Max M. & Marjorie S. Fisher Foundation

Financial Report
with Additional Information
December 31, 2010

Max M. & Marjorie S. Fisher Foundation

Contents

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Independent Auditor's Report

To the Board of Directors
Max M. & Marjorie S. Fisher Foundation

We have audited the accompanying balance sheet of Max M. & Marjorie S. Fisher Foundation (the "Foundation") as of December 31, 2010 and 2009 and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Max M. & Marjorie S. Fisher Foundation at December 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

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 the partnership general partners. These investments are valued at $91,987,017 (38.1 percent of net assets) at December 31, 2010 and $87,616,171 (39.2 percent of net assets) at December 31, 2009.

Plante & Moran, PLLC

August 17, 2011

Max M. & Marjorie S. Fisher Foundation

Balance Sheet

	December 31, 2010	December 31, 2009
Assets		
Cash and cash equivalents	$ 4,820,697	$ 5,163,349
Investments (Note 2)	232,415,053	228,795,162
Investment redemption and other receivables	13,175,323	3,014,414
Property and equipment - Net (Note 4)	210,808	233,201
Total assets	**$ 250,621,881**	**$ 237,206,126**
Liabilities and Net Assets		
Liabilities		
Accrued liabilities	$ 177,421	$ 50,061
Grants payable (Note 3)	9,034,337	13,927,575
Total liabilities	9,211,758	13,977,636
Net Assets - Unrestricted	241,410,123	223,228,490
Total liabilities and net assets	**$ 250,621,881**	**$ 237,206,126**

Max M. & Marjorie S. Fisher Foundation

Statement of Activities and Changes in Net Assets

	Year Ended December 31, 2010	Year Ended December 31, 2009
Income		
Contributions	$ 79,715	$ 9,864,725
Investment income:		
Dividends and interest	2,810,899	2,986,836
Net realized and unrealized gains on investments	25,811,653	35,958,149
Other income	124,331	59,445
Investment expenses	(811,257)	(613,603)
Federal excise tax	(123,843)	(29,377)
Net investment income	27,811,783	38,361,450
Net income	27,891,498	48,226,175
Expenses		
Grants	8,621,300	9,813,517
Program expenses	351,879	292,128
Management and general	736,686	668,510
Total expenses	9,709,865	10,774,155
Increase in Net Assets	18,181,633	37,452,020
Net Assets - Beginning of year	223,228,490	185,776,470
Net Assets - End of year	**$ 241,410,123**	**$ 223,228,490**

See Notes to Financial Statements.

Max M. & Marjorie S. Fisher Foundation

Statement of Cash Flows

	Year Ended December 31, 2010	Year Ended December 31, 2009
Cash Flows from Operating Activities		
Increase in net assets	$ 18,181,633	$ 37,452,020
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	24,393	24,512
Loss on sale of property and equipment	-	100
Discount on grants payable	211,711	(230,435)
Realized (gain) loss on sales of investments	(2,173,955)	4,497,024
Unrealized gain on investments	(23,637,698)	(40,455,273)
Deferred excise taxes	-	(64,668)
Less fair market value of contributed investments	-	(9,819,035)
Changes in operating assets and liabilities which (used) provided cash:		
Accounts receivable	(100,015)	(70,638)
Taxes payable	(5,609)	(187,557)
Grants payable	(5,104,949)	(1,159,845)
Accrued liabilities	132,969	24,844
Net cash used in operating activities	(12,471,520)	(9,988,951)
Cash Flows from Investing Activities		
Proceeds from sale of equipment	-	1,585
Purchase of property and equipment	(2,000)	(3,991)
Net change in investment redemption receivable	(10,060,894)	7,652,187
Purchases of investments	(22,361,695)	(37,044,270)
Proceeds from sales and maturities of investments	44,553,457	39,441,185
Net cash provided by investing activities	12,128,868	10,046,696
Net (Decrease) Increase in Cash and Cash Equivalents	(342,652)	57,745
Cash and Cash Equivalents - Beginning of year	5,163,349	5,105,604
Cash and Cash Equivalents - End of year	**$ 4,820,697**	**$ 5,163,349**

Note 1 - Nature of Business and Significant Accounting Policies

Nature of Operations - Max M. & Marjorie S. Fisher Foundation (the "Foundation"), located in Southfield, Michigan, established in 1955 and endowed following the death of Max M. Fisher in 2005, is a private family foundation which was organized to make grants to charitable organizations which are described in Section 501(c)(3) of the Internal Revenue Code. The primary activity of the Foundation is to receive and administer funds in order to support charitable, educational, religious, cultural, and other organizations. The Foundation aims to create opportunities for those without them and support human community in all its forms from families to coalitions, cities to nations. The Foundation was funded through the Max M. Fisher Estate and contributions by family members.

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

Investments - Money market investment funds are under the custody of fund managers and represent temporarily uninvested monies and short-term investments consisting of funds collected.

Investments in common and preferred stocks, bonds, U.S. Treasury bills, and mutual funds are carried at quoted fair market value. The change in unrealized market appreciation is included in the statement of activities and changes in net assets. Realized gains and losses are recorded using specific identification of the assets sold.

The alternative investments, comprised primarily of funds of funds, multi-asset funds, private equity funds, alternative/hedge funds, and real estate funds, a significant amount of which are not readily marketable, are carried at estimated fair values as provided by the various fund managers. Foundation management reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and significant assumptions used in determining fair value. Those estimated fair values are subject to uncertainty and may differ significantly from the values that would have been used had a ready market for these securities existed. The Foundation participates indirectly in securities lending arrangements through the Foundation's investments in hedge funds.

Concentration of Credit Risk Arising from Deposit Accounts - The Foundation maintains noninterest-bearing cash balance accounts fully insured by the Federal Deposit Insurance Corporation.

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

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

Property and Equipment - Property and equipment are recorded at cost when purchased and at estimated fair market value when donated. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets.

Grants Payable - Unconditional promises to give are recognized as an expense at the time of formal approval by the distribution committee or full board of trustees. Conditional promises to give, if any, are expensed when such conditions are substantially met.

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

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the organization and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Foundation, concluding as of December 31, 2010 and 2009, there are no uncertain positions taken or expected to be taken requiring recognition of a liability or disclosure in the financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2007.

Contributions - Contributions of cash and other assets are reported as revenue when received, measured at fair value. All contributions received by the Foundation are unrestricted.

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

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 affecting 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.

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

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including August 17, 2011, which is the date the financial statements were available to be issued.

Note 2 - Investments

Investments consisted of the following at December 31:

	2010		2009	
	Cost	Fair Value	Cost	Fair Value
Fixed-income securities	$ 59,084,665	$ 64,262,842	$ 66,009,198	$ 67,446,657
Equity securities	46,196,734	58,665,858	58,281,027	58,725,860
Asset allocation funds	14,750,000	17,499,336	14,750,000	15,006,473
Real estate funds	24,414,426	18,280,066	19,138,372	9,464,044
Private equity funds	15,807,406	22,959,928	14,618,627	18,218,907
Hedge fund	43,779,639	50,725,623	59,364,431	59,433,221
Oil wells	-	21,400	-	500,000
Total	$ 204,032,870	$ 232,415,053	$ 232,161,655	$ 228,795,162

Note 3 - Grants for Charitable, Educational, and Other Authorized Purposes

The following summarizes the changes in grants payable:

	2010	2009
Grants payable - Beginning of year	$ 13,927,575	$ 15,317,855
Grants approved	8,409,589	10,043,951
Payments made	(13,514,538)	(11,203,796)
Change in present value discount	211,711	(230,435)
Grants payable - End of year	$ 9,034,337	$ 13,927,575

The discount rate used in the December 31, 2010 and 2009 present value calculation was 1.02 and 2.69 percent, respectively, and is based on daily Treasury yield curve rates.

Grants payable at December 31, 2010 are scheduled to be disbursed prior to December 31, 2013.

Note 4 - Property and Equipment

The cost of property and equipment is summarized as follows:

	2010	2009
Office equipment	$ 13,974	$ 13,974
Computer equipment and software	54,067	52,067
Leasehold improvements	208,238	208,238
Total cost	276,279	274,279
Less accumulated depreciation	(65,471)	(41,078)
Net carrying amount	$ 210,808	$ 233,201

Depreciation expense was $24,393 and $24,512 for the years ended December 31, 2010 and 2009, respectively.

Note 5 - Fair Value Measurements

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

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at December 31, 2010 and 2009 and the valuation techniques used by the Foundation to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities the Foundation has the ability to access.

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

Level 3 inputs are unobservable inputs, including inputs available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset. Significant Level 3 inputs include the most recently audited financial statements, tax returns, including Forms K-1, and performance reports from independent sources.

Note 5 - Fair Value Measurements (Continued)

In instances where 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 significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Assets Measured at Fair Value on a Recurring Basis at December 31, 2010

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2010
Equity securities - U.S.	$ -	$ 15,199,401	$ -	$ 15,199,401
Equity securities - International and emerging markets funds	-	24,150,932	-	24,150,932
Corporate debt securities	17,937,074	-	-	17,937,074
Debt securities	-	35,556,578	-	35,556,578
Debt securities issued by foreign governments	-	10,769,190	-	10,769,190
Global asset allocation funds	19,315,525	17,499,336	-	36,814,861
Real estate funds	-	-	18,280,066	18,280,066
Private equity funds	-	-	11,903,569	11,903,569
Distressed credit funds	-	-	11,056,359	11,056,359
Hedge fund instruments	-	-	50,725,623	50,725,623
Oil wells	-	-	21,400	21,400
Total	$ 37,252,599	$ 103,175,437	$ 91,987,017	$ 232,415,053

Note 5 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at December 31, 2009

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2009
Equity securities - U.S.	$ -	$ 13,246,964	$ -	$ 13,246,964
Equity securities - International and emerging markets funds	-	24,056,704	-	24,056,704
Corporate debt securities	23,161,000	11,109,529	-	34,270,529
Debt securities issued by U.S. Treasury and other U.S. government corporations/agencies	-	22,766,034	-	22,766,034
Debt securities issued by foreign governments	-	10,410,094	-	10,410,094
Global asset allocation funds	21,422,193	15,006,473	-	36,428,666
Real estate funds	-	-	9,464,044	9,464,044
Private equity funds	-	-	7,817,227	7,817,227
Distressed credit funds	-	-	10,401,680	10,401,680
Hedge fund instrument	-	-	59,433,220	59,433,220
Oil well	-	-	500,000	500,000
Total	$ 44,583,193	$ 96,595,798	$ 87,616,171	$ 228,795,162

The following tables set forth a summary of the changes in the fair value of the Foundation's Level 3 assets for the years ended December 31, 2010 and 2009 (in thousands).

	Fair Value at January 1, 2010	Total Realized and Unrealized Gains (Losses) Included in Income	Net Purchases, Sales, Calls, and Maturities	Net Transfers Out of Level 3	Fair Value at December 31, 2010
Real estate funds	$ 9,464	$ 3,560	$ 5,256	$ -	$ 18,280
Private equity funds	7,817	1,901	2,186	-	11,904
Distressed credit funds	10,402	2,470	(1,816)	-	11,056
Hedge fund	59,433	3,757	(2,399)	(10,065)	50,726
Oil well	500	(41)	(438)	-	21
Total Level 3 assets at fair value	$ 87,616	$ 11,647	$ 2,789	$ (10,065)	$ 91,987

Note 5 - Fair Value Measurements (Continued)

		Fair Value at January 1, 2009		Total Realized and Unrealized (Losses) Gains Included in Income		Net Purchases, Sales, Calls, and Maturities		Net Transfers Out of Level 3		Fair Value at December 31, 2009
Real estate funds	$	13,143	$	(6,250)	$	2,571	$	-	$	9,464
Private equity funds		5,215		781		1,821		-		7,817
Distressed credit funds		6,040		4,859		(497)		-		10,402
Hedge fund		48,962		11,180		2,198		(2,907)		59,433
Alternative investments		3,514		23		(3,537)		-		-
Oil well		-		500		-		-		500
Total Level 3 assets at fair value	$	76,874	$	11,093	$	2,556	$	(2,907)	$	87,616

Investments in Entities Calculating Net Asset Value per Share

The Foundation holds shares or interests in investment companies at year end where the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company. At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows (in thousands):

Investments Held at December 31, 2010

		Fair Value		Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Equity securities - U.S. (a)	$	15,199	$	-	Monthly	30 days
Equity securities - International and emerging markets funds (b)		24,151		-	Monthly	30 days
Debt securities (c)		46,326		-	Monthly	30 days
Global Asset Allocation Funds (d)		17,499		-	Daily, Monthly	None, 45 days
Real estate (e)		18,280		5,558	N/A*	N/A
Private equity (f)		11,904		12,485	N/A*	N/A
Distressed credit (g)		11,056		1,801	N/A*	N/A
Hedge funds (h)		50,726		-	Monthly, Quarterly, and Annually	30-90 days
Total	$	195,141	$	19,844		

* These funds are in private equity structures with no rights to redemption. Liquidity is based on the timing of the fund's ability to distribute proceeds as available.

(a) Equity securities - U.S. include an actively managed portfolio of individual stocks and index funds benchmarked to the Russel 1000 stock index.

(b) Equity securities - international and emerging markets funds include investments in diversified institutional funds. The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

(c) Debt securities include investments in diversified institutional funds. The underlying investments include U.S. corporate bonds (both investment-grade and high-yield), bank loans, sovereign debt of both established international and emerging market countries, U.S. master limited partnerships, and U.S. Treasury and agency bonds. The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

Note 5 - Fair Value Measurements (Continued)

(d) The global asset allocation fund category includes global investments in stocks, bonds, and commodities. The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

(e) The real estate funds category includes several real estate funds invested in a variety of real property types including multi-family, office, retail, and hotel, primarily in North America. The fair values of the investments in this category have been estimated using the net asset value of the Foundation's ownership interest in partners' capital.

(f) The private equity funds category includes investments in large and small company buyouts, venture capital, growth equity, and distressed situations. The investment managers invest directly or through secondary market purchases globally. The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

(g) The distressed credit category includes investments in a variety of debt instruments purchased at discounts to intrinsic value globally. The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

(h) The hedge fund category includes global investments in stocks, bonds, commodities, and currencies. Such managers are provided broad latitude to invest long or short, directly or synthetically, and can employ leverage. The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

The hedge fund category above includes certain hedge funds which impose lock-up restrictions ranging from one to three years.

Note 6 - Excise Taxes

The Foundation's current excise tax expense for the years ended December 31, 2010 and 2009 was $123,843 and $29,377, respectively. There were no unrealized gains on contributed securities at December 31, 2010.

Note 7 - Related Party Transactions

The following is a description of transactions between the Foundation and related parties:

TFG provides the majority of financial services for the Foundation. The terms of these services are covered under a service agreement signed by both parties. Two members of the board of trustees for the Foundation are also members of the executive committee of TFG, as well as certain trustees of the Foundation are also owners of TFG. For the years ended December 31, 2010 and 2009, the Foundation incurred expenses related to TFG service provider fees in the amount of $990,668 and $876,112, respectively. Additionally, a performance fee component was added to the TFG fees in 2010. This performance fee allows for the calculation of a "pooled bonus amount" if the rate of return on the managed assets is within a specified range. There is a cap on the amount of the performance fee. For the year ended December 31, 2010, $145,470 was paid by the Foundation for performance fees.

Note 7 - Related Party Transactions (Continued)

TFG has engaged Ram Realty Services to advise on real estate investments. Ram Realty Services is co-owned by the husband of a Foundation board of trustees member. In addition, the Foundation has entered into a commitment to invest $8 million in a TFG-sponsored LLC, which has, in turn, committed to invest in Ram Realty Partners II LP and Ram Realty Investors II LLC (the "Ram Funds"). The Ram Funds are sponsored and managed by entities co-owned by a Foundation board of trustee member and her family. Subsequent to year end, the Foundation has made a commitment to invest in TFG 2011 Ram III Fund LLC in the amount of $2,500,000.

Note 8 - Defined Contribution Plans

The Foundation sponsors a defined contribution 403(b) plan for all eligible full-time employees. Employees may make elective contributions to the 403(b) plan in accordance with IRS regulations. The Foundation may make contributions to the 403(b) plan up to 5 percent of the employees' base salaries. During the years ended December 31, 2010 and 2009, the Foundation contributed $17,052 and $13,669, respectively, to the plan.

Additional Information

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Independent Auditor's Report on Additional Information

To the Board of Directors
Max M. & Marjorie S. Fisher Foundation

We have audited the balance sheet of Max M. & Marjorie S. Fisher Foundation as of December 31, 2010 and 2009 and the related statements of activities and changes in net assets and cash flows for the years then ended. Our audits were made for the purpose of forming an opinion on the financial statements taken 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 basic financial statements. The information has been subjected to the procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Plante & Moran, PLLC

August 17, 2011

Max M. & Marjorie S. Fisher Foundation

Schedule of Details of Support Activities

	Year Ended December 31	
	2010	2009
Management and General Expenses		
Salaries and wages	$ 108,172	$ 95,377
Employee benefits	16,971	12,887
Payroll taxes	6,288	5,728
Contract and professional fees	137,162	122,574
Telephone	8,610	8,447
Employee relations and training	10,237	11,727
Insurance	10,381	10,231
Postage and shipping	1,188	1,449
TFG service provider fee	346,734	306,639
Rent	48,405	48,798
Depreciation and amortization	24,393	24,512
Supplies, printing, and subscriptions	8,627	5,601
Interest expense	2,634	-
Membership dues	1,100	2,050
Other taxes	(60,457)	(24,770)
Information systems	2,198	9,180
Travel	29,624	22,946
Miscellaneous	34,419	5,134
Total management and general expenses	**$ 736,686**	**$ 668,510**