

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

Financial Statements

December 31, 2011 and 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, 2011 and 2010, 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, 2011 and 2010, 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 conducted for the purpose of forming an opinion on the 2011 and 2010 financial statements as a whole. The supplementary information included on pages 14, 15 and 16 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 2011 and 2010 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*O'Connor Davies, LLP*

New York, New York  
May 7, 2012

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

Statements of Financial Position

	December 31,	
	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,134,728	\$ 3,165,434
Accrued investment income	76,034	56,023
Prepaid Federal excise tax	210,000	49,000
Investments	274,185,649	295,688,584
Prepaid expenses and other assets	<u>59,517</u>	<u>54,603</u>
	<u>\$ 277,665,928</u>	<u>\$ 299,013,644</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 135,480	\$ 203,557
Grants payable	8,618,195	11,249,733
Postretirement benefit obligation	2,337,513	2,756,994
Deferred Federal excise tax	995,000	1,430,000
Deferred rent	<u>497,246</u>	<u>444,048</u>
Total Liabilities	<u>12,583,434</u>	<u>16,084,332</u>
 Net Assets	 <u>265,082,494</u>	 <u>282,929,312</u>
	<u>\$ 277,665,928</u>	<u>\$ 299,013,644</u>

See notes to financial statements

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

Statements of Activities

	Year Ended December 31,	
	2011	2010
<b>SUPPORT AND REVENUE</b>		
Investment Income		
Interest and dividends	\$ 6,628,570	\$ 6,716,361
Less:		
Federal and state (benefits) taxes	(20,795)	468,684
Investment expenses	742,947	712,876
Net investment income	5,906,418	5,534,801
Contributions	-	5,292
Rental income	153,862	131,592
Total Support and Revenue	6,060,280	5,671,685
<b>EXPENSES</b>		
Program services		
Grants authorized, net of refunded and rescinded amount of \$82,805 and \$176,137	9,108,335	10,241,273
Program support, planning, and development	3,703,825	3,590,736
Total Program Services	12,812,160	13,832,009
Supporting Services - operations and governance	1,146,404	1,157,595
Total Expenses	13,958,564	14,989,604
Net realized and unrealized (loss) gain on investments, net of benefit (provision) for deferred federal excise tax of \$435,000 and (\$499,000)	(10,403,510)	39,620,903
Change in Net Assets Before Postretirement Benefit Obligation Adjustment	(18,301,794)	30,302,984
Postretirement benefit obligation adjustment	454,976	(90,099)
Change in Net Assets	(17,846,818)	30,212,885
<b>NET ASSETS</b>		
Beginning of year	282,929,312	252,716,427
End of year	\$ 265,082,494	\$ 282,929,312

See notes to financial statements

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

Statements of Cash Flows

	Year Ended	
	December 31,	
	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (17,846,818)	\$ 30,212,885
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized and unrealized loss (gain) on investments	10,838,510	(40,119,903)
Deferred Federal excise tax	(435,000)	499,000
Postretirement benefit obligation adjustment	(454,976)	90,099
Amortization of deferred rent	53,198	70,593
Net changes in operating assets and liabilities		
Accrued investment income	(20,011)	193,881
Prepaid Federal excise tax	(161,000)	171,000
Prepaid expenses and other assets	(4,914)	213,322
Accounts payable and accrued expenses	(68,077)	(39,007)
Grants payable	(2,631,538)	(577,069)
Postretirement benefit obligation	<u>35,495</u>	<u>66,479</u>
 Net Cash from Operating Activities	 <u>(10,695,131)</u>	 <u>(9,218,720)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	48,851,141	68,909,004
Purchase of investments	<u>(38,186,716)</u>	<u>(60,721,137)</u>
 Net Cash from Investing Activities	 <u>10,664,425</u>	 <u>8,187,867</u>
 Net Change in Cash and Cash Equivalents	 (30,706)	 (1,030,853)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>3,165,434</u>	<u>4,196,287</u>
 End of year	 <u>\$ 3,134,728</u>	 <u>\$ 3,165,434</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for Federal and state taxes on investment income	\$ 261,423	\$ 318,592

See notes to financial statements

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

Notes to Financial Statements  
December 31, 2011 and 2010

### **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  
December 31, 2011 and 2010

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

***Investments Valuation***

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  
December 31, 2011 and 2010

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

**Accounting for Uncertainty in Income Taxes**

The Foundation recognizes the effect of tax positions only if they are more likely than not to be sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement disclosure and/or recognition. The Foundation is no longer subject to examinations by the applicable jurisdictions for periods prior to December 31, 2008.

**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 7, 2012.

**Reclassifications**

Certain reclassifications have been made to the prior year financial statements to conform to the current year's presentation.

**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	2011			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	\$ 1,385,159	\$ -	\$ -	\$ 1,385,159
Equity Securities				
US Regulated Investment Company-Non US	8,547,275	-	-	8,547,275
US Regulated Investment Company	8,310,614	-	-	8,310,614
Diversified emerging markets	11,727,054	-	-	11,727,054
Global equity portfolio	9,070,832	-	-	9,070,832
Financial services	4,986,525	-	-	4,986,525
Consumer staples	3,098,604	-	-	3,098,604
Technology	3,242,379	-	-	3,242,379
Other	31,020,615	-	-	31,020,615
Fixed Income				
Mutual Funds	12,356,941	-	-	12,356,941
US Regulated Investment Company	16,728,635	-	-	16,728,635
Emergings Markets Bond	-	20,380,160	-	20,380,160
Alternative investments				
Hedge Funds(a)	-	64,810,544	10,689,214	75,499,758
Private Equity(a)	-	-	67,831,098	67,831,098
Total investments	<u>\$ 110,474,633</u>	<u>\$ 85,190,704</u>	<u>\$ 78,520,312</u>	<u>\$ 274,185,649</u>



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

Notes to Financial Statements  
December 31, 2011 and 2010

**3. Investments (continued)**

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>

(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.

Investments account for all assets at fair market value at December 31, 2011 and 2010.

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

	2011		Total
	Hedge Funds	Private Equity	
Beginning balance	\$ 11,504,649	\$ 63,388,261	\$ 74,892,910
Total realized gains included in changes in net assets	-	5,552,616	5,552,616
Unrealized gains related to instruments still held at reporting date included in earning	(815,435)	1,437,187	621,752
Purchases, issuances and (settlements), net	-	(2,546,966)	(2,546,966)
Ending balance	<u>\$ 10,689,214</u>	<u>\$ 67,831,098</u>	<u>\$ 78,520,312</u>

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

Notes to Financial Statements  
December 31, 2011 and 2010

**3. Investments (continued)**

	2010		
	Hedge Funds	Private Equity	Total
Beginning balance	\$ 9,711,354	\$ 50,078,143	\$ 59,789,497
Total realized gains included in changes in net assets	-	2,204,724	2,204,724
Unrealized gains related to instruments still held at reporting date included in earning	1,793,295	6,808,948	8,602,243
Purchases, issuances and (settlements), net	-	4,296,446	4,296,446
Ending balance	<u>\$ 11,504,649</u>	<u>\$ 63,388,261</u>	<u>\$ 74,892,910</u>

Information regarding Level 2 and 3 investments valued using NAV as practical expedient at December 31, 2011 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge Funds (see "a" below)	\$ 75,499,758	\$ -	Monthly - Annually	20-90 days
Private Equity (see "b" below)	<u>67,831,098</u>	<u>33,991,093</u>	Locked	N/A
	<u>\$ 143,330,856</u>	<u>\$ 33,991,093</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 value 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.

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

Notes to Financial Statements  
December 31, 2011 and 2010

**3. Investments (continued)**

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.

**4. Grants Payable**

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

	<u>2011</u>	<u>2010</u>
Balance at beginning of year	\$ 11,249,733	\$ 11,826,802
Addition:		
Grants authorized	9,191,140	10,417,410
Deductions:		
Payments made	11,739,873	10,818,342
Rescinded and refunded amounts	<u>82,805</u>	<u>176,137</u>
	<u>\$ 8,618,195</u>	<u>\$ 11,249,733</u>

Grants payable are scheduled to be disbursed as follows:

2012	\$ 6,162,480
2013	1,511,483
2014	653,591
2015	<u>290,641</u>
	<u>\$ 8,618,195</u>

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

Notes to Financial Statements  
December 31, 2011 and 2010

**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:

2012	\$ 1,029,095
2013	1,064,474
2014	1,135,208
2015	1,155,074
2016	1,175,288
Thereafter	2,104,468

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.

**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. Foundation contributions in 2011 and 2010 were \$230,631 and \$240,596.

**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:

	2011	2010
Benefit Obligation (Funded Status) at End of Year	\$ 2,337,513	\$ 2,756,994
Net postretirement benefit costs	142,358	165,037
Unrecognized actuarial (gain) loss	(454,976)	90,099
Benefits paid	106,863	98,558
Discount rate used	4.25%	5.48%

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

Notes to Financial Statements  
December 31, 2011 and 2010

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

	2011	2010
Components of Net Periodic Expense for the Year		
Service cost	\$ 22,064	\$ 22,998
Interest cost	<u>120,294</u>	<u>142,039</u>
	<u>\$ 142,358</u>	<u>\$ 165,037</u>
	Increase (Decrease)	2011
	2011	2010
Effect of a one-percent point increase in HCCTR* on Year end benefit obligation	\$ 252,531	\$ 299,297
Total of service and interest cost component	(9,453)	40,712
Effect of a one-percent point decrease in HCCTR* on Year end benefit obligation	(277,021)	(370,502)
Total of service and interest cost component	(41,809)	(12,186)

\* Health Care Cost Trend Rate

Measurements used to determine the postretirement benefit obligation for the years ended 2011 and 2010 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 2011, decreasing to 5.0% in 2018 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:

2012	\$ 121,003
2013	129,296
2014	135,770
2015	140,401
2016	147,888
2017-2021	<u>772,964</u>
	<u>\$ 1,447,322</u>

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

Notes to Financial Statements  
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**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.

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

Supplemental Information

December 31, 2011

William T. Grant Foundation, Inc.

Portfolio Asset Allocation Schedule

December 31, 2011

	Fair Value	% of Portfolio	Unaudited	
			Target Allocation	Target Range
<b>EQUITY</b>				
U.S.:				
Silvercrest Asset Management Group	\$ 12,630,058			
Eagle Capital Equity	13,658,623			
T.Rowe Price New Era Fund	8,310,614			
Wasatch (small cap growth)	<u>12,772,581</u>			
Subtotal U.S.	<u>47,371,876</u>	17.3%		
<b>GLOBAL</b>				
First Eagle	8,547,275			
Global Thematic Equity	12,356,941			
Harding & Loevner	<u>9,070,832</u>			
Subtotal Global	<u>29,975,048</u>	10.9%		
Dimensional Fund Advisors	11,727,054			
TVC Conduit	<u>4,672,020</u>			
Subtotal Emerging Markets	<u>16,399,074</u>	6.0%		
Subtotal Long Equity	<u>93,745,998</u>	34.2%		
<b>HEDGED</b>				
Davidson Kempner LP	7,746,125			
New Generation Turnaround Fund	18,385,744			
New Mountain Vantage	10,689,214			
Steelhead Partners	15,921,889			
Blenheim Commodities Fund	17,374,945			
High Vista II	<u>5,381,841</u>			
Subtotal Hedged	<u>75,499,758</u>	27.5%		
Total Equity (including limited partnerships)	<u>169,245,756</u>	61.7%	58.0%	40.0-70.0%
<b>ALTERNATIVE INVESTMENTS</b>				
American Securities Partners III	1,869,697			
American Securities Partners IV	3,980,064			
American Securities Partners V	6,642,098			
Altira Technology Fund II	552,827			
Altira Technology Fund III	4,360,243			
Altira Technology Fund IV	2,188,915			
Capital Dynamics Champion Ventures IV	2,342,187			
Paul Capital Royalty Fund	1,593,744			
Paul Capital Royalty Fund II	609,018			
Royalty Pharma	7,392,085			
TIFF Partners II	178,346			
TIFF Partners V Domestic	3,210,102			
TIFF Partners V International	2,562,909			
TIFF Private Equity Partners 2006	3,485,579			
TIFF Private Equity Partners 2007	6,563,670			
TIFF Private Equity Partners 2008	5,699,278			
TIFF Secondary Partners II	5,299,337			
Crystal Ridge Partners	3,212,344			
Cross Creek Capital	2,392,493			
CSL Energy	952,935			
BioPharma Sec. Debt	916,576			
Brightwood Capital	1,576,651			
Venture Investment	<u>250,000</u>			
Total Alternatives Investments in Limited Partnerships	<u>67,831,098</u>	24.7%	12.0%	10.0-20.0%
<b>FIXED INCOME</b>				
GMO Emerging Country Debt Fund	20,380,160			
Western Asset Management	<u>16,728,635</u>			
Total Fixed Income	<u>37,108,795</u>	13.5%	30.0%	20.0-50.0%
Total portfolio	<u>\$ 274,185,649</u>	100.0%	100.0%	100.0%



William T. Grant Foundation, Inc.

Fair Value Measurements of Portfolio Assets

December 31, 2011

	Fair Value	Level 1	Level 2	Level 3
<b>EQUITY</b>				
<b>U.S.:</b>				
Silvercrest Asset Management Group	\$ 12,630,058	\$ 12,630,058	\$ -	\$ -
Eagle Capital Equity	13,658,623	13,658,623	-	-
T.Rowe Price New Era Fund	8,310,614	8,310,614	-	-
Wasatch (small cap growth)	12,772,581	12,772,581	-	-
Subtotal U.S.	47,371,876	47,371,876	-	-
<b>GLOBAL</b>				
First Eagle	8,547,275	8,547,275	-	-
Global Thematic Equity	12,356,941	12,356,941	-	-
Harding & Loevner	9,070,832	9,070,832	-	-
Subtotal Global	29,975,048	29,975,048	-	-
Dimensional Fund Advisors	11,727,054	11,727,054	-	-
TVC Conduit	4,672,020	4,672,020	-	-
Subtotal Emerging Markets	16,399,074	16,399,074	-	-
Subtotal Long Equity	93,745,998	93,745,998	-	-
<b>HEDGED</b>				
Davidson Kempner LP	7,746,125	-	7,746,125	-
Commonfund Hedge Funds	-	-	-	-
New Generation Turnaround Fund	18,385,744	-	18,385,744	-
New Mountain Vantage	10,689,214	-	-	10,689,214
Steelhead Partners	15,921,889	-	15,921,889	-
Blenheim Commodities Fund	17,374,945	-	17,374,945	-
High Vista II	5,381,841	-	5,381,841	-
Subtotal Hedged	75,499,758	-	64,810,544	10,689,214
Total Equity (including limited partnerships)	169,245,756	93,745,998	64,810,544	10,689,214
<b>ALTERNATIVE INVESTMENTS</b>				
American Securities Partners III	1,869,697	-	-	1,869,697
American Securities Partners IV	3,980,064	-	-	3,980,064
American Securities Partners V	6,642,098	-	-	6,642,098
Altira Technology Fund II	552,827	-	-	552,827
Altira Technology Fund III	4,360,243	-	-	4,360,243
Altira Technology Fund IV	2,188,915	-	-	2,188,915
Capital Dynamics Champion Ventures IV	2,342,187	-	-	2,342,187
Paul Capital Royalty Fund	1,593,744	-	-	1,593,744
Paul Capital Royalty Fund II	609,018	-	-	609,018
Royalty Pharma	7,392,085	-	-	7,392,085
TIFF Partners II	178,346	-	-	178,346
TIFF Partners V Domestic	3,210,102	-	-	3,210,102
TIFF Partners V International	2,562,909	-	-	2,562,909
TIFF Private Equity Partners 2006	3,485,579	-	-	3,485,579
TIFF Private Equity Partners 2007	6,563,670	-	-	6,563,670
TIFF Private Equity Partners 2008	5,699,278	-	-	5,699,278
TIFF Secondary Partners II	5,299,337	-	-	5,299,337
Crystal Ridge Partners	3,212,344	-	-	3,212,344
Cross Creek Capital	2,392,493	-	-	2,392,493
CSL Energy	952,935	-	-	952,935
BioPharma Sec. Debt	916,576	-	-	916,576
Brightwood Capital	1,576,651	-	-	1,576,651
Venture Investment	250,000	-	-	250,000
Total Alternatives Investments in Limited Partnerships	67,831,098	-	-	67,831,098
<b>FIXED INCOME</b>				
GMO Emerging Country Debt Fund	20,380,160	-	20,380,160	-
Western Asset Management	16,728,635	16,728,635	-	-
Total Fixed Income	37,108,795	16,728,635	20,380,160	-
Total portfolio	\$ 274,185,649	\$ 110,474,633	\$ 85,190,704	\$ 78,520,312

See independent auditors' report

William T. Grant Foundation, Inc.

Schedules of Functional Expenses

Years Ended December 31,

	2011				2010			
	Program Services	Operations and Governance	Investment	Total	Program Services	Operations and Governance	Investment	Total
Grants Authorized, net	\$ 9,108,335	\$ -	\$ -	\$ 9,108,335	\$ 10,241,273	\$ -	\$ -	\$ 10,241,273
<b>ALLOCATED EXPENSES</b>								
Salaries and wages	1,388,260	502,993	120,718	2,011,971	1,401,043	507,625	121,830	2,030,498
Payroll taxes and employee benefits	599,759	217,304	52,153	869,216	617,701	223,805	53,713	895,219
Occupancy	751,077	272,130	65,311	1,088,518	748,644	271,248	65,100	1,084,992
Furniture and maintenance	22,018	7,978	1,915	31,911	17,540	6,355	1,525	25,420
Office expenses	40,190	14,562	3,495	58,247	36,947	13,387	3,213	53,547
General expenses	80,397	29,130	6,991	116,518	66,894	24,237	5,817	96,948
Staff travel and expense	67,771	24,555	5,893	98,219	55,686	20,176	4,842	80,704
Telecommunications	28,887	10,466	2,512	41,865	25,815	9,354	2,245	37,414
Computer purchases and maintenance	51,622	18,704	4,489	74,815	73,618	26,674	6,402	106,694
Professional fees	46,667	16,908	4,058	67,633	53,053	19,222	4,613	76,888
Insurance	17,801	6,450	1,548	25,800	25,558	9,261	2,223	37,042
Trustee and committee expenses	69,618	25,224	6,054	100,895	72,451	26,251	6,300	105,002
Total Allocated expenses	3,164,067	1,146,404	275,137	4,585,608	3,194,950	1,157,595	277,823	4,630,368
<b>DIRECT PROGRAM EXPENSES</b>								
Publications	16,673	-	-	16,673	19,554	-	-	19,554
Advisory expenses	523,085	-	-	523,085	376,232	-	-	376,232
Total Direct Program Expenses	539,758	-	-	539,758	395,786	-	-	395,786
<b>DIRECT INVESTMENT EXPENSE</b>								
Manager fees	-	-	388,643	388,643	-	-	356,376	356,376
Custody fees	-	-	76,061	76,061	-	-	75,679	75,679
Consulting expenses	-	-	3,106	3,106	-	-	2,998	2,998
Total Direct Investment Expenses	-	-	467,810	467,810	-	-	435,053	435,053
Total	\$ 12,812,160	\$ 1,146,404	\$ 742,947	\$ 14,701,511	\$ 13,832,009	\$ 1,157,595	\$ 712,876	\$ 15,702,480
% of total expenses	87%	8%	5%		88%	7%	5%	