ROCKEFELLER BROTHERS FUND, INC.

Financial Statements and Supplemental Schedule

December 31, 2015 and 2014

(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, 2015 and 2014, 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, 2015 and 2014, 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 28, 2016

ROCKEFELLER BROTHERS FUND, INC.

Statements of Financial Position

December 31, 2015 and 2014

Assets		**Principal Fund**	**Pocantico Fund**	**Pocantico II Fund**	**Richard Rockefeller Fellowship Fund**	**2015 RBF Funds**	**2014 RBF Funds**
Cash and cash equivalents	$	2,650,435	500	—	—	2,650,935	2,270,432
Accounts receivable and other current assets		2,446,324	154,193	19,609	2,463	2,622,589	1,328,264
Contributions receivable		500,000	—	15,124,644	500,000	16,124,644	16,864,980
Investments		748,842,989	71,690,710	9,292,271	1,679,030	831,505,000	858,331,972
Program-related investment – real estate		510,000	—	—	—	510,000	510,000
Fixed assets, net		3,918,743	2,134,345	—	—	6,053,088	6,074,712
Interfund		4,328,775	(5,119,474)	790,699	—	—	—
Total assets	$	763,197,266	68,860,274	25,227,223	2,181,493	859,466,256	885,380,360
Liabilities and Net Assets							
Liabilities:							
Accrued expenses	$	1,734,624	290,894	6,733	—	2,032,251	3,039,237
Grants payable		8,016,513	—	—	—	8,016,513	4,441,885
Taxes payable		2,736,265	459,047	43,263	467	3,239,042	3,005,272
Accrued pension and postretirement benefits		8,536,875	2,240,395	—	—	10,777,270	11,442,876
Total liabilities		21,024,277	2,990,336	49,996	467	24,065,076	21,929,270
Commitments							
Net assets:							
Unrestricted		740,246,093	65,869,938	—	2,181,026	808,297,057	835,894,852
Temporarily restricted		1,926,896	—	15,462,459	—	17,389,355	17,530,437
Permanently restricted		—	—	9,714,768	—	9,714,768	10,025,801
Total net assets		742,172,989	65,869,938	25,177,227	2,181,026	835,401,180	863,451,090
Total liabilities and net assets	$	763,197,266	68,860,274	25,227,223	2,181,493	859,466,256	885,380,360

See accompanying notes to financial statements.

ROCKEFELLER BROTHERS FUND, INC.

Statements of Activities

Years ended December 31, 2015 and 2014

	Principal Fund	Pocantico Fund	Pocantico II Fund	Richard Rockefeller Fellowship Fund	2015 RBF Funds	2014 RBF Funds
Changes in unrestricted net assets:						
Operating revenues:						
Investment income	$ 6,312,753	565,525	—	13,946	6,892,224	5,776,831
Other income	13,074	—	—	—	13,074	462,381
Contributions	5,607,000	—	—	1,150,000	6,757,000	1,006,500
Net assets released from restrictions	2,125,500	—	17,462	—	2,142,962	3,901,532
	14,058,327	565,525	17,462	1,163,946	15,805,260	11,147,244
Operating expenses:						
Direct charitable activities	1,021,475	3,433,586	—	—	4,455,061	4,009,126
Program and grant management	42,804,485	—	—	—	42,804,485	31,667,131
Investment management	4,021,460	314,793	43,725	7,474	4,387,452	6,104,258
General management	4,742,975	465,186	—	—	5,208,161	4,929,978
Federal excise and other taxes	(1,773,004)	(113,191)	(26,263)	(4,490)	(1,916,948)	2,658,432
	50,817,391	4,100,374	17,462	2,984	54,938,211	49,368,925
(Deficiency) excess of operating revenues over operating expenses	(36,759,064)	(3,534,849)	—	1,160,962	(39,132,951)	(38,221,681)
Nonoperating activities:						
Transfer of endowment	(1,000,000)	—	—	1,000,000	—	—
Net realized and unrealized gain on investments	9,081,055	813,603	—	20,064	9,914,722	57,754,844
Amounts not yet recognized as a component of net periodic benefit cost	1,293,070	327,364	—	—	1,620,434	(5,404,179)
	9,374,125	1,140,967	—	1,020,064	11,535,156	52,350,665
(Decrease) increase in unrestricted net assets	(27,384,939)	(2,393,882)	—	2,181,026	(27,597,795)	14,128,984
Changes in temporarily restricted net assets:						
Investment income	—	—	81,586	—	81,586	62,475
Contributions	2,500,000	—	8,000	—	2,508,000	3,104,000
Net realized and unrealized gain on investments	—	—	117,376	—	117,376	624,661
Net assets released from restrictions	(2,125,500)	—	(17,462)	—	(2,142,962)	(3,901,532)
Other	—	—	(705,082)	—	(705,082)	—
Increase (decrease) in temporarily restricted net assets	374,500	—	(515,582)	—	(141,082)	(110,396)
Changes in permanently restricted net assets:						
Contributions	—	—	3,575	—	3,575	53,300
Other	—	—	(314,608)	—	(314,608)	9,158
(Decrease) increase in permanently restricted net assets	—	—	(311,033)	—	(311,033)	62,458
(Decrease) increase in net assets	(27,010,439)	(2,393,882)	(826,615)	2,181,026	(28,049,910)	14,081,046
Net assets:						
Beginning of year	769,183,428	68,263,820	26,003,842	—	863,451,090	849,370,044
End of year	$ 742,172,989	65,869,938	25,177,227	2,181,026	835,401,180	863,451,090

See accompanying notes to financial statements.

ROCKEFELLER BROTHERS FUND, INC.

Statements of Cash Flows

Years ended December 31, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
(Decrease) increase in net assets	$ (28,049,910)	14,081,046
Adjustments to reconcile (decrease) increase in net assets to net cash used in operating activities:		
Net realized and unrealized gain on investments	(10,032,098)	(58,379,505)
Amount not yet recognized as a component of net periodic benefit cost	(1,620,434)	5,404,179
Depreciation and amortization	870,346	820,596
Changes in operating assets and liabilities:		
Accounts receivable and other current assets	(1,294,325)	(546,264)
Contributions receivable	740,336	724,114
Accrued expenses	(1,006,986)	2,073,687
Accrued pension and postretirement benefits	954,828	248,372
Grants payable	3,574,628	(4,063,664)
Taxes payable	233,770	(2,935,478)
Net cash used in operating activities	(35,629,845)	(42,572,917)
Cash flows from investing activities:		
Proceeds from sales of investments	740,324,448	2,133,707,331
Purchases of investments	(703,465,378)	(2,089,560,757)
Purchases of fixed assets	(848,722)	(578,243)
Net cash provided by investing activities	36,010,348	43,568,331
Net increase in cash and cash equivalents	380,503	995,414
Cash and cash equivalents at beginning of year	2,270,432	1,275,018
Cash and cash equivalents at end of year	$ 2,650,935	2,270,432
Supplemental disclosure of cash flow information:		
Cash paid for taxes	$ 2,439,741	6,158,647

See accompanying notes to financial statements.

(1) Organizations and Purpose7

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 Fund has the following special-purpose funds that have been established by either the Fund's board of trustees or from donor-designated 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.

Richard Rockefeller Fellowship Fund – To 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.

(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.

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.

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.

(Continued)

(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 Codification (ASC) 820-10-35-59, *Measuring the Fair Value of Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASC 820-10-35-59), to estimate fair value of certain investments in funds that do not have readily determinable fair values, including private investments, hedge funds, real estate, and other funds. ASC 820-10-35-59 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, Pocantico II Fund, and Richard Rockefeller Fellowship 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 $29,193,000 and $28,359,000 at December 31, 2015 and 2014, 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. Contributions to be received after one year are discounted to present value of future cash flows at a risk-adjusted rate of 3.32%. Of the contributions receivables at December 31, 2015, $1,000,000 are expected to be collected in 2016 and the remainder are expected to be collected within one to five years.

(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.

(l) Recently Issued Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board issued Accounting Standards Update No. 2015-07 (Update No. 2015-07), *Disclosures for Investments in Certain Entities That Calculate*

Net Asset Value per Share (or Its Equivalent). The guidance removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient and removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. Update No. 2015-07 is effective for fiscal years beginning after December 15, 2015. The Fund elected to early adopt the provisions of Update No. 2015-07 and applied the provisions of the update retrospectively to 2014.

(3) Investments

The following table presents the Fund's fair value hierarchy for those investments measured at fair value as of December 31, 2015 and 2014.

	2015		2014	
	Fair value	**Level 1**	**Fair value**	**Level 1**
Investments:				
Cash and cash equivalents	$ 4,377,029	4,377,029	22,820,654	22,820,654
Investment-related receivables	74,145,000	74,145,000	—	—
Equity securities – U.S.	71,404,011	71,404,011	141,605,399	141,605,399
Equity securities – Global	45,865,929	45,865,929	61,611,332	61,611,332
Equity mutual funds	46,840,854	46,840,854	74,107,935	74,107,935
Fixed income mutual funds	17,262,552	17,262,552	38,588,338	38,588,338
Futures	227,438	227,438	(773,567)	(773,567)
Equity hedge mutual funds	15,158,706	15,158,706	31,928,572	31,928,572
Real estate mutual funds	5,617,266	5,617,266	25,468,019	25,468,019
	280,898,785	$ 280,898,785	395,356,682	395,356,682
Investments measured at net asset value:				
Equity hedge funds (a)	207,909,710		144,537,467	
Fixed income hedge funds (b)	95,910,422		97,136,109	
Real estate (c)	50,809,916		31,251,621	
Private equity funds (d)	195,976,167		190,050,093	
Total investments	$ 831,505,000		858,331,972	

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

(c) This class includes public and private equity funds that invest primarily in commercial real estate.

(d) This class includes private equity funds that invest primarily in private equity markets. At December 31, 2015 and 2014, there were $130,175,000 and $95,540,000, respectively, of unfunded commitments in relation to these funds.

The Fund had no investments categorized as level 2 or 3 in 2015 or 2014. The Fund had no significant transfers between Level 1, Level 2, and Level 3 for the years ended December 31, 2015 and 2014.

Included in the Fund's investment portfolio at December 31, 2015 are redeemable investment assets based on the following terms and conditions:

Daily, with no notice	$ 191,308,515
Daily, with 1 day notice	11,068,240
Daily, with 10 days notice	18,695,112
Monthly, with 45 days notice	16,489,473
Quarterly, with 30 days notice	84,572,005
Redemption of 25% Quarterly, with 30 days notice	73,456,246
Quarterly, with 65 days notice	19,046,553
Quarterly, with 90 days notice	665,670
Redemption of 25% Quarterly, with 90 days notice	36,166,127
Annually, with 90 days notice	17,208,320
Redemption of 50% Semi-annually, with 60 days notice	11,727,127
Redemption of 1/3 annually, with 65 days notice	1,494,409
Redemption of 1/3 annually, with 60 days notice	24,299,091
	$ 506,196,888

The nonredeemable alternative investment funds included in the Fund's investment portfolio at December 31, 2015 have the following estimated remaining lives:

2016–2018	$ 59,750,959
2019–2022	81,954,492
2023–2034	105,080,632
	$ 246,786,083

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 board-designated endowment 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 \$1,926,896 and \$1,552,396, respectively, in temporarily restricted net assets, Pocantico Fund, and Richard Rockefeller Fellowship Fund constitute board-designated funds, which amounted to \$808,297,057 and \$835,894,852 in 2015 and 2014, 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 \$9,714,768 and \$10,025,801, respectively, in 2015 and 2014. 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 \$15,462,459 and \$15,978,041 in 2015 and 2014, 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, 2015 and 2014:

	Board-designated endowment funds	Temporarily restricted	Permanently restricted	Total
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
Investment return:				
Net investment income	6,892,224	81,586	—	6,973,810
Net appreciation	9,914,722	117,376	—	10,032,098
Contributions to endowment	6,757,000	8,000	3,575	6,768,575
Other	13,074	(705,082)	(314,608)	(1,006,616)
Amounts appropriated for expenditure	(51,174,815)	(17,462)	—	(51,192,277)
Endowment net assets at December 31, 2015	$ 808,297,057	15,462,459	9,714,768	833,474,284

(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 Plans

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, 2015 and 2014.

The following tables set forth the Plan's funded status and amounts recognized in the financial statements at December 31, 2015 and 2014:

		2015	2014
Accumulated benefit obligation/Projected benefit obligation for services rendered to date	$	(7,920,124)	(8,392,646)
Plan assets at fair value		6,515,182	6,966,488
Funded status (pension liability)	$	(1,404,942)	(1,426,158)

		2015	2014
Net pension cost included the following components:			
Interest cost on projected benefit obligation	$	301,402	297,896
Service cost		41,000	43,500
Actual return on plan assets		(522,908)	(337,497)
Net amortization and deferral		263,569	(174,668)
Net periodic pension benefit cost (credit)	$	83,063	(170,769)

The weighted average discount rates used in determining the actuarial present value of the projected benefit obligation were 3.95% in 2015 and 3.67% in 2014. The weighted average discount rates used in determining the period's benefit costs were 3.67% in 2015 and 4.42% in 2014. The expected long-term rate of return on assets was 7.75% in 2015 and 2014. Amortization of unrecognized prior service cost was $69,323 in 2015 and $85,520 in 2014. In 2015, 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 $2,428,424 and $2,532,703 at December 31, 2015 and 2014, respectively. The net actuarial loss and prior service cost that will be amortized into net periodic benefit cost in 2016 are approximately $265,733.

(Continued)

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

Year ending December 31:		
2016	$	392,000
2017		417,000
2018		429,000
2019		436,000
2020–2025		2,949,000

In 2014, the Fund used the Society of Actuaries RP-2014 Total Dataset Mortality Table with a Generational Mortality Improvement Projection scale (MP-2014) 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.

In 2015, the Fund used the Society of Actuaries RP-2014 Adjusted to 2006 Total Dataset Mortality Table with an updated Generational Mortality Improvement Projection scale (MP-2015) to value its pension and postretirement obligation. The updated mortality scale decreased the projected benefit obligation for the pension plan by approximately $151,000 in 2015.

(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, 2015 and 2014:

		2015	2014
Accumulated postretirement benefit obligations (APBO)	$	9,295,558	10,016,718

The net periodic postretirement benefit cost included the following components as of December 31, 2015 and 2014:

		2015	2014
Service cost	$	309,236	177,018
Interest cost		368,552	321,621
Amortization of unrecognized loss		375,981	170,365
Net periodic postretirement benefit cost	$	1,053,769	669,004

Actual retiree premiums paid by the Fund during 2015 and 2014 amounted to $258,774 and $249,863, respectively.

The discount rate assumed in determining the APBO was 4.30% in 2015 and 3.90% in 2014. The weighted average discount rates used in determining the period's benefit costs were 3.90% in 2015 and 4.80% in 2014. The medical cost trend rate assumed was 8%, declining to 5% over a five-year period for 2015 and 2014. 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 $1,765,127 and $165,202 in 2015, and $1,991,680 and $94,990 in 2014, 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 $1,393,856 and $125,239 in 2015, and $1,560,167 and $75,183 in 2014, respectively.

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

Year ending December 31:		
2016	$	286,000
2017		297,000
2018		312,000
2019		351,000
2020		348,000
2021–2025		2,086,000

The accumulated amount not yet recognized as a component of net periodic benefit cost was $3,438,087 and $4,954,242 at December 31, 2015 and 2014, respectively. The net actuarial loss that will be amortized into net periodic benefit cost in 2016 is approximately $265,453.

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

The updated mortality scale decreased the projected benefit obligation for the postretirement plan by approximately $360,000 in 2015.

(8) Reconciliation of Grants Awarded

The following table reconciles grants awarded and grants paid during 2015 and 2014:

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
Grants awarded 2015		36,326,518
Grants paid 2015		(32,751,890)
Grants payable, December 31, 2015	$	8,016,513

(Continued)

The Fund estimates that the grants payable balance as of December 31, 2015 will be paid as follows:

Year ending December 31:		
2016	$	7,616,513
2017		400,000
Total	$	8,016,513

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, 2015 and 2014, respectively:

		2015	2014
Rockefeller Philanthropy Advisors (RPA)	$	—	10,445
Rockefeller Archive Center (RAC)		757,133	656,280
Rockefeller Family Fund		601,514	535,195
David Rockefeller Fund		148,200	48,490
	$	1,506,847	1,250,410

During 2015, the Fund approved three grants to RPA totaling $272,500, detailed as follows: $22,500 designated for the Theory of the Foundation Initiative, $50,000 designated for its Climate Nexus Project, and $200,000 designated for the D5 initiative, payable over two years, $110,559 in 2015, and $89,441 in 2016. Also during 2015, the Fund made payments to RPA totaling approximately $18,000, representing amounts due to RPA related to the close out of the Pluribus Project. During 2014, the Fund approved four grants to 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. The Fund previously 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 2015, the Fund received contributions from RPA totaling $157,000. Of this amount, $150,000 was designated for the Richard Rockefeller Fellowship, and $7,000 was designated for general support. 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.

In 2015, David Rockefeller made a commitment of $1 million in support of the Fund's grant-making initiative in Egypt which was recorded as a contribution in the accompanying statement of activities. Relating to this commitment $500,000 was received in 2015, and the remainder was received in 2016.

The Fund previously entered into a consulting agreement with the RAC 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. Payments in the amounts of $100,000 and $121,000, respectively, were made to RAC in 2015 and 2014, respectively.

The Fund paid fees of approximately $1,330,000 and $1,280,000 in 2015 and 2014, 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 1% and 2% in 2015 and 2014, respectively. The following table reconciles the Fund's current and deferred tax provisions for the years ended December 31, 2015 and 2014, respectively.

		2015	**2014**
Current tax:			
Beginning of year (receivable) liability	$	(485,686)	2,246,490
Excise tax (credit) expense, net of overaccrual of $3,326,658 and $1,575,686, respectively		(2,478,472)	3,347,824
Refund received		3,326,658	—
Payments		(2,080,000)	(6,080,000)
Current tax (receivable) liability	$	(1,717,500)	(485,686)
Deferred tax:			
Beginning of year liability	$	3,005,272	3,694,260
Deferred expense (credit) adjustment		233,770	(688,988)
Deferred tax liability	$	3,239,042	3,005,272
Statement of financial position presentation:			
Total receivable, included in accounts receivable and other current assets	$	1,717,500	485,686
Total liability (taxes payable)		3,239,042	3,005,272

(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 $148,000 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:

2016	$	658,000
2017		658,000
2018		658,000
2019		658,000
2020–2023		2,632,000

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 2015 and 2014, these costs aggregated approximately $1,911,896 and $1,856,000, 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, 2015 through July 28, 2016, 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.

ROCKEFELLER BROTHERS FUND, INC.

Supplemental Schedule of Functional Expenses

Year ended December 31, 2015
(with summarized financial information for the year ended December 31, 2014)

	Direct charitable activities					General management and federal excise and other taxes		
	Principal Fund	Pocantico Fund	Subtotal	Program and grant management	Investment management		2015 RBF Funds	2014 RBF Funds
Salaries and employee benefits:								
Salaries	$ 375,208	717,910	1,093,118	2,305,884	251,181	2,140,501	5,790,684	5,828,895
Employee benefits and events	212,675	470,150	682,825	1,335,198	144,337	1,267,047	3,429,407	2,562,217
	587,883	1,188,060	1,775,943	3,641,082	395,518	3,407,548	9,220,091	8,391,112
Other expenses:								
Grants awarded	—	—	—	36,326,518	—	—	36,326,518	25,693,082
Federal excise and other taxes	—	—	—	—	—	(1,916,948)	(1,916,948)	2,658,432
Consultants fees	—	—	—	1,065,537	5,594	406,092	1,477,223	1,208,684
Investment services	—	—	—	—	3,736,899	—	3,736,899	5,368,591
Legal, audit, and professional fees	—	33,931	33,931	105,175	162,586	287,827	589,519	421,254
Travel	42,370	19,246	61,616	715,474	11,625	30,112	818,827	844,657
Rent and electricity	28,192	—	28,192	278,506	23,763	268,091	598,552	601,127
Program conferences and events	303,705	—	303,705	282	—	7,921	311,908	288,310
Facilities maintenance and operations	—	1,911,896	1,911,896	—	—	—	1,911,896	1,856,253
Telephone, facsimile, and internet	3,828	20,157	23,985	37,817	3,332	41,305	106,439	109,944
Temporary staffing and related expenses	—	—	—	42,757	—	20,961	63,718	276,521
Insurance	5,447	120,376	125,823	53,815	5,218	81,081	265,937	269,362
General office expenses	14,326	50,311	64,637	141,525	12,339	148,471	366,972	457,718
Communications	—	—	—	43,078	—	147,236	190,314	103,282
Depreciation and amortization	35,724	89,609	125,333	352,919	30,578	361,516	870,346	820,596
	$ 1,021,475	3,433,586	4,455,061	42,804,485	4,387,452	3,291,213	54,938,211	49,368,925

See accompanying independent auditors' report.