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Extended to November 15, 2017

## Return of Private Foundation

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

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OMB No 1545-0052

2016

Open to Public Inspection

Form 990-PF

Department of the Treasury  
Internal Revenue Service

For calendar year 2016 or tax year beginning

, and ending

Name of foundation <b>Kendrick B. Melrose Family Foundation</b>		A Employer identification number <b>41-1894134</b>
Number and street (or P.O. box number if mail is not delivered to street address) <b>319 Barry Avenue South</b>	Room/suite <b>200</b>	B Telephone number <b>(952) 473-1802</b>
City or town, state or province, country, and ZIP or foreign postal code <b>Wayzata, MN 55391</b>		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) <b>\$ 8,473,395.</b> (Part I, column (d) must be on cash basis)	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	168,685.	168,685.		Statement 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	153,019.			
	b Gross sales price for all assets on line 6a	3,375,320.			
	7 Capital gain net income (from Part IV, line 2)		153,019.		
	8 Net short-term capital gain				
Operating and Administrative Expenses	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	30,695.	30,695.		Statement 2
	12 Total. Add lines 1 through 11	352,399.	352,399.		
	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees				
	c Other professional fees Stmt 3	63,429.	63,429.		0.
	17 Interest				
	18 Taxes				
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
22 Printing and publications					
23 Other expenses					
24 Total operating and administrative expenses. Add lines 13 through 23	63,429.	63,429.		0.	
25 Contributions, gifts, grants paid	2,624,989.			2,624,989.	
26 Total expenses and disbursements. Add lines 24 and 25	2,688,418.	63,429.		2,624,989.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	<2,336,019.>				
b Net investment income (if negative, enter -0-)		288,970.			
c Adjusted net income (if negative, enter -0-)			N/A		

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value	
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	916,650.	266,902.	266,902.
	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 4	4,131,892.	3,325,209.	3,634,148.
	c Investments - corporate bonds			
	Liabilities	11 Investments - land, buildings, and equipment basis ▶		
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other Stmt 5		4,913,637.	4,034,049.	4,572,345.
14 Land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		9,962,179.	7,626,160.	8,473,395.
17 Accounts payable and accrued expenses				
18 Grants payable				
Net Assets or Fund Balances	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.		
Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	9,962,179.	7,626,160.	
	30 Total net assets or fund balances	9,962,179.	7,626,160.	
31 Total liabilities and net assets/fund balances	9,962,179.	7,626,160.		

## 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	9,962,179.
2 Enter amount from Part I, line 27a	2	<2,336,019.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	7,626,160.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	7,626,160.

**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.)
<b>1a Publicly Traded Securities</b>	P		
<b>b Capital Gains Dividends</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 3,346,962.		3,222,301.	124,661.
b 28,358.			28,358.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(j) F.M.V. as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of col. (i) over col. (j), if any	
a			124,661.
b			28,358.
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	153,019.
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))
2015	322,285.	10,845,899.	.029715
2014	122,690.	11,015,887.	.011138
2013	2,294,886.	12,081,349.	.189953
2012	2,546,366.	13,425,723.	.189663
2011	1,124,163.	14,853,251.	.075685

2 Total of line 1, column (d)	2	.496154
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	.099231
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	8,956,268.
5 Multiply line 4 by line 3	5	888,739.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,890.
7 Add lines 5 and 6	7	891,629.
8 Enter qualifying distributions from Part XII, line 4	8	2,624,989.

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 <input type="checkbox"/> 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 <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	2,890.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		2	0.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		3	2,890.
3 Add lines 1 and 2		4	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		5	2,890.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2016 estimated tax payments and 2015 overpayment credited to 2016	6a	8,038.	
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	8,038.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	5,148.	
11 Enter the amount of line 10 to be: Credited to 2017 estimated tax <input checked="" type="checkbox"/> 5,148. Refunded <input type="checkbox"/> 0.	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
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the 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
1c 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. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 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		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		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?	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	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> MN		
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	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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

**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)		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)		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	X	
14 The books are in care of ► Kendrick B. Melrose Telephone no. ► (952) 887-5901 Located at ► 319 Barry Avenue South, Ste 200, Wayzata, MN ZIP+4 ► 55391		
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		N/A
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? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►		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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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		N/A
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?		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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.)		N/A
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)		N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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 2016?		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 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)?

N/A

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?

N/A

☐ 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

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?

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
Kendrick B. Melrose 319 Barry Avenue South, 200 Wayzata, MN 55391	Chair, President	Secretary, Treasurer		
Edward A Arndt 319 Barry Avenue South, 200 Wayzata, MN 55391	Director			
David Zaudtke 319 Barry Avenue South, 200 Wayzata, MN 55391	Director			
Laurie Rivard 319 Barry Avenue South, 200 Wayzata, MN 55391	Director			

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 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	8,562,693.
b	Average of monthly cash balances	1b	529,965.
c	Fair market value of all other assets	1c	
d	<b>Total</b> (add lines 1a, b, and c)	1d	9,092,658.
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	9,092,658.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	136,390.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,956,268.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	447,813.

**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	447,813.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	2,890.
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2,890.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	444,923.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	444,923.
6	Deduction from distributable amount (see instructions)	6	0.
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	444,923.

**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	2,624,989.
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	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	2,624,989.
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	2,890.
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	2,622,099.

**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				444,923.
2 Undistributed income, if any, as of the end of 2016			0.	
a Enter amount for 2015 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011	72,912.			
b From 2012	1,891,264.			
c From 2013	1,703,847.			
d From 2014				
e From 2015				
f Total of lines 3a through e	3,668,023.			
4 Qualifying distributions for 2016 from Part XII, line 4: ▶ \$ 2,624,989.			0.	
a Applied to 2015, 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 2016 distributable amount				444,923.
e Remaining amount distributed out of corpus	2,180,066.			
5 Excess distributions carryover applied to 2016 (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:	5,848,089.			
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
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 2015. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
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)	0.			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7	72,912.			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	5,775,177.			
10 Analysis of line 9:				
a Excess from 2012	1,891,264.			
b Excess from 2013	1,703,847.			
c Excess from 2014				
d Excess from 2015				
e Excess from 2016	2,180,066.			



**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				
Animal Humane Society 845 Meadow Lane North Golden Valley, MN 55422	None	PC	General Purpose	25,000.
Center for Faithwalk Leadership dba Lead Like Jesus 3506 Professional Circle, Suite B August, GA 30907	None	PC	General purpose	50,000.
Christian Union, Inc. 240 Nassau Street Princeton, NJ 08542	None	PC	Building acquisition	1,100,000.
Create A Memory Foundation 80 South 8th Street, Suite 3901 Minneapolis, MN 55402	None	PC	General Purpose	100,000.
Cutting Ball Theater 141 Taylor Street San Francisco, CA 94102-2802	None	PC	General Purpose	40,000.
Total			See continuation sheet(s) ▶ 3a	2,624,989.
b Approved for future payment				
None				
Total			▶ 3b	0.



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

- |   |              |            |           |
|---|--------------|------------|-----------|
| <b>1</b> 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?  |              | <b>Yes</b> | <b>No</b> |
| <b>a</b> Transfers from the reporting foundation to a noncharitable exempt organization of:   |              |            |           |
| (1) Cash  | <b>1a(1)</b> |            | <b>X</b>  |
| (2) Other assets  | <b>1a(2)</b> |            | <b>X</b>  |
| <b>b</b> Other transactions:  |              |            |           |
| (1) Sales of assets to a noncharitable exempt organization  | <b>1b(1)</b> |            | <b>X</b>  |
| (2) Purchases of assets from a noncharitable exempt organization  | <b>1b(2)</b> |            | <b>X</b>  |
| (3) Rental of facilities, equipment, or other assets  | <b>1b(3)</b> |            | <b>X</b>  |
| (4) Reimbursement arrangements  | <b>1b(4)</b> |            | <b>X</b>  |
| (5) Loans or loan guarantees  | <b>1b(5)</b> |            | <b>X</b>  |
| (6) Performance of services or membership or fundraising solicitations  | <b>1b(6)</b> |            | <b>X</b>  |
| <b>c</b> Sharing of facilities, equipment, mailing lists, other assets, or paid employees   | <b>1c</b>    |            | <b>X</b>  |
| <b>d</b> 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. |              |            |           |

[illegible]

- 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
N/A		

**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

10-6-17  
Date

► Chair  
Title

May the IRS discuss this return with the preparer shown below (see instr )?

☒ Yes ☐ No

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

Deb Nelson, CPA

Preparer's signature

Deb Nelson, CPA

Date	
------	--

10/02/17

Check ☐ self-employed

PTIN

P01264758

Firm's name ► **Eide Bailly LLP**

Firm's EIN ▶ 45-0250958

Firm's address ▶ 800 Nicollet Mall, Ste. 1300  
Minneapolis, MN 55402-7033

Phone no. 612-253-6500

## Kendrick B. Melrose Family Foundation

41-1894134

**Part XV** Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
Food for Hungry Minds 3108 Chicago Ave Minneapolis, MN 55435	None	PC	General Purpose	250,000.
Interfaith Outreach & Community Partners 1605 County Road 101 North Plymouth, MN 55447	None	PC	General Operations	75,000.
Junior Achievement of The Upper Midwest, Inc. 1800 White Bear Avenue North Maplewood, MN 55109	None	PC	Hall of Fame	3,969.
Friends of the Hennepin County Library 300 Nicollet Mall Minneapolis, MN 55401	None	PC	General Purpose	10,000.
Park Nicollet Foundation 6500 Excelsior Blvd. St. Louis Park, MN 55426	None	PC	Melrose East St. Paul location expansion	100,000.
Princeton Prospect Foundation PO Box 150 Princeton, NJ 08542	None	PC	Faith & Work Initiative; Class of '62 Memorial Scholarship Fund and Reunion Campaign	110,000.
Salvation Army 2445 Prior Avenue Roseville, MN 55113	None	PC	General Purpose	5,000.
Scholarship America One Scholarship Way St. Peter, MN 56082	None	PC	Scholarship Fund	68,360.
Wayzata Community Church 125 Wayzata Blvd. East Wayzata, MN 55391-1596	None	PC	General Purpose	241,660.
YMCA - Ridgedale 12301 Ridgedale Dr Minnetonka, MN 55305	None	PC	General Purpose	1,000.
<b>Total from continuation sheets</b>				<b>1,309,989.</b>

## Kendrick B. Melrose Family Foundation

41-1894134

**Part XV** Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
Good Cities 7340 Hunters Run Eden Prairie, MN 55346	None	PC	General Purpose	5,000.
Hill Cities 4440 2-1/2 Street NE Minneapolis, MN 55421	None	PC	General Purpose	10,000.
Minnesota Opera 620 North First Street Minneapolis, MN 55401	None	PC	General Purpose	5,000.
Park Nicollet Foundation 6500 Excelsior Blvd. St. Louis Park, MN 55426	None	PC	Melrose Center programs	25,000.
Park Nicollet Foundation 6500 Excelsior Blvd. St. Louis Park, MN 55426	None	PC	Henry B. Melrose Veteran's Honor Program for Hospice	400,000.
Total from continuation sheets				



Form 990-PF	Dividends and Interest from Securities	Statement	1
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Source	Gross Amount	Capital Gains Dividends	(a) Revenue Per Books	(b) Net Investment Income	(c) Adjusted Net Income
Dividends and Interest	197,043.	28,358.	168,685.	168,685.	
To Part I, line 4	197,043.	28,358.	168,685.	168,685.	

Form 990-PF	Other Income	Statement	2
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Description	(a) Revenue Per Books	(b) Net Investment Income	(c) Adjusted Net Income
Other Investment Income	26,469.	26,469.	
Allocated partnership income	4,226.	4,226.	
Total to Form 990-PF, Part I, line 11	30,695.	30,695.	

Form 990-PF	Other Professional Fees	Statement	3
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Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Investment Management Fees	63,429.	63,429.		0.
To Form 990-PF, Pg 1, ln 16c	63,429.	63,429.		0.

Form 990-PF	Corporate Stock	Statement	4
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Description	Book Value	Fair Market Value
Equities - See Attached Statement	145,217.	176,779.
Mutual Funds - See Attached Statement	3,179,992.	3,457,369.
Total to Form 990-PF, Part II, line 10b	3,325,209.	3,634,148.

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Form 990-PF	Other Investments	Statement	5
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Description	Valuation Method	Book Value	Fair Market Value
ETF's - See Attached Statement	COST	2,847,535.	3,383,605.
NH Credit PTR II OFFSH	COST	225,873.	237,025.
Orion Futures Fund	COST	596,035.	577,910.
Skybridge Multi Advisor Hedge	COST	364,606.	373,805.
Total to Form 990-PF, Part II, line 13		4,034,049.	4,572,345.

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## Account Detail

Portfolio Management Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FF AG INCOME GEN STRATEGY  
INTERESTED PARTY COPY

Investment Objectives †: Capital Appreciation, Aggressive Income, Income, Speculation

Investment Advisory Account

† Inform us if your investment objectives, as defined in the Expanded Disclosures, change

## HOLDINGS

This section reflects positions purchased/sold on a trade date basis. "Market Value" and "Unrealized Gain/(Loss)" may not reflect the value that could be obtained in the market. Fixed Income securities are sorted by maturity or pre-refunding date, and alphabetically within date. Estimated Annual Income a) is calculated on a pre-tax basis, b) does not include any reduction for applicable non-US withholding taxes, c) may include return of principal or capital gains which could overstate such estimates, and d) for securities that have a defined maturity date within the next 12 months, is reflected only through maturity date. Actual income or yield may be lower or higher than the estimates. Current yield reflects the income generated by an investment, and does not reflect changes in its price. Structured investments, identified on the Position Description Details line as "Asset Class Struct Inv," may appear in various statement product categories. When displayed, the accrued interest, annual income and current yield for those with a contingent income feature (e.g., Range Accrual Notes or Contingent Income Notes) are estimates and assume specified accrual conditions are met during the relevant period and payment in full of all contingent interest. For Floating Rate Securities, the accrued interest, annual income and current yield are estimates based on the current floating coupon rate and may not reflect historic rates within the accrual period.

## CASH, BANK DEPOSIT PROGRAM AND MONEY MARKET FUNDS

Cash, Bank Deposit Program, and Money Market Funds are generally displayed on a settlement date basis. You have the right to instruct us to liquidate your bank deposit balance(s) or shares of any money market fund balance(s) at any time and have the proceeds of such liquidation remitted to you. Estimated Annual Income, Accrued Interest, and APY% will only be displayed for fully settled positions.

Description	Market Value	7-Day Current Yield %	Est Ann Income	APY %
MORGAN STANLEY PRIVATE BANK NA #	\$41,727.94	—	\$4.00	0.010

  

	Percentage of Holdings	Market Value	Est Ann Income
CASH, BDP, AND MMFs	2.96%	\$41,727.94	\$4.00

# Bank Deposits are held at Morgan Stanley Bank, N.A. and/or Morgan Stanley Private Bank, National Association, affiliates of Morgan Stanley Smith Barney LLC and each a national bank and FDIC member

## STOCKS

## COMMON STOCKS

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
TWO HARBORS INVT CORP COM (TWO)	4/20/15	3,649.000	\$10.700	\$8.720	\$39,043.57	\$31,819.28	\$(7,224.29) LT		
	4/14/16	3,236.000	7.743	8.720	25,057.64	28,217.92	3,160.28 ST		
	8/22/16	1,015.000	8.969	8.720	9,103.64	8,850.80	(252.84) ST		
Total		7,900.000			73,204.85	68,888.00	(7,224.29) LT 2,907.44 ST	7,584.00	11.00

Next Dividend Payable 01/27/17, Asset Class: Alt

KENDRICK B MELROSE  
FAMILY FOUNDATION  
Nickname: FF AG INCOME GEN STRATEGY  
INTERESTED PARTY COPY

	Percentage of Holdings	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
STOCKS	4.88%	\$73,204.85	\$68,888.00	\$(7,224.29) LT \$2,907.44 ST	\$7,584.00	11.01%

## EXCHANGE-TRADED & CLOSED-END FUNDS

Global Investment Manager Analysis (GIMA) status codes (FL, AL or NL), may be shown for certain exchange-traded funds and are not guarantees of performance. Refer to "GIMA Status in Investment Advisory Programs" in the June or December statement for a description of these status codes.

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CLIENT STATEMENT | For the Period December 1-31, 2016

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## Account Detail

Portfolio Management Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname FF AG INCOME GEN STRATEGY  
INTERESTED PARTY COPY

	Percentage of Holdings	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
EXCHANGE-TRADED & CLOSED-END FUNDS	23.03%	\$308,113.56	\$325,024.28	\$16,065.90 LT 844.82 ST	\$22,153.00	6.82%

## MUTUAL FUNDS

"Total Purchases vs. Market Value" is provided to assist you in comparing your "Total Purchases," excluding reinvested distributions, with the current value of the mutual fund positions in your account.

"Cumulative Cash Distributions" when shown, may reflect distributions on shares no longer held in the account. It may not reflect all distributions received in cash, due to but not limited to investments made prior to addition of this information on statements, securities transfers, timing of recent distributions, and certain adjustments made in your account.

"Net Value Increase/(Decrease)" reflects the difference between your total purchases, and the sum of the current value of the fund's shares, and cash distributions shown. This calculation is for informational purposes only and does not reflect your total unrealized gain or loss nor should it be used for tax purposes. Global Investment Manager Analysis (GIMA) status codes (FL, AL or NL), may be shown for certain mutual funds and are not guarantees of performance. Refer to "GIMA Status in Investment Advisory Programs" in the June or December statement for a description of these codes.

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
DOUBLELINE TOTAL RETURN I (DBLTX)	1/9/12	13,558.902	\$11.030	\$10.620	\$149,554.69	\$143,995.54	\$(5,559.15) LT		
	4/12/16	1,043.399	10.890	10.620	11,362.62	11,080.89	(281.73) ST		
	4/14/16	98.090	10.880	10.620	1,067.22	1,041.71	(25.51) ST		
	8/11/16	4,623.760	10.930	10.620	50,537.70	49,104.33	(1,433.37) ST		
	8/22/16	3,939.611	10.950	10.620	43,138.74	41,838.66	(1,300.08) ST		
	10/11/16	2,470.951	10.880	10.620	26,883.95	26,241.49	(642.46) ST		
	12/22/16	894.332	10.600	10.620	9,479.92	9,497.80	17.88 ST		
<b>Total</b>		<b>26,629.045</b>			<b>292,024.84</b>	<b>282,800.46</b>	<b>(5,559.15) LT</b> <b>(3,665.27) ST</b>	<b>10,625.00</b>	<b>3.75</b>
Total Purchases vs Market Value					292,024.84	282,800.46			
Cumulative Cash Distributions						44,223.32			
Net Value Increase/(Decrease)						34,998.94			
Dividend Cash, Capital Gains Cash, Asset Class: FI & Pref									
E V FLOATING RATE HI INC INST (EIFHX)	2/9/11	6,237.845	8.896	8.820	55,493.48	55,017.79	(475.69) LT R		
	9/29/11	93.009	8.426	8.820	783.72	820.34	36.62 LT R		
<b>Total</b>		<b>6,330.854</b>			<b>56,277.20</b>	<b>55,838.13</b>	<b>(439.07) LT</b>	<b>2,431.00</b>	<b>4.35</b>
Total Purchases vs Market Value					56,277.20	55,838.13			
Cumulative Cash Distributions						21,958.98			
Net Value Increase/(Decrease)						21,519.91			
Dividend Cash, Capital Gains Cash, Asset Class: FI & Pref									
INVESCO FLOATING RATE Y (AFRYX)	11/1/12	5,934.269	7.830	7.570	46,465.33	44,922.41	(1,542.92) LT		
<b>Purchases</b>		<b>5,934.269</b>			<b>46,465.33</b>	<b>44,922.41</b>	<b>(1,542.92) LT</b>		

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FF AG INCOME GEN STRATEGY  
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Account Detail

Portfolio Management Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FF AG INCOME GEN STRATEGY  
INTERESTED PARTY COPY

	Percentage of Holdings	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
MUTUAL FUNDS	69.14%	\$988,715.02	\$975,918.96	\$(9,676.90) LT \$(3,119.25) ST	\$38,214.00	3.92%
	Percentage of Holdings	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income Accrued Interest	Current Yield %
TOTAL MARKET VALUE		\$1,370,033.43	\$1,411,559.18	\$(835.29) LT \$633.01 ST	\$67,955.00 \$0.00	4.81%

## Account Detail

Portfolio Management Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FFS AG INCOME GEN STRAT  
INTERESTED PARTY COPY

Investment Objectives†: Capital Appreciation, Aggressive Income, Income, Speculation

Investment Advisory Account

† Inform us if your investment objectives, as defined in the Expanded Disclosures, change

## HOLDINGS

This section reflects positions purchased/sold on a trade date basis. "Market Value" and "Unrealized Gain/(Loss)" may not reflect the value that could be obtained in the market. Fixed income securities are sorted by maturity or pre-refunding date, and alphabetically within date. Estimated Annual Income a) is calculated on a pre-tax basis, b) does not include any reduction for applicable non-US withholding taxes, c) may include return of principal or capital gains which could overstate such estimates, and d) for securities that have a defined maturity date within the next 12 months, is reflected only through maturity date. Actual income or yield may be lower or higher than the estimates. Current yield reflects the income generated by an investment, and does not reflect changes in its price. Structured Investments, identified on the Position Description Details line as "Asset Class Struct Inv," may appear in various statement product categories. When displayed, the accrued interest, annual income and current yield for those with a contingent income feature (e.g., Range Accrual Notes or Contingent Income Notes) are estimates and assume specified accrual conditions are met during the relevant period and payment in full of all contingent interest. For Floating Rate Securities, the accrued interest, annual income and current yield are estimates based on the current floating coupon rate and may not reflect historic rates within the accrual period.

## CASH, BANK DEPOSIT PROGRAM AND MONEY MARKET FUNDS

Cash, Bank Deposit Program, and Money Market Funds are generally displayed on a settlement date basis. You have the right to instruct us to liquidate your bank deposit balance(s) or shares of any money market fund balance(s) at any time and have the proceeds of such liquidation remitted to you. Estimated Annual Income, Accrued Interest, and APY% will only be displayed for fully settled positions.

Description	Market Value	7-Day Current Yield %	Est Ann Income	APY %
MORGAN STANLEY PRIVATE BANK NA #	\$4,580.83	—	—	0.010
<hr/>				
	Market Value	Est Ann Income		
Percentage of Holdings				
CASH, BDP, AND MMFS	4.03%	\$4,580.83	\$0.00	

\* Bank Deposits are held at Morgan Stanley Bank, N.A. and/or Morgan Stanley Private Bank, National Association, affiliates of Morgan Stanley Smith Barney LLC and each a national bank and FDIC member

## STOCKS

## COMMON STOCKS

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
TWO HARBORS INVT CORP COM (TWO)	4/20/15	180.000	\$10.700	\$8.720	\$1,925.97	\$1,569.60	\$(356.37) LT		
	4/13/16	323.000	7.814	8.720	2,823.99	2,816.56	292.57 ST		
	8/22/16	127.000	8.969	8.720	1,139.08	1,107.44	(31.64) ST		
	Total	630.000			5,589.04	5,493.60	(356.37) LT 260.93 ST	605.00	11.01

Next Dividend Payable 01/27/17, Asset Class All



## Account Detail

Portfolio Management Basic Securities Account

KENDRICK B MELROSE  
FAMILY FOUNDATION  
Nickname: FFS AG INCOME GEN STRAT  
INTERESTED PARTY COPY

	Percentage of Holdings	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
STOCKS	4.83%	\$5,589.04	\$5,493.60	\$(356.37) LT \$260.93 ST	\$605.00	11.01%

## EXCHANGE-TRADED &amp; CLOSED-END FUNDS

Global Investment Manager Analysis (GIMA) status codes (FL, AL or NL), may be shown for certain exchange-traded funds and are not guarantees of performance. Refer to "GIMA Status in Investment Advisory Programs" in the June or December statement for a description of these status codes.

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
BLACKROCK CORP HGH YLD FD INC (HYT) <i>Next Dividend Payable 01/09/17, Asset Class: FI &amp; Pref</i>	12/21/15	529.000	\$9.764	\$10.830	\$5,165.16	\$5,729.07	\$563.91 LT	\$444.00	7.74
BLACKROCK DEBT STRAT FD INC (DSU) <i>Next Dividend Payable 01/09/17, Asset Class: FI &amp; Pref</i>	2/24/15	253.000	11.317	11.340	2,863.19	2,869.02	5.83 LT	191.00	6.65
EATON VANCE FLOATING RT INCM (EFT)	11/17/15	197.000	13.057	14.900	2,572.29	2,935.30	363.01 LT		
	11/19/15	1.000	13.040	14.900	13.04	14.90	1.86 LT		
<i>Next Dividend Payable 01/2017, Asset Class: FI &amp; Pref</i>	Total	198.000			2,585.33	2,950.20	364.87 LT	173.00	5.86
GLOBAL X MLP ETF (MLPA)	11/30/15	393.000	10.600	11.570	4,165.80	4,547.01	381.21 LT		
	8/23/16	97.000	11.518	11.570	1,117.24	1,122.29	5.05 ST		
<i>Next Dividend Payable 02/2017, Asset Class: All</i>	Total	490.000			5,283.04	5,669.30	381.21 LT 5.05 ST	405.00	7.14
ISHARES IBOX \$ H/Y COR BD ETF (HYG)	10/9/14	22.000	91.670	86.550	2,016.74	1,904.10	(112.64) LT		
	12/1/14	44.000	90.200	86.550	3,968.80	3,808.20	(160.60) LT		
<i>GIMA Status: AL, Next Dividend Payable 01/2017, Asset Class: FI &amp; Pref</i>	Total	66.000			5,985.54	5,712.30	(273.24) LT	301.00	5.26
TPG SPECIALTY LENDING INC (TSLQ) <i>Next Dividend Payable 01/31/17, Asset Class: FI &amp; Pref</i>	6/4/15	166.000	18.096	18.680	3,003.85	3,100.88	97.03 LT	259.00	8.35
EXCHANGE-TRADED & CLOSED-END FUNDS	Percentage of Holdings				Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
	22.90%				\$24,886.11	\$26,030.77	\$1,139.61 LT 5.05 ST	\$1,773.00	6.81%

## Account Detail

Portfolio Management Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FFS AG INCOME GEN STRAT  
INTERESTED PARTY COPY

## MUTUAL FUNDS

"Total Purchases vs. Market Value" is provided to assist you in comparing your "Total Purchases," excluding reinvested distributions, with the current value of the mutual fund positions in your account.

"Cumulative Cash Distributions" when shown, may reflect distributions on shares no longer held in the account. It may not reflect all distributions received in cash, due to but not limited to investments made prior to addition of this information on statements, securities transfers, timing of recent distributions, and certain adjustments made in your account.

"Net Value Increase/(Decrease)" reflects the difference between your total purchases, and the sum of the current value of the fund's shares, and cash distributions shown. This calculation is for informational purposes only and does not reflect your total unrealized gain or loss nor should it be used for tax purposes. Global Investment Manager Analysis (GIMA) status codes (FL, AL or NL), may be shown for certain mutual funds and are not guarantees of performance. Refer to "GIMA Status in Investment Advisory Programs" in the June or December statement for a description of these codes.

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
DOUBLELINE TOTAL RETURN I (DBLTQ)	1/9/12	214.952	\$11.030	\$10.620	\$2,370.92	\$2,282.79	\$(88.13) LT		
	2/16/12	684.258	11.180	10.620	7,650.00	7,266.82	\$(383.18) LT		
	1/10/13	116.671	11.390	10.620	1,328.88	1,239.05	\$(89.83) LT		
	4/12/16	174.534	10.890	10.620	1,900.68	1,853.55	\$(47.13) ST		
	8/11/16	351.332	10.930	10.620	3,840.06	3,731.15	\$(108.91) ST		
	8/22/16	314.279	10.950	10.620	3,441.36	3,337.64	\$(103.72) ST		
	10/11/16	217.071	10.880	10.620	2,361.73	2,305.29	\$(56.44) ST		
	12/22/16	71.769	10.600	10.620	760.75	762.19	1.44 ST		
<b>Total</b>		<b>2,144.866</b>			<b>23,654.38</b>	<b>22,778.48</b>	<b>(561.14) LT</b> <b>(314.76) ST</b>	<b>856.00</b>	<b>3.75</b>
Total Purchases vs Market Value					23,654.38	22,778.48			
Cumulative Cash Distributions						4,102.31			
Net Value Increase/(Decrease)						3,226.41			
Dividend Cash, Capital Gains Cash, Asset Class FI & Pref									
E V FLOATING RATE HI INC INST (EIFHX)	2/9/11	37.410	8.882	8.820	332.28	329.95	\$(2.33) LT R		
	2/16/12	469.213	8.756	8.820	4,108.51	4,138.45	29.94 LT R		
<b>Total</b>		<b>506.623</b>			<b>4,440.79</b>	<b>4,468.41</b>	<b>27.61 LT</b>	<b>195.00</b>	<b>4.36</b>
Total Purchases vs Market Value					4,440.79	4,468.41			
Cumulative Cash Distributions						1,762.07			
Net Value Increase/(Decrease)						1,789.69			
Dividend Cash, Capital Gains Cash, Asset Class FI & Pref									
INVESCO FLOATING RATE Y (AFRYX)	11/1/12	442.348	7.830	7.570	3,463.58	3,348.57	\$(115.01) LT		
Purchases		442.348			3,463.58	3,348.57	\$(115.01) LT		
Long Term Reinvestments		132.307			1,037.17	1,001.56	\$(35.61) LT		
Short Term Reinvestments		32.325			234.39	244.70	10.31 ST		
<b>Total</b>		<b>606.980</b>			<b>4,735.14</b>	<b>4,594.84</b>	<b>(150.62) LT</b> <b>10.31 ST</b>	<b>215.00</b>	<b>4.67</b>
Total Purchases vs Market Value					3,463.58	4,594.84			
Net Value Increase/(Decrease)						1,131.26			

## Account Detail

Portfolio Management Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FFS AG INCOME GEN STRAT  
INTERESTED PARTY COPY

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
<i>GIMA Status: AL, Enrolled in MS Dividend Reinvestment, Capital Gains Reinvest, Asset Class: FI &amp; Pref</i>									
LOOMIS SAYLES STRATEGIC INC Y (NEZTX)	12/19/08	69 566	10.383	14 100	722.31	980.88	258.57 LT		
	7/8/10	9 136	14 011	14 100	128.00	128.82	0.82 LT		
	2/16/12	1 322 493	15 070	14 100	19,930.00	18,647.15	(1,282.85) LT		
	1/10/13	132 803	15 760	14 100	2,092.97	1,872.52	(220.45) LT		
	Total	1,533 998			22,873.28	21,629.37	(1,243.91) LT	592.00	2.73
Total Purchases vs Market Value					22,873.28	21 629.37			
Cumulative Cash Distributions						11,520.11			
Net Value Increase/(Decrease)						10,276.20			
<i>Dividend Cash, Capital Gains Cash, Asset Class: Equities, FI &amp; Pref</i>									
PIMCO INCOME P (PONPX)	2/16/12	423 937	11 150	12 060	4,726.89	5 112.68	385.79 LT		
	2/28/12	945 155	11 200	12 060	10,585.74	11,398.57	812.83 LT		
	Total	1,369 092			15,312.63	16,511.25	1,198.62 LT	895.00	5.42
Total Purchases vs Market Value					15,312.63	16,511.25			
Cumulative Cash Distributions						7,655.59			
Net Value Increase/(Decrease)						8,854.21			
<i>GIMA Status: FL, Dividend Cash, Capital Gains Cash, Asset Class: FI &amp; Pref</i>									
PIMCO INVEST GRD CORP BD P (PBDPX)	3/7/16	481 306	9 970	10 210	4,798.62	4,914.13	115.51 ST		
	4/12/16	243 321	10 170	10 210	2,474.57	2,484.31	9.74 ST		
Purchases		724 627			7,273.19	7,398.44	125.25 ST		
Short Term Reinvestments		20 379			211.89	208.07	(3.82) ST		
	Total	745 006			7 485.08	7,606.51	121.43 ST	294.00	3.86
Total Purchases vs Market Value					7,273.19	7,606.51			
Net Value Increase/(Decrease)						333.32			
<i>GIMA Status: AL, Enrolled in MS Dividend Reinvestment, Capital Gains Reinvest, Asset Class: FI &amp; Pref</i>									
	Percentage of Holdings				Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
MUTUAL FUNDS	68.24%				\$78,501.30	\$77,588.86	\$(729.44) LT \$(183.02) ST	\$3,047.00	3.93%
	Percentage of Holdings				Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
TOTAL MARKET VALUE					\$108,976.45	\$113,694.06	\$53.80 LT \$82.96 ST	\$5,425.00 \$0.00	4.77%

## Account Detail

Portfolio Management Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FFS AG WEATLH ACCUM STRAT  
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Investment Objectives†: Capital Appreciation, Income, Aggressive Income, Speculation

Investment Advisory Account

† Inform us if your investment objectives, as defined in the Expanded Disclosures, change

## HOLDINGS

This section reflects positions purchased/sold on a trade date basis. "Market Value" and "Unrealized Gain/(Loss)" may not reflect the value that could be obtained in the market. Fixed income securities are sorted by maturity or pre-refunding date, and alphabetically within date. Estimated Annual Income a) is calculated on a pre-tax basis, b) does not include any reduction for applicable non-US withholding taxes, c) may include return of principal or capital gains which could overstate such estimates, and d) for securities that have a defined maturity date within the next 12 months, is reflected only through maturity date. Actual income or yield may be lower or higher than the estimates. Current yield reflects the income generated by an investment, and does not reflect changes in its price. Structured Investments, identified on the Position Description Details line as "Asset Class, Struct Inv," may appear in various statement product categories. When displayed, the accrued interest, annual income and current yield for those with a contingent income feature (e.g., Range Accrual Notes or Contingent Income Notes) are estimates and assume specified accrual conditions are met during the relevant period and payment in full of all contingent interest. For Floating Rate Securities, the accrued interest, annual income and current yield are estimates based on the current floating coupon rate and may not reflect historic rates within the accrual period.

## CASH, BANK DEPOSIT PROGRAM AND MONEY MARKET FUNDS

Cash, Bank Deposit Program, and Money Market Funds are generally displayed on a settlement date basis. You have the right to instruct us to liquidate your bank deposit balance(s) or shares of any money market fund balance(s) at any time and have the proceeds of such liquidation remitted to you. Estimated Annual Income, Accrued Interest, and APY% will only be displayed for fully settled positions.

Description	Market Value	7-Day Current Yield %	Est Ann Income	APY %
MORGAN STANLEY PRIVATE BANK NA #	\$4,746.75	—	—	0.010

	Percentage of Holdings	Market Value	Est Ann Income
CASH, BDP, AND MMFs	3.25%	\$4,746.75	\$0.00

# Bank Deposits are held at Morgan Stanley Bank, N.A. and/or Morgan Stanley Private Bank, National Association, affiliates of Morgan Stanley Smith Barney LLC and each a national bank and FDIC member.

## STOCKS

## COMMON STOCKS

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
BROOKFIELD ASSET MGMT CL A LTD (BAM)	4/19/11	87,000	\$21.413	\$33.010	\$1,862.93	\$2,871.87	\$1,008.94 LT	\$45.00	1.56
Next Dividend Payable 03/2017, Asset Class: Equities									

	Percentage of Holdings	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
STOCKS	1.97%	\$1,862.93	\$2,871.87	\$1,008.94 LT	\$45.00	1.57%

## Account Detail

Portfolio Management Basic Securities Account

KENDRICK B MELROSE  
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## EXCHANGE-TRADED & CLOSED-END FUNDS

Global Investment Manager Analysis (GIMA) status codes (FL, AL or NL), may be shown for certain exchange-traded funds and are not guarantees of performance. Refer to "GIMA Status in Investment Advisory Programs" in the June or December statement for a description of these status codes.

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
DEUTSCHE X-TRACKERS MSCI JAP (DBJP)	7/19/16	179 000	\$32.368	\$37.220	\$5,793.87	\$6,662.38	\$868.51 ST		
	11/29/16	26 000	36.300	37.220	943.79	967.72	23.93 ST		
<b>Total</b>		<b>205 000</b>			<b>6,737.66</b>	<b>7,630.10</b>	<b>892.44 ST</b>	<b>86.00</b>	<b>1.12</b>
<i>GIMA Status: AL, Next Dividend Payable 06/2017, Asset Class: Equities</i>									
GLOBAL X MLP ETF (MLPA)	12/30/15	525 000	9.896	11.570	5,195.46	6,074.25	878.79 LT	434.00	7.14
<i>Next Dividend Payable 02/2017, Asset Class: Alt</i>									
ISHARES CORE MSCI EMERGING (IEMG)	7/19/16	134 000	43.240	42.450	5,794.16	5,688.30	(105.86) ST	129.00	2.26
<i>GIMA Status: AL, Next Dividend Payable 06/2017, Asset Class: Equities</i>									
ISHARES RUSSELL TOP 200 G ETF (IWM)	8/15/11	75 000	29.535	56.320	2,215.13	4,224.00	2,008.87 LT		
	8/16/11	13 000	29.471	56.320	383.12	732.16	349.04 LT		
	10/1/14	45 000	47.900	56.320	2,155.50	2,534.40	378.90 LT		
	10/8/15	29 000	50.950	56.320	1,477.55	1,633.28	155.73 LT		
<b>Total</b>		<b>162 000</b>			<b>6,231.30</b>	<b>9,123.84</b>	<b>2,892.54 LT</b>	<b>138.00</b>	<b>1.51</b>
<i>Next Dividend Payable 03/2017, Asset Class: Equities</i>									
SPDR S&P REGIONAL BANKING ETF (KRE)	5/12/15	74 000	41.730	55.570	3,088.01	4,112.18	1,024.17 LT		
	6/8/15	44 000	43.647	55.570	1,920.47	2,445.08	524.61 LT		
<b>Total</b>		<b>118 000</b>			<b>5,008.48</b>	<b>6,557.26</b>	<b>1,548.78 LT</b>	<b>91.00</b>	<b>1.38</b>
<i>GIMA Status: AL, Next Dividend Payable 03/2017, Asset Class: Equities</i>									
VANECK VECTORS OIL SVCS ETF (OIH)	12/30/15	200 000	26.530	33.350	5,305.90	6,670.00	1,364.10 LT	93.00	1.39
<i>Next Dividend Payable 01/04/17, Asset Class: Alt</i>									
VANGUARD DIVIDEND APPRECIATION (VIG)	9/28/11	72 000	49.200	85.180	3,542.38	6,132.96	2,590.58 LT		
	6/1/16	34 000	81.689	85.180	2,777.42	2,896.12	118.70 ST		
	11/29/16	34 000	85.350	85.180	2,901.90	2,896.12	(5.78) ST		
<b>Total</b>		<b>140 000</b>			<b>9,221.70</b>	<b>11,925.20</b>	<b>2,590.58 LT</b>	<b>256.00</b>	<b>2.14</b>
<i>Next Dividend Payable 03/2017, Asset Class: Equities</i>									
VANGUARD SMALL CAP ETF (VB)	12/8/14	18 000	115.824	128.960	2,084.83	2,321.28	236.45 LT		
	1/30/15	58 000	115.200	128.960	6,681.60	7,479.68	798.08 LT		
<b>Total</b>		<b>76 000</b>			<b>8,766.43</b>	<b>9,800.96</b>	<b>1,034.53 LT</b>	<b>147.00</b>	<b>1.49</b>
<i>GIMA Status: AL, Next Dividend Payable 03/2017, Asset Class: Equities</i>									

# Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2016

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## Account Detail

Portfolio Management Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FFS AG WEALTH ACCUM STRAT  
INTERESTED PARTY COPY

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
WISDOM TREE LG CAP DIV ETF (DLN)	3/2/12	69 000	52 030	79 900	3,590 07	5,513 10	1,923 03 LT		
	2/22/16	33 000	69 300	79 900	2,286 90	2,636 70	349 80 ST		
	5/31/16	55 000	74 400	79 900	4 092 01	4,394 50	302 49 ST		
Total		157 000			9,968 98	12,544 30	1,923 03 LT 652.29 ST	331 00	2 63
GIMA Status: AL, Next Dividend Payable 01/2017, Asset Class: Equities									
WISDOMTREE TRUST INDIA (EPI)	6/4/15	221 000	21 230	20 200	4,691 83	4,464 20	(227 63) LT	47 00	1 05
Next Dividend Payable 03/2017, Asset Class: Equities									
	Percentage of Holdings				Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
EXCHANGE-TRADED & CLOSED-END FUNDS	55.14%				\$66,921.90	\$80,478.41	\$12,004.72 LT 1,551.79 ST	\$1,752.00	2.18%

## MUTUAL FUNDS

"Total Purchases vs. Market Value" is provided to assist you in comparing your "Total Purchases," excluding reinvested distributions, with the current value of the mutual fund positions in your account.

"Cumulative Cash Distributions" when shown, may reflect distributions on shares no longer held in the account. It may not reflect all distributions received in cash, due to but not limited to investments made prior to addition of this information on statements, securities transfers, timing of recent distributions, and certain adjustments made in your account.

"Net Value Increase/(Decrease)" reflects the difference between your total purchases, and the sum of the current value of the fund's shares, and cash distributions shown. This calculation is for informational purposes only and does not reflect your total unrealized gain or loss nor should it be used for tax purposes. Global Investment Manager Analysis (GIMA) status codes (FL, AL or NL), may be shown for certain mutual funds and are not guarantees of performance. Refer to "GIMA Status in Investment Advisory Programs" in the June or December statement for a description of these codes.

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
INVESCO EUROPEAN GROWTH Y (AEDYX)	12/15/15	258 600	\$34 200	\$33 150	\$8,844 12	\$8,572 59	\$(271 53) LT		
	12/20/16	4 673	32 788	33 150	153 22	154 91	1 69 ST		
Purchases		263 273			8,997 34	8,727 50	(271 53) LT 1 69 ST		
Short Term Reinvestments		4 896			162 06	162 30	0 24 ST		
Total		268 169			9,159 40	8,889 80	(271 53) LT 1 93 ST		
Total Purchases vs Market Value					8,997 34	8,889 80	(107 54)		
Net Value Increase/(Decrease)									
GIMA Status: FL, Enrolled in MS Dividend Reinvestment, Capital Gains Reinvest, Asset Class: Equities									
JP MORGAN US LG CP CR PLS SEL (JLPSX)	5/9/08	302 539	20 010	28 120	6,053 80	8,507 40	2,453 60 LT 1		
	7/16/14	23 797	30 240	28 120	719 61	669 17	(50 44) LT		

Account Detail

Portfolio Management Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FFS AG WEALTH ACCUM STRAT  
INTERESTED PARTY COPY

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
<b>Total</b>		326 336			6 773 41	9,176 57	2,403 16 LT	31 00	0 33
Total Purchases vs Market Value					6,773 41	9,176 57			
Cumulative Cash Distributions						5 113 00			
Net Value Increase/(Decrease)						7,516 16			
<i>GIMA Status FL, Dividend Cash, Capital Gains Cash, Asset Class AR</i>									
KINETICS PARADIGM Y INST (KNPTX)	2/17/10	236 385	19 530	37 790	4 616 60	8,932 99	4,316 39 LT		
	5/22/14	30 933	34 710	37 790	1 073 67	1 168 96	95 29 LT		
<b>Total</b>		267 318			5,690 27	10,101 95	4 411 68 LT	—	—
Total Purchases vs Market Value					5,690 27	10 101 95			
Cumulative Cash Distributions						1 543 18			
Net Value Increase/(Decrease)						5,954 86			
<i>Dividend Cash, Capital Gains Cash, Asset Class Equities</i>									
LAZARD INTL STRAT EQ PTF INST (LISIX)	3/3/14	272 690	14 380	12 440	3 921 28	3 392 26	(529 02) LT		
	2/9/15	360 410	13 830	12 440	4 984 47	4,483 50	(500 97) LT		
<b>Purchases</b>		633 100			8,905 75	7,875 76	(1 029 99) LT		
Long Term Reinvestments		33 623			464 62	418 27	(46 35) LT		
Short Term Reinvestments		10 753			132 80	133 77	0 97 ST		
<b>Total</b>		677 476			9,503 17	8,427 80	(1,076 34) LT	135 00	1 60
Total Purchases vs Market Value					8 905 75	8 427 80			
Net Value Increase/(Decrease)						(477 95)			
<i>GIMA Status FL, Enrolled in MS Dividend Reinvestment, Capital Gains Reinvest, Asset Class Equities</i>									
MATTHEWS ASIAN JAPAN INV (MJFOX)	8/15/14	233 708	16 830	18 830	3 933 31	4,400 72	467 41 LT		
	2/11/15	139 513	16 610	18 830	2,317 31	2,627 03	309 72 LT		
	3/19/15	206 627	18 210	18 830	3 762 67	3 890 78	128 11 LT		
<b>Purchases</b>		579 848			10,013 29	10,918 53	905 24 LT		
Long Term Reinvestments		3 551			56 07	66 86	10 79 LT		
Short Term Reinvestments		6 679			126 04	125 76	(0 28) ST		
<b>Total</b>		590 078			10,195 40	11,111 17	916 03 LT	97 00	0 87
Total Purchases vs Market Value					10,013 29	11 111 17			
Net Value Increase/(Decrease)						1,097 88	(0 28) ST		
<i>GIMA Status FL, Enrolled in MS Dividend Reinvestment, Capital Gains Reinvest, Asset Class Equities</i>									
OAKMARK GLOBAL SELECT FUND I (OAKWX)	1/7/14	346 556	16 470	16 810	5,707 78	5,825 61	117 83 LT		
	2/24/14	162 528	16 510	16 810	2,683 33	2,732 10	48 77 LT		
<b>Purchases</b>		509 084			8,391 11	8,557 71	166 60 LT		
Long Term Reinvestments		87 937			1,384 27	1,478 22	93 95 LT		

Account Detail

Portfolio Management Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FFS AG WEALTH ACCUM STRAT  
INTERESTED PARTY COPY

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
Short Term Reinvestments		6.184			100.24	103.95	3.71 ST		
Total		603.205			9,875.62	10,139.88	260.55 LT 3.71 ST	—	—
Total Purchases vs Market Value					8,391.11	10,139.88			
Net Value Increase/(Decrease)						1,748.77			
Enrolled In MS Dividend Reinvestment, Capital Gains Reinvest, Asset Class: Equities									
		Percentage of Holdings			Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
MUTUAL FUNDS		39.64%			\$51,197.27	\$57,847.17	\$6,643.55 LT \$6.33 ST	\$263.00	0.46%
		Percentage of Holdings			Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
TOTAL MARKET VALUE					\$119,982.10	\$145,944.20	\$19,657.21 LT \$1,558.12 ST	\$2,060.00	1.41%



† Inform us if your investment objectives, as defined in the Expanded Disclosures, change.

## HOLDINGS

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## CASH, BANK DEPOSIT PROGRAM AND MONEY MARKET FUNDS

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Description	Market Value	7-Day Current Yield %	Est Ann Income	APY %
MORGAN STANLEY PRIVATE BANK NA #	\$111,750.32	—	\$11.00	0.010
MORGAN STANLEY BANK N.A. #	0.09	—	—	0.010
<b>BANK DEPOSITS</b>	<b>\$111,750.41</b>		<b>\$11.00</b>	

## BANK DEPOSITS

	Percentage of Holdings	Market Value	Est Ann Income
CASH, BDP, AND MMFS	2.22%	\$111,750.41	\$11.00

# Bank Deposits are held at Morgan Stanley Bank, N.A. and/or Morgan Stanley Private Bank, National Association, affiliates of Morgan Stanley Smith Barney LLC and each a national bank and FDIC member.

## STOCKS

## COMMON STOCKS

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
BROOKFIELD ASSET MGMT CL A LTD (BAM)	4/19/11	3,015.000	\$21.413	\$33.010	\$64,559.98	\$99,525.15	\$34,965.17 LT	\$1,568.00	1.57
<i>Next Dividend Payable Q3/2017, Asset Class: Equities</i>									

*Next Dividend Payable 03/2017, Asset Class. Equities*

## Account Detail

Portfolio Management Basic Securities Account

KENDRICK B MELROSE  
FAMILY FOUNDATION  
Nickname: FF AG WEALTH ACCUM STRAT  
INTERESTED PARTY COPY

	Percentage of Holdings	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
STOCKS	1.98%	\$64,559.98	\$99,525.15	\$34,965.17 LT	\$1,568.00	1.58%

## EXCHANGE-TRADED &amp; CLOSED-END FUNDS

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Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
DEUTSCHE X-TRACKERS MSCI JAP (DBJP)	7/19/16	5,941.000	\$32.368	\$37.220	\$192,298.29	\$221,124.02	\$28,825.73 ST		
	11/29/16	964.000	36.300	37.220	34,993.01	35,880.08	887.07 ST		
<b>Total</b>		<b>6,905.000</b>			<b>227,291.30</b>	<b>257,004.10</b>	<b>29,712.80 ST</b>	<b>2,893.00</b>	<b>1.12</b>
<i>GIMA Status: AL, Next Dividend Payable 06/2017, Asset Class: Equities</i>									
GLOBAL X MLP ETF (MLPA)	12/30/15	14,236.000	9.896	11.570	140,880.88	164,710.52	23,829.64 LT		
	3/9/16	6,501.000	9.308	11.570	60,514.56	75,216.57	14,702.01 ST		
<b>Total</b>		<b>20,737.000</b>			<b>201,395.44</b>	<b>239,927.09</b>	<b>23,829.64 LT</b>	<b>17,149.00</b>	<b>7.14</b>
							14,702.01 ST		
<i>Next Dividend Payable 02/2017, Asset Class: Alt</i>									
ISHARES CORE MSCI EMERGING (IEMG)	7/19/16	4,534.000	43.240	42.450	196,050.16	192,468.30	(3,581.86) ST	4,380.00	2.27
<i>GIMA Status: AL, Next Dividend Payable 06/2017, Asset Class: Equities</i>									
ISHARES RUSSELL TOP 200 G ETF (IWM)	8/16/11	3,721.000	29.471	56.320	109,659.73	209,566.72	99,906.99 LT		
	10/1/14	897.000	47.900	56.320	42,966.30	50,519.04	7,552.74 LT		
	4/17/15	200.000	51.911	56.320	10,382.12	11,264.00	881.88 LT		
	10/8/15	794.000	50.950	56.320	40,454.30	44,718.08	4,263.78 LT		
<b>Total</b>		<b>5,612.000</b>			<b>203,462.45</b>	<b>316,067.84</b>	<b>112,605.39 LT</b>	<b>4,781.00</b>	<b>1.51</b>
<i>Next Dividend Payable 03/2017, Asset Class: Equities</i>									
SPDR S&P REGIONAL BANKING ETF (KRE)	5/12/15	2,571.000	41.730	55.570	107,287.57	142,870.47	35,582.90 LT		
	6/8/15	1,141.000	43.647	55.570	49,801.23	63,405.37	13,604.14 LT		
	3/9/16	251.000	37.206	55.570	9,338.73	13,948.07	4,609.34 ST		
<b>Total</b>		<b>3,963.000</b>			<b>166,427.53</b>	<b>220,223.91</b>	<b>49,187.04 LT</b>	<b>3,071.00</b>	<b>1.39</b>
							4,609.34 ST		
<i>GIMA Status: AL, Next Dividend Payable 03/2017, Asset Class: Equities</i>									
VANECK VECTORS OIL SVCS ETF (OIH)	12/30/15	7,353.000	26.530	33.350	195,071.41	245,222.55	50,151.14 LT	3,426.00	1.39
<i>Next Dividend Payable 01/04/17, Asset Class: Alt</i>									

## Account Detail

Portfolio Management Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FF AG WEALTH ACCUM STRAT  
INTERESTED PARTY COPY

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
VANGUARD DIVIDEND APPRECIATION (VIG)	9/28/11	1,976 000	49 200	85 180	97,218 61	168,315 68	71,097 07 LT		
	4/17/15	200 000	80 208	85 180	16,041 68	17,036 00	994 32 LT		
	6/1/16	1 520 000	81 689	85 180	124 167 13	129 473 60	5,306 47 ST		
	11/29/16	1 008 000	85 350	85 180	86,032 80	85,861 44	(171.36) ST		
	Total	4,704 000			323,460 22	400,686 72	72,091 39 LT 5,135 11 ST	8,590 00	2 14
<i>Next Dividend Payable 03/2017, Asset Class: Equities</i>									
VANGUARD SMALL CAP ETF (VB)	12/8/14	995 000	115 824	128 960	115 245 08	128,315 20	13 070 12 LT		
	1/30/15	1,419 000	115 200	128 960	163,468 80	182,994 24	19,525 44 LT		
	4/17/15	275 000	122 093	128 960	33 575 63	35 464 00	1 888 37 LT		
	Total	2 689 000			312,289 51	346,773 44	34 483 93 LT	5,190 00	1 49
<i>GIMA Status: AL, Next Dividend Payable 03/2017, Asset Class: Equities</i>									
WISDOM TREE LG CAP DIV ETF (DLN)	3/2/12	2,542 000	52 030	79 900	132,260 26	203,105 80	70,845 54 LT		
	4/17/15	75 000	74 035	79 900	5 552 65	5 992 50	439 85 LT		
	2/22/16	1 171 000	69 300	79 900	81 150 30	93,562 90	12 412 60 ST		
	3/9/16	62 000	71 309	79 900	4 421 15	4 953 80	532 65 ST		
	5/31/16	1,675 000	74 400	79 900	124 620 17	133,832 50	9 212 33 ST		
	Total	5,525 000			348,004 53	441,447 50	71,285 39 LT 22,157 58 ST	11,658 00	2 64
<i>GIMA Status: AL, Next Dividend Payable 01/2017, Asset Class: Equities</i>									
WISDOMTREE TRUST INDIA (EPI)	6/4/15	7,781 000	21 230	20 200	165,190 63	157,176 20	(8,014 43) LT	1,642 00	1 04
<i>Next Dividend Payable 03/2017, Asset Class: Equities</i>									
		Percentage of Holdings			Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
EXCHANGE-TRADED & CLOSED-END FUNDS		55.91%			\$2,338,643.18	\$2,816,997.65	\$405,619 49 LT 72,734.98 ST	\$62,780 00	2.23%

## Account Detail

Portfolio Management Basic Securities Account

KENDRICK B MELROSE  
FAMILY FOUNDATION  
Nickname FF AG WEALTH ACCUM STRAT  
INTERESTED PARTY COPY

## MUTUAL FUNDS

"Total Purchases vs. Market Value" is provided to assist you in comparing your "Total Purchases," excluding reinvested distributions, with the current value of the mutual fund positions in your account.

"Cumulative Cash Distributions" when shown, may reflect distributions on shares no longer held in the account. It may not reflect all distributions received in cash, due to but not limited to investments made prior to addition of this information on statements, securities transfers, timing of recent distributions, and certain adjustments made in your account.

"Net Value Increase/ (Decrease)" reflects the difference between your total purchases, and the sum of the current value of the fund's shares, and cash distributions shown. This calculation is for informational purposes only and does not reflect your total unrealized gain or loss nor should it be used for tax purposes. Global Investment Manager Analysis (GIMA) status codes (FL, AL or NL), may be shown for certain mutual funds and are not guarantees of performance. Refer to "GIMA Status in Investment Advisory Programs" in the June or December statement for a description of these codes.

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
INVESCO EUROPEAN GROWTH Y (AEDYX)	12/15/15	8,725.090	\$34.200	\$33.150	\$298,398.08	\$289,236.73	\$(9,161.35) LT		
Purchases		8,725.090			298,398.08	289,236.73	(9,161.35) LT		
Short Term Reinvestments		179.995			5,957.85	5,966.83	8.98 ST		
Total		8,905.085			304,355.93	295,203.57	(9,161.35) LT		
							8.98 ST		
Total Purchases vs Market Value					298,398.08	295,203.57			
Net Value Increase/(Decrease)						(3,194.51)			
GIMA Status: FL, Enrolled in MS Dividend Reinvestment; Capital Gains Reinvest; Asset Class: Equities									
JP MORGAN US LG CP CR PLS SEL (ULPSX)	7/24/08	6,644.162	18.260	28.120	121,322.39	186,833.84	65,511.45 LT 1		
	1/6/10	951.615	18.580	28.120	17,681.00	26,759.41	9,078.41 LT		
	1/21/10	146.335	18.280	28.120	2,675.00	4,114.94	1,439.94 LT		
	4/17/15	3,092.871	29.880	28.120	92,415.00	86,971.53	(5,443.47) LT		
	3/9/16	691.963	25.170	28.120	17,416.70	19,458.00	2,041.30 ST		
Total		11,526.946			251,510.09	324,137.72	70,586.33 LT	1,092.00	0.33
							2,041.30 ST		
Total Purchases vs Market Value					251,510.09	324,137.72			
Cumulative Cash Distributions						124,813.79			
Net Value Increase/(Decrease)						197,441.42			
GIMA Status: FL, Dividend Cash; Capital Gains Cash; Asset Class: Alt									
KINETICS PARADIGM Y INST (KNPYX)	1/6/10	5,155.065	20.780	37.790	107,122.26	194,809.90	87,687.64 LT		
	1/21/10	1,026.540	19.970	37.790	20,500.00	38,792.94	18,292.94 LT		
	2/17/10	616.464	19.530	37.790	12,039.55	23,296.17	11,256.62 LT		
	5/22/14	1,456.101	34.710	37.790	50,541.26	55,026.05	4,484.79 LT		
	4/17/15	706.522	36.490	37.790	25,781.00	26,699.46	918.46 LT		
	3/9/16	555.918	30.650	37.790	17,038.88	21,008.14	3,969.26 ST		
Total		9,516.610			233,022.95	359,632.69	122,640.45 LT		
							3,969.26 ST		

# Morgan Stanley

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## Account Detail

Portfolio Management Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FF AG WEALTH ACCUM STRAT  
INTERESTED PARTY COPY

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
Total Purchases vs Market Value					233,022.95	359,632.69			
Cumulative Cash Distributions						30,053.61			
Net Value Increase/(Decrease)						156,663.35			
<i>Dividend Cash, Capital Gains Cash, Asset Class - Equities</i>									
<b>LAZARD INTL STRAT EQ PTF INST (LISIX)</b>									
	3/3/14	11,763.716	14.380	12.440	169,162.27	146,340.62	(22,821.65) LT		
	2/9/15	8,839.313	13.830	12.440	122,247.70	109,961.05	(12,286.65) LT		
	4/17/15	840.122	14.730	12.440	12,375.00	10,451.11	(1,923.89) LT		
	3/9/16	332.646	12.810	12.440	4,261.19	4,138.11	(123.08) ST		
Purchases		21,775.797			308,046.16	270,890.89	(37,032.19) LT		
							(123.08) ST		
Long Term Reinvestments		874.535			12,046.96	10,879.21	(1,167.75) LT		
Short Term Reinvestments		365.321			4,511.72	4,544.59	32.87 ST		
Total		23,015.653			324,604.84	286,314.72	(38,199.94) LT	4,580.00	1.59
							(90.21) ST		
Total Purchases vs Market Value					308,046.16	286,314.72			
Net Value Increase/(Decrease)						(21,731.44)			
<i>GIMA Status: FL, Enrolled in MS Dividend Reinvestment, Capital Gains Reinvest, Asset Class - Equities</i>									
<b>MATTHEWS ASIAN JAPAN INV (MUFOX)</b>									
	5/29/14	4,832.726	15.790	18.830	76,308.75	91,000.23	14,691.48 LT		
	8/15/14	6,404.374	16.830	18.830	107,785.62	120,594.36	12,808.74 LT		
	2/11/15	3,423.580	16.610	18.830	56,865.67	64,466.01	7,600.34 LT		
	3/19/15	5,024.149	18.210	18.830	91,489.75	94,604.73	3,114.98 LT		
	4/17/15	1,322.402	18.570	18.830	24,557.00	24,900.83	343.83 LT		
Purchases		21,007.231			357,006.79	395,566.16	38,559.37 LT		
Long Term Reinvestments		86.306			1,362.77	1,625.14	262.37 LT		
Short Term Reinvestments		263.829			4,978.46	4,967.90	(10.56) ST		
Total		21,357.366			363,348.02	402,159.20	38,821.74 LT	3,524.00	0.87
							(10.56) ST		
Total Purchases vs Market Value					357,006.79	402,159.20			
Net Value Increase/(Decrease)						45,152.41			
<i>GIMA Status: FL, Enrolled in MS Dividend Reinvestment, Capital Gains Reinvest, Asset Class - Equities</i>									
<b>OAKMARK GLOBAL SELECT FUND I (OAKWX)</b>									
	1/7/14	12,634.430	16.470	16.810	208,089.09	212,384.76	4,295.67 LT		
	2/24/14	3,539.854	16.510	16.810	58,442.99	59,504.94	1,061.95 LT		
	4/17/15	1,618.106	16.790	16.810	27,168.00	27,200.36	32.36 LT		
Purchases		17,792.390			293,700.08	299,090.06	5,389.98 LT		
Long Term Reinvestments		2,377.716			37,335.98	39,969.40	2,633.42 LT		
Short Term Reinvestments		228.260			3,700.10	3,837.05	136.95 ST		



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Account Detail

Portfolio Management Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FF AG WEALTH ACCUM STRAT  
INTERESTED PARTY COPY

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
	Total	20,398.366			334,736.16	342,896.53	8,023.40 LT 136.95 ST	—	—
Total Purchases vs Market Value Net Value Increase/(Decrease)					293,700.08	342,896.53	49,196.45		
Enrolled In MS Dividend Reinvestment, Capital Gains Reinvest, Asset Class: Equities									
	Percentage of Holdings				Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
MUTUAL FUNDS	39.90%				\$1,811,577.99	\$2,010,344.43	\$192,710.63 LT \$6,055.72 ST	\$9,196.00	0.46%

## Account Detail

Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FF ALTERNATIVE INVESTMENT  
INTERESTED PARTY COPY

Investment Objectives †: Capital Appreciation, Income, Aggressive Income

Brokerage Account

† Inform us if your investment objectives, as defined in the Expanded Disclosures, change

## HOLDINGS

This section reflects positions purchased/sold on a trade date basis. "Market Value" and "Unrealized Gain(Loss)" may not reflect the value that could be obtained in the market. Fixed Income securities are sorted by maturity or pre-refunding date, and alphabetically within date. Estimated Annual Income a) is calculated on a pre-tax basis, b) does not include any reduction for applicable non-US withholding taxes, c) may include return of principal or capital gains which could overstate such estimates, and d) for securities that have a defined maturity date within the next 12 months, is reflected only through maturity date. Actual income or yield may be lower or higher than the estimates. Current yield reflects the income generated by an investment, and does not reflect changes in its price. Structured Investments, identified on the Position Description Details line as "Asset Class Struct Inv," may appear in various statement product categories. When displayed, the accrued interest, annual income and current yield for those with a contingent income feature (e.g., Range Accrual Notes or Contingent Income Notes) are estimates and assume specified accrual conditions are met during the relevant period and payment in full of all contingent interest. For Floating Rate Securities, the accrued interest, annual income and current yield are estimates based on the current floating coupon rate and may not reflect historic rates within the accrual period.

## CASH, BANK DEPOSIT PROGRAM AND MONEY MARKET FUNDS

Cash, Bank Deposit Program, and Money Market Funds are generally displayed on a settlement date basis. You have the right to instruct us to liquidate your bank deposit balance(s) or shares of any money market fund balance(s) at any time and have the proceeds of such liquidation remitted to you. Estimated Annual Income, Accrued Interest, and APY% will only be displayed for fully settled positions.

Description	Market Value	7-Day Current Yield %	Est Ann Income	APY %
MORGAN STANLEY PRIVATE BANK NA #	\$4,084.55	—	—	0.010
	Percentage of Holdings	Market Value	Est Ann Income	
CASH, BDP, AND MMFs	0.25%	\$4,084.55	\$0.00	

# Bank Deposits are held at Morgan Stanley Bank, N.A. and/or Morgan Stanley Private Bank, National Association, affiliates of Morgan Stanley Smith Barney LLC and each a national bank and FDIC member.

## EXCHANGE-TRADED &amp; CLOSED-END FUNDS

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
TPG SPECIALTY LENDING INC (TSLQ)	2/21/12	157.460	\$14.773	\$18.680	\$2,326.18	\$2,941.35	\$615.17 LT		
	3/29/12	1,980.660	14.772	18.680	29,259.05	36,998.72	7,739.67 LT		
	6/18/12	865.030	15.083	18.680	13,047.55	16,158.76	3,111.21 LT		
	12/21/12	2,310.070	15.122	18.680	34,932.30	43,152.10	8,219.80 LT		
	9/26/13	534.220	15.290	18.680	8,168.16	9,979.22	1,811.06 LT		
	1/15/14	953.880	15.350	18.680	14,642.12	17,818.47	3,176.35 LT		
	1/15/14	429.640	15.350	18.680	6,595.09	8,025.67	1,430.58 LT 2		
<b>Total</b>		<b>7,230.960</b>			<b>108,970.45</b>	<b>135,074.33</b>	<b>26,103.84 LT</b>	<b>11,280.00</b>	<b>8.35</b>

Next Dividend Payable 01/31/17, Asset Class FI & Pref



CLIENT STATEMENT | For the Period November 1 - December 31, 2016

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## Account Detail

Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FF ALTERNATIVE INVESTMENT  
INTERESTED PARTY COPY

	Percentage of Holdings	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
EXCHANGE-TRADED & CLOSED-END FUNDS	8.12%	\$108,970.45	\$135,074.33	\$26,103.84 LT	\$11,280.00	8.35%

## MUTUAL FUNDS

"Total Purchases vs. Market Value" is provided to assist you in comparing your "Total Purchases," excluding reinvested distributions, with the current value of the mutual fund positions in your account.

"Cumulative Cash Distributions" when shown, may reflect distributions on shares no longer held in the account. It may not reflect all distributions received in cash, due to but not limited to investments made prior to addition of this information on statements, securities transfers, timing of recent distributions, and certain adjustments made in your account.

"Net Value Increase/(Decrease)" reflects the difference between your total purchases, and the sum of the current value of the fund's shares, and cash distributions shown. This calculation is for informational purposes only and does not reflect your total unrealized gain or loss nor should it be used for tax purposes.

Security Description	Trade Date	Quantity	Unit Cost	Share Price	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
ACAP STRATEGIC INTERVAL COMMON (XCAPX)	8/31/10	25,960.540	\$9.630	\$12.930	\$250,000.00	\$335,669.78	\$85,669.78 LT	—	—
Total Purchases vs. Market Value					250,000.00	335,669.78			
Cumulative Cash Distributions						20,715.22			
Net Value Increase/(Decrease)						106,385.00			

Dividend Cash: Capital Gains Cash, Asset Class: Alt

	Percentage of Holdings	Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income	Current Yield %
MUTUAL FUNDS	20.18%	\$250,000.00	\$335,669.78	\$85,669.78 LT	\$0.00	—



## Account Detail

Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FF ALTERNATIVE INVESTMENT  
INTERESTED PARTY COPY

## ALTERNATIVE INVESTMENTS

Your interests in Alternative Investments, which may have been purchased through us, may not be held here, and are not covered by SIPC. The information provided: 1) is included solely as a service to you, and certain transactions may not be reported, 2) is derived from you or another external source for which we are not responsible, and may have been modified to take into consideration capital calls or distributions to the extent applicable, 3) may not reflect actual shares, share prices or values, 4) may include invested or distributed amounts in addition to a fair value estimate, and 5) should not be relied upon for tax reporting purposes. Alternative Investments are illiquid and may not be valued daily. The estimated valuation provided will be as of the most recent date available and will be included in summaries of your assets. Such valuation may not be the most recent provided by the fund in which you are invested. No representation is made that the valuation is a market value or that the interest could be liquidated at this value. We are not required to take any action with respect to your investment unless valid instructions are received from you in a timely manner. Some positions reflected on your statement, including those with a security description ending in "HLD," may not represent interests in the fund, but rather redemption proceeds withheld by the issuer pending final valuations which are not subject to the investment performance of the fund and may or may not accrue interest for the length of the withholding. There are likely to be restrictions on redemptions, see applicable offering document. Positions with a security description ending in "CPV" represent contributions pending fund valuation inclusive of the activity, while those ending in "DPV" represent distributions or redemptions pending fund valuation inclusive of the activity. These positions should be viewed as a complement to the underlying position with the same description, to ensure a more comprehensive valuation. Information on those investments designated "(RPTG ONLY)" is limited to performance reporting only. No investment advice or research is provided.

For Hedge Funds: 1) "Commitment/Aggregate Investment" is equal to the total investment to date, 2) "Redemptions" are equal to any past redemptions/sales that were reported to us, 3) "Distributions" consist of proceeds distributed from the fund.

For Private Equity and Real Estate: 1) "Commitment" is equal to the obligation of an investor to provide funding to the Partnership from time to time in accordance with the Limited Partnership Agreement, 2) "Contributions to Date" is equal to the total investor funding to date, 3) "Distributions" consist of proceeds distributed from the fund.

## MANAGED FUTURES

Security Description	Trade Date	Quantity	Unit Cost	Estimated NAV	Total Cost	Estimated Value	Unrealized Gain/(Loss)	Valuation Date
MFF ORION A	2/1/10	190.399	\$2,526.060	\$3,003.63	\$500,000.00	\$571,888.14	\$71,888.14	F
	6/1/13	2.005	0.000	3,003.63	0.01	6,022.27	6,022.26	F
	Total	192.404			500,000.01	577,910.42	77,910.40	

Asset Class: Alt

## HEDGE FUNDS - SHARES

For Hedge Funds - Shares: 1) "Trade Date" may reflect the date on which the positions were transferred into the current account, 2) "Total Purchases vs. Estimated Value" is provided to assist you in comparing your "Total Purchases," excluding reinvested distributions, with the current value of the position; 3) "Net Value Increase/(Decrease)," which reflects the difference between your total purchases and the estimated value of the fund's shares, is for informational purposes and does not reflect your total unrealized gain or loss nor should it be used for tax purposes.

Security Description	Trade Date	Quantity	Unit Cost	Estimated NAV	Total Cost	Estimated Value	Unrealized Gain/(Loss)	Valuation Date
SKYBRIDGE MUL-AD SER G	9/1/10	231.148	\$1,081.560	\$1,129.82	\$250,000.00	\$261,155.85	\$11,155.85	F
	Purchases	231.148			250,000.00	261,155.85	11,155.85	F
Reinvestment	1/27/11	25.380	1,077.600	1,129.82	27,349.55	28,674.85	1,325.30	F
Reinvestment	1/26/12	4.481	1,052.390	1,129.82	4,715.75	5,062.72	346.97	F
Reinvestment	12/31/12	31.575	1,138.680	1,129.82	35,953.95	35,674.09	(279.86)	F
Reinvestment	12/31/13	10.352	1,256.460	1,129.82	13,006.41	11,695.90	(1,310.51)	F
Reinvestment	12/31/14	21.026	1,219.750	1,129.82	25,646.60	23,755.61	(1,890.99)	F
Reinvestment	12/31/15	6.891	1,151.280	1,129.82	7,933.38	7,785.59	(147.79)	F



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## Account Detail

## Basic Securities Account

KENDRICK B. MELROSE  
FAMILY FOUNDATION  
Nickname: FF ALTERNATIVE INVESTMENT  
INTERESTED PARTY COPY

Security Description	Trade Date	Quantity	Unit Cost	Estimated NAV	Total Cost	Estimated Value	Unrealized Gain/(Loss)	Valuation Date
	Total	330.853			364,605.64	373,804.66	9,346.76 (147.79)	
Total Purchases vs Estimated Value Net Value Increase/(Decrease)					250,000.00	373,804.66 123,804.66		
Asset Class: Alt								
PRIVATE EQUITY								
Security Description	Commitment	Contributions to Date	Remaining Commitment	Distributions	Estimated Value	Est Value Distributions		Valuation Date
NH CREDIT PTR II OFFSH	\$500,000.00	\$248,642.00	\$252,559.00	\$46,734.00	\$213,515.00	\$260,249.00		9/30/16
Asset Class: Alt								
NH CREDIT PTR II OFFSH CPV	0.00	30,976.00	0.00	0.00	30,521.00	—		12/16/16
Asset Class: Alt								
NH CREDIT PTR II OFFSH DPV	0.00	0.00	0.00	7,011.00	(7,011.00)	—		10/28/16
Asset Class: Alt								
PRIVATE EQUITY	\$500,000.00	\$279,618.00	\$252,559.00	\$53,745.00	\$237,025.00	\$260,249.00		
	Percentage of Holdings					Estimated Value		
ALTERNATIVE INVESTMENTS	71.46%					\$1,188,740.08		