

Thanks to an outpouring of community generosity, we ended 2017 with \$494 million in consolidated assets, up 18.5% from the previous year.

The Philadelphia Foundation salutes and thanks all those who have made this growth possible and who continue to support our work on behalf of the community.

The Philadelphia Foundation exercises prudent investment practices that are oriented towards a “total return” strategy of investing. This strategy allows participation in rising markets while providing reasonable protection in falling markets.

|   | <b>2017</b>           | <b>2016</b>           |
|---|-----------------------|-----------------------|
| <b>ASSETS</b>                               |                       |                       |
| Cash and Cash Equivalents                   | \$ 15,155,107         | \$ 10,703,750         |
| Certificates of Deposit                     | 1,739,330             | 751,306               |
| Contributions Receivable                    | 34,514,102            | 41,130,881            |
| Prepaid Expenses and Other Assets           | 202,510               | 262,628               |
| <b>Total</b>                                | <b>\$ 51,611,049</b>  | <b>\$ 52,848,566</b>  |
| <b>NON-ENDOWMENT INVESTMENTS</b>            |                       |                       |
| Equities                                    | \$ 10,862,654         | \$ 8,484,686          |
| Fixed Income                                | 10,001,135            | 10,008,816            |
| Other                                       | 19,647,906            | 19,747,371            |
| <b>Total Non-Endowment Investments</b>      | <b>\$ 40,511,695</b>  | <b>\$ 38,240,873</b>  |
| Real Estate Held for Sale                   | \$ 15,852,000         | \$ –                  |
| <b>ENDOWMENT INVESTMENTS</b>                |                       |                       |
| Equities                                    | \$ 216,920,347        | \$ 172,941,673        |
| Fixed Income                                | 88,579,235            | 75,507,325            |
| Cash Surrender Value of Life Insurance      | 407,246               | 427,555               |
| Cash Equivalents                            | 10,125,698            | 13,759,773            |
| Other                                       | 57,544,328            | 53,238,027            |
| <b>Total Endowment Investments</b>          | <b>\$ 373,576,854</b> | <b>\$ 315,874,353</b> |
| Split Interest Agreements                   | 11,354,390            | 9,589,003             |
| Property and Equipment                      | 895,836               | 3,494                 |
| <b>TOTAL ASSETS</b>                         | <b>\$ 493,801,824</b> | <b>\$ 416,556,290</b> |
| <b>LIABILITIES AND NET ASSETS</b>           |                       |                       |
| <b>LIABILITIES</b>                          |                       |                       |
| Accounts Payable & Accrued Liabilities      | \$ 1,187,142          | \$ 883,679            |
| Grants Payable                              | 1,475,269             | 904,128               |
| Liabilities Under Split-Interest Agreements | 2,731,387             | 2,250,417             |
| Liabilities Under Agency Accounts           | 10,446,460            | 8,907,474             |
| Deferred Rent & Lease Incentive Liability   | 817,663               | 30,442                |
| <b>Total Liabilities</b>                    | <b>\$ 16,657,921</b>  | <b>\$ 12,976,140</b>  |
| <b>NET ASSETS</b>                           |                       |                       |
| Unrestricted                                |                       |                       |
| For Grant Endowments                        | \$ 301,617,087        | \$ 264,268,558        |
| For Grantmaking                             | 33,971,001            | 26,942,739            |
| For Admin Endowment & Operations            | 5,387,433             | 5,484,555             |
| <b>Total Unrestricted</b>                   | <b>\$ 340,975,521</b> | <b>\$ 296,695,852</b> |
| Temporarily Restricted                      | 70,837,458            | 53,154,842            |
| Permanently Restricted                      | 65,330,924            | 53,729,456            |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>     | <b>\$ 493,801,824</b> | <b>\$ 416,556,290</b> |

## REVENUE AND SUPPORT

|   | 2017                  | 2016                 |
|---|-----------------------|----------------------|
| Gifts, Grants, and Bequests                     | \$ 57,119,205         | \$ 35,536,055        |
| Investment Income                               | 10,398,311            | 7,348,759            |
| Net Unrealized and Realized Gains/Losses        | 40,135,419            | 11,617,959           |
| Change in Value of Perpetual Trust              | 166,078               | 46,326               |
| <b>Subtotal</b>                                 | <b>\$ 107,819,013</b> | <b>\$ 54,549,098</b> |
| <b>EXPENSES</b>                                 |                       |                      |
| Grant Expense                                   | \$ 22,326,828         | \$ 20,457,082        |
| Investment Management & Trustee Fees            | 1,223,424             | 978,398              |
| Grantmaking                                     | 2,126,841             | 552,722              |
| Special Program Expenses                        | 2,620,438             | 2,373,447            |
| Development and Donor Services                  | 1,494,498             | 1,315,663            |
| Financial Management                            | 3,307,560             | 2,120,845            |
| Marketing                                       | 393,682               | 454,164              |
| <b>Total Expense</b>                            | <b>\$ 33,493,271</b>  | <b>\$ 28,252,322</b> |
| <b>Change in Net Assets Before Income Taxes</b> | <b>\$ 74,325,742</b>  | <b>\$ 26,296,777</b> |
| Unrelated Business Income Tax                   | 761,989               | 104,078              |
| <b>Change In Net Asset</b>                      | <b>\$ 73,563,753</b>  | <b>\$ 26,192,699</b> |
| Net Assets - Beginning of Year                  | \$ 403,580,150        | \$ 377,387,451       |
| <b>NET ASSETS – End of Year</b>                 | <b>\$ 477,143,903</b> | <b>\$403,580,150</b> |

## TRUSTEE INSTITUTIONS

In establishing a fund, donors have the option of using TPF, Inc. as a trustee or one of seven trustee institutions:

The Bryn Mawr Trust Company  
The Glenmede Trust Company  
BNY Mellon  
Pitcairn Trust Company  
PNC Bank, N.A.  
Wells Fargo  
Wilmington Trust

## INSTITUTIONAL PARTNERSHIPS

American Funds  
Brown Brothers Harriman

## INDEPENDENT INVESTMENT CONSULTANT

Colonial Consulting

## INVESTMENT MANAGERS

The endowment assets of TPF, Inc. are managed by:

Access Capital Strategies  
Artisan Partners, LP  
Bogle Investment Management  
Canyon Capital Advisors, LLC  
Cevian Capital  
Colchester Global Investors  
Dimensional Fund Advisors, LP  
Eagle Capital Management, LLC  
Effissimo Capital Management  
Eightfold Real Estate Capital, LP  
First Light Asset Management

Focused Investors, LLC  
Hengistbury Investment Partners  
Highclere International Investors  
Jackson Square Partners, LLC  
Lansdowne Partners Limited  
Marathon-London  
Metropolitan Real Estate Equity Management, LLC  
Nitorium Capital  
Oak Hill Advisors, LP  
Perennial Capital Management, LLC

Permian Investment Partners  
Pacific Investment Management Company, LLC  
Sanderson Asset Management LLP  
Reinvestment Fund, Inc.  
TIFF Advisory Services, Inc.  
Tybourne Capital Management  
Van Eck Associates Corp  
Vanguard

The official registration and financial information of The Philadelphia Foundation may be obtained from the Pennsylvania Department of State by calling toll-free, within Pennsylvania, 1-800-732-0999. Registration does not imply endorsement.

Information filed with the Attorney General concerning this charitable solicitation may be obtained from the Attorney General of the State of New Jersey by calling 973-504-6215. Registration with the Attorney General does not imply endorsement.

This report presents only the highlights of our financial activities. The Foundation's complete audited financial statements are available online at [www.philafound.org](http://www.philafound.org). A public inspection copy of our Forms 990 and 990-T may be obtained during regular business hours.