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

Name of foundation GALASHIELS FUND LTD		A Employer identification number 94-3059858	
% KEITH W COLBURN			
Number and street (or P O box number if mail is not delivered to street address) 555 SKOKIE BLVD SUITE 555	Room/suite	B Telephone number (see instructions) (847) 480-4690	
City or town, state or province, country, and ZIP or foreign postal code NORTHBROOK, IL 600622845		C If exemption application is pending, check here ☐	
G Check all that apply ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐	
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐	
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 112,035,364	J Accounting method ☐ Cash ☒ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	0			
	2 Check ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	37,804	37,804		
	4 Dividends and interest from securities . . .	1,228,395	1,221,430		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	3,652,438			
	b Gross sales price for all assets on line 6a 6,191,767				
	7 Capital gain net income (from Part IV, line 2) . . .		3,647,036		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	179,549	820,731		
	12 Total. Add lines 1 through 11	5,098,186	5,727,001		
	13 Compensation of officers, directors, trustees, etc	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	44,500	13,350	0	26,700
	c Other professional fees (attach schedule)	233,259	233,259		
	17 Interest	60,055	60,055		
	18 Taxes (attach schedule) (see instructions) . . .	30,638	30,634		
	19 Depreciation (attach schedule) and depletion . . .				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	978,878	963,107		156
	24 Total operating and administrative expenses. Add lines 13 through 23	1,347,330	1,300,405	0	26,856
	25 Contributions, gifts, grants paid	8,407,500			8,407,500
	26 Total expenses and disbursements. Add lines 24 and 25	9,754,830	1,300,405	0	8,434,356
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-4,656,644			
	b Net investment income (if negative, enter -0-)		4,426,596		
c Adjusted net income(if negative, enter -0-) . . .					

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	15,676,819	11,376,539	11,365,310
	3 Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	4 Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)	10,313,994	10,567,637	13,297,973
	c Investments—corporate bonds (attach schedule)	18,268,975	19,167,532	18,865,687
	11 Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	66,394,722	52,884,471	68,481,588
	14 Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
15 Other assets (describe ▶ _____)	24,940	24,806	24,806	
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	110,679,450	94,020,985	112,035,364	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable.			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule).			
	22 Other liabilities (describe ▶ _____)			
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ☐ and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg , and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	110,679,450	94,020,985	
30 Total net assets or fund balances (see instructions)	110,679,450	94,020,985		
31 Total liabilities and net assets/fund balances (see instructions) .	110,679,450	94,020,985		

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	110,679,450
2 Enter amount from Part I, line 27a	2	-4,656,644
3 Other increases not included in line 2 (itemize) ▶ _____	3	
4 Add lines 1, 2, and 3	4	106,022,806
5 Decreases not included in line 2 (itemize) ▶ _____	5	12,001,821
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 .	6	94,020,985

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day , yr)	(d) Date sold (mo , day , yr)
1a See Additional Data Table			
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a See Additional Data Table			
b			
c			
d			
e			

(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a See Additional Data Table			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	2	3,647,036
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2015	9,536,879	116,492,164	0 081867
2014	7,050,608	114,702,443	0 061469
2013	6,036,957	92,498,623	0 065265
2012	5,845,539	85,446,598	0 068412
2011	5,065,387	82,717,192	0 061237

2 Total of line 1, column (d)	2	0 33825
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0 06765
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	110,366,487
5 Multiply line 4 by line 3	5	7,466,293
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	44,266
7 Add lines 5 and 6	7	7,510,559
8 Enter qualifying distributions from Part XII, line 4	8	8,434,356

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b	1	44,266
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	
3	Add lines 1 and 2.	3	44,266
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	44,266
6	Credits/Payments		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	58,843
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	47,500
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d.	7	106,343
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed ▶	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid . . . ▶	10	62,077
11	Enter the amount of line 10 to be Credited to 2017 estimated tax ▶ 62,077 Refunded ▶	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a	No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)? <i>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</i>	1b	No
c Did the foundation file Form 1120-POL for this year?	1c	No
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ \$ _____ (2) On foundation managers ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>	2	No
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>	3	No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	Yes
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	Yes
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>	5	No
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	7	Yes
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ <u>IL</u>		
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? <i>If "No," attach explanation</i> .	8b	Yes
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	9	No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10	No

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		No
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	Yes	
14	The books are in care of ► <u>KEITH W COLBURN</u> Telephone no ► <u>(847) 480-4690</u>			

Located at ► 555 SKOKIE BLVD STE 555 Northbrook IL ZIP+4 ► 600622845

15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here	☐		
	and enter the amount of tax-exempt interest received or accrued during the year	► 15		
16	At any time during calendar year 2016, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
	See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) If "Yes," enter the name of the foreign country ►			

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

1a	During the year did the foundation (either directly or indirectly)		Yes	No
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here.			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016?	1c		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016?		☐ Yes ☒ No	
	If "Yes," list the years ► 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions)	2b		No
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?		☒ Yes ☐ No	
b	If "Yes," did it have excess business holdings in 2016 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2016)	3b		No
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016?	4b		No

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

5a During the year did the foundation pay or incur any amount to (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions). ☐ Yes ☒ No (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ No Organizations relying on a current notice regarding disaster assistance check here. ▶ ☐ c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No If "Yes," attach the statement required by Regulations section 53.4945–5(d)	5b		
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? ☐ Yes ☒ No If "Yes" to 6b, file Form 8870	6b		No
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No	7b		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).				
(a) Name and address	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
DAVID T BRADFORD 555 SKOKIE BLVD SUITE 555 NORTHBROOK, IL 600622845	Secretary/director 1 0	0	0	0
ANDREA K MAYES 555 SKOKIE BLVD SUITE 555 NORTHBROOK, IL 600622845	Assistant Treasurer 1 0	0	0	0
BETSY P COLBURN 555 SKOKIE BLVD SUITE 555 NORTHBROOK, IL 600622845	vice president/director 1 0	0	0	0
Keith W Colburn 555 SKOKIE BLVD SUITE 555 NORTHBROOK, IL 600622845	pres/treasurer/director 1 0	0	0	0
2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."				
(a) Name and address of each employee paid more than \$50,000	Title, and average hours per week (b) devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
Total number of other employees paid over \$50,000. ▶				

Part VIII

3 Five hig

Total number

Part IX-A

List the foundation organizations and

organizations and

Part IX-B

Part IX-B

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	31,607,031
b	Average of monthly cash balances.	1b	10,639,031
c	Fair market value of all other assets (see instructions).	1c	69,801,133
d	Total (add lines 1a, b, and c).	1d	112,047,195
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	
2	Acquisition indebtedness applicable to line 1 assets.	2	0
3	Subtract line 2 from line 1d.	3	112,047,195
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	1,680,708
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	110,366,487
6	Minimum investment return. Enter 5% of line 5.	6	5,518,324

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	5,518,324
2a	Tax on investment income for 2016 from Part VI, line 5.	2a	44,266
b	Income tax for 2016 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	44,266
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	5,474,058
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	5,474,058
6	Deduction from distributable amount (see instructions).	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1.	7	5,474,058

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	8,434,356
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	0
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	0
b	Cash distribution test (attach the required schedule).	3b	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4.	4	8,434,356
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions).	5	44,266
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	8,390,090

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				5,474,058
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only.			0	
b Total for prior years 2014, 2013, 2012		0		
3 Excess distributions carryover, if any, to 2016				
a From 2011.	957,577			
b From 2012.	1,782,071			
c From 2013.	1,476,973			
d From 2014.	1,378,709			
e From 2015.	3,801,477			
f Total of lines 3a through e.	9,396,807			
4 Qualifying distributions for 2016 from Part XII, line 4 ▶ \$ <u>8,434,356</u>				
a Applied to 2015, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see instructions).				
c Treated as distributions out of corpus (Election required—see instructions).				
d Applied to 2016 distributable amount.				5,474,058
e Remaining amount distributed out of corpus	2,960,298			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	12,357,105			
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.				
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 instructions			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).				
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions).	957,577			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	11,399,528			
10 Analysis of line 9				
a Excess from 2012.	1,782,071			
b Excess from 2013.	1,476,973			
c Excess from 2014.	1,378,709			
d Excess from 2015.	3,801,477			
e Excess from 2016.	2,960,298			

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

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

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

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

	Tax year	Prior 3 years			(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					

3 Complete 3a, b, or c for the alternative test relied upon

a "Assets" alternative test—enter

(1) Value of all assets

(2) Value of assets qualifying under section 4942(j)(3)(B)(i)

b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed.

c "Support" alternative test—enter

(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).

(3) Largest amount of support from an exempt organization

(4) Gross investment income

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

1 Information Regarding Foundation Managers:

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

KEITH COLBURN

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

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

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

a The name, address, and telephone number or email address of the person to whom applications should be addressed

b The form in which applications should be submitted and information and materials they should include

c Any submission deadlines

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

Part XV **Supplementary Information** (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	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 <i>Paid during the year</i> See Additional Data Table				
Total			3a	8,407,500
b <i>Approved for future payment</i>				
Total			3b	

Enter gross amounts unless otherwise indicated

13 Total. Add line 12, columns (b), (d), and (e).													13	5,098,186
(See worksheet in line 13 instructions to verify calculations)														

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

Form **990-PF** (2016)

Part XVII

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

[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

**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.

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

**Paid
Preparer
Use Only**

Print/Type preparer's name JULIE A DEE	Preparer's Signature	Date	Check if self-employed ☐	PTIN P00444307
Firm's name ▶ GRANT THORNTON LLP				Firm's EIN ▶
Firm's address ▶ 171 N CLARK ST SUITE 200 CHICAGO, IL 60601				Phone no (312) 856-0200

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d			
List and describe the kind(s) of property sold (e g , real estate, (a) 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)
PUBLICLY TRADED SECURITIES			
CUNDILL	P		
D C CAPITAL	P		
FARALLON	P		
GOLDMAN SACHS #1	P		
GOLDMAN SACHS #3	P		
GOLDMAN SACHS #4	P		
KRTG	P		
LYME #1	P		
LYME #2	P		

(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)
2,333,107		2,274,477	58,630
			-280,160
			-24,785
			-72,435
			-31,186
			15,829
			42,999
			-8
			60,987
			5,401

[illegible]

List and describe the kind(s) of property sold (e g , real estate, (a) 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)
PROCYON PARTNERS	P		
ROUNDTABLE #4	P		
ROUNDTABLE #5	P		
TINICUM #1	P		
TINICUM #2	P		
TINICUM #4	P		
VN CAPITAL #2	P		
GOLDMAN SACHS - A	P		
GOLDMAN SACHS - B	P		
GOLDMAN SACHS - C	P		

(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)
			112,626
			1,406,834
			988,270
			153,218
			363,176
			-4,178
			897,054
			11,811
			156,139
			-264,851

[illegible]

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

List and describe the kind(s) of property sold (e g , real estate, (a) 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)
GOLDMAN SACHS - D	P		
GOLDMAN SACHS - E	P		
WHITEHALL	P		
NIGHTWATCH	P		

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

(e) Gross sales price	Depreciation allowed (f) (or allowable)	Cost or other basis (g) plus expense of sale	Gain or (loss) (h) (e) plus (f) minus (g)
			16,361
			20,651
			6,112
8,541			8,541

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

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	Adjusted basis (j) as of 12/31/69	Excess of col (i) (k) over col (j), if any	
			8,541

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
A Better Chicago 222 Merchandise Mart Plaza Suite 1212 Chicago, IL 60654	NONE	PC	Annual Support	667,500
American Federation for Children Growth Fund 1660 L Street NW Suite 1000 Washington, DC 20036	NONE	PC	Annual Support	100,000
Beginning with Children Foundation 217 Havemeyer Street 2nd Fl Brooklyn, NY 11211	NONE	PC	Annual Support	300,000
Cato Institute 1000 Massachusetts Ave NW Washington, DC 20000	NONE	PC	Annual Support	250,000
Challenged Athletes Foundation 2148 Jimmy Durante Blvd Ste B Del Mar, CA 92014	NONE	PC	Endowment	300,000
Total ► 3a				8,407,500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
Chicago Shakespeare Theatre 800 East Grand Avenue Chicago, IL 60611	NONE	PC	Annual Support	50,000
Cristo Rey Jesuit High School 1852 W 22nd St Chicago, IL 60608	NONE	PC	Scholarship Fund	100,000
Dubin Breast Center 1176 5th Ave New York, NY 10029	NONE	PC	Annual Support	50,000
Free Africa Foundation Barr Building 910 17th St NW 419 Washington, DC 20006	NONE	PC	Annual Support	15,000
Greater Educational Opportunities Foundation 1630 N Meridian Street Ste 350 Indianapolis, IN 46202	NONE	PC	Annual Support	900,000
Total ▶ 3a				8,407,500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
Holy Family School 790 Frontage Road Northfield, IL 60093	NONE	PC	Annual Support	250,000
Institute for Justice 901 N Glebe Road Suite 900 Arlington, VA 22203	NONE	PC	Annual Support	25,000
Lyric Opera of Chicago 20 North Wacker Drive Suite 860 Chicago, IL 60606	NONE	PC	Annual Support	50,000
Merit School of Music 38 South Peoria Street Chicago, IL 60607	NONE	PC	Annual Support	25,000
Northlight Theatre 9501 Skokie Blvd Skokie, IL 60077	NONE	PC	Annual Support	50,000
Total ▶ 3a				8,407,500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
Phillips Exeter Academy 20 Main St Exeter, NH 03833	NONE	PC	Endowment	5,000,000
Rails to Trails Conservancy 2121 Ward Court NW 5th Floor Washington, DC 20037	NONE	PC	Annual Support	100,000
Steppenwolf Theatre Co 758 West North Ave 4th Floor Chicago, IL 60610	NONE	PC	Annual Support	50,000
Wellesley College 17 N State Street Suite 300 Chicago, IL 60602	NONE	PC	Annual Support	50,000
Writer's Theatre 378 Park Ave Ste 1A Glencoe, IL 60022	NONE	PC	Annual Support	75,000
Total 				8,407,500
3a				

TY 2016 Accounting Fees Schedule**Name:** GALASHIELS FUND LTD**EIN:** 94-3059858

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
GRANT THORNTON LLP	44,500	13,350		26,700

TY 2016 All Other Program Related Investments Schedule

Name: GALASHIELS FUND LTD
EIN: 94-3059858

Category	Amount
NONE	

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

TY 2016 Depreciation Schedule

Name: GALASHIELS FUND LTD

EIN: 94-3059858

TY 2016 Investments Corporate Bonds Schedule**Name:** GALASHIELS FUND LTD**EIN:** 94-3059858

Name of Bond	End of Year Book Value	End of Year Fair Market Value
GOLDMAN SACHS HIGH QUALITY	3,000,000	2,977,732
GOLDMAN SACHS STRATEGIC	3,619,720	3,312,985
WYNDHAM WORLDWIDE CORPORATION	337,080	328,524
CITIGROUP INC. FRN	300,498	300,445
AIR LEASE CORPORATION	275,625	255,703
MORGAN STANLEY MTN	305,610	281,354
ORACLE SYSTEMS CORPORATION	350,000	351,149
AMERICAN HONDA FINANCE	300,000	300,830
COMPASS BANK	401,020	400,983
WHIRLPOOL CORPORATION	200,650	200,836
GENERIC ELECTRIC CAPITAL	406,124	404,437
AUTONATION, INC.	299,940	294,038
DOLLAR GENERAL CORPORATION	198,560	201,048
PFIZER INC.	474,653	474,231
EDWARDS LIFESCIENCES CORP	255,638	255,272
WESTPAC BANKING CORPORATION	350,000	352,650
BANK OF AMERICA	303,972	303,914
SUMITOMO MITSUI BANKING	300,000	302,719
KINDER MORGAN ENERGY	298,069	319,976
FORD MOTOR CREDIT	326,986	325,780

Name of Bond	End of Year Book Value	End of Year Fair Market Value
AMERICAN EXPRESS CREDIT	327,161	325,801
TOTAL CAPITAL INTERNATIONAL	200,000	199,290
VORNADO REALTY L.P.	298,857	301,062
LEGG MASON, INC.	301,309	305,871
TYCO ELECTRONICS GROUP	349,906	354,470
UNITED TECHNOLOGIES CORP	274,720	273,661
ROCKWELL AUTOMATION, INC.	225,018	225,755
ACTAVIS FUNDING SCS	528,766	537,045
AT&T INC.	190,979	190,815
ADVANCE AUTO PARTS	222,140	217,141
ABBVIE INC	296,625	301,057
DISCOVER BANK	254,070	253,579
CELGENE CORPORATION	124,774	127,790
HSBC BANK USA	277,907	269,329
FIDELITY NATIONAL INFORMATION	499,345	521,461
MARRIOTT INTERNATIONAL, INC.	78,740	77,475
JPMORGAN CHASE	300,000	306,528
ANHEUSER-BUSCH INBEV FIN FRN	350,167	357,367
SUNTRUST BANKS	380,411	383,863
VERIZON COMMUNICATIONS INC.	258,587	260,640

Name of Bond	End of Year Book Value	End of Year Fair Market Value
AETNA INC.	299,970	298,961
BURLINGTON NORTHERN	410,352	421,807
ABBOTT LABORATORIES	274,513	275,080
AMERICA MOVIL SAB	139,070	135,233

TY 2016 Investments Corporate Stock Schedule**Name:** GALASHIELS FUND LTD**EIN:** 94-3059858

Name of Stock	End of Year Book Value	End of Year Fair Market Value
ASML HOLDINGS	6,579,003	7,957,785
MB FINANCIAL	84,011	136,164
MFO TWEEDY	3,809,958	5,185,898
PVTPL SANUWAVE HEALTH	94,665	18,126

TY 2016 Investments - Other Schedule**Name:** GALASHIELS FUND LTD**EIN:** 94-3059858

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
INVESTMENT IN PARTNERSHIPS		49,494,231	52,183,296
LORD ABBETT SD INCOME		523,614	514,378
GOLDMAN SACHS INTERESTS		1,294,930	2,627,223
PEM HOLDING		1,571,696	13,156,691

TY 2016 Other Assets Schedule

Name: GALASHIELS FUND LTD

EIN: 94-3059858

Other Assets Schedule

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
BRUNO SURDO MURAL	24,940	24,806	24,806

TY 2016 Other Decreases Schedule**Name:** GALASHIELS FUND LTD**EIN:** 94-3059858

Description	Amount
UNREALIZED LOSS	9,253,001
TIMING DIFFERENCE	20,685
PRIOR PERIOD BASIS ADJUSTMENT	2,728,135

TY 2016 Other Expenses Schedule**Name:** GALASHIELS FUND LTD**EIN:** 94-3059858**Other Expenses Schedule**

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
CHARITABLE CONTRIBUTION - LP	561			
NONDEDUCTIBLE EXPENSE - LP	6,376			
OTHER DEDUCTIONS - LP	946,415	937,737		
MISC EXP - ALT INVESTMENTS	25,370	25,370		
OFFICE EXPENSE	131			131
STATE FILING FEES	25			25

TY 2016 Other Income Schedule**Name:** GALASHIELS FUND LTD**EIN:** 94-3059858**Other Income Schedule**

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
ORDINARY INCOME - LIMITED PARTNERSHIPS	-147,816	220,161	
SEC 1231 LOSS - LIMITED PARTNERSHIPS	-13,715	-17,108	
OTHER INCOME - LIMITED PARTNERSHIPS	217,642	221,578	
OTHER INCOME - ALTERNATIVE INVESTMENTS	399,347	399,347	
NET RENTS - LIMITED PARTNERSHIP	-275,909	-3,247	

TY 2016 Other Professional Fees Schedule**Name:** GALASHIELS FUND LTD**EIN:** 94-3059858

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
MNGMT FEES - ALT INVESTMENTS	47,771	47,771		
MNGMT FEES - GOLDMAN SACHS #2	43,650	43,650		
INVST FEES - NORTHERN TRUST #1	10,915	10,915		
MANAGEMENT FEES - LP	130,923	130,923		

TY 2016 Taxes Schedule**Name:** GALASHIELS FUND LTD**EIN:** 94-3059858

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAXES - LP	17,779	17,775		
FOREIGN TAXES - ASML	12,859	12,859		