Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990-PF and its instructions is at *www.irs.gov/form990pf*.

OMB No 1545-0052

2016

Open to Public Inspection

For calendar year 2016, or tax year beginning 01-01-2016 , and ending 12-31-2016

Name of foundation
THE GRACE AND MERCY FOUNDATION INC

A Employer identification number
20-8050779

Number and street (or P O box number if mail is not delivered to street address)
C/O ARCHEGOS CAPITAL 620 EIGHTH AVE

Room/suite

B Telephone number (see instructions)
(212) 984-2561

City or town, state or province, country, and ZIP or foreign postal code
New York, NY 10018

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 ▶ ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

H Check type of organization ☑ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)*▶$ 228,071,234

J Accounting method ☑ Cash ☐ Accrual
☐ Other (specify)
(Part I, column (d) must be on cash basis)

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) (see instructions))*	**(a)** Revenue and expenses per books	**(b)** Net investment income	**(c)** Adjusted net income	**(d)** Disbursements for charitable purposes (cash basis only)
Revenue					
1	Contributions, gifts, grants, etc , received (attach schedule)	155,094,693			
2	Check ▶ ☐ if the foundation is **not** required to attach Sch B				
3	Interest on savings and temporary cash investments	64,051	64,051		
4	Dividends and interest from securities	7,395	7,395		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	82,773,146			
b	Gross sales price for all assets on line 6a 162,461,977				
7	Capital gain net income (from Part IV, line 2)		82,773,146		
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) (attach schedule)				
11	Other income (attach schedule)				
12	**Total.** Add lines 1 through 11	237,939,285	82,844,592		
Operating and Administrative Expenses					
13	Compensation of officers, directors, trustees, etc				
14	Other employee salaries and wages	884,944	309,730		575,214
15	Pension plans, employee benefits	227,718			227,718
16a	Legal fees (attach schedule)	2,263			2,263
b	Accounting fees (attach schedule)	24,250	18,000		6,250
c	Other professional fees (attach schedule)	100,000			100,000
17	Interest				
18	Taxes (attach schedule) (see instructions)	2,100,000			
19	Depreciation (attach schedule) and depletion	4,557	2,279		
20	Occupancy	74,306			74,306
21	Travel, conferences, and meetings	50,634			50,634
22	Printing and publications				
23	Other expenses (attach schedule)	162,805	21,567		141,238
24	**Total operating and administrative expenses.** Add lines 13 through 23	3,631,477	351,576		1,177,623
25	Contributions, gifts, grants paid	8,656,335			8,656,335
26	**Total expenses and disbursements.** Add lines 24 and 25	12,287,812	351,576		9,833,958
27	Subtract line 26 from line 12				
a	**Excess of revenue over expenses and disbursements**	225,651,473			
b	**Net investment income** (if negative, enter -0-)		82,493,016		
c	**Adjusted net income**(if negative, enter -0-)				

For Paperwork Reduction Act Notice, see instructions. Cat No 11289X

		Part II **Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year **(a)** Book Value	End of year **(b)** Book Value	**(c)** Fair Market Value
Assets	1	Cash—non-interest-bearing	1,572,863	317,382	317,382
	2	Savings and temporary cash investments	35,271,503	172,605,263	172,605,263
	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 (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ 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 (attach schedule)			
	b	Investments—corporate stock (attach schedule)			
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	33,955,901	44,715,398	55,136,399
	14	Land, buildings, and equipment basis ▶ 40,558 Less accumulated depreciation (attach schedule) ▶ 32,833	11,262	7,725	7,725
	15	Other assets (describe ▶)	4,465	4,465	4,465
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	70,815,994	217,650,233	228,071,234
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 (attach schedule)			
	22	Other liabilities (describe ▶)	3,650	3,206	
	23	**Total liabilities**(add lines 17 through 22)	3,650	3,206	
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	70,812,344	217,647,027	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see instructions)	70,812,344	217,647,027	
	31	**Total liabilities and net assets/fund balances** (see instructions)	70,815,994	217,650,233	

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	70,812,344
2	Enter amount from Part I, line 27a	2	225,651,473
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	296,463,817
5	Decreases not included in line 2 (itemize) ▶	5	78,816,790
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	217,647,027

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	See Additional Data Table			
b				
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	See Additional Data Table			
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(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	(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
a	See Additional Data Table			
b				
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	82,773,146
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) (see instructions) If (loss), enter -0- in Part I, line 8	3	

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 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))
2015	8,088,015	69,582,524	0 116236
2014	9,401,290	71,535,752	0 131421
2013	8,931,954	70,887,381	0 126002
2012	6,938,326	72,420,766	0 095806
2011	4,502,762	70,741,771	0 063651

2	**Total** of line 1, column (d)	2	0 533116
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	0 106623
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	136,891,394
5	Multiply line 4 by line 3	5	14,595,771
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	824,930
7	Add lines 5 and 6	7	15,420,701
8	Enter qualifying distributions from Part XII, line 4 , ...	8	9,833,958

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

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	1,649,860
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	1,649,860
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	1,649,860
6	Credits/Payments				
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	2,106,588		
b	Exempt foreign organizations—tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c			
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	2,106,588
8	Enter any **penalty** for underpayment of estimated tax Check here ☑ if Form 2220 is attached			8	
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	456,728
11	Enter the amount of line 10 to be **Credited to 2017 estimated tax** ▶ 456,728	**Refunded** ▶		11	

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?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)?	1b		No
	*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*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ________ **(2)** On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
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		No
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		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
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		No
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	Yes	
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	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶NY			
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	Yes	
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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10	Yes	

Part VII-A Statements Regarding Activities (continued)

			Yes	No
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**		**No**
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**		**No**
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	**13**	**Yes**	

Website address ▶N/A

14 The books are in care of ▶PATRICK HALLIGAN Telephone no ▶(212) 984-2561

Located at ▶C/O ARCHEGOS CAPITAL 620 EIGHTH AVE NY NY ZIP+4 ▶10178

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 |

			Yes	No
16	At any time during calendar year 2016, 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?	**16**		**No**
	See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) If "Yes", enter the name of the foreign country ▶			

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**

			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)?	**1b**		
	Organizations relying on a current notice regarding disaster assistance check here. ▶ ☐			
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 2016?.	**1c**		**No**

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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016?. ☐ **Yes** ☑ **No**

If "Yes," list the years ▶ 20____ , 20____ , 20____ , 20____

			Yes	No
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) .	**2b**		**No**

c If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here
▶ 20____ , 20____ , 20____ , 20____

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**

			Yes	No
b	If "Yes," did it have excess business holdings in 2016 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 2016).*	**3b**		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	**4a**		**No**
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 2016?	**4b**		**No**

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 4945(d)(4)(A)? (see instructions). . . . . ☐ 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)? . . . . **5b** **No**

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

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** **No**

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? **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 (see instructions).

(a) Name and address	Title, and average hours per week **(b)** devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
See Additional Data Table				

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

(a) Name and address of each employee paid more than $50,000	Title, and average hours per week **(b)** devoted to position	**(c)** Compensation	Contributions to employee benefit plans and deferred **(d)** compensation	**(e)** Expense account, other allowances
SARA HWANG C/O THE GRACE AND MERCY FOUNDATION6 NEW YORK, NY 10018	ASSOCIATE 40 00	132,054	27,406	0
RICHELLE S BRYAN C/O THE GRACE AND MERCY FOUNDATION6 NEW YORK, NY 10018	PROGRAM OFFICER 40 00	131,436	28,166	0
SAMUEL J TRAN C/O THE GRACE AND MERCY FOUNDATION6 NEW YORK, NY 10018	PROGRAM OFFICER 40 00	129,906	28,467	0
MYEONGSUK PARK C/O THE GRACE AND MERCY FOUNDATION6 NEW YORK, NY 10018	PROGRAM OFFICER 40 00	90,679	42,728	0
JOHANNA SHERIDAN C/O THE GRACE AND MERCY FOUNDATION6 NEW YORK, NY 10018	PRESIDENT 40 00	243,054	33,746	0
Total number of other employees paid over $50,000. . . . . ▶				5

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

3 Five highest-paid independent contractors for professional services (see instructions). 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 NOT APPLICABLE	0
2	0
3	0
4	0

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See instructions **3**	
Total. Add lines 1 through 3 . . . . ▶	

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**	22,225,810
b	Average of monthly cash balances.			**1b**	68,060,913
c	Fair market value of all other assets (see instructions).			**1c**	48,689,312
d	**Total** (add lines 1a, b, and c).			**1d**	138,976,035
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	**1e**			
2	Acquisition indebtedness applicable to line 1 assets.			**2**	
3	Subtract line 2 from line 1d.			**3**	138,976,035
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions).			**4**	2,084,641
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4			**5**	136,891,394
6	**Minimum investment return.** Enter 5% of line 5.			**6**	6,844,570

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**	6,844,570
2a	Tax on investment income for 2016 from Part VI, line 5.	**2a**	1,649,860		
b	Income tax for 2016 (This does not include the tax from Part VI).	**2b**			
c	Add lines 2a and 2b.			**2c**	1,649,860
3	Distributable amount before adjustments Subtract line 2c from line 1.			**3**	5,194,710
4	Recoveries of amounts treated as qualifying distributions.			**4**	
5	Add lines 3 and 4.			**5**	5,194,710
6	Deduction from distributable amount (see instructions).			**6**	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.			**7**	5,194,710

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**	9,833,958
b	Program-related investments—total from Part IX-B.	**1b**	
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**	9,833,958
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 (see instructions).	**5**	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4.	**6**	9,833,958

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

Part XIII **Undistributed Income** (see instructions)

		(a) Corpus	**(b)** Years prior to 2015	**(c)** 2015	**(d)** 2016
1 Distributable amount for 2016 from Part XI, line 7					5,194,710
2 Undistributed income, if any, as of the end of 2016					
a Enter amount for 2015 only.					
b Total for prior years 20____ , 20____ , 20____					
3 Excess distributions carryover, if any, to 2016					
a From 2011.					
b From 2012.	2,690,875				
c From 2013.	5,425,637				
d From 2014.	5,992,008				
e From 2015.	4,852,971				
f **Total** of lines 3a through e.		18,961,491			
4 Qualifying distributions for 2016 from Part XII, line 4 ▶ $ 9,833,958					
a Applied to 2015, but not more than line 2a					
b Applied to undistributed income of prior years (Election required—see instructions).					
c Treated as distributions out of corpus (Election required—see instructions).					
d Applied to 2016 distributable amount.					5,194,710
e Remaining amount distributed out of corpus		4,639,248			
5 Excess distributions carryover applied to 2016 *(If an amount appears in column (d), the same amount must be shown in column (a))*					
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		23,600,739			
b Prior years' undistributed income Subtract line 4b from line 2b					
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.					
d Subtract line 6c from line 6b Taxable amount —see instructions					
e Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount—see instructions					
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017					0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)					
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions) . . .					
9 **Excess distributions carryover to 2017.** Subtract lines 7 and 8 from line 6a		23,600,739			
10 Analysis of line 9					
a Excess from 2012. . . .	2,690,875				
b Excess from 2013. . . .	5,425,637				
c Excess from 2014. . . .	5,992,008				
d Excess from 2015. . . .	4,852,971				
e Excess from 2016. . . .	4,639,248				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling. . . . . . . ▶

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

	Tax year	Prior 3 years			
	(a) 2016	**(b)** 2015	**(c)** 2014	**(d)** 2013	**(e) Total**
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon **a** "Assets" alternative test—enter **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization 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))

SUNG KOOK HWANG

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

NA

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 email address 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

Part XV **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	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
a *Paid during the year* See Additional Data Table				
Total . . . . ▶ **3a**				8,656,335
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		**(e)** Related or exempt function income (See instructions)
	(a) Business code	**(b)** Amount	**(c)** Exclusion code	**(d)** Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments. . . .					
3 Interest on savings and temporary cash investments			14	64,051	
4 Dividends and interest from securities. . . .			14	7,395	
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory			18	82,773,146	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue **a**					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e). .				82,844,592	

13 Total. Add line 12, columns (b), (d), and (e). **13** 82,844,592

(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) (See instructions)

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501 (c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash.	**1a(1)**		**No**
(2) Other assets.	**1a(2)**		**No**
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization.	**1b(1)**		**No**
(2) Purchases of assets from a noncharitable exempt organization.	**1b(2)**		**No**
(3) Rental of facilities, equipment, or other assets.	**1b(3)**		**No**
(4) Reimbursement arrangements.	**1b(4)**		**No**
(5) Loans or loan guarantees.	**1b(5)**		**No**
(6) Performance of services or membership or fundraising solicitations.	**1b(6)**		**No**
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	**1c**		**No**

d If the answer to any of the above is "Yes," complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

(a) Line No	**(b)** Amount involved	**(c)** Name of noncharitable exempt organization	**(d)** Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?. ☐ Yes ☑ No

b If "Yes," complete the following schedule

(a) Name of organization	**(b)** Type of organization	**(c)** Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

Signature of officer or trustee	Date	Title
******	2017-05-11	******

May the IRS discuss this return with the preparer shown below (see instr)? ☑ **Yes** ☐ **No**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed ▶ ☐	PTIN
JOHN T ABLAMSKY		2017-11-14		

Firm's name ▶ John T Ablamsky MBA CPA PFS

Firm's EIN ▶

Firm's address ▶ 63 Reid Avenue
Port Washington, NY 110503507

Phone no (516) 883-4306

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
93,297 SHARES OF AMAZON COM	P	2014-07-25	2016-09-28
397,600 SHARES OF NETFLIX, INC	P	2014-11-19	2016-09-28
311,513 SHARES OF EXPEDIA, INC	P	2014-05-30	2016-12-31
187,203 SHARES OF HAWAIIN HOLDINGS, INC	P	2015-03-16	2016-12-31
521 9810 SHARES OF KELUSA OFFSHORE FUND LTD	P	2011-10-01	2016-01-31
837 425999 SHARES OF KELUSA OFFSHORE FUND LTD	P	2007-02-01	2016-01-31
26 615003 SHARES OF KELUSA OFFSHORE FUND LTD	P	2012-01-01	2016-01-31
97 960334 SHARES OF TIGER VEDA LTD	P	2008-01-01	2016-01-31
14 751854 SHARES OF CASCABEL OFFSHORE, LTD	P	2011-03-01	2016-03-31
315 928302 SHARES OF CASCABEL OFFSHORE, LTD - CLASS A SERIES 1	P	2010-02-01	2016-03-31

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
72,617,680	0	29,759,959	42,857,721
38,595,474	0	19,999,255	18,596,219
38,580,866	0	22,813,704	15,767,162
9,863,382	0	3,707,302	6,156,080
623,408	0	641,212	-17,804
1,000,139	0	1,338,252	-338,113
31,787	0	32,822	-1,035
166,410	0	115,961	50,449
1,386	0	1,475	-89
25,140	0	31,592	-6,452

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

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	
0	0	0	42,857,721
0	0	0	18,596,219
0	0	0	15,767,162
0	0	0	6,156,080
0	0	0	-17,804
0	0	0	-338,113
0	0	0	-1,035
0	0	0	50,449
0	0	0	-89
0	0	0	-6,452

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
69 071083 SHARES OF TIGER VEDA LTD	P	2008-01-01	2016-04-30
999 999997 SHARES OF SAFERIDGE ASIA ABSOLUTE OPPORTUNITIES LTD	P	2015-01-01	2016-05-31
KELUSA OFFSHORE FUND LTD	P	2012-01-01	2016-05-31
KELUSA OFFSHORE FUND LTD	P	2011-10-01	2016-05-31
KELUSA OFFSHORE FUND LTD	P	2007-02-01	2016-05-31

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
93,359	0	81,763	11,596
688,528	0	1,000,000	-311,472
3,349	0	3,179	170
65,687	0	62,341	3,346
105,382	0	100,014	5,368

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

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	
0	0	0	11,596
0	0	0	-311,472
0	0	0	170
0	0	0	3,346
0	0	0	5,368

Form 990PF Part VIII Line 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
SUMI KIM C/O THE GRACE AND MERCY FOUNDATION6 NEW YORK, NY 10018	PRESIDENT 40 00	208,018	6,135	0
SUNG KOOK HWANG C/O THE GRACE AND MERCY FOUNDATION6 NEW YORK, NY 10018	DIRECTOR 2 00	0	0	0
BECKY HWANG C/O THE GRACE AND MERCY FOUNDATION6 NEW YORK, NY 10018	V P /DIRECTOR 2 00	0	0	0
PATRICK HALLIGAN C/O THE GRACE AND MERCY FOUNDATION6 NEW YORK, NY 10018	TREASURER 5 00	0	0	0
ANDREW MILLS C/O THE GRACE AND MERCY FOUNDATION6 NEW YORK, NY 10018	VICE CHAIRPERSON 1 00	0	0	0

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	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
a *Paid during the year*				
A ROCHA USA PO Box 1338 FREDERICKSBURG, TX 78624		509(a)1170 (b)(1)(A)	COMMUNITY	125,000
AVAIL NYC 110 East 40th Street Suite 706 NEW YORK, NY 10016		509(a)1170 (b)(1)(A)	COMMUNITY	125,000
BEACON CHRISTIAN COMMUNITY HEALTH CENTER 2079 Forest Ave STATEN ISLAND, NY 10303		509(a)1170 (b)(1)(A)	MEDICAL	50,000
CHRISTIAN REFORMED HOME MISSIONS 1700 28th Street SE GRAND RAPIDS, MI 49508		509(a)1170 (b)(1)(A)	COMMUNITY	50,000
CHURCH MULTIPLICATION MINISTRIES PO Box 3284 ALPHARETTA, GA 30023		509(a)1170 (b)(1)(A)	RELIGIOUS	100,000
Total . . . . ▶ 3a				8,656,335

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	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
a *Paid during the year*				
CITY SEMINARY OF NEW YORK 302 W 119th St NEW YORK, NY 10026		509(a)1170 (b)(1)(A)	RELIGIOUS	175,000
CONCERTS OF PRAYER GREATER NEW YORK 4604 31st Ave ASTORIA, NY 11103		509(a)1170 (b)(1)(A)	RELIGIOUS	20,000
CRU 100 LAKE HART DRIVE ORLANDO, FL 32832		509(a)1170 (b)(1)(A)	RELIGIOUS	90,000
DWIGHT-ENGLEWOOD SCHOOL 315 EAST PALISADE AVE ENGLEWOOD, NJ 07631		509(a)1170 (b)(1)(A)	EDUCATION	386,667
EL POZO DE VIDA 910 W 17th Street Suite B SANTA ANA, CA 92706		509(a)1170 (b)(1)(A)	COMMUNITY	50,000
Total . . . . ▶ **3a**				8,656,335

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	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
a *Paid during the year*				
EMOTIONALLY HEALTHY SPIRITUALITY 82-10 Queens Blvd ELMHURST, NY 11373		509(a)1170 (b)(1)(A)	COMMUNITY	75,000
EXODUS TRANSITIONAL COMMUNITY INC 2271 3rd Ave NEW YORK, NY 10035		509(a)1170 (b)(1)(A)	COMMUNITY	80,000
FAMILY TOUCH INC 189 Prairie Street CONCORD, MA 01742		509(a)1170 (b)(1)(A)	COMMUNITY	35,000
FELLOWSHIP OF CHRISTIAN ATHLETES 6 Drummond Pl 2 RED BANK, NJ 07701		509(a)1170 (b)(1)(A)	EDUCATION	80,000
FOUNTAIN OF LIFE COVENANT CHURCH 1830 W Columbia St LONG BEACH, CA 90810		509(a)1170 (b)(1)(A)	RELIGIOUS	145,000
Total . . . . ▶ **3a**				8,656,335

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	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
a *Paid during the year*				
HAWAIIAN ISLANDS MINISTRIES 2752 Woodlawn Dr 5-214 HONOLULU, HI 96822		509(a)1170 (b)(1)(A)	RELIGIOUS	50,000
HOLY NAME HOSPITAL KOREAN MEDICAL PROGRAM 718 Teaneck Road TEANECK, NJ 07666		509(a)1170 (b)(1)(A)	MEDICAL	250,000
HOPE FOR NEW YORK 1359 BROADWAY NEW YORK, NY 10004		509(a)1170 (b)(1)(A)	HUMANITARIAN	550,000
IFETAYO CULTURAL ARTS ACADEMY INC 348 ST MARKS AVE SUITE 1B BROOKLYN, NY 11238		509(a)1170 (b)(1)(A)	COMMUNITY	20,000
IMENTOR 30 Broad Street 9th Floor NEW YORK, NY 10004		509(a)1170 (b)(1)(A)	EDUCATIONAL	50,000
Total . . . . ▶ **3a**				8,656,335

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	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
a *Paid during the year*				
INHERITANCE OF HOPE PO Box 90 PISGAH FOREST, NC 28768		509(a)1170 (b)(1)(A)	HUMANITARIAN	150,000
INTERNATIONAL JUSTICE MISSION PO Box 58147 WASHINGTON, DC 20037		509(a)1170 (b)(1)(A)	HUMANTIARIAN	250,000
INTERVARSITY CHRISTIAN FELLOWSHIP 6400 Schroeder Road MADISON, WI 53707		509(a)1170 (b)(1)(A)	RELIGIOUS	100,000
KOREA CAMPUS CRUSADE FOR CHRIST USA 501 FIFTH AVE 3RD FL LOS ANGELES, CA 90017		509(a)1170 (b)(1)(A)	RELIGIOUS	60,000
KOREAN AMERICAN COMMUNITY FOUNDATION 31 West 34th Street 8th Floor NEW YORK, NY 10001		509(a)1170 (b)(1)(A)	CULTURAL	50,000
Total . . . . ▶ **3a**				8,656,335

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	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
a *Paid during the year*				
KOREAN AMERICAN FAMILY SERVICE CENTER PO BOX 541429 FLUSHING, NY 11354		509(a)1170 (b)(1)(A)	CULTURAL	50,000
KOREAN EVANGELICAL MISSION FOR HISPANICS 2148 Seaview Dr FULLTERON, CA 92833		509(a)1170 (b)(1)(A)	RELIGIOUS	250,000
LIBERTY IN NORTH KOREA 1751 Torrance Blvd STE L TORRANCE, CA 90501		509(a)1170 (b)(1)(A)	HUMANITARIAN	375,000
LUIS PALAU ASSOCIATION PO Box 50 PORTLAND, OR 97207		509(a)1170 (b)(1)(A)	RELIGIOUS	50,000
MANHATTAN CHRISTIAN ACADEMY 401 WEST 205TH STREET NEW YORK, NY 10034		509(a)1170 (b)(1)(A)	EDUCATIONAL	150,000
Total . . . . ▶ **3a**				8,656,335

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	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
a *Paid during the year*				
MANY HOPES 67 TROTTING PARK ROAD EAST FALMOUTH, MA 02536		509(a)1170 (b)(1)(A)	COMMUNITY	5,000
MILITARY COMMUNITY YOUTH MINISTRIES 420 N Cascade Ave COLORADO SPRINGS, CO 80903		509(a)1170 (b)(1)(A)	RELIGIOUS	30,000
MINKWON CENTER FOR COMMUNITY ACTION 13619 41st Ave 3 FLUSHING, NY 11355		509(a)1170 (b)(1)(A)	COMMUNITY	35,000
MUSEUM OF THE BIBLE PO Box 15479 WASHINGTON, DC 20003		509(a)1170 (b)(1)(A)	RELIGIOUS	875,000
NEHEMIAH COMMUNITY DEVELOPMENT CORP 655 W Badger Road MADISON, WI 53713		509(a)1170 (b)(1)(A)	EDUCATION	120,000
Total . . . . ▶ **3a**				8,656,335

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	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
a *Paid during the year*				
NEW ASIA FOUNDATION FOR ED AND CULTURE 3440 WILSHIRE BLVD STE 505 LOS ANGELES, CA 90010		509(a)1170 (b)(1)(A)	EDUCATION	36,000
NEW CANAAN SOCIETY INC PO Box 111 NEW CANAAN, CT 06840		509(a)1170 (b)(1)(A)	HUMANITARIAN	125,000
NEW YORK CITY RELIEF 1359 Broadway NEW YORK, NY 10018		509(a)1170 (b)(1)(A)	HUMANITARIAN	125,000
NEW YORK CITY RESCUE MISSION 90 Lafayette St NEW YORK, NY 10013		509(a)1170 (b)(1)(A)	HUMANITARIAN	100,000
NOMI NETWORK po box 533 NEW YORK, NY 10116		509(a)1170 (b)(1)(A)	HUMANITARIAN	40,000
Total . . . . ▶ **3a**				8,656,335

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	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
a *Paid during the year*				
NURU INTERNATIONAL 71 MANZANITA ROAD ATHER PON, CA 94027		509(a)1170 (b)(1)(A)	EDUCATIONAL	75,000
OPEN HANDS LEGAL SERVICES INC 244 5th Avenue Suite 2129 NEW YORK, NY 10001		509(a)1170 (b)(1)(A)	HUMANITARIAN	50,000
OTR LIVING WATER MINISTRY 1528 Race Street CINCINNATI, OH 45202		509(a)1170 (b)(1)(A)	RELIGIOUS	25,000
PAVE SCHOOLS 238 Conover St BROOKLYN, NY 11231		509(a)1170 (b)(1)(A)	EDUCATION	50,000
PRAXIS 4725 Peachtree Corners Cir 250 NORCROSS, GA 30092		509(a)1170 (b)(1)(A)	RELIGIOUS	75,000
Total . . . . ▶ 3a				8,656,335

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	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
a *Paid during the year*				
PRISON FELLOWSHIP INTERNATIONAL PO Box 1550 MERRIFIELD, VA 22116		509(a)1170 (b)(1)(A)	RELIGIOUS	50,000
RAVI ZACHARIAS INTERNATIONAL MINISTRIES 3755 Mansell Road ALPHARETTA, GA 30022		509(a)1170 (b)(1)(A)	RELIGIOUS	1,300,000
REDEEMER CITY TO CITY 1359 BROADWAY 4TH FLOOR NEW YORK, NY 10018		509(a)1170 (b)(1)(A)	RELIGIOUS	30,000
REFORMED UNIVERSITY FELLOWSHIP 1700 N Brown Road Suite 104 LAWRENCEVILLE, GA 30043		509(a)1170 (b)(1)(A)	EDUCATIONAL	15,000
RESTORE NYC PO Box 1003 Bowling Green Station NEW YORK, NY 10274		509(a)1170 (b)(1)(A)	COMMUNITY	60,000
Total . . . . ▶ **3a**				8,656,335

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	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
a *Paid during the year*				
RISING TIDE CAPITAL 334 Martin Luther King Dr JERSEY CITY, NJ 07305		509(a)1170 (b)(1)(A)	COMMUNITY	150,000
STONY BROOK FOUNDATION 230 Administration STONY BROOK, NY 11794		509(a)1170 (b)(1)(A)	CULTURAL	100,000
THE BIBLE PROJECT 501 SE 14th Ave PORTLAND, OR 97214		509(a)1170 (b)(1)(A)	RELIGIOUS	75,000
THE BOWERY MISSION 227 Bowery NEW YORK, NY 10002		509(a)1170 (b)(1)(A)	COMMUNITY	225,000
THE CHILDRENS AID SOCIETY 711 Third Avenue Suite 700 NEW YORK, NY 10017		509(a)1170 (b)(1)(A)	HUMANITARIAN	100,000
Total . . . . ▶ **3a**				8,656,335

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	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
a *Paid during the year*				
THE GENEVA SCHOOL OF MANHATTAN 593 Park Ave NEW YORK, NY 10065		509(a)1170 (b)(1)(A)	EDUCATION	100,000
THE KING'S COLLEGE 52 Broadway NEW YORK, NY 10004		509(a)1170 (b)(1)(A)	EDUCATIONAL	390,000
THE METROPOLITAN MUSEUM OF ART 1000 5th Ave NEW YORK, NY 10028		509(a)1170 (b)(1)(A)	COMMUNITY	15,000
THE METROPOLITAN OPERA Lincoln Center Plaza NEW YORK, NY 10023		509(a)1170 (b)(1)(A)	ARTS	66,668
THE NAVIGATORS PO Box 6079 ALBERT LEA, MN 56007		509(a)1170 (b)(1)(A)	RELIGIOUS	20,000
Total . . . . ▶ **3a**				8,656,335

Form 990PF Part XV Line 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*				
THEOLOGY OF WORK PROJECT PO Box 218 HAMILTON, MA 01936		509(a)1170 (b)(1)(A)	HUMANITARIAN	50,000
URBAN YOUTH ALLIANCE 432 E 149th St NEW YORK, NY 10045		509(a)1170 (b)(1)(A)	COMMUNITY	2,000
YOUNG LIFE NEW YORK CITY 120 W 14th Street NEW YORK, NY 10011		509(a)1170 (b)(1)(A)	COMMUNITY	125,000
ZIMELE USA PO BOX 5543 ENGLEWOOD, NJ 07631		509(a)1170 (b)(1)(A)	HUMANITARIAN	25,000
Total . . . . ▶ **3a**				8,656,335

TY 2016 Accounting Fees Schedule

Name: THE GRACE AND MERCY FOUNDATION INC

EIN: 20-8050779

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
JOHN T ABLAMSKY, CPA TAX & ACCOUNTING	24,250	18,000		6,250

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2016 Depreciation Schedule

Name: THE GRACE AND MERCY FOUNDATION INC

EIN: 20-8050779

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
COMPUTER	2010-11-01	1,197	1,197	200DB	5 00				
F&F	2011-01-04	11,296	8,775	200DB	7 00	1,008	504		
F&F	2011-07-07	1,174	912	200DB	7 00	105	52		
COMPUTER	2011-01-31	5,059	4,768	200DB	5 00	291	145		
COMPUTER	2011-05-31	1,805	1,701	200DB	5 00	104	52		
COMPUTER	2011-06-28	902	850	200DB	5 00	52	26		
COMPUTER	2012-04-15	978	809	200DB	5 00	113	56		
COMPUTER	2012-05-16	2,057	1,701	200DB	5 00	237	119		
COMPUTER	2012-06-15	2,813	2,327	200DB	5 00	324	162		
COMPUTER	2012-07-16	1,139	942	200DB	5 00	131	66		
COMPUTER	2012-10-16	668	553	200DB	5 00	77	39		
F&F	2014-04-21	2,140	830	200DB	7 00	374	187		
F&F	2014-06-09	6,904	2,677	200DB	7 00	1,208	604		
F&F	2015-07-01	838	120	200DB	7 00	205	103		
COMPUTER	2015-07-01	568	114	200DB	5 00	182	91		
F&F	2016-07-01	1,020		200DB	7 00	146	73		

TY 2016 Gain/Loss from Sale of Other Assets Schedule

Name: THE GRACE AND MERCY FOUNDATION INC

EIN: 20-8050779

Name	Date Acquired	How Acquired	Date Sold	Purchaser Name	Gross Sales Price	Basis	Basis Method	Sales Expenses	Total (net)	Accumulated Depreciation
93,297 SHARES OF AMAZON COM	2014-07	Donated	2016-09		72,617,680	29,759,959			42,857,721	
397,600 SHARES OF NETFLIX, INC	2014-11	Donated	2016-09		38,595,474	19,999,255			18,596,219	
311,513 SHARES OF EXPEDIA, INC	2014-05	Donated	2016-12		38,580,866	22,813,704			15,767,162	
187,203 SHARES OF HAWAIIN HOLDINGS, INC	2015-03	Donated	2016-12		9,863,382	3,707,302			6,156,080	
521 9810 SHARES OF KELUSA OFFSHORE FUND LTD	2011-10	Purchased	2016-01		623,408	641,212			-17,804	
837 425999 SHARES OF KELUSA OFFSHORE FUND LTD	2007-02	Purchased	2016-01		1,000,139	1,338,252			-338,113	
26 615003 SHARES OF KELUSA OFFSHORE FUND LTD	2012-01	Purchased	2016-01		31,787	32,822			-1,035	
97 960334 SHARES OF TIGER VEDA LTD	2008-01	Purchased	2016-01		166,410	115,961			50,449	
14 751854 SHARES OF CASCABEL OFFSHORE, LTD	2011-03	Purchased	2016-03		1,386	1,475			-89	
315 928302 SHARES OF CASCABEL OFFSHORE, LTD - CLASS A SERIES 1	2010-02	Purchased	2016-03		25,140	31,592			-6,452	
69 071083 SHARES OF TIGER VEDA LTD	2008-01	Purchased	2016-04		93,359	81,763			11,596	
999 999997 SHARES OF SAFERIDGE ASIA ABSOLUTE OPPORTUNITIES LTD	2015-01	Purchased	2016-05		688,528	1,000,000			-311,472	
KELUSA OFFSHORE FUND LTD	2012-01	Purchased	2016-05		3,349	3,179			170	
KELUSA OFFSHORE FUND LTD	2011-10	Purchased	2016-05		65,687	62,341			3,346	
KELUSA OFFSHORE FUND LTD	2007-02	Purchased	2016-05		105,382	100,014			5,368	

TY 2016 Investments - Other Schedule

Name: THE GRACE AND MERCY FOUNDATION INC

EIN: 20-8050779

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
VARIOUS INVESTMENTS		44,715,398	55,136,399

TY 2016 Land, Etc. Schedule

Name: THE GRACE AND MERCY FOUNDATION INC

EIN: 20-8050779

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
FURNITURE & FIXTURES	23,371	16,360	7,011	
COMPUTER EQUIPMENT	17,187	16,473	714	

TY 2016 Legal Fees Schedule

Name: THE GRACE AND MERCY FOUNDATION INC

EIN: 20-8050779

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ROPES & GRAY LLP LEGAL	2,263			2,263

TY 2016 Other Assets Schedule

Name: THE GRACE AND MERCY FOUNDATION INC

EIN: 20-8050779

Other Assets Schedule

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
SECURITY DEPOSIT	4,465	4,465	4,465

TY 2016 Other Assets Schedule

Name: THE GRACE AND MERCY FOUNDATION INC

EIN: 20-8050779

Other Assets Schedule

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
SECURITY DEPOSIT	4,465	4,465	4,465

TY 2016 Other Assets Schedule

Name: THE GRACE AND MERCY FOUNDATION INC

EIN: 20-8050779

Other Assets Schedule

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
SECURITY DEPOSIT	4,465	4,465	4,465

TY 2016 Other Decreases Schedule

Name: THE GRACE AND MERCY FOUNDATION INC

EIN: 20-8050779

Description	Amount
NONDEDUCTIBLE EXPENSES	18,281
BOOK TO TAX ADJUSTMENT	78,798,509

TY 2016 Other Expenses Schedule

Name: THE GRACE AND MERCY FOUNDATION INC

EIN: 20-8050779

Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
NYS FILING FEES	1,500			1,500
MISCELLANEOUS	28,417			28,417
INSURANCE	16,986			16,986
PAYROLL EXPENSES	61,619	21,567		40,052
SUPPLIES,POSTAGE,PRINTING,ETC	28,557			28,557
REG CONF SEMINAR	1,871			1,871
LOCAL TRANSPORTATION	5,573			5,573
MEALS @ 50%	18,282			18,282

TY 2016 Other Liabilities Schedule

Name: THE GRACE AND MERCY FOUNDATION INC

EIN: 20-8050779

Description	Beginning of Year - Book Value	End of Year - Book Value
DEFERRALS	3,650	3,206

TY 2016 Other Liabilities Schedule

Name: THE GRACE AND MERCY FOUNDATION INC

EIN: 20-8050779

Description	Beginning of Year - Book Value	End of Year - Book Value
DEFERRALS	3,650	3,206

TY 2016 Other Professional Fees Schedule

Name: THE GRACE AND MERCY FOUNDATION INC

EIN: 20-8050779

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
SUMI KIM CONSULTING	100,000			100,000

TY 2016 Taxes Schedule

Name: THE GRACE AND MERCY FOUNDATION INC

EIN: 20-8050779

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEDERAL EXCISE TAX	2,100,000			

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, 990-EZ, or 990-PF**
▶ **Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at** ***www irs gov/form990***

OMB No 1545-0047

2016

Name of the organization
THE GRACE AND MERCY FOUNDATION INC

Employer identification number
20-8050779

Organization type (check one)

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☑ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions

General Rule

☑ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling $5,000 or more (in money or other property) from any one contributor Complete Parts I and II See instructions for determining a contributor's total contributions

Special Rules

☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1 3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1 Complete Parts I and II

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals Complete Parts I, II, and III

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc , purposes, but no such contributions totaled more than $1,000 If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc , contributions totaling $5,000 or more during the year . . . . ▶ $ ____________

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization	**Employer identification number**
THE GRACE AND MERCY FOUNDATION INC	20-8050779

Part I **Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	JENSEN KO 14 PARK STREET TENAFLY, NJ 07670	$ 15,964	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
2	SUNG KOOK HWANG 26 TRAFALGAR ROAD TENAFLY, NJ 07670	$ 155,078,729	Person ☑ Payroll ☐ Noncash ☑ (Complete Part II for noncash contributions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)

Name of organization	**Employer identification number**
THE GRACE AND MERCY FOUNDATION INC	20-8050779

Part II **Noncash Property**

(see instructions) Use duplicate copies of Part II if additional space is needed

(a) No.from Part I	**(b)** Description of noncash property given	**(c)** FMV (or estimate) (see instructions)	**(d)** Date received
2	93,297 SHARES OF AMAZON COM	$ 68,627 967	2016-07-07

(a) No.from Part I	**(b)** Description of noncash property given	**(c)** FMV (or estimate) (see instructions)	**(d)** Date received
2	397,600 SHARES OF NETFLIX COM	$ 37,485 728	2016-07-07

(a) No.from Part I	**(b)** Description of noncash property given	**(c)** FMV (or estimate) (see instructions)	**(d)** Date received
2	311,513 SHARES OF EXPEDIA COM	$ 39,174 317	2016-11-29

(a) No.from Part I	**(b)** Description of noncash property given	**(c)** FMV (or estimate) (see instructions)	**(d)** Date received
2	187,206 SHARES OF HAWAIIAN HOLDINGS	$ 9,790 717	2016-11-29

(a) No.from Part I	**(b)** Description of noncash property given	**(c)** FMV (or estimate) (see instructions)	**(d)** Date received
		$	

(a) No.from Part I	**(b)** Description of noncash property given	**(c)** FMV (or estimate) (see instructions)	**(d)** Date received
		$	

Name of organization
THE GRACE AND MERCY FOUNDATION INC

Employer identification number
20-8050779

Part III *Exclusively* **religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than $1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of** *exclusively* **religious, charitable, etc., contributions of $1,000 or less for the year. (Enter this information once. See instructions.) ▶ $** __________
Use duplicate copies of Part III if additional space is needed

(a) No.from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4	Relationship of transferor to transferee	

(a) No.from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4	Relationship of transferor to transferee	

(a) No.from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4	Relationship of transferor to transferee	

(a) No.from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4	Relationship of transferor to transferee	