



Rockefeller  
Brothers Fund

Philanthropy for an Interdependent World



# 2019 Annual Review

CHARTING OUR PROGRESS 2017-2019



# A Message from the President

We embarked on 2019 knowing that the year ahead would mark the end of a decade. None of us could have imagined that 2019 would also mark the end of an era of life as we knew it in the United States and around the world. In my 19 years at the Rockefeller Brothers Fund, never before has the present tense in which I write this introduction to the Annual Review seemed so epochally removed from the year on which it reflects.



Rockefeller Brothers Fund President and CEO Stephen Heintz. Photo by Aslan Chalom.

Though 2019 may seem light-years away, the journey of reflection is worthwhile. It was a remarkable year at the RBF that brought to fruition long-term projects, initiatives, and plans that will lay the foundation for our continued efforts and evolution over the next decade and into the new era that has already begun.

## Major Milestones

On September 22, 2019, the Rockefeller Brothers celebrated five years since we pledged to divest from fossil fuels. Inspired and supported by grantees like Carbon Tracker and peer foundations like the Wallace Global Fund, we saw in 2014 that it was possible to pursue our mission not only with our grantmaking, but also with the endowment we have invested in capital markets to finance our activities in the future. The global divestment movement was still nascent at the time, and our announcement on the day following the People's Climate March attracted the attention of major newspapers, investors, and climate advocates around the world.

**Our endowment performance has exceeded expectations and beaten the benchmarks we use to measure our investing success.**

Five years later, [a review of our financial returns](#) shows that our endowment performance has exceeded expectations and beaten the benchmarks we use to measure our investing success. In a featured story that follows, Executive Vice President for Finance and Operations Gerry Watson details our process, our results, and the blossoming fields of fossil fuel divestment and mission-aligned investing we are proud to have helped sow.

## Big Changes on the Horizon

In June 2019, we announced plans for the **David Rockefeller Creative Arts Center** at The Pocantico Center, scheduled to open in 2021. The project will transform the long dormant Orangerie, built by John D. Rockefeller in 1908, into a year-round, all-weather performance and rehearsal space with an art gallery and flexible studio or classroom space for community programs.



John D. Rockefeller's 1908 Orangerie, which will be transformed into the David Rockefeller Creative Arts Center to open in 2021. Photo by Fred Charles.

It is worth underscoring “all-weather”: The 2019 summer season at The Pocantico Center reinforced why the DR Center will be such a welcome addition to Westchester County’s cultural life. In the rainiest season in recent memory, local audiences braved the elements to dance, laugh, and reflect along with performances on the Kykuit lawn. In the future, our audiences need not accept soaked clothes as the price of great performances, and our arts programming need not be beholden to the meteorological roll of the dice.

The new DR Center will be a net-zero energy building with the goal of achieving LEED certification. A nearby solar panel array will produce more energy than the building consumes, and a rain garden will conserve water and reduce runoff pollutants. With these features, the DR Center will also serve as an educational model of low-carbon development for the more than 30,000 annual visitors to Pocantico.

## Looming Challenges

Challenges to democracy loomed large in 2019. The Fund has long recognized and sought to address the deep racial and economic inequities that poison our democratic culture and institutions—racialized gerrymandering, the outsized influence of money in politics, the erosion of voter rights—but in 2019, these concerns took on new weight as organizations around the country prepared for a divisive national election and an at-risk census in the year to come. In October, the **RBF board of**

**Time and again during our weeklong trip, we were reminded of the persistent legacies of slavery in our political and governance systems.**

**trustees** traveled to the American South to visit with grantees from our Democratic Practice–U.S. portfolio in Virginia, Georgia,

and Alabama to learn more about the challenges they face and the innovations they are advancing to overcome them. Time and again during our weeklong trip, we were reminded of the persistent legacies of slavery in our political and governance systems, experienced by Black and Brown Americans every day through the lived reality of racism.



The RBF board of trustees with leaders from **Color of Change**, **Blackbird**, and **Black Futures Lab** in Montgomery, AL. Photo by Sarah Edkins Lien.

These forces also shaped the internal organizational culture process taking place at the RBF throughout the year. This intentional, painstaking work has forced each of us at the Fund to consider how race, gender, and power manifest in our lives and in our actions, and to examine structures and norms of our institution that contribute to inequity. With the support of **oneTILT**, a Washington, D.C.-based consultancy on diversity, equity, and inclusion (DEI), we engaged in difficult conversations, self-reflection, and learning on the long journey

to realize our vision of peace, justice, and sustainability within our institution, as well as in the broader world around us. Like so many institutions, we wish we had done more, sooner, but these early steps have energized and invigorated our determination to make the next decade the one in which our country finally overcomes its long history of injustice and delivers on its founding promise.

–Stephen Heintz, *President and CEO*

# A Broader Vision of Our Assets



Gerry Watson, RBF Executive Vice President, Finance and Operations. Photo by Juliana Sohn.

It became clear as 2019 reached its close that the Rockefeller Brothers Fund had a new story to tell. Five years after committing to divest from fossil fuels, we had a track record that showed our decision to get out of coal, oil, and natural gas had not hurt our portfolio; it had, if anything, helped it to outperform.

The RBF's endowment posted a 7.76 percent average annual net return over the five-year period through the end of 2019. As with most large investment funds, we assess this performance against a customized benchmark, in our case a blend of 70 percent global equity index and 30 percent global fixed income index. Our actual five-year performance beat that yardstick by a full percentage point and showed less volatility, meaning our portfolio had smaller swings in value compared to the benchmark and may be considered less risky.

Of course, there is no guarantee that the success of any portfolio strategy will continue in the future. Our divestment effort got a boost from good timing, as we began selling our fossil fuel investments in 2014 when the price of oil was around \$100 a barrel and going into a slide. Plus, five years is a relatively short period to establish an investment track record.

But in the past half-decade, our conviction in the decision to divest has only grown stronger. We simply cannot provide financial backing to the companies our grantees oppose in the fight against climate change. More than just removing a bit of capital from a rogue fossil fuel industry, this decision also served as a model for other foundations and endowments weighing divestment.

**We simply cannot provide financial backing to the companies our grantees oppose in the fight against climate change.**

## Using All Our Assets

It took time, work, and some learning curves, but the journey we have taken to deploy our endowment investments for greater sustainability has led us to a broader realization that the impact of our institutional decisions and practices can bolster and extend the social change efforts of our grantees. Beyond grants, we can embrace every opportunity and “tool” the organization has to effect change. We can use the RBF's full array of assets—its endowment, its reputation, its name, its offices and The Pocantico Center, its expertise, and its history—to further our mission. It has also led us to embrace more deeply our role as a convener of ideas and people. The results of our five-year path of divestment through 2019 firmly evidenced the value and potential of this “assets-all-in” approach.

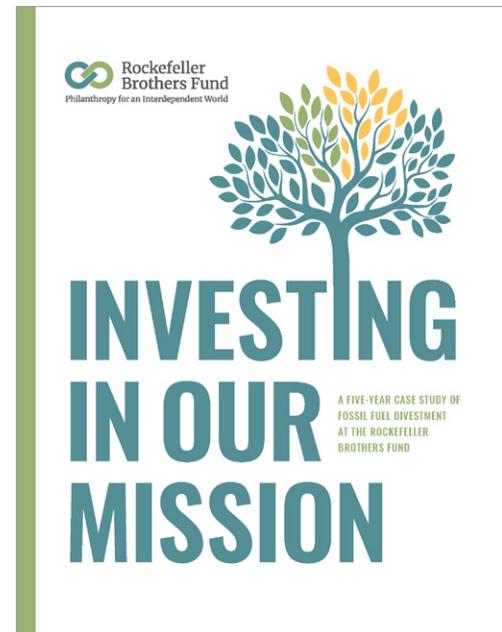
## Sharing Our Learning

Using all our assets goes beyond the standard conception of a grant-making organization, but it is very much grounded in the expertise we develop through our grant programs. We learn as we engage with and fund the people who work and innovate every day to support democracy, foster sustainability, and build peace. Using the resources and reputation of the RBF to share that learning has the potential to multiply the impact.

Sharing what we have learned about mission-aligned investing has certainly multiplied whatever modest monetary impact may have come from pulling our investment dollars from fossil fuel companies. From the start, we have been committed to a high level of transparency around our divestment decision and our implementation process. To recognize that we now have five full years of performance data, we published [a detailed case study](#) of our mission-aligned investment efforts in May 2020. The publication discusses not only fossil fuel divestment, but also our expansion of impact investing, which is on track to become 20 percent of our portfolio, and embrace of environmental, social, and governance (ESG) criteria for the portfolio.

The legacy and symbolism of Rockefeller family philanthropy, fueled by one of the most famous men and largest fortunes in history, positions the RBF to captivate a broad audience that can inspire change in sometimes new and untapped places. As we prepared to announce our decision to purge the fund of fossil fuel investments in 2014, for example, we never anticipated the media attention it would receive; it was big news that the Rockefellers were getting out of oil.

As we reached our divestment milestone, we sought other ways to increase the impact of our investments. In 2019, we began to expand our mission-aligned investing principles to include fund manager diversity. Throughout the year, we assessed the level of racial and gender diversity among the financial professionals who oversee our investments and established objectives for boosting the diversity of this group. This intensive exploration of how we could leverage our endowment and investment practices to contribute to greater equity in the financial sector concluded with the creation of a proposed commitment to invest 25 percent of the endowment's holdings with firms majority-owned by women or people of color. (The board of trustees approved this proposal in March 2020.) This has likewise been a learning process, one we are eager to share with other investors in the hope of fostering similar diversity commitments.



In May, the RBF released a new case study detailing how its investment returns beat market benchmarks since divesting from fossil fuels.

The Pocantico Center, too, is a unique asset that extends our opportunity for impact. A place of natural beauty and tranquility, it has long hosted meetings and conferences that build on the RBF’s philanthropic efforts to share our and our grantees’ experiences. Gatherings convened at Pocantico have tackled issues ranging from cultivating philanthropy



The RBF made a \$12.5 million impact investment in **Renewable Resources Group (RRG)**, which launched California Harvesters in 2018 to provide a better environment for farmworkers while meeting labor demands. Photo courtesy of RRG.

in China to addressing political polarization in the United States. In the lead-up to our divestment decision, researchers, advocates, and advisers from Carbon Tracker, the London-based initiative that popularized the stranded asset theory our divestment efforts would rest on, convened at Pocantico to formulate a strategy to counter the big oil companies trying to shoot it down.

We are, of course, not the only foundation to embrace the idea that, while grants are our most effective tool, there is more we can do. The RBF’s effort to elevate the broadest possible approach to making a difference is something we share with the Ford Foundation, the MacArthur Foundation, the Wallace Global Fund, and others. We have also joined with a number of

organizations, including Confluence Philanthropy, Mission Investors Exchange, the U.S. Impact Investing Alliance, and Intentional Endowments Network, to share the expertise we have developed through our mission-aligned investing commitment, for example. No foundation ever has the money to accomplish everything it hopes, but with this use-all-assets approach, the RBF hopes to maximize the impact of our modest resources.

## Energizing the Organization

It should never be taken for granted that an 80-year-old organization can change. The RBF is always changing. One thing I am thankful for in my career here is that we have always been willing to embrace new ways of doing things, take on new

**Everyone working here benefits by staying involved with the ideas and in touch with the people that matter most for our mission.**

challenges, push new ideas, and pursue new goals. Our commitment to use every asset to its fullest is a reflection of that. In recent

years, I have found that taking a broad view of the RBF’s mission and assets allows us to stretch and grow the sound, strategic, and creative use of our resources. The institution and everyone working here—whether on grantmaking, finance, operations, or administration—benefits by staying involved with the ideas and in touch with the people that matter most for our mission. This approach has not distracted management energy from our grantmaking, but rather the opposite: Thoughtful focus on every option and asset for pursuing our mission has energized us. It has made us smarter and more engaged with everything we do.

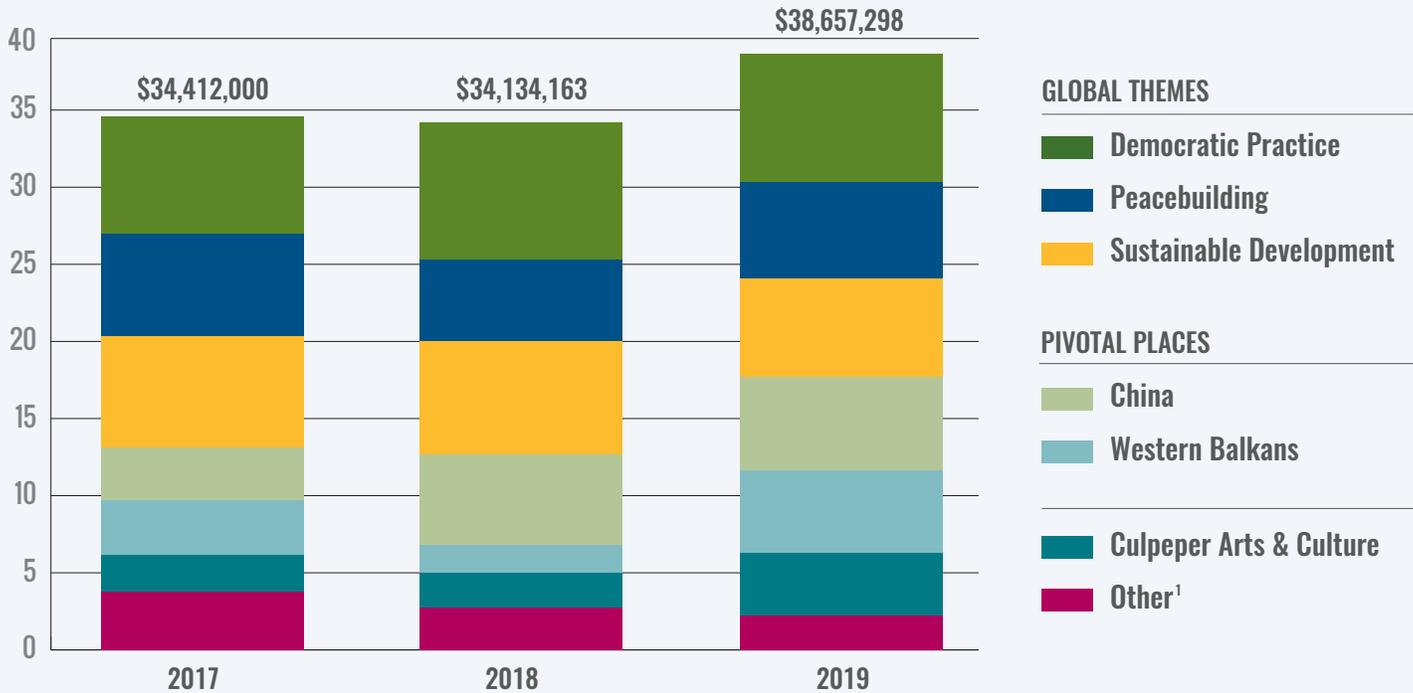
—Gerry Watson, *Executive Vice President, Finance and Operations*

# Grantmaking

Grantmaking is the core of the Rockefeller Brothers Fund’s work. In 2019, the Fund awarded 352 grants totaling \$38.7 million. The average grant amount was approximately \$110,000.

As a result of a generous bequest from the estate of David Rockefeller, the Fund’s 2019 grantmaking budget increased by more than 10 percent over the previous year. The Fund’s board of trustees also authorized full delegated authority grantmaking beginning in 2019. Delegated authority allows grants to be awarded by approval of the president or executive vice president for programs and communications on a rolling basis throughout the year to better respond to the needs of grantees.

**GRANTMAKING DOLLARS BY PROGRAM**  
(IN MILLIONS)  
2017-2019



Grantmaking figures vary each year depending on several factors, including multiyear grant commitments and availability of funds. The Fund began 2019 with 31 percent of its grantmaking budget already committed for payment of grants awarded in prior years.

<sup>1</sup> Grants categorized as ‘Other’ include the Fund’s support for nonprofit and philanthropic infrastructure organizations and mission-aligned investing grants. In 2017 and 2018, ‘Other’ also includes grantmaking specially authorized by the board of trustees to support urgent efforts to defend people, principles, policies, and organizations under threat as a result of the current political environment.

## Grants Awarded By Program

	2017	2018	2019
Democratic Practice	67	76	70
Peacebuilding	53	63	66
Sustainable Development	58	55	56
Pivotal Place: China	17	19	26
Pivotal Place: Western Balkans	31	24	48
Culpeper Arts & Culture	37	34	42
Other	65	51	44
<b>Total</b>	<b>328</b>	<b>322</b>	<b>352</b>



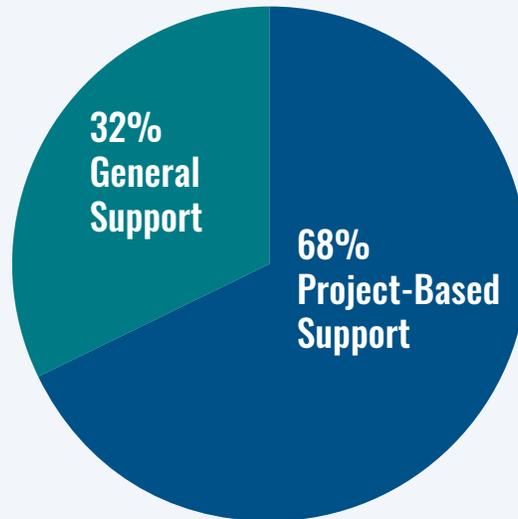
**Afghan Women's Network** empowers its members to participate in Afghanistan's political processes and efforts to secure justice and peace. Photo courtesy of Afghan Women's Network.

Twenty-six percent of grants made in 2019 were awarded to new grantees, which reflects a slight increase over 2018. Of grants awarded to previous recipients, 32 percent were for new purposes. Most 2019 grants were for one year; 36 percent were for two or more years.

Just under one-third of all grant dollars awarded in 2019 provided general support to help grantees meet core operating needs. General support has consistently constituted 20–30 percent of the Fund's annual grantmaking, but varies year to year and by program, depending on the nature and size of grant requests.

Much of the Fund's grantmaking also supports institutes and initiatives through universities and fiscal sponsors; although these grants are categorized as "project-based" to reflect their institutional structure, in practice they function as general support.

## TYPE OF SUPPORT 2019



Sixty-nine percent of 2019 grant dollars were awarded to U.S. organizations. This figure includes support for international efforts of organizations who maintain headquarters in the United States.

More than two-thirds of 2019 grant dollars supported work outside of the United States through the Fund’s pivotal place programs in China and the Western Balkans, as well as through the Peacebuilding program, the Democratic Practice program’s Global Challenges portfolio, and the Sustainable Development program.

The Fund also made exploratory grants in Latin America in 2019 to support the future development of an RBF pivotal place program in the region. Staff make every effort to support local organizations.



NYC traffic was shut down by **Rainforest Action Network** activists protesting Chase Bank funding oil pipelines. Photo by Erik McGregor (erikmcgregor.com).

## Grant Payments

The Fund made grant payments in 2019 totaling \$37.6 million. This figure differs from grants awarded because some grants are payable over more than one year. It does not include payments for non-grant appropriations, including consultancies and conferences at The Pocantico Center, which advance the Fund’s mission but do not take the form of traditional grants.

Grants paid include external donor contributions used to expand the Fund’s available resources and impact. In total, the

Fund allocated \$1.5 million in contributions from individuals and other foundations to support 2019 grants paid by the Peacebuilding, Pivotal Place: China, and Pivotal Place: Western Balkans programs.



The Blue Initiative Fund, a project of **The Paradise International Foundation**, engages Chinese philanthropists to support marine ecology, sustainable fishing, and ocean conservation. Photo courtesy of The Paradise International Foundation.

# The Pocantico Center



The **Knights** orchestra, led by Artistic Directors Colin and Eric Jacobsen, performs at The Pocantico Center, 2019. Photo by Fred Charles.

**The Pocantico Center** is a conference facility and creative arts space on the historic Rockefeller estate in Pocantico Hills, New York, 20 miles north of Manhattan.

Nelson, Laurance, and David Rockefeller each bequeathed their shares of the family estate to **the National Trust for Historic Preservation**. Under a special arrangement with the Trust, the Rockefeller Brothers Fund has operated these properties as The Pocantico Center since 1994. They include Kykuit—the

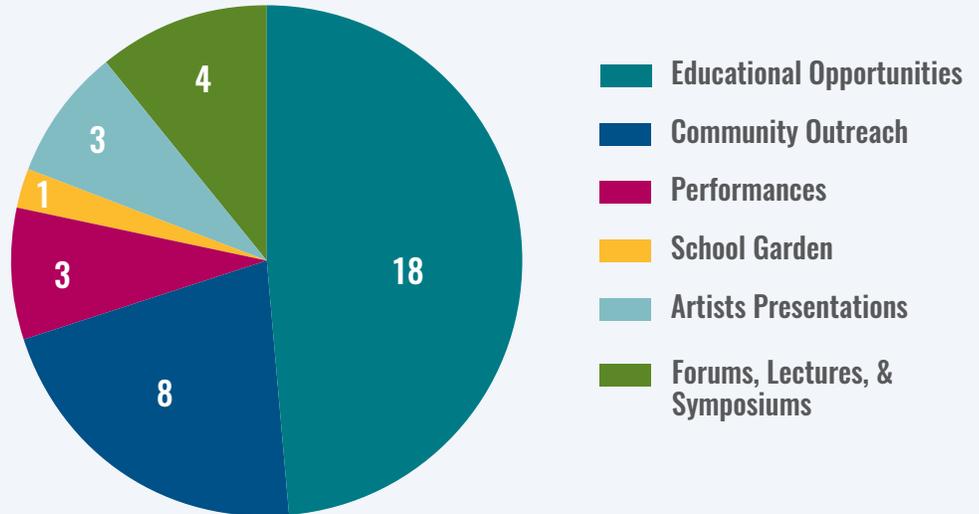
historic home of John D. Rockefeller—as well as the Coach Barn, the Marcel Breuer House, the Orangerie, the Japanese Teahouse and Shrine, Abeyton Lodge (previously known as “the Playhouse”), several guest houses, and the surrounding landscapes.

The Pocantico Center hosts conferences and meetings, artist residencies and performances, and public and community programs that support the Fund’s philanthropic activities. The Center welcomed 27 conferences directly related to RBF grantmaking programs in 2019. It hosted an additional 33 conferences and meetings in support of its larger philanthropic mission, including four internal meetings of the RBF.

## POCANTICO CONFERENCES & MEETINGS 2017-2019



## POCANTICO PUBLIC PROGRAMS 2019



The Pocantico Center also offers public access through forums, lectures, and educational programs focused on the Pocantico Historic Area's buildings, gardens, and collections of decorative and fine art. In 2019, The Pocantico Center offered 37 **public programs** for the surrounding community, including three summer performances on the Kykuit lawn.

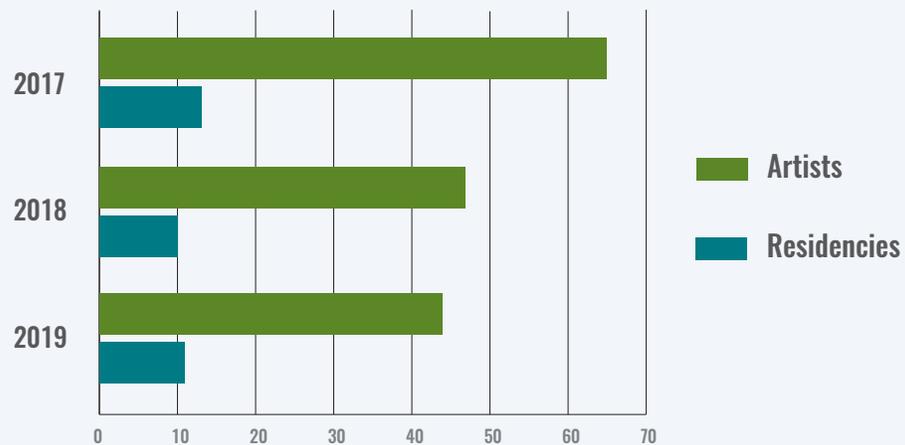
The summer performance series is offered in collaboration with the RBF **Culpeper Arts & Culture program**, which supports the creative process, offers artists residencies, and helps build the capacity of New York City cultural organizations to nurture a vibrant and inclusive arts community. Through the Culpeper program, New York City artists from select grantee

Claude "CJ" Johnson and Tamisha Guy of **A.I.M** perform at The Pocantico Center, 2019. Photo by Mark Liflander.



organizations across the creative disciplines can also participate in artist residencies at The Pocantico Center. In 2019, 44 individual artists—including performers from the Afro Latin Jazz Orchestra, Broadway Dance Lab, and Carnegie Hall’s Ensemble Connect—participated in a total of 11 residencies at Pocantico.

### ARTISTS IN RESIDENCE AT POCANTICO 2017-2019



Pocantico conferences and public programs served a total of 3,160 guests in 2019. In addition, **Historic Hudson Valley** offers tours of Kykuit from May through mid-November each year, drawing 32,817 visitors in 2019.



Percussionist Keisel Jiménez performs with the **Afro Latin Jazz Orchestra** at The Pocantico Center, 2019. Photo by Fred Charles.

# Finance

## Mission-Aligned Investing

Each year, the Rockefeller Brothers Fund is required by law to distribute five percent of its endowment for charitable purposes. Given the enormous and complex challenges facing today's increasingly interdependent world, the Rockefeller Brothers Fund has worked over the last decade to align the remaining 95 percent of its financial portfolio with its programmatic interests in democratic practice, peacebuilding, and sustainable development.



---

*99% fossil fuel free*

---

### IMPACT INVESTMENTS

Market-rate investments in primary capital (e.g. private equity and debt, and real assets such as real estate and infrastructure) with meaningful and measurable impact advancing the RBF's mission and program initiatives.

### ESG INVESTMENTS

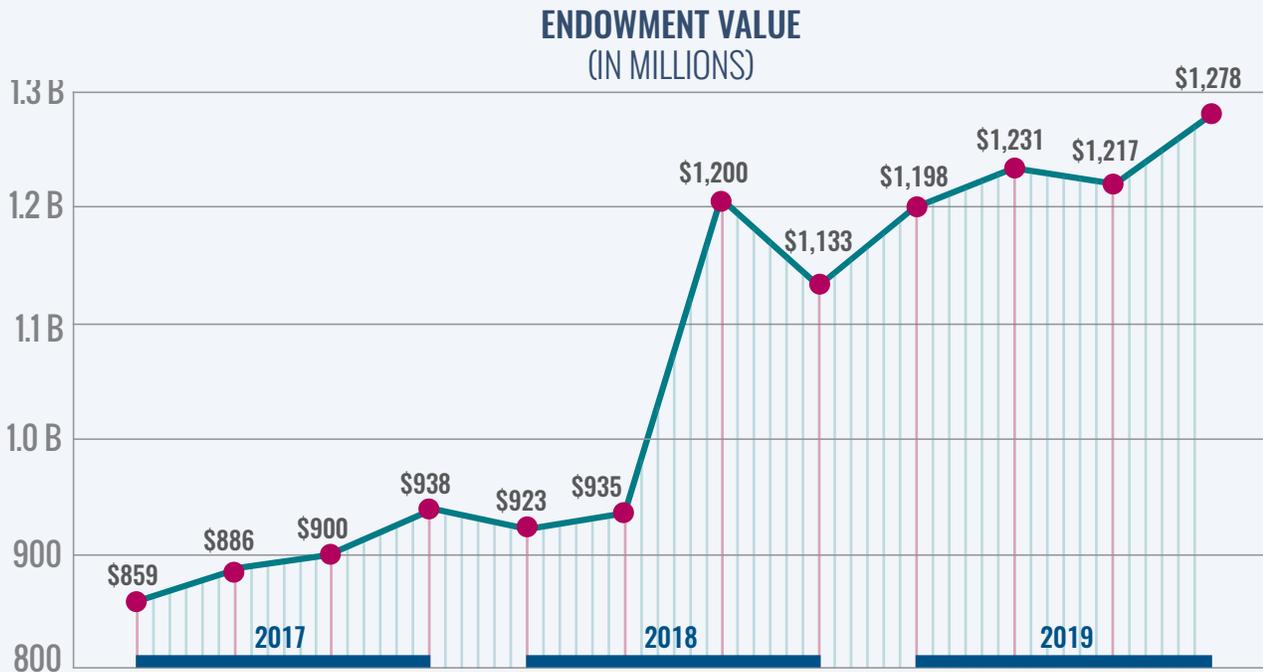
Investments proactively screened for Environmental, Social, and Governance criteria. While ESG criteria may differ, they can include factors such as carbon emissions, land use, labor management, health risk, board diversity, and financial transparency.

\* REMAINING FOSSIL FUEL EXPOSURE

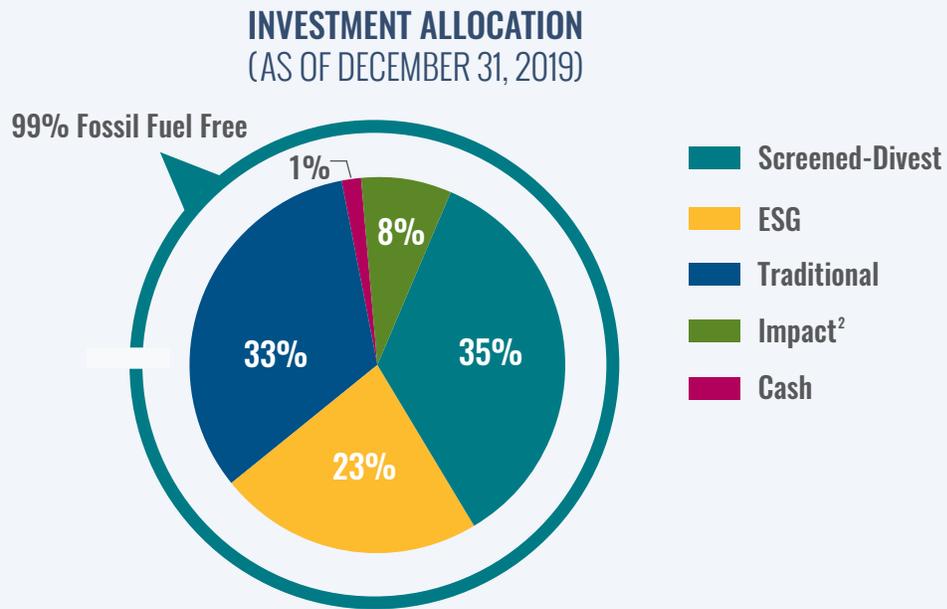
September 22, 2019, marked five years since the Rockefeller Brothers Fund announced its commitment to divest from fossil fuels. Financial results in this period have exceeded expectations. The RBF investment portfolio beat its performance targets, posting an average annual return of 7.76 percent over the five-year period that ended December 31, 2019. Over the same period, our benchmark investment portfolio, made up of 70 percent stocks and 30 percent bonds, returned only 6.71 percent annually.

## Investment Performance

	2017	2018	2019
Investment Portfolio (12/31)	\$ 938,480,000	\$ 1,132,984,000	\$ 1,278,294,000
Average Market Value of Portfolio	\$ 880,524,000	\$ 1,008,228,000	\$ 1,208,734,000
Investment Performance (net of fees)	18.31%	-0.82%	17.86%
Investment Management Expenses	\$ 4 million	\$ 4 million	\$ 5.7 million



The Fund’s other mission-aligned investment efforts include impact investments; investing using ESG criteria; and leveraging shareholder voting rights.



<sup>2</sup>Of the Fund’s portfolio allocation target of 20 percent for impact investments, 14.3 percent had been committed and 7.73 percent deployed, as of December 31, 2019.

## Impact Investments as of December 2019

Investment	Initial Commitment Date	Amount Committed	Asset Class	Geographic Focus	Description	Mission Alignment
<b>Generation Climate Solutions Fund II</b>	October 2014	\$ 15,000,000	Private Capital	North America and Europe	Enhanced resource productivity/ reduced pollution, waste, and emissions	Sustainable Development
<b>Turner Multifamily Impact Fund</b>	April 2015	\$ 20,000,000	Real Assets	U.S.	Workforce housing	Broad mission
<b>Elevor Equity III</b>	June 2015	\$ 12,500,000	Private Assets	India and Latin America	Services for underserved communities	Broad Mission
<b>Sustainable Asset Fund (Vision Ridge)</b>	August 2015	\$ 20,000,000	Real Assets	U.S.	Resource optimization across water, agriculture, renewable energy, energy efficiency, and transportation	Sustainable Development
<b>New Energy Capital Infrastructure Credit Fund</b>	February 2016	\$ 20,000,000	Real Assets	U.S.	Renewable energy development	Sustainable Development
<b>Mainstream Renewable Power Africa Holdings Limited (MPRAH)</b>	July 2016	\$ 12,500,000	Private Capital	Africa	Expanding renewable power supplies across Africa	Sustainable Development
<b>ARCH Venture Fund IX, L.P./ARCH Venture Fund IX Overage, L.P.</b>	November 2017	\$ 5,000,000	Private Capital	North America	Identify and capitalize on early-stage venture capital opportunities that arise from the convergence of advanced breakthroughs in life sciences, physical sciences, and information sciences	Broad Mission
<b>Sustainable Asset Fund II (Vision Ridge)</b>	February 2018	\$ 12,500,000	Real Assets	U.S.	Resource optimization across water, agriculture, renewable energy, energy efficiency, and transportation	Sustainable Development
<b>Ambienta III</b>	May 2018	\$ 14,000,000 <sup>3</sup>	Private Capital	Europe	Resource efficiency and pollution control	Sustainable Development
<b>New Energy Capital Infrastructure Credit Fund II</b>	September 2018	\$ 20,000,000	Private Capital	U.S.	Small and mid-sized clean energy infrastructure projects and companies	Sustainable Development
<b>ARCH Venture Fund X/Overage Fund X</b>	December 2018	\$ 15,000,000	Private Capital	North America	Healthcare focused venture capital, with an emphasis on building companies around novel healthcare therapies and treatments	Broad Mission
<b>Sustainable Water Infrastructure Fund (SWIF)</b>	November 2019	\$ 12,500,000	Real Assets	California, Australia, Chile	Sustainable water and agriculture	Sustainable Development
		<b>Impact Investment Total \$ 179,000,000</b>				

<sup>3</sup> Reflects committed level; current market value approximates \$13.5 million.

## ESG Investments as of December 2019

Fund Name	Commitment Date	Current Value	Asset Class	Geographic Focus
Generation IM Global Equity Fund	March 2014	\$ 119,912,848	Global Equity	Developed Markets
Agility Global Equity Impact Fund	January 2016	\$ 100,000,000 <sup>4</sup>	Global Equity	Global
Stewart Investors Worldwide Sustainability Fund	October 2016	\$ 25,239,855	Global Equity	Global
Ownership Capital Global Equity (USD) Fund	March 2017	\$ 69,161,931	Global Equity	Global
<b>ESG Investment Commitment Total \$ 314,314,634</b>				

For the most current information about our endowment, divestment efforts, and commitment to mission-aligned investing, visit the [Finance section](#) of our website.

<sup>4</sup> Reflects committed level; current market value approximates \$72.7 million.

See page 21 for a glossary of [key terminology](#).

## Spending

Total spending for 2019 was \$53.5 million in expenditures that count toward the minimum distribution requirement, plus \$5.7 million<sup>5</sup> for investment management expenses. This reflects a \$5.3 million increase from total spending in 2018, due in part to a generous gift from the estate of David Rockefeller in September 2018.

Spending on grantmaking and administration at the Fund’s headquarters, including operations in China and the Western Balkans, accounted for 91 percent of total spending; The Pocantico Center accounted for nine percent.

### Total Spending

	2017	2018	2019
Grants Paid <sup>6</sup>	\$ 30,706,000	\$ 32,426,400	\$ 37,553,800
Non-grant Appropriations <sup>7</sup>	\$ 430,000	\$ 380,600	\$ 462,200
Pocantico Conferences & Events	\$ 312,000	\$ 345,300	\$ 391,700
Direct Charitable Activities	\$ 778,000	\$ 1,000,000	\$ 1,500,000
Administration <sup>8</sup>	\$ 8,851,000	\$ 8,823,200	\$ 9,369,000
<b>Subtotal</b>	<b>\$ 41,077,000</b>	<b>\$ 42,975,500</b>	<b>\$ 49,276,700</b>
Core Pocantico Operations	\$ 4,697,000	\$ 5,244,000	\$ 4,242,600
<b>Grand Total</b>	<b>\$ 45,774,000</b>	<b>\$ 48,219,500</b>	<b>\$ 53,519,300</b>

Despite portfolio fluctuations, the Fund’s annual charitable spending has often exceeded the five-percent payout requirement. Although these carry-forward credits can be applied against future IRS spending requirements over a five-year period, the Fund’s long-term philanthropic commitments compel us to minimize reductions in programmatic spending. At the end of 2019, the Fund carried a balance of \$9 million in cumulative excess distributions.

Consistent with previous years, grants represented 76 percent of the RBF’s 2019 spending, excluding core operating costs of The Pocantico Center. In addition to the \$37.6 million in grant payments, the Fund spent \$462,200 on non-grant appropriations, which include consultancies and other activities that advance the Fund’s mission but do not take the form of grants. The Fund also spent \$391,700 to support conferences and public programs and \$1.5 million on direct charitable activities.

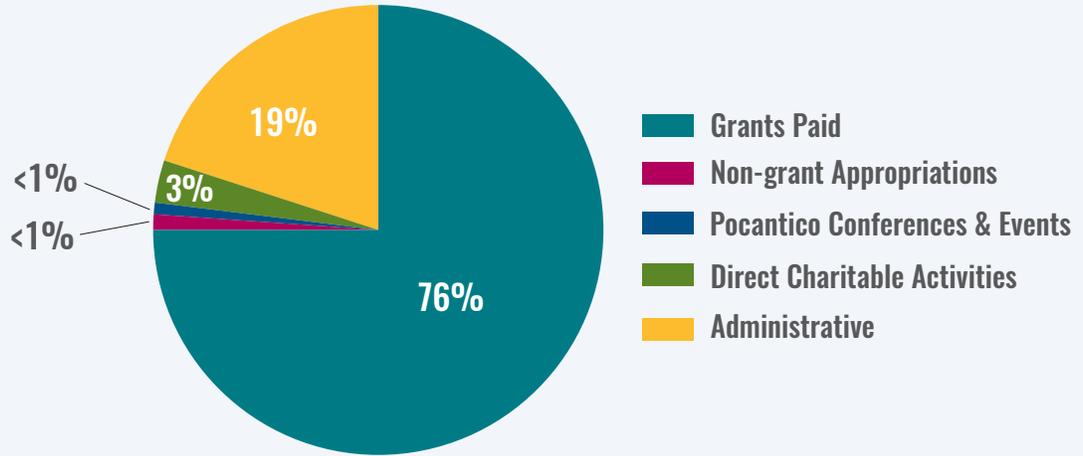
<sup>5</sup> This figure does not include all fees paid to investment managers. It excludes the Fund’s share of underlying management and incentive fees from alternative investment funds, private equity funds, and fund of funds, where investment fees are not directly invoiced but rather netted against investment performance.

<sup>6</sup> Includes grant payments and employee matching gifts.

<sup>7</sup> Includes consultancies and other expenses that advance the Fund’s mission but do not take the form of traditional grants.

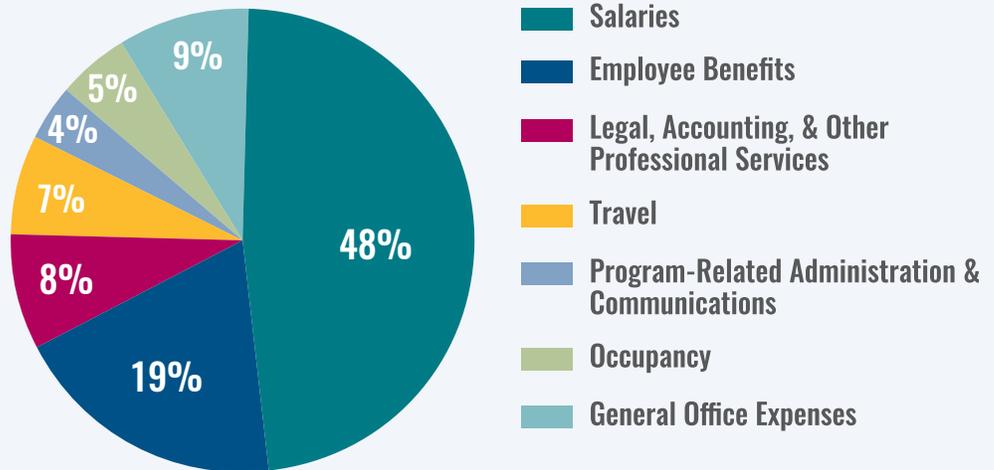
<sup>8</sup> Includes program-related administrative costs; excludes investment-related expenses.

### 2019 SPENDING (EXCLUDING POCANTICO OPERATIONS)



The Fund’s 2019 administrative and capital expenses, net of investment-related expenses and excluding Pocantico core operations, totaled \$9,369,000. Personnel costs (salaries and employee benefits) accounted for 67 percent of total administrative expenses.

### 2019 ADMINISTRATIVE AND CAPITAL EXPENDITURES



## Key Terminology

**Direct charitable activities:** Activities that are classified as administrative expenses, although they represent charitable activities (e.g., technical assistance and board service) carried out directly by RBF staff.

**Donor contributions:** When a donor prefers to work through the RBF, the Fund may accept contributions that are consistent with its philanthropic mission and enhance or complement its grantmaking. [Read the full donor contributions policy.](#)

**Endowment:** An investment fund established by a nonprofit institution to provide a long-term or permanent source of income to support charitable activities. Endowment funds are typically funded by donor contributions.

**ESG investments:** Investments proactively screened for Environmental, Social, and Governance criteria. While ESG criteria may differ, they can include factors such as carbon emissions, land use, labor management, health risk, board diversity, and financial transparency.

**Fossil fuel reserves:** Proven or probable reserves of coal, oil, natural gas, and tar sands.

**Impact investments:** Investments that both deliver market-rate returns and generate meaningful and measurable impact toward the RBF's mission to advance social change that contributes to a more just, sustainable, and peaceful world.

**Mission-aligned investing:** The selection of financial investments that can support progress toward the Fund's philanthropic priorities.

**Screened Divest:** Investments with negotiated side letter agreements that commit the fund manager to avoid fossil fuels in the vehicle or share class owned by the RBF.

**Spending:** Expenditures that count toward satisfying the minimum IRS distribution requirement. Under IRS regulations, a private foundation generally must distribute at least five percent of the market value of its investments to support its mission. This amount for the Fund includes grants, program-related expenses, conferences and events, administration costs, and core operating and maintenance costs of The Pocantico Center.

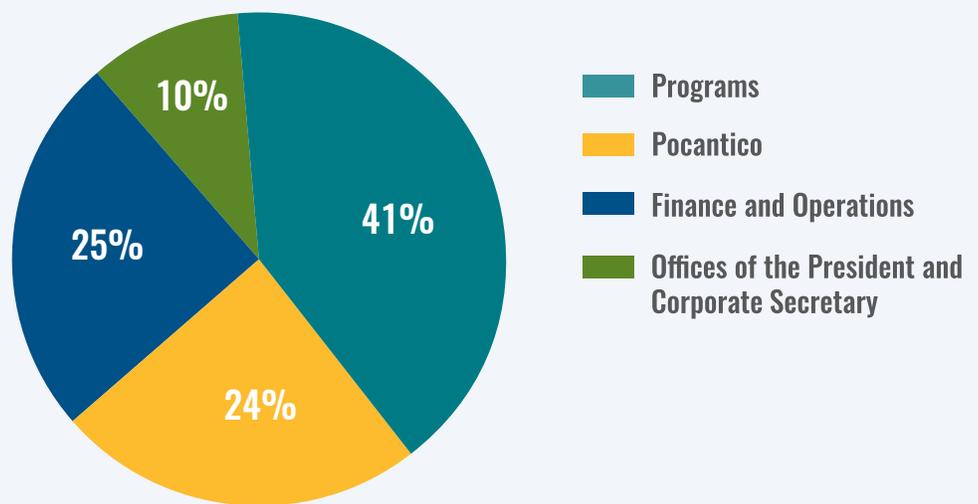
**Traditional:** Investments that do not have explicit agreements preventing managers from holding fossil fuels. New investments in this category are assessed to determine that they do not hold fossil fuel reserves and are not involved in fossil fuel industries.

# Human Resources & Diversity

## Staff

In 2019, the RBF had 66 staff positions. Seventy-three percent of positions were full-time, up from 69 percent in 2018. Of 18 part-time and hourly positions, one worked in Finance and Operations, another in Programs, and 16 provided operations and maintenance support to The Pocantico Center.

### 2019 STAFF DISTRIBUTION <sup>9</sup>



The Rockefeller Brothers Fund 2019 staff retreat.

The Fund filled 10 vacancies in 2019, including one new position. The average tenure of RBF employees was 8.5 years, a decrease of 12 percent from the 2018 average tenure of 9.7 years, due in part to the departure of a few long-tenured employees from the Fund in 2019.

The Rockefeller Brothers Fund is committed to diversity, equity, and inclusion. Our commitment is shaped by our values, our work, and the philanthropic traditions of the Rockefeller family. We strive to maintain the highest standards of ethics, transparency, and accountability and are committed to recruiting

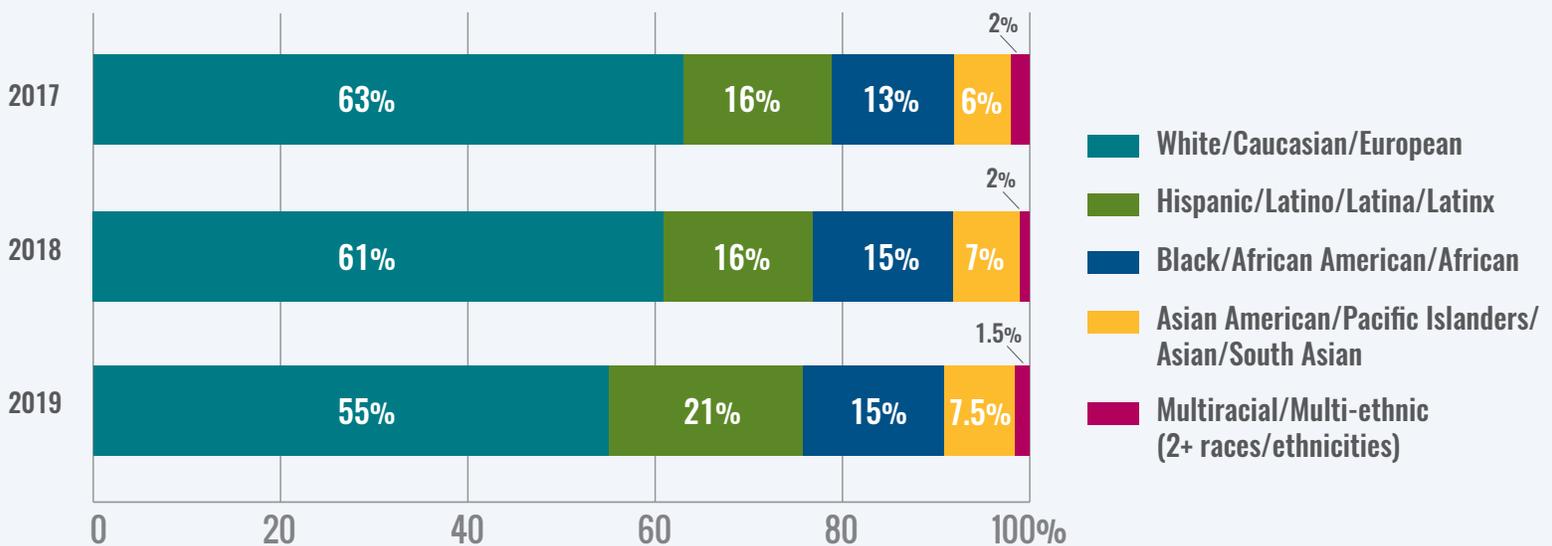
<sup>9</sup> Percentages are taken from full-time equivalents. Full-time equivalents are calculated by real hours worked and do not account for specific staff positions.

a diverse board of trustees and staff; fostering open and effective cooperation; engaging with diverse constituencies; working with grantees to achieve shared goals; working with diverse vendors, contractors, and consultants; advocating public policy that advances social inclusion; and promoting intercultural understanding.

Of the 49 individuals<sup>10</sup> employed full-time by the RBF in 2019, 55 percent self-identified as White/Caucasian/European, 21 percent as Hispanic/Latino/Latina/Latinx, 15 percent as Black/African American/African, 7.5 percent as Asian American/Pacific Islanders/Asian/South Asian, and 1.5 percent as Multiracial/Multi-ethnic. Women accounted for 76 percent of full-time employees.

Among 18 individuals employed part-time and hourly, 55 percent self-identified as White/Caucasian/European, 33 percent as Hispanic/Latino/Latina/Latinx, six percent as Black/African American/African, and six percent as Multiracial/Multi-Ethnic. Eighty-nine percent of part-time employees are women.

### STAFF DIVERSITY (ALL EMPLOYEES) 2017-2019



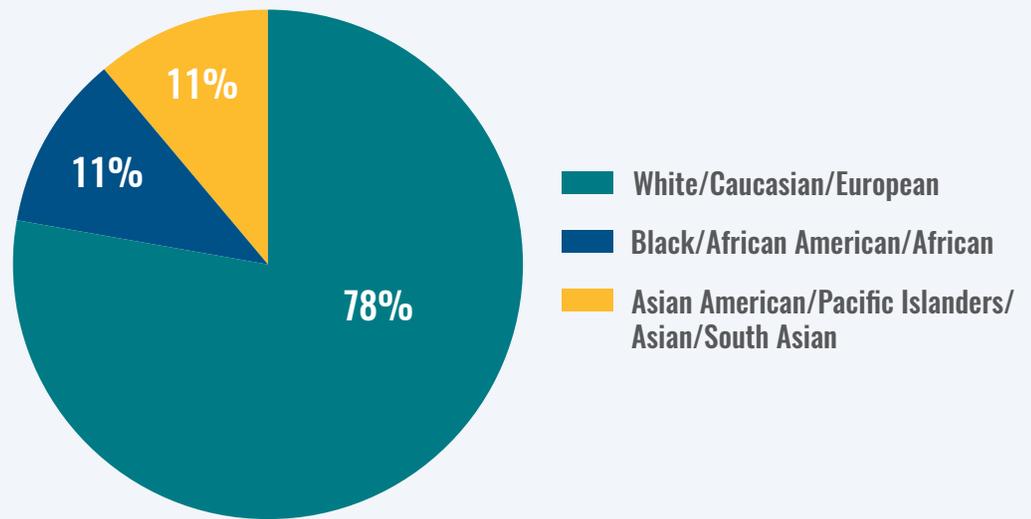
In 2019, certain services of the Rockefeller Brothers Fund’s Human Resources, Operations, Accounting, and Information Technology departments were shared with the David Rockefeller Fund, the Rockefeller Family Fund, and the V. Kann Rasmussen Foundation. In addition, the Human Resources department provided support to the American Conservation Association, Asian Cultural Council, Environmental Grantmakers Association, Rockefeller Archive Center, and the Trust for Mutual Understanding. These organizations reimbursed the RBF for their share of these services.

<sup>10</sup> Individuals employed may exceed the number of staff positions to account for both new hires and terminations for the same role.

## Trustees

Eighteen trustees served on the RBF board in 2019; nine of them are members of the Rockefeller family, including seven from the fifth generation. Of the trustees, 78 percent are White /Caucasian/European, 11 percent are Black/African American/African, and 11 percent are Asian American/Pacific Islanders/Asian/South Asian. Forty-four percent of the 2019 trustees are women.

### BOARD DIVERSITY 2019



### 2019 RBF TRUSTEES

Ayad Akhtar  
Ambassador Ryan Crocker  
Wendy Gordon, *Vice Chair*  
Stephen B. Heintz, *President and CEO*  
Miranda M. Kaiser  
Hugh Lawson

Daniel Levy  
Heather McGhee  
Jennifer Nolan  
Peter O'Neill  
Joseph Pierson  
Marnie Pillsbury

Michael Quattrone  
Kavita Ramdas  
Valerie Rockefeller, *Chair*  
Wyatt Rockefeller  
David Rockefeller, Jr.  
Marsha Simms