

WALTER AND ELISE HAAS FUND

DECEMBER 31, 2018 AND 2017

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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A Century Strong

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, 2018 and 2017, 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, 2018 and 2017, 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.

Effect of Adopting New Accounting Standard

As described in Note 2, the Fund adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Accordingly, the accounting change has been retrospectively applied to all periods presented with the exception of the omission of certain information as permitted by the ASU. Our opinion is not modified with respect to that matter.

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 30, 2019

Walter and Elise Haas Fund

Statements of Financial Position

<i>December 31,</i>	2018	2017
Assets		
Cash	\$ 1,648,019	\$ 2,444,825
Receivables - investments in transit	2,602,015	2,793,329
Investments, at fair value	207,310,314	225,659,891
Property and equipment, net	605,041	681,042
Other assets	275,507	62,541
Total assets	\$ 212,440,896	\$ 231,641,628
Liabilities and Net Assets		
Liabilities:		
Creative Work Fund	\$ 302,557	\$ 299,534
Accounts payable and accrued expenses	479,882	527,309
Deferred taxes	226,047	829,000
Total liabilities	1,008,486	1,655,843
Net Assets Without Donor Restriction	211,432,409	229,985,785
Total liabilities and net assets	\$ 212,440,896	\$ 231,641,628

See accompanying notes to financial statements.

Walter and Elise Haas Fund

Statements of Changes in Net Assets

<i>Years Ended December 31,</i>	2018	2017
Net Investment (loss) income:		
Dividends, interest and partnership income	\$ 466,418	\$ 3,629,211
Net gain (loss) on investments:		
Realized	15,132,351	13,173,362
Unrealized	(18,858,157)	17,001,967
Other income	7,403	45,034
Investment management and related fees	(903,758)	(699,724)
Net investment (loss) income before excise and income tax expense	(4,155,743)	33,149,850
Net excise and income tax benefit (expense)	421,855	(896,000)
Net investment (loss) income	(3,733,888)	32,253,850
Expenses:		
Grant activities:		
Grants	12,127,647	11,076,804
Salaries, benefits and taxes	1,281,041	1,544,923
Occupancy costs	338,959	377,397
Professional services	124,387	147,089
Depreciation	58,844	50,950
Direct charitable expense	37,606	26,846
	13,968,484	13,224,009
Management and general:		
Salaries, benefits and taxes	404,539	487,871
Occupancy costs	105,477	108,303
Professional services	323,831	421,758
Depreciation	17,157	14,856
	851,004	1,032,788
Total expenses	14,819,488	14,256,797
(Decrease) Increase in Net Assets	(18,553,376)	17,997,053
Net Assets Without Donor Restriction, beginning of year	229,985,785	211,988,732
Net Assets Without Donor Restriction, end of year	\$ 211,432,409	\$ 229,985,785

See accompanying notes to financial statements.

Walter and Elise Haas Fund

Statements of Cash Flows

<i>Years Ended December 31,</i>	2018	2017
Cash Flows from Operating Activities:		
Change in net assets	\$ (18,553,376)	\$ 17,997,053
Adjustment to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	76,001	65,806
Realized gain on investments	(15,132,351)	(13,173,362)
Unrealized loss (gain) on investments	18,858,157	(17,001,967)
Deferred taxes	(602,953)	584,000
Changes in operating assets and liabilities:		
Other assets	(212,966)	256,975
Creative Work Fund	3,023	299,534
Accounts payable and accrued expenses	(47,426)	72,781
Grants payable		(1,000)
Net cash used by operating activities	(15,611,891)	(10,900,180)
Cash Flows from Investing Activities:		
Sales of investments	46,118,701	23,991,715
Purchases of investments	(31,494,930)	(10,716,926)
Investments in transit	191,314	(589,928)
Purchases of property and equipment		(163,373)
Net cash provided by investing activities	14,815,085	12,521,488
Net (Decrease) Increase in Cash	(796,806)	1,621,308
Cash, beginning of year	2,444,825	823,517
Cash, end of year	\$ 1,648,019	\$ 2,444,825
Supplemental Disclosures:		
Cash paid for federal excise taxes	\$ 367,500	\$ 119,000

See accompanying notes to financial statements.

Walter and Elise Haas Fund

Notes to Financial Statements

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

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. Net assets without donor restrictions are those that are not restricted by donor-imposed stipulations. There are no net assets with donor restrictions as of December 31, 2018 and 2017.

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 NAV 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

e. 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.

f. 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.

g. Creative Work Fund

The Fund is participating in and administering the Creative Work Fund, a collaborative funding initiative with other organizations that supports the creation of new work in the Bay Area by artists and 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.

h. 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.

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, 2018 and 2017, 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.

Walter and Elise Haas Fund

Notes to Financial Statements

i. 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.

j. Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or management services of the Fund. Those expenses include salaries, benefits and taxes; occupancy costs; professional services; depreciation and direct charitable expense. Salaries, benefits and taxes are allocated based on amount of time spent per the job descriptions detailing where efforts are made. Occupancy costs and depreciation are allocated based on a square footage basis. Professional service expenses and direct charitable expense are allocated based on a cost study of specific services used.

k. Recent Accounting Pronouncements

Adopted

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* which changes presentation and disclosure requirements for nonprofit entities to provide more relevant information about their resources (and the changes in those resources) to users of the financial statements. These include qualitative and quantitative requirements in the following areas: net asset class, investment return, expenses, and liquidity. This ASU was adopted as of January 1, 2018.

Adoption Pending

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update are designed to assist entities in evaluating whether transactions should be accounted for as contributions, or as exchange transactions, as well as determining whether a contribution is conditional. The amendments in this ASU related to contributions received are effective for annual financial statements issued for fiscal years beginning after December 15, 2018. The amendments in this ASU related to contributions made 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.

Walter and Elise Haas Fund

Notes to 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.

1. Subsequent Events

The management of the Fund has reviewed the changes in its net assets for the period from December 31, 2018 through September 30, 2019, 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.

Note 3 - Liquidity and Availability:

Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Fund's goal is to maintain financial assets to meet all grant and operating needs. As financial obligations become due, investments are liquidated. None of the Fund's financial assets are subject to donor restrictions that make them unavailable for general expenditure within one year of the date of financial statements.

Financial Assets as of December 31, 2018:

Cash	\$ 1,648,019
Investment in transit	2,602,015
Investments, at fair value	207,310,314
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Total financial assets	211,560,348
Amount not available to be used within one year:	
Investments with liquidity restrictions	(95,916,966)
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Financial assets available to meet general expenditures over the next twelve months	\$ 115,643,382
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Investments with liquidity restrictions include a portion of the pooled fund investments (50% of Keystone Fund) and multi-strategy, equity/debt securities, real assets, and private equity investments.

Walter and Elise Haas Fund

Notes to Financial Statements

Note 4 - Investments and Fair Value Measurements:

Investments:

At December 31, 2018 and 2017 the fair market value of investments consists of the following:

	2018	2017
Money market accounts	\$ 83,326	\$ 201,037
Global equity fund	8,087,648	21,918,582
Intermediate term bond fund	4,870,940	11,709,292
Subtotal	13,041,914	33,828,911
Alternative investments measured at net asset value:		
Absolute return/market neutral:		
Multi-strategy	1,788,187	2,909,767
Equity/debt securities	28,292	36,324
Real assets	3,785,632	5,516,489
Private equity	19,587,970	21,875,810
Pooled funds	169,078,319	161,492,590
Subtotal alternative investments measured at net asset value	194,268,400	191,830,980
Total	\$ 207,310,314	\$ 225,659,891

Fair Value Measurements:

Investments include money market funds, a global equity fund and an intermediate term bond fund with a cumulative fair value of \$13,041,914 and \$33,828,911 at December 31, 2018 and 2017, respectively and are considered level 1 measurements. There are no investments classified using level 2 or 3 measurements. In accordance with Subtopic 820-10, the alternative investments held by the Fund are valued using the Net Asset Value (NAV) per share (or its equivalent) practical expedient.

Walter and Elise Haas Fund

Notes to Financial Statements

Note 5 - Net Asset Value Disclosure:

The following table lists those investments by major category which are reported at NAV as of December 31, 2018 and 2017:

Strategies	2018		2017		Redemption Frequency	Notice Period
	# of Funds	Valuation	# of Funds	Valuation		
Absolute return/ market neutral (a):						
Multi-strategy: Redeemable	3	\$ 1,788,187	3	\$ 2,909,767	Bi-annually - Annually	45 - 60 days
Equity/debt securities: Non-redeemable	1	28,292	1	36,324		
Real assets (b):						
Natural resources: Non-redeemable	6	3,475,443	6	4,879,762		
Real Estate	3	310,189	3	636,727		
Private equity (c):						
Venture capital funds	11	18,118,981	12	20,264,437		
Closed-end	6	1,468,989	6	1,611,373		
Pooled funds:						
Multi-asset fund (d)			1	9,473,473	Daily	
Multi-hedge fund (e)	1	27,624,548			Quarterly	75 days
Multi-hedge fund (f)	1	141,453,771	1	152,019,117	Quarterly	180 days
Total	32	\$ 194,268,400	33	\$ 191,830,980		

- 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 several 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.

Walter and Elise Haas Fund

Notes to Financial Statements

The Equity and Debt strategy takes positions in securities the manager finds attractive and anticipates will appreciate in value and short portions in securities the manager believes will underperform. The fund is not redeemable during the lock-up period. Additionally, the fund does not hold non-redeemable securities nor does the fund 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 three to 17 years. Unfunded commitments were \$539,311 and \$941,659 at December 31, 2018 and 2017, 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 remaining legal life span of one to 14 years with no redemption rights for the limited partners. The funds also include non-redeemable closed-end opportunistic funds invested over a projected two-year to five-year holding period for real estate related and other debt and equity securities. Unfunded commitments were \$1,332,033 and \$2,332,176 at December 31, 2018 and 2017, 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 investment’s 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. These shares were fully redeemed in 2018.
- e) The multi-hedge fund (Centerstone Fund) employs strategies including unrestricted access to hedge funds and less-liquid marketable equity managers, but no private investments. The Centerstone Fund is subject to quarterly liquidity with 75 days’ notice with no side pockets.
- f) 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 three years from the redemption date.

Walter and Elise Haas Fund

Notes to Financial Statements

Note 6 - 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	425,722,561
	<hr/>
	552,343,149
Less: Grants	(340,910,740)
	<hr/>
Net assets, December 31, 2018	\$ 211,432,409

Note 7 - 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 \$2,616,000 and \$3,317,666 as of December 31, 2018 and 2017, respectively.

b. Operating Lease

The Fund leases its office space 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,	
2019	\$ 200,700
2020	205,500
2021	207,600
2022	210,300
2023	216,600
Thereafter	649,300
	<hr/>
	\$ 1,690,000

Walter and Elise Haas Fund

Notes to Financial Statements

Rent expense totaled \$190,345 and \$203,815 for the years ended December 31, 2018 and 2017, respectively.

c. Investments

The Fund has capital commitments totaling \$1,895,701 and \$3,273,835 as of December 31, 2018 and 2017, respectively.

Note 8 - 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 for 2018 and two percent for 2017. The Fund provides for deferred excise tax at the rate of one percent on its unrealized appreciation on investments.

The provision for current and deferred excise taxes for the years ended December 31, 2018 and 2017 was as follows:

	2018	2017
Current excise tax	\$ 181,098	\$ 312,000
Deferred excise (benefit) tax	(602,953)	584,000
Total	\$ (421,855)	\$ 896,000

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, 2018.

Note 9 - 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 \$174,339 and \$191,243 for the years ended December 31, 2018 and 2017, respectively.

Walter and Elise Haas Fund

Notes to Financial Statements

Note 10 - 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, 2018 and 2017, one investment in the Pooled Funds Strategy represented 68% and 67% of total investments, respectively. However, this investment is diversified.

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

Note 11 - Related Party Transaction:

The Fund contracts with Argonaut Securities Company (Argonaut) for accounting and tax services. One member of the Fund's Board owns a portion of the stock of Argonaut. Three 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 \$247,000 and \$255,300 for the years ended December 31, 2018 and 2017, respectively.

Walter and Elise Haas Fund

Schedule 1

Investments

(See Independent Auditors' Report on Supplemental Information)

As of and for the Year Ended December 31, 2018

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
Equities, Bonds and General								
Mutual Funds - equities, bonds (excluding Perry Partner Int'l Fund)	\$ 14,020,246	\$ 13,041,914	\$ (978,332)	\$ (4,826,864)	\$ 29,838	\$ 529,476	\$ 3,338,067	\$ 3,867,543
Pooled Funds								
TIFF Multi-Asset Fund				1,178,154			(1,277,693)	(1,277,693)
TIFF KeyStone Fund	120,133,648	141,453,771	21,320,123	(12,732,788)	767,114	1,002,730	10,481,627	11,484,357
TIFF CenterStone Fund	30,038,688	27,624,548	(2,414,140)	(2,414,141)				
Absolute Return/Market Neutral								
Farallon Capital Institutional Partners	2,851,792	1,760,929	(1,090,863)	(71,768)	16,094	46,728	(130,692)	(83,964)
Highfields Capital IV	388,533	18,557	(369,976)	202,695	120	(211,014)	354	(210,660)
OZ Overseas Fund	90,945	28,292	(62,653)	12,450	8	416	(19,653)	(19,237)
Perry Partners International Fund	2,574	8,701	6,127	49,641			12,903	12,903
Real Assets								
Lonestar Real Estate	185,570	120,343	(65,227)	(66,151)	319	5,941	(2,695)	3,246
Lonestar Real Estate II	13,132	57,820	44,688	17,558	207	2,546	(25,140)	(22,594)
Metropolitan Real Estate Partners Global II	174,911	132,026	(42,885)	(51,362)		(25,401)	73,672	48,271
Park Street Capital Natural Resource Fund II	824,255	342,645	(481,610)	(112,523)	1,313	(511,935)	454,490	(57,445)
Park Street Capital Natural Resource Fund II AIV	225,491	61,721	(163,770)	4,568	180	9,017	261	9,278
Park Street Capital Natural Resource Fund II AIV II	110,277	18,958	(91,319)	7,908	85	(1,083)	(20,639)	(21,722)
Park Street Capital Natural Resource Fund III	1,025,944	869,355	(156,589)	(328,266)	1,546	(95,114)	159,033	63,919
Park Street Capital Natural Resource Fund III Investment Corp	17,927	14,915	(3,012)	(4,027)	102	(1,043)	312	(731)
Park Street Capital Natural Resource Fund V	2,093,717	2,167,849	74,132	(232,196)	15,000	(55,499)	151,250	95,751
Private Equity								
Commonfund Capital International Partners V	225,523	178,339	(47,184)	(8,431)	740	668	6,808	7,476
Commonfund Capital International Partners VI	1,036,489	955,925	(80,564)	(164,598)	9,000	(1,325)	258,458	257,133
Commonfund Capital Private Equity Partners VI	354,709	397,769	43,060	(45,829)	1,629	983	64,856	65,839
Commonfund Capital Private Equity Partners VII	1,114,497	1,879,212	764,715	(110,417)	9,000	11,018	470,340	481,358
Commonfund Capital Venture Partners VIII	1,111,375	2,203,465	1,092,090	(164,665)	7,500	(23,728)	355,408	331,680
Endowment Private Equity Partners IV	47,240	91,502	44,262	(85,819)	399	(904)	88,329	87,425
Endowment Venture Partners V	95,325	76,406	(18,919)	(11,054)	2	(159)	3,466	3,307
Legacy Venture II				(139,676)		(263,278)	380,092	116,814
Legacy Venture III	648,077	1,000,737	352,660	(21,096)		(790)	49,583	48,793
Legacy Venture IV	1,091,912	2,402,384	1,310,472	(202,971)	6,000	(17,901)	107,726	89,825
Legacy Venture V (QP)	1,955,831	3,882,114	1,926,283	203,992	15,000	(53,142)	141,156	88,014
Legacy Venture VI (QP)	2,144,338	5,051,128	2,906,790	1,192,199	22,500	(53,906)	247,554	193,648
Lonestar Europe Holding (US)	258,651	187,559	(71,092)	(90,551)		76,072	211	76,283
Lonestar Fund IV	660,079	12,580	(647,499)	(13,420)		35,749	(23,111)	12,638
Lonestar Fund V	423,930	469,082	45,152	5,221		35,788	(36,020)	(232)
Lonestar Fund VI	853,627	507,239	(346,388)	101,261	62	28,288	(117,261)	(88,973)
Lonestar Fund VII	14,402	8,947	(5,455)	(886)		(2,550)	(683)	(3,233)
Lonestar US Investment	471,988	283,582	(188,406)	65,695		(230)	(60,018)	(60,248)
Total	\$ 184,705,643	\$ 207,310,314	\$ 22,604,671	\$ (18,858,157)	\$ 903,758	\$ 466,418	\$ 15,132,351	\$ 15,598,769

Walter and Elise Haas Fund

Schedule 1

Investments

(See Independent Auditors' Report on Supplemental Information)

As of and for the Year Ended December 31, 2017

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)	
Equities, Bonds and General								
Mutual Funds - equities, bonds (excluding Perry Partner Int'l Fund)	\$ 29,980,379	\$ 33,828,911	\$ 3,848,532	\$ 3,572,003	\$ 15,904	\$ 762,147	\$ 679,313	\$ 1,441,460
Pooled Funds								
TIFF Multi-Asset Fund	10,651,627	9,473,473	(1,178,154)	267,318	0	1,131,893	274,284	1,406,177
TIFF KeyStone Fund	117,966,206	152,019,117	34,052,911	14,223,675	553,526	411,414	9,669,601	10,081,015
Absolute Return/Market Neutral								
Farallon Capital Institutional Partners	3,812,145	2,793,050	(1,019,095)	(653,410)	24,363	586,807	400,280	987,087
Highfields Capital IV	605,128	32,457	(572,671)	(7,364)	184	(444)	73	(371)
OZ Overseas Fund	111,427	36,324	(75,103)	6,602	4	(1,565)	(11,714)	(13,279)
Perry Partners International Fund	127,774	84,260	(43,514)	5,414			12,903	12,903
Real Assets								
Lonestar Real Estate	182,644	183,568	924	21,065	636	(14,832)	(7,694)	(22,526)
Lonestar Real Estate II	121,297	148,427	27,130	(55,202)	490	96,888	(29,778)	67,110
Metropolitan Real Estate Partners Global II	296,255	304,732	8,477	(25,927)		43,686	11,199	54,885
Park Street Capital Natural Resource Fund II	1,368,620	999,533	(369,087)	(595,663)	1,313	110,592	341,288	451,880
Park Street Capital Natural Resource Fund II AIV	181,393	13,055	(168,338)	(1,991)	180	9,858	(16,017)	(6,159)
Park Street Capital Natural Resource Fund II AIV II	132,084	32,857	(99,227)	(5,794)	85	(15,204)	9,300	(5,904)
Park Street Capital Natural Resource Fund III	1,173,571	1,345,248	171,677	(115,670)	2,188	(39,398)	49,930	10,532
Park Street Capital Natural Resource Fund III Investment Corp	18,760	19,775	1,015	(7,382)	144	(1,178)	7,268	6,090
Park Street Capital Natural Resource Fund V	2,162,966	2,469,294	306,328	98,392	15,000	(30,619)	119,684	89,065
Private Equity								
Commonfund Capital International Partners V	285,374	246,621	(38,753)	(55,081)	2,348	4,484	85,645	90,129
Commonfund Capital International Partners VI	1,204,123	1,288,157	84,034	(110,830)	9,271	11,843	391,607	403,450
Commonfund Capital Private Equity Partners VI	454,167	543,056	88,889	(59,070)	4,469	(336)	129,269	128,933
Commonfund Capital Private Equity Partners VII	1,317,233	2,192,365	875,132	27,600	9,292	5,429	457,963	463,392
Commonfund Capital Venture Partners VIII	1,252,705	2,509,460	1,256,755	(50,115)	8,291	(30,910)	286,486	255,576
Endowment Private Equity Partners IV		130,081	130,081	(24,207)	472	(223)	59,972	59,749
Endowment Venture Partners V	141,864	133,999	(7,865)	(2,272)	520	(642)	(3,030)	(3,672)
Legacy Venture II	447,605	617,281	169,676	223,972		6,899	(280,770)	(273,871)
Legacy Venture III	873,636	1,247,392	373,756	61,416		(12,128)	97,384	85,256
Legacy Venture IV	1,448,263	2,961,706	1,513,443	(59,533)	6,000	11,281	257,567	268,848
Legacy Venture V (QP)	2,532,863	4,255,154	1,722,291	231,577	22,000	(5,264)	302,699	297,435
Legacy Venture VI (QP)	2,424,574	4,139,165	1,714,591	499,842	22,500	(4,219)	171,656	167,437
Lonestar Europe Holding (US)	246,665	266,124	19,459	(53,032)	102	29,191	15,908	45,099
Lonestar Fund IV	667,405	33,326	(634,079)	(53,018)		166,250	(390)	165,860
Lonestar Fund V	424,162	464,093	39,931	(219,429)	56	70,114	(68,483)	1,631
Lonestar Fund VI	1,004,280	556,631	(447,649)	(60,575)	373	247,258	(167,388)	79,870
Lonestar Fund VII	17,634	13,065	(4,569)	8,019	13	17,341	(49,801)	(32,460)
Lonestar US Investment	532,235	278,134	(254,101)	(29,363)		62,798	(22,852)	39,946
Total	\$ 184,167,064	\$ 225,659,891	\$ 41,492,827	\$ 17,001,967	\$ 699,724	\$ 3,629,211	\$ 13,173,362	\$ 16,802,573

Walter and Elise Haas Foundation

Schedule 2

Supplemental Schedule of Grant Expense by Sector

(See Independent Auditors' Report on Supplemental Information)

<i>Years Ended December 31,</i>	2018	2017
Program Area Grants:		
Arts	\$ 1,869,500	\$ 1,671,500
Economic security	2,175,000	1,932,500
Jewish life	1,465,000	2,050,000
Education	2,141,000	1,850,000
Program area grants total	7,650,500	7,504,000
Other Grantmaking Interests:		
Legacy:		
Annual grants	250,750	250,750
Year-end grants	99,500	99,500
Descendant grants	175,000	205,000
Capital	876,666	478,334
Mission related:		
Civic engagement and leadership	204,500	225,000
Philanthropy	145,530	136,530
Rapid response		90,000
Hope SF	100,000	100,000
Safety net grants	1,000,000	1,000,000
Disaster preparedness	260,000	590,000
Board awarded	1,016,950	50,000
Employee matching grants	16,283	12,250
Other grantmaking interests total	4,145,179	3,237,364
Creative Work Fund	331,968	335,440
Grand Total	\$ 12,127,647	\$ 11,076,804