

William T. Grant Foundation, Inc.

Financial Statements

December 31, 2018 and 2017



Independent Auditors' Report

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

We have audited the accompanying financial statements of the William T. Grant Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2018 and 2017 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the year ended December 31, 2018 the William T. Grant Foundation, Inc. adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The portfolio asset allocation schedule and the fair value measurements of portfolio assets on page 16 and 17 are presented for purposes of additional analysis and are 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 has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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.

PKF O'Connor Davies, LLP

November 12, 2019

William T. Grant Foundation, Inc.

Statements of Financial Position

	December 31	
	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 4,470,927	\$ 4,391,414
Accrued investment income and other receivables	166,473	1,534,616
Prepaid Federal excise tax	73,849	295,192
Investments	316,223,585	345,073,185
Prepaid expenses and other assets	<u>167,052</u>	<u>109,700</u>
	<u>\$ 321,101,886</u>	<u>\$ 351,404,107</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 316,786	\$ 290,631
Grants payable	12,347,354	13,149,794
Postretirement benefit obligation	2,627,777	2,828,891
Deferred Federal excise tax	1,191,000	2,141,000
Deferred rent	<u>281,289</u>	<u>118,784</u>
Total Liabilities	16,764,206	18,529,100
Net assets without donor restrictions	<u>304,337,680</u>	<u>332,875,007</u>
	<u>\$ 321,101,886</u>	<u>\$ 351,404,107</u>

See notes to financial statements

William T. Grant Foundation, Inc.

Statements of Activities

	Year Ended	
	December 31	
	<u>2018</u>	<u>2017</u>
REVENUE		
Investment Return		
Interest and dividends	\$ 5,042,213	\$ 4,942,896
Net realized and unrealized (loss) gain on investments	<u>(14,483,527)</u>	<u>42,971,309</u>
	(9,441,314)	47,914,205
Less direct investment expenses	<u>826,106</u>	<u>908,552</u>
Investment Return	(10,267,420)	47,005,653
Rental income	<u>102,883</u>	<u>173,683</u>
Total Revenue	<u>(10,164,537)</u>	<u>47,179,336</u>
EXPENSES		
Program services	17,319,164	16,677,052
Operations and governance	1,453,573	1,465,729
Federal excise tax	864,757	353,035
Deferred excise tax (benefit) expense	(950,000)	486,000
Unrelated business income tax	<u>1,582</u>	<u>-</u>
Total Expenses	<u>18,689,076</u>	<u>18,981,816</u>
Change in Net Assets Before Postretirement Benefit Obligation Adjustment	(28,853,613)	28,197,520
Postretirement benefit obligation adjustment	<u>316,286</u>	<u>(500,946)</u>
Change in Net Assets	<u>(28,537,327)</u>	<u>27,696,574</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	<u>332,875,007</u>	<u>305,178,433</u>
End of year	<u>\$ 304,337,680</u>	<u>\$ 332,875,007</u>

See notes to financial statements

William T. Grant Foundation, Inc.

Statement of Functional Expenses
Year Ended December 31

	2018			2017		
	Program Services	Operations and Governance	Total	Program Services	Operations and Governance	Total
Grants authorized, net refunded amounts of \$80,472 and \$97,746 in 2018 and 2017	\$ 12,506,697	\$ -	\$ 12,506,697	\$ 12,463,185	\$ -	\$ 12,463,185
Salaries and wages	1,806,835	589,731	2,396,566	1,683,681	648,404	2,332,085
Payroll taxes and employee benefits	761,447	248,528	1,009,975	667,920	257,217	925,137
Occupancy	901,272	350,494	1,251,766	751,857	337,790	1,089,647
Furniture and maintenance	235,362	91,529	326,891	54,238	24,368	78,606
Office expenses	36,004	11,501	47,505	31,187	11,300	42,487
General expenses	58,873	22,895	81,768	73,900	33,201	107,101
Staff travel and expense	87,768	34,132	121,900	102,214	45,922	148,136
Telecommunications	45,181	17,570	62,751	29,710	13,347	43,057
Computer purchases and maintenance	70,809	27,537	98,346	55,052	24,734	79,786
Professional fees	62,569	19,987	82,556	56,635	20,520	77,155
Insurance	25,769	10,021	35,790	35,369	15,891	51,260
Trustee and committee expenses	92,812	29,648	122,460	91,178	33,035	124,213
Publications	48,203	-	48,203	7,124	-	7,124
Advisory expenses	579,563	-	579,563	573,802	-	573,802
Total	\$ 17,319,164	\$ 1,453,573	\$ 18,772,737	\$ 16,677,052	\$ 1,465,729	\$ 18,142,781

See notes to the financial statements

William T. Grant Foundation, Inc.

Statements of Cash Flows

	Year Ended December 31	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (28,537,327)	\$ 27,696,574
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized gains on sale of investments	(35,515,440)	(16,648,854)
Unrealized loss (gain) on investments	49,998,967	(26,322,455)
Deferred Federal excise tax	(950,000)	486,000
Postretirement benefit obligation adjustment	(316,286)	500,946
Deferred rent	162,505	(133,507)
Net changes in operating assets and liabilities		
Accrued investment income and other receivables	1,368,143	(1,273,779)
Prepaid Federal excise tax	221,343	(5,367)
Prepaid expenses and other assets	(57,352)	(7,022)
Accounts payable and accrued expenses	26,155	(22,863)
Due to investment manager	-	(423,601)
Grants payable	(802,440)	938,188
Postretirement benefit obligation	115,172	40,566
Net Cash from Operating Activities	(14,286,560)	(15,175,174)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	100,846,537	104,623,878
Purchase of investments	(86,480,464)	(91,952,383)
Net Cash from Investing Activities	14,366,073	12,671,495
Net Change in Cash and Cash Equivalents	79,513	(2,503,679)
 CASH AND CASH EQUIVALENTS		
Beginning of year	4,391,414	6,895,093
End of year	\$ 4,470,927	\$ 4,391,414
 SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for Federal and state taxes on investment income	\$ 644,996	\$ 358,402

See notes to financial statements

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2018 and 2017

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

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ for those estimates.

Change in Accounting Principle

On January 1, 2018, the Foundation adopted new guidance regarding the Presentation of Financial Statements for Not-for-Profit Entities. This guidance requires the Foundation to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. In addition, the new guidance requires the Foundation to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location in the financial statements. The implementation of new standard has been applied retroactively to all periods presented.

Cash and Cash Equivalents

Cash and cash equivalents represent short-term investments with maturities of three months or less at time of purchase 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 U.S. GAAP 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.

Pursuant to U.S. GAAP, alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient are not categorized with the fair value hierarchy.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2018 and 2017

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

Investments Valuation and Income Recognition

Investments are stated at fair value. 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.

Investment Expenses

Investment expenses on the statements of activities include those fees paid directly to the Foundation's investment advisor as well as an allocation of direct internal costs that the Foundation incurs in the generation of investment return. These costs include salaries, benefits, professional fees, and other costs associated with the officers and staff responsible for the development and execution of the Foundation's investment strategy as well as allocable costs associated with the internal investment management, supervising, selecting and monitoring of external investment management firms.

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 U.S. GAAP 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 statements of financial position with a corresponding adjustment to change in net assets in the statements 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, 2018 and 2017

2. Summary of Significant Accounting Policies (continued)

Net Asset Presentation

Net assets are categorized as without donor restrictions and with donor restrictions.

Without donor restrictions - Resources that are fully available at the discretion of management and the Board of Trustees (the Board), for use in activities within the Foundation's mission.

With donor restrictions - Funds that are limited by donors to a specific time period or purpose or are limited by donors for investments in perpetuity.

At December 31, 2018 and 2017, all net assets of the Foundation are considered without donor restrictions.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more programs or operations and governance of the Foundation. Expenses are allocated based on time and cost studies of efforts made on behalf of each program. Total expenses for the years ended December 31, 2018 and 2017 were \$19,515,182 and \$19,890,368.

Reclassifications

Certain 2017 amounts have been reclassified to conform to the 2018 presentation.

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, 2015.

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 November 12, 2019.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2018 and 2017

3. Investments (continued)

(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.

Information regarding alternative investments valued at NAV using the practical expedient at December 31, 2018 is as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Hedge funds (see "a" below)	\$ 118,912,389	\$ -	Monthly - Annually	20-90 days
Private equity (see "b" below)	<u>64,226,715</u>	<u>31,068,041</u>	Locked	N/A
	<u>\$ 183,139,104</u>	<u>\$ 31,068,041</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. Investments in this category may be redeemed monthly to annually, 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. 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
December 31, 2018 and 2017

4. Liquidity and Availability of Resources Financial Assets

The Foundation's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the Statement of Financial Position were as follows for December 31, 2018:

Financial assets:		
Cash and cash equivalents	\$	4,470,927
Accrued investment income and other receivables		166,473
Investments		<u>316,223,585</u>
Total financial assets		<u>320,860,985</u>
Less:		
Security deposit held in a certificate of deposit		413,362
Illiquid investments		<u>64,226,715</u>
		<u>64,640,077</u>
Financial assets available to meet general expenditures over the next twelve months	\$	<u>256,220,908</u>

As part of the Foundation's liquidity management strategy, the Foundation structures its financial assets to be available as its grant payments and other general liabilities come due. The withdrawals are adjusted based on the grants to be disbursed and other factors affecting available cash such as capital calls on investments, investment income and capital distributions, general operating expenses, program costs and other factors affecting available cash.

5. Grants Payable

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

	<u>2018</u>	<u>2017</u>
Balance at beginning of year	\$ 13,149,794	\$ 12,211,606
Addition:		
Grants authorized	12,587,169	12,560,931
Deductions:		
Payments made	(13,309,137)	(11,524,997)
Refunded amounts	<u>(80,472)</u>	<u>(97,746)</u>
	<u>\$ 12,347,354</u>	<u>\$ 13,149,794</u>

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2018 and 2017

5. Grants Payable (continued)

Grants payable are scheduled to be disbursed as follows:

2019	\$ 7,728,487
2020	3,381,752
2021	927,033
2022	310,082
	<u>\$ 12,347,354</u>

6. Lease Commitment

In January 2018, the Foundation signed a lease beginning September 2018 which expires January 2034. The lease requires the Foundation to keep the security deposit in an interest bearing account. The Foundation's policy is to record base rent on a straight-line basis over the terms of the lease. Future minimum rental payments are:

2019	\$ 413,562
2020	827,125
2021	827,125
2022	827,125
2023	827,125
Thereafter	9,639,188
	<u>\$ 13,361,250</u>

Rent expense totaled \$1,232,701 and \$1,062,349 for 2018 and 2017.

In August 2012 the Foundation entered into an agreement to sublease a portion of its space which expired in September 2018. This agreement required monthly payments to the Foundation of approximately \$13,000 for the first twelve months increasing to approximately \$15,000 for the last twelve months. Rental income is recognized based on the terms of the lease.

7. Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist principally of cash and cash equivalents and investments. The Foundation's cash is maintained in multiple bank accounts within one financial institution which, at times may exceed federally insured limits. The Foundation has not experienced any losses on its cash deposits.

8. 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 six months of continuous service. Contributions are expensed when made. Plan expenses in 2018 and 2017 were \$322,447 and \$311,983.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2018 and 2017

9. Postretirement Healthcare Benefits

In addition to the retirement plan described in Note 8, 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:

	<u>2018</u>	<u>2017</u>
Benefit Obligation		
at End of Year	\$ 2,627,777	\$ 2,828,891
Net postretirement benefit costs	184,362	144,860
Unrecognized actuarial (gain) loss	(316,286)	500,946
Benefits paid	69,190	104,018
Discount rate used	4.17%	3.53%

Components of Net Periodic Expense
for the Year

	<u>2018</u>	<u>2017</u>
Service cost	\$ 85,723	\$ 54,775
Interest cost	98,639	90,085
	<u>\$ 184,362</u>	<u>\$ 144,860</u>

	<u>2018</u>	<u>2017</u>
Effect of a one-percent point increase in HCCTR* on		
Year end benefit obligation	\$ 507,051	\$ 451,459
Total of service and interest cost component	237,194	215,390
Effect of a one-percent point decrease in HCCTR* on		
Year end benefit obligation	(382,662)	(363,426)
Total of service and interest cost component	(157,060)	(150,145)

* Health Care Cost Trend Rate

Measurements used to determine the postretirement benefit obligation for the years ended December 31, 2018 and 2017 were computed as of December 31.

For measurement purposes, a 6.75% annual rate of increase in per capita cost of covered health benefits was assumed for 2018, decreasing to 5.25% by 2025.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2018 and 2017

9. Postretirement Healthcare Benefits (continued)

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

2019	\$ 92,675
2020	99,767
2021	110,503
2022	120,271
2023	126,611
2024-2028	<u>752,301</u>
	<u>\$ 1,302,128</u>

10. Federal Excise Taxes

The Foundation is a 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 can be reduced to 1% if certain conditions are met. Deferred taxes arise from differences between the cost and fair value of investments and are calculated at a rate of 2%.

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William T. Grant Foundation, Inc.

Supplementary Information

December 31, 2018

William T. Grant Foundation, Inc.

Portfolio Asset Allocation Schedule
December 31, 2018

	<u>Investments</u>	<u>% of Portfolio</u>	<u>Target Allocation</u>	<u>Target Range</u>
EQUITY				
U.S.:				
Silvercrest Asset Management Group	\$ 24,261,388			
Eagle Capital Equity	<u>25,678,815</u>			
Subtotal U.S.	<u>49,940,203</u>	15.8%		
GLOBAL				
Harding & Loevner	<u>16,258,345</u>			
Subtotal Global	<u>16,258,345</u>	5.1%		
EMERGING MARKETS				
Dimensional Fund Advisors	<u>33,238,429</u>			
Subtotal Emerging Markets	<u>33,238,429</u>	10.5%		
Subtotal Long Equity	<u>99,436,977</u>	31.4%		
HEDGED (Hedge Funds)				
Global Thematic Equity	16,535,555			
First Eagle	19,044,088			
New Generation Turnaround Fund	15,104,374			
Steelhead Partners	17,171,028			
TVC Conduit	5,917,822			
Raging Capital Offshore Fund	7,573,391			
Altimeter Offshore Limited	8,799,754			
Armistice Capital LLC	10,287,441			
Verdad Leverage Company Fund	1,021,973			
Verdad Japan Fund, LP	3,407,022			
Rose Grove Offshore Fund I	<u>14,049,941</u>			
Subtotal Hedged	<u>118,912,389</u>	37.6%		
Total Equity (including limited partnerships)	<u>218,349,366</u>	69.0%	58.0%	40.0-70.0%
Private Equity				
American Securities Partners V	116,754			
Brightwood Capital	4,082,984			
HRJ Capital VC IV LP	730,214			
Cross Creek Capital	1,473,359			
Crystal Ridge Partners	449,712			
CSL Energy	400,464			
North Atlantic Venture	4,326,923			
Peakspan	4,122,026			
RPI International Holdings LP	14,242,187			
Royalty Pharma Cayman Holdings 2008	522,904			
Seacoast Capital Partners IV LP	3,022,897			
TIFF Partners V Domestic	480,281			
TIFF Partners V International	191,431			
TIFF Private Equity Partners 2006	755,263			
TIFF Private Equity Partners 2007	4,060,988			
TIFF Private Equity Partners 2008	9,000,650			
TIFF Secondary Partners II	290,432			
TIFF Special Opportunities	3,189,074			
Venture Investment	5,779,978			
Makena RE Fund II LP	5,477,086			
MCR Hospitality Fund LP	<u>1,511,108</u>			
Total Alternatives Investments	<u>64,226,715</u>	20.2%	12.0%	10.0-20.0%
FIXED INCOME				
GMO Emerging Country Debt Fund	15,687,820			
JPM Short Duration Bond	6,122,431			
JPM Management Income Fund	<u>11,837,253</u>			
Total Fixed Income	<u>33,647,504</u>	10.6%	30.0%	20.0-50.0%
Total Portfolio	<u>\$ 316,223,585</u>	<u>100%</u>	<u>100.0%</u>	

See independent auditors' report

William T. Grant Foundation, Inc.

Fair Value Measurements of Portfolio Assets
December 31, 2018

	Fair Value	Level 1	Level 2	Investments Measures at NAV
EQUITY				
U.S.:				
Silvercrest Asset Management Group	\$ 23,795,240	\$ 23,795,240	\$ -	\$ -
Eagle Capital Equity	24,259,606	24,259,606	-	-
Subtotal U.S.	<u>48,054,846</u>	<u>48,054,846</u>	<u>-</u>	<u>-</u>
GLOBAL				
Harding & Loevner	16,258,345	16,258,345	-	-
Subtotal Global	<u>16,258,345</u>	<u>16,258,345</u>	<u>-</u>	<u>-</u>
EMERGING MARKETS				
Dimensional Fund Advisors	33,238,429	33,238,429	-	-
Subtotal Emerging Markets	<u>33,238,429</u>	<u>33,238,429</u>	<u>-</u>	<u>-</u>
Subtotal Long Equity	<u>97,551,620</u>	<u>97,551,620</u>	<u>-</u>	<u>-</u>
HEDGED (Hedge Funds)				
Global Thematic Equity	16,535,555	-	-	16,535,555
First Eagle	19,044,088	-	-	19,044,088
New Generation Turnaround Fund	15,104,374	-	-	15,104,374
Steelhead Partners	17,171,028	-	-	17,171,028
TVC Conduit	5,917,822	-	-	5,917,822
Raging Capital Offshore Fund	7,573,391	-	-	7,573,391
Altimeter Offshore Limited	8,799,754	-	-	8,799,754
Armistice Capital LLC	10,287,441	-	-	10,287,441
Verdad Leverage Company Fund	1,021,973	-	-	1,021,973
Verdad Japan Fund, LP	3,407,022	-	-	3,407,022
Rose Grove Offshore Fund I	14,049,941	-	-	14,049,941
Subtotal Hedged	<u>118,912,389</u>	<u>-</u>	<u>-</u>	<u>118,912,389</u>
Total Equity (including limited partnerships)	<u>216,464,009</u>	<u>97,551,620</u>	<u>-</u>	<u>118,912,389</u>
ALTERNATIVE INVESTMENTS (Private Equity)				
American Securities Partners V	116,754	-	-	116,754
Brightwood Capital	4,082,984	-	-	4,082,984
HRJ Capital VC IV LP	730,214	-	-	730,214
Cross Creek Capital	1,473,359	-	-	1,473,359
Crystal Ridge Partners	449,712	-	-	449,712
CSL Energy	400,464	-	-	400,464
North Atlantic Venture	4,326,923	-	-	4,326,923
Peakspan	4,122,026	-	-	4,122,026
RPI International Holdings LP	14,242,187	-	-	14,242,187
Royalty Pharma Cayman Holdings 2008	522,904	-	-	522,904
Seacoast Capital Partners IV LP	3,022,897	-	-	3,022,897
TIFF Partners V Domestic	480,281	-	-	480,281
TIFF Partners V International	191,431	-	-	191,431
TIFF Private Equity Partners 2006	755,263	-	-	755,263
TIFF Private Equity Partners 2007	4,060,988	-	-	4,060,988
TIFF Private Equity Partners 2008	9,000,650	-	-	9,000,650
TIFF Secondary Partners II	290,432	-	-	290,432
TIFF Special Opportunities	3,189,074	-	-	3,189,074
Venture Investment	5,779,978	-	-	5,779,978
Makena RE Fund II LP	5,477,086	-	-	5,477,086
MCR Hospitality Fund LP	1,511,108	-	-	1,511,108
Total Alternatives Investments	<u>64,226,715</u>	<u>-</u>	<u>-</u>	<u>64,226,715</u>
FIXED INCOME				
GMO Emerging Country Debt Fund	15,687,820	-	15,687,820	-
JPM Short Duration Bond	6,122,431	6,122,431	-	-
JPM Management Income Fund	11,837,253	11,837,253	-	-
Total Fixed Income	<u>33,647,504</u>	<u>17,959,684</u>	<u>15,687,820</u>	<u>-</u>
Total Investments at Fair Value	<u>\$ 314,338,228</u>	<u>\$ 115,511,304</u>	<u>\$ 15,687,820</u>	<u>\$ 183,139,104</u>
CASH HELD FOR INVESTMENT				
Silvercrest Asset Management Group	\$ 466,148			
Eagle Capital Equity	1,419,209			
Total Cash Held for Investment	<u>1,885,357</u>			
Total Portfolio	<u>\$ 316,223,585</u>			

See independent auditors' report