

Financial Statements and Report of Independent Certified  
Public Accountants

**Anne Ray Foundation**

December 31, 2024 and 2023

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**GRANT THORNTON LLP**

Grant Thornton Tower  
171 N. Clark St., Suite 200  
Chicago, IL 60601-3370

**D** +1 312 856 0200

**F** +1 312 602 8099

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Directors  
Anne Ray Foundation

**Opinion**

We have audited the financial statements of Anne Ray Foundation (the “Entity”), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as of December 31, 2024 and 2023, 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.

**Basis for opinion**

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Entity and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

**Auditor’s responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Grant Thornton LLP*

Chicago, Illinois  
September 15, 2025

## **FINANCIAL STATEMENTS**

**Anne Ray Foundation**  
**Statements of Financial Position**  
**December 31, 2024 and 2023**

	2024	2023
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 23,106,550	\$ 25,201,793
Receivables and Prepaid Expenses	2,331,061	1,332,266
Investments	4,945,572,077	4,841,174,726
Total Assets	\$ 4,971,009,688	\$ 4,867,708,785
 <b>LIABILITIES AND NET ASSETS</b>		
Accounts Payable and Other Liabilities	\$ 18,770,870	\$ 16,015,406
Grants Payable, Net	119,358,809	154,450,983
Total Liabilities	138,129,679	170,466,389
Net Assets Without Donor Restrictions	4,832,880,009	4,697,242,396
Total Liabilities and Net Assets	\$ 4,971,009,688	\$ 4,867,708,785

The accompanying notes are an integral part of these financial statements.

**Anne Ray Foundation**  
**Statements of Activities**  
**For the years ended December 31, 2024 and 2023**

	2024	2023
<b>REVENUES</b>		
Investment Return, Net	\$ 288,957,665	\$ 331,134,588
Total Revenues	288,957,665	331,134,588
 <b>EXPENSES</b>		
Grants and Grantmaking	146,307,627	228,862,303
Management and General	7,012,425	7,098,221
Total Expenses	153,320,052	235,960,524
 <b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	135,637,613	95,174,064
 Net Assets Without Donor Restrictions - Beginning of Year	4,697,242,396	4,602,068,332
 <b>NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR</b>	\$ 4,832,880,009	\$ 4,697,242,396

The accompanying notes are an integral part of these financial statements.

**Anne Ray Foundation**  
**Statements of Cash Flows**  
**For the years ended December 31, 2024 and 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets Without Donor Restrictions	\$ 135,637,613	\$ 95,174,064
Adjustments to Reconcile Change in Net Assets Without Donor Restrictions to Net Cash Provided by (Used in) Operating Activities:		
Net Realized (Gains) Losses on Investments	(72,378,061)	(98,661,192)
Net Unrealized (Gains) Losses on Investments	(191,945,312)	(212,286,064)
Changes in Assets and Liabilities:		
Receivables and Prepaid Expenses	(998,795)	4,195,343
Accounts Payable and Other Liabilities	2,755,464	2,762,683
Grants Payable	(35,092,174)	42,491,754
Net Cash Provided by (Used in) Operating Activities	(162,021,265)	(166,323,412)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(2,680,676,892)	(1,971,273,960)
Proceeds from Sales of Investments	2,840,602,914	2,162,431,019
Net Cash Provided by (Used in) Investing Activities	159,926,022	191,157,059
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Paid to Lines of Credit	-	(27,000,000)
Net Cash Provided by (Used in) Financing Activities	-	(27,000,000)
 <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(2,095,243)	(2,166,353)
 Cash and Cash Equivalents - Beginning of Year	25,201,793	27,368,146
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 23,106,550	\$ 25,201,793
 <b>SUPPLEMENTAL DISCLOSURES</b>		
Interest Paid	\$ -	\$ 120,214
Taxes Paid	\$ -	\$ 3,032,966

The accompanying notes are an integral part of these financial statements.

**Anne Ray Foundation**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Anne Ray Foundation (Anne Ray) is a Minnesota nonprofit corporation dedicated to providing meaningful assistance and support to society, the arts, and the environment. The mission of Anne Ray is to provide meaningful support to some or all of its designated supported organizations to make a measurable and sustainable difference on our identified priority problems. Each supported organization, in order to receive support and benefit, must be qualified as an organization as described in Section 509(a)(1) or 509(a)(2) of the Internal Revenue Code (IRC).

Net Asset Classification

Net assets, revenues, gains and losses, and expenses are classified based on donor-imposed restrictions. Accordingly, the net assets of Anne Ray and changes therein are classified and reported as follows:

- Without Donor Restrictions – Net assets over which the Directors have discretionary control.
- With Donor Restrictions – Net assets subject to donor-imposed restrictions.

Anne Ray has no net assets with donor restrictions.

Investments

Investments, including alternative investments, are stated at fair value based either on quoted market prices or, for certain investments with no readily available quoted market prices, at fair values as determined by management based on review of valuation information provided by Anne Ray's investment managers and other factors. Directly owned positions consist of public equities; credit securities; private investments focused in equity, credit and real asset strategies; and equity, foreign currency and interest rate derivatives. Public equities are generally valued using the official close price as quoted on the primary exchange as of the report date. Credit securities are generally valued using prices obtained from third-party pricing vendors which primarily use broker quotes and other observable market data. Private investments are generally valued using unobservable inputs including third-party appraisals that primarily use discounted projected cash flows or market comparables, and recent transaction activity. Equity, foreign currency and interest rate derivatives consist of exchange-traded futures, options and forward foreign currency contracts. Exchange-traded futures and options are valued based on quoted prices from the exchange. Over-the-counter options are valued using prices obtained from third-party pricing vendors which utilize pricing models and other observable market data. Forward foreign currency contracts are valued based on forward foreign exchange rates applied to the notional amounts stated in the contracts. Mutual funds, including money market funds, are valued at net asset value (NAV).

**Anne Ray Foundation**  
**Notes to Financial Statements – Continued**  
**December 31, 2024 and 2023**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Investments – continued

Alternative investments consist of investments in commingled funds, fund of funds and other private investment entities with no readily available quoted market price. In valuing these investments, management considers the audited financial statements of the investee, the cost of the investments, developments since acquisition, estimates as to the effect of future developments, general economic conditions, and other pertinent factors. Anne Ray uses the “practical expedient” under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820: *Fair Value Measurements and Disclosures*, which allows for the use of Anne Ray’s proportionate share of the NAV as fair value if certain conditions are met. These alternative investments are included among equities, credit, private credit, private equity, and real assets categories as shown in Note 3.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. Anne Ray has elected to measure all investments at fair value. Anne Ray may elect to measure newly acquired financial instruments at fair value in the future.

Investment return, net, on the statements of activities includes net unrealized gains and losses, realized gains and losses, and interest and dividend income, net of investment expenses. Purchases and sales of investments are reflected on a trade-date basis. Realized gains or losses on sales are based on the specific identification method. Interest income is recorded on the accrual basis, and dividend income is recorded on the ex-dividend date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and statements of activities.

Grants

Grant commitments are charged to operations at the time the grants are approved. Grants that are payable and considered long term are recorded at their net present value. A conditional promise to give is recognized in the period in which the recipient meets the terms of the condition. As of December 31, 2024 and 2023, Anne Ray had conditional grants outstanding of \$4,537,769 and \$3,459,178, respectively. Included in Receivables and Prepaid Expenses are certain conditional grants advanced to grantees for future program implementation of \$2,300,000 and \$1,275,000 as of December 31, 2024 and 2023, respectively.

**Anne Ray Foundation**  
**Notes to Financial Statements – Continued**  
**December 31, 2024 and 2023**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Concentration of Credit Risk

At times during the year, Anne Ray may have cash in excess of federally insured limits of \$250,000 per financial institution.

Income Tax Status

Anne Ray has been recognized by the Internal Revenue Service as exempt from income tax under Section 501(c)(3) of the IRC and, accordingly, is generally not subject to income tax. However, Anne Ray is subject to taxes on unrelated trade or business income.

Anne Ray has adopted guidance regarding the recognition of uncertain tax positions. Anne Ray believes it has appropriate support for unrelated trade or business positions and, as a result, does not have uncertain tax positions that have a material impact on its financial statements.

Distribution Requirements

Anne Ray is subject to IRC provisions requiring it to annually disburse an amount which is the greater of 85% of net income as defined by tax rules or 3.5% of the fair market value of investment assets as defined by tax rules. This payout requirement may be satisfied by payments for grants, direct conduct of charitable activities and grantmaking expenses. Anne Ray exceeded the distribution requirements for the years ended December 31, 2024 and 2023.

Classification of Expenses

Grants and expenses associated with Anne Ray's grantmaking activities are considered to be program expenses while all other expenses of Anne Ray are considered to be either investment or management and general expenses.

Foreign Currency

Investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investments and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Anne Ray Foundation**  
**Notes to Financial Statements – Continued**  
**December 31, 2024 and 2023**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Fair Value Measurements

Anne Ray measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own judgments about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Anne Ray may use valuation techniques consistent with the market, income and cost approaches to measure fair value.

Fair value measurement categorizes the inputs used to measure fair value into the following three categories:

- Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that Anne Ray has the ability to access as of the measurement date. The types of investments typically considered Level 1 include public equities, exchange traded futures and mutual funds;
- Level 2: Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active. Investments typically classified as Level 2 include credit securities, options and forward foreign currency contracts;
- Level 3: Inputs that are unobservable. Unobservable inputs reflect Anne Ray's own assumptions about the factors market participants would use in pricing investments and are based on the best information available in the circumstances. Investments typically classified as Level 3 include certain equity, private credit and real asset investments where the valuation was based on unobservable market data, and certain investments in funds which are not valued using NAV as a practical expedient. Level 3 investments were valued using third-party appraisals that primarily use discounted projected cash flows or market comparables, and recent transaction activity.

Investments valued using NAV as a practical expedient have not been categorized within the fair value hierarchy in accordance with ASC Topic 820.

**Anne Ray Foundation**  
**Notes to Financial Statements – Continued**  
**December 31, 2024 and 2023**

**NOTE 2 – INVESTMENTS**

Investments are stated at fair value and consisted of the following at December 31, 2024 and 2023:

	2024	
	Cost	Fair Value
Cash and Cash Equivalents	\$ 116,914,629	\$ 116,906,207
Equity	936,349,056	1,343,483,111
Credit	1,038,579,833	1,165,769,290
Private Credit	201,123,373	344,039,252
Private Equity	510,846,537	881,872,524
Real Assets	791,174,285	1,093,501,693
	<u>\$ 3,594,987,713</u>	<u>\$ 4,945,572,077</u>
	2023	
	Cost	Fair Value
Cash and Cash Equivalents	\$ 143,065,045	\$ 143,068,705
Equity	940,312,707	1,220,852,721
Credit	1,162,508,760	1,272,282,895
Private Credit	242,676,667	377,410,782
Private Equity	468,653,714	796,088,557
Real Assets	725,316,568	1,031,471,066
	<u>\$ 3,682,533,461</u>	<u>\$ 4,841,174,726</u>

As of December 31, 2024, Anne Ray has committed approximately \$1.02 billion in capital to be called over the next 1 to 15 years.

**Anne Ray Foundation**  
**Notes to Financial Statements – Continued**  
**December 31, 2024 and 2023**

**NOTE 3 – FAIR VALUE MEASUREMENTS**

Anne Ray values its investments as described in Note 1. The tables that follow set forth information about the level within the fair value hierarchy at which Anne Ray’s investments are measured at December 31, 2024 and 2023:

December 31, 2024

	Level 1	Level 2	Level 3	Investments Measured at NAV	Total
<b>Investments:</b>					
<b>Securities:</b>					
Equity	\$ 391,135,052	\$ -	\$ 5,928	\$ -	\$ 391,140,980
Credit	-	480,155,093	-	-	480,155,093
Private Credit	-	-	4,719,531	-	4,719,531
Private Equity	-	-	-	-	-
Real Assets	-	-	82,607,117	-	82,607,117
<b>Total Securities</b>	<b>391,135,052</b>	<b>480,155,093</b>	<b>87,332,576</b>	<b>-</b>	<b>958,622,721</b>
<b>Funds:</b>					
Equity	\$ 30,970,649	\$ -	\$ -	\$ 905,029,493	\$ 936,000,142
Credit	35,293,075	-	-	629,293,581	664,586,656
Private Credit	-	-	1,160,980	338,158,741	339,319,721
Private Equity	-	-	-	881,872,524	881,872,524
Real Assets	-	-	75,841,830	935,052,746	1,010,894,576
Money Market	104,057,543	-	-	-	104,057,543
<b>Total Funds</b>	<b>170,321,267</b>	<b>-</b>	<b>77,002,810</b>	<b>3,689,407,085</b>	<b>3,936,731,162</b>
<b>Derivatives:</b>					
Futures	21,510,187 *	-	-	-	21,510,187
Forward currency contracts-asset	-	53,262,985	-	-	53,262,985
Forward currency contracts-liability	-	(36,349,123)	-	-	(36,349,123)
Swaps	-	(1,054,519)	-	-	(1,054,519)
<b>Total Derivatives</b>	<b>21,510,187</b>	<b>15,859,343</b>	<b>-</b>	<b>-</b>	<b>37,369,530</b>
<b>Total</b>	<b>582,966,506</b>	<b>496,014,436</b>	<b>164,335,386</b>	<b>3,689,407,085</b>	<b>4,932,723,413</b>
Cash					5,236,642
Investment-related receivables					9,261,317
Investment-related payables					(1,649,295)
<b>Total Investments</b>					<b>\$4,945,572,077</b>

\* Futures are valued based on Level 1 inputs. Amount included above represents the variation margin on open futures positions with a cumulative unrealized loss of \$16,840,334 at December 31, 2024.

**Anne Ray Foundation**  
**Notes to Financial Statements – Continued**  
**December 31, 2024 and 2023**

**NOTE 3 – FAIR VALUE MEASUREMENTS – Continued**

December 31, 2023

	Level 1	Level 2	Level 3	Investments Measured at NAV	Total
Investments:					
Securities:					
Equity	\$ 257,752,085	\$ -	\$ 6,533	\$ -	\$ 257,758,618
Credit	-	526,559,995	-	-	526,559,995
Private Credit	-	-	4,531,806	-	4,531,806
Private Equity	-	-	-	-	-
Real Assets	-	-	86,896,721	-	86,896,721
Total Securities	<u>257,752,085</u>	<u>526,559,995</u>	<u>91,435,060</u>	-	<u>875,747,140</u>
Funds:					
Equity	\$ 7,765,801	\$ -	\$ -	\$ 961,536,501	\$ 969,302,302
Credit	61,237,995	-	-	660,247,338	721,485,333
Private Credit	-	-	-	372,878,976	372,878,976
Private Equity	-	-	4,681,088	791,407,469	796,088,557
Real Assets	-	-	75,068,592	869,505,753	944,574,345
Money Market	<u>139,809,366</u>	-	-	-	<u>139,809,366</u>
Total Funds	<u>208,813,162</u>	<u>-</u>	<u>79,749,680</u>	<u>3,655,576,037</u>	<u>3,944,138,879</u>
Derivatives:					
Futures	\$ 24,313,619 *	\$ -	\$ -	\$ -	\$ 24,313,619
Options	-	(128,930)	-	-	(128,930)
Forward currency contracts-asset	-	26,654,290	-	-	26,654,290
Forward currency contracts-liability	-	(32,809,611)	-	-	(32,809,611)
Total Derivatives	<u>24,313,619</u>	<u>(6,284,251)</u>	<u>-</u>	<u>-</u>	<u>18,029,368</u>
Total	<u><u>\$ 490,878,866</u></u>	<u><u>\$ 520,275,744</u></u>	<u><u>\$ 171,184,740</u></u>	<u><u>\$ 3,655,576,037</u></u>	<u><u>4,837,915,387</u></u>
Cash					3,031,329
Investment-related receivables					13,173,250
Investment-related payables					<u>(12,945,240)</u>
Total Investments					<u><u>\$ 4,841,174,726</u></u>

\* Futures are valued based on Level 1 inputs. Amount included above represents the variation margin on open futures positions with a cumulative unrealized gain of \$45,779,772 at December 31, 2023.

Cash and investment-related receivables and payables are included in the tables above to reconcile to the investment amounts on the statements of financial position.

**Anne Ray Foundation**  
**Notes to Financial Statements – Continued**  
**December 31, 2024 and 2023**

**NOTE 3 – FAIR VALUE MEASUREMENTS – Continued**

The following tables detail purchases and transfers into and out of Level 3 for the years ended December 31, 2024 and 2023.

2024				
Investments in Securities:				
	Equity	Private Credit	Real Assets	Total
Purchases	\$ -	\$ -	\$ 548,683	\$ 548,683
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Investments in Funds:				
	Private Equity	Real Assets	Private Credit	Total
Purchases	\$ -	\$ 5,963,999	\$ 1,012,686	\$ 6,976,685
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
2023				
Investments in Securities:				
	Equity	Private Credit	Real Assets	Total
Purchases	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Investments in Funds:				
	Private Equity	Real Assets	Total	
Purchases	\$ -	\$ 6,850,856	\$ 6,850,856	
Transfers In	4,681,088	-	4,681,088	
Transfers Out	-	-	-	

During 2023, transfers into Level 3 were due to certain investments no longer being eligible to use NAV as a practical expedient.

**Anne Ray Foundation**  
**Notes to Financial Statements – Continued**  
**December 31, 2024 and 2023**

**NOTE 3 – FAIR VALUE MEASUREMENTS – Continued**

The following tables list investment funds valued using NAV as a practical expedient by major category:

		2024			
	NAV	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period	
Equity	\$ 905,029,493	\$ -	Daily to Quarterly*	2 to 120 days	
Credit	629,293,581	-	Daily to Annually**	1 to 90 days	
Private Credit	338,158,741	202,206,307	Not Available	Not Applicable	
Private Equity	881,872,524	323,272,902	Not Available	Not Applicable	
Real Assets	935,052,746	469,880,965	Quarterly to Not Available	45 days to Not Applicable	

\* Approximately 11% is subject to lock-up restrictions, including a rolling 2-year lock-up and a fund in final liquidation that has suspended redemption activity.

\*\* Approximately 9% is subject to lock-up restrictions, including rolling 1-year and 2-year lock-ups.

		2023			
	NAV	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period	
Equity	\$ 961,536,501	\$ -	Daily to Quarterly*	2 to 120 days	
Credit	660,247,338	6,626,601	Daily to Annually**	1 to 90 days	
Private Credit	372,878,976	140,762,219	Not Available	Not Applicable	
Private Equity	791,407,469	335,179,061	Not Available	Not Applicable	
Real Assets	869,505,753	390,569,616	Quarterly to Not Available	45 days to Not Applicable	

\* Approximately 11% is subject to lock-up restrictions, including a rolling 2-year lock-up and a fund in final liquidation that has suspended redemption activity.

\*\* Approximately 8% is subject to lock-up restrictions, including rolling 1-year and 2-year lock-ups.

For investment funds where redemptions are not available, the timing of expected liquidation is unknown.

Equity funds generally invest globally (U.S. and non-U.S. markets) in large-, mid- or small- capitalization common or preferred stocks or convertible bonds. Equity funds also include funds with equity long/short and market neutral strategies. Funds with these strategies generally invest in diversified portfolios, including equities, fixed income securities and derivatives; these funds may use leverage, sell financial instruments short and/or invest in illiquid investments.

Credit funds generally invest in interest-bearing securities that make periodic payments including bonds, Treasury issues, mortgage and other asset-backed securities, and non-U.S. dollar-denominated debt instruments, all of which may be of varying maturity, currency exposure and credit quality. Credit funds also include funds with macro, relative value, and event driven strategies. Funds with these strategies generally invest in diversified portfolios, including equities, fixed income securities and derivatives; these funds may use leverage, sell financial instruments short and/or invest in illiquid investments.

Private credit funds generally invest in both public and private financial instruments, debt and equity securities, real estate assets, and their related instruments. These funds may also participate in the origination of loans and may use leverage. These investments are generally illiquid.

**Anne Ray Foundation**  
**Notes to Financial Statements – Continued**  
**December 31, 2024 and 2023**

**NOTE 3 – FAIR VALUE MEASUREMENTS – Continued**

Private equity funds generally make investments, both global and domestic, directly into private companies or conduct buyouts of public companies that may result in a delisting of public equity. Capital can be used to fund new technologies, to expand working capital within an owned company, to make acquisitions or to strengthen a balance sheet, among other things. These investments are generally illiquid and may use leverage.

Real assets funds generally make domestic and global investments in timber, real estate, commodities, infrastructure, agriculture, energy and energy-related investments. They may be public or private investments and may use leverage.

The fair value of Anne Ray's investments is based on available information and does not necessarily represent amounts that might ultimately be realized, which depend on changing circumstances and cannot be reasonably determined until the investments are actually liquidated. The fair value may differ significantly from the values which would have been used had a ready market for the investments existed.

**NOTE 4 – DERIVATIVE INSTRUMENTS**

Anne Ray utilizes futures to gain market exposure to various equity indices, currencies and interest rates at a reasonable cost. Anne Ray utilizes interest rate options to hedge inflation risk, interest rate swaps to offset interest rate risk and sells equity options to collect premiums within certain strategies. Anne Ray utilizes forward currency contracts to hedge foreign currency exposure.

Anne Ray accounts for derivative financial instruments in accordance with ASC 815, *Derivatives and Hedging*. Anne Ray records all derivative instruments at fair value and these derivatives do not have hedge designation.

Upon entering into a futures contract, Anne Ray is required to deposit cash with the broker in an amount equal to the margin requirement for the contract. The fluctuations in fair value during the contract term are recognized as unrealized gains or losses and are settled daily with cash through a margin account held at the broker (referred to as variation margin). When a contract is closed, Anne Ray recognizes a realized gain or loss.

Upon entering into a forward foreign currency contract, Anne Ray agrees to exchange one currency for another on an agreed-upon date at an agreed-upon exchange rate. The fluctuations in fair value are recognized as unrealized gains or losses until the contract is settled, at which time a realized gain or loss is recognized.

Upon entering into a purchased option contract, Anne Ray has the right, but not the obligation, to buy or sell within a limited time, a financial instrument at a contracted price that may also be settled in cash, based on differentials between specified indices or prices. Upon entering into a written option contract, Anne Ray is obligated, in return for a premium, to buy or sell within a limited time, a financial instrument at a contracted price that may also be settled in cash based on differentials between specified indices or prices. Fluctuations in fair value are recognized as unrealized gains or losses until the contract option is exercised or the contract is closed, at which time Anne Ray recognizes a realized gain or loss.

**Anne Ray Foundation**  
**Notes to Financial Statements – Continued**  
**December 31, 2024 and 2023**

**NOTE 4 – DERIVATIVE INSTRUMENTS – Continued**

Upon entering into a swap agreement, Anne Ray agrees to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset(s). The payment flows are usually netted against each other, with the difference being paid by one party to the other. In addition, collateral may be pledged or received by Anne Ray in accordance with the terms of the respective swaps to provide value and recourse to Anne Ray or its counterparties in the event of default, bankruptcy or insolvency by one of the parties to the swap.

Derivative instruments have market risks, including the risk that equity markets, interest rate markets and currency markets may change, resulting in a loss in the value of the investment. Credit risk associated with these instruments includes the risk of failure of the counterparty to pay based on the contractual terms of the agreement.

The fair value of the derivative instruments included in the investments line item on the statements of financial position as of December 31, 2024 and 2023 are listed in the table below:

	2024	
	Notional Value Long (Short)	Fair Value Asset (Liability)
Equity Contracts		
Futures- Liabilities	\$ 204,240,438	\$ (559,848) *
Foreign Currency Contracts		
Futures- Assets	2,022,025	(12,025) *
Forward Currency Contracts-Assets	1,256,941,701	53,262,985
Forward Currency Contracts-Liabilities	(761,571,522)	(36,349,123)
Interest Rate Contracts		
Futures- Assets	2,661,737,570	22,082,060 *
Swaps- Assets	76,380,000	5,316,745
Swaps- Liabilities	308,220,000	(6,371,264)

\* Amount included above represents the variation margin on open futures positions. Open futures contracts consist of long equity, interest rate, and foreign currency futures with cumulative unrealized losses of \$7,381,578, \$9,422,008, and \$36,748, respectively at December 31, 2024.

**Anne Ray Foundation**  
**Notes to Financial Statements – Continued**  
**December 31, 2024 and 2023**

**NOTE 4 – DERIVATIVE INSTRUMENTS – Continued**

	2023	
	Notional Value Long (Short)	Fair Value Asset (Liability)
Equity Contracts		
Futures- Liabilities	\$ 380,810,641	\$ (65,919) *
Foreign Currency Contracts		
Futures- Assets	2,117,500	13,041 *
Forward Currency Contracts-Assets	1,266,627,927	26,654,290
Forward Currency Contracts-Liabilities	(1,640,673,515)	(32,809,611)
Interest Rate Contracts		
Futures- Assets	2,557,690,679	24,366,497 *
Options- Assets	105,000,000	1,538,991
Options- Liabilities	(90,000,000)	(1,667,921)

\* Amount included above represents the variation margin on open futures positions. Open futures contracts consist of long equity, interest rate, and foreign currency futures with cumulative unrealized gains of \$11,385,798, \$34,344,607, and \$49,367, respectively at December 31, 2023.

Net gains and losses from derivative instruments included in the statements of activities for the years ended December 31, 2024 and 2023 are listed in the tables below:

	2024	
	Realized Gains (Losses)	Unrealized Gains (Losses)
Equity Contracts		
Futures	\$ 29,611,721	\$ (18,767,376)
Foreign Currency Contracts		
Futures	(199,411)	(86,115)
Forward Currency Contracts	(1,894,951)	23,069,101
Interest Rate Contracts		
Futures	(61,518,304)	(43,766,614)
Options	(816,000)	128,930
Swaps	2,148,000	5,316,745
Total	<u>\$ (32,668,945)</u>	<u>\$ (34,105,329)</u>

**Anne Ray Foundation**  
**Notes to Financial Statements – Continued**  
**December 31, 2024 and 2023**

**NOTE 4 – DERIVATIVE INSTRUMENTS – Continued**

	2023	
	Realized Gains (Losses)	Unrealized Gains (Losses)
Equity Contracts		
Futures	\$ 37,687,685	\$ 19,222,647
Foreign Currency Contracts		
Futures	(408)	43,197
Forward Currency Contracts	699,705	(11,077,102)
Interest Rate Contracts		
Futures	(30,494,894)	36,418,740
Options	1,632,000	(128,930)
Total	<u>\$ 9,524,088</u>	<u>\$ 44,478,552</u>

The average notional values of derivative instruments (based on quarter-end balances) for the years ended December 31, 2024 and 2023, are listed in the table below:

	Average Notional Values	
	2024	2023
Equity Contracts		
Futures- Assets	\$ 263,221,522	\$ 288,658,011
Foreign Currency Contracts		
Futures- Assets	2,081,909	2,097,519
Forward Currency Contracts-Assets	1,071,963,804	1,576,623,860
Forward Currency Contracts-Liabilities	(1,194,236,311)	(1,594,238,830)
Interest Rate Contracts		
Futures- Assets	2,652,223,239	2,413,761,025
Options- Assets	21,000,000	42,000,000
Options- Liabilities	(18,000,000)	(36,000,000)
Swaps- Assets	98,064,000	-
Swaps- Liabilities	160,392,000	-

Anne Ray holds over-the-counter derivative instruments that are subject to an enforceable master netting arrangement. Anne Ray presents these derivative instruments on a gross basis in Note 3 even though they may qualify for net presentation if they were executed with the same counterparty under the same master netting agreement.

**Anne Ray Foundation**  
**Notes to Financial Statements – Continued**  
**December 31, 2024 and 2023**

**NOTE 4 – DERIVATIVE INSTRUMENTS – Continued**

The following table provides disclosure regarding the potential effect of offsetting of recognized assets and liabilities as of December 31, 2024 and 2023:

	2024		
	Gross Amounts Recognized	Amounts Not Offset	Net Amount
Foreign Currency Contracts			
Forward Currency Contracts-Assets	\$ 53,262,985	(36,300,997)	16,961,988
Forward Currency Contracts-Liabilities	(36,349,123)	36,300,985	(48,137)
Interest Rate Contracts			
Interest Rate Swaps - Assets	5,316,745	(5,316,745)	-
Interest Rate Swaps - Liabilities	(6,371,264)	5,316,745	(1,054,519)
	2023		
	Gross Amounts Recognized	Amounts Not Offset	Net Amount
Foreign Currency Contracts			
Forward Currency Contracts-Assets	\$ 26,654,290	(22,069,200)	4,585,090
Forward Currency Contracts-Liabilities	(32,809,611)	22,069,200	(10,740,411)
Interest Rate Contracts			
Interest Rate Options - Assets	1,538,991	(1,538,991)	-
Interest Rate Options - Liabilities	(1,667,921)	1,538,990	(128,930)

**NOTE 5 – RELATED-PARTY TRANSACTIONS**

During 2024 and 2023, Anne Ray was a party to a shared services agreement with a related party, Margaret A. Cargill Foundation (MAC Foundation), for certain services such as grantmaking, investment management and execution, financial, and general and administrative. Costs were allocated to Anne Ray based on metrics such as relative grantmaking allocations, investment values, people and other relevant measures. Anne Ray incurred 56% and 54% of the total cost of these services for the years ended December 31, 2024 and 2023, respectively. For the years ended December 31, 2024 and 2023, the net amounts reimbursable from Anne Ray to MAC Foundation were \$33,186,469 and \$29,276,351, respectively. The costs of these services are included in grantmaking expense, management and general expense, and investment expense; investment expense is netted against investment return in the statements of activities. The net amount due at December 31, 2024 and 2023 under this arrangement was \$18,736,470 and \$15,928,444, respectively. The related-party liability is included in accounts payable and other liabilities in the accompanying statements of financial position.

**Anne Ray Foundation**  
**Notes to Financial Statements – Continued**  
**December 31, 2024 and 2023**

**NOTE 6 – EXPENSES**

The tables below present expenses by both their nature and their function for the years ended December 31, 2024 and 2023.

	2024		
	Grants and Grantmaking	Management and General	Total Expenses
Grants	\$ 130,904,235	\$ -	\$ 130,904,235
Compensation and Benefits	9,686,949	4,438,180	14,125,129
Occupancy	1,361,902	778,368	2,140,270
Consulting and Professional Services	2,163,656	1,067,551	3,231,207
Travel and Conferences	871,957	167,018	1,038,975
Technology and Office Equipment	487,352	262,144	749,496
Interest	-	-	-
Other	831,576	299,164	1,130,740
Total	\$ 146,307,627	\$ 7,012,425	\$ 153,320,052

	2023		
	Grants and Grantmaking	Management and General	Total Expenses
Grants	\$ 214,181,129	\$ -	\$ 214,181,129
Compensation and Benefits	9,578,044	4,540,623	14,118,667
Occupancy	1,346,015	979,878	2,325,893
Consulting and Professional Services	1,616,907	892,300	2,509,207
Travel and Conferences	1,060,098	180,459	1,240,557
Technology and Office Equipment	509,387	277,725	787,112
Interest	120,214	-	120,214
Other	450,509	227,236	677,745
Total	\$ 228,862,303	\$ 7,098,221	\$ 235,960,524

Costs are allocated to grantmaking and management and general based on certain metrics such as people and square footage.

**Anne Ray Foundation**  
**Notes to Financial Statements – Continued**  
**December 31, 2024 and 2023**

**NOTE 7 – INCOME TAX**

Anne Ray is subject to federal and state income tax on unrelated business income (UBI) activities of certain investments, generally taxed at regular corporate income tax rates. Anne Ray estimates that these activities will not produce income for the year ended December 31, 2024, however produced income for the year ended December 31, 2023 resulting in federal and state UBI Tax expense (benefit) as follows:

	2024	2023
Expense (Benefit):		
Current UBI Tax	\$ (610,000)	\$ 3,028,884
Other Taxes	158,415	(4,582)
Total	\$ (451,585)	\$ 3,024,302
Current UBI Tax Receivable	\$ 31,061	\$ 57,266

**NOTE 8 – GRANTS PAYABLE**

Anne Ray has future grant commitments as follows as of December 31, 2024:

<u>Year Payable</u>	
2025	\$ 89,282,500
2026	31,163,500
2027	200,000
Discount on Grants Payable	(1,287,191)
Total	\$ 119,358,809

Discounts based on short-term interest rates ranging from 4.2% to 4.4% were used to estimate the net present value of grants payable.

**Anne Ray Foundation**  
**Notes to Financial Statements – Continued**  
**December 31, 2024 and 2023**

**NOTE 9 – LIQUIDITY**

Anne Ray structures its financial assets to be available and liquid as its grants, general expenditures, liabilities, and other obligations become due. To achieve this, Anne Ray uses a rolling 12-month cash flow forecast and monitors its liquidity on a monthly basis. Consistent with its investment policy, Anne Ray holds at least 25% of its investment portfolio in assets that can be sold within one month and it invests excess cash in short-term investments such as money market funds. Anne Ray also has additional liquidity available through its line of credit (discussed further in Note 10).

Financial assets available within one year:	2024	2023
Cash and Cash Equivalents	\$ 23,106,550	\$ 25,201,793
Receivables	31,061	57,266
Investments	2,573,361,567	2,175,220,978
Total financial assets available within one year	\$ 2,596,499,178	\$ 2,200,480,037

**NOTE 10 – LINE OF CREDIT**

Anne Ray has unsecured lines of credit totaling \$125,000,000 as of December 31, 2024 and 2023. The lines of credit have interest rates of either Secured Overnight Financing Rate (SOFR) plus 0.85% or the lender’s prime rate, elected by Anne Ray at the time of borrowing. During the year ended December 31, 2023, Anne Ray had borrowings outstanding incurring interest at an average annual borrowing rate of 5.18%. There were no borrowings against the lines of credit during the year ended December 31, 2024, and no borrowings outstanding as of December 31, 2024 and 2023.

**NOTE 11 – SUBSEQUENT EVENTS**

In preparing these financial statements, Anne Ray has evaluated events and transactions for potential recognition or disclosure in these financial statements through September 15, 2025, the date the financial statements were available to be issued. No material events require recognition or disclosure in the financial statements.