

THE HYDE AND WATSON FOUNDATION  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
YEARS ENDED DECEMBER 31, 2019 AND 2018

Dated:  
New York, NY  
May 5, 2020

THE HYDE AND WATSON FOUNDATION

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## INDEPENDENT AUDITORS' REPORT

To the Directors of  
The Hyde and Watson Foundation

We have audited the accompanying financial statements of The Hyde and Watson Foundation (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets - modified cash basis as of December 31, 2019 and 2018, and the related statements of revenues, expenditures, grants and changes in net assets - modified cash basis and statements of functional expenses – modified cash basis for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Independent Auditors' Report (Continued)

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of The Hyde and Watson Foundation as of December 31, 2019 and 2018 and its revenues, expenditures, grants and changes in net assets for the years then ended, in accordance with the modified cash basis of accounting as described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of net investment income, schedule of qualifying distributions and schedule of investments under management on pages 12 - 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

New York, NY  
May 5, 2020

*McGrath & Company, LLP*

The Hyde and Watson Foundation  
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS  
MODIFIED CASH BASIS  
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>
Cash and cash equivalents	\$ 3,868,331	\$ 11,641,907	\$ (7,773,576)
Due from funds	2,000,000	-	2,000,000
Prepaid excise tax	<u>27,114</u>	<u>6,820</u>	<u>20,294</u>
Total current assets	<u>5,895,445</u>	<u>11,648,727</u>	<u>(5,753,282)</u>
Investments at fair values (Note 2)			
Cash and cash equivalents	2,924,542	574,998	2,349,544
Equities	25,429,088	26,140,106	(711,018)
Mutual funds	11,701,128	10,151,821	1,549,307
Managed investment funds	<u>77,737,852</u>	<u>58,375,182</u>	<u>19,362,670</u>
Total investments	<u>117,792,610</u>	<u>95,242,107</u>	<u>22,550,503</u>
Property, furniture, fixtures, and equipment at cost (Note 3)			
Furniture, fixtures, and equipment - net	8,360	11,456	(3,096)
Office condominium units - net	<u>699,309</u>	<u>729,509</u>	<u>(30,200)</u>
Total property, furniture, fixtures and equipment	<u>707,669</u>	<u>740,965</u>	<u>(33,296)</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 124,395,724</u></u>	<u><u>\$ 107,631,799</u></u>	<u><u>\$ 16,763,925</u></u>
Liabilities:			
Grant commitments outstanding	<u>-</u>	<u>25,000</u>	<u>(25,000)</u>
Total liabilities	<u>-</u>	<u>25,000</u>	<u>(25,000)</u>
Net assets:			
Without donor restrictions	124,395,724	107,631,799	16,763,925
Grant commitments outstanding	<u>-</u>	<u>(25,000)</u>	<u>25,000</u>
Total net assets without donor restrictions	<u>124,395,724</u>	<u>107,606,799</u>	<u>16,788,925</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 124,395,724</u></u>	<u><u>\$ 107,631,799</u></u>	<u><u>\$ 16,763,925</u></u>

See notes to financial statements.

The Hyde and Watson Foundation  
STATEMENTS OF REVENUES, EXPENDITURES, GRANTS AND CHANGES IN NET ASSETS  
MODIFIED CASH BASIS  
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>	Increase <u>(Decrease)</u>
<b>REVENUES</b>			
Dividends	\$ 385,579	\$ 620,067	\$ (234,488)
Interest	9,184	14,265	(5,081)
Managed investment funds (limited partnerships) - net income	<u>772,478</u>	<u>354,387</u>	<u>418,091</u>
Total revenues	<u>1,167,241</u>	<u>988,719</u>	<u>178,522</u>
<b>EXPENDITURES</b>			
Salaries	573,914	563,551	10,363
Pension expenditure (Note 4)	121,803	119,394	2,409
Payroll taxes	41,506	41,056	450
Hospitalization and major medical	211,410	217,739	(6,329)
Life and disability insurance	6,971	8,111	(1,140)
Custodian fees and bank charges	9,640	8,237	1,403
Investment consulting fee	200,000	212,500	(12,500)
Investment management fees	302,811	274,896	27,915
Directors' fees	11,400	11,200	200
Audit fees	18,000	16,000	2,000
Facilities maintenance	23,561	24,293	(732)
Real estate tax - condominium units	15,489	15,101	388
Telephone	5,620	5,634	(14)
Administrative supplies and services	27,789	29,651	(1,862)
Pension consultant	7,370	10,220	(2,850)
Subscriptions and publications	999	4,126	(3,127)
Insurance	24,808	22,557	2,251
Membership dues	2,445	2,395	50
Conferences and meetings	1,773	2,794	(1,021)
Board and committee meetings	1,599	1,667	(68)
State filing fees	1,527	1,553	(26)
Sundry general expenditures	1,526	1,897	(371)
Depreciation	<u>35,312</u>	<u>41,035</u>	<u>(5,723)</u>
Total expenditures before taxes	<u>1,647,273</u>	<u>1,635,607</u>	<u>11,666</u>
Federal excise tax (Note 5)	<u>82,560</u>	<u>109,180</u>	<u>(26,620)</u>
Total expenditures with taxes	<u>1,729,833</u>	<u>1,744,787</u>	<u>(14,954)</u>
Net before grants	(562,592)	(756,068)	193,476
Grants	<u>5,835,500</u>	<u>5,709,400</u>	<u>126,100</u>
(Deficiency) of revenues over grants and expenditures before realized and unrealized gains on assets	(6,398,092)	(6,465,468)	67,376
Realized gains of investments	7,801,039	10,619,889	(2,818,850)
Increase (decrease) in unrealized gains on investments	<u>15,360,978</u>	<u>(13,129,285)</u>	<u>28,490,263</u>
Realized and unrealized gains on investments	<u>23,162,017</u>	<u>(2,509,396)</u>	<u>25,671,413</u>
Change in net assets	16,763,925	(8,974,864)	25,738,789
Net assets at beginning of year	<u>107,631,799</u>	<u>116,606,663</u>	<u>(8,974,864)</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 124,395,724</u>	<u>\$ 107,631,799</u>	<u>\$ 16,763,925</u>

See notes to financial statements.

The Hyde and Watson Foundation  
 STATEMENT OF FUNCTIONAL EXPENSES  
 MODIFIED CASH BASIS  
 YEAR ENDED DECEMBER 31, 2019 WITH COMPARATIVE TOTALS FOR 2018

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>2019 TOTAL</u>	<u>2018 TOTAL</u>
Grants	\$ 5,835,500	\$ -	\$ 5,835,500	\$ 5,709,400
Salaries and benefits	518,019	437,585	955,604	949,851
Audit fees	-	18,000	18,000	16,000
Consulting fees	-	7,370	7,370	10,220
Directors fees	-	11,400	11,400	11,200
Facilities expense	39,050	-	39,050	39,394
General office expense	39,906	-	39,906	45,256
Insurance	-	24,808	24,808	22,557
Conferences and meetings	3,372	-	3,372	4,461
Depreciation	-	35,312	35,312	41,035
	<u>\$ 6,435,847</u>	<u>\$ 534,475</u>	<u>\$ 6,970,322</u>	<u>\$ 6,849,374</u>

See notes to financial statements.

The Hyde and Watson Foundation  
STATEMENT OF FUNCTIONAL EXPENSES  
MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2018

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>2018 TOTAL</u>
Grants	\$ 5,709,400	\$ -	\$ 5,709,400
Salaries and benefits	512,920	436,931	949,851
Audit fees	-	16,000	16,000
Consulting fees	-	10,220	10,220
Directors fees	-	11,200	11,200
Facilities expense	39,394	-	39,394
General office expense	45,256	-	45,256
Insurance	-	22,557	22,557
Conferences and meetings	4,461	-	4,461
Depreciation	-	41,035	41,035
	<u>\$ 6,311,431</u>	<u>\$ 537,943</u>	<u>\$ 6,849,374</u>

See notes to financial statements.



The Hyde and Watson Foundation  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

NOTE

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Hyde and Watson Foundation (the Foundation) is a private foundation which provides grants to support capital projects in the broad fields of health, education, religion, social services, arts and humanities.

METHOD OF ACCOUNTING

The Foundation maintains its accounts on the modified cash basis of accounting. Dividends and interest are recognized when constructively received, grants and expenditures are recognized when paid rather than when incurred. Excise and unrelated business taxes are accrued.

CASH AND CASH EQUIVALENTS

The Foundation considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents, except for cash and short-term investments managed by the Foundation's investment managers as part of their long-term investment strategies.

FAIR VALUE MEASUREMENTS

The Foundation follows US GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The Foundation follows US GAAP guidance which removed the requirements to categorize within the fair value hierarchy all investments for which fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient.

PROPERTY, FURNITURE, FIXTURES, AND EQUIPMENT

Property, furniture, fixtures, and equipment are stated at cost. Depreciation is provided on the straight-line method based on the estimated useful lives of the related assets.

GRANTS

Grants are recorded in the accounts as a charge against income in the year paid.

USE OF ESTIMATES

The management of the Foundation uses estimates and assumptions in preparing the financial statements. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenditures. Actual results could vary from the estimates that management uses.

FUNCTIONAL ALLOCATION OF EXPENSE

The financial statements report certain categories of expense that are attributable to program and supporting functions. Expenses are applied directly to program, where applicable, on a consistent basis. A substantial portion of the Foundation's expenses are directly related to program activities. Certain other expenses are attributable to program and supporting function, and require allocation on a reasonable basis. The expenses that are allocated include salaries, payroll taxes and benefits, which are allocated on the basis of estimates of employee time and effort.

The Hyde and Watson Foundation  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

NOTE

2. INVESTMENTS

The following represents a summary of investments at December 31, 2019 and December 31, 2018:

	<u>Cost</u>	<u>Fair Value</u>	<u>Increase (Decrease)</u>
<u>December 31, 2019</u>			
Cash and cash equivalents	\$ 2,924,542	\$ 2,924,542	\$ -
Equities	16,246,372	25,429,088	9,182,716
Mutual funds	9,455,034	11,701,128	2,246,094
Managed investment funds	57,283,389	77,737,852	20,454,463
	<hr/>	<hr/>	<hr/>
TOTAL	\$ 85,909,337	\$ 117,792,610	\$ 31,883,273
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<u>Cost</u>	<u>Fair Value</u>	<u>Increase (Decrease)</u>
<u>December 31, 2018</u>			
Cash and cash equivalents	\$ 574,998	\$ 574,998	\$ -
Equities	19,265,539	26,140,106	6,874,567
Mutual funds	9,153,448	10,151,821	998,373
Managed investment funds	49,725,827	58,375,182	8,649,355
	<hr/>	<hr/>	<hr/>
TOTAL	\$ 78,719,812	\$ 95,242,107	\$ 16,522,295
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(Continued on Pages 9 and 10).

The Hyde and Watson Foundation  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

NOTE

2. INVESTMENTS (Continued)

The following table presents information about the Foundation's assets measured at fair value as of December 31:

Descriptions	2019			
	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 2,924,542	\$ 2,924,542	\$ -	\$ -
Domestic Equities	24,014,195	24,014,195	-	-
International Equities	1,414,893	1,414,893	-	-
International Mutual Funds	11,701,128	11,701,128	-	-
Total assets in fair value hierarchy	<u>\$ 40,054,758</u>	<u>\$ 40,054,758</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value	<u>77,737,852</u>	(*)		
<b>TOTAL INVESTMENTS</b>	<u><u>\$ 117,792,610</u></u>			

Descriptions	2018			
	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 574,998	\$ 574,998	\$ -	\$ -
Domestic Equities	25,184,069	25,184,069	-	-
International Equities	956,037	956,037	-	-
International Mutual Funds	10,151,821	10,151,821	-	-
Total assets in fair value hierarchy	<u>\$ 36,866,925</u>	<u>\$ 36,866,925</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value	<u>58,375,182</u>	(*)		
<b>TOTAL INVESTMENTS</b>	<u><u>\$ 95,242,107</u></u>			

(\*) As discussed in Note 1, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

The Hyde and Watson Foundation  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

NOTE

2. INVESTMENTS (Continued)

The following table presents the nature of investments in managed investment funds which are reported at net asset value:

	2019 Fair Value	Redemption Frequency	Redemption Notice Period
Large-Cap domestic & international equities	\$ 16,991,399	Monthly	10 Days
Multi strategy fund of absolute return	3,618,285	Quarterly	70 Days
Long / short small to midsized equities	10,521,494	Quarterly	60 Days
Multi strategy fixed income equities	11,599,930	Quarterly	65 Days
Long only equity strategy	6,333,903	Quarterly	30 Days
International small company fund	3,484,002	Monthly	10 Days
International mid-to-large cap companies primarily in China and Hong Kong	3,459,194	Annually	60 Days
Pooled investment fund hedged	6,224,012	Annually	60 Days
Long / short equity hedged fund	419,657	In liquidation	
Global long equity strategy	2,566,520	Monthly	60 Days
Mid-Cap equities	9,461,414	Quarterly	60 Days
Stress and distressed fixed income equities	3,058,042	Annually	90 Days
	<u>\$ 77,737,852</u>		

3. PROPERTY, FURNITURE, FIXTURES, AND EQUIPMENT:

	2019 <u>Cost</u>	2018 <u>Cost</u>
Fine arts, antiques, etc.	\$ 22,500	\$ 22,500
Furniture and equipment	103,197	101,181
Telephone and air conditioning unit	13,487	13,487
Generator	11,799	11,799
	<u>150,983</u>	<u>148,967</u>
Less-accumulated depreciation	142,623	137,511
FURNITURE, FIXTURES AND EQUIPMENT-NET	<u>\$ 8,360</u>	<u>\$ 11,456</u>
Office condominium units	1,107,772	1,107,772
Less-accumulated depreciation	408,463	378,263
CONDOMINIUM UNITS - NET	<u>\$ 699,309</u>	<u>\$ 729,509</u>

4. PENSION EXPENDITURE

The Foundation has a fully-funded pension plan covering eligible employees. Pension expenditures for the current fiscal year, which represents required payments for 2019, was \$121,803 (22% of salaries).

Contributions for 2020 will be equal to 22% of eligible employees' annual salaries for that year. Future contributions will be reviewed annually.

The Hyde and Watson Foundation  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

NOTE

5. TAX STATUS

The Foundation qualifies as a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax. However, the Foundation is classified as a private foundation, and, as such, is subject to a federal excise tax on net investment income at either a 1% or 2% rate depending on qualifying distributions. For 2019 and 2018, the Foundation's excise tax rate was 1% and 1% respectively.

Under the Internal Revenue Code, the Foundation is required to make certain minimum distributions in accordance with a specified formula. At December 31, 2019 the Foundation had distributions in excess of the required minimum. See Page 13, Schedule of Qualifying Distributions.

6. UNRESTRICTED NET ASSETS

There are no donor restrictions on the Foundation's net assets.

7. CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash balances in Bank of America, which at times may exceed federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation or the Securities Investors Protection Corporation up to certain limits.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 5, 2020, which is the date the financial statements were issued.

The COVID-19 pandemic has resulted in substantial volatility in the global financial markets. As a result, the Foundation's investments have incurred a decline in their fair market value since December 31, 2019. Because the value of the Foundation's investments has and will fluctuate in response to the changing market conditions, the amount of losses, if any, that will be recognized in subsequent periods, cannot be determined.

9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation's financial assets available for general expenditure is as follows:

Cash and due from funds	\$ 5,868,331
Investments	<u>117,792,610</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 123,660,941</u>

The Foundation manages its liquidity and cash by establishing a budget for each fiscal year based on its spending policy on the net investment return from investments to provide the necessary funds to cover grants and operating expenses. Liquid investments are redeemed to meet cash needs during the year.

The Hyde and Watson Foundation  
SCHEDULE OF NET INVESTMENT INCOME

The purpose of the following two schedules is to incorporate within this report the provisions under Sections 4940 and 4942 of the Internal Revenue Code as imposed pursuant to the Tax Reform Act of 1969, as amended by Revenue Acts relating to tax-exempt organizations.

Section 4940 imposed on private foundations an excise tax not to exceed 2% of net investment income (exclusive of unrelated business income) of foundations. Following is a schedule of this Foundation's net investment income and computation of excise tax:

NET INVESTMENT INCOME

	<u>2019</u>
Income:	
Dividends	\$ 385,579
Interest	9,184
Managed investment funds (limited partnerships)	772,478
Net capital gains (includes limited partnerships)	7,801,039
<b>TOTAL INCOME</b>	<u><u>8,968,280</u></u>

Income production expenditures:

	<u>Total</u>	<u>Allocated Expenditures</u>
Salaries	\$ 573,914	\$ 100,692
Pension expenditure	121,803	22,152
Payroll taxes	41,506	6,990
Hospitalization and major medical	211,410	36,209
Life and disability insurance	6,971	1,381
Custodian fees and bank charges	9,640	9,640
Investment consulting fee	200,000	200,000
Investment management fees	302,811	302,811
Directors' fees	11,400	3,400
Audit fees	18,000	9,900
Facilities maintenance	23,561	4,005
Real estate tax - condominium units	15,489	2,633
Telephone	5,620	955
Administrative supplies and services	27,789	4,724
Pension consultant	7,370	-
Subscriptions and publications	999	630
Insurance	24,808	4,217
Membership dues	2,445	-
Conferences and meetings	1,773	89
Board and committee meetings	1,599	959
State filing fees	1,527	-
Sundry general expenditures	1,526	35
Depreciation	35,312	869
<b>TOTAL EXPENDITURES</b>	<u><u>1,647,273</u></u>	<u><u>712,291</u></u>

NET INVESTMENT INCOME \$ 8,255,989

EXCISE TAX AT 1% TAX RATE \$ 82,560

The Hyde and Watson Foundation  
SCHEDULE OF QUALIFYING DISTRIBUTIONS

Section 4942 requires that beginning with 1982, a private foundation must pay out not less than its minimum investment return (reduced by the federal taxes payable for the taxable year) in the form of "qualifying distributions" by the end of its next succeeding fiscal year. The Foundation's minimum investment return for 2019 amounted to \$5,938,312 (5% of \$118,766,240), the average fair market valuation of appropriate assets.

At December 31, 2019, this Foundation had distributed more than the required minimum. (See computation below):

Minimum investment return		\$ 5,938,312
Less-Federal excise tax		<u>82,560</u>
Distributable amount		5,855,752
Qualifying distributions paid:		
Managerial expenditures (net of depreciation)	\$ 900,539	
Grants paid	<u>5,835,500</u>	
Total qualifying distributions paid for the year		<u>6,736,039</u>
Excess qualifying distributions paid in 2019		880,287
Excess qualifying distributions carried over from 2015, 2016, 2017 and 2018		<u>3,076,469</u>
<b>EXCESS DISTRIBUTIONS CARRYOVER TO 2020</b>		<u><u>\$ 3,956,756</u></u>

The Hyde and Watson Foundation  
SCHEDULE OF INVESTMENTS UNDER MANAGEMENT  
December 31, 2019

	<u>Tax Basis</u>	<u>Fair Value</u>	<u>Increase (Decrease)</u>
<u>Equities and Cash Equivalents</u>			
Ashford Capital Management, Inc.:			
Equities	\$ 11,350,708	\$ 19,554,798	\$ 8,204,090
U.S. government money market and cash	<u>2,777,367</u>	<u>2,777,367</u>	<u>-</u>
	<u>14,128,075</u>	<u>22,332,165</u>	<u>8,204,090</u>
Eagle Capital:			
Equities	4,895,664	5,874,290	978,626
U.S. government money market and cash	<u>147,175</u>	<u>147,175</u>	<u>-</u>
	<u>5,042,839</u>	<u>6,021,465</u>	<u>978,626</u>
Total Equities and Cash Equivalents	<u>\$ 19,170,914</u>	<u>\$ 28,353,630</u>	<u>\$ 9,182,716</u>
<u>Mutual Funds</u>			
Matthews Pacific Tiger Fund	\$ 6,425,937	\$ 8,339,475	\$ 1,913,538
Wellington CTF International Quality Growth Fund	<u>3,029,097</u>	<u>3,361,653</u>	<u>332,556</u>
Total Mutual Funds	<u>\$ 9,455,034</u>	<u>\$ 11,701,128</u>	<u>\$ 2,246,094</u>
<u>Managed Investment Funds</u>			
John W. Bristol Equity Fund I LLC	\$ 9,150,975	\$ 16,991,399	7,840,424
Canyon Value Realization Fund (Cayman), Ltd.	3,500,000	3,618,285	118,285
Casdin Partners Offshore, Ltd.	6,865,354	10,521,494	3,656,140
Davidson Kempner Institutional Partners, L.P.	11,491,405	11,599,930	108,525
Farallon Equity Partners, L.P.	5,557,155	6,333,903	776,748
Highclere International Investors Smaller Companies Fund	3,204,405	3,484,002	279,597
Himalaya Capital Investors, L.P.	3,215,175	3,459,194	244,019
Nitorum Offshore Fund Ltd.	5,515,000	6,224,012	709,012
Pennant Windward Fund, Ltd.	297,360	419,657	122,297
Renaissance Institutional Diversified Alpha Fund LLC	2,341,373	2,566,520	225,147
SEG Partners Offshore, Ltd.	3,645,187	9,461,414	5,816,227
Varde Investment Partners (Offshore) Ltd.	<u>2,500,000</u>	<u>3,058,042</u>	<u>558,042</u>
Total Managed Investment Funds	<u>57,283,389</u>	<u>77,737,852</u>	<u>20,454,463</u>
TOTAL INVESTMENTS	<u>\$ 85,909,337</u>	<u>\$ 117,792,610</u>	<u>\$ 31,883,273</u>