

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

Financial Statements

December 31, 2017 and 2016

## 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, 2017 and 2016, and the related statements of activities 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, 2017 and 2016 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.

***Report on Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 13-15 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 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 the financial statement 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 13, 2018

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

Statements of Financial Position

	December 31	
	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,391,414	\$ 6,895,093
Accrued investment income and other receivables	1,534,616	260,837
Prepaid Federal excise tax	295,192	289,825
Investments	345,073,185	314,773,371
Prepaid expenses and other assets	<u>109,700</u>	<u>102,678</u>
	<u>\$ 351,404,107</u>	<u>\$ 322,321,804</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 290,631	\$ 313,494
Due to investment manager	-	423,601
Grants payable	13,149,794	12,211,606
Postretirement benefit obligation	2,828,891	2,287,379
Deferred Federal excise tax	2,141,000	1,655,000
Deferred rent	<u>118,784</u>	<u>252,291</u>
Total Liabilities	18,529,100	17,143,371
Net assets, unrestricted	<u>332,875,007</u>	<u>305,178,433</u>
	<u>\$ 351,404,107</u>	<u>\$ 322,321,804</u>

See notes to financial statements

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

Statements of Activities

	Year Ended December 31	
	2017	2016
<b>REVENUE</b>		
Investment Income		
Interest and dividends	\$ 4,942,896	\$ 5,418,403
Less:		
Federal and state tax expense	353,035	20,414
Investment expenses	1,057,998	1,112,388
Net Investment Income	3,531,863	4,285,601
Rental income	173,683	169,450
Total Revenue	3,705,546	4,455,051
<b>EXPENSES</b>		
Program Services		
Grants authorized, net of rescinded and refunded amounts of \$97,746 and \$50,635 in 2017 and 2016	12,463,185	12,320,714
Program support, planning, and development	4,213,867	4,010,470
Total Program Services	16,677,052	16,331,184
Supporting Services - operations and governance	1,316,283	1,265,211
Total Expenses	17,993,335	17,596,395
Net realized and unrealized gains on investments, net of deferred Federal excise tax expense of \$486,000 and \$390,000	42,485,309	24,700,880
Change in Net Assets Before Postretirement Benefit Obligation Adjustment	28,197,520	11,559,536
Postretirement benefit obligation adjustment	(500,946)	(180,969)
Change in Net Assets	27,696,574	11,378,567
<b>NET ASSETS</b>		
Beginning of year	305,178,433	293,799,866
End of year	\$ 332,875,007	\$ 305,178,433

See notes to financial statements

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

Statements of Cash Flows

	Year Ended December 31	
	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 27,696,574	\$ 11,378,567
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized gains on sale of investments	(16,648,854)	(5,358,410)
Unrealized gain on investments	(26,322,455)	(19,732,470)
Deferred Federal excise tax	486,000	390,000
Postretirement benefit obligation adjustment	500,946	180,969
Deferred rent	(133,507)	(112,940)
Net changes in operating assets and liabilities		
Accrued investment income and other receivables	(1,273,779)	(31,019)
Prepaid Federal excise tax	(5,367)	(211,825)
Prepaid expenses and other assets	(7,022)	(32,215)
Accounts payable and accrued expenses	(22,863)	(69,430)
Due to investment manager	(423,601)	423,601
Grants payable	938,188	231,412
Postretirement benefit obligation	40,566	5,845
Net Cash from Operating Activities	(15,175,174)	(12,937,915)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	104,623,878	88,596,313
Purchase of investments	(91,952,383)	(71,094,018)
Net Cash from Investing Activities	12,671,495	17,502,295
Net Change in Cash and Cash Equivalents	(2,503,679)	4,564,380
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	6,895,093	2,330,713
End of year	\$ 4,391,414	\$ 6,895,093
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for Federal and state taxes on investment income	\$ 358,402	\$ 231,171

See notes to financial statements

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

Notes to Financial Statements  
December 31, 2017 and 2016

### **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.

#### ***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.

#### ***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.

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

Notes to Financial Statements  
December 31, 2017 and 2016

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

#### ***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 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.

#### ***Net Asset 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.

#### ***Functional Allocation of Expenses***

The costs of providing various programs and related supporting services have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the appropriate programs and supporting services benefited.

#### ***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, 2014.

#### ***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 13, 2018.



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

Notes to Financial Statements  
December 31, 2017 and 2016

**3. Investments**

The following are major categories of investments measured at fair value on a recurring basis at December 31, grouped by fair value hierarchy for those investments subject to categorization within such hierarchy:

Description	2017			Total
	Level 1	Level 2	Investments Measured at NAV (*)	
<b>Equity Securities</b>				
Diversified emerging markets	\$ 37,844,218	\$ -	\$ -	\$ 37,844,218
Global equity portfolio	21,394,357	-	-	21,394,357
Financial services	20,966,432	-	-	20,966,432
Technology	12,204,185	-	-	12,204,185
Consumer staples	705,092	-	-	705,092
Other	30,532,057	-	-	30,532,057
<b>Fixed Income</b>				
Short term bond	12,290,947	-	-	12,290,947
Emergings markets bond	-	16,672,907	-	16,672,907
<b>Alternative Investments</b>				
Hedge funds(a)	-	-	130,480,632	130,480,632
Private equity(a)	-	-	60,301,799	60,301,799
<b>Total Investments at Fair Value</b>	<u>\$ 135,937,288</u>	<u>\$ 16,672,907</u>	<u>\$ 190,782,431</u>	343,392,626
Cash held for investment, at cost				1,680,559
<b>Total Investments</b>				<u>\$ 345,073,185</u>
Description	2016			Total
	Level 1	Level 2	Investments Measured at NAV (*)	
<b>Equity Securities</b>				
Diversified emerging markets	\$ 12,529,076	\$ -	\$ -	\$ 12,529,076
Global equity portfolio	17,155,626	-	-	17,155,626
Financial services	18,812,681	-	-	18,812,681
Technology	15,751,231	-	-	15,751,231
Services	8,498,957	-	-	8,498,957
Consumer staples	3,155,263	-	-	3,155,263
Other	31,544,162	-	-	31,544,162
<b>Fixed Income</b>				
Short term bond	17,105,626	-	-	17,105,626
Emergings markets bond	-	15,774,070	-	15,774,070
<b>Alternative Investments</b>				
Hedge funds(a)	-	-	113,276,528	113,276,528
Private equity(a)	-	-	57,511,910	57,511,910
<b>Total Investments at Fair Value</b>	<u>\$ 124,552,622</u>	<u>\$ 15,774,070</u>	<u>\$ 170,788,438</u>	311,115,130
Cash held for investment, at cost				3,658,241
<b>Total Investments</b>				<u>\$ 314,773,371</u>

(\*) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

## William T. Grant Foundation, Inc.

Notes to Financial Statements  
December 31, 2017 and 2016

### 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, 2017 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)	\$ 130,480,632	\$ -	Monthly - Annually	20-90 days
Private equity (see "b" below)	60,301,799	22,372,337	Locked	N/A
	<u>\$ 190,782,431</u>	<u>\$ 22,372,337</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, 2017 and 2016

### 4. Grants Payable

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

	<u>2017</u>	<u>2016</u>
Balance at beginning of year	\$ 12,211,606	\$ 11,980,194
Addition:		
Grants authorized	12,560,931	12,371,349
Deductions:		
Payments made	(11,524,997)	(12,139,937)
Rescinded amounts	<u>(97,746)</u>	<u>-</u>
	<u>\$ 13,149,794</u>	<u>\$ 12,211,606</u>

Grants payable are scheduled to be disbursed as follows:

2018	\$ 7,948,202
2019	3,490,202
2020	1,255,422
2021	417,101
2022	<u>38,867</u>
	<u>\$ 13,149,794</u>

### 5. Lease Commitment

The Foundation has a lease agreement for office space which expired on September 30, 2018. The lease contained escalation clauses that provided for increased payments resulting from increases in real estate taxes and certain other building expenses in excess of the base period amounts. The Foundation's policy is to record base rent on a straight-line basis over the terms of the lease. Future minimum rental payments due in 2018 are \$908,612.

Rent expense totaled \$1,062,348 for 2017 and 2016.

In January 2018, the Foundation signed a lease beginning September 2018 which expires January 2034. Future rental payments total \$13,361,250.

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.

### 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 six months of continuous service. Contributions are expensed when made. Plan expenses in 2017 and 2016 were \$311,983 and \$317,276.

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

Notes to Financial Statements  
December 31, 2017 and 2016

**7. Postretirement Healthcare Benefits**

In addition to the retirement plan described in Note 6, 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>2017</u>	<u>2016</u>
Benefit Obligation		
at End of Year	\$ 2,828,891	\$ 2,287,379
Net postretirement benefit costs	144,860	118,550
Unrecognized actuarial loss	500,946	180,969
Benefits paid	104,018	112,705
Discount rate used	3.53%	4.03%

Components of Net Periodic Expense  
for the Year

	<u>2017</u>	<u>2016</u>
Service cost	\$ 54,775	\$ 34,328
Interest cost	<u>90,085</u>	<u>84,222</u>
	<u>\$ 144,860</u>	<u>\$ 118,550</u>

	<u>2017</u>	<u>2016</u>
Effect of a one-percent point increase in HCCTR* on		
Year end benefit obligation	\$ 451,459	\$ 347,387
Total of service and interest cost component	215,390	168,861
Effect of a one-percent point decrease in HCCTR* on		
Year end benefit obligation	(363,426)	(281,015)
Total of service and interest cost component	(150,145)	(120,079)

\* Health Care Cost Trend Rate

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

Notes to Financial Statements  
December 31, 2017 and 2016

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

Measurements used to determine the postretirement benefit obligation for the years ended December 31, 2017 and 2016 were computed as of December 31.

For measurement purposes, a 7.25% annual rate of increase in per capita cost of covered health benefits was assumed for 2017, decreasing to 5.5% in 2020 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:

2018	\$ 121,739
2019	121,213
2020	121,974
2021	126,482
2022	130,479
2023-2027	<u>714,638</u>
	<u>\$ 1,336,525</u>

**8. 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, 2017

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

Portfolio Asset Allocation Schedule  
December 31, 2017

	<u>Investments</u>	<u>% of Portfolio</u>	<u>Target Allocation</u>	<u>Target Range</u>
<b>EQUITY</b>				
U.S.:				
Silvercrest Asset Management Group	\$ 32,051,248			
Eagle Capital Equity	<u>34,037,077</u>			
Subtotal U.S.	<u>66,088,325</u>	19.2%		
<b>GLOBAL</b>				
Harding & Loevner	<u>21,394,357</u>			
Subtotal Global	<u>21,394,357</u>	6.2%		
<b>EMERGING MARKETS</b>				
Dimensional Fund Advisors	<u>37,844,218</u>			
Subtotal Emerging Markets	<u>37,844,218</u>	11.0%		
Subtotal Long Equity	<u>125,326,900</u>	36.4%		
<b>HEDGED (Hedge Funds)</b>				
First Eagle	16,146,773			
Global Thematic Equity	21,461,402			
New Generation Turnaround Fund	21,112,549			
New Mountain Vantage	14,949,693			
TVC Conduit	6,671,184			
Steelhead Partners	21,653,843			
Raging Capital Offshore Fund	5,646,305			
Altimeter Offshore Limited	7,444,521			
Armistice Capital LLC	12,093,753			
Verdad Leverage Company Fund	1,206,044			
Verdad Japan Fund, LP	<u>2,094,565</u>			
Subtotal Hedged	<u>130,480,632</u>	37.8%		
Total Equity (including limited partnerships)	<u>255,807,532</u>	74.2%	58.0%	40.0-70.0%
<b>Private Equity</b>				
American Securities Partners V	1,057,026			
Brightwood Capital	4,330,905			
Capital Dynamics Champion Ventures IV	895,580			
Cross Creek Capital	1,529,403			
Crystal Ridge Partners	407,443			
CSL Energy	859,474			
North Atlantic Venture	2,339,139			
Paul Capital Acq Fund	50,899			
Peakspan	2,193,946			
Royalty Pharma	13,065,132			
Seacoast Capital Partners IV LP	1,707,520			
TIFF Partners V Domestic	812,763			
TIFF Partners V International	224,477			
TIFF Private Equity Partners 2006	914,684			
TIFF Private Equity Partners 2007	4,297,569			
TIFF Private Equity Partners 2008	10,664,879			
TIFF Secondary Partners II	492,846			
TIFF Special Opportunities	4,267,752			
Venture Investment	5,424,674			
Makena RE Fund II LP	<u>4,765,688</u>			
Total Alternatives Investments	<u>60,301,799</u>	17.4%	12.0%	10.0-20.0%
<b>FIXED INCOME</b>				
GMO Emerging Country Debt Fund	16,672,907			
JPM Short Duration Bond	5,585,841			
JPM Management Income Fund	<u>6,705,106</u>			
Total Fixed Income	<u>28,963,854</u>	8.4%	30.0%	<u>20.0-50.0%</u>
Total Portfolio	<u>\$ 345,073,185</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, 2017

	Fair Value	Level 1	Level 2	Measures at NAV
<b>EQUITY</b>				
U.S.:				
Silvercrest Asset Management Group	\$ 30,613,705	\$ 30,613,705	\$ -	\$ -
Eagle Capital Equity	33,794,061	33,794,061	-	-
Subtotal U.S.	<u>64,407,766</u>	<u>64,407,766</u>	-	-
<b>GLOBAL</b>				
Harding & Loevner	<u>21,394,357</u>	<u>21,394,357</u>	-	-
Subtotal Global	<u>21,394,357</u>	<u>21,394,357</u>	-	-
<b>EMERGING MARKETS</b>				
Dimensional Fund Advisors	<u>37,844,218</u>	<u>37,844,218</u>	-	-
Subtotal Emerging Markets	<u>37,844,218</u>	<u>37,844,218</u>	-	-
Subtotal Long Equity	<u>123,646,341</u>	<u>123,646,341</u>	-	-
<b>HEDGED (Hedge Funds)</b>				
Global Thematic Equity	21,461,402	-	-	21,461,402
First Eagle	16,146,773	-	-	16,146,773
New Generation Turnaround Fund	21,112,549	-	-	21,112,549
New Mountain Vantage	14,949,693	-	-	14,949,693
Steelhead Partners	21,653,843	-	-	21,653,843
TVC Conduit	6,671,184	-	-	6,671,184
Raging Capital Offshore Fund	5,646,305	-	-	5,646,305
Altimeter Offshore Limited	7,444,521	-	-	7,444,521
Armistice Capital LLC	12,093,753	-	-	12,093,753
Verdad Leverage Company Fund	1,206,044	-	-	1,206,044
Verdad Japan Fund, LP	2,094,565	-	-	2,094,565
Subtotal Hedged	<u>130,480,632</u>	-	-	<u>130,480,632</u>
Total Equity (including limited partnerships)	<u>254,126,973</u>	<u>123,646,341</u>	-	<u>130,480,632</u>
<b>ALTERNATIVE INVESTMENTS (Private Equity)</b>				
American Securities Partners V	1,057,026	-	-	1,057,026
Brightwood Capital	4,330,905	-	-	4,330,905
Capital Dynamics Champion Ventures IV	895,580	-	-	895,580
Cross Creek Capital	1,529,403	-	-	1,529,403
Crystal Ridge Partners	407,443	-	-	407,443
CSL Energy	859,474	-	-	859,474
North Atlantic Venture	2,339,139	-	-	2,339,139
Paul Capital Acq Fund	50,899	-	-	50,899
Peakspan	2,193,946	-	-	2,193,946
Royalty Pharma	13,065,132	-	-	13,065,132
Seacoast Capital Partners IV LP	1,707,520	-	-	1,707,520
TIFF Partners V Domestic	812,763	-	-	812,763
TIFF Partners V International	224,477	-	-	224,477
TIFF Private Equity Partners 2006	914,684	-	-	914,684
TIFF Private Equity Partners 2007	4,297,569	-	-	4,297,569
TIFF Private Equity Partners 2008	10,664,879	-	-	10,664,879
TIFF Secondary Partners II	492,846	-	-	492,846
TIFF Special Opportunities	4,267,752	-	-	4,267,752
Venture Investment	5,424,674	-	-	5,424,674
Makena RE Fund II LP	4,765,688	-	-	4,765,688
Total Alternatives Investments	<u>60,301,799</u>	-	-	<u>60,301,799</u>
<b>FIXED INCOME</b>				
GMO Emerging Country Debt Fund	16,672,907	-	16,672,907	-
JPM Short Duration Bond	5,585,841	5,585,841	-	-
JPM Management Income Fund	6,705,106	6,705,106	-	-
Total Fixed Income	<u>28,963,854</u>	<u>12,290,947</u>	<u>16,672,907</u>	-
Total Investments at Fair Value	<u>343,392,626</u>	<u>\$ 135,937,288</u>	<u>\$ 16,672,907</u>	<u>\$ 190,782,431</u>
<b>CASH HELD FOR INVESTMENT</b>				
Silvercrest Asset Management Group	1,437,543			
Eagle Capital Equity	243,016			
Total Cash Held for Investment	<u>1,680,559</u>			
Total Portfolio	<u>\$ 345,073,185</u>			

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

Schedule of Functional Expenses  
Year Ended December 31

	2017				2016			
	Program Services	Operations and Governance	Investment	Total	Program Services	Operations and Governance	Investment	Total
Grants authorized, net	<u>\$ 12,463,185</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,463,185</u>	<u>\$ 12,320,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,320,714</u>
<b>ALLOCATED EXPENSES</b>								
Salaries and wages	1,683,681	610,030	146,407	2,440,118	1,626,042	589,146	141,395	2,356,583
Payroll taxes and employee benefits	667,920	242,000	58,080	968,000	635,308	230,184	55,244	920,736
Occupancy	751,857	272,411	65,379	1,089,647	748,732	271,279	65,107	1,085,118
Furniture and maintenance	54,238	19,652	4,716	78,606	12,954	4,693	1,126	18,773
Office expenses	31,187	11,300	2,712	45,199	31,070	11,257	2,702	45,029
General expenses	73,900	26,775	6,426	107,101	107,531	38,960	9,350	155,841
Staff travel and expense	102,214	37,034	8,888	148,136	98,123	35,552	8,532	142,207
Telecommunications	29,710	10,764	2,583	43,057	28,742	10,414	2,499	41,655
Computer purchases and maintenance	55,052	19,947	4,787	79,786	49,077	17,782	4,268	71,127
Professional fees	56,635	20,520	4,925	82,080	42,869	15,533	3,728	62,130
Insurance	35,369	12,815	3,076	51,260	36,034	13,056	3,133	52,223
Trustee and committee expenses	91,178	33,035	7,928	132,141	75,500	27,355	6,565	109,420
Total Allocated Expenses	<u>3,632,941</u>	<u>1,316,283</u>	<u>315,907</u>	<u>5,265,131</u>	<u>3,491,982</u>	<u>1,265,211</u>	<u>303,649</u>	<u>5,060,842</u>
<b>DIRECT PROGRAM EXPENSES</b>								
Publications	7,124	-	-	7,124	11,637	-	-	11,637
Advisory expenses	573,802	-	-	573,802	506,851	-	-	506,851
Total Direct Program Expenses	<u>580,926</u>	<u>-</u>	<u>-</u>	<u>580,926</u>	<u>518,488</u>	<u>-</u>	<u>-</u>	<u>518,488</u>
<b>DIRECT INVESTMENT EXPENSES</b>								
Manager fees	-	-	615,245	615,245	-	-	677,054	677,054
Custody fees	-	-	126,827	126,827	-	-	129,765	129,765
Consulting expenses	-	-	19	19	-	-	1,920	1,920
Total Direct Investment Expenses	<u>-</u>	<u>-</u>	<u>742,091</u>	<u>742,091</u>	<u>-</u>	<u>-</u>	<u>808,739</u>	<u>808,739</u>
Total	<u>\$ 16,677,052</u>	<u>\$ 1,316,283</u>	<u>\$ 1,057,998</u>	<u>\$ 19,051,333</u>	<u>\$ 16,331,184</u>	<u>\$ 1,265,211</u>	<u>\$ 1,112,388</u>	<u>\$ 18,708,783</u>

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