

Form **990-PF**

Return of Private Foundation

OMB No 1545-0052

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

2018

Department of the Treasury
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.
Go to www.irs.gov/Form990PF for instructions and the latest information.

Open to Public Inspection

For calendar year **2018** or tax year beginning **06/01, 2018**, and ending **05/31, 2019**

Name of foundation **THOMAS J WATSON FOUNDATION XXXXX0006**

A Employer identification number
35-7120359

Number and street (or P O box number if mail is not delivered to street address) Room/suite

B Telephone number (see instructions)
800-496-2583

10 S DEARBORN IL1-0111

City or town, state or province, country, and ZIP or foreign postal code

CHICAGO, IL 60603

C If exemption application is pending, check here

G Check all that apply. Initial return Initial return of a former public charity
 Final return Amended return
 Address change Name change

D 1 Foreign organizations, check here

2 Foreign organizations meeting the 85% test, check here and attach computation

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

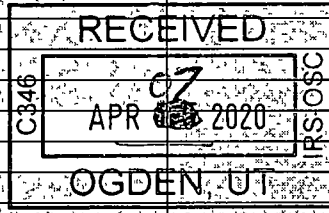
E If private foundation status was terminated under section 507(b)(1)(A), check here

I Fair market value of all assets at end of year (from Part II, col (c), line 16) **\$ 84,333,467.**
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)
1 Contributions, gifts, grants, etc., received (attach schedule)	6,000.			
2 Check <input 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	1,072,946.	1,071,481.		STMT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	11,996,123.			
b Gross sales price for all assets on line 6a 39,800,494.				
7 Capital gain net income (from Part IV, line 2)		11,996,123.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)	57.	-419,240.		STMT 2
12 Total. Add lines 1 through 11	13,075,126.	12,648,364.		
13 Compensation of officers, directors, trustees, etc.	201,266.	120,760.		80,507.
14 Other employee salaries and wages	766,437.	NONE	NONE	766,437.
15 Pension plans, employee benefits	203,554.	NONE	NONE	203,554.
16a Legal fees (attach schedule) STMT 3	82,554.	NONE	NONE	82,554.
b Accounting fees (attach schedule) STMT 4	900.	450.	NONE	450.
c Other professional fees (attach schedule) STMT 5	361,539.	361,539.		
17 Interest				
18 Taxes (attach schedule) (see instructions) STMT 6	120,220.	26,854.		
19 Depreciation (attach schedule) and depletion				
20 Occupancy	258,516.			253,298.
21 Travel, conferences, and meetings	126,480.	NONE	NONE	126,366.
22 Printing and publications		NONE	NONE	
23 Other expenses (attach schedule) STMT 7	405,144.			395,809.
24 Total operating and administrative expenses Add lines 13 through 23.	2,526,610.	509,603.	NONE	1,908,975.
25 Contributions, gifts, grants paid	1,888,470.			1,888,470.
26 Total expenses and disbursements Add lines 24 and 25	4,415,080.	509,603.	NONE	3,797,445.
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	8,660,046.			
b Net investment income (if negative, enter -0-)		12,138,761.		
c Adjusted net income (if negative, enter -0-)				



04/03
SCANNED SEP 14 2020
Received in Batching Open
AUG 01 2019

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	99,513.	175,424.	175,424.
	2	Savings and temporary cash investments	7,699,251.	3,364,266.	3,364,266.
	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 ▶			NONE
	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) . STMT 8	42,722,532.	28,577,931.	39,652,640.
	c	Investments - corporate bonds (attach schedule) . STMT 10	7,505,019.	17,192,736.	17,412,098.
	11	Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	12	Investments - mortgage loans			
	13	Investments - other (attach schedule) STMT 11	3,153,236.	3,109,836.	23,729,037.
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶ STMT 12)	2.	2.	2.	
16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	61,179,553.	52,420,195.	84,333,467.	
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)			NONE	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/> 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 ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds	61,179,553.	52,420,195.	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	Total net assets or fund balances (see instructions)	61,179,553.	52,420,195.	
	31	Total liabilities and net assets/fund balances (see instructions)	61,179,553.	52,420,195.	

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	61,179,553.
2	Enter amount from Part I, line 27a	2	8,660,046.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 13	3	67,505.
4	Add lines 1, 2, and 3	4	69,907,104.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 14	5	17,486,909.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	52,420,195.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (for example, 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)
1 a PUBLICLY TRADED SECURITIES				
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 39,800,494.		27,804,371.	11,996,123.	
b				
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))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a			11,996,123.	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	11,996,123.
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	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in }		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 doesn't qualify under section 4940(e) Do not complete this part

(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))
2017	3,718,352.	83,450,146.	0.044558
2016	4,469,724.	73,966,942.	0.060429
2015	3,150,999.	88,298,002.	0.035686
2014	6,254,686.	100,076,667.	0.062499
2013	4,277,286.	94,440,363.	0.045291
2 Total of line 1, column (d)			2 0.248463
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5 0, or by the number of years the foundation has been in existence if less than 5 years			3 0.049693
4 Enter the net value of noncharitable-use assets for 2018 from Part X, line 5			4 83,548,086.
5 Multiply line 4 by line 3.			5 4,151,755.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 121,388.
7 Add lines 5 and 6			7 4,273,143.
8 Enter qualifying distributions from Part XII, line 4 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			8 3,797,445.

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 type="checkbox"/> and enter 1% of Part I, line 27b		1	242,775.
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	NONE
3 Add lines 1 and 2		3	242,775.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)		4	NONE
5 Tax based on investment income Subtract line 4 from line 3 If zero or less, enter -0-		5	242,775.
6 Credits/Payments			
a 2018 estimated tax payments and 2017 overpayment credited to 2018	6a	124,048.	
b Exempt foreign organizations - tax withheld at source	6b	NONE	
c Tax paid with application for extension of time to file (Form 8868)	6c	252,850.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d		7	376,898.
8 Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached		8	3,365.
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	130,758.
11 Enter the amount of line 10 to be Credited to 2019 estimated tax <input type="checkbox"/> 130,758. Refunded <input type="checkbox"/>		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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the 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
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
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?	X	
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 type="checkbox"/> DE		
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 2018 or the tax year beginning in 2018? See the 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)

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 Yes No X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement See instructions 12 Yes No X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address WATSONFELLOWSHIP.ORG 13 Yes No X
14 The books are in care of JPMORGAN TRUST CO. OF DELAWARE Telephone no (800) 496-2583 Located at 10 S DEARBORN IL1-0111, CHICAGO, IL ZIP+4 60603
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - check here 15 and enter the amount of tax-exempt interest received or accrued during the year
16 At any time during calendar year 2018, 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 X
See the instructions for exceptions and filing requirements for FinCEN Form 114 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)
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? Yes X No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes X No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes X No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? X 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 X 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 X 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 Yes No X
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 2018? 1c Yes No 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 2018, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2018? Yes X 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) 2b Yes 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
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? Yes X No
b If "Yes," did it have excess business holdings in 2018 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 2018) 3b Yes No
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a Yes No 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 2018? 4b Yes No X

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		Yes	No
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
(2)	Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/> No
(4)	Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> 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?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions			5b
	Organizations relying on a current notice regarding disaster assistance, check here	<input type="checkbox"/>		X
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? If "Yes," attach the statement required by Regulations section 53.4945-5(d)	<input type="checkbox"/>	Yes	<input type="checkbox"/> No
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870			6b
				X
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?			7b
8	Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No

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

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

(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
JPMORGAN TRUST COMPANY OF DELAWARE 10 S DEARBORN IL1-0111, CHICAGO, IL 60603	TRUSTEE 30	201,266	-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	(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
CHRIS KASABACH 11 PARK PLACE STE 1503, NEW YORK, NE	DIRECTOR	354,285	77,672	-0-
MICHAEL Z BUBOLO 11 PARK PLACE STE 1503, NEW YORK, NE	ASSOC DIRECTOR	81,780	28,315	-0-
SNEHA SUBRAMANIAN 11 PARK PLACE STE 1503, NEW YORK, NE	ASSOC DIRECTOR	80,929	28,010	-0-
SARA NOLFO 11 PARK PLACE STE 1503, NEW YORK, NE	ASSOC DIRECTOR	115,446	34,969	-0-
JACQUELINE VOLUZ 11 PARK PLACE STE 1503, NEW YORK, NY	ASSOC DIRECTOR	44,998	22,430	-0-

Total number of other employees paid over \$50,000 **NONE**

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

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
GTC LAW GROUP PC 1 UNIVERSITY AVE, WESTWOOD, MA 02090	LEGAL	68,847.
RUANE CUNNIFF & GOLDFARB INC 9 W 57TH ST #5000, NEW YORK, NY 10019	INVESTMENT MANAGEMEN	250,702

Total number of others receiving over \$50,000 for professional services **NONE**

Part IX-A Summary of Direct Charitable Activities

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

Expenses

1 NONE	
2	
3	
4	

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

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

Amount

1 NONE	
2	
All other program-related investments See instructions	
3 NONE	

Total. Add lines 1 through 3

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.		
a	Average monthly fair market value of securities	1a	72,218,639.
b	Average of monthly cash balances	1b	12,601,751.
c	Fair market value of all other assets (see instructions).	1c	2.
d	Total (add lines 1a, b, and c)	1d	84,820,392.
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	NONE
3	Subtract line 2 from line 1d.	3	84,820,392.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	1,272,306.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	83,548,086.
6	Minimum investment return. Enter 5% of line 5	6	4,177,404.

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	4,177,404.
2a	Tax on investment income for 2018 from Part VI, line 5	2a	242,775.
b	Income tax for 2018 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b.	2c	242,775.
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	3,934,629.
4	Recoveries of amounts treated as qualifying distributions.	4	8,147.
5	Add lines 3 and 4	5	3,942,776.
6	Deduction from distributable amount (see instructions).	6	NONE
7	Distributable amount as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1.	7	3,942,776.

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	3,797,445.
b	Program-related investments - total from Part IX-B.	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes.	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	3,797,445.
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	N/A
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	3,797,445.

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 2017	(c) 2017	(d) 2018
1 Distributable amount for 2018 from Part XI, line 7				3,942,776.
2 Undistributed income, if any, as of the end of 2018				
a Enter amount for 2017 only.			3,780,769.	
b Total for prior years 20____, 20____, 20____		NONE		
3 Excess distributions carryover, if any, to 2018				
a From 2013	NONE			
b From 2014	NONE			
c From 2015	NONE			
d From 2016	NONE			
e From 2017	NONE			
f Total of lines 3a through e	NONE			
4 Qualifying distributions for 2018 from Part XII, line 4 ▶ \$ 3,797,445.				
a Applied to 2017, but not more than line 2a			3,780,769.	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2018 distributable amount				16,676.
e Remaining amount distributed out of corpus.	NONE			
5 Excess distributions carryover applied to 2018 (If an amount appears in column (d), the same amount must be shown in column (a)		NONE		NONE
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	NONE			
b Prior years' undistributed income Subtract line 4b from line 2b.		NONE		
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			NONE	
d Subtract line 6c from line 6b Taxable amount - see instructions			NONE	
e Undistributed income for 2017 Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2018 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2019.				3,926,100.
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)		NONE		
8 Excess distributions carryover from 2013 not applied on line 5 or line 7 (see instructions)		NONE		
9 Excess distributions carryover to 2019. Subtract lines 7 and 8 from line 6a		NONE		
10 Analysis of line 9				
a Excess from 2014	NONE			
b Excess from 2015	NONE			
c Excess from 2016	NONE			
d Excess from 2017	NONE			
e Excess from 2018	NONE			

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

NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2018, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			(e) Total
	(a) 2018	(b) 2017	(c) 2016	(d) 2015	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

N/A

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

N/A

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., to individuals or organizations under other conditions, complete items 2a, b, c, and d See instructions

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

SEE STATEMENT 15

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

SEE ATTACHED STATEMENT FOR LINE 2

c Any submission deadlines

SEE ATTACHED STATEMENT FOR LINE 2

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

SEE ATTACHED STATEMENT FOR LINE 2

Part XV Supplementary Information *(continued)*

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<p>a Paid during the year</p> <p>PLEASE SEE ATTACHED</p>	NONE	PC	SCHOLARSHIPS	1,888,470.
Total				3a 1,888,470.
b Approved for future payment				
Total				3b

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Table with 5 columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include Program service revenue, Membership dues, Interest on savings, Dividends, Net rental income, Gain or loss from sales, and Subtotal.

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

Table with 2 columns: 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.

NOT APPLICABLE

Schedule of Contributors

2018

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
 ▶ Go to www.irs.gov/Form990 for the latest information.

Name of the organization THOMAS J WATSON FOUNDATION XXXXX0006	Employer identification number 35-7120359
---	---

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions.

General Rule

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

Special Rules

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

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

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

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

Name of organization THOMAS J WATSON FOUNDATION XXXXX0006	Employer identification number 35-7120359
---	---

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Herman Miller Cares Foundation PO BOX 302 ZEELAND, MS 49464-0302	\$ 6,000.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES
=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
USGI REPORTED AS NONQUALIFIED DIVIDENDS	175,697.	175,697.
FOREIGN DIVIDENDS	197,306.	197,306.
NONDIVIDEND DISTRIBUTIONS	1,465.	
DOMESTIC DIVIDENDS	301,774.	301,774.
NONQUALIFIED FOREIGN DIVIDENDS	68,689.	68,689.
NONQUALIFIED DOMESTIC DIVIDENDS	215,653.	215,653.
SECTION 199A DIVIDENDS	148.	148.
CORPORATE INTEREST	112,214.	112,214.
TOTAL	1,072,946.	1,071,481.

FORM 990PF, PART I - OTHER INCOME
=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
ORDINARY GAIN FROM 4797	57.	57.
ECHO STREET K-1 INCOME		3,865.
JCR K-1 INCOME		-55,922.
JCR K-1 UBTI		-43,369.
MCR HOSPITALITY K-1 INCOME		-58,197.
PASF K-1 INCOME		-306,073.
PASF K-1 UBTI		40,399.
TOTALS	57.	-419,240.

FORM 990PF, PART I - LEGAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
LEGAL FEES - PRINCIPAL (ALLOCA	52,149.			52,149.
LEGAL FEES - INCOME (ALLOCABLE	30,405.			30,405.
TOTALS	82,554.	NONE	NONE	82,554.

FORM 990PF, PART I - ACCOUNTING FEES
=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
TAX PREPARATION FEE (NON-ALLOC	900.	450.		450.
TOTALS	900.	450.	NONE	450.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES
=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INVESTMNT MNGMNT FEES (NON-DED	361,539.	361,539.
TOTALS	361,539.	361,539.

FORM 990PF, PART I - TAXES

=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
FOREIGN TAXES	14,851.	14,851.
STATE INCOME TAXES	521.	521.
FEDERAL TAX PAYMENT - PRIOR YE	62,279.	
FEDERAL ESTIMATES - INCOME	31,087.	
FOREIGN TAXES ON QUALIFIED FOR	10,898.	10,898.
FOREIGN TAXES ON NONQUALIFIED	584.	584.
TOTALS	120,220.	26,854.

FORM 990PF, PART I - OTHER EXPENSES
=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	CHARITABLE PURPOSES
OTHER EXPENSES	1,927.	1,927.
IT EXPENSE	85,422.	85,868.
TRAINING	23,132.	23,132.
OTHER EXPENSES	14,352.	9,922.
PROGRAM EVENTS	280,311.	274,960.
TOTALS	405,144.	395,809.

FORM 990PF, PART II - CORPORATE STOCK
 =====

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
02079K107 ALPHABET INC/CA-CL C	2,268,539.	451,590.	1,841,958.
02079K305 ALPHABET INC/CA-CL A	381,130.	171,483.	806,639.
023135106 AMAZON.COM INC	1,252,274.	377,600.	910,611.
04314H857 ARTISAN INTL VALUE F	798,150.	512,105.	689,084.
084670108 BERKSHIRE HATHAWAY I	550,140.	193,817.	1,782,360.
084670702 BERKSHIRE HATHAWAY I	14,364.	32,712.	299,881.
09857L108 BOOKING HOLDINGS INC	1,402,014.	716,701.	684,019.
143130102 CARMAX INC	3,138,909.	1,380,981.	2,111,603.
21037X910 CONSTELLATION SOFTWA	1,425,338.	545,467.	1,157,461.
225310101 CREDIT ACCEPTANCE CO	1,025,673.	495,780.	1,130,934.
256206103 DODGE & COX INTL STO	1,367,959.	878,886.	796,954.
302933502 FMI LARGE CAP FUND-I	671,756.	671,756.	816,153.
30303M102 FACEBOOK INC-A	1,048,520.	727,424.	830,382.
315911727 FIDELITY INTERNATION	3,302,353.	2,822,895.	2,605,570.
315911750 FIDELITY 500 INDEX F	2,215,000.	4,909,554.	4,940,534.
46434G822 ISHARES INC MSCI JAP	511,148.	511,148.	494,250.
469814107 JACOBS ENGINEERING G	1,329,767.	623,399.	1,032,000.
48129C207 JPMORGAN GL RES ENH	1,350,359.	1,022,007.	969,202.
48129C603 JPMORGAN US L/C CORE	1,469,458.	663,305.	801,820.
530307107 LIBERTY BROADBAND-A	402,162.	241,247.	283,296.
530307305 LIBERTY BROADBAND-C	1,356,509.	531,090.	665,359.
531229854 LIBERTY MEDIA GROUP-	1,444,375.	726,988.	1,075,067.
531229870 LIBERTY MEDIA GROUP-	17,224.	18,348.	22,908.
608190104 MOHAWK INDUSTRIES IN	278,012.	173,496.	447,586.
78462F103 SPDR S&P 500 ETF TRU	3,555,133.	3,555,133.	4,513,877.
808513105 SCHWAB (CHARLES) COR	1,127,305.	615,069.	864,115.
872540109 TJX COMPANIES INC	114,965.		
92826C839 VISA INC-CLASS A SHA	996,018.		1,582,002.
92852T912 VIVENDI HELD BY EURO	1,464,912.	765,832.	770,404.

THOMAS J WATSON FOUNDATION XXXXX0006

35-7120359

FORM 990PF, PART II - CORPORATE STOCK
=====

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
949746101 WELLS FARGO & CO	987,792.		
G45105924 HISCOX ORD GBP ISIN	396,469.	197,672.	549,671.
G7630V933 ROLLS ROYCE GROUP PL	1,962,614.	655,426.	865,995.
N50799936 KONINKLIJKE VOPAK NV	1,020,500.		
S534335913 NASPERS LTD N SHS HE	2,075,691.	991,742.	821,518.
4994 EUROFINS SCIENTIFIC HELD		445,740.	518,651.
234391910 A2 MILK CO LTD ISIN		475,812.	710,691.
789800919 MELROSE INDUSTRIES P		526,784.	502,079.
46641Q696 JPMORGAN BETABUILDER		631,789.	615,914.
57636Q104 MASTERCARD INC-CLASS		127,704.	142,092.
TOTALS	42,722,532.	28,577,931.	39,652,640.

FORM 990PF, PART II - CORPORATE BONDS
=====

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
091929687 BLACKROCK HIGH YIELD	256,627.		
256210105 DODGE & COX INCOME F	985,000.		
258620103 DOUBLELINE TOTL RET	1,222,552.	736,358.	718,103.
481211114 JPMORGAN STRAT INC O	580,119.		
481211809 JPMORGAN INFLATN MGD	294,523.		
552746364 MFS EMERGING MKTS DE	293,383.		
693390601 PIMCO SHORT-TERM FD-	300,000.	621,555.	619,428.
722005816 PIMCO INVESTMENT GRA	647,000.	618,669.	638,718.
921937603 VANGUARD TOTAL BOND	1,485,000.	3,415,000.	3,490,457.
92203J308 VANGUARD TOTAL INTL	1,440,815.	2,465,815.	2,539,547.
464287440 ISHARES BARCLAYS 7-1		619,256.	646,054.
464288588 ISHARES BARCLAYS MBS		620,636.	631,359.
808524870 SCHWAB U.S. TIPS ETF		287,497.	301,276.
921937827 VANGUARD SHORT-TERM		307,950.	312,186.
48121A415 JPM MANAGED INCOME F		7,500,000.	7,514,970.
TOTALS	7,505,019.	17,192,736.	17,412,098.

FORM 990PF, PART II - OTHER INVESTMENTS
 =====

DESCRIPTION	COST/ FMV C OR F	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
053592911 AVENUE INTERNATIONAL	C	11,519.		
092911957 BLACKSTONE PARTNERS	C	2,297,409.	2,297,409.	3,161,294.
389001918 GRE II PRIVATE INVES	C	21,306.		
7Y031R912 GOLDENTREE OFFSHORE	C	17,681.	17,681.	11,460.
7Y031R920 GOLDENTREE OFFSHORE	C	1,415.	1,415.	1,946.
7Y031R938 GOLDENTREE OFFSHORE	C	9,120.		
7Y031R946 GOLDENTREE OFFSHORE	C	23,338.	23,051.	151,443.
862626918 GOLDENTREE OFFSHORE	C	3,948.	2,780.	
810962910 GOLUB CAPITAL INVEST	C	105,000.	105,000.	
35581L916 AG DIRECT LENDING II	C			1,975,053.
225154913 JCR INCOME PLUS FUND	C			2,065,749.
25581L917 MCR HOSPITALITY FUND	C			573,156.
74269A918 PRIVATE ADVISORS SEC	C	662,500.	662,500.	830,811.
113560916 OTTAWA AVENUE PRIVAT	C			1,279,447.
278C6L916 ECHO STREET GOODCO S	C			1.
501L2C919 LCP IX (OFFSHORE), L	C			13,678,676.

TOTALS
 =====
 3,153,236. 3,109,836. 23,729,037.
 =====

FORM 990PF, PART II - OTHER ASSETS
=====

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
997608249 233 BORADWAY, 27TH F	1.	1.	1.
997608250 1465 POST RD E - OFF	1.	1.	1.
TOTALS	2.	2.	2.

FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

=====

DESCRIPTION -----	AMOUNT -----
RECOVERY OF CHARITABLE DISTRIBUTIONS	8,147.
COST BASIS ADJUSTMENT	44,689.
ROUNDING	2.
AMEX LIABILITIES AT 05/31/2019	4,288.
CHASE LIABILITIES AT 05/31/2019	10,379.

TOTAL	67,505.
	=====

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

=====

DESCRIPTION -----	AMOUNT -----
CAPITAL TRANS NOT YET REFLECTED IN BASIS	17,439,923.
SALES ADJUSTMENTS	251.
PRIOR PERIOD ADJUSTMENT	46,735.

TOTAL	17,486,909.
	=====

=====

RECIPIENT NAME:

SHENA SUBRAMANIAN

ADDRESS:

11 PARK PLACE, SUITE 1503

NEW YORK, NY 10007

RECIPIENT'S PHONE NUMBER: 215-245-8859

FORM, INFORMATION AND MATERIALS:

SEE STATEMENT ATTACHED

SUBMISSION DEADLINES:

FIRST TUESDAY IN NOVEMBER

THE SELECTION COMMITTEE'S NOMINEE INFORMATION SHOULD BE SUBMITTED TO
RESTRICTIONS OR LIMITATIONS ON AWARDS:

THE FOUNDATION BY THE FIRST TUESDAY OF NOVEMBER.