

McGregor Fund

**Financial Report
with Additional Information
June 30, 2015**

McGregor Fund

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Independent Auditor's Report

To the Board of Trustees
McGregor Fund

We have audited the accompanying financial statements of McGregor Fund (the "Fund"), which comprise the balance sheet as of June 30, 2015 and 2014 and the related statements of activities and changes in net assets 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.

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 audits 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.

To the Board of Trustees
McGregor Fund

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of McGregor Fund as of June 30, 2015 and 2014 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.

Emphasis of Matter

As explained in Note 1, the financial statements include certain investments whose fair values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or partnership general partners. These investments are valued at \$85,650,432 (49.4 percent of net assets) at June 30, 2015 and \$91,855,600 (51.1 percent of net assets) at June 30, 2014. Our opinion is not modified with respect to this matter.

Plante & Moran, PLLC

September 11, 2015

McGregor Fund

Balance Sheet

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Assets		
Cash and cash equivalents	\$ 3,690,365	\$ 3,551,537
Investments (Note 2)	171,313,112	178,675,033
Accrued interest and dividends	20,615	18,777
Other assets:		
Prepaid expenses	41,123	37,049
Prepaid federal excise taxes	70,116	32,883
Other	77	136,641
Property and equipment - Net	-	1,482
Total assets	<u>\$ 175,135,408</u>	<u>\$ 182,453,402</u>
Liabilities and Net Assets		
Liabilities		
Accrued expenses	\$ 55,068	\$ 224,030
Grants payable (Note 3)	1,120,843	1,392,381
Deferred excise taxes (Note 4)	751,316	938,454
Total liabilities	1,927,227	2,554,865
Net Assets - Unrestricted	<u>173,208,181</u>	<u>179,898,537</u>
Total liabilities and net assets	<u>\$ 175,135,408</u>	<u>\$ 182,453,402</u>

McGregor Fund

Statement of Activities and Changes in Net Assets

	Year Ended	
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Revenue, Gains, and Other Support		
Interest	\$ 225,455	\$ 194,606
Dividends	1,389,575	1,391,985
Other partnership (losses) income	(868,480)	305,320
Net realized and unrealized gains on securities	2,111,614	25,753,270
Investment advisory fees and consulting services	(721,310)	(723,051)
Gain on sale of fixed asset	8,519	-
	<hr/>	<hr/>
Total revenue, gains, and other support - Net	2,145,373	26,922,130
Expenses		
Program services - Grants and related activities	7,749,845	5,835,359
Support services:		
Management and general	1,130,991	1,368,881
Federal excise tax (recovery) expense (Note 4)	(45,107)	429,117
	<hr/>	<hr/>
Total expenses	8,835,729	7,633,357
(Decrease) Increase in Net Assets	(6,690,356)	19,288,773
Net Assets - Beginning of year	<u>179,898,537</u>	<u>160,609,764</u>
Net Assets - End of year	<u>\$ 173,208,181</u>	<u>\$ 179,898,537</u>

McGregor Fund

Statement of Cash Flows

	Year Ended	
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Cash Flows from Operating Activities		
(Decrease) increase in net assets	\$ (6,690,356)	\$ 19,288,773
Adjustments to reconcile (decrease) increase in net assets to net cash from operating activities:		
Depreciation	-	5,925
Net realized and unrealized gain on securities	(2,111,614)	(25,753,270)
Gain on disposal of property and equipment	(8,519)	-
Changes in operating assets and liabilities which (used) provided cash:		
Accrued interest and dividends	(1,838)	2,287
Prepaid expenses	(4,074)	15,593
Prepaid federal excise tax	(37,233)	(32,883)
Other	136,564	(38,646)
Accrued expenses	(168,962)	28,931
Deferred federal excise tax	(187,138)	287,253
Grants payable	(271,538)	(1,554,841)
Net cash used in operating activities	<u>(9,344,708)</u>	<u>(7,750,878)</u>
Cash Flows from Investing Activities		
Proceeds from disposition of property and equipment	10,001	-
Purchases of investments	(35,799,952)	(37,868,768)
Proceeds from sales and maturities of investments	<u>45,273,487</u>	<u>44,093,649</u>
Net cash provided by investing activities	<u>9,483,536</u>	<u>6,224,881</u>
Net Increase (Decrease) in Cash and Cash Equivalents	138,828	(1,525,997)
Cash and Cash Equivalents - Beginning of year	<u>3,551,537</u>	<u>5,077,534</u>
Cash and Cash Equivalents - End of year	<u>\$ 3,690,365</u>	<u>\$ 3,551,537</u>

Note I - Nature of Business and Significant Accounting Policies

McGregor Fund (the "Fund"), located in Detroit, Michigan and established in 1925, is a private foundation which was organized to relieve misfortune and promote the well-being of humankind. The primary activity of the Fund is to provide support to Detroit metropolitan area not-for-profit organizations, which operate in five program areas that are of particular interest to the Fund's board of trustees: human service, education, health care, arts and culture, and public benefit.

Cash Equivalents - The Fund considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Investments - Investments in government and corporate debt and equity securities are stated at current quoted market values. The alternative investments, comprised primarily of real estate, private equities, hedge funds, oil and gas, and other limited partnerships, which are not readily marketable, are carried at estimated fair values as provided by the various investment managers. The Fund reviews and evaluates the values provided by the investment managers and agrees with the valuation methods used and significant assumptions used in determining fair value. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed. Purchases and sales of investments are recorded as of the trade date. Gain or loss on the sale of investments is computed using the first-in, first-out method.

Property and Equipment - Property and equipment are stated at their estimated market value at the date donated or at cost, if purchased. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Maintenance and repair costs are charged to expense as incurred.

Classification of Net Assets - Net assets of the Fund are classified based on the presence or absence of donor-imposed restrictions. All net assets of the Fund are unrestricted.

Tax Status - The Fund is exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code. As a private foundation, the Fund is subject to an excise tax on net investment income, including realized gains as defined in the Tax Reform Act of 1969.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Fair Value Disclosures - The estimated fair value amounts have been determined by the Fund using available market information and appropriate valuation methodologies. These estimates are subjective in nature and involve uncertainties and matters of considerable judgment. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Fund could realize in a current market exchange. The use of different assumptions, judgments, and/or estimation methodologies may have a material effect on the estimated fair value amounts. All investment securities are carried at fair value in the financial statements.

Risks and Uncertainties - The Fund invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the balance sheet.

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including September 11, 2015, which is the date the financial statements were available to be issued.

McGregor Fund

Notes to Financial Statements June 30, 2015 and 2014

Note 2 - Investments

Investments consisted of the following at June 30:

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Fixed-income and equity securities:				
Domestic fixed-income mutual funds	\$ 8,304,305	\$ 8,571,041	\$ 6,995,044	\$ 7,329,741
International fixed-income securities	5,030,737	5,626,067	5,712,157	7,524,911
U.S. common stock	29,529,021	39,919,465	22,761,790	32,025,363
Foreign equity securities	25,927,157	31,546,107	29,952,860	39,939,418
Total fixed-income and equity securities	68,791,220	85,662,680	65,421,851	86,819,433
Alternative investments:				
Hedge funds and multi-strategy	25,156,800	36,731,441	25,435,167	36,986,990
Oil and gas limited partnerships	13,125,100	9,325,525	13,144,650	16,593,979
Private equity and venture capital limited partnerships	17,216,468	26,766,923	16,409,776	25,205,665
Real estate limited partnerships	6,955,625	9,286,714	8,777,149	9,772,452
Commodities and natural resources limited partnerships	2,502,090	3,539,829	2,494,331	3,296,514
Total alternative investments	64,956,083	85,650,432	66,261,073	91,855,600
Total	\$ 133,747,303	\$ 171,313,112	\$ 131,682,924	\$ 178,675,033

Note 3 - Grants Payable

Unconditional grants are recognized as an expense at the time of formal approval by the full board of trustees. A present value discount for grants to be paid beyond one year has been calculated using a rate of approximately 0.01 and 0.04 percent at June 30, 2015 and 2014, respectively, based on when the grant was approved. At June 30, 2015 and 2014, the total discount on grants payable was \$157 and \$719, respectively.

The following summarizes the changes in grants payable:

	2015	2014
Grants payable - Beginning of year	\$ 1,392,381	\$ 2,947,222
Grants approved	7,620,130	5,763,460
Payments made	(7,892,230)	(7,319,160)
Change in discount on grants payable	562	859
Grants payable - End of year	\$ 1,120,843	\$ 1,392,381

McGregor Fund

Notes to Financial Statements June 30, 2015 and 2014

Note 3 - Grants Payable (Continued)

Conditional grants are expensed when such conditions are substantially met. Conditional grants approved for future payment were \$6,150,000 and \$115,000 at June 30, 2015 and 2014, respectively. Included in the amount for the year ended June 30, 2015 is a \$6 million conditional 20-year grant to the Foundation for Detroit's Future (FDF), a supporting organization of the Community Foundation for Southeast Michigan, which was approved by the Fund on August 19, 2014. The grant and payment of the annual grant installments are conditioned upon the terms and conditions outlined in the Fund's agreement with FDF. The first two payments of this grant totaling \$600,000 were made during the year ended June 30, 2015.

	<u>2015</u>	<u>2014</u>
Amounts due in:		
Less than one year	\$ 971,000	\$ 987,600
One to five years	<u>150,000</u>	<u>405,500</u>
Total	<u>\$ 1,121,000</u>	<u>\$ 1,393,100</u>

Note 4 - Excise Taxes

The Fund's excise tax expense (recovery) as of June 30, 2015 and 2014 is comprised of the following:

	<u>2015</u>	<u>2014</u>
Current	\$ 142,031	\$ 117,140
Deferred	<u>(187,138)</u>	<u>311,977</u>
Total excise tax expense (recovery)	<u>\$ (45,107)</u>	<u>\$ 429,117</u>

The deferred excise tax liability on the balance sheet represents the tax on unrealized gains on investment securities.

Note 5 - Deferred Compensation Plan

The Fund sponsors a defined contribution 401(k) plan for all eligible full-time employees, as defined in the plan document. The plan became effective as of January 1, 2008. The Fund contributes a specified percentage of the annual eligible compensation of participants. Total contributions to the plan for the years ended June 30, 2015 and 2014 amounted to approximately \$81,500 and \$124,100, respectively.

Note 6 - Related Party

The former president of the Fund also served as a member and officer of the board of trustees during the years ended June 30, 2015 and 2014. Although the former president abstained from voting on his compensation, the president's compensation was approved by the board of trustees.

Note 7 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Fund's assets measured at fair value on a recurring basis at June 30, 2015 and 2014 and the valuation techniques used by the Fund to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Fund has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Fund's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Fund's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the end of the reporting period.

McGregor Fund

Notes to Financial Statements June 30, 2015 and 2014

Note 7 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at June 30, 2015

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2015
Cash equivalents - Money market mutual funds	\$ 3,371,202	\$ -	\$ -	\$ 3,371,202
Investments:				
Domestic fixed-income mutual funds	8,571,041	-	-	8,571,041
International fixed-income securities limited partnership	-	5,626,067	-	5,626,067
U.S. equity mutual funds	14,063,827	-	-	14,063,827
U.S. equity commingled funds	-	17,555,838	-	17,555,838
Foreign equity mutual funds	18,388,156	-	-	18,388,156
Foreign equity commingled funds	-	21,457,751	-	21,457,751
Hedge fund and multi-strategy	-	-	36,731,441	36,731,441
Oil and gas limited partnerships	-	-	9,325,525	9,325,525
Private equity and venture capital limited partnerships	-	-	26,766,923	26,766,923
Real estate limited partnerships	-	-	9,286,714	9,286,714
Commodities and natural resources limited partnerships	-	-	3,539,829	3,539,829
Total investments	<u>41,023,024</u>	<u>44,639,656</u>	<u>85,650,432</u>	<u>171,313,112</u>
Total assets	<u>\$ 44,394,226</u>	<u>\$ 44,639,656</u>	<u>\$ 85,650,432</u>	<u>\$ 174,684,314</u>

Note 7 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at June 30, 2014

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2014
Cash equivalents - Money market mutual funds	\$ 3,410,082	\$ -	\$ -	\$ 3,410,082
Investments:				
Domestic fixed-income mutual funds	7,329,741	-	-	7,329,741
International fixed-income securities limited partnership	-	7,524,911	-	7,524,911
U.S. equity mutual funds	16,214,068	-	-	16,214,068
U.S. equity commingled funds	-	15,811,295	-	15,811,295
Foreign equity mutual funds	16,324,362	-	-	16,324,362
Foreign equity commingled funds	-	23,615,056	-	23,615,056
Hedge fund and multi-strategy	-	-	36,986,990	36,986,990
Oil and gas limited partnerships	-	-	16,593,979	16,593,979
Private equity and venture capital limited partnerships	-	-	25,205,665	25,205,665
Real estate limited partnerships	-	-	9,772,452	9,772,452
Commodities and natural resources limited partnerships	-	-	3,296,514	3,296,514
Total investments	<u>39,868,171</u>	<u>46,951,262</u>	<u>91,855,600</u>	<u>178,675,033</u>
Total assets	<u>\$ 43,278,253</u>	<u>\$ 46,951,262</u>	<u>\$ 91,855,600</u>	<u>\$ 182,085,115</u>

The Fund has processes in place to select the appropriate valuation technique and unobservable inputs to perform Level 3 fair value measurements. These processes include quarterly meetings with the Fund's investment committee for calibration and review of Level 3 investment monthly or quarterly fund manager statements and annual audited financial statements. The Fund cannot independently assess the value of these underlying positions through a public exchange or over-the-counter market. The Fund utilizes a third-party investment manager to monitor, participate in fund manager calls, and obtain underlying financial information on the Level 3 investments.

Note 7 - Fair Value Measurements (Continued)

The following tables set forth a summary of the changes in the fair value of the Fund's Level 3 assets for the years ended June 30, 2015 and 2014.

	Fair Value at July 1, 2014	Purchases	Sales	Realized Gains Included in Change in Net Assets	Unrealized Gains (Losses) Included in Change in Net Assets	Fair Value at June 30, 2015
Assets - Investments:						
Hedge fund and multi-strategy	\$ 36,986,990	\$ 4,100,000	\$ (5,718,204)	\$ 110,898	\$ 1,251,757	\$ 36,731,441
Oil and gas limited partnerships	16,593,979	1,724,125	(2,560,284)	816,609	(7,248,904)	9,325,525
Private equity and venture capital limited partnerships	25,205,665	3,143,452	(6,155,088)	3,818,294	754,600	26,766,923
Real estate limited partnerships	9,772,452	495,404	(3,896,737)	1,499,481	1,416,114	9,286,714
Commodities and natural resources limited partnerships	3,296,514	317,082	(309,323)	-	235,556	3,539,829
Total Level 3 assets at fair value	<u>\$ 91,855,600</u>	<u>\$ 9,780,063</u>	<u>\$ (18,639,636)</u>	<u>\$ 6,245,282</u>	<u>\$ (3,590,877)</u>	<u>\$ 85,650,432</u>

	Fair Value at July 1, 2013	Purchases	Sales	Realized Gains Included in Change in Net Assets	Unrealized Gains (Losses) Included in Change in Net Assets	Fair Value at June 30, 2014
Assets - Investments:						
Hedge fund and multi-strategy	\$ 34,931,890	\$ -	\$ (2,865,768)	\$ 21,290	\$ 4,899,578	\$ 36,986,990
Oil and gas limited partnerships	16,452,258	1,857,266	(2,395,158)	104,428	575,185	16,593,979
Private equity and venture capital limited partnerships	21,654,064	2,225,788	(4,043,140)	1,857,633	3,511,320	25,205,665
Real estate limited partnerships	10,530,205	839,128	(3,553,487)	944,676	1,011,930	9,772,452
Commodities and natural resources limited partnerships	3,056,082	189	-	-	240,243	3,296,514
Total Level 3 assets at fair value	<u>\$ 86,624,499</u>	<u>\$ 4,922,371</u>	<u>\$ (12,857,553)</u>	<u>\$ 2,928,027</u>	<u>\$ 10,238,256</u>	<u>\$ 91,855,600</u>

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets. As a result, the unrealized gains and losses for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs.

The Fund also holds other assets and liabilities not measured at fair value on a recurring basis, including accrued interest and dividends, accrued expenses, and grants payable. The fair value of these assets and liabilities is equal to the carrying amounts in the accompanying financial statements due to the short maturity of such instruments. The inputs are based upon terms in contractual agreements. The fair values of these financial instruments are determined using Level 2 inputs.

Investments in Entities that Calculate Net Asset Value per Share

The Fund holds shares or interests in investment companies at year end whereby the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company.

Note 7 - Fair Value Measurements (Continued)

Certain investments measured at net asset value per share (or its equivalent) are classified within Level 2 of the fair value hierarchy, as the investment can be redeemed at or within 60 days of the measurement date. If the investment holdings cannot be redeemed at or within 60 days of the measurement date, due to redemption restrictions or other factors, then the investment is classified within Level 3 of the fair value hierarchy.

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	June 30, 2015	June 30, 2014	June 30, 2015		
	Fair Value	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
International fixed-income securities limited partnership (a)	\$ 5,626,067	\$ 7,524,911	\$ -	Monthly	10 days
U.S. equity commingled funds (b)	17,555,838	15,811,295	-	Daily and quarterly	1-60 days
Foreign equity commingled funds (c)	21,457,751	23,615,056	-	Monthly	10-60 days
Hedge fund and multi-strategy (d)	36,731,441	36,986,990	-	24 percent locked through 2015; remainder monthly, quarterly, and annually	30-90 days
Oil and gas limited partnerships (e)	9,325,525	16,593,979	3,644,503	N/A	N/A
Private equity and venture capital limited partnerships (f)	26,766,923	25,205,665	15,180,930	N/A	N/A
Real estate limited partnerships (g)	9,286,714	9,772,452	2,521,805	N/A	N/A
Commodities and natural resources limited partnerships (h)	3,539,829	3,296,514	-	N/A	N/A
Total	\$ 130,290,088	\$ 138,806,862	\$ 21,347,238		

- (a) The international fixed-income securities category includes an investment in a commingled bond fund that invests in foreign sovereign bonds. The fair value of the investment in this category has been estimated using the net asset value of the Fund's ownership interest in partners' capital.
- (b) The U.S. equity securities category includes investments in commingled U.S. stock funds. The fair value of the investments in this category has been estimated using the net asset value of the Fund's ownership interest in partners' capital or the net asset value per share of the investments, whichever is applicable.
- (c) The foreign equity securities category includes investments in commingled international stock funds. The fair value of the investments in this category has been estimated using the net asset value of the Fund's ownership interest in partners' capital or the net asset value per share of the investments, whichever is applicable.
- (d) The hedge funds and multi-strategy category includes direct investments in hedge funds that invest in event arbitrage, multi-strategy, distressed securities, U.S. long/short equities, and global long/short equities. The fair value of the investments in this category has been estimated using the net asset value per share of the investments.
- (e) The oil and gas limited partnerships category includes investments with energy managers that invest across the energy industry. The fair value of the investments in this category has been estimated using the net asset value of the Fund's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying investments of these funds will be liquidated over the next 6-10 years.

Note 7 - Fair Value Measurements (Continued)

- (f) The private equity and venture capital limited partnerships category includes investments with fund of funds, managers that invest in Asian, European, U.S. and U.S. distressed private equity funds, and early stage U.S. venture capital funds. The fair value of the investments in this category has been estimated using the net asset value of the Fund's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying investments of these funds will be liquidated over the next 8-12 years.
- (g) The real estate limited partnerships category includes investments with real estate managers that invest in European and U.S. commercial and residential real estate. The fair value of the investments in this category has been estimated using the net asset value of the Fund's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying investments of these funds will be liquidated over the next 3-8 years.
- (h) The commodities and natural resources limited partnerships category includes investments with a timber manager that invests in U.S. timberland. The fair value of the investments in this category has been estimated using the net asset value of the Fund's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying investments of these funds will be liquidated over the next 10 years.

Additional Information

Independent Auditor's Report on Additional Information

To the Board of Trustees
McGregor Fund

We have audited the financial statements of McGregor Fund as of and for the years ended June 30, 2015 and 2014 and have issued our report thereon dated September 11, 2015, which contained an unmodified opinion on those financial statements.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of details of support activities is presented for the purpose 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.

Plante & Moran, PLLC

September 11, 2015

McGregor Fund

Schedule of Details of Support Activities

	Year Ended	
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Management and General Expenses		
Salaries and benefits	\$ 837,095	\$ 1,019,956
Legal, accounting, and professional fees	50,389	44,408
Other administrative expenses	<u>243,507</u>	<u>304,517</u>
Total management and general expenses	<u>\$ 1,130,991</u>	<u>\$ 1,368,881</u>