ROCKEFELLER BROTHERS FUND, INC.

Financial Statements and Supplemental Schedule

December 31, 2014 and 2013

(With Independent Auditors’ Report Thereon)

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Trustees
Rockefeller Brothers Fund, Inc.:

We have audited the accompanying financial statements of Rockefeller Brothers Fund, Inc. (the Fund), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Rockefeller Brothers Fund, Inc. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in the schedule of functional expenses is presented for purposes 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 taken as a whole.

KPMG LLP

July 30, 2015

ROCKEFELLER BROTHERS FUND, INC.

Statements of Financial Position

December 31, 2014 and 2013

Assets		Principal Fund	Pocantico Fund	Pocantico II Fund	2014 RBF Funds	2013 RBF Funds
Cash and cash equivalents	$	2,269,932	500	—	2,270,432	1,275,018
Accounts receivable and other current assets		1,272,695	50,372	5,197	1,328,264	782,000
Contributions receivable		—	—	16,864,980	16,864,980	17,589,094
Investments		775,939,589	73,897,709	8,494,674	858,331,972	844,099,041
Program-related investment – real estate		510,000	—	—	510,000	510,000
Fixed assets, net		4,400,990	1,673,722	—	6,074,712	6,317,065
Interfund		3,481,441	(4,182,658)	701,217	—	—
Total assets	$	787,874,647	71,439,645	26,066,068	885,380,360	870,572,218
Liabilities and Net Assets						
Liabilities:						
Accrued expenses	$	2,644,536	373,003	21,698	3,039,237	965,550
Grants payable		4,441,885	—	—	4,441,885	8,505,549
Taxes payable		2,524,656	440,088	40,528	3,005,272	5,940,750
Accrued pension and postretirement benefits		9,080,142	2,362,734	—	11,442,876	5,790,325
Total liabilities		18,691,219	3,175,825	62,226	21,929,270	21,202,174
Commitments						
Net assets:						
Unrestricted		767,631,032	68,263,820	—	835,894,852	821,763,951
Temporarily restricted		1,552,396	—	15,978,041	17,530,437	17,642,750
Permanently restricted		—	—	10,025,801	10,025,801	9,963,343
Total net assets		769,183,428	68,263,820	26,003,842	863,451,090	849,370,044
Total liabilities and net assets	$	787,874,647	71,439,645	26,066,068	885,380,360	870,572,218

See accompanying notes to financial statements.

ROCKEFELLER BROTHERS FUND, INC.

Statements of Activities

Years ended December 31, 2014 and 2013

	Principal Fund	Pocantico Fund	Pocantico II Fund	2014 RBF Funds	2013 RBF Funds
Changes in unrestricted net assets:					
Operating revenues:					
Investment income	$ 5,299,215	477,616	—	5,776,831	814,037
Other income	462,381	—	—	462,381	587
Contributions	1,006,500	—	—	1,006,500	507,000
Net assets released from restrictions	3,817,344	—	84,188	3,901,532	1,656,503
	10,585,440	477,616	84,188	11,147,244	2,978,127
Operating expenses:					
Direct charitable activities	768,915	3,240,211	—	4,009,126	4,260,676
Program and grant management	31,667,131	—	—	31,667,131	32,472,036
Investment management	5,596,853	449,750	57,655	6,104,258	3,220,297
General management	4,509,509	420,469	—	4,929,978	5,035,832
Federal excise and other taxes	2,340,758	289,224	28,450	2,658,432	3,159,671
	44,883,166	4,399,654	86,105	49,368,925	48,148,512
Deficiency of operating revenues over operating expenses	(34,297,726)	(3,922,038)	(1,917)	(38,221,681)	(45,170,385)
Nonoperating activities:					
Net realized and unrealized gain on investments	52,979,401	4,775,443	—	57,754,844	111,381,222
Amounts not yet recognized as a component of net periodic benefit cost	(4,375,173)	(1,029,006)	—	(5,404,179)	3,231,202
	48,604,228	3,746,437	—	52,350,665	114,612,424
Increase (decrease) in unrestricted net assets	14,306,502	(175,601)	(1,917)	14,128,984	69,442,039
Changes in temporarily restricted net assets:					
Investment income	—	—	62,475	62,475	8,381
Contributions	3,000,000	—	104,000	3,104,000	1,696,000
Net realized and unrealized gain on investments	—	—	624,661	624,661	1,147,797
Net assets released from restrictions	(3,817,344)	—	(84,188)	(3,901,532)	(1,656,503)
(Decrease) increase in temporarily restricted net assets	(817,344)	—	706,948	(110,396)	1,195,675
Changes in permanently restricted net assets:					
Contributions	—	—	53,300	53,300	70,209
Other gain (loss)	—	—	9,158	9,158	(11,233)
Increase in permanently restricted net assets	—	—	62,458	62,458	58,976
Increase (decrease) in net assets	13,489,158	(175,601)	767,489	14,081,046	70,696,690
Net assets:					
Beginning of year	755,694,270	68,439,421	25,236,353	849,370,044	778,673,354
End of year	$ 769,183,428	68,263,820	26,003,842	863,451,090	849,370,044

See accompanying notes to financial statements.

ROCKEFELLER BROTHERS FUND, INC.

Statements of Cash Flows

Years ended December 31, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Increase in net assets	$ 14,081,046	70,696,690
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Net realized and unrealized gain on investments	(58,379,505)	(112,529,019)
Amount not yet recognized as a component of net periodic benefit cost	5,404,179	(3,231,202)
Depreciation and amortization	820,596	793,661
Changes in operating assets and liabilities:		
Accounts receivable and other current assets	(546,264)	336,782
Contributions receivable	724,114	1,597,200
Accrued expenses	2,073,687	(208,104)
Accrued pension and postretirement benefits	248,372	494,845
Grants payable	(4,063,664)	206,121
Taxes payable	(2,935,478)	1,656,925
Net cash used in operating activities	(42,572,917)	(40,186,101)
Cash flows from investing activities:		
Proceeds from sales of investments	2,133,707,331	487,797,372
Purchases of investments	(2,089,560,757)	(447,356,624)
Purchases of fixed assets	(578,243)	(386,713)
Net cash provided by investing activities	43,568,331	40,054,035
Net increase (decrease) in cash and cash equivalents	995,414	(132,066)
Cash and cash equivalents at beginning of year	1,275,018	1,407,084
Cash and cash equivalents at end of year	$ 2,270,432	1,275,018
Supplemental disclosure of cash flow information:		
Cash paid for taxes	$ 6,158,647	1,243,447

See accompanying notes to financial statements.

(1) Organizations and Purpose

Rockefeller Brothers Fund, Inc. (the Fund) is a not-for-profit, charitable corporation existing under the New York State not-for-profit corporation law and is classified as a private foundation as defined in the Internal Revenue Code (the Code). The Fund is dedicated to advancing social change that contributes to a more just, sustainable, and peaceful world. The Fund's grantmaking is organized around three global themes: Democratic Practice, Peacebuilding, and Sustainable Development, and the Fund pursues these interests in a variety of geographic contexts, with specific focus in the areas of New York City, Southern China, and Western Balkans.

The board of trustees has established the following special-purpose funds. Funding of these special-purpose funds has come from transfers from the Principal Fund, as well as donor contributions.

Pocantico Fund – For the preservation, maintenance, and operation of the Pocantico Historic Area at Pocantico Hills, New York, which includes the Pocantico Center, a venue for conferences and meetings on critical issues related to the Fund's mission, and a community resource offering public access through a visitation program, lectures, and cultural events, as well as support to artists and art organizations in the greater New York City area.

Pocantico II Fund – For the perpetual maintenance of the Playhouse parcel at the Pocantico Historic Area when ownership of that parcel passes to a charitable organization.

In November 2014, the board of trustees approved the expenditure of up to $1 million from the Fund's endowment to establish a new endowment to support the Richard Rockefeller Fellowship, which will commemorate the life and philanthropic leadership of Richard Rockefeller, and support promising, young Chinese men and women who plan to make a significant commitment to the development of philanthropy in China. This endowment will also be funded by external sources.

(2) Summary of Significant Accounting Policies

The financial statements of the Fund have been prepared on the accrual basis. The significant accounting policies followed are described below:

(a) Principles of Combination

The statements of financial position and activities separately break out the special-purpose funds. All significant interfund and interorganizational balances and transactions are eliminated in combination.

(b) Basis of Presentation

Net assets and revenues, gains, losses, and other support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Fund and changes therein are classified and reported as follows:

Unrestricted net assets represent resources over which the board of trustees has full discretion with respect to use.

Temporarily restricted net assets represent expendable resources that have been time or purpose restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets represent contributions and other gifts that require that the corpus be maintained intact and that only the income be used as designated by the donor. Such income is reflected in the statements of activities as temporarily restricted until appropriated for expenditure.

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are recorded as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

The Fund considers net realized and unrealized gains and losses on investments, amounts not yet recognized as a component of net periodic benefit cost, and other nonrecurring activities to be nonoperating activities.

(c) Fair Value Measurement

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Fund has established a fair value hierarchy, which uses the following three levels of inputs to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. This category also includes alternative investments that are redeemable at or near December 31, 2014.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities. This category also includes alternative investments that are not redeemable at or near December 31, 2014.

Most investments classified in Levels 2 and 3 consist of shares or units in investment funds as opposed to direct interests in the Fund’s underlying holdings, which may be marketable. Because the net asset value reported by each fund is used as a practical expedient to estimate fair value of the Fund’s interest therein, its classification in Level 2 or 3 is based on the Fund’s ability to redeem its interest at or near December 31. If the interest can be redeemed in the near term, the investment is classified as Level 2. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment’s underlying assets and liabilities.

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

(d) Investments

Investments in marketable securities are carried at quoted market prices. Unrealized gains or losses are determined using quoted market prices at the respective balance sheet dates. Security costs are determined on a first-in, first-out basis. Investments are recorded on a trade-date basis.

The Fund follows the provisions of Accounting Standards Update (ASU) No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2009-12), to certain investments in funds that do not have readily determinable fair values including private investments, hedge funds, real estate, and other funds. ASU 2009-12 allows for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent, as provided by the investment managers.

Investments in alternative investments that are not readily marketable are reported in the financial statements based upon the underlying net asset value (or partner's capital) of each investment, which is estimated at fair value by the fund managers or general partners. The Fund reviews and evaluates the values provided by the fund managers and general partners, and agrees with the valuation methods and assumptions used in determining the fair value of the underlying net assets (or partner's capital).

Investments of the Principal Fund, Pocantico Fund, and Pocantico II Fund are pooled; interest and dividend income and realized and unrealized gains or losses are allocated to each fund using the unitized investment method.

(e) Grants Payable

Grants are recorded at the time of approval by the trustees and notification to the recipient (Note 8).

(f) Tax Status

The Fund is exempt from federal income tax under Section 501(c)(3) of the Code and has been classified as a "private foundation." Provision has been made for the federal excise tax on realized net investment income and unrealized appreciation.

The Fund follows the provisions of Accounting Standards Codification (ASC) Subtopic 740-10, *Accounting for Income Taxes*, which addresses the accounting for uncertainties in income taxes recognized in an organization's financial statements and prescribes a threshold or more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. ASC Subtopic 740-10 also provides related guidance on measurement, classification, interest and penalties, and disclosures. The Fund has concluded that there were no uncertainties to disclose.

(g) Fixed Assets

The Fund capitalizes fixed assets, which include leasehold improvements, office equipment, and computer equipment and software. Depreciation and amortization of fixed assets are provided over the following estimated useful service lives: leasehold improvements – shorter of useful life of the asset or term of lease; office equipment – seven years; computer equipment – four years; and computer software – three years. Fixed assets are presented net of accumulated depreciation and amortization of approximately $28,359,000 and $27,540,000 at December 31, 2014 and 2013, respectively.

(h) Contributions

Contributions, including unconditional promises to give, are recognized in the period received and are considered to be available for unrestricted use unless specifically restricted by the donor.

(i) Cash and Cash Equivalents

The Fund considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents, except for those managed by the investment managers as part of its long-term investment strategy.

(j) Functional Expenses

The Fund reports expenses on a functional basis, with all expenses charged either to a particular program or supporting service. Direct charitable activities and program and grant management comprise the Fund’s program-related expenses and investment management and general management comprise the supporting activity expenses. Direct charitable activities include technical assistance provided to other charitable organizations, service of Fund staff on boards and committees of such organizations, and the costs of certain program-related projects undertaken directly by the Fund rather than through grants, including stewardship of the Pocantico Historic Area and conference activity at the Pocantico Conference Center. Overhead expenses, including occupancy, telephone, and insurance, are allocated to functional areas based upon space used or actual usage, if specifically identifiable. The allocation of salary and related expenses for management and supervision of program service functions is made by management based on the estimated time spent by staff in the various program service functions.

(k) Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

(3) Investments

The following tables present the Fund's fair value hierarchy for those assets and liabilities measured at fair value as of December 31, 2014 and 2013. At December 31, 2014 and 2013, Level 3 assets comprised approximately 41% and 30%, respectively, of the Fund's total investment portfolio.

	December 31, 2014			
	Fair value	**Level 1**	**Level 2**	**Level 3**
Investments:				
Cash and cash equivalents	$ 22,820,654	22,820,654	—	—
Equity securities – U.S.	141,605,399	141,605,399	—	—
Equity securities – Global	61,611,332	61,611,332	—	—
Equity mutual funds	74,107,935	74,107,935	—	—
Fixed income mutual funds	38,588,338	38,588,338	—	—
Futures	(773,567)	(773,567)	—	—
Equity hedge funds (a)	176,466,039	31,928,572	72,780,371	71,757,096
Fixed income hedge funds (c)	97,136,109	—	36,046,542	61,089,567
Real estate (d)	56,719,640	25,468,019	—	31,251,621
Private equity funds (e)	190,050,093	—	—	190,050,093
	$ 858,331,972	395,356,682	108,826,913	354,148,377

	December 31, 2013			
	Fair value	**Level 1**	**Level 2**	**Level 3**
Investments:				
Cash and cash equivalents	$ 282,678,787	282,678,787	—	—
Equity securities – U.S.	97,856,298	97,856,298	—	—
U.S. Treasuries	37,344,487	37,344,487	—	—
Futures	(208,193)	(208,193)	—	—
Equity hedge funds (a)	171,477,100	—	167,762,888	3,714,212
Multistrategy hedge funds (b)	1,857,361	—	1,857,361	—
Fixed income hedge funds (c)	25,100,417	—	94,946	25,005,471
Real estate (d)	15,718,455	—	—	15,718,455
Private equity funds (e)	212,274,329	—	—	212,274,329
	$ 844,099,041	417,671,379	169,715,195	256,712,467

(a) This class includes hedge funds that invest in both long and short positions in primarily U.S. common stocks, comingled long-only funds that invest primarily in equity securities with certain redemption restrictions, and other hedge funds exposed primarily to equity risk factors. Management of the hedge funds has the ability to shift investments based on capitalization, sectors, and regions.

(b) This class invests in multiple strategies to diversify risks and reduce volatility. Investments include U.S. common stocks, credit, arbitrage, and event-driven markets.

(Continued)

(c) This class includes hedge funds and comingled long-only funds with certain redemption restrictions that invest in fixed income and currency markets.

(d) This class includes public and private equity funds that invest primarily in commercial real estate, in addition to a real estate mutual fund with an approximate value of $25,500,000.

(e) This class includes private equity funds that invest primarily in private equity markets. At December 31, 2014 and 2013, there were $95,540,000 and $86,100,000, respectively, of unfunded commitments in relation to these funds.

The fund had no significant transfers between Level 1, Level 2, and Level 3 for the years ended December 31, 2014 and 2013.

Included in the Fund's investment portfolio at December 31, 2014 are redeemable investment assets based on the following terms and conditions:

Daily, with no notice	$ 347,274,612
Daily, with 1 day notice	25,261,416
Daily, with 10 days notice	20,415,874
Monthly, with 45 days notice	15,630,668
Quarterly, with 30 days notice	37,901,747
Redemption of 25% Quarterly, with 30 days notice	68,925,408
Quarterly, with 65 days notice	18,123,413
Quarterly, with 90 days notice	16,755,210
Redemption of 25% Quarterly, with 90 days notice	18,480,267
Annually, with 90 days notice	18,191,822
Redemption every 2 years, with 60 days notice	11,507
Redemption every 2 years, with 100 days notice	321,600
Redemption of 1/3 annually, with 65 days notice	1,642,508
Redemption of 1/3 annually, with 60 days notice	24,417,478
	$ 613,353,530

The nonredeemable alternative investment funds included in the Fund's investment portfolio at December 31, 2014 have the following estimated remaining lives:

2015–2018	$ 76,821,547
2019–2022	55,975,403
2023–2034	89,360,838
	$ 222,157,788

The following table presents reconciliations for all Level 3 assets measured at fair value for the periods January 1, 2014 to December 31, 2014 and January 1, 2013 to December 31, 2013:

	Level 3 assets				
	Fixed-income hedge funds	**Equity hedge funds**	**Private equity funds**	**Real estate**	**Total**
Financial assets:					
Fair value at December 31, 2012	$ 25,711,046	9,344,139	228,726,591	16,945,689	280,727,465
Realized and unrealized gains and losses, net	(705,575)	(2,778,385)	14,268,013	1,052,150	11,836,203
Purchases	—	192,652	29,216,521	74,398	29,483,571
Settlements	—	(3,044,194)	(59,936,796)	(2,353,782)	(65,334,772)
Fair value at December 31, 2013	25,005,471	3,714,212	212,274,329	15,718,455	256,712,467
Realized and unrealized gains and losses, net	1,084,096	6,321,165	22,451,871	(326,675)	29,530,457
Purchases	35,119,410	68,530,265	24,840,379	17,349,180	145,839,234
Settlements	(119,410)	(6,808,546)	(69,516,486)	(1,489,339)	(77,933,781)
Fair value at December 31, 2014	$ 61,089,567	71,757,096	190,050,093	31,251,621	354,148,377

As a result of its investing strategies, the Fund is a party to a variety of financial instruments. These financial instruments may include fixed income, foreign currency futures and options contracts, foreign currency forwards, and interest rate cap and floor contracts. Much of the Fund's off-balance-sheet exposure represents strategies that are designed to reduce the interest rate and market risk inherent in portions of the Fund's investment program. Changes in the market values of these financial instruments are recognized currently in the statements of activities.

Financial instruments such as those described above involve, to varying degrees, elements of market risk and credit risk in excess of the amounts recorded on the statements of financial position. Market risk represents the potential loss the Fund faces due to the decrease in the value of financial instruments. Credit risk represents the maximum potential loss the Fund faces due to possible nonperformance by obligors and counterparties of the terms of their contracts.

(4) Endowment Funds

The Fund has a board-designated endowment fund and permanently restricted funds.

The board of trustees of the Fund has established special-purpose funds (note 1), which constitute the Fund's board-designated endowment. Of these special-purpose funds, the net assets of the Principal Fund, excluding \$1,552,396 and \$2,369,740, respectively, in temporarily restricted net assets, and Pocantico Fund constitute board-designated funds, which amounted to \$835,894,852 and \$821,763,951 in 2014 and 2013, respectively. The Pocantico II Fund, which was established in 1999 through a pledge by one donor in the amount of \$8 million, for purposes of perpetual maintenance of the Playhouse Parcel at the Pocantico Historic Area, includes both permanently restricted and temporarily restricted endowment funds. The permanently restricted portion reflects matching grants of Rockefeller family members to the original pledge and includes net assets of \$10,025,801 and \$9,963,343, respectively, in 2014 and 2013. The temporarily restricted portion reflects the original pledge, as well as income and appreciation earned on both the permanently restricted and temporarily restricted portions, and includes net assets of $15,978,041 and $15,273,010 in 2014 and 2013, respectively.

The Fund sets its annual spending policy through a multifaceted process that involves reviewing the impact of past levels of spending, calculating a budget formula based on three-year average market base, assessing the prospective minimum payout requirement for the budget year, evaluating current market position and trends to formulate a reasonable projection of the following year's anticipated market value, and considering programmatic needs that may impact current thinking on spending. Using the information gathered from this process, the Fund develops a proposal for a financially responsible budget amount that meets both the Fund's minimum payout requirement and programmatic priorities. In anticipation of near-term budget pressures, continued market volatility, and eventual growth, the Fund's trustees and staff launched a process in 2011 to develop a shared vision of the relative scale of its programs at the end of this decade, and a resource allocation plan to achieve it over the coming years. While not binding on the RBF's future leadership, the shared vision on the relative scale of programs in 2020 is intended to aid priority setting and near-term resource allocation decisions related to spending rates, program budgets, staff, and other infrastructure investments. The Fund monitors the impact of actual market trends during the year to assess if budget spending adjustments are needed.

The board of trustees of the Fund has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as allowing the Fund to appropriate for expenditure or accumulate so much of an endowment fund as the Fund determines is prudent for the uses, benefits, purposes, and duration under which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the board of trustees. The Fund has classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Fund in a manner consistent with the standard of prudence prescribed by NYPMIFA.

The Fund had the following endowment-related activities for the years ended December 31, 2014 and 2013:

	Board-designated endowment funds	Temporarily restricted	Permanently restricted	Total
Endowment net assets at December 31, 2012	$ 752,321,912	14,037,335	9,904,367	776,263,614
Investment return:				
Net investment income	814,037	8,381	—	822,418
Net appreciation	111,381,222	1,147,797	—	112,529,019
Contributions to endowment	507,000	136,000	70,209	713,209
Other income	587	—	(11,233)	(10,646)
Amounts appropriated for expenditure	(43,260,807)	(56,503)	—	(43,317,310)
Endowment net assets at December 31, 2013	821,763,951	15,273,010	9,963,343	847,000,304
Investment return:				
Net investment income	5,776,831	62,475	—	5,839,306
Net appreciation	57,754,844	624,661	—	58,379,505
Contributions to endowment	1,006,500	104,000	53,300	1,163,800
Other income	462,381	—	9,158	471,539
Amounts appropriated for expenditure	(50,869,655)	(86,105)	—	(50,955,760)
Endowment net assets at December 31, 2014	$ 835,894,852	15,978,041	10,025,801	861,898,694

(5) Program-Related Investments

The Fund’s program-related investment has limited or no marketability, and represents real estate that has been leased rent-free to a not-for-profit organization under the terms of an agreement, which expires in the year 2056.

(6) Pension Plan

The Fund participates in the Retirement Income Plan for Employees of Rockefeller Brothers Fund, Inc., et al. (the Plan), a noncontributory defined-benefit plan covering substantially all of its employees. Effective December 31, 2003, the Plan was frozen.

The Fund recognizes the funded status of its defined-benefit pension and other postretirement plans as a liability and recognizes the changes in that funded status in the year in which the changes occur through a separate line within the change in unrestricted net assets, apart from expenses, to the extent those changes are not included in the net periodic cost. The funded status reported on the statements of financial position was measured as the difference between the fair value of plan assets and the benefit obligations as of December 31, 2014 and 2013.

(Continued)

The following tables set forth the Plan's funded status and amounts recognized in the financial statements at December 31, 2014 and 2013:

		2014	2013
Accumulated benefit obligation/Projected benefit obligation for services rendered to date	$	(8,392,646)	(6,893,243)
Plan assets at fair value		6,966,488	7,021,603
Funded status (pension liability)	$	(1,426,158)	128,360

		2014	2013
Net pension cost included the following components:			
Interest cost on projected benefit obligation	$	297,896	263,974
Service cost		43,500	27,500
Actual return on plan assets		(337,497)	(1,097,907)
Net amortization and deferral		(174,668)	931,875
Net periodic pension benefit (credit) cost	$	(170,769)	125,442

The weighted average discount rates used in determining the actuarial present value of the projected benefit obligation were 3.67% in 2014 and 4.42% in 2013. The weighted average discount rates used in determining the period's benefit costs were 4.42% in 2014 and 3.53% in 2013. The expected long-term rate of return on assets was 7.75% in 2014 and 2013. Amortization of unrecognized prior service cost was $85,520 in 2014 and $101,717 in 2013. In 2014, the Fund was not required to make contributions to the Plan.

The plan assets are currently invested in mutual funds, with an allocation of 65% equity and 35% debt securities and are considered Level 1 in the fair value hierarchy. The Fund's investment goal is to obtain a competitive risk-adjusted return on the pension plan assets commensurate with prudent investment practices and the Plan's responsibility to provide retirement benefits for its participants, retirees, and their beneficiaries. The Plan's asset allocation targets are strategic and long term in nature and are designed to take advantage of the risk reducing impacts of asset class diversification. Investments within each asset category are further diversified with regard to investment style and concentration of holdings.

The accumulated amount not yet recognized as a component of net periodic benefit cost was $2,532,703 and $807,416 at December 31, 2014 and 2013, respectively. The net actuarial loss and prior service cost that will be amortized into net periodic benefit cost in 2015 are approximately $264,000.

(Continued)

The anticipated benefit payments for the next 10 years are as follows:

Year ending December 31:		
2015	$	376,000
2016		403,000
2017		426,000
2018		431,000
2019		440,000
2020–2024		2,439,000

In 2014, the Fund used the Society of Actuaries Base RP Mortality Table with a Generational Mortality Improvement Projection scale to value its pension and postretirement obligation. The updated mortality table increased the projected benefit obligation for the pension plan by approximately $585,000, in 2014.

(7) Postretirement Healthcare Benefits

In addition to providing pension benefits, the Fund provides certain healthcare benefits for retired employees. Substantially all of the Fund's employees may become eligible for these benefits if they reach age 55 while employed by the Fund and have accumulated at least five years of service. Such benefits are provided through an insurance company.

The following table sets forth the Plan's status as of December 31, 2014 and 2013:

		2014	2013
Accumulated postretirement benefit obligations (APBO)	$	10,016,718	5,918,685

The net periodic postretirement benefit cost included the following components as of December 31, 2014 and 2013:

		2014	2013
Service cost	$	177,018	207,063
Interest cost		321,621	235,201
Amortization of unrecognized loss		170,365	153,633
Net periodic postretirement benefit cost	$	669,004	595,897

Actual retiree premiums paid by the Fund during 2014 and 2013 amounted to $249,863 and $198,253, respectively.

The discount rate assumed in determining the APBO was 3.90% in 2014 and 4.80% in 2013. The weighted average discount rates used in determining the period's benefit costs were 4.80% in 2014 and 3.90% in 2013. The medical cost trend rate assumed was 8%, declining to 5% over a five-year period for 2014 and 2013. Increasing the assumed medical cost trend rate by 1.00% each year would result in increases in both the APBO and the net periodic postretirement cost of $1,991,680 and $94,990 in 2014, and $965,114 and

(Continued)

$89,493 in 2013, respectively. Decreasing the assumed medical cost trend rate by 1.00% each year would result in decreases in both the APBO and the net periodic postretirement cost of approximately $1,560,167 and $75,183 in 2014, and $780,184 and $70,064 in 2013, respectively.

The anticipated benefit payments for the next 10 years are as follows:

Year ending December 31:		
2015	$	282,000
2016		310,000
2017		313,000
2018		323,000
2019		349,000
2020–2024		2,023,000

The accumulated amount not yet recognized as a component of net periodic benefit cost was $4,954,242 and $1,275,350 at December 31, 2014 and 2013, respectively. The net actuarial loss that will be amortized into net periodic benefit cost in 2015 is approximately $446,600.

The updated mortality table increased the projected benefit obligation for the postretirement plan by approximately $1,220,000 in 2014.

(8) Reconciliation of Grants Awarded

The following table reconciles grants awarded and grants paid during 2014 and 2013:

Grants payable, December 31, 2012	$	8,299,428
Grants awarded 2013		27,491,710
Grants paid 2013		(27,285,589)
Grants payable, December 31, 2013		8,505,549
Grants awarded 2014		25,693,082
Grants paid 2014		(29,756,746)
Grants payable, December 31, 2014	$	4,441,885

The Fund estimates that the grants payable balance as of December 31, 2014 will be paid as follows:

Year ending December 31:		
2015	$	4,285,659
2016		156,226
Total	$	4,441,885

The net present value of grants payable is not materially different from amounts committed to be paid.

(9) Related-Party Transactions

The Fund was reimbursed for the cost of certain expenditures, which may include a proportionate share of direct and indirect compensation for accounting, human resource, and operations department staff; information technology services; occupancy; capital expenditures; employee benefits; and consultant and legal fees related to employee benefits issues from various related parties as presented in the following table at December 31, 2014 and 2013, respectively:

		2014	2013
Rockefeller Philanthropy Advisors	$	10,445	—
Rockefeller Archive Center		656,280	629,000
Rockefeller Family Fund		535,195	489,240
David Rockefeller Fund		48,490	33,200
	$	1,250,410	1,151,440

During 2014, the Fund approved four grants to Rockefeller Philanthropy Advisors (RPA) totaling $435,000, detailed as follows: two grants totaling $285,000 designated as a contribution to its Climate Nexus project; $100,000 designated to the D5 Initiative, payable over two years, $75,000 in 2014 and $25,000 in 2015; and $50,000 designated for the international work of its Fund for shared insight, payable over two years, $25,000 in 2014 and $25,000 in 2015.

At the end of 2013, the Fund entered into an agreement with RPA to establish and manage a sponsored project fund on the Fund's behalf, which would facilitate the charitable purposes of a new project entitled Rockefeller Brothers Initiatives. The first initiative to be managed under this agreement was the National Purpose Initiative (NPI), now referred to as The Pluribus Project, a multi-year effort to help rekindle a sense of shared purpose and collective responsibility among the American people, policymakers, and other leaders. During 2014, the Fund received approximately $485,000 from RPA, representing reimbursement for expenses incurred on behalf of the Fund for the NPI project, for which RPA had accepted designated contributions from outside donors as part of its management of this sponsored project fund. The amount received in 2014 is primarily reflected in other income on the accompanying financial statements. The Fund received a contribution from RPA in the amount of $7,000 in 2013, designated for general support. In 2013, David Rockefeller made a commitment of $1 million in support of the Egypt initiative to help develop democratic institutions, citizen participation, and economic reform. Relating to this commitment $300,000 was received in 2013, and the remainder was received in 2014.

During 2013, the Fund entered into a consulting agreement with the Rockefeller Archive Center in the amount of $221,000 for the purpose of developing a web timeline and oral history project, in recognition of the Fund's 75th anniversary in 2015, payable over two years, $121,000 in 2014 and $100,000 in 2015.

The Fund paid fees of approximately $1,280,000 and $1,303,000 in 2014 and 2013, respectively, for maintenance of the Pocantico properties to Greenrock Corporation, which is wholly owned by Rockefeller family members.

(10) Federal Taxes

As a private foundation, the Fund is assessed an excise tax under the Code. The provision for federal excise tax consists of a current provision on realized net investment income and a deferred provision on unrealized appreciation of investments. This tax is generally equal to 2%; however, it is reduced to 1% if a foundation meets certain distribution requirements under Section 4940(e) of the Code. The Fund provided for excise taxes at the rate of 2% in 2014 and 2013. The following table reconciles the Fund's current and deferred tax provisions for the years ended December 31, 2014 and 2013, respectively.

		2014	2013
Current tax:			
Beginning of year liability (receivable)	$	2,246,490	(259,299)
Excise tax expense, net of credits of $1,575,686 and $124,211, respectively		3,347,824	3,675,789
Payments		(6,080,000)	(1,170,000)
Current tax (receivable) liability	$	(485,686)	2,246,490
Deferred tax:			
Beginning of year liability		3,694,260	4,283,825
Deferred (credit) expense adjustment		(688,988)	(589,565)
Deferred tax liability	$	3,005,272	3,694,260
Statement of Financial Position presentation:			
Total receivable, included in accounts receivable and other current assets	$	485,686	—
Total liability (taxes payable)	$	3,005,272	5,940,750

(11) Commitments

On January 1, 2009, the Fund entered into a lease agreement, and relocated its offices in June 2009. Portions of this space are occupied by affiliated nonprofits; approximately $147,000 is reimbursed each year by these entities. The terms of the lease for this location expire on December 31, 2023, with one five-year renewal option.

The office space occupied by the Fund, together with its affiliates, provides for annual minimum rental commitments, excluding escalation as follows:

2015	$	640,000
2016		640,000
2017		640,000
2018		640,000
2019		640,000
2020–2024		2,560,000

(Continued)

In 2004, the Fund received notice of a demand that it return amounts claimed as overpayments to the Fund in 1995 and 1996 as part of its liquidation of an investment in a certain partnership. The amount of the claim approximates $2.3 million. Since legal issues underlying this claim are complex and a fair estimate of the potential liability cannot be presently determined, no amount for the claim has been included in these financial statements.

On January 1, 1992, the Fund entered into a formal arrangement with the National Trust for Historic Preservation in the United States, whereby the Fund assumes the costs associated with maintenance and operations of the Pocantico Historic Area, including all utilities, real estate and other taxes, and impositions assessed against the property. In 2014 and 2013, these costs aggregated approximately $1,856,000 and $1,750,000, respectively. Under the same agreement, the Fund agreed to conduct a program of public visitation of the Pocantico Historic Area. Historic Hudson Valley was engaged by the Fund to operate this program on its behalf. The public visitation program commenced in April 1994.

(12) Subsequent Events

In connection with the preparation of the financial statements, the Fund evaluated events after the statement of financial position date of December 31, 2014 through July 30, 2015, which was the date the financial statements were available to be issued, and determined that there were no additional matters that are required to be disclosed.

Schedule

ROCKEFELLER BROTHERS FUND, INC.

Supplemental Schedule of Functional Expenses

Year ended December 31, 2014
(with summarized financial information for the year ended December 31, 2013)

		Direct charitable activities					General management and federal		
		Principal Fund	**Pocantico Fund**	**Subtotal**	**Program and grant management**	**Investment management**	**excise and other taxes**	**2014 RBF Funds**	**2013 RBF Funds**
Salaries and employee benefits:									
Salaries	$	275,911	688,312	964,223	2,349,557	292,266	2,222,849	5,828,895	5,471,036
Employee benefits		114,710	392,647	507,357	976,833	122,400	955,627	2,562,217	2,633,317
		390,621	1,080,959	1,471,580	3,326,390	414,666	3,178,476	8,391,112	8,104,353
Other expenses:									
Grants awarded		—	—	—	25,693,082	—	—	25,693,082	27,491,710
Federal excise and other taxes		—	—	—	—	—	2,658,432	2,658,432	3,159,672
Consultants fees		—	—	—	767,906	40,000	400,778	1,208,684	1,403,461
Investment services		—	—	—	—	5,368,591	—	5,368,591	2,444,347
Legal, audit, and professional fees		—	18,745	18,745	—	166,116	236,393	421,254	361,983
Travel		43,173	22,130	65,303	739,748	25,128	14,478	844,657	614,638
Rent and electricity		19,176	—	19,176	276,759	27,411	277,781	601,127	541,387
Program conferences and events		273,423	—	273,423	—	—	14,887	288,310	421,776
Facilities maintenance and operations		—	1,856,253	1,856,253	—	—	—	1,856,253	1,749,696
Telephone, facsimile, and internet		2,717	20,016	22,733	39,212	3,987	44,012	109,944	105,996
Temporary staffing and related expenses		—	—	—	249,546	—	26,975	276,521	206,713
Insurance		4,043	115,241	119,284	58,344	6,373	85,361	269,362	243,432
General office expenses		12,551	51,759	64,310	181,142	18,418	193,848	457,718	432,420
Communications		—	—	—	—	—	103,282	103,282	73,267
Depreciation and amortization		23,211	75,108	98,319	335,002	33,568	353,707	820,596	793,661
	$	768,915	3,240,211	4,009,126	31,667,131	6,104,258	7,588,410	49,368,925	48,148,512

See accompanying independent auditors’ report.