant Foundation, Inc.**

Statements of Activities

Years Ended December 31,

	<u>2010</u>	<u>2009</u>
<b>SUPPORT AND REVENUE</b>		
Investment Income		
Interest and dividends	\$ 6,716,361	\$ 4,796,988
Less:		
Federal and state taxes	468,684	61,056
Investment expenses	712,876	674,512
Net investment income	5,534,801	4,061,420
Contributions	5,292	262,500
Rental income	131,592	75,581
Total Support and Revenue	<u>5,671,685</u>	<u>4,399,501</u>
<b>EXPENSES</b>		
Program services		
Grants authorized, net of refunded and rescinded amount of \$176,137 and \$67,104	10,241,273	10,771,118
Program support, planning, and development	3,590,736	3,918,140
Total Program Services	13,832,009	14,689,258
Supporting Services - operations and governance	1,157,595	1,222,860
Total Expenses	<u>14,989,604</u>	<u>15,912,118</u>
Net realized and unrealized gains on investments, net of provision for deferred Federal excise tax of \$499,000 and \$931,000	39,620,903	58,055,229
Change in Net Assets Before Postretirement Benefit Obligation Adjustment	30,302,984	46,542,612
Postretirement benefit obligation adjustment	<u>(90,099)</u>	<u>(307,777)</u>
Change in Net Assets	30,212,885	46,234,835
<b>NET ASSETS</b>		
Beginning of year	<u>252,716,427</u>	<u>206,481,592</u>
End of year	<u>\$ 282,929,312</u>	<u>\$ 252,716,427</u>

See notes to financial statements

**William T. Grant Foundation, Inc.**

Statements of Cash Flows

Years Ended December 31,

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 30,212,885	\$ 46,234,835
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized and unrealized gain on investments	(40,119,903)	(58,986,229)
Deferred Federal excise tax	499,000	931,000
Postretirement benefit obligation adjustment	90,099	307,777
Net changes in operating assets and liabilities		
Accrued investment income	193,881	(210,809)
Prepaid Federal excise tax	171,000	20,000
Prepaid expenses and other assets	213,322	(172,584)
Accounts payable and accrued expenses	(39,007)	153,392
Grants payable	(577,069)	54,023
Postretirement benefit obligation	66,479	107,814
Deferred rent	70,593	85,443
Net Cash from Operating Activities	(9,218,720)	(11,475,338)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	68,909,004	46,081,098
Purchase of investments	(60,721,137)	(35,303,318)
Net Cash from Investing Activities	8,187,867	10,777,780
Net Change in Cash and Cash Equivalents	(1,030,853)	(697,558)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	4,196,287	4,893,845
End of year	\$ 3,165,434	\$ 4,196,287
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for Federal and state taxes on investment income	\$ 318,592	\$ 168,722

See notes to financial statements

# William T. Grant Foundation, Inc.

## Notes to Financial Statements

### 1. Organization

William T. Grant Foundation, Inc. (the Foundation) was established by William T. Grant in 1936. The goal of the Foundation is to support research that improves the lives of young people. The primary source of revenue for the Foundation is its investment activities.

### 2. Summary of Significant Accounting Policies

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

#### *Basis of Presentation*

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. The Foundation's net assets are neither permanently nor temporarily restricted by donor imposed restrictions and are classified as unrestricted.

#### *Cash and Cash Equivalents*

Cash and cash equivalents represent short-term investments with original maturities of three months or less, except for those short-term investments managed by the Foundation's investment managers as part of their long-term investment strategies.

#### *Fair Value Measurements*

The Foundation follows the Financial Accounting Standards Board (FASB) guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

## **William T. Grant Foundation, Inc.**

### Notes to Financial Statements

#### **2. Summary of Significant Accounting Policies (continued)**

##### ***Investments Valuation***

Investments are carried at fair value. The fair value of alternative investments has been estimated using the Net Asset Value ("NAV") as reported by the management of the respective alternative investment fund. FASB guidance provides for the use of NAV as a "Practical Expedient" for estimating fair value of alternative investments. NAV reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the Foundation's interest therein and their classification within Level 2 or 3 is based on the Foundation's ability to redeem its interest in the near term.

##### ***Investment Income Recognition***

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized gains and losses on the sale of investments are computed on the specific identification basis. Realized and unrealized gains and losses are included in the determination of the change in net assets.

##### ***Property and Equipment***

The cost of office furniture, leasehold improvements, fixtures, and equipment purchased during the course of normal business activities is charged to operations when purchased, as such purchases are not significant.

##### ***Grants***

Grants are recorded when authorized by either the Board of Trustees or by officers of the Foundation within limits specified by the Board of Trustees.

##### ***Postretirement Benefit Plan***

The Foundation follows FASB guidance on Defined Benefit Plans which requires the Foundation to recognize the funded status of the Foundation's postretirement medical and health benefits as an asset or liability in its consolidated statement of financial position with a corresponding adjustment to change in net assets in the statement of activities. The adjustment to change in net assets represents the balance of unrecognized actuarial gains that will be recognized within net periodic cost in the future.

## William T. Grant Foundation, Inc.

### Notes to Financial Statements

#### 2. Summary of Significant Accounting Policies *(continued)*

##### *Reclassification*

Certain items in the 2009 financial statements have been reclassified for comparative purposes.

##### **Accounting for Uncertainty in Income Taxes**

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement recognition. The Foundation is no longer subject to audits by the applicable taxing jurisdictions for periods prior to December 31, 2007.

##### *Subsequent Events Evaluation by Management*

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is May 24, 2011.

#### 3. Investments

The following are major categories of assets measured at fair value on a recurring basis (except cash held for investments) at December 31 grouped by the fair value hierarchy:

Description	2010			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Cash held for investments	\$ 1,699,751	\$ -	\$ -	\$ 1,699,751
Equity Securities				
US Regulated Investment Company-Non US	25,693,653	-	-	25,693,653
US Regulated Investment Company	12,503,543	-	-	12,503,543
Commingled Funds Emerging Markets	9,255,222	-	-	9,255,222
Services	7,594,337	-	-	7,594,337
Technology	4,831,365	-	-	4,831,365
Other	29,590,264	-	-	29,590,264
Fixed Income				
Mutual Funds	14,223,943	-	-	14,223,943
US Regulated Investment Company	19,435,851	-	-	19,435,851
Emergings Markets Bond	-	18,958,206	-	18,958,206
Alternative investments				
Hedge Funds(a)	-	77,009,539	11,504,649	88,514,188
Private Equity(a)	-	-	63,388,261	63,388,261
Total investments	<u>\$ 124,827,929</u>	<u>\$ 95,967,745</u>	<u>\$ 74,892,910</u>	<u>\$ 295,688,584</u>



**William T. Grant Foundation, Inc.**

Notes to Financial Statements

**3. Investments (continued)**

Description	2009			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Equities	\$ 92,863,062	\$ -	\$ -	\$ 92,863,062
Fixed Income	27,492,149	18,718,468	-	46,210,617
Alternative Investments	-	74,604,726	50,078,143	124,682,869
	\$ 120,355,211	\$ 93,323,194	\$ 50,078,143	\$ 263,756,548

(a) Based on its analysis of the nature and risk of these investments, the Foundation has determined that presenting them as a single class is appropriate.

The following is a reconciliation of the Level 2 and 3 investments valued using NAV as practical expedient during the years ended December 31:

	2010		
	Hedge Funds	Private Equity	Total
Beginning balance	\$ 74,604,726	\$ 50,078,143	\$ 124,682,869
Total realized gains included in changes in net assets	688,486	2,204,724	2,893,210
Unrealized gains related to instruments still held at reporting date included in earning	10,220,976	6,808,948	17,029,924
Purchases, issuances and (settlements), net	3,000,000	4,296,446	7,296,446
Ending balance	\$ 88,514,188	\$ 63,388,261	\$ 151,902,449

	2009
Beginning balance	\$ 99,142,767
Total realized gains included in changes in net assets	492,553
Unrealized gains related to instruments still held at reporting date included in earning	23,633,256
Purchases, issuances and (settlements), net	1,414,293
Ending balance	\$ 124,682,869

**William T. Grant Foundation, Inc.**

Notes to Financial Statements

**3. Investments (continued)**

Information regarding Level 2 and 3 investments valued using NAV as practical expedient at December 31, 2010 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge Funds (see "a" below)	\$ 88,514,188	\$ -	Monthly - Annually	20-90 days
Private Equity (see "b" below)	<u>63,388,261</u>	<u>22,818,212</u>	Locked	N/A
	<u>\$ 151,902,449</u>	<u>\$ 22,818,212</u>		

a. This category includes investments in "hedge funds" that invest predominantly in limited partnerships, similar pooled investment vehicles and direct investments in securities and loans. These funds were primarily formed with the purpose of achieving long-term growth of capital with reduced volatility by allocating its capital among various money managers. The fair values of investments in this category have been estimated using the net asset value per share of the investments. Investments in this category may be redeemed monthly to quarterly, in whole or in part, subject to written notice before the prior quarter's close.

b. This category includes several private equity funds that invest primarily in private equity investment partnerships. The fair values of the investments in this category have been estimated using the net asset value of the Foundation's ownership interest in partners' capital. These investments can never be redeemed with the funds. Instead, the nature of the investments in this category is that distributions are received through liquidation of the underlying assets of the fund. Management has estimated that the underlying assets of these funds will be liquidated over 1 to 8 years.

Alternative Investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

## William T. Grant Foundation, Inc.

### Notes to Financial Statements

#### 4. Grants Payable

The following summarizes changes in grants payable as of December 31:

	<u>2010</u>	<u>2009</u>
Balance at beginning of year	\$ 11,826,802	\$ 11,772,779
Addition:		
Grants authorized	10,417,410	10,838,222
Deductions:		
Payments made	10,818,342	10,717,095
Rescinded and refunded amounts	<u>176,137</u>	<u>67,104</u>
	<u>\$ 11,249,733</u>	<u>\$ 11,826,802</u>

Grants payable are scheduled to be disbursed as follows:

2011	\$ 7,702,415
2012	2,722,033
2013	518,918
2014	<u>306,367</u>
	<u>\$ 11,249,733</u>

#### 5. Lease Commitment

The Foundation has a lease agreement for office space which expires on September 30, 2018. The lease contains escalation clauses that provide for increased payments resulting from increases in real estate taxes and certain other building expenses in excess of the base period amounts. Future minimum rental payments under this lease are as follows:

2011	\$ 1,011,396
2012	1,029,095
2013	1,064,474
2014	1,135,208
2015	1,155,074
Thereafter	<u>3,279,756</u>
	<u>\$ 8,675,003</u>

In June 2009 the Foundation entered into an agreement to sublease a portion of its space expiring May 2012. This agreement requires monthly payments to the Foundation of approximately \$10,800 for the first eighteen months increasing to approximately \$12,800 for the remaining eighteen months.

## William T. Grant Foundation, Inc.

### Notes to Financial Statements

#### 6. Retirement Benefits

Retirement benefits under a defined contribution plan are provided through the Teacher's Insurance and Annuity Association to all permanent employees who have completed three months of continuous service. Contributions are expensed when made. Contributions in 2010 and 2009 were \$240,596 and \$228,559.

#### 7. Postretirement Healthcare Benefits

In addition to the above retirement plan, the Foundation sponsors an unfunded plan to provide certain health care benefits for retirees of the Foundation. The Foundation funds its postretirement benefits costs on a pay as you go basis.

Information as of and for the years ended December 31 for the plan is as follows:

	2010	2009
Benefit Obligation (Funded Status)		
at End of Year	\$ 2,756,994	\$ 2,600,416
Net postretirement benefit costs	165,037	195,050
Unrecognized actuarial loss	90,099	307,777
Benefits paid	98,558	87,236
Discount rate used	5.48%	5.89%
	2010	2009
Components of Net Periodic Expense		
for the Year		
Service cost	\$ 22,998	\$ 53,374
Interest cost	142,039	141,676
	\$ 165,037	\$ 195,050
	Increase (Decrease)	2010
Effect of a one-percent point		
increase in HCCTR* on		
Year end benefit obligation	\$ 299,297	\$ 239,408
Total of service and interest		
cost component	40,712	31,571
Effect of a one-percent point		
decrease in HCCTR* on		
Year end benefit obligation	(370,502)	(395,056)
Total of service and interest		
cost component	(12,186)	(25,732)

\* Health Care Cost Trend Rate

## William T. Grant Foundation, Inc.

### Notes to Financial Statements

#### 7. Postretirement Healthcare Benefits *(continued)*

Measurements used to determine the postretirement benefit obligation for the years ended 2010 and 2009 were computed as of December 31.

For measurement purposes, an 10% annual rate of increase in per capita cost of covered health benefits was assumed for 2010, decreasing to 5.6% in 2011 and thereafter.

Net benefits expected to be paid in each of the next five years and the following five years in the aggregate are as follows:

2011	\$ 115,099
2012	137,132
2013	146,577
2014	154,142
2015	160,043
2016-2020	910,989
	<u>\$ 1,623,982</u>

#### 8. Federal Excise Taxes

The Foundation is nonprofit organization exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (the Code), and is a private foundation as defined in Section 509(a) of the Code. The Foundation is subject to a Federal excise tax of 2% on its net investment income, as defined, for tax purposes. However, the excise tax is reduced to 1% if certain conditions are met.

Deferred taxes principally arise from differences between the cost and fair value of investments.

**William T. Grant Foundation, Inc.**

Supplemental Information

December 31, 2010

William T. Grant Foundation, Inc.

Portfolio Asset Allocation Schedule

December 31, 2010

	Fair Value	% of Portfolio	Unaudited	
			Target Allocation	Target Range
<b>EQUITY</b>				
U.S.:				
Silvercrest Asset Management Group	\$ 12,873,410			
Eagle Capital Equity	13,172,896			
T.Rowe Price New Era Fund	12,503,543			
Wasatch (small cap growth)	12,211,793			
Subtotal U.S.	50,761,642	17.2%		
<b>GLOBAL</b>				
Harding & Loevner	9,927,852			
SSGA MSCI EAFE Index Fund	9,255,222			
Subtotal Global	19,183,074	6.5%		
Dimensional Fund Advisors	15,737,250			
TVC Conduit	5,486,169			
Subtotal Emerging Markets	21,223,419	7.2%		
Subtotal Long Equity	91,168,135	30.9%		
<b>HEDGED</b>				
Davidson Kempner LP	7,667,367			
Commonfund Hedge Funds	8,026,619			
New Generation Turnaround Fund	19,786,591			
New Mountain Vantage	11,504,649			
Steelhead Partners	14,921,073			
Blenheim Commodities Fund	21,099,770			
High Vista II	5,508,119			
Subtotal Hedged	88,514,188	29.9%		
Total Equity (including limited partnerships)	179,682,323	60.8%	58.0%	40.0-70.0%
<b>ALTERNATIVE INVESTMENTS</b>				
American Securities Partners III	2,884,997			
American Securities Partners IV	4,106,009			
American Securities Partners V	3,909,741			
Altira Technology Fund II	437,157			
Altira Technology Fund III	4,241,947			
Altira Technology Fund IV	4,022,780			
Capital Dynamics Champion Ventures IV	2,048,820			
Paul Capital Royalty Fund	1,864,102			
Paul Capital Royalty Fund II	1,140,026			
Royalty Pharma	8,442,388			
TIFF Partners II	239,981			
TIFF Partners V Domestic	3,388,604			
TIFF Partners V International	2,569,569			
TIFF Private Equity Partners 2006	2,976,285			
TIFF Private Equity Partners 2007	4,724,125			
TIFF Private Equity Partners 2008	3,908,000			
TIFF Secondary Partners II	5,856,835			
Crystal Ridge Partners	4,622,675			
Cross Creek Capital	2,004,220			
Total Alternatives Investments in Limited Partnerships	63,388,261	21.4%	12.0%	10.0-20.0%
<b>FIXED INCOME</b>				
Global Thematic Equity	14,223,943			
GMO Emerging Country Debt Fund	18,958,206			
Western Asset Management	19,435,851			
Total Fixed Income	52,618,000	17.8%	30.0%	20.0-50.0%
Total portfolio	\$ 295,688,584	100.0%	100.0%	100.0%

See independent auditors' report

**William T. Grant Foundation, Inc.**

Fair Value Measurements of Portfolio Assets

December 31, 2010

	Fair Value	Level 1	Level 2	Level 3
<b>EQUITY</b>				
U.S.:				
Silvercrest Asset Management Group	\$ 12,873,410	\$ 12,873,410	\$ -	\$ -
Eagle Capital Equity	13,172,896	13,172,896	-	-
T.Rowe Price New Era Fund	12,503,543	12,503,543	-	-
Wasatch (small cap growth)	<u>12,211,793</u>	<u>12,211,793</u>	-	-
Subtotal U.S.	<u>50,761,642</u>	<u>50,761,642</u>	-	-
<b>GLOBAL</b>				
Harding & Loevner	9,927,852	9,927,852	-	-
SSGA MSCI EAFE Index Fund	<u>9,255,222</u>	<u>9,255,222</u>	-	-
Subtotal Global	<u>19,183,074</u>	<u>19,183,074</u>	-	-
Dimensional Fund Advisors	15,737,250	15,737,250	-	-
TVC Conduit	<u>5,486,169</u>	<u>5,486,169</u>	-	-
Subtotal Emerging Markets	<u>21,223,419</u>	<u>21,223,419</u>	-	-
Subtotal Long Equity	<u>91,168,135</u>	<u>91,168,135</u>	-	-
<b>HEDGED</b>				
Davidson Kempner LP	7,667,367	-	7,667,367	-
Commonfund Hedge Funds	8,026,619	-	8,026,619	-
New Generation Turnaround Fund	19,786,591	-	19,786,591	-
New Mountain Vantage	11,504,649	-	-	11,504,649
Steelhead Partners	14,921,073	-	14,921,073	-
Blenheim Commodities Fund	21,099,770	-	21,099,770	-
High Vista II	<u>5,508,119</u>	-	<u>5,508,119</u>	-
Subtotal Hedged	<u>88,514,188</u>	-	<u>77,009,539</u>	<u>11,504,649</u>
Total Equity (including limited partnerships)	<u>179,682,323</u>	<u>91,168,135</u>	<u>77,009,539</u>	<u>11,504,649</u>
<b>ALTERNATIVE INVESTMENTS</b>				
American Securities Partners III	2,884,997	-	-	2,884,997
American Securities Partners IV	4,106,009	-	-	4,106,009
American Securities Partners V	3,909,741	-	-	3,909,741
Altira Technology Fund II	437,157	-	-	437,157
Altira Technology Fund III	4,241,947	-	-	4,241,947
Altira Technology Fund IV	4,022,780	-	-	4,022,780
Capital Dynamics Champion Ventures IV	2,048,820	-	-	2,048,820
Paul Capital Royalty Fund	1,864,102	-	-	1,864,102
Paul Capital Royalty Fund II	1,140,026	-	-	1,140,026
Royalty Pharma	8,442,388	-	-	8,442,388
TIFF Partners II	239,981	-	-	239,981
TIFF Partners V Domestic	3,388,604	-	-	3,388,604
TIFF Partners V International	2,569,569	-	-	2,569,569
TIFF Private Equity Partners 2006	2,976,285	-	-	2,976,285
TIFF Private Equity Partners 2007	4,724,125	-	-	4,724,125
TIFF Private Equity Partners 2008	3,908,000	-	-	3,908,000
TIFF Secondary Partners II	5,856,835	-	-	5,856,835
Crystal Ridge Partners	4,622,675	-	-	4,622,675
Cross Creek Capital	<u>2,004,220</u>	-	-	<u>2,004,220</u>
Total Alternatives Investments in Limited Partnerships	<u>63,388,261</u>	-	-	<u>63,388,261</u>
<b>FIXED INCOME</b>				
Global Thematic Equity	14,223,943	14,223,943	-	-
GMO Emerging Country Debt Fund	18,958,206	-	18,958,206	-
Western Asset Management	<u>19,435,851</u>	<u>19,435,851</u>	-	-
Total Fixed Income	<u>52,618,000</u>	<u>33,659,794</u>	<u>18,958,206</u>	-
Total portfolio	<u>\$ 295,688,584</u>	<u>\$ 124,827,929</u>	<u>\$ 95,967,745</u>	<u>\$ 74,892,910</u>



William T. Grant Foundation, Inc.

Schedules of Functional Expenses

Years Ended December 31,

	2010				2009			
	Program Services	Operations and Governance	Investment	Total	Program Services	Operations and Governance	Investment	Total
Grants Authorized, net	\$ 10,241,273	\$ -	\$ -	\$ 10,241,273	\$ 10,771,118	\$ -	\$ -	\$ 10,771,118
<b>ALLOCATED EXPENSES</b>								
Salaries and wages	1,401,043	507,625	121,830	2,030,498	1,368,384	495,792	118,990	1,983,166
Payroll taxes and employee benefits	617,701	223,805	53,713	895,219	593,177	214,919	51,581	859,677
Occupancy	748,644	271,248	65,100	1,084,992	745,119	269,971	64,793	1,079,883
Furniture and maintenance	17,540	6,355	1,525	25,420	74,568	27,018	6,484	108,070
Office expenses	36,947	13,387	3,213	53,547	38,061	13,791	3,310	55,162
General expenses	66,894	24,237	5,817	96,948	96,361	34,913	8,379	139,653
Staff travel and expense	55,686	20,176	4,842	80,704	61,037	22,115	5,308	88,460
Telecommunications	25,815	9,354	2,245	37,414	72,371	26,222	6,293	104,886
Computer purchases and maintenance	73,618	26,674	6,402	106,694	170,610	61,815	14,836	247,261
Professional fees	53,053	19,222	4,613	76,888	61,288	22,206	5,329	88,823
Insurance	25,558	9,261	2,223	37,042	24,828	8,996	2,159	35,983
Trustee and committee expenses	72,451	26,251	6,300	105,002	69,281	25,102	6,024	100,407
Total Allocated expenses	3,194,950	1,157,595	277,823	4,630,368	3,375,085	1,222,860	293,486	4,891,431
<b>DIRECT PROGRAM EXPENSES</b>								
Publications	19,554	-	-	19,554	38,792	-	-	38,792
Advisory expenses	376,232	-	-	376,232	504,263	-	-	504,263
Total Direct Program Expenses	395,786	-	-	395,786	543,055	-	-	543,055
<b>DIRECT INVESTMENT EXPENSE</b>								
Manager fees	-	-	356,376	356,376	-	-	301,281	301,281
Custody fees	-	-	75,679	75,679	-	-	75,131	75,131
Consulting expenses	-	-	2,998	2,998	-	-	4,614	4,614
Total Direct Investment Expenses	-	-	435,053	435,053	-	-	381,026	381,026
Total	\$ 13,832,009	\$ 1,157,595	\$ 712,876	\$ 15,702,480	\$ 14,689,258	\$ 1,222,860	\$ 674,512	\$ 16,586,630
% of total expenses	88%	7%	5%		89%	7%	4%	