

WALTER AND ELISE HAAS FUND

DECEMBER 31, 2016 AND 2015

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INDEPENDENT AUDITORS' REPORT,

FINANCIAL STATEMENTS

AND

SUPPLEMENTAL INFORMATION

# Walter and Elise Haas Fund

## Independent Auditors' Report, Financial Statements and Supplemental Information

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## **Independent Auditors' Report**

THE BOARD OF TRUSTEES  
WALTER AND ELISE HAAS FUND  
San Francisco, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the **WALTER AND ELISE HAAS FUND (the Fund)**, which comprise the statement of financial position as of December 31, 2016 and 2015, the related statements of changes in net assets, 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 of 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 auditor's 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 Walter and Elise Haas Fund as of December 31, 2016 and 2015, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Supplemental Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information 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 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.

*Hood & Strong LLP*

San Francisco, California  
September 19, 2017

# Walter and Elise Haas Fund

## Statement of Financial Position

<i>December 31,</i>	2016	2015
<b>Assets</b>		
Cash	\$ 823,517	\$ 3,479,273
Receivables - investments in transit	2,203,401	2,238,792
Investments, at fair value	208,759,351	210,605,924
Property and equipment, net	583,475	39,996
Other assets	319,516	199,657
<b>Total assets</b>	<b>\$ 212,689,260</b>	<b>\$ 216,563,642</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Grants payable	\$ 1,000	
Creative Work Fund		\$ 19,502
Accounts payable and accrued expenses	454,528	246,714
Deferred taxes	245,000	224,000
<b>Total liabilities</b>	<b>700,528</b>	<b>490,216</b>
<b>Unrestricted Net Assets</b>	<b>211,988,732</b>	<b>216,073,426</b>
<b>Total liabilities and net assets</b>	<b>\$ 212,689,260</b>	<b>\$ 216,563,642</b>

See accompanying notes to financial statements.

# Walter and Elise Haas Fund

## Statement of Changes in Net Assets

<i>Years Ended December 31,</i>	2016	2015
<b>Revenue:</b>		
Dividends, interest and partnership income	\$ 3,891,132	\$ 1,381,159
Net gain (loss) on investments:		
Realized	5,882,787	5,537,347
Unrealized	2,093,928	(3,610,529)
Other income	579	397
Loss on asset disposal	(5,475)	(4,719)
<b>Total revenue</b>	<b>11,862,951</b>	<b>3,303,655</b>
<b>Expenses:</b>		
Grants	11,625,645	12,105,232
Grants management	2,842,539	2,758,630
Investment management and related fees	1,380,461	957,647
Excise tax expense	99,000	93,000
<b>Total expenses</b>	<b>15,947,645</b>	<b>15,914,509</b>
<b>Change in Net Assets</b>	<b>(4,084,694)</b>	<b>(12,610,854)</b>
<b>Unrestricted Net Assets, beginning of year</b>	<b>216,073,426</b>	<b>228,684,280</b>
<b>Unrestricted Net Assets, end of year</b>	<b>\$ 211,988,732</b>	<b>\$ 216,073,426</b>

See accompanying notes to financial statements.

# Walter and Elise Haas Fund

## Statement of Cash Flows

<i>Years Ended December 31,</i>	2016	2015
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (4,084,694)	\$ (12,610,854)
Adjustment to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	25,577	33,134
Loss on disposal of property and equipment	5,475	4,719
Realized gain on investments	(5,882,787)	(5,537,347)
Unrealized (gain) loss on investments	(2,093,928)	3,610,529
Deferred taxes	21,000	(32,000)
Changes in operating assets and liabilities:		
Other assets	(119,859)	152,558
Creative Work Fund	(19,502)	8,727
Accounts payable and accrued expenses	207,814	(68,246)
Grants payable	1,000	
Net cash used by operating activities	(11,939,904)	(14,438,780)
<b>Cash Flows from Investing Activities:</b>		
Sales of investments	23,175,380	27,576,897
Purchases of investments	(13,352,092)	(13,072,730)
Investments in transit	35,391	(1,888,366)
Purchases of property and equipment	(574,531)	(8,638)
Net cash provided by investing activities	9,284,148	12,607,163
<b>Net Change in Cash</b>	(2,655,756)	(1,831,617)
<b>Cash - Beginning of Year</b>	3,479,273	5,310,890
<b>Cash - End of Year</b>	\$ 823,517	\$ 3,479,273
<b>Supplemental Disclosures:</b>		
Cash paid for federal excise taxes	\$ 76,000	\$ 348,000

See accompanying notes to financial statements.

# Walter and Elise Haas Fund

## Notes to Financial Statements

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### Note 1 - Organization:

The Walter and Elise Haas Fund (the Fund) is a private foundation established in 1952. The Fund makes contributions to organizations involved in the arts, economic security, Jewish life, public education and other grantmaking interests. Only organizations that are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or certain governmental agencies are considered for support.

#### *Grantmaking Areas:*

##### Arts

The Fund's arts grantmaking helps Bay Area residents to appreciate and benefit from art's full potential to build cross-cultural understanding, explore ideas, and enrich their lives. Grantmaking reflects the Fund's beliefs that arts education is essential, that the arts build resilient communities, and that artists engage us through collaboration.

##### Economic Security

The purpose of the Fund's grantmaking in economic security is to help low-income adults and families achieve economic security and upward mobility. Grantmaking reflects the Fund's beliefs that quality employment is essential, that assets fuel mobility, and that policy must expand opportunity.

##### Jewish Life

The purpose of the Fund's grantmaking in Jewish life is to support a vibrant, inclusive, Jewish community that is meaningful, compelling, and responsive to contemporary concerns. Grantmaking reflects the Fund's beliefs that diversity is a strength, social justice is a mandate, and innovation is imperative.

##### Education

The purpose of the Fund's grantmaking in education is to help ensure that public school students furthest from opportunity are in schools and classrooms with exceptional teachers. Grantmaking reflects the Fund's efforts to attract talent to public education, keep great teachers teaching, and build learning communities of practice and support.

##### Other Grantmaking Interests

The Fund is also engaged in capital, safety net and disaster preparedness grants, as well as certain legacy and mission-related special grantmaking. Legacy grantmaking encompasses several programs, each of which has a direct relationship to the Fund's founders, Walter and Elise Haas. Mission-related special grantmaking provides the Fund flexibility to respond to emerging and changing community needs, and to address key areas of interest that cut across or otherwise support the Fund's overall mission and categorical programs.



# Walter and Elise Haas Fund

## Notes to Financial Statements

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### Note 2 - Summary of Significant Accounting Policies:

a. Basis of Accounting and Presentation

The financial statements of the Fund have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to not-for-profit organizations.

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Unrestricted net assets are those that are neither temporarily restricted nor permanently restricted by donor-imposed stipulations. There are no temporarily or permanently restricted net assets as of December 31, 2016 and 2015.

b. Cash

For purposes of reporting cash flows, cash includes the Fund's operating checking account.

c. Investments

Investments are reported at fair value. Changes in fair values as well as realized gains and losses are reflected in the statements of changes in net assets. Dividend and interest income are accrued when earned. The fair value of equity and fixed income funds are based on their quoted prices. The fair value of alternative investments is determined using the Net Asset Value (NAV) per share as determined by investment managers under the so-called "practical expedient." The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

d. Fair Value Measurements

The Fund carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement standards also require the Fund to classify these financial instruments into a three-level hierarchy. The Fund classifies its financial assets and liabilities according to three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 - Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 - Observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability that are not corroborated by market data.

# Walter and Elise Haas Fund

## Notes to Financial Statements

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e. Fair Value of Financial Instruments

The estimated fair value of the Fund's financial instruments not measured at fair value on a recurring basis (including receivables, other assets, accounts payable, accrued expenses and grants payable) approximates their carrying values due to their short length to maturity.

f. Property and Equipment

Equipment and furnishings are stated at cost and depreciated over five to seven years using the straight-line method. Leasehold improvements are stated at cost and are amortized using the straight-line method over the remaining life of the lease.

g. Grants

Grants awarded with an unconditional promise to give are accrued as a liability and expensed when approved. Grant cancellations or unspent funds are recorded in the year cancelled or when the funds are returned.

h. Creative Work Fund

The Fund is participating in and administering a collaborative funding initiative with other organizations called the Creative Work Fund, to support the creation of new work by artists in the Bay Area through other exempt organizations. Only 501(c)(3) organizations are eligible for grants. The Fund records amounts received and paid on behalf of the other participating foundations as agency transactions. Therefore, no revenue or expense is recorded for the amounts received from the other participating foundations or for their share of the grants.

Administrative expenses are shared by participating foundations, based on each foundation's proportionate rate of contributions.

i. Federal Excise Taxes

The Fund is a private foundation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from California franchise and/or income taxes under Section 23701(d) of the California Revenue and Taxation Code.

The Fund is subject to federal excise tax on its investment income. A provision for federal excise tax is accrued. Deferred excise taxes arise primarily from unrealized tax basis gains on investments and are calculated at the effective rate expected to be paid by the Fund. In addition, the Fund may be subject to tax on unrelated business income, if any, generated by its investments.

# Walter and Elise Haas Fund

## Notes to Financial Statements

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The Fund follows the guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740 for accounting for uncertainty in income taxes. As of December 31, 2016 and 2015, management evaluated the Fund's tax positions and concluded that the Fund had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements.

j. Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

k. Recent Accounting Pronouncements

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14 *Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this update are designed to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The amendments in this ASU are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Early adoption is permitted. Amendments should be applied on a retrospective basis in the year the update is first applied. Management is currently evaluating the impact the amendments in this ASU will have on the financial statements.

In February 2016, the FASB issued amendments to ASU 2016-02, *Leases*. Among other things, lessees will be required to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The amendments in this ASU are effective for annual financial statements issued for fiscal years beginning after December 15, 2019. Early adoption is permitted. Management is currently evaluating the impact the amendments in this ASU will have on the financial statements.

l. Subsequent Events

The management of the Fund has reviewed the changes in its net assets for the period of time from December 31, 2016 through September 19, 2017, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements and no subsequent events have occurred which would require disclosure.

# Walter and Elise Haas Fund

## Notes to Financial Statements

### Note 3 - Investments and Fair Value Measurements:

#### *Investments:*

At December 31, 2016 and 2015, the fair market value of investments consists of the following:

	2016	2015
Money market accounts	\$ 197,233	\$ 202,411
Global equity fund	19,073,480	16,802,222
Intermediate term bond fund	10,141,811	9,252,027
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Subtotal	29,412,524	26,256,660
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Alternative investments measured at net asset value:		
Absolute return/market neutral:		
Multi-strategy	3,014,421	3,161,154
Equity/debt securities	90,123	109,995
Real assets	7,066,376	7,299,918
Private equity	23,253,204	25,696,636
Pooled funds	145,922,704	148,081,561
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Subtotal alternative investments measured at net asset value	179,346,828	184,349,264
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Total	\$ 208,759,352	\$ 210,605,924

#### *Fair Value Measurements:*

Investments include money market funds, a global equity fund and an intermediate term bond fund with a cumulative fair value of \$29,412,524 and \$26,256,660 at December 31, 2016 and 2015, respectively and are classified as level 1.

In accordance with Subtopic 820-10, the alternative investments held by the Fund are valued using the Net Asset Value per share (or its equivalent) practical expedient. These investments have not been classified in the fair value hierarchy.

# Walter and Elise Haas Fund

## Notes to Financial Statements

**Note 4 - Net Asset Value Disclosure:**

The following table lists those investments by major category which are reported at NAV as of December 31, 2016 and 2015:

Strategies	2016		2015		Redemption Frequency	Notice Period
	# of Funds	Valuation	# of Funds	Valuation		
<b>Alternative Investments</b>						
<b>Measured at Net Asset Value:</b>						
<b>Absolute return/ market neutral (a):</b>						
Multi-strategy: Redeemable	3	\$ 3,014,421	3	\$ 3,161,154	Bi-annually - Annually	45 - 60 days
Equity/debt securities: Non-redeemable	1	90,123	1	109,995		
<b>Real assets (b):</b>						
Natural resources: Non-redeemable	6	6,250,034	6	6,339,765		
Real Estate	3	816,342	3	960,153		
<b>Private equity (c):</b>						
Venture capital funds	12	21,140,407	12	23,127,950		
Closed-end	6	2,112,797	6	2,568,686		
<b>Pooled funds:</b>						
Multi-asset fund (d)	1	9,206,155	1	9,290,915	Daily	
Multi-hedge fund (e)	1	136,716,549	1	138,790,646	Quarterly	180 days
<b>Total</b>	<b>33</b>	<b>\$ 179,346,828</b>	<b>33</b>	<b>\$ 184,349,264</b>		

# Walter and Elise Haas Fund

## Notes to Financial Statements

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- a) The strategy of the Absolute Return and Market Neutral portfolio is to provide diversification benefits to the overall portfolio through lower correlation to other traditional asset classes (e.g. Equity and Fixed Income) and to provide a buffer during equity market declines. The Absolute Return/Market Neutral investment includes a number of funds with varying strategies, including Multi-strategy and Equity/Debt funds.

Multi-strategy managers invest in a wide variety of securities, typically rotating between equity, bank debt, convertible bonds, and other fixed income securities depending on the manager's view on relative attractiveness, with the objective of exploiting arbitrage opportunities or identifying undervalued assets without incurring systemic market risk.

Equity and Debt strategies take positions in securities they find attractive and anticipate will appreciate in value and short portions in securities they believe will underperform. None of the funds are redeemable during lock-up periods. Additionally, none of the funds hold non-redeemable securities and none of the funds may invest in side pockets.

- b) This strategy invests in real estate and natural resources, both domestic and international. Natural resource funds invest primarily in crude oil, natural gas production and timberland. These funds generally cannot be redeemed and liquidity is expected in the form of distributions from the funds when the underlying assets are sold over the life of the partnerships, which is estimated to be over 3 to 17 years. Unfunded commitments were \$1,157,124 and \$1,434,336 at December 31, 2016 and 2015, respectively.
- c) Private equity funds are comprised of domestic and international venture capital investments with the objective of long-term growth of capital. The partnerships typically have a legal life span of 1-14 years with no redemption rights for the limited partners. The funds also include non-redeemable closed-end opportunistic funds invested over a projected 2-year to 5-year holding period for real estate related and other debt and equity securities. Unfunded commitments were \$2,762,426 and \$3,499,176 at December 31, 2016 and 2015, respectively.
- d) The Multi-Asset Fund seeks to achieve its objective through two principal means: (1) diversification across multiple asset classes and (2) active security selection. As a "multi-manager" fund in addition to an investments advisor, this fund engages independent money managers to manage a portion of its assets. The Multi-Asset Fund shares may be redeemed on any business day upon a member's request.
- e) The multi-hedge fund (Keystone Fund) employs strategies including: hedge fund strategies, private equity strategies, private real estate strategies and other resource strategies. The Keystone Fund is subject to quarterly redemption with a 180-day redemption notice period. Purchases are subject to a one year lock up period. At least 50% (and up to 100%) of any amount withdrawn will be paid within 30 days. The remaining will be paid as soon as possible, but no later than 3 years from the redemption date.

# Walter and Elise Haas Fund

## Notes to Financial Statements

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### Note 5 - Summary of Fund Operations:

A summary of the Fund's operations since inception, April 27, 1952, is as follows:

Contributions to the Fund	\$ 126,620,588
Increase in net assets, excluding grants	403,074,433
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	529,695,021
Less: Grants	(317,706,289)
	<hr/>
Net assets, December 31, 2016	\$ 211,988,732

### Note 6 - Commitments:

#### a. Grants

Multi-year grants are made on a conditional basis and are not recorded until the condition has been met. The conditional grants are subject to review and approval of program and financial reports and a work plan and budget for the ensuing year(s) of the grant.

Conditional grant commitments outstanding were approximately \$2,980,000 and \$2,715,000 as of December 31, 2016 and 2015, respectively.

#### b. Operating Lease

The Fund leased its office space through April 2016. The Fund signed an amendment effective July 2016 to extend the lease through November 2026. Under the lease, the Fund shares office space with another entity, with the Fund utilizing approximately 50% of the space. Additionally, the Fund has an equipment lease through May 2020. The future minimum lease payments under the above leases (at the Fund's estimated share) are approximately as follows:

Year Ended,	
2017	\$ 180,100
2018	184,700
2019	192,400
2020	198,200
2021	204,100
Thereafter	1,080,800
	<hr/>
	\$ 2,040,300

# Walter and Elise Haas Fund

## Notes to Financial Statements

Rent expense totaled \$218,115 and \$217,324 for the years ended December 31, 2016 and 2015, respectively.

c. Investments

The Fund has capital commitments totaling approximately \$4 million and \$5 million as of December 31, 2016 and 2015, respectively.

**Note 7 - Excise Taxes:**

In accordance with applicable Treasury regulations, the Fund is classified as a private foundation subject to an excise tax of two percent on net investment income, including realized gains. The Fund is eligible to reduce its tax liability from two percent to one percent of net investment income if a certain level of distributions, calculated as defined in the Treasury regulations, is attained. The tax rate for the current excise tax provision was one percent (1%) for 2016 and two percent (2%) for 2015. The Fund provides for deferred excise tax at the rate of 1% on its unrealized appreciation on investments.

The provision for current and deferred excise taxes for the years ended December 31, 2016 and 2015 was as follows:

	2016	2015
Current excise tax	\$ 78,000	\$ 125,000
Deferred excise tax (benefit)	21,000	(32,000)
<b>Total</b>	<b>\$ 99,000</b>	<b>\$ 93,000</b>

The Fund is subject to the distribution requirements of the Internal Revenue Code. The minimum amount of distributions to be made annually is calculated in accordance with a specified formula. The Fund complied with the distribution requirements through December 31, 2016.

**Note 8 - Retirement Plan:**

The Fund has a 403(b) retirement plan covering all eligible employees whereby the Fund contributes 15 percent of compensation for all eligible employees. Fund contributions to the plan amounted to \$187,571 and \$186,489 for the years ended December 31, 2016 and 2015, respectively.



# Walter and Elise Haas Fund

## Notes to Financial Statements

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### **Note 9 - Concentrations of Risk:**

Investments in general are exposed to various risks, such as interest rate, credit and overall market volatility. The alternative investments include additional risks such as limited liquidity, absence of oversight, non-marketable investments and dependence on key individuals. To address the risk of investments, the Fund maintains a formal investment policy that sets out performance criteria, investment guidelines, asset allocation guidelines and requires review of the investment performance.

As of December 31, 2016 and 2015, one investment in the Pooled Funds Strategy represented 65% of total investments. However, this investment is diversified.

In addition to investments, concentrations of market and credit risk exist for cash.

### **Note 10 - Related Party Transaction:**

The Fund contracts with Argonaut Securities Company (Argonaut) for accounting and tax services. Two members of the Fund's Board own a portion of the stock of Argonaut. Two individuals unrelated to the Fund own the remainder of the stock. Fees are based upon actual charges incurred. The fees for accounting services performed by Argonaut were approximately \$234,500 and \$205,000 for the years ended December 31, 2016 and 2015, respectively.

# Walter and Elise Haas Fund

## Investments (See Independent Auditors' Report)

Year Ended December 31, 2016

Schedule 1

Investment Manager	Cost	Fair Value	Cumulative Unrealized Gain (Loss)	Change in Unrealized Gain (Loss)	Investment Management and Related Fees	Investment Income		
						Dividends, Interest and Partnership Income (Loss)	Realized Gain (Loss)	Total
<b>Equities, Bonds and General</b>								
Mutual Funds - equities, bonds (excluding Perry Partner Int'l Fund)	\$ 29,135,996	\$ 29,412,524	\$ 276,528	\$ 1,297,183	\$ 16,356	\$ 739,676	\$ 65,580	\$ 805,256
<b>Pooled Funds</b>								
TIFF Multi-Asset Fund	10,651,627	9,206,155	(1,445,472)	188,571	-	87,090	135,527	222,617
TIFF Keystone Fund	116,887,312	136,716,548	19,829,236	549,385	1,196,843	2,622,192	4,718,114	7,340,306
<b>Absolute Return/Market Neutral</b>								
Farallon Capital Institutional Partners	3,214,543	2,848,858	(365,685)	274,287	28,098	31,839	36,577	68,416
Highfields Capital IV	640,320	75,013	(565,307)	(3,472)	87	2,449	152	2,601
OZ Overseas Fund	171,828	90,123	(81,705)	(7,556)	(33)	2,999	(575)	2,424
Perry Partners International Fund	139,478	90,550	(48,928)	9,872	-	-	12,903	12,903
<b>Real Assets</b>								
Park Street Capital Natural Resource Fund II	1,828,311	2,054,887	226,576	99,310	1,454	(11,715)	(100,016)	(111,731)
Park Street Capital Natural Resource Fund II AIV	187,732	21,385	(166,347)	6,556	200	(38,038)	18,257	(19,781)
Park Street Capital Natural Resource Fund II AIV II	138,073	44,640	(93,433)	13,298	95	32,710	(29,831)	2,879
Park Street Capital Natural Resource Fund III	1,450,227	1,737,574	287,347	99,083	11,252	25,974	(50,324)	(24,350)
Park Street Capital Natural Resource Fund III Investment Corp	26,314	34,711	8,397	(16,412)	-	(2,407)	31,502	29,095
Park Street Capital Natural Resource Fund V	2,148,901	2,356,837	207,936	661,054	16,099	(160,001)	37,869	(122,132)
Lonestar Real Estate	205,806	185,665	(20,141)	24,322	739	(448)	(38,779)	(39,227)
Lonestar Real Estate II	183,797	266,129	82,332	22,315	731	71,163	(54,090)	17,073
Metropolitan Real Estate Partners Global II	330,144	364,548	34,404	(39,485)	-	(8,169)	70,833	62,664
<b>Private Equity</b>								
Commonfund Capital International Partners V	332,987	349,315	16,328	(36,340)	3,000	5,326	75,150	80,476
Commonfund Capital International Partners VI	1,360,024	1,554,888	194,864	(83,524)	11,044	8,027	315,268	323,295
Commonfund Capital Private Equity Partners VI	634,566	782,525	147,959	(78,486)	5,999	(1,479)	132,863	131,384
Commonfund Capital Private Equity Partners VII	1,614,022	2,461,554	847,532	16,001	11,085	7,789	318,945	326,734
Commonfund Capital Venture Partners VIII	1,433,876	2,740,746	1,306,870	(205,084)	10,332	(25,425)	138,781	113,356
Endowment Private Equity Partners IV	-	154,288	154,288	5,591	457	(800)	42,393	41,593

# Walter and Elise Haas Fund

## Investments (See Independent Auditors' Report)

Year Ended December 31, 2016

Schedule 1

Investment Manager	Cost	Fair Value	Cumulative Unrealized Gain (Loss)	Change in Unrealized Gain (Loss)	Investment Management and Related Fees	Investment Income		Total
						Dividends, Interest and Partnership Income (Loss)	Realized Gain (Loss)	
Endowment Venture Partners V	177,822	172,229	(5,593)	(14,644)	702	1,608	(12,148)	(10,540)
Legacy Venture II	933,563	849,267	(84,296)	(446,717)	-	1,339	102,503	103,842
Legacy Venture III	1,066,261	1,378,601	312,340	(42,840)	6,000	(9,499)	37,988	28,489
Legacy Venture IV	1,566,415	3,139,391	1,572,976	(88,970)	6,000	(696)	234,010	233,314
Legacy Venture V (QP)	2,579,455	4,070,169	1,490,714	200	26,000	(68,169)	126,929	58,760
Legacy Venture VI (QP)	2,272,685	3,487,434	1,214,749	119,698	22,500	(53,041)	97,258	44,217
Lonestar Europe Holding (US)	201,668	274,159	72,491	7,539	-	(3,370)	(149)	(3,519)
Lonestar Fund IV	605,259	24,198	(581,061)	2,519	-	(5,678)	(972)	(6,650)
Lonestar Fund V	449,317	708,677	259,360	(305,799)	5,013	417,104	(285,419)	131,685
Lonestar Fund VI	973,006	585,932	(387,074)	62,607	396	109,634	(157,636)	(48,002)
Lonestar Fund VII	105,649	93,061	(12,588)	7,394	12	16,308	(58,015)	(41,707)
Lonestar US Investment	651,508	426,770	(224,738)	(3,528)	-	96,840	(78,661)	18,179
Total	\$ 184,298,492	\$ 208,759,351	\$ 24,460,859	\$ 2,093,928	\$ 1,380,461	\$ 3,891,132	\$ 5,882,787	\$ 9,773,919

## Walter and Elise Haas Fund

### Investments (See Independent Auditors' Report)

Year Ended December 31, 2015

Schedule 1

Investment Manager	Cost	Fair Value	Cumulative Unrealized Gain (Loss)	Change in Unrealized Gain (Loss)	Investment Management and Related Fees	Investment Income		Total
						Dividends, Interest and Partnership Income (Loss)	Realized Gain (Loss)	
<b><u>Equities, Bonds and General</u></b>								
Mutual Funds - equities, bonds (excluding Perry Partner Int'l Fund)	\$ 27,277,315	\$ 26,256,660	\$ (1,020,655)	\$ (1,791,071)	\$ 14,779	\$ 703,224	\$ 626,014	\$ 1,329,238
<b><u>Pooled Funds</u></b>								
TIFF Multi-Asset Fund	10,924,958	9,290,915	(1,634,043)	(626,071)	-	176,093	281,611	457,704
TIFF Keystone Fund	119,510,795	138,790,646	19,279,851	(1,863,900)	735,854	456,580	2,884,903	3,341,483
<b><u>Absolute Return/Market Neutral</u></b>								
Farallon Capital Institutional Partners	3,552,549	2,912,577	(639,972)	1,385,504	32,610	152,029	(1,428,601)	(1,276,572)
Highfields Capital IV	660,976	99,141	(561,835)	(51,402)	209	12,169	2,214	14,383
OZ Overseas Fund	184,144	109,995	(74,149)	47,482	105	3,861	(54,531)	(50,670)
Perry Partners International Fund	208,235	149,436	(58,799)	425	-	-	12,903	12,903
<b><u>Real Assets</u></b>								
Park Street Capital Natural Resource Fund II	2,343,996	2,471,262	127,266	(218,434)	2,498	(314,944)	306,703	(8,241)
Park Street Capital Natural Resource Fund II AIV	207,713	34,810	(172,903)	(36,807)	343	(14,067)	38,208	24,141
Park Street Capital Natural Resource Fund II AIV II	170,289	63,558	(106,731)	16,847	163	(51,248)	(38,782)	(90,030)
Park Street Capital Natural Resource Fund III	1,770,829	1,959,093	188,264	(118,579)	14,074	(262,898)	269,848	6,950
Park Street Capital Natural Resource Fund III Investment Corp	42,219	67,028	24,809	(2,100)	926	(1,581)	(12,158)	(13,739)
Park Street Capital Natural Resource Fund V	2,197,132	1,744,014	(453,118)	(242,134)	16,465	(16,415)	71,389	54,974
Lonestar Real Estate	245,772	201,309	(44,463)	(6,761)	1,658	102,611	(19,502)	83,109
Lonestar Real Estate II	241,219	301,236	60,017	(21,961)	942	158,954	(8,581)	150,373
Metropolitan Real Estate Partners Global II	383,719	457,608	73,889	(16,791)	-	(8,778)	80,696	71,918
<b><u>Private Equity</u></b>								
Commonfund Capital International Partners V	408,780	461,448	52,668	(64,156)	3,333	2,738	92,128	94,866
Commonfund Capital International Partners VI	1,503,711	1,782,099	278,388	(216,538)	14,042	8,298	471,719	480,017
Commonfund Capital Private Equity Partners VI	766,551	992,996	226,445	(116,440)	6,581	(3,614)	201,036	197,422
Commonfund Capital Private Equity Partners VII	1,735,873	2,567,404	831,531	76,455	14,083	5,892	289,268	295,160
Commonfund Capital Venture Partners VIII	1,648,754	3,160,708	1,511,954	(99,560)	12,832	(35,177)	324,325	289,148
Endowment Private Equity Partners IV	-	148,697	148,697	(15,411)	599	358	14,216	14,574
Endowment Venture Partners V	223,251	232,302	9,051	(8,152)	893	(736)	(12,607)	(13,343)
Legacy Venture II	1,093,714	1,456,135	362,421	137,542	-	(4,041)	148,852	144,811
Legacy Venture III	1,197,262	1,552,442	355,180	(331,452)	6,000	(14,518)	433,615	419,097

**Walter and Elise Haas Fund**

**Investments**  
(See Independent Auditors' Report)

Year Ended December 31, 2015

Schedule 1

Investment Manager	Cost	Fair Value	Cumulative Unrealized Gain (Loss)	Change in Unrealized Gain (Loss)	Investment Management and Related Fees	Investment Income		Total
						Dividends, Interest and Partnership Income (Loss)	Realized Gain (Loss)	
Legacy Venture IV	1,721,391	3,383,337	1,661,946	(276,838)	21,000	(38,395)	528,722	490,327
Legacy Venture V (QP)	2,812,371	4,302,885	1,490,514	(2,745)	30,000	(75,412)	621,478	546,066
Legacy Venture VI (QP)	1,992,446	3,087,497	1,095,051	536,065	21,162	(52,009)	107,889	55,880
Lonestar Europe Holding (US)	205,187	270,139	64,952	(89,882)	48	66,962	(5,029)	61,933
Lonestar Fund IV	661,909	28,329	(583,580)	(4,308)	-	(31,532)	27,272	(4,260)
Lonestar Fund V	500,845	1,066,004	565,159	318,042	5,817	396,454	(491,653)	(95,199)
Lonestar Fund VI	1,021,404	571,723	(449,681)	47,254	495	12,798	(128,112)	(115,314)
Lonestar Fund VII	213,368	193,386	(19,982)	17,549	136	49,836	(70,638)	(20,802)
Lonestar US Investment	660,315	439,105	(221,210)	27,799	-	(2,333)	(27,468)	(29,801)
<b>Total</b>	<b>\$ 188,288,992</b>	<b>\$ 210,605,924</b>	<b>\$ 22,366,932</b>	<b>\$ (3,610,529)</b>	<b>\$ 957,647</b>	<b>\$ 1,381,159</b>	<b>\$ 5,537,347</b>	<b>\$ 6,918,506</b>

**Walter and Elise Haas Foundation**  
**Schedule 2**  
**Supplemental Schedule of Grant Expense by Sector**  
**(See Independent Auditors' Report)**

<i>Years Ended December 31,</i>	2016	2015
<b>Program Area Grants</b>		
Arts	\$ 1,718,500	\$ 1,625,000
Economic security	2,108,000	2,135,000
Jewish life	2,112,500	2,389,000
Education	1,865,000	1,850,000
<b>Program area grants total</b>	<b>7,804,000</b>	<b>7,999,000</b>
<b>Other Grantmaking Interests</b>		
Legacy:		
Annual grants	270,750	270,750
Holiday grants	99,500	99,500
Descendant grants	185,000	190,000
Capital	1,066,360	662,000
Mission related:		
Civic engagement and leadership	240,500	199,070
Philanthropy	216,070	204,800
Parks	100,000	100,000
Hope SF	-	175,000
Operating and project support	-	5,000
Safety net grants	1,000,000	1,015,000
Disaster preparedness	245,000	245,000
Board awarded	4,500	605,000
Employee matching grants	15,150	14,795
<b>Other grantmaking interests total</b>	<b>3,442,830</b>	<b>3,785,915</b>
<b>Creative Work Fund</b>	<b>378,815</b>	<b>320,317</b>
<b>Grand Total</b>	<b>\$ 11,625,645</b>	<b>\$ 12,105,232</b>