

William T. Grant Foundation, Inc.

Financial Statements

December 31, 2020 and 2019

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, 2020 and 2019, 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, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance 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 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 15, 2021

William T. Grant Foundation, Inc.

Statements of Financial Position

	December 31	
	2020	2019
ASSETS		
Cash and cash equivalents	\$ 7,459,501	\$ 5,027,512
Accrued investment income and other receivables	41,937	141,630
Prepaid federal excise tax	145,284	406,787
Investments	397,980,563	347,538,909
Prepaid expenses and other assets	<u>76,810</u>	<u>89,476</u>
	<u>\$ 405,704,095</u>	<u>\$ 353,204,314</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 267,323	\$ 278,193
Grants payable	13,613,691	13,155,082
Postretirement benefit obligation	4,226,855	3,644,615
Deferred federal excise tax	1,901,000	1,140,000
Deferred rent	<u>728,339</u>	<u>711,595</u>
Total Liabilities	<u>20,737,208</u>	<u>18,929,485</u>
Net Assets		
Net assets without donor restrictions	384,528,960	334,274,829
Net assets with donor restrictions	<u>437,927</u>	<u>-</u>
Total Net Assets	<u>384,966,887</u>	<u>334,274,829</u>
	<u>\$ 405,704,095</u>	<u>\$ 353,204,314</u>

See notes to financial statements

William T. Grant Foundation, Inc.

Statements of Activities

	Year Ended December 31			
	2020		2019	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Investment Return				
Interest and dividends	\$ 5,260,853	\$ -	\$ 5,260,853	\$ 6,070,033
Net realized and unrealized gain on investments	<u>65,835,722</u>	<u>-</u>	<u>65,835,722</u>	<u>44,610,954</u>
	71,096,575	-	71,096,575	50,680,987
Less direct investment expenses	<u>644,261</u>	<u>-</u>	<u>644,261</u>	<u>815,822</u>
Investment Return	70,452,314	-	70,452,314	49,865,165
Contributions	-	650,000	650,000	-
Other income	<u>624,929</u>	<u>-</u>	<u>624,929</u>	<u>-</u>
Net assets released from restrictions	<u>212,073</u>	<u>(212,073)</u>	<u>-</u>	<u>-</u>
 Total Support and Revenue	 <u>71,289,316</u>	 <u>437,927</u>	 <u>71,727,243</u>	 <u>49,865,165</u>
EXPENSES				
Program services	18,276,878	-	18,276,878	17,607,198
Operations and governance	1,172,516	-	1,172,516	1,332,095
Federal excise tax	420,048	-	420,048	127,673
Deferred excise tax expense (benefit)	761,000	-	761,000	(51,000)
Unrelated business income tax and other taxes	<u>2,283</u>	<u>-</u>	<u>2,283</u>	<u>2,500</u>
Total Expenses	<u>20,632,725</u>	<u>-</u>	<u>20,632,725</u>	<u>19,018,466</u>
Change in Net Assets Before Postretirement Benefit				
Obligation Adjustment	50,656,591	437,927	51,094,518	30,846,699
Postretirement benefit obligation adjustment	<u>(402,460)</u>	<u>-</u>	<u>(402,460)</u>	<u>(909,550)</u>
Change in Net Assets	<u>50,254,131</u>	<u>437,927</u>	<u>50,692,058</u>	<u>29,937,149</u>
NET ASSETS				
Beginning of year	<u>334,274,829</u>	<u>-</u>	<u>334,274,829</u>	<u>304,337,680</u>
End of year	<u>\$ 384,528,960</u>	<u>\$ 437,927</u>	<u>\$ 384,966,887</u>	<u>\$ 334,274,829</u>

See notes to financial statements

William T. Grant Foundation, Inc.

Statements of Functional Expenses

	Year Ended December 31					
	2020			2019		
	Program Services	Operations and Governance	Total	Program Services	Operations and Governance	Total
Grants authorized, net of refunded and rescinded amounts of \$53,776 and \$216,559 in 2020 and 2019	\$ 14,002,743	\$ -	\$ 14,002,743	\$ 13,007,370	\$ -	\$ 13,007,370
Salaries and wages	1,991,139	565,053	2,556,192	1,967,503	628,508	2,596,011
Payroll taxes and employee benefits	837,898	237,781	1,075,679	732,569	232,893	965,462
Net periodic benefit costs, other than service costs	83,611	29,377	112,988	80,794	26,931	107,725
Occupancy	640,355	224,989	865,344	617,115	239,989	857,104
Furniture and maintenance	12,120	4,259	16,379	29,567	11,498	41,065
Office expenses	16,803	5,904	22,707	25,540	9,932	35,472
General expenses	29,572	10,390	39,962	52,155	20,282	72,437
Staff travel and expense	27,792	9,765	37,557	106,144	41,278	147,422
Telecommunications	34,799	12,227	47,026	37,416	14,550	51,966
Computer purchases and maintenance	57,360	20,153	77,513	95,526	37,150	132,676
Professional fees	63,690	22,377	86,067	64,208	24,970	89,178
Insurance	28,446	9,994	38,440	27,265	10,603	37,868
Trustee and committee expenses	57,626	20,247	77,873	86,170	33,511	119,681
Publications	3,499	-	3,499	39,730	-	39,730
Advisory expenses	389,425	-	389,425	638,126	-	638,126
Total	\$ 18,276,878	\$ 1,172,516	\$ 19,449,394	\$ 17,607,198	\$ 1,332,095	\$ 18,939,293

See notes to the financial statements

William T. Grant Foundation, Inc.

Statements of Cash Flows

	Year Ended December 31	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 50,692,058	\$ 29,937,149
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized gain on sale of investments	(10,725,949)	(21,796,829)
Unrealized gain on investments	(55,109,773)	(22,814,125)
Deferred federal excise tax	761,000	(51,000)
Postretirement benefit obligation adjustment	402,460	909,550
Deferred rent	16,744	430,306
Net changes in operating assets and liabilities		
Accrued investment income and other receivables	99,693	24,843
Prepaid federal excise tax	261,503	(332,938)
Prepaid expenses and other assets	12,666	77,576
Accounts payable and accrued expenses	(10,870)	(38,593)
Grants payable	458,609	807,728
Postretirement benefit obligation	179,780	107,288
Net Cash from Operating Activities	(12,962,079)	(12,739,045)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	70,756,660	79,929,422
Purchase of investments	(55,362,592)	(66,633,792)
Net Cash from Investing Activities	15,394,068	13,295,630
Net Change in Cash and Cash Equivalents	2,431,989	556,585
CASH AND CASH EQUIVALENTS		
Beginning of year	5,027,512	4,470,927
End of year	\$ 7,459,501	\$ 5,027,512
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for Federal and state taxes on investment income	\$ 158,545	\$ 463,109

See notes to financial statements

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

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, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

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.

Contributions

Contributions are reported as an increase in net assets without donor restriction unless their use is limited by donor-imposed restrictions. Contributions received with donor restrictions are reported as net assets with donor restriction depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restriction.

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.

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.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Net Asset Presentation (continued)

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.

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.

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, 2017.

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 15, 2021.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

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	2020			Total
	Level 1	Level 2	Investments Measured at NAV (*)	
Equity Securities				
Diversified emerging markets	\$ 44,839,321	\$ -	\$ -	\$ 44,839,321
Global equity portfolio	27,051,202	-	-	27,051,202
Financial services	10,965,188	-	-	10,965,188
Technology	4,660,270	-	-	4,660,270
Consumer staples	676,534	-	-	676,534
Healthcare	40,341,745	-	-	40,341,745
Other	25,178,966	-	-	25,178,966
Fixed Income				
Short term bond	21,415,437	-	-	21,415,437
Emergings markets bond	-	11,521,665	-	11,521,665
Alternative Investments				
Hedge funds(a)	-	-	133,605,697	133,605,697
Private equities(a)	-	-	77,012,335	77,012,335
Total Investments at Fair Value	<u>\$ 175,128,663</u>	<u>\$ 11,521,665</u>	<u>\$ 210,618,032</u>	397,268,360
Cash held for investment, at cost				712,203
Total Investments				<u>\$ 397,980,563</u>
Description	2019			Total
	Level 1	Level 2	Investments Measured at NAV (*)	
Equity Securities				
Diversified emerging markets	\$ 39,666,866	\$ -	\$ -	\$ 39,666,866
Global equity portfolio	20,843,044	-	-	20,843,044
Financial services	14,570,044	-	-	14,570,044
Technology	7,321,457	-	-	7,321,457
Consumer staples	687,225	-	-	687,225
Other	28,438,331	-	-	28,438,331
Fixed Income				
Short term bond	25,850,123	-	-	25,850,123
Emergings markets bond	-	10,744,723	-	10,744,723
Alternative Investments				
Hedge funds(a)	-	-	125,567,228	125,567,228
Private equities(a)	-	-	73,074,108	73,074,108
Total Investments at Fair Value	<u>\$ 137,377,090</u>	<u>\$ 10,744,723</u>	<u>\$ 198,641,336</u>	346,763,149
Cash held for investment, at cost				775,760
Total Investments				<u>\$ 347,538,909</u>

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

- 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.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

3. Investments (continued)

Information regarding alternative investments valued at NAV using the practical expedient at December 31, 2020 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)	\$ 133,605,697	\$ -	Monthly - Annually	7-90 days
Private equities (see "b" below)	<u>77,012,335</u>	<u>25,452,724</u>	Locked	N/A
	<u>\$ 210,618,032</u>	<u>\$ 25,452,724</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.
- 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, 2020 and 2019

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:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 7,459,501	\$ 5,027,512
Accrued investment income and other receivables	41,937	141,630
Investments	<u>397,980,563</u>	<u>347,538,909</u>
Total Financial Assets	<u>405,482,001</u>	<u>352,708,051</u>
Less:		
Security deposit held in a certificate of deposit	413,362	413,362
Illiquid investments	77,012,335	73,074,108
Restricted by donor with purpose restrictions	<u>305,792</u>	<u>-</u>
	<u>77,731,489</u>	<u>73,487,470</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 327,750,512</u>	<u>\$ 279,220,581</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 for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Balance at beginning of year	\$ 13,155,082	\$ 12,347,354
Addition:		
Grants authorized, net	14,002,743	13,007,370
Deductions:		
Payments made	<u>(13,544,134)</u>	<u>(12,199,642)</u>
	<u>\$ 13,613,691</u>	<u>\$ 13,155,082</u>

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

5. Grants Payable (continued)

Grants payable are scheduled to be disbursed as follows:

2021	\$ 8,165,123
2022	3,790,675
2023	1,043,803
2024	532,087
2025	19,000
Thereafter	63,003
	<u>\$ 13,613,691</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:

2021	\$ 827,125
2022	827,125
2023	827,125
2024	858,938
2025	890,750
Thereafter	7,889,500
	<u>\$ 12,120,563</u>

Rent expense totaled \$843,868 for both 2020 and 2019.

7. Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit, and investments in its investment portfolio. The Foundation does not believe that a significant risk of loss due to the failure of a financial institution presently exists. The investment portfolio is diversified by type of investments and industry concentrations with the intention that no individual investment, investment advisor, investment manager or group of investments should represent a significant concentration of credit risk.

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 1.39% on its net investment income, as defined, for tax purposes. Deferred taxes arise from differences between the cost and fair value of investments and are calculated at a rate of 1.39%.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

9. 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 2020 and 2019 were \$344,875 and \$325,944.

10. Postretirement Healthcare Benefits

In addition to the retirement plan described in Note 9, 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>2020</u>	<u>2019</u>
Benefit Obligation		
at End of Year	\$ 4,226,855	\$ 3,644,615
Net postretirement benefit costs	272,374	196,181
Unrecognized actuarial loss	402,460	909,550
Benefits paid	92,544	69,190
Discount rate used	2.40%	3.14%
 Components of Net Periodic Expense		
for the Year		
Service cost	\$ 159,386	\$ 88,456
Interest cost	112,988	107,725
	<u>\$ 272,374</u>	<u>\$ 196,181</u>
 Effect of a one-percent point		
increase in HCCTR* on		
Year end benefit obligation	\$ 732,124	\$ 610,084
Total of service and interest		
cost component	277,079	324,719
decrease in HCCTR* on		
Year end benefit obligation	(586,474)	(491,096)
Total of service and interest		
cost component	(179,760)	(221,587)

* Health Care Cost Trend Rate

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

10. Postretirement Healthcare Benefits (continued)

Measurements used to determine the postretirement benefit obligation for the years ended December 31, 2020 and 2019 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 2020, decreasing to 5.25% by 2026.

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

2021	\$ 125,102
2022	140,233
2023	148,244
2024	157,207
2025	167,647
2026-2030	<u>959,100</u>
	<u>\$ 1,697,533</u>

11. Net Assets with Donor Restrictions

During 2020, the Foundation partnered with two other Foundations to co-fund three research-practice partnership projects selected through the Foundation's 2020 Institutional Challenge Grant competition. These grants will be used to improve the use of research evidence for policy and practice.

Net assets with donor restrictions are available for the following purposes at December 31:

	<u>2020</u>	<u>2019</u>
Institutional Challenge Grant	\$ 437,927	\$ -

Net assets released from restrictions consisted of the following for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Institutional Challenge Grant	\$ 212,073	\$ -

12. COVID-19

The COVID-19 pandemic has resulted in substantial volatility in the global financial markets. Because of the response to changing market conditions, the amount of losses, if any, cannot be determined.

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William T. Grant Foundation, Inc.

Supplementary Information

December 31, 2020

William T. Grant Foundation, Inc.

Portfolio Asset Allocation Schedule
December 31, 2020

	Investments	% of Portfolio	Target Allocation	Target Range
EQUITY				
U.S.:				
Silvercrest Asset Management Group	\$ 19,159,451			
Eagle Capital Equity	26,305,072			
Royalty Pharma plc	37,070,383			
Subtotal U.S.	<u>82,534,906</u>	20.7%		
GLOBAL				
Harding & Loevner	27,051,202			
Subtotal Global	<u>27,051,202</u>	6.8%		
EMERGING MARKETS				
Dimensional Fund Advisors	44,839,321			
Subtotal Emerging Markets	<u>44,839,321</u>	11.3%		
Subtotal Long Equity	<u>154,425,429</u>	38.8%		
HEDGED (Hedge Funds)				
First Eagle International Value Fund, LP	18,786,856			
New Generation Turnaround Fund	10,729,724			
Steelhead Pathfinder Fund, Ltd	16,473,166			
TVC Conduit Fund	6,614,452			
Raging Capital Offshore Fund	3,906,211			
Altimeter Offshore Limited	12,475,174			
Armistice Capital LLC	19,568,520			
Verdad Leverage Company Fund	1,000,047			
Verdad Japan Fund, L.P	3,877,643			
Verdad Opportunity Fund I, LP	11,823,071			
Rose Grove Offshore Fund I, Ltd	15,652,146			
Fundsmith Equity Fund L.P	6,394,055			
Quin Opportunities Offshore Ltd	5,308,468			
Verdad Europe Fund L.P	996,164			
Subtotal Hedged	<u>133,605,697</u>	33.6%		
Total Equity (including limited partnerships)	<u>288,031,126</u>	72.4%	58.0%	40.0-70.0%
Private Equity				
American Securities Partners V	10,067			
Brightwood Capital	3,787,668			
HRJ Capital VC IV L.P	574,069			
Cross Creek Capital, L.P	229,847			
CSL Energy Opportunities Offshore Fund, L.P	200,162			
North Atlantic Venture Fund V, L.P	5,088,236			
PeakSpan Capital Growth Partners I, L.P	5,874,322			
Royalty Pharma Cayman Holdings 2008, LP	483,430			
Seacoast Capital Partners IV L.P	3,900,428			
TIFF Partners V-US, LLC	448,668			
TIFF Partners V-International, LLC	86,051			
TIFF Private Equity Partners 2006, LLC	262,763			
TIFF Private Equity Partners 2007, LLC	3,484,797			
TIFF Private Equity Partners 2008, LLC	7,293,273			
TIFF Secondary Partners II, LLC	246,963			
TIFF Special Opportunities Fund, LLC	3,901,552			
TIFF Special Opportunities Fund III, LLC	294,774			
Venture Investment Associated VII, L.P	14,150,413			
Makena RE Fund II L.P	6,152,946			
MCR Hospitality Fund L.P	6,456,796			
Torchlight Debt Fund VI L.P	10,141,740			
Hanover Active Eq II SCA	1,837,090			
PeakSpan Capital Growth Partners II, L.P.	2,106,280			
Total Alternatives Investments	<u>77,012,335</u>	19.3%	12.0%	10.0-20.0%
FIXED INCOME				
GMO Emerging Country Debt Fund	11,521,665			
JPM Short Duration Bond	13,126,449			
JPM Management Income Fund	8,288,988			
Total Fixed Income	<u>32,937,102</u>	8.3%	30.0%	20.0-50.0%
Total Portfolio	<u>\$ 397,980,563</u>	100%	100.0%	

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William T. Grant Foundation, Inc.

Fair Value Measurements of Portfolio Assets December 31, 2020

	Fair Value	Level 1	Level 2	Investments Measures at NAV
EQUITY				
U.S.:				
Silvercrest Asset Management Group	\$ 18,965,250	\$ 18,965,250	\$ -	\$ -
Eagle Capital Equity	25,787,070	25,787,070	-	-
Royalty Pharma plc	37,070,383	37,070,383	-	-
Subtotal U.S.	<u>81,822,703</u>	<u>81,822,703</u>	-	-
GLOBAL				
Harding & Loevner	27,051,202	27,051,202	-	-
Subtotal Global	<u>27,051,202</u>	<u>27,051,202</u>	-	-
EMERGING MARKETS				
Dimensional Fund Advisors	44,839,321	44,839,321	-	-
Subtotal Emerging Markets	<u>44,839,321</u>	<u>44,839,321</u>	-	-
Subtotal Long Equity	<u>153,713,226</u>	<u>153,713,226</u>	-	-
HEDGED (Hedge Funds)				
First Eagle International Value Fund, LP	18,786,856	-	-	18,786,856
New Generation Turnaround Fund	10,729,724	-	-	10,729,724
Steelhead Pathfinder Fund, Ltd	16,473,166	-	-	16,473,166
TVC Conduit Fund	6,614,452	-	-	6,614,452
Raging Capital Offshore Fund	3,906,211	-	-	3,906,211
Altimeter Offshore Limited	12,475,174	-	-	12,475,174
Armistice Capital LLC	19,568,520	-	-	19,568,520
Verdad Leverage Company Fund	1,000,047	-	-	1,000,047
Verdad Japan Fund, L.P	3,877,643	-	-	3,877,643
Verdad Opportunity Fund I	11,823,071	-	-	11,823,071
Rose Grove Offshore Fund I, Ltd	15,652,146	-	-	15,652,146
Fundsmith Equity Fund L.P	6,394,055	-	-	6,394,055
Quin Opportunities Offshore Ltd	5,308,468	-	-	5,308,468
Verdad Europe Fund L.P	996,164	-	-	996,164
Subtotal Hedged	<u>133,605,697</u>	-	-	<u>133,605,697</u>
Total Equity (including limited partnerships)	<u>287,318,923</u>	<u>153,713,226</u>	-	<u>133,605,697</u>
ALTERNATIVE INVESTMENTS (Private Equity)				
American Securities Partners V	10,067	-	-	10,067
Brightwood Capital	3,787,668	-	-	3,787,668
HRJ Capital VC IV L.P	574,069	-	-	574,069
Cross Creek Capital, L.P	229,847	-	-	229,847
CSL Energy Opportunities Offshore Fund, L.P	200,162	-	-	200,162
North Atlantic Venture Fund V, L.P	5,088,236	-	-	5,088,236
PeakSpan Capital Growth Partners I, L.P	5,874,322	-	-	5,874,322
Royalty Pharma Cayman Holdings 2008, LP	483,430	-	-	483,430
Seacoast Capital Partners IV L.P	3,900,428	-	-	3,900,428
TIFF Partners V-US, LLC	448,668	-	-	448,668
TIFF Partners V-International, LLC	86,051	-	-	86,051
TIFF Private Equity Partners 2006, LLC	262,763	-	-	262,763
TIFF Private Equity Partners 2007, LLC	3,484,797	-	-	3,484,797
TIFF Private Equity Partners 2008, LLC	7,293,273	-	-	7,293,273
TIFF Secondary Partners II, LLC	246,963	-	-	246,963
TIFF Special Opportunities Fund, LLC	3,901,552	-	-	3,901,552
TIFF Special Opportunities Fund III, LLC	294,774	-	-	294,774
Venture Investment Associated VII, L.P	14,150,413	-	-	14,150,413
Makena RE Fund II L.P	6,152,946	-	-	6,152,946
MCR Hospitality Fund L.P	6,456,796	-	-	6,456,796
Torchlight Debt Fund VI L.P	10,141,740	-	-	10,141,740
Hanover Active Eq II SCA	1,837,090	-	-	1,837,090
PeakSpan Capital Growth Partners II, L.P.	2,106,280	-	-	2,106,280
Total Alternatives Investments	<u>77,012,335</u>	-	-	<u>77,012,335</u>
FIXED INCOME				
GMO Emerging Country Debt Fund	11,521,665	-	11,521,665	-
JPM Short Duration Bond	13,126,449	13,126,449	-	-
JPM Management Income Fund	8,288,988	8,288,988	-	-
Total Fixed Income	<u>32,937,102</u>	<u>21,415,437</u>	<u>11,521,665</u>	-
Total Investments at Fair Value	<u>397,268,360</u>	<u>\$ 175,128,663</u>	<u>\$ 11,521,665</u>	<u>\$ 210,618,032</u>
CASH HELD FOR INVESTMENT				
Silvercrest Asset Management Group	194,201			
Eagle Capital Equity	518,002			
Total Cash Held for Investment	<u>712,203</u>			
Total Portfolio	<u>\$ 397,980,563</u>			

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