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Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

2012

Open to public inspection

For calendar year 2012 or tax year beginning

, and ending

Name of foundation THE GRETCHEN C. VALADE ENDOWMENT FOR THE ARTS		A Employer identification number 04-3843795
Number and street (or P.O. box number if mail is not delivered to street address) 23100 JEFFERSON AVENUE	Room/suite	B Telephone number 313-271-8460
City or town, state, and ZIP code ST. CLAIR SHORES, MI 48080		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 8,417,775.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		2,661.	2,661.		STATEMENT 1
4 Dividends and interest from securities		157,428.	157,410.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		325,915.			
b Gross sales price for all assets on line 6a		5,348,061.			
7 Capital gain net income (from Part IV, line 2)			325,915.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less: Cost of goods sold					
c Gross profit or (loss)		33,627.	33,627.		STATEMENT 3
11 Other income		519,631.	519,613.		
12 Total. Add lines 1 through 11					
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees STMT 4		11,124.	5,562.		5,562.
b Accounting fees STMT 5		5,430.	2,715.		2,715.
c Other professional fees STMT 6		15,370.	15,370.		0.
17 Interest					
18 Taxes STMT 7		6,062.	1,156.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 8		20.	0.		20.
24 Total operating and administrative expenses. Add lines 13 through 23		38,006.	24,803.		8,297.
25 Contributions, gifts, grants paid		2,250,000.			2,250,000.
26 Total expenses and disbursements. Add lines 24 and 25		2,288,006.	24,803.		2,258,297.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-1,768,375.			
b Net investment income (if negative, enter -0-)			494,810.		
c Adjusted net income (if negative, enter -0-)				N/A	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing		48,348.	2,813.	2,813.
	2	Savings and temporary cash investments		2,211,791.	155,528.	155,528.
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations				
	b	Investments - corporate stock STMT 9		2,144,822.	3,075,309.	4,159,495.
	c	Investments - corporate bonds STMT 10		3,177,092.	2,260,103.	2,316,636.
11	Investments - land, buildings, and equipment basis ▶					
	Less accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other STMT 11		1,352,200.	1,670,835.	1,783,303.	
14	Land, buildings, and equipment: basis ▶					
	Less accumulated depreciation ▶					
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers)		8,934,253.	7,164,588.	8,417,775.	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe ▶)				
23	Total liabilities (add lines 17 through 22)		0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐					
	and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ ☒					
	and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds		8,934,253.	7,164,588.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds		0.	0.	
30	Total net assets or fund balances		8,934,253.	7,164,588.		
31	Total liabilities and net assets/fund balances		8,934,253.	7,164,588.		

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	8,934,253.
2	Enter amount from Part I, line 27a	2	-1,768,375.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	7,165,878.
5	Decreases not included in line 2 (itemize) ▶ PRIOR PERIOD ADJUSTMENT	5	1,290.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	7,164,588.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a JP MORGAN PUBLICLY TRADED SECURITIES	P		
b CAPITAL GAINS DIVIDENDS			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 5,329,652.		5,022,146.	307,506.
b 18,409.			18,409.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			307,506.
b			18,409.
c			
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	325,915.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2011	2,073,602.	6,963,356.	.297788
2010	1,950,875.	7,461,816.	.261448
2009	1,802,170.	8,150,625.	.221108
2008	1,815,735.	10,737,092.	.169109
2007	2,182,066.	13,442,051.	.162331

2 Total of line 1, column (d)	2	1.111784
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.222357
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	9,094,371.
5 Multiply line 4 by line 3	5	2,022,197.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	4,948.
7 Add lines 5 and 6	7	2,027,145.
8 Enter qualifying distributions from Part XII, line 4	8	2,258,297.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate.
See the Part VI instructions.

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Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	4,948.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	4,948.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	4,948.
6 Credits/Payments:			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	5,680.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	2,400.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	8,080.	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	6.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	3,126.	
11 Enter the amount of line 10 to be: Credited to 2013 estimated tax	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ☐ \$ 0. (2) On foundation managers. ☐ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ☐ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2	X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3	X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.	5	X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ MI		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV	9	X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	X

N/A

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>ELIZABETH BERRY</u> Telephone no. ► <u>313-647-0149</u> Located at ► <u>23100 JEFFERSON AVENUE, ST. CLAIR SHORES, MI</u> ZIP+4 ► <u>48080</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 <u>N/A</u>			
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► ☐	1b	X
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ Yes ☒ No If "Yes," list the years ►		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) <u>N/A</u>	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b	If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012) <u>N/A</u>	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ No **N/A** 5b

Organizations relying on a current notice regarding disaster assistance check here ☒

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No **N/A**

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 6b **X**

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No **N/A** 7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
THOMAS A. ROBINSON 23100 JEFFERSON AVENUE ST. CLAIR SHORES, MI 48080	DIRECTOR 1.00	0.	0.	0.
DAVID P. SUTHERLAND 23100 JEFFERSON AVENUE ST. CLAIR SHORES, MI 48080	SECRETARY 1.00	0.	0.	0.
GRETCHEN C. VALADE 23100 JEFFERSON AVENUE ST. CLAIR SHORES, MI 48080	PRESIDENT/DIRECTOR 2.00	0.	0.	0.
CORNELL BATTIE 23100 JEFFERSON AVENUE ST. CLAIR SHORES, MI 48080	DIRECTOR 1.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000 **0**

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services

0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1 N/A	
All other program-related investments. See instructions.	

Total. Add lines 1 through 3

0.

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.		
a	Average monthly fair market value of securities	1a	9,226,263.
b	Average of monthly cash balances	1b	6,601.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	9,232,864.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	9,232,864.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	138,493.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	9,094,371.
6	Minimum investment return. Enter 5% of line 5	6	454,719.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	454,719.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	4,948.
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	4,948.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	449,771.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	449,771.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	449,771.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	2,258,297.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	2,258,297.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	4,948.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,253,349.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				449,771.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007	1,537,489.			
b From 2008	1,283,054.			
c From 2009	1,397,463.			
d From 2010	1,579,962.			
e From 2011	1,736,766.			
f Total of lines 3a through e	7,534,734.			
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$	2,258,297.			
a Applied to 2011, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2012 distributable amount				449,771.
e Remaining amount distributed out of corpus	1,808,526.			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	9,343,260.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7	1,537,489.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	7,805,771.			
10 Analysis of line 9:				
a Excess from 2008	1,283,054.			
b Excess from 2009	1,397,463.			
c Excess from 2010	1,579,962.			
d Excess from 2011	1,736,766.			
e Excess from 2012	1,808,526.			

Part XIV	Private Operating Foundations (see instructions and Part VII-A, question 9)
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N/A

- 1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling

- b** Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

- 2 a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

[illegible]

Part XV **Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see instructions.)**

- ### 1 Information Regarding Foundation Managers:

- a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2))

GRETCHEN C. VALADE

- b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

- 2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

- a** The name, address, and telephone number or e-mail of the person to whom applications should be addressed:

- b. The form in which applications should be submitted and information and materials they should include:**

- c Any submission deadlines:

- d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

**THE GRETCHEN C. VALADE ENDOWMENT
FOR THE ARTS**

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
DETROIT INTERNATIONAL JAZZ FESTIVAL FOUNDATION 19900 HARPER AVENUE HARPER WOODS, MI 48225	NONE	PUBLIC CHARITY	TO SUPPORT DETROIT INTERNATIONAL JAZZ FESTIVAL	2,250,000.
Total			3a	2,250,000.
b Approved for future payment				
NONE				
Total			3b	0.

Form 990-PF (2012)

Part XVI-A Analysis of Income-Producing Activities

Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
		14	2,661.	
		14	157,428.	
		14	33,627.	
		18	325,915.	
	0.		519,631.	0.
			13	519,631

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

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Part XVII

- | | Yes | No |
|-------|-----|----|
| 1a(1) | | X |
| 1a(2) | | X |
| 1b(1) | | X |
| 1b(2) | | X |
| 1b(3) | | X |
| 1b(4) | | X |
| 1b(5) | | X |
| 1b(6) | | X |
| 1c | | X |

Form **990-PF** (2012)

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
JP MORGAN	2,661.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	2,661.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
JP MORGAN	175,819.	18,409.	157,410.
TAX EXEMPT DIVIDEND	18.	0.	18.
TOTAL TO FM 990-PF, PART I, LN 4	175,837.	18,409.	157,428.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INCOME	33,627.	33,627.	
TOTAL TO FORM 990-PF, PART I, LINE 11	33,627.	33,627.	

FORM 990-PF LEGAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	11,124.	5,562.		5,562.
TO FM 990-PF, PG 1, LN 16A	11,124.	5,562.		5,562.

FORM 990-PF	ACCOUNTING FEES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	5,430.	2,715.		2,715.
TO FORM 990-PF, PG 1, LN 16B	5,430.	2,715.		2,715.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT EXPENSES	15,370.	15,370.		0.
TO FORM 990-PF, PG 1, LN 16C	15,370.	15,370.		0.

FORM 990-PF	TAXES	STATEMENT	7
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAX PAID	1,156.	1,156.		0.
FEDERAL TAXES	4,906.	0.		0.
TO FORM 990-PF, PG 1, LN 18	6,062.	1,156.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	8
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEES AND LICENSES	20.	0.		20.
TO FORM 990-PF, PG 1, LN 23	20.	0.		20.

FORM 990-PF	CORPORATE STOCK	STATEMENT	9
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
JP MORGAN - SEE ATTACHED	3,075,309.	4,159,495.
TOTAL TO FORM 990-PF, PART II, LINE 10B	3,075,309.	4,159,495.

FORM 990-PF	CORPORATE BONDS	STATEMENT	10
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
JP MORGAN - SEE ATTACHED	2,260,103.	2,316,636.
TOTAL TO FORM 990-PF, PART II, LINE 10C	2,260,103.	2,316,636.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	11
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
JP MORGAN - SEE ATTACHED	COST	1,670,835.	1,783,303.
TOTAL TO FORM 990-PF, PART II, LINE 13		1,670,835.	1,783,303.



G. VALADE ENDOWMENT FOR THE ARTS ACCT [REDACTED]
For the Period 12/1/12 to 12/31/12

Equity Detail

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Inc Accrued Div	Yield
US Large Cap Equity							
BBH FD INC TAX EFFIC EQ N 05528X-60-4 BBTE X	17 35	11,047 980	191,682 45	175,000 00	16,682 45	1,060 60	0 55%
BNP CONT BUFF EQ SPX 10/30/13 80% CONTIN BARRIER- 4 15%CPN 15% CAP INITIAL LEVEL-10/12/12 SPX 1428 59 05574L-AV-0	101 82	100,000 000	101,817 11	100,000 00	1,817 11		
BNP MARKET PLUS SPX 11/27/13 72% CONTIN BARRIER- 0%CPN UNCAPPED INITIAL LEVEL-05/25/12 SPX 1317 82 05567L-5D-5	108 08	120,000 000	129,698 96	120,000 00	9,698 96		
ISHARES DJ SELECT DIVIDEND INDEX FUND 464287-16-8 DVY	57 24	2,971 000	170,060 04	160,940 26	9,119 78	6,301 49	3 71%
JPM LARGE CAP GROWTH FD - SEL FUND 3118 4812C0-53-0 SEEG X	23 95	7,400 555	177,243 29	160,000 00	17,243 29	777 05 39 81	0 44%
JPM US LRGE CAP CORE PLUS FD - SEL FUND 1002 4812A2-38-9 JLPS X	22 12	12,111 281	267,901 54	247,546 91	20,354 63	2,046 80	0 76%
SPDR S&P 500 ETF TRUST 78462F-10-3 SPY	142 41	1,887 000	268,727 67	248,037 28	20,690 39	5,855 36 1,928 19	2 18%
Total US Large Cap Equity			\$1,307,131.08	\$1,211,524.45	\$95,606.61	\$18,041.30 \$1,968 00	1 23%

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G. VALADE ENDOWMENT FOR THE ARTS ACCT [REDACTED]
For the Period 12/1/12 to 12/31/12

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Inc Accrued Div	Yield
US Mid Cap Equity							
ISHARES RUSSELL MIDCAP INDEX FUND 464287-49-9 IWR	113 10	3,525 000	398,677 50	301,698 30	96,979 20	7,233 30	1 81 %
EAFE Equity							
BNP BREN EAFE 11/08/13 10%BUFFER-2 XLEV- 8 25%CAP 16 5%MAXRTRN INITIAL LEVEL-10/19/12 SX5E 2542 24 UKX 5896 15 TPX 754 39 05574L-BC-1	102 30	65,000 000	66,497 16	65,000 00	1,497 16		
ISHARES MSCI EAFE INDEX FUND 464287-48-5 EFA	56 86	2,450 000	139,307 00	126,469 00	12,838 00	4,309 55	3 09 %
JPM BREN EAFE 06/12/13 10%BUFFER- XLEV- 10 9%CAP 21 8%MAXRTRN INITIAL LEVEL-05/24/12 SX5E 21618 7 UKX 5388 28 TPX 722 11 48125V-ZW-3	114 67	85,000 000	97,469 50	85,000 00	12,469 50		
MFS INTL VALUE-I 55273E-82-2 MINI X	28 17	6,257 570	176,275 75	155,000 00	21,275 75	3,216 39	1 82 %
Total EAFE Equity			\$479,549.41	\$431,469.00	\$48,080.41	\$7,525.94	1.57 %

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G. VALADE ENDOWMENT FOR THE ARTS ACCT [REDACTED]
For the Period 12/1/12 to 12/31/12

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Inc Accrued Div	Yield
European Large Cap Equity							
VANGUARD MSCI EUROPE ETF 922042-87-4 VGK	48.84	1,650,000	80,586.00	76,440.37	4,145.63	2,423.85	3.01%
Asia ex-Japan Equity							
MATTHEWS PACIFIC TIGER INSTL FUND 577130-83-4 MIPT X	24.41	6,829,369	166,704.90	142,448.31	24,256.59	1,379.53	0.83%
T ROWE PRICE INTERNATIONAL FUNDS INC NEW ASIA FUND 77956H-50-0 PRAS X	16.81	6,157,629	103,509.74	85,725.82	17,783.92	985.22	0.95%
Total Asia ex-Japan Equity			\$270,214.64	\$228,174.13	\$42,040.51	\$2,364.75	0.88%
Emerging Market Equity							
VIRTUS INSIGHT TR VIRTUS EMRG FD I 92828T-88-9 HIEM X	10.31	4,793,757	49,423.63	43,000.00	6,423.63	364.32	0.74%
WISDOMTREE EMERGING MARKETS EQUITY INCOME 97717W-31-5 DEM	57.19	830,000	47,467.70	45,329.87	2,137.83	1,563.72	3.29%
Total Emerging Market Equity			\$96,891.33	\$88,329.87	\$8,561.46	\$1,928.04	1.99%

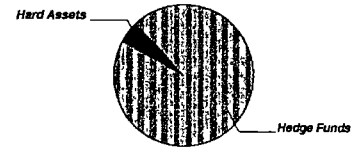


G. VALADE ENDOWMENT FOR THE ARTS ACCT [REDACTED]
For the Period 12/1/12 to 12/31/12

Alternative Assets Summary

Asset Categories	Beginning Estimated Value	Ending Estimated Value	Change In Value	Current Allocation
Hedge Funds	1,463,851.01	1,327,420.54	(136,430.47)	20%
Hard Assets	124,370.49	64,486.50	(59,883.99)	1%
Total Value	\$1,588,221.50	\$1,391,907.04	(\$196,314.46)	21%

Asset Categories



Alternative Assets Detail

Alternative Assets as a percentage of your portfolio - 21 %

	Price	Quantity	Estimated Value	Cost
Hedge Funds				
EATON VANCE MUT FDS TR GB MACRO ABSOLUTE RTN I 277923-72-8 EIGM X	9.83	47,697.709	468,868.48	473,323.17

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G. VALADE ENDOWMENT FOR THE ARTS ACCT [REDACTED]
For the Period 12/1/12 to 12/31/12

	Price	Quantity	Estimated Value	Cost
Hedge Funds				
HB MULTI-STRATEGY HOLDINGS LTD - CLASS B SERIES 17 (HMLP MS PI LTD CLASS DR - 09 30 10 RED) N/O Client D45698-95-4	65,613 88 11/30/12	0 166	10,891 90	9,889 01
HMLP MULTI-STRATEGY PRIVATE INVESTORS LTD CLASS D NEW ISSUES INELIGIBLE (S0108) N/O Client 430989-92-1	1,488 63 11/30/12	569 423	847,660 16	750,000 66
Total Hedge Funds			\$1,327,420 54	\$1,233,212.84
Hard Assets				
UBS AUTOCALL BRENT NOTE 09/12/13 LNKD TO CO1 80% BARRIER, 15 4% CAP 9/07/12, INITIAL STRIKE 114 25 902674-LH-1	99 21	65,000 000	64,466 50	65,000 00



G. VALADE ENDOWMENT FOR THE ARTS ACCT [REDACTED]
For the Period 12/1/12 to 12/31/12

Note ¹ This is the Annual Percentage Yield (APY) which is the rate earned if balances remain on deposit for a full year with compounding, there is no change in the interest rate and all interest is left in the account

Cash & Fixed Income Detail

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Income Accrued Interest	Yield
Cash							
US DOLLAR	1 00	155,527 52	155,527 52	155,527 52		46 65 3 79	0 03 % ¹
US Fixed Income							
ISHARES BARCLAYS TIPS BOND FUND 464287-17-6	121 41	1,701 00	206,518 41	199,480 86	7,037 55	4,580 79	2.22 %
DOUBLELINE FDS TR TTL RTN BD I 258620-10-3	11 33	33,773 65	382,655 43	375,000 00	7,655 43	24,283 25 1,903 41	6.35 %
EATON VANCE FLOATING RATE I 277911-49-1	9 12	61,253 90	558,635 59	542,443 26	16,192 33	24,807 83 2,047 22	4.44 %
JPM SHORT DURATION BOND FD - SEL FUND 3133 4812C1-33-0	10 99	45,289 62	497,842 80	496,936 81	905 99	6,341 94 588 90	1.27 %
BLACKROCK HIGH YIELD BOND 091929-63-8	8 09	55,212 13	446,666 12	427,893 99	18,772 13	27,495 63	6.16 %
Total US Fixed Income			\$2,092,318.35	\$2,041,754.92	\$50,563.43	\$87,509 44 \$4,539 53	4.18 %

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G. VALADE ENDOWMENT FOR THE ARTS ACCT [REDACTED]
For the Period 12/1/12 to 12/31/12

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Income Accrued Interest	Yield
Foreign Exchange & Non-USD Fixed Income							
JPM INTL CURRENCY INCOME FD 4812A3-29-6	11 27	19,832 25	223,509 49	217,559 81	5,949 68	5,176 21	2 32 %



G. VALADE ENDOWMENT FOR THE ARTS ACCT [REDACTED]
For the Period 12/1/12 to 12/31/12

Equity Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
US Large Cap Equity	1,500,540 00	1,526,445 00	25,905 00	78%

Market Value/Cost	Current Period Value
Market Value	1,526,445 00
Tax Cost	737,672 43
Unrealized Gain/Loss	788,772 57

Note G indicates a position that contains gifted shares

Equity Detail

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Inc Accrued Div	Yield
US Large Cap Equity							
G BERKSHIRE HATHAWAY INC CL A 084670-10-8 BRK A	134,060 00	6 000	804,360 00	330,000 38	474,359 64		

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G. VALADE ENDOWMENT FOR THE ARTS ACCT [REDACTED]
For the Period 12/1/12 to 12/31/12

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Inc Accrued Div	Yield
US Large Cap Equity							
G BERKSHIRE HATHAWAY INC DEL CL B 084670-70-2 BRK B	89.70	8,050,000	722,085.00	407,672.07	314,412.93		
Total US Large Cap Equity			\$1,526,445.00	\$737,672.43	\$788,772.57	\$0.00	0.00%

G The position contains gifted shares. Pursuant to IRS Publication 551, the Tax Cost of gifted shares is equal to either the adjusted cost basis or the fair market value of the shares at the time they were gifted, depending on whether the shares experienced a gain or loss in the value since that time.



G. VALADE ENDOWMENT FOR THE ARTS ACCT [REDACTED]
For the Period 12/1/12 to 12/31/12

Fund Strategy/Vintage	Capital Commitment Unfunded Commitment	(Net Capital Called Since Inception) Net Distribution Since Inception	(Net Capital Called/ Distributed Since Inception	Estimated Capital Account Balance as of date	Net Contribution/ (Distribution) Since Last Capital Account Balance Date	Estimated Value Estimated Profit/ (Loss)
Private Investments						
CLAYTON, DUBILIER & RICE (CD&R)	500,000 00	(372,622 47)	(292,443 86)	343,792 00	47,603 50	391,395 50
FUND 8, LP	127,377 53	80,178 81		09/30/12		98,951 84
(OFFSHORE INVESTORS)						
N/O Client						
325691-93-9						
LBO/2008						

"Unfunded Commitment" is only available for Private Equity Funds denominated in USD. "Estimated Profit/(Loss)" is the comparison of your cash adjusted "Estimated Value" to your "(Net Capital Called)/Distributed Since Inception". This is an estimated value and is not intended to be used for the purposes of estimated taxable income nor as a substitute for Schedule K-1. "Vintage Year" refers to the first year in which the private equity fund called capital.

Amounts shown above under "Estimated Capital Account Balance" for private equity funds are estimates of your value in the fund and are based on the latest fund-level values provided by the relevant funds as of the date noted below the value, which values may be as of a date (underlying fund value date) prior to the period covered by this statement. Therefore, such "Estimated Capital Account Balance" may not reflect the value of your interest for a specific private equity investment for the similar period. For additional information, please contact your J.P. Morgan representative.

Amounts shown above under "Estimated Value" for private equity funds are estimates based on the latest fund values received from each underlying fund, which values may be as of a date (underlying fund value date) prior to the period covered by this statement. The values provided by the underlying fund have been adjusted for any cash flows between your account and such fund that have occurred subsequent to the underlying fund value date to derive the "Estimated Value". Therefore, such "Estimated Value" may not reflect the value of your interest shown on any fund's actual books and records as of the date of this statement. For additional information, please contact your J.P. Morgan representative.

For private equity funds, amounts shown under "Estimated Value" are based on estimates provided by the underlying funds that are generally presented on a US GAAP basis, which records investments at fair value, or "marked-to-market". Most of these underlying funds also present their audited financial statements on a US GAAP basis (i.e., "marked-to-market"). However, some of these underlying funds present their audited financial statements using the Income Tax Basis of Accounting, which records investments "at cost" based on the accrual basis of accounting for Federal income taxes. Where the underlying fund provides periodic estimates on a "marked-to-market" basis but reflects investments "at cost" in its audited financial statements, the marked-to-market "Estimated Value" shown herein for a private equity fund may be materially different from the value reflected on such fund's audited financial statements (which are also based on the audited financial statements of the underlying fund).