The Rockefeller Foundation

Financial Statements

December 31, 2016 and 2015

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Trustees
The Rockefeller Foundation

We have audited the accompanying financial statements of The Rockefeller Foundation (the "Foundation"), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows 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 accounting principles generally accepted in the United States of America; this includes 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.

Auditors' 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 auditor's 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.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Rockefeller Foundation, as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PKF O'Connor Davies, LLP

June 21, 2017

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The Rockefeller Foundation

Statements of Financial Position
(Amounts in thousands)

	December 31	
	2016	2015
ASSETS		
Cash and cash equivalents	$ 16,629	$ 5,943
Redemptions, dividends, interest, and other receivables	1,880	684
Prepaid Federal excise and unrelated business income taxes	4,523	2,456
Investments	4,015,326	4,097,748
Program related investments	23,084	21,564
Property, furniture, fixtures and equipment, net	11,324	20,060
Prepaid pension cost	13,902	12,652
Other assets	-	62
Total Assets	$ 4,086,668	$ 4,161,169
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 9,029	$ 8,851
Line of credit payable	-	45,000
Grants payable	95,988	69,569
Term loan payable	11,824	13,555
Interest rate swap liability	134	266
Deferred federal excise tax	15,127	12,070
Postretirement benefit obligation	19,013	21,900
Total Liabilities	151,115	171,211
Unrestricted net assets	3,935,553	3,989,958
Total Liabilities and Net Assets	$ 4,086,668	$ 4,161,169

See notes to financial statements

The Rockefeller Foundation

Statements of Activities
(Amounts in thousands)

	Year Ended December 31 2016	2015
REALIZED INVESTMENT INCOME		
Net realized gain on investments	$ 50,191	$ 145,858
Dividend and interest income	22,487	30,175
Other investment (loss) income	(54)	145
	72,624	176,178
Less investment expense	13,517	14,075
Net Realized Investment Income	59,107	162,103
EXPENSES		
Grants and direct charitable activities	173,694	195,999
Program costs	24,854	23,207
Operations	25,868	19,822
(Benefit) Provision for Federal excise and unrelated business income taxes	(352)	2,227
Total Expenses	224,064	241,255
Net Realized Investment Income (Deficiency) Over Expenses	(164,957)	(79,152)
Change in fair value of interest rate swap	132	(19)
Unrealized appreciation (depreciation) on investments, net of (provision) benefit for deferred Federal excise tax of ($3,057) in 2016 and $2,087 in 2015	108,585	(61,177)
Change in Net Assets Before Pension and Postretirement Benefit Adjustments	(56,240)	(140,348)
Pension and postretirement benefit adjustments	1,835	(8,947)
Change in Net Assets	(54,405)	(149,295)
NET ASSETS		
Beginning of year	3,989,958	4,139,253
End of year	$ 3,935,553	$ 3,989,958

See notes to financial statements

The Rockefeller Foundation

Statements of Cash Flows
(Amounts in thousands)

	Year Ended December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (54,405)	$ (149,295)
Adjustments to reconcile change in net assets to net cash from operating activities		
Pension and postretirement benefit adjustments	(1,835)	8,947
Depreciation and amortization	9,638	2,494
Loss on write-off of fixed assets	654	-
Deferred Federal excise taxes	3,057	(2,087)
Net unrealized (appreciation) depreciation on investments	(111,642)	63,264
Net realized gain on investments	(50,191)	(145,858)
Change in fair value of interest rate swap	(132)	19
Changes in operating assets and liabilities		
Redemptions, dividends, interest, and other receivables	(1,196)	(97)
Prepaid Federal excise and unrelated business income taxes	(2,067)	(1,229)
Prepaid pension cost	585	(3,124)
Postretirement benefit obligation	(2,887)	1,048
Other assets	62	31
Accounts payable and accrued expenses	178	79
Grants approved, net	172,343	192,195
Grants paid	(145,924)	(161,758)
Net Cash from Operating Activities	(183,762)	(195,371)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,279,166	2,018,621
Purchase of investments	(1,036,431)	(1,867,404)
Purchase of furniture, fixtures and equipment	(1,556)	(2,006)
Net Cash from Investing Activities	241,179	149,211
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan payable	(1,731)	(1,731)
Repayment of line of credit	(45,000)	-
Proceeds from line of credit	-	45,000
Net Cash from Financing Activities	(46,731)	43,269
Net Change in Cash and Cash Equivalents, Excluding Amounts Held in Investment Portfolio	10,686	(2,891)
CASH AND CASH EQUIVALENTS		
Beginning of year	5,943	8,834
End of year	$ 16,629	$ 5,943
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for term loan interest	$ 255	$ 518
Cash paid for line of credit interest	111	-
Federal excise and Federal unrelated business income taxes paid	1,600	3,400

See notes to financial statements

1. Organization

The Rockefeller Foundation (the "Foundation") was established in 1913 by John D. Rockefeller, Sr., to "promote the well-being" of humanity by addressing the root causes of serious problems. The Foundation works around the world to expand opportunities for poor or vulnerable people and to help ensure that globalization's benefits are more widely shared. With assets of more than $4 billion, it is one of the few institutions to conduct such work both within the United States and internationally. In managing the endowment, financial objectives are achieved through a diversified investment portfolio and disciplined spending policies.

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code ("Code") and is a private foundation as defined in Section 509(a) of the Code.

The Foundation recognizes the effect of tax positions when they are more likely than not to be sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement recognition or disclosure. The Foundation is no longer subject to examinations by the applicable taxing jurisdictions for years prior to 2013.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). As a not-for-profit organization, the Foundation is required to report the amounts for, and changes in, each of three classes of net assets, permanently restricted, temporarily restricted, and unrestricted, based on the existence or absence of donor-imposed restrictions. The Foundation only has unrestricted net assets.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly actual results could differ from those estimates. Significant estimates made by management in the preparation of the financial statements include fair value of alternative investments, pension and other post-retirement benefits and depreciation. Management believes that the estimates utilized in preparing these financial statements are reasonable and appropriate.

Cash and Cash Equivalents

Cash and cash equivalents consists of cash and highly liquid debt instruments with maturities of 90 days or less at the time of purchase. Cash and cash equivalents held by the Foundation's investment managers, awaiting investment in various investment classes, are included within investments.

2. Summary of Significant Accounting Policies *(continued)*

Investments

The Foundation's investments consist of publicly traded fixed income and equity securities; alternative investments and similar interests; and cash held for reinvestment. Alternative investments and similar interests include hedge funds, real asset and private equity fund investments. Alternative investments and similar interests are reported at net asset value provided by the management of the respective fund as of December 31 and are reviewed by the Foundation's management for reasonableness. Management utilizes audited financial statements when available for alternative investments as part of its on-going due diligence and annual financial statement valuation process. All other investments are stated at fair value as of December 31 based upon active markets.

Interest income and related expenses are accounted for on the accrual basis. Dividend income and related expenses are recognized on the ex dividend date, net of withholding taxes, where applicable. Realized gains and losses on investments in securities are calculated based on the specific identification method, based on the trade date.

Transactions in other currencies are translated into U.S. dollars at the exchange rates in effect at the date of the transactions. Monetary assets and liabilities denominated in non-U.S. currency are reported at the exchange rates in effect at the end of the year. Any gain or loss arising from a change in exchange rates as of the date of the transaction is included in the change in realized gain on investments in the statements of activities. For the years ended December 31, 2016 and 2015, the realized and change in unrealized (loss), resulting from foreign exchange was approximately $(1.9) million and $(30.2) million, respectively.

Derivatives

The Foundation records derivatives at fair value. The fair value of futures and forward contracts is reflected in investments and the fair value of the interest rate swap is shown as a liability in the statement of financial position. Derivatives contain varying degrees of risk whereby changes in fair value of the securities underlying the financial instruments or the cost of satisfying the Foundation's obligations may exceed the amount recognized in the statement of financial position. Changes in the fair value of derivatives, excluding the interest rate swap, are included in the statement of activities as part of the unrealized appreciation/(depreciation) on investments. Changes in the fair value of the interest rate swap are shown separately in the statement of activities.

Fair Value Measurements

The Foundation follows U.S. 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 and liabilities. 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 and liabilities 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.

2. Summary of Significant Accounting Policies *(continued)*

Fair Value Measurements (continued)

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

Investments Valuation

Investments are carried at fair value. Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows, and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset and does not reflect any premium or discount that could result from offering for sale at one time, an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

Program Related Investments

Program Related Investments ("PRI") are philanthropically driven, nonmarketable investments and loans to businesses that further the Foundation's mission. The Foundation's PRI portfolio is monitored periodically to determine the appropriateness of the net realizable value, which is reflected on the statement of financial position. PRI are stated at estimated fair value.

Property, Furniture, Fixtures and Equipment, Net

Property, furniture, fixtures and equipment are stated at cost at the date of acquisition. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives by asset class range from 3 to 30 years.

Federal Excise and Unrelated Business Income Taxes

The Foundation is subject to a Federal excise tax of 2% on its net investment income. This tax is reduced to 1% if certain distribution requirements are met. In addition, the Foundation provides for deferred Federal excise tax at 2% on the net unrealized appreciation in the fair value of investments.

Additionally, the Foundation's investment in certain alternative investments give rise to unrelated business income tax ("UBIT") liabilities taxed at general corporate rates.

Subsequent Events

In connection with the preparation of the financial statements, the Foundation evaluated subsequent events from December 31, 2016 through June 21, 2017, which was the date the financial statements were available for issuance, and concluded that no additional disclosures were required.

(Amounts in thousands)

3. Investments

The Foundation's investment portfolio at December 31, at fair value, consists of the following:

	2016	2015
Cash and cash equivalents	$ 138,094	$ 109,571
Equity Long/Short Hedge Funds		
Cash and cash equivalents	1,500	-
Domestic equities	10,812	4,706
International equities	363,939	409,502
Event Driven/Multi-Strategy Hedge Funds		
Domestic equities	95,325	88,257
International equities	93,230	141,050
Domestic fixed income	186,151	144,052
Global macro hedge funds	95,439	119,658
Marketable other hedge funds		
International equities	46,564	37,064
Non-Marketable other hedge funds		
Domestic equities	14,728	8,810
International equities	13,604	14,102
Developed Equity		
Cash and cash equivalents	6,911	11,149
Domestic equities	496,555	517,226
International equities	254,386	270,195
International foreign currency	(526)	79
Emerging Markets		
Cash and cash equivalents	1,928	4,044
Domestic equities	102,490	78,413
International equities	272,435	313,804
International foreign currency	-	1
Marketable Distressed hedge funds		
Domestic equities	36,980	30,123
Non-Marketable Distressed hedge funds		
Domestic equities	49,858	51,246
International equities	4,838	2,809
Portable Alpha		
Cash and cash equivalents	6,139	1,306
International equities	101,412	99,873
Domestic fixed income	25,924	24,970
Private Equity		
Cash and cash equivalents	3,655	-
Domestic equities	682,876	670,695
International equities	560,027	506,719
Real Estate		
Cash and cash equivalents	845	-
Domestic equities	60,084	71,530
International equities	65,394	95,111
International foreign currency	(2)	-
Resources		
Domestic equities	125,540	90,587
International equities	83,722	57,579
International foreign currency	-	(2)
Pending securities transactions - net	14,469	123,519
Total	$ 4,015,326	$ 4,097,748

(Amounts in thousands)

3. Investments *(continued)*

The following are major categories of investments as of December 31:

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Marketable Securities				
Cash and cash equivalents	$ 159,072	$ 159,072	$ 126,070	$ 126,111
Foreign currency - short term	(528)	-	79	-
U.S. and other government obligations	25,924	25,674	24,970	24,655
ETFs, Mutual and commingled funds	1,061,406	675,980	1,019,098	678,510
Common stock	345,502	343,511	398,995	412,888
Preferred stock	6,521	5,840	5,471	6,442
Subtotal	1,597,897	1,210,077	1,574,683	1,248,606
Alternative Investments and Similar Interests				
Hedge funds	825,317	563,371	907,327	645,019
Real assets	334,740	429,975	314,805	438,821
Private equity	1,242,903	1,040,751	1,177,414	996,766
Subtotal	2,402,960	2,034,097	2,399,546	2,080,606
Pending securities transactions - net	14,469	14,809	123,519	123,835
Total	$4,015,326	$3,258,983	$4,097,748	$3,453,047

(Amounts in thousands)

3. Investments (*continued)*

The following tables summarize the fair value of investments valued at fair value on a recurring basis at December 31, grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

	2016		
	Level 1	Other Investments Measured at Net Asset Value (*)	Total
Cash and cash equivalents	$ 138,094	$ -	$ 138,094
Equity long/short hedge funds	1,500	374,751	376,251
Event driven/multi-strategy hedge funds	-	188,555	188,555
Domestic fixed income	186,151	-	186,151
Global macro hedge funds	-	95,439	95,439
Marketable other hedge funds	-	46,564	46,564
Non-Marketable other hedge funds	-	28,332	28,332
Developed equity	194,791	562,535	757,326
Emerging markets	165,545	211,308	376,853
Marketable distressed hedge funds	-	36,980	36,980
Non-marketable distressed hedge funds	-	54,696	54,696
Portable alpha	23,085	110,390	133,475
Private equity	13,285	1,233,273	1,246,558
Real estate	843	125,478	126,321
Resources	-	209,262	209,262
Pending securities transactions - net	14,469	-	14,469
Total	$ 737,763	$3,277,563	$4,015,326

	2015		
	Level 1	Other Investments Measured at Net Asset Value (*)	Total
Cash and cash equivalents	$ 109,571	$ -	$ 109,571
Equity long/short hedge funds	-	414,208	414,208
Event driven/multi-strategy hedge funds	-	229,307	229,307
Domestic fixed income	144,052	-	144,052
Global macro hedge funds	-	119,658	119,658
Marketable other hedge funds	-	37,064	37,064
Non-Marketable other hedge funds	-	22,912	22,912
Developed equity	250,094	548,555	798,649
Emerging markets	169,950	226,312	396,262
Marketable distressed hedge funds	-	30,123	30,123
Non-marketable distressed hedge funds	-	54,055	54,055
Portable alpha	19,048	107,101	126,149
Private equity	11,036	1,166,378	1,177,414
Real estate	-	166,641	166,641
Resources	(2)	148,166	148,164
Pending securities transactions - net	123,519	-	123,519
Total	$ 827,268	$3,270,480	$4,097,748

(*) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

(Amounts in thousands)

3. Investments *(continued)*

Information in the following table summarizes the various redemption and lock-up provisions of alternative investments measured at NAV using the practical expedient at December 31, 2016.

2016				
Investment Category	**Fair value**	**Redemption Frequency**	**Redemption Notice Period**	**Unfunded Commitments**
Equity long/short hedge funds				
Long/short hedge funds (a1)	$ 373,169	Monthly, quarterly, semi-annual and greater - lockup periods expire from Jun 2017 through Dec 2020	10-90 Days	$ -
Residual interest (a2)	1,582	N/A	N/A	-
Event driven/multi-strategy hedge funds				
Event driven/multi-strategy hedge funds (b1)	164,610	Quarterly, annual - lockup periods expire from Jun 2017 through Jul 2017	30-185 Days	-
Restricted portion of fund investment (b1)	22,531	N/A	N/A	-
Residual interests (b2)	1,414	N/A	N/A	-
Global macro hedge funds (c)	95,439	Monthly, quarterly	30 Days	-
Marketable other hedge funds (d)	46,564	Monthly	60 Days	-
Non-Marketable other hedge funds (e)	28,332	Private equity structure	N/A	18,976
Developed equity (f)	562,535	Daily, monthly, quarterly and greater	1-90 days	-
Emerging markets (g)	211,308	Daily, weekly, monthly, every other month, quarterly, semi-annually	20-90 Days	-
Distressed funds (h)				
Marketable distressed hedge funds	36,768	Private equity structure	N/A	14,564
Marketable distressed hedge funds - residual interests	212	N/A	N/A	-
Non-marketable distressed hedge funds	54,370	Private equity structure	N/A	23,341
Non-marketable distressed hedge funds - residual interests	326	N/A	N/A	-
Portable alpha funds (i)	110,390	Monthly	3-5 Days	-
Private Equity funds (j)	1,233,273	Private equity structure	N/A	328,081
Real estate funds (k)	125,478	Private equity structure	N/A	78,657
Resource funds (l)	209,262	Private equity structure	N/A	108,115
Total	$ 3,277,563			$ 571,734

(a1) **Long/short hedge funds –** This category includes investments in funds that employ deep fundamental, company-specific research to identify businesses with favorable fundamental and technical factors to invest long and unfavorable fundamental and technical factors to invest short. These managers may also vary exposures based on the prevailing market environment.

(a2) **Residual interest –** This category includes a residual interest in two funds that were previously sold.

3. Investments *(continued)*

(b1) **Event driven/multi-strategy hedge funds –** This category includes investments in funds that seek to invest opportunistically across the following strategies: credit long/short, distressed, risk arbitrage, convertibles, equity and private investments/special situations. The allocation to sub-strategies varies based on the manager's assessment of risk/reward for each sub-strategy and attractiveness of each individual opportunity. Typically all investments are supported by deep fundamental research on the industry and company level.

(b2) **Residual interests –** This category includes residual interests in three funds that were previously sold.

(c) **Global macro hedge funds** – This category includes funds that invest both long and short in a wide variety of financial instruments according to a view about the direction of markets, whether fundamental, technical or quantitatively derived. These funds utilize leverage and trade a wide range of instruments, including derivatives.

(d) **Marketable other hedge funds –** This category is comprised of one fund, which is a power and natural gas trading and arbitrage hedge fund.

(e) **Non-marketable other hedge funds –** This category is comprised of senior debt funds that own bank loans of both public and private companies in North America as well as private lending funds that make private loans to entities in Brazil. These funds are private drawdown structures.

(f) **Developed equity –** This category generally includes investments in separate accounts and funds that invest in common stocks across developed markets.

(g) **Emerging markets –** This category generally includes investments in separate accounts and funds that invest in common stocks across emerging and frontier markets.

(h) **Distressed funds –** This category includes funds that typically invest in debt of distressed companies or post-reorganization equity following deep fundamental analysis of companies and corresponding industries to determine the risk/reward for each investment. The portfolios are typically long-bias and have low turnover as distressed investments take months to years to work out. These funds, therefore, require longer lockups or private equity capital call/distribution structures. This category also includes residual interests in four funds that were previously sold.

(i) **Portable alpha funds –** This category includes two accounts that combine U.S. Intermediate Treasury beta and alpha generating components.

3. Investments *(continued)*

(j) **Private equity funds –** This category includes both buyout and venture capital funds. The Foundation invests into these funds via a partnership structure, and these funds then typically invest equity capital into a portfolio of private companies. Whereas buyout funds are usually characterized by control (ownership of 50% or greater), venture capital focuses more on early-stage, startup-type opportunities with potentially greater reward but also higher risk. These funds may invest in an array of companies, industries, sectors, countries and geographies. Realized distributions of capital from each fund will be received as the underlying investments of the funds are liquidated; final liquidations are estimated to occur within the next five to 10 years.

(k) **Real estate funds –** This category includes real estate funds that invest in commercial real estate globally. Realized distributions of capital from each fund will be received as the underlying investments of the funds are liquidated. Final liquidations are estimated to occur within the next five to 10 years.

(l) **Resource funds –** This category includes natural resource related private equity funds that primarily invest in the energy sector. Realized distributions of capital from each fund will be received as the underlying investments of the funds are liquidated; final liquidations are estimated to occur within the next five to 15 years.

4. Derivative Financial Instruments

Derivative Financial Instruments "Derivatives" used by the Foundation are contracts that derive their value from changes in values of underlying securities, typically, stocks, bonds or other assets. The Foundation directly invests in futures on U.S. Treasury bonds. The U.S. Treasury futures are purchased or sold at minimum transaction cost to adjust desired asset mix. The Foundation also invests in forward contracts to hedge against foreign currency exchange rate risk for its foreign currency denominated assets and liabilities due to adverse foreign currency fluctuations against the U.S. dollar.

The Foundation's assets include the initial margin and unrealized gains and losses of the derivative contracts purchased and sold by the Foundation. Fair values of the Foundation's derivative financial instruments generally are determined by quoted market prices. Also, within the Foundation's alternative investments, managers may create additional exposure for the Foundation through short sales of securities, and trading in futures and forward contracts, options, swaps and other derivatives products. However, the Foundation's exposure to derivatives held by its limited partnership investments is restricted to its contributed and committed capital to those limited partnerships.

The full market risk and credit risk of derivative financial instruments are associated with their underlying contract amounts or "notional values" in addition to their fair values. Market risk represents potential loss from the decrease in the value of these financial instruments. Credit risk represents potential loss from possible nonperformance by the counterparties of their contracts.

(Amounts in thousands)

4. Derivative Financial Instruments *(continued)*

Upon entering into a contract, the Foundation deposits and maintains as collateral such initial margin as required by the exchange on which the transaction is traded. Pursuant to the contract, the Foundation is to receive from, or pay to, the broker an amount of cash equal to the daily fluctuation in the value of the contract, also known as the variation margin. The Foundation records daily fluctuations in the variation margin account as realized gains and losses. At December 31, 2016 and 2015, $699 and $638 was on deposit with the brokers as collateral for margin requirements on futures, which is included in investments as either U.S. and other government obligations or corporate obligations.

The following table identifies the fair value amounts of derivative instruments included in the statement of financial position, categorized by primary underlying risk, at December 31. The following table also identifies the net gain and loss amounts included in net realized gain on investments in the statement of activities, categorized by primary underlying risk for the years ended December 31:

	2016				2015			
Primary underlying risk	Notional Derivative Amount	Number of contracts (actual)	Amount of unrealized (loss)	Amount of realized gain	Notional Derivative Amount	Number of contracts (actual)	Amount of unrealized gain (loss)	Amount of realized gain (loss)
Interest rate								
US Treasury Bond Futures	$115,896	747	$ (266)	$ 86	$113,103	719	$ (252)	$ 514
Foreign currency exchange rate								
Forward contracts	10,155	5	(528)	768	8,968	6	79	(457)
Total derivative assets	$126,051		$ (794)	$ 854	$122,071		$ (173)	$ 57

The futures are classified as Level 1 within the portable alpha classification in the fair value hierarchy and the forwards are classified as Level 1 within the developed equity classification in the fair value hierarchy.

The derivative assets and liabilities as of December 31 are as follows:

	2016		2015	
	Assets	Liabilities	Assets	Liabilities
Interest rate				
US Treasury Bond Futures	$ -	$ 267	$ -	$ 251
Foreign currency exchange rate				
Forward contracts	61	588	195	117
Total Derivative Assets and Liabilities	$ 61	$ 855	$ 195	$ 368

5. Program Related Investments

The Foundation has unfunded PRI commitments totaling $12.9 and $8.7 million at December 31, 2016 and 2015. PRIs are classified as Level 3 within the fair value hierarchy. The following tables include a roll forward of the PRIs for the years ended December 31:

(Amounts in thousands)

5. Program Related Investments *(continued)*

	2016 Fair Value	2015 Fair Value
Balance, January 1	$21,564	$19,602
New investments	5,250	3,087
Repayments	(475)	(1,125)
Write-off of impaired PRI	(3,255)	-
Balance, December 31	$23,084	$21,564

6. Property, Furniture, Fixtures and Equipment

At December 31, property, furniture, fixtures and equipment, net included the following:

	2016	2015
Condominium interest in 420 Fifth Avenue	$16,471	$16,471
Condominium improvements	13,245	13,920
Furniture, fixtures, and equipment	15,258	13,930
	44,974	44,321
Less accumulated depreciation and amortization	33,650	24,261
	$11,324	$20,060

During 2016, the Foundation accelerated the useful life on certain of its condominium improvements, resulting in additional depreciation expense totaling $7.162 million. In addition, the Foundation disposed of fixed assets with a cost basis of $903 and accumulated depreciation of $249.

7. Pensions and Other Post-Retirement Benefits

The Foundation maintains a defined benefit pension plan (the “Plan”) for regular salaried employees who were at least 21 years old and have completed one year of service or had attained the age of 40 prior to July 1, 2000. As of July 1, 2000, the Plan was closed to new employees and to employees hired prior to July 1, 2000, who did not meet the eligibility requirements.

7. Pensions and Other Post-Retirement Benefits *(continued)*

Effective December 31, 2012, the Plan was amended such that Plan benefits were frozen and further accruals of benefits have ceased as of that date. Participants affected by the freeze (18) were eligible to receive a basic contribution under The Retirement Savings Plan for the Employees of the Rockefeller Foundation (the "Retirement Savings Plan") effective January 1, 2013.

The Plan provides retirement benefits based on years of service and final average pay, with benefits after retirement subject to increase under a cost-of-living augmentation formula. The Foundation makes annual contributions to the Plan, as needed, based on actuarial calculations, in amounts sufficient to meet the minimum funding requirements pursuant to the Employee Retirement Income Security Act of 1974. Plan assets are invested in a diversified portfolio of equities, fixed income securities and hedge funds.

In 2000, the Foundation enhanced its 401(k) plan to create the Retirement Savings Plan. Foundation contributions are now made to equal 13% of compensation plus a dollar-for-dollar match of up to an additional 2% of base compensation contributed on a pretax basis by employees up to the compensation cap.

In 2000, then current members of the Plan had the option of remaining in the combined retirement plan consisting of the defined benefit pension plan and the former 401(k) Trustee Savings Plan or moving to the new Retirement Savings Plan. Employees can make additional unmatched pretax contributions which, when combined with employee contributions that are matched, cannot exceed the maximum pretax contribution limit of $18, or for employees who have attained age 50, $24. All contributions are credited to the participants' accounts. The Foundation's contributions to the Retirement Savings Plan were $2.6 million in 2016 and $2.4 million in 2015.

Locally hired staff in the Foundation's foreign offices participate in retirement plans and/or provident funds or other plans that conform to local customs, conditions or law.

The Foundation provides certain health care and life insurance benefits ("Other Post-Retirement Benefits") for retired employees. Employees are eligible for these benefits when they meet the criteria for retirement under the Foundation's pension plan. This plan has a cost sharing feature, which totaled $206 and $207 for 2016 and 2015, respectively. The Foundation accrues the expected cost of providing postretirement benefits over the years that employees render service and pays this portion of the cost of retiree health care benefits.

Information as of and for the years ended December 31, regarding the Foundation's defined benefit plans is as follows:

(Amounts in thousands)

7. Pensions and Other Post-Retirement Benefits *(continued)*

	Pension Benefits		Other Post-retirement Benefits	
	2016	2015	2016	2015
Projected benefit obligation	$ 80,102	$ 82,785	$ 19,013	$ 21,900
Fair value of plan assets	94,004	95,437	-	-
Funded Status	$ 13,902	$ 12,652	$ (19,013)	$ (21,900)
Service cost	$ -	$ -	$ 653	$ 679
Interest cost	3,330	3,466	737	885
Expected return on assets	(7,195)	(7,601)	-	-
Amortization of prior (credit)	-	-	(751)	(128)
Amortization of actuarial losses	1,813	1,530	-	-
Net Periodic (Credit) Cost	$ (2,052)	$ (2,605)	$ 639	$ 1,436
Components of Other Changes in Net Assets				
Actuarial losses arising in period	$ 2,615	$ 9,957	$ 1,425	$ 392
Amortization of prior service credit	-	-	751	128
Amortization of prior service (cost)	-	-	(4,813)	-
Amortization of actuarial (losses)	(1,813)	(1,530)	-	-
Other Change in Net Assets	$ 802	$ 8,427	$ (2,637)	$ 520
Accumulated benefit obligation	$ 80,102	$ 82,785	$ 19,013	$ 21,900
Amount recognized in the statement of financial position - prepaid benefit (accrued) cost	13,902	12,652	(19,013)	(21,900)
Employer contributions	-	-	889	908
Benefits paid	4,911	5,029	889	908

The table below reflects the amounts recognized within net assets arising from the Plan and Other Post-Retirement Benefits at December 31, 2016 and 2015 that have not yet been recognized in net periodic benefit cost and the portion of such amounts that are expected to be recognized in net periodic benefit cost during the year ending December 31, 2017.

	Pension Benefits			Other Post-retirement Benefits		
	2017	2016	2015	2017	2016	2015
Actuarial losses (gains)	$ 2,241	$ 49,184	$ 48,382	$ -	$ 866	$ (560)
Prior service (credit)	-	-	-	(751)	(4,325)	(262)
	$ 2,241	$ 49,184	$ 48,382	$ (751)	$ (3,459)	$ (822)

(Amounts in thousands)

7. Pensions and Other Post-Retirement Benefits *(continued)*

Weighted-average assumptions used to determine benefit obligations at December 31 are as follows:

	Pension Benefits		Other Post-retirement Benefits	
	2016	2015	2016	2015
Discount rate	4.16%	4.25%	4.16%	4.25%
Rate of compensation increase	N/A	N/A	4.00%	4.00%

Weighted-average assumptions used to determine net periodic benefit cost for the years ending December 31 are as follows:

	Pension Benefits		Other Post-retirement Benefits	
	2016	2015	2016	2015
Discount rate	4.25%	4.25%	4.25%	4.25%
Expected long-term return on plan assets	7.75%	7.75%	N/A	N/A
Rate of compensation increase	N/A	N/A	4.00%	4.00%

The overall expected long-term rate of return on assets assumption was determined based on historical returns (without adjustment) for each asset class.

Assumed health care cost trend rates at December 31 are as follows:

	2016	2015
Health care cost trend rate assumed for next year	6.5%	6.5%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5%	5%
Year that the rate reaches the ultimate trend rate	2019	2019

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	Point Increase	Point Decrease
Effect on total of service and interest costs	$ 299	$ (251)
Effect on postretirement benefit obligation	3,101	(2,668)

The investment policy of the Pension Plan is to invest the Plan's assets in equities, absolute return strategies, and fixed income and cash in the ratio of 50%, 15%, and 35%, respectively. Some of the Plan's investment managers have been selected from among the endowment's managers to achieve savings on asset based management fees and to garner the benefits of consolidated risk management and oversight.

(Amounts in thousands)

7. Pensions and Other Post-Retirement Benefits *(continued)*

The following are the major categories of retirement plan assets at fair value as of December 31 grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

	2016		
	Level 1	Other Investments Measured at Net Asset Value (*)	Total
Cash equivalents	$ 2,880	$ -	$ 2,880
Equity funds			
Domestic equity funds	-	23,717	$ 23,717
International equity funds	-	20,194	$ 20,194
Fixed income index funds			
Domestic fixed income funds	-	35,611	$ 35,611
Hedge funds	-	11,450	$ 11,450
Subtotal	$ 2,880	$ 90,972	93,852
Due from broker for investment sold			152
Total			$ 94,004

	2015		
	Level 1	Other Investments Measured at Net Asset Value (*)	Total
Cash equivalents	$ 3,745	$ -	$ 3,745
Equity funds			
Domestic equity funds	-	25,588	25,588
International equity funds	-	6,198	6,198
Fixed income index funds			
Domestic fixed income funds	-	28,589	28,589
Hedge funds	-	12,970	12,970
Subtotal	$ 3,745	$ 73,345	77,090
Cash			15,000
Due from broker for investment sold			3,347
Total			$ 95,437

(*) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

(Amounts in thousands)

7. Pensions and Other Post-Retirement Benefits *(continued)*

A portion of the pension assets measured at NAV contain various redemption restrictions with required written notice. The following tables summarize the composition of such investments by the various redemption and lock-up provisions as of December 31:

2016				
Investment Category	Fair Value	Redemption Frequency	Redemption Notice Period	Unfunded Commitments
Developed and emerging markets equity funds (a)	$ 43,911	Daily, monthly, and quarterly	1-60 days	$ -
Fixed income index funds (b)	35,611	Daily	2 days	-
Hedge funds (c)	11,450	Quarterly liquidity for portions of the fund throughout the year, requiring a full year to fully redeem.	100 days	-
Total	$ 90,972			$ -

(a) This category includes investments in funds that invest in common stocks broadly across developed and emerging markets or in specific regions.

(b) This category includes investments in passively managed trust funds that own U.S. Treasury bonds and TIPS.

(c) This category consists of an investment in a diversified fund of funds that is invested in sixteen long/short, multi-strategy, credit long/short and relative value hedge funds.

Cash Flows

Contributions—The Foundation does not anticipate making any contributions to its pension and postretirement medical and life insurance plans in 2017.

Estimated Future Benefit Payments—the following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Year	Pension Benefits	Other Post-retirement Benefits
2017	$ 5,156	$ 730
2018	5,172	776
2019	5,165	815
2020	5,117	858
2021	5,051	874
2022-2026	25,206	4,816

(Amounts in thousands)

8. Grants Payable

The Foundation has entered into grant commitments with certain organizations. The following summarizes the changes in grants payable as of December 31:

	2016	2015
Balance, January 1	$ 69,569	$ 39,132
Additions		
Grants approved	174,267	193,760
Deductions		
Grant payments	(145,924)	(161,758)
Grants lapsed	(1,924)	(1,565)
Balance, December 31	$ 95,988	$ 69,569

9. Term Loan Payable and Interest Rate Swap Agreement

During October 2011 the Foundation executed a term loan for $20.8 million, the proceeds of which were used to redeem the outstanding principal and pay accrued interest on tax-exempt term bonds issued by the Foundation. The term loan matures on October 13, 2023 and bears interest at a variable rate equal to the London Interbank Offered Rate ("LIBOR") plus 1.53%. As of December 31, 2016, principal payments due under the term loan are payable as follows:

Year	Amount
2017	$ 1,731
2018	1,731
2019	1,731
2020	1,731
2021	1,731
2022 and thereafter	3,169
Total	$ 11,824

The Foundation has entered into an interest rate swap agreement with an initial notional amount of $20.8 million to mitigate interest rate risk associated with the variable rate on the term loan. Under the terms of the swap agreement, the Foundation pays a fixed rate of 2.005% and receives a floating rate equal to the one month LIBOR rate (0.77% at December 31, 2016) on the notional amount ($11.82 million at December 31, 2016).

At December 31, 2016 and 2015, the fair value of the interest rate swap was a liability of $134 and $266, respectively. The interest rate swap is classified as Level 2 within the fair value hierarchy.

The carrying value of any outstanding borrowing would approximate fair value since advances bear interest at floating rates.

(Amounts in thousands)

10. Lines of Credit

The Foundation has two unsecured lines of credit with a bank. One line is for $100 million and expires on September 3, 2017 (364-day facility). The second line is also for $100 million and expires on September 9, 2018 (two-year facility). There was no amount outstanding as of December 31, 2016 and there was $45 million outstanding under the 364-day facility as of December 31, 2015. The agreements provide for an unused facility fee of 0.10% on the unused portion of the lines. Interest is charged on borrowed funds as follows:

Loan in a Principal Amount Of	Interest on the 364-day facility	Interest on the Two-year facility
Less than $500,000	Higher of the Prime Rate or the Adjusted One Month LIBOR Rate	Higher of the Prime Rate or the Adjusted One Month LIBOR Rate
Equal to or exceeding $500,000	Either the bank's offered money market rate, the LIBOR Rate plus .40%, or the higher of the Prime Rate or the Adjusted One Month LIBOR Rate	Either the bank's offered money market rate, the LIBOR Rate plus .65%, or the higher of the Prime Rate or the Adjusted One Month LIBOR Rate

In addition, the Foundation must maintain a ratio of unrestricted liquidity to total indebtedness of no less than 1.00, tested annually.

The carrying value of any outstanding borrowing would approximate fair value since advances bear interest at floating rates.

11. Investment Risks and Uncertainties

Alternative investments consist of non-traditional, non-readily marketable investments, some of which may be structured as offshore limited partnerships, hedge funds, real asset and private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and may be subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

(Amounts in thousands)

11. Investment Risks and Uncertainties *(continued)*

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

12. Contingent Liabilities

The Foundation has been named as a party in a legal proceeding brought against it and other parties. Foundation management has reviewed this matter with legal counsel and in management's opinion, this action is defensible and management does not expect the ultimate resolution of this action to have a material adverse effect on the Foundation's financial position.

13. Leases

The Foundation leases office space for its Nairobi, Kenya and Bangkok, Thailand regional offices. The lease for the Nairobi office expires on September 30, 2021 and the lease for the Bangkok office expires on March 15, 2019. As of December 31, 2016, amounts due under these lease agreements are payable as follows:

Year	Amount
2017	$ 186
2018	193
2019	125
2020	108
2021	85

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