The Joyce Foundation

Financial Statements
Years Ended December 31, 2010 and 2009

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Contents

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Independent Auditors' Report

To the Board of Directors
The Joyce Foundation

We have audited the accompanying statements of financial position of The Joyce Foundation (the "Foundation") as of December 31, 2010 and 2009 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Joyce Foundation as of December 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

BDO USA, LLP

July 7, 2011

Financial Statements

The Joyce Foundation

Statements of Financial Position

December 31,		**2010**		2009
Assets				
Current Assets				
Cash	**$**	**424,488**	$	912,314
Collateral received under securities lending program (Note 1)		**6,828,668**		31,783,332
Due from brokers for sales of securities		**136,530**		1,522,873
Investments at fair value (Note 2)		**800,817,902**		738,438,295
Current federal excise tax receivable		**146,193**		396,193
Other assets		**126,620**		178,699
Total Assets	**$**	**808,480,401**	$	773,231,706
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	**$**	**17,067**	$	456,702
Due to brokers for purchases of securities		**689,431**		642,004
Grants payable		**14,955,728**		11,408,358
Payable under securities lending program (Note 1)		**6,828,668**		31,783,332
Deferred federal excise tax payable		**1,650,000**		450,000
		24,140,894		44,740,396
Net Assets				
Unrestricted		**782,464,507**		728,491,310
Temporarily restricted		**1,875,000**		-
Total Net Assets		**784,339,507**		728,491,310
Total Liabilities and Net Assets	**$**	**808,480,401**	$	773,231,706

See accompanying notes to financial statements.

The Joyce Foundation

Statements of Activities

Year ended December 31,	Unrestricted	Temporarily Restricted	2010 Total
Revenue			
Contributions	$ -	$ 2,000,000	$ 2,000,000
Investment gains			
Net realized gains on investment transactions	30,589,572	-	30,589,572
Net unrealized appreciation on assets	59,649,730	-	59,649,730
Interest income	70,858	-	70,858
Dividend income	10,336,032	-	10,336,032
Other income	303,254	-	303,254
	100,949,446	2,000,000	102,949,446
Investment expenses	2,357,611	-	2,357,611
Net investment gains	98,591,835	2,000,000	100,591,835
Expenses			
Grants awarded, net of grants returned (grant payments made of $32,930,174)	36,936,600	125,000	37,061,600
General and administrative expenses	5,982,038	-	5,982,038
Federal excise tax and unrelated business income tax	500,000	-	500,000
Deferred federal excise tax benefit	1,200,000	-	1,200,000
Total expenses	44,618,638	125,000	44,743,638
Net Assets Released from Restrictions	-	-	-
Increase in Net Assets	53,973,197	1,875,000	55,848,197
Net Assets, at beginning of year	728,491,310	-	728,491,310
Net Assets, at end of year	$ 782,464,507	$ 1,875,000	$ 784,339,507

See accompanying notes to financial statements.

The Joyce Foundation

Statements of Activities

Year ended December 31,	Unrestricted	Temporarily Restricted	2009 Total
Revenue			
Investment revenue			
Net realized gains on investment transactions	$ 3,906,136	$ -	$ 3,906,136
Net unrealized appreciation on assets	136,359,152	-	136,359,152
Interest income	222,270	-	222,270
Dividend income	12,481,725	-	12,481,725
Other income	287,178	-	287,178
	153,256,461	-	153,256,461
Investment expenses	2,080,837	-	2,080,837
Net investment revenue	151,175,624	-	151,175,624
Total revenue	151,175,624	-	151,175,624
Expenses			
Grants awarded, net of grants returned (grant payments made of $35,936,945 in 2009)	28,796,674	-	28,796,674
General and administrative expenses	5,486,080	-	5,486,080
Federal excise tax/unrelated business income tax	113,807	-	113,807
Deferred federal excise tax	450,000	-	450,000
Total expenses	34,846,561	-	34,846,561
Net Assets Released from Restrictions	1,114,112	(1,114,112)	-
Increase (Decrease) in Net Assets	117,443,175	(1,114,112)	116,329,063
Net Assets, at beginning of year	611,048,135	1,114,112	612,162,247
Net Assets, at end of year	$ 728,491,310	$ -	$ 728,491,310

See accompanying notes to financial statements.

The Joyce Foundation

Statements of Cash Flows

Year ended December 31,	**2010**	2009
Cash Flows From Operating Activities		
Increase in net assets	**$ 55,848,197**	$ 116,329,063
Adjustments to reconcile change in net assets to net cash used in operating activities		
Realized gains on investment transactions	**(30,589,572)**	(3,906,136)
Net unrealized appreciation on assets	**(59,649,730)**	(136,359,152)
Deferred federal excise tax	**1,200,000**	450,000
Changes in		
Contribution receivable	**-**	1,000,000
Other assets	**52,079**	44,859
Federal excise tax receivable	**250,000**	113,807
Grants payable	**3,547,370**	(7,140,271)
Accounts payable and accrued expenses	**(392,208)**	(70,963)
Net cash used in operating activities	**(29,733,864)**	(29,538,793)
Cash Flows From Investing Activities		
Proceeds from investments	**277,589,147**	236,453,038
Purchases of investments	**(248,343,109)**	(206,340,915)
Change in payable under securities lending program	**(24,954,664)**	15,044,322
Change in collateral received under securities lending program	**24,954,664**	(15,044,322)
Net cash provided by investing activities	**29,246,038**	30,112,123
(Decrease) Increase in Cash	**(487,826)**	573,330
Cash, at beginning of year	**912,314**	338,984
Cash, at end of year	**$ 424,488**	$ 912,314
Supplemental Disclosure of Cash Flow Information		
Cash paid for excise taxes	**$ 250,000**	$ -

See accompanying notes to financial statements.

1. Nature of Activities and Significant Accounting Policies

Nature of Activities

The Joyce Foundation (the "Foundation") is a nonprofit organization that supports efforts to protect the natural environment of the Great Lakes, to reduce poverty and violence in the region, and to ensure that its people have access to good schools, decent jobs and a diverse and thriving culture.

The financial statements have been prepared in conformity with accounting policies applicable to nonprofit organizations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions affecting the amounts reported in the financial statements and accompanying notes. Actual results could differ from the estimates.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. However, as a private charitable foundation, it is subject to a federal excise tax based on net investment income. Deferred federal excise tax represents taxes provided on the net unrealized appreciation on investments, using a rate of 2%. The Foundation is subject to income tax at corporate rates on certain income that is considered unrelated business income under the Internal Revenue Code.

Investment Valuation and Income Recognition

The investments of the Foundation are reported at fair value. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). The fair value is generally based on year-end published quotations or the net asset value ("NAV") of investment funds. These prices are only used for financial reporting purposes and do not necessarily represent the ultimate realizable values of such securities.

Cash, securities transactions receivable, and obligations are carried at cost which approximates fair value because of the short maturity of these instruments.

Marketable securities, including cash equivalents, U.S. and non-U.S. equities and fixed income, are reflected at market values based on quoted prices. Common stock, preferred stock, fixed income securities including U.S. government and corporate obligations, options and futures traded in active markets on national and international securities exchanges are valued at closing prices on the last business day of each period presented. Securities traded in markets that are not considered active are valued based on quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the Foundation's investment managers' best estimates. In general, corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Investments in

U.S. government bonds are estimated using best available trade data. Investments in certain restricted common stocks are valued at the quoted market price of the issuer's unrestricted common stock less an appropriate discount. The multiple chosen is consistent with multiples of similar companies based on current market prices.

Limited liquidity investments (primarily categorized as "alternative investments" – see Note 2) are stated at estimated fair value. Limited liquidity investments are primarily made under agreements to participate in limited partnerships and commingled funds and are generally subject to certain withdrawal restrictions. These interests are valued on the basis of the Foundation's equity in the net assets of such investments. Values for these investments, which may include investments in both nonmarketable and market-traded securities, are provided by the general partner or administrator and may be based on appraisals, market values discounted for concentration of ownership, or other estimates. Because of inherent uncertainty of valuing the investments in such partnerships and certain of the underlying investments held by the partnership and commingled funds, the Foundation's estimate of fair value may differ significantly from the values that would have been used had a ready market for the investments existed. The financial statements of the Foundation's limited liquidity investments are audited annually by independent public accounting firms.

Some of the Foundation's assets are held in various limited partnerships that invest in the securities of companies that may not be immediately liquid. The partnerships' general partners, who must follow the valuation guidelines stipulated in their respective limited partnership agreements, determine the value of such investments. Given the inherent risks associated with this type of investment, there can be no guarantee that there will not be widely varying gains or losses on these limited partnership investments in future periods.

Investment sales and purchases are recorded on a trade-date basis, which results in both investment receivables and payables on unsettled investment trades. Dividend income is recorded based upon the ex-dividend date, and interest income is recorded as earned on an accrual basis. Realized and unrealized gains and losses from changes in market values are reflected in the statements of activities.

Securities Lending

The Foundation has participated in a securities lending program administered by the Foundation's custodian. Under this program, securities are periodically loaned to selected brokers, banks or other institutional borrowers of securities, for which collateral in the form of cash, letters of credit, or government securities may not be less than 102% of the market value of the loaned securities plus accrued but unpaid interest or dividends. The Foundation invests this collateral received in a commingled fund of short-term fixed income securities. The Foundation bears the risk that it may experience delays in the recovery or even loss of rights in the collateral should the borrower of the securities fail to meet its obligations or if investments purchased through the collateral reinvestment process become impaired. In September 2008, the custodian declared a deficiency in the collateral fund for the securities lending program. As such, the Foundation was assessed their pro rata share of the deficiency. Due to market recovery, the custodian declared a partial reversal of the deficiency in December 2009, and a reversal of the remaining deficiency in March 2010. A liability regarding the deficiency of approximately $101,000 is included in accounts payable and accrued expenses in the accompanying 2009 statement of financial position. In January 2011, the Foundation ceased participation in the securities lending program.

Fixed Assets

The Foundation capitalizes the cost of leasehold improvements, furniture and equipment, and is depreciating/amortizing the assets using the straight-line method. Leasehold improvements are amortized over the lesser of the estimated useful life of the improvements or the term of the lease, and furniture and equipment are depreciated over five years, the estimated useful life. Fixed assets are included in other assets on the 2010 and 2009 statements of financial position.

Grants

Grants specifically committed to designated grantees, but not yet paid, are accrued as grants payable.

Concentration of Credit Risk

The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes that the Foundation is not exposed to any significant credit risk on cash. All non-interest bearing cash balances were fully insured at December 31, 2010 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there is no limit to the amount of insurance for eligible accounts. Beginning in 2013, insurance coverage will revert to $250,000 per depositor at each financial institution and the Foundation's non-interest bearing cash balances may again exceed federally insured limits.

Net Assets

Temporarily restricted net assets are limited by donors to a specific time period or purpose. Unrestricted net assets are not subject to any stipulations. During 2010, the Foundation received a contribution of $2,000,000 restricted to a specific grant-making program. There were no temporarily restricted net assets as of December 31, 2009.

Uncertainty in Income Taxes

The Financial Accounting Standards Board issued Accounting Standards Codification ("ASC") 740-10-25, *"Accounting for Uncertainty in Income Taxes,"* which:

1. Requires that the realization of an uncertain income tax position must be more likely than not (that is, greater than 50% likelihood of receiving benefit) before it can be recognized in the financial statements,
2. Mandates that the recorded amount must be the most likely amount realized assuming a review by the tax authorities having all relevant information and applying current conventions,
3. Establishes financial statement classification of tax related penalties and interest, and
4. Sets narrative disclosures regarding unrecognized tax benefits.

On January 1, 2009, the Foundation adopted the provisions of ASC 740-10-25. As part of the adoption, the Foundation determined that no adjustments to beginning net assets were required. No interest or penalties have been accrued relative to tax positions. As a result, no liability for uncertain tax positions has been recorded at December 31, 2010 and 2009.

Should the Foundation need to accrue interest or penalties on uncertain tax positions, it would recognize the interest as interest expense and the penalties as other expenses. Tax years going back to 2007 remain open.

Reclassification

Certain reclassifications have been made to the 2009 balances to conform to the 2010 presentation. These reclassifications had no effect on the changes in net assets in 2009 or total net assets at December 31, 2009.

Subsequent Events

The Foundation has evaluated subsequent events through July 7, 2011, the date the financial statements were available to be issued.

2. Investments

Fair Value Measurements

In accordance with ASC 820-10 *"Fair Value Measurements",* fair value is defined as the price that the Foundation would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. ASC 820-10 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based upon market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions of what market participants would use in pricing the asset or liability based upon the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 – Quoted prices in active markets for identical investments

Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.)

Level 3 – Significant unobservable inputs (including the Foundation's own assumptions in determining the fair value of investments)

In 2009, the Foundation adopted ASU 2009-12, *"Fair Value Measurements and Disclosures"* (Topic 820), *"Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)"*. ASU 2009-12 permits a reporting entity to measure the fair value of an investment that does not have a readily determinable fair value, based on the net asset value per share (the "NAV") of the investment as a practical expedient, without further adjustment, unless it is probable that the investment will be sold at a value significantly different than the NAV. If the practical expedient NAV is not as of the reporting entity's measurement date, then the NAV should be adjusted to reflect any significant events that may change the valuation.

In January 2010, the Financial Accounting Standards Board ("FASB") issued ASU 2010-06, *"Improving Disclosures about Fair Value Measurements"*, which, among other things, amends ASC 820 to require entities to separately present purchases, sales, issuances, and settlements in their reconciliation of Level 3 fair value measurements (i.e. to present such items as gross basis rather than on a net basis), and which clarifies existing disclosure requirements provided by ASC 820 regarding the level of disaggregation and the inputs and valuation techniques used to measure fair value for measurements that fall within either Level 2 or Level 3 of the fair value hierarchy. ASU 2010-06 is effective for interim and annual periods beginning after December 15, 2009, except for the disclosure about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements (which are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years). The adoption of this ASU did not have a significant impact on the Foundation's financial statement disclosures.

Foundation investments consist of the following at December 31:

	2010		2009	
	Cost	Market Value	Cost	Market Value
Cash equivalents	$ 10,156,731	$ 10,156,731	$ 15,337,044	$ 15,337,044
US Equity				
Large Cap	169,337,306	189,707,339	192,540,275	202,893,986
Mid/Small Cap	55,042,181	64,978,968	70,281,002	73,913,875
Non-US Equity				
Developed markets	115,918,116	129,481,385	113,224,648	110,903,614
Emerging markets	53,490,534	65,569,475	22,819,390	24,780,053
Fixed income	106,309,475	105,948,235	105,926,120	104,867,506
Alternative investments				
Absolute return hedge funds	79,430,947	86,058,659	84,032,583	83,039,882
Hedged equity hedge funds	63,295,927	69,463,547	63,588,889	64,899,206
Private equity partnerships	63,393,042	77,471,711	46,941,011	56,372,215
Real assets	1,539,453	1,539,091	763,515	763,153
Program related	-	-	225,000	225,000
Real estate and mineral rights	442,761	442,761	442,761	442,761
Total	**$ 718,356,473**	**$ 800,817,902**	**$ 716,122,238**	**$ 738,438,295**

Cash equivalents consist primarily of U.S. government treasury securities, high-grade commercial paper, and discounted notes. U.S. and non-U.S. equities consist primarily of direct or indirect investments in U.S. and international common stock. Fixed Income consists primarily of indirect investments in U.S. government agency and treasury securities, mortgage-backed securities, collateralized mortgage obligations, corporate securities, non-U.S. corporate and government securities. Absolute Return and Hedged Equity Hedge Funds consist primarily of commingled funds and limited partnerships that invest in both nonmarketable and market-traded securities. Fund investments may include both long and short positions, as well as leverage. Private equities consist of limited partnerships, including venture capital funds, buyout funds, and funds that invest in distressed and mezzanine debt securities. Real assets consist of limited partnerships investing in equity real estate.

The following is a summary of the inputs used as of December 31, 2010 in valuing the Foundation's investments:

	December 31, 2010	Quotes Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	$ 10,156,731	$ 10,156,731	$ -	$ -
US Equity				
Large Cap	189,707,339	100,160,831	89,546,508	-
Mid/Small Cap	64,978,968	64,978,968	-	-
Non-US Equity				
Developed markets	129,481,385	53,473,550	76,007,835	-
Emerging markets	65,569,475	-	16,925,066	48,644,409
Fixed income	105,948,235	-	105,948,235	-
Alternative investments				
Absolute return hedge funds	86,058,659	-	20,940,434	65,118,225
Hedged equity hedge funds	69,463,547	-	15,567,219	53,896,328
Private equity partnerships	77,471,711	-	-	77,471,711
Real assets	1,539,091	-	-	1,539,091
Program related	-	-	-	-
Real estate and mineral rights	442,761	-	-	442,761
	$ 800,817,902	$ 228,770,080	$ 324,935,297	$ 247,112,525

The following is a summary of the inputs used as of December 31, 2009 in valuing the Foundation's investments:

	December 31, 2009	Quotes Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	$ 15,337,044	$ 15,337,044	$ -	$ -
US Equity				
Large Cap	202,893,986	70,222,399	132,671,587	-
Mid/Small Cap	73,913,875	73,913,875	-	-
Non-US Equity				
Developed markets	110,903,614	48,271,700	62,631,914	-
Emerging markets	24,780,053	-	-	24,780,053
Fixed income	104,867,506	-	104,867,506	-
Alternative investments				
Absolute return hedge funds	83,039,882	-	24,674,337	58,365,545
Hedged equity hedge funds	64,899,206	-	14,376,013	50,523,193
Private equity partnerships	56,372,215	-	-	56,372,215
Real assets	763,153	-	-	763,153
Program related	225,000	-	-	225,000
Real estate and mineral rights	442,761	-	-	442,761
	$ 738,438,295	$ 207,745,018	$ 339,221,357	$ 191,471,920

The table below sets forth a summary of changes in the fair value of the Foundation's level 3 investment assets for the years ended December 31, 2010 and 2009, respectively.

	Emerging Markets	Absolute Return Hedge Funds	Hedged Equity Hedge Funds	Private Equity Partnerships	Real Assets	Program Related Investments	Real Estate and Mineral Rights	Total
Balance, at January 1, 2009	$ 15,174,097	$ 49,160,725	$ 50,527,829	$ 41,016,599	$ -	$ 225,000	$ 442,761	$ 156,547,011
Realized gains (losses)	-	-	-	1,403,768	-	-	-	1,403,768
Unrealized gains (losses)	9,605,956	9,204,820	9,236,464	1,903,230	(536,847)	-	-	29,413,623
Purchases	-	-	-	14,859,536	1,300,000	-	-	16,159,536
Settlements	-	-	(9,241,100)	(2,810,918)	-	-	-	(12,052,018)
Balance, at January 1, 2010	24,780,053	58,365,545	50,523,193	56,372,215	763,153	225,000	442,761	191,471,920
Realized gains (losses)	-	-	-	2,133,805	-	-	-	2,133,805
Unrealized gains (losses)	8,864,356	6,752,680	5,269,476	6,896,169	(156,455)	-	-	27,626,226
Purchases	15,000,000	-	-	17,807,078	932,393	-	-	33,739,471
Settlements	-	-	(1,896,341)	(5,737,556)	-	(225,000)	-	(7,858,897)
Balance, at December 31, 2010	**$ 48,644,409**	**$ 65,118,225**	**$ 53,896,328**	**$ 77,471,711**	**$ 1,539,091**	**$ -**	**$ 442,761**	**$ 247,112,525**

In addition, at December 31, 2010 and 2009, the Foundation also has $6,828,668 and $31,783,332, respectively, of securities lending collateral which are considered to be level 2 investments.

The Foundation uses NAV or the equivalent to determine the fair value of all investments which (a) do not have readily determinable fair value and (b) have financial statements prepared consistent with the measurement principles of an investment company or have attributes of an investment company. Per ASU 2009-12, the following table lists such investments by major category:

	Fair Value	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
Public equities (a)	$ 175,128,608	$ -	Monthly	30 days or less
Alternative Investments				
Absolute return hedge funds (b)	86,058,659	-	Quarterly – Annually	45-180 days
Hedged equity hedge funds (c)	69,463,547	-	Quarterly – Triennially	45-60 days
Private equity (d)	77,471,711	52,340,713	N/A	N/A
Real assets (d)	1,539,091	2,767,607	N/A	N/A
Total	$ 409,661,616	$ 55,108,320		

(a) Public equities

This category includes investments in commingled funds and partnerships that invest primarily in publicly traded, long-only securities, including U.S. and non-U.S. common stock; closed-end mutual funds that invest in non-U.S. stocks; equity index futures, and short-term fixed income securities. The fair values of the investments in this category have been estimated using the net asset value per share of the investments or the net asset value of the Foundation's ownership interest in partners' capital, depending on the fund's structure.

(b) Absolute return hedge funds

This category invests in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. These strategies include distressed and non-distressed bond strategies, long/short equity strategies, event-oriented equity strategies, real assets including real estate, and private equity. The fair values of the investments in this category have been estimated using the net asset value per share of the investments or the net asset value of the Foundation's ownership interest in partners' capital, depending on the fund's structure. One fund, representing approximately 25% of the value of the investments in this category, cannot be redeemed because the investment includes restrictions that do not allow for redemption in the first three years after acquisition. The remaining restriction is 12 months at December 31, 2010. Once this restriction expires, this fund requires 180 days notice to redeem all or part of the investment. All other funds require 60 days or less.

(c) Hedged equity hedge funds

This category includes investments in hedge funds that invest both long and short primarily in U.S. and non-U.S. common stocks. The fair values of the investments in this category have been estimated using the net asset value per share of the investments or the net asset value of the Foundation's ownership interest in partners' capital, depending on the fund's structure. Only one fund, representing approximately 23% of the value of the investments in this category, has triennial redemption. All other funds can be redeemed annually.

(d) Private equity and real assets

These categories include private equity funds that invest primarily in U.S. and non-U.S. companies, distressed debt and commercial real estate. The fair values of the investments in this category have been estimated using the net asset value of the Foundation's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the fund will be liquidated over the next 7 to 10 years.

Investment Partnerships Open Commitments

The Foundation had open commitments to make additional partnership investments of $55,108,320 at December 31, 2010. Returned unused capital contributions may be recalled and all distributions are subject to repayment to cover liabilities of the partnerships. The amount of this contingency cannot be determined.

Derivative Financial Instruments

In connection with its investing activities, the Foundation enters into transactions involving a variety of derivative financial instruments, primarily exchange-traded financial futures contracts. These contracts provide for the delayed delivery or purchase of financial instruments at a specified future date at a specified price or yield.

Derivative financial instruments involve varying degrees of off-balance-sheet market risk, whereby changes in the market values of the underlying financial instruments may result in changes in the value of the financial instruments in excess of the amounts reflected in the statements of financial position. Exposure to market risk is influenced by a number of factors, including the relationships between financial instruments and the Foundation's investment holdings and the volatility and liquidity in the markets in which the financial instruments are traded. In many cases, the use of financial instruments serves to modify or offset market risk associated with other transactions and, accordingly, serves to decrease the Foundation's overall exposure to market risk.

Derivative financial instruments can also be subject to credit risk, which arises from the potential inability of counterparties to perform in accordance with the terms of the contract. The Foundation's exposure to credit risk associated with counterparty nonperformance is limited to the current cost to replace all contracts in which the Foundation has a gain. Exchange-traded derivative financial instruments, such as financial futures contracts, generally do not give rise to significant counterparty exposure due to the cash settlement procedures for daily market movements and the margin requirements of the individual exchanges.

3. Defined Contribution Pension Plan

The Foundation maintains a defined contribution pension plan for eligible employees. Employer contributions are discretionary and are calculated as a percentage of salaries as determined by the Board of Directors. Total employer and employee contributions may not exceed the lesser of 100% of salaries or $49,000 per employee. Pension expense was $329,997 for 2010 and $314,331 for 2009.

4. Commitments

The Foundation leases office space under a noncancelable operating lease that provides for minimum monthly payments through January 31, 2013, plus additional amounts to cover the proportionate share of the cost of operating the property. Rent expense including related operating expenses totaled $468,363 in 2010 and $459,219 in 2009. At December 31, 2010, minimum payments under this lease are as follows:

	Amount
2011	$ 240,135
2012	246,306
2013	20,569
Total	$ 507,010