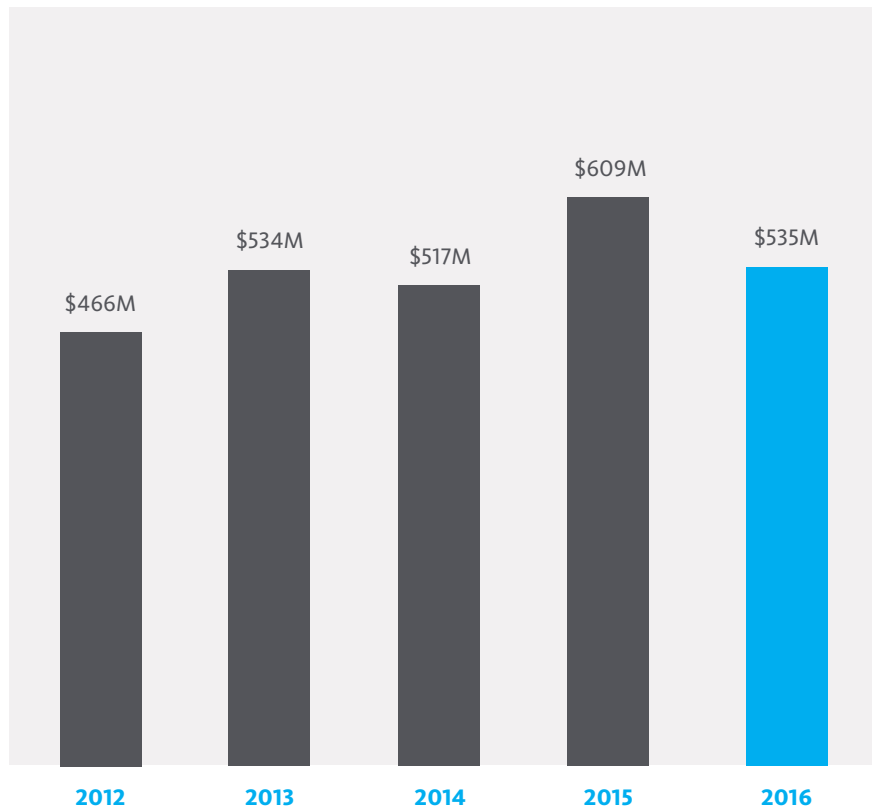


FINANCIAL SNAPSHOT 2016

Our mission demands strict financial management and we strive to maximize our programmatic spending. Our grants address some of society's toughest issues – social challenges that require strategic and sustained engagement. In order to pursue consistent, multiyear programming, the foundation endeavors to invest and budget in ways that yield financial and operating stability while enhancing the value of the investment portfolio.

DIRECT PROGRAM SPENDING

The chart below presents our program spending for the last five years, which includes grants approved and direct conduct of charitable activities.

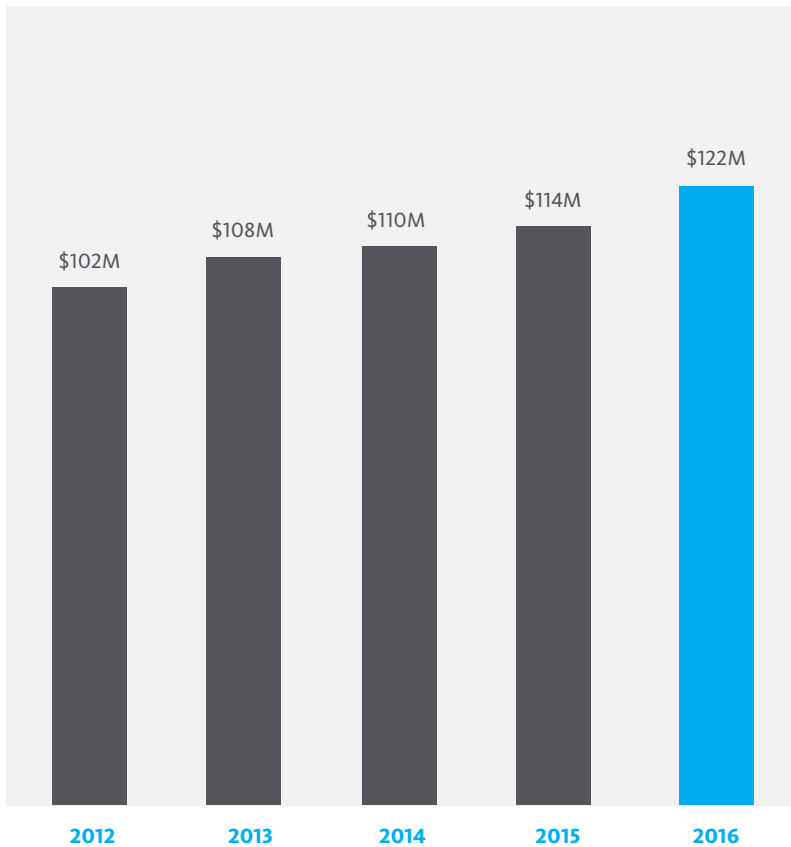


Note that fiscal years 2013-2016 each coincides with the calendar year. 2012 is fiscal year ended September 30. The period between 10/1/12 and 12/31/12 is omitted from this chart.

OPERATING EXPENSES

We are committed to operating the foundation at the highest possible level to support our grantees and our mission. As part of that commitment, we closely monitor and manage operating expenses to ensure that our grantees get the support they need.

The chart below presents our operating expenses for the last five years.

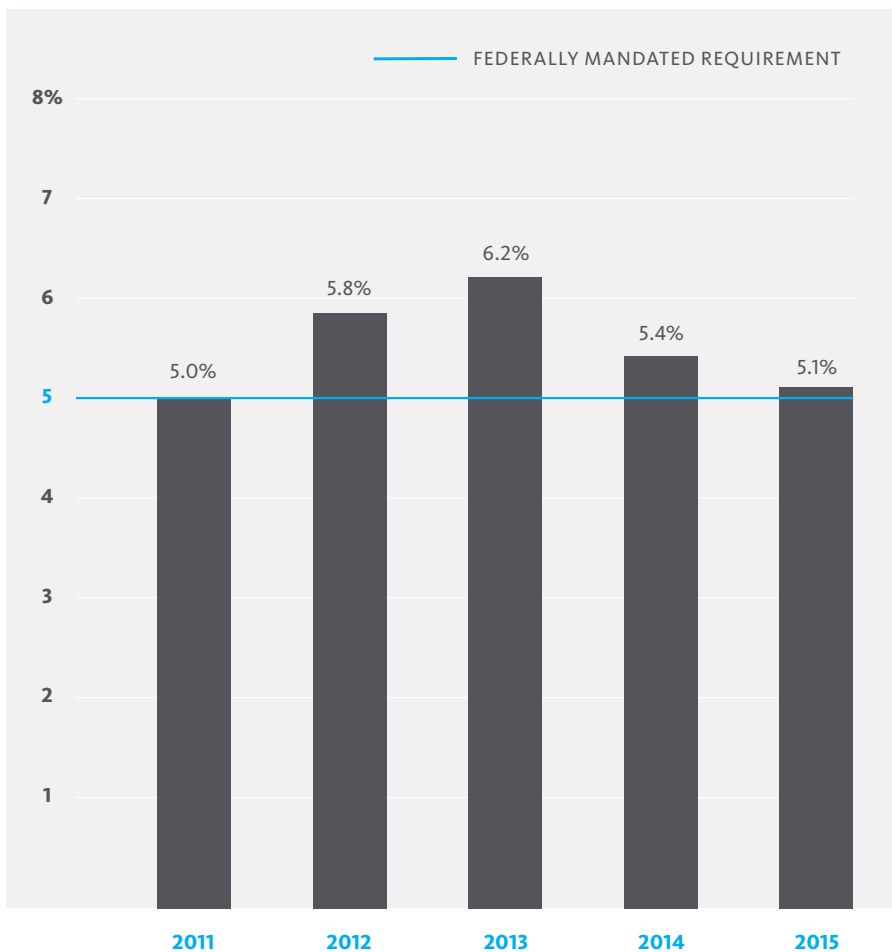


Note that fiscal years 2013-2016 each coincides with the calendar year. 2012 is fiscal year ended September 30. The period between 10/1/12 and 12/31/12 is omitted from this chart.

PAYOUT RATE

We set our annual spending based on 5.3% of the 36-month trailing average endowment values and our program and operational budgets take into account three considerations: satisfying the US federal payout requirement (the yearly obligation to disburse 5 percent of the average value of the endowment); preserving the value of the endowment for long-term charitable funding; and meeting our programs' needs, including new opportunities to expand their impact.

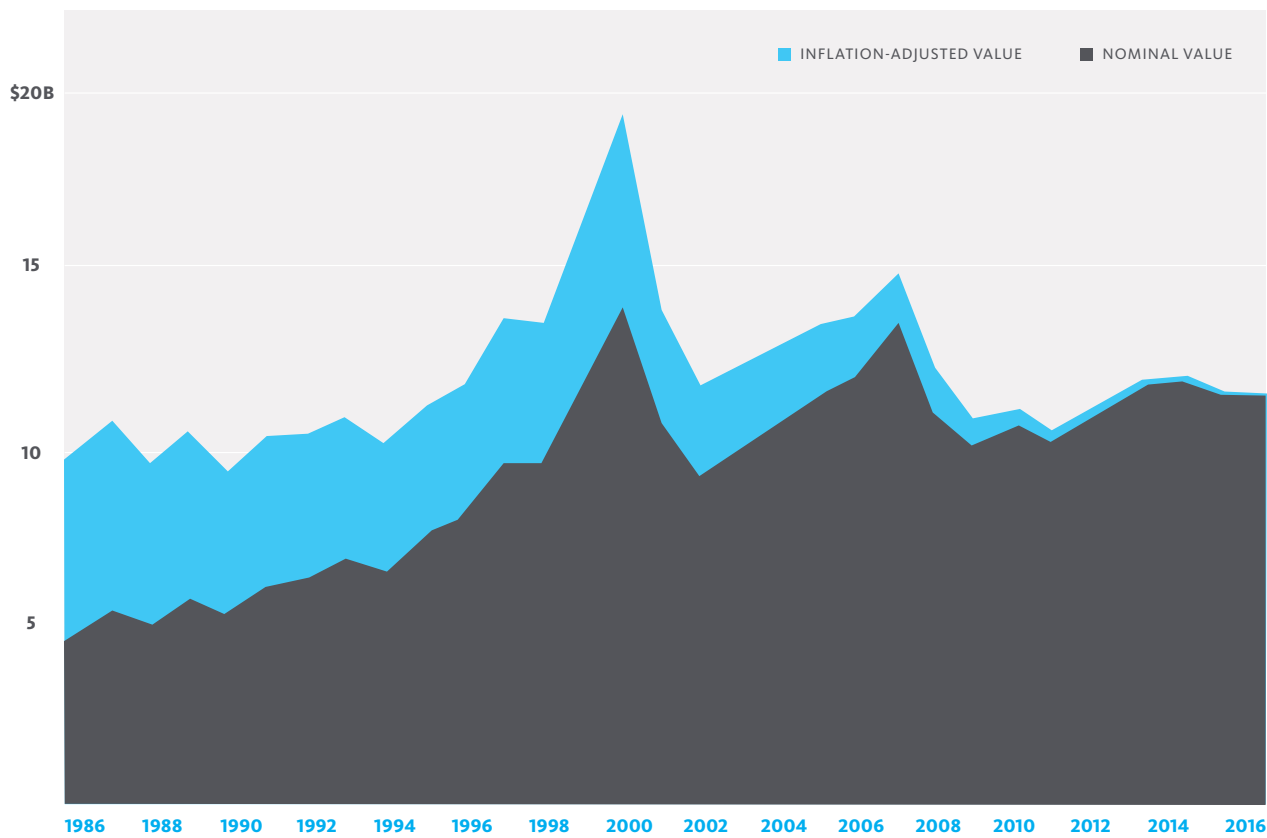
The chart below presents our federal payout rates during the past five years.



Note that fiscal years 2013-2016 each coincides with the calendar year. 2012 is fiscal year ended September 30. The period between 10/1/12 and 12/31/12 is omitted from this chart.

PORTFOLIO VALUES

Our policy has been to try to preserve the inflation-adjusted value of the endowment as we do not receive outside contributions to our endowment. As illustrated below, over the last 30 years, our net assets have grown from \$3.7 billion to \$11.8 billion, nominally. Adjusting for inflation, the value of our net assets has increased by nearly 20% during this period, while our grant making has exceeded \$17 billion (also adjusted for inflation) – nearly 1.8 times the inflation-adjusted value of our endowment value at the start of this period.



Note: Fiscal years 2013-2016 each coincides with the calendar year. Previous fiscal years ended September 30. Additionally, the foundation's exact payout rate for FY 2016 will be available upon the filing of our IRS tax documents in November 2017 and will be made available at that time.

PORTFOLIO PERFORMANCE AND COMPONENTS

In managing our endowment, we seek to balance the goal of preserving its purchasing power through time with the goal of providing a substantial and stable flow of resources to our global grant making activities. To maximize the likelihood of success in balancing these goals, our investment approach combines several core elements: investing with an equity bias to achieve high rates of return; favoring value-oriented investment strategies; structuring a diversified portfolio with a moderate level of risk; delegating individual security selection decisions to highly-skilled external partners who possess unusual talent in generating attractive returns; pursuing investment opportunities in less-efficient markets; emphasizing long-term results; and maintaining appropriate liquidity, in order to enable the foundation to meet its ongoing spending needs and to pursue attractive opportunities created by market dislocations.

Our endowment generated attractive risk-adjusted returns in 2016, returning 7.0% for the calendar year, and annualized returns of 6.0% and 9.2%, respectively, for the three- and five-years ending December 31, 2016. Our endowment continued to produce substantial long-term outperformance relative to its benchmarks.

Investment performance in 2016 was particularly aided by strong results in our foreign equity and private investment portfolios, which provided resilience amidst the market volatility and geopolitical risks of the past year and demonstrated the benefits of holding a globally diversified portfolio. We and our external partners took advantage of attractive market prices to sell a number of public equity, private equity, and real assets investments over the course of 2016, moderating our overall level of equity risk while augmenting our holdings of cash and short-term Treasury securities. As a result, our endowment remains highly liquid, providing us with the ability to meet ongoing spending needs and to pursue the most compelling long-term opportunities in both public and private markets.

The table below summarizes the components of our investment portfolio as of 12/31/2016.

2016 AS OF 12/31/16	Market Value	Percent of Total
Short Term	\$554.5	5.4%
Fixed-Income	\$692.5	5.5%
Public Equity Securities	\$200.0	2.0%
Commingled Funds	\$639.0	5.8%
Alternative Investment Funds	\$7,409.8	60.1%
Private Equity & Venture Capital	\$2,610.0	21.2%
TOTAL	\$ 12,106.0	100.0%



PROGRAM-RELATED INVESTMENTS

In addition to issuing grants, we provide social entrepreneurs and other change makers with affordable access to capital – in the form of debt, equity financing, or loan guarantees. The trustees have earmarked up to \$280 million of the corpus for these investments. As of December 31, 2016, the foundation had \$213.1 million of investments: \$180.2 million had been disbursed and was outstanding, and the remaining \$32.9 million was committed. The following table summarizes the PRI program for the 2016.

2016	As of 12/31/2016 (in millions)
Investments outstanding, beginning of period	\$202.2
Activities during the year:	
Investments disbursed	\$5.3
Principal repaid	(\$26.8)
Investments written off	(\$0.5)
Investments outstanding, end of period	\$180.2
Commitments for investment	\$32.9
TOTAL COMMITMENTS AND INVESTMENT OUTSTANDING	\$213.1
Allowances for possible losses	\$24.9
Program development and support	\$3.5
Investment income received	\$1.8

