KPMG

ROCKEFELLER BROTHERS FUND, INC.
AND AFFILIATE

Consolidated Financial Statements and Supplemental Schedule

December 31, 2006 and 2005

(With Independent Auditors' Report Thereon)

KPMG LLP
345 Park Avenue
New York, NY 10154

Independent Auditors' Report

The Board of Trustees
Rockefeller Brothers Fund, Inc.:

We have audited the accompanying consolidated statements of financial position of the Rockefeller Brothers Fund, Inc. and Affiliate (the Fund) as of December 31, 2006 and 2005 and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these consolidated 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Rockefeller Brothers Fund, Inc. and Affiliate as of December 31, 2006 and 2005, and the changes in their net assets and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 2006 basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2006 basic consolidated financial statements taken as a whole.

KPMG LLP

July 12, 2007

ROCKEFELLER BROTHERS FUND, INC.
AND AFFILIATE

Consolidated Statements of Financial Position

December 31, 2006 and 2005

Assets		Principal Fund	Pocantico Fund	Pocantico II Fund	Ramon Magsaysay Award Foundation Fund
Cash and cash equivalents	$	319,841	1,051	—	—
Accounts receivable		885,501	—	—	—
Contributions receivable		—	—	13,539,872	—
Interest and dividends receivable		1,187,372	157,610	—	10,729
Due from brokers and dealers		524,496	273,668	17,338	19,978
Investments, at fair value		804,920,066	77,195,993	1,052,682	4,897,329
Program-related investments:					
Program mortgage loans		1,605,000	—	—	—
Real estate		510,000	—	—	—
Prepaid expenses		355,228	—	—	—
Fixed assets, net		1,504,315	5,015,998	—	—
Interfund		(1,267,864)	(1,547,407)	3,329,422	(372,318)
Total assets	$	810,543,955	81,096,913	17,939,314	4,555,718
Liabilities and Net Assets					
Accounts payable and accrued liabilities	$	3,348,446	431,229	2,428	3,240
Due to brokers and dealers		742,967	333,778	—	22,531
Grants payable		20,898,598	—	—	—
Deferred taxes payable		3,276,745	575,796	33,940	34,253
Total liabilities		28,266,756	1,340,803	36,368	60,024
Commitments					
Net assets:					
Unrestricted		782,277,199	79,756,110	—	4,495,694
Temporarily restricted		—	—	10,007,946	—
Permanently restricted		—	—	7,895,000	—
Total net assets		782,277,199	79,756,110	17,902,946	4,495,694
Total liabilities and net assets	$	810,543,955	81,096,913	17,939,314	4,555,718

See accompanying notes to consolidated financial statements.

Asian Projects Fund	2006 RBF Funds	2005 RBF Funds	2006 Asian Cultural Council, Inc.	2005 Asian Cultural Council, Inc.	Consolidated total 2006	Consolidated total 2005
—	320,892	751,658	—	588,228	320,892	1,339,886
—	885,501	546,178	—	—	885,501	546,178
—	13,539,872	13,539,872	—	663,500	13,539,872	14,203,372
9,901	1,365,612	1,373,081	—	—	1,365,612	1,373,081
17,552	853,032	1,668,369	—	—	853,032	1,668,369
4,561,716	892,627,786	787,498,227	—	34,363,949	892,627,786	821,862,176
—	1,605,000	1,725,000	—	—	1,605,000	1,725,000
—	510,000	510,000	—	—	510,000	510,000
—	355,228	390,129	—	472,465	355,228	862,594
—	6,520,313	7,559,193	—	17,291	6,520,313	7,576,484
(141,833)	—	—	—	—	—	—
4,447,336	918,583,236	815,561,707	—	36,105,433	918,583,236	851,667,140
3,098	3,788,441	3,376,861	—	1,514,574	3,788,441	4,891,435
24,233	1,123,509	1,095,294	—	—	1,123,509	1,095,294
—	20,898,598	18,667,476	—	804,407	20,898,598	19,471,883
33,889	3,954,623	3,136,124	—	—	3,954,623	3,136,124
61,220	29,765,171	26,275,755	—	2,318,981	29,765,171	28,594,736
4,386,116	870,915,119	772,101,972	—	17,427,660	870,915,119	789,529,632
—	10,007,946	9,288,980	—	1,254,098	10,007,946	10,543,078
—	7,895,000	7,895,000	—	15,104,694	7,895,000	22,999,694
4,386,116	888,818,065	789,285,952	—	33,786,452	888,818,065	823,072,404
4,447,336	918,583,236	815,561,707	—	36,105,433	918,583,236	851,667,140

ROCKEFELLER BROTHERS FUND, INC.
AND AFFILIATE

Consolidated Statements of Activities

Years ended December 31, 2006 and 2005

		Principal Fund	Pocantico Fund	Pocantico II Fund	Ramon Magsaysay Award Foundation Fund
Changes in unrestricted net assets:					
Operating revenues:					
Dividend income	$	8,836,773	834,770	—	50,086
Interest income		4,007,819	371,708	—	22,302
Other income		525,614	1,699	—	102
Contributions		79,000	—	—	—
Special events, net of expenses of $17,438 in 2005		—	—	—	—
Net assets released from restrictions		—	—	36,107	—
		13,449,206	1,208,177	36,107	72,490
Operating expenses:					
Direct charitable activities		1,076,761	3,664,134	—	—
Program and grant management		31,919,020	—	—	164,908
Investment management		4,450,732	446,105	19,655	19,655
General management		3,377,774	560,869	—	67
Federal excise and other taxes		2,902,609	309,118	16,452	16,452
		43,726,896	4,980,226	36,107	201,082
Deficiency of operating revenues over operating expenses		(30,277,690)	(3,772,049)	—	(128,592)
Nonoperating activities:					
Net realized gain from securities sales		84,627,788	7,994,399	—	479,476
Unrealized gain on investments		35,801,108	3,381,966	—	203,022
Minimum pension liability adjustment		(12,043)	—	—	—
		120,416,853	11,376,365	—	682,498
Increase in unrestricted net assets prior to transfer of affiliate's unrestricted net assets		90,139,163	7,604,316	—	553,906
Transfer of affiliate's unrestricted net assets		—	—	—	—
Increase in unrestricted net assets		90,139,163	7,604,316	—	553,906

Asian Projects Fund	2006 RBF Funds	2005 RBF Funds	2006 Asian Cultural Council, Inc.	2005 Asian Cultural Council, Inc.	Consolidated total 2006	Consolidated total 2005
49,104	9,770,733	7,358,715	204,299	272,376	9,975,032	7,631,091
21,865	4,423,694	3,730,953	79,658	153,596	4,503,352	3,884,549
100	527,515	667,456	50,462	61,097	577,977	728,553
—	79,000	112,561	165,523	466,926	244,523	579,487
—	—	—	—	4,612	—	4,612
—	36,107	27,166	1,153,218	1,507,813	1,189,325	1,534,979
71,069	14,837,049	11,896,851	1,653,160	2,466,420	16,490,209	14,363,271
—	4,740,895	4,367,710	—	—	4,740,895	4,367,710
189,193	32,273,121	25,927,738	2,389,501	3,142,248	34,662,622	29,069,986
19,268	4,955,415	4,436,265	133,861	359,796	5,089,276	4,796,061
—	3,938,710	3,733,830	192,523	659,726	4,131,233	4,393,556
16,130	3,260,761	2,056,975	—	42,998	3,260,761	2,099,973
224,591	49,168,902	40,522,518	2,715,885	4,204,768	51,884,787	44,727,286
(153,522)	(34,331,853)	(28,625,667)	(1,062,725)	(1,738,348)	(35,394,578)	(30,364,015)
470,447	93,572,110	55,615,766	1,718,676	1,461,938	95,290,786	57,077,704
198,837	39,584,933	14,993,195	(1,205,707)	(231,767)	38,379,226	14,761,428
—	(12,043)	15,736	—	—	(12,043)	15,736
669,284	133,145,000	70,624,697	512,969	1,230,171	133,657,969	71,854,868
515,762	98,813,147	41,999,030	(549,756)	(508,177)	98,263,391	41,490,853
—	—	—	(16,877,904)	—	(16,877,904)	—
515,762	98,813,147	41,999,030	(17,427,660)	(508,177)	81,385,487	41,490,853

(Continued)

ROCKEFELLER BROTHERS FUND, INC.
AND AFFILIATE

Consolidated Statements of Activities

Years ended December 31, 2006 and 2005

	Principal Fund	Pocantico Fund	Pocantico II Fund	Ramon Magsaysay Award Foundation Fund
Changes in temporarily restricted net assets:				
Dividend income	$ —	—	50,086	—
Interest income	—	—	22,302	—
Other income	—	—	102	—
Contributions	—	—	—	—
Special events, net of expenses	—	—	—	—
Net realized and unrealized gain on investments	—	—	682,583	—
Net assets released from restrictions	—	—	(36,107)	—
Increase in temporarily restricted net assets prior to transfer of affiliate's temporarily restricted net assets	—	—	718,966	—
Transfer of affiliate’s temporarily restricted net assets	—	—	—	—
Increase in temporarily restricted net assets	—	—	718,966	—
Changes in permanently restricted net assets:				
Contributions	—	—	—	—
Increase in permanently restricted net assets prior to transfer of affiliate's permanently restricted net assets	—	—	—	—
Transfer of affiliate’s permanently restricted net assets	—	—	—	—
Increase in permanently restricted net assets	—	—	—	—
Increase in net assets	90,139,163	7,604,316	718,966	553,906
Net assets:				
Beginning of year	692,138,036	72,151,794	17,183,980	3,941,788
End of year	$ 782,277,199	79,756,110	17,902,946	4,495,694

See accompanying notes to consolidated financial statements.

Asian Projects Fund	2006 RBF Funds	2005 RBF Funds	2006 Asian Cultural Council, Inc.	2005 Asian Cultural Council, inc.	Consolidated total 2006	Consolidated total 2005
—	50,086	36,235	81,434	93,230	131,520	129,465
—	22,302	17,831	31,752	52,573	54,054	70,404
—	102	206	—	—	102	206
—	—	—	325,502	833,635	325,502	833,635
—	—	—	—	18,449	—	18,449
—	682,583	347,688	151,113	297,913	833,696	645,601
—	(36,107)	(27,166)	(1,153,218)	(1,507,813)	(1,189,325)	(1,534,979)
—	718,966	374,794	(563,417)	(212,013)	155,549	162,781
—	—	—	(690,681)	—	(690,681)	—
—	718,966	374,794	(1,254,098)	(212,013)	(535,132)	162,781
—	—	—	69,274	272,781	69,274	272,781
—	—	—	69,274	272,781	69,274	272,781
—	—	—	(15,173,968)	—	(15,173,968)	—
—	—	—	(15,104,694)	272,781	(15,104,694)	272,781
515,762	99,532,113	42,373,824	(33,786,452)	(447,409)	65,745,661	41,926,415
3,870,354	789,285,952	746,912,128	33,786,452	34,233,861	823,072,404	781,145,989
4,386,116	888,818,065	789,285,952	—	33,786,452	888,818,065	823,072,404

ROCKEFELLER BROTHERS FUND, INC.
AND AFFILIATE

Consolidated Statements of Cash Flows

Years ended December 31, 2006 and 2005

		2006	2005
Cash flows from operating activities:			
Increase in net assets	$	65,745,661	41,926,415
Adjustments to reconcile increase in net assets to net cash used in operating activities:			
Net realized and unrealized gain on investments		(134,503,708)	(72,484,733)
Transfer of affiliate's net assets		32,742,553	—
Depreciation and amortization		1,305,574	1,292,058
(Increase) decrease in accounts receivable		(339,323)	170,366
Decrease in contributions receivable		663,500	6,550
Decrease (increase) in interest and dividends receivable		7,469	(239,520)
Decrease (increase) in prepaid expenses		507,366	(121,104)
Increase (decrease) in grants payable		1,426,715	(881,815)
(Decrease) increase in accounts payable and accrued liabilities		(1,102,994)	240,132
Increase in deferred taxes payable		818,499	150,525
Net cash used in operating activities		(32,728,688)	(29,941,126)
Cash flows from investing activities:			
Proceeds from sales of investments		787,770,158	531,134,270
Purchases of investments		(756,757,322)	(505,765,543)
Decrease in due from brokers and dealers		815,337	4,840,067
Increase in due to brokers and dealers		28,215	696,538
Reductions of program-related investment		120,000	128,103
Purchases of fixed assets		(266,694)	(547,330)
Net cash provided by investing activities		31,709,694	30,486,105
Net (decrease) increase in cash and cash equivalents		(1,018,994)	544,979
Cash and cash equivalents at beginning of year		1,339,886	794,907
Cash and cash equivalents at end of year	$	320,892	1,339,886
Supplemental disclosure of cash flow information:			
Cash paid for taxes	$	2,214,000	1,392,000

See accompanying notes to consolidated 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). In 1999, the Fund merged with the Charles E. Culpeper Foundation (Culpeper), a private, grantmaking corporation founded in New York. Under the terms of the merger, the Fund received all of the assets of Culpeper with a fair value of approximately $212,000,000, consisting principally of investments, cash, and cash equivalents. In addition, four members of Culpeper's board of trustees were elected to the Fund's board of trustees. The Fund's principal purpose is to make grants to local, national, and overseas philanthropic organizations. The Fund also provides fellowships for students of color entering the teaching profession and scholarships for medical science and biomedical research.

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, as a conference center and a historic park benefiting the public.

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.

Ramon Magsaysay Award Foundation Fund: To support the Ramon Magsaysay Awards and other activities of the Ramon Magsaysay Award Foundation, Inc.

Asian Projects Fund: Income to be used for a period of 20 years from inception in 1987 for special projects that exemplify the spirit of the Ramon Magsaysay Awards and Asian program concerns of the Fund.

Asian Cultural Council, Inc. (ACC) is a not-for-profit, charitable corporation existing under the New York State not-for-profit corporation law and has been determined to be a publicly supported organization as defined in the Code. ACC provides fellowship awards to Asian and American individuals in the visual and performing arts, and also awards grants to cultural institutions engaged in international exchange projects. The Fund has been the sole member of ACC since December, 1990. Effective June 30, 2006, the affiliation relationship between the Fund and ACC has been terminated and the Fund is no longer the sole member of ACC.

(2) Summary of Significant Accounting Policies

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

(a) Principles of Consolidation

The financial statements of the Fund include ACC, of which it is the sole member, until termination of their relationship, effective June 30, 2006. The accompanying consolidated statements of financial position and consolidated statements of activities separately break out the special-purpose funds and

ACC. All significant interfund and interorganizational balances and transactions are eliminated in consolidation.

The Fund considers net realized gains and losses from securities sales, unrealized gains and losses on investments, and minimum pension liability adjustments to be nonoperating activities.

(b) Basis of Presentation

Net assets and revenues, expenses, 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 consolidated 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. Depending upon the donor's designation, such income is reflected in the consolidated statements of activities as either temporarily restricted or unrestricted income.

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.

(c) Investments

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

Investments in alternative investments are reported at fair value on the basis of the Fund's equity in the net assets of such partnerships as determined by the general partners. In certain instances, portions of the underlying investment portfolios of the alternative investments contain nonmarketable or thinly traded investments, which have been recorded at fair value as determined by management of the alternative investments. As of December 31, 2006 and 2005, approximately $232,000,000 and $198,000,000, respectively, of the Fund's investments in alternative investments were recorded at fair value as determined by the Fund's management or their designee, which might differ significantly from the market value that would have been used had a readily available market for the investment existed. The Fund reviews and evaluates the values provided by the investment managers and general partners and agrees with the valuation methods used in determining the fair value of these alternative investments.

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

(d) Grants Payable

Grants are recorded at the time of approval by the trustees and notification to the recipient.

The following table reconciles grants awarded and grants paid during 2006 and 2005:

Grants payable, December 31, 2004	$	20,353,698
Grants awarded 2005		24,306,757
Grants paid 2005		(25,188,572)
Grants payable, December 31, 2005		19,471,883
Grants awarded 2006		29,712,174
Grants paid 2006		(26,986,964)
Grants payable, December 31, 2006 before transfer of affiliate		22,197,093
Transfer of affiliate		(1,298,495)
Grants payable, December 31, 2006	$	20,898,598

The Fund estimates that the grants payable balance as of December 31, 2006 will be paid as follows:

Year ending December 31:		
2007	$	14,662,098
2008		5,378,900
2009		706,800
2010		82,000
2011		54,800
2012		14,000
Total	$	20,898,598

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

(e) 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 investment income.

ACC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and has been determined to be a publicly supported organization.

(f) Fixed Assets

The Fund and ACC capitalize fixed assets, which include leasehold improvements, furniture and fixtures, and office equipment. Depreciation and amortization of the fixed assets are provided over the following estimated useful service lives: leasehold improvements: shorter of useful life or life 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 $15,230,000 and $14,131,000 at December 31, 2006 and 2005, respectively.

(g) Contributions

Contributions, including unconditional promises to give, are recognized in the period received.

(h) Cash and Cash Equivalents

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

(i) Functional Expenses

The Fund and ACC report 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 and ACC'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 are made by management based on the estimated time spent by executives in the various program service functions.

(j) Use of Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The significant estimates relate to investments as discussed in note 2(c) and functional expenses as discussed in note 2(i). Actual results could differ from those estimates.

(3) Investments

The fair value of investments at December 31, 2006 and 2005 is summarized as follows:

		2006	2005
Short-term investments	$	30,529,027	19,858,916
Stocks		478,508,506	469,944,123
Bonds		72,695,606	85,538,146
Alternative investments		310,894,647	246,520,991
	$	892,627,786	821,862,176

Through a certain investment manager, the Fund purchases and sells warrants, exchange-traded options, and financial futures contracts. The Fund's exposure to these instruments at fair value was approximately $28,000,000 and $13,600,000 with a notional amount of $27,900,000 and $13,700,000 at December 31, 2006 and 2005, respectively.

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, and 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 consolidated 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 consolidated balance sheets. 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.

Management does not anticipate that losses, if any, resulting from its market or credit risks would materially affect the consolidated financial position and changes in net assets of the Fund.

(4) Program-Related Investments

The Fund's program-related investments have limited or no marketability. These investments and real estate are stated at the lower of cost or estimated fair value. The Fund's real estate has been leased rent-free to a not-for-profit organization under the terms of an agreement, which expires in the year 2056.

In February 1994, the Fund entered into a loan agreement with the Ramon Magsaysay Award Foundation (RMAF), which authorized RMAF to borrow up to three million dollars during the period the loan commenced through December 31, 1995. The underlying promissory note initially charged interest on the unpaid principal at the rate of 6% per year; such interest accrued beginning January 1, 1995. The interest rate was reduced in 1999 to 3% for the remaining term of the loan. In 2004, the interest rate was further reduced to 1%. Payment of principal of $120,000 and related interest is to be made annually over the term of the loan and on December 31, 2019, the outstanding balance will be payable in full. The Fund had loaned RMAF the full amount authorized as of December 31, 1995 and received the appropriate repayments of principal and interest in the years ended December 31, 1995 through 2006. The loan receivable balance from RMAF was $1,605,000 and $1,725,000 at December 31, 2006 and 2005, respectively.

(5) Pension Plan

The Fund and ACC participate in the Retirement Income Plan for Employees of Rockefeller Brothers Fund, Inc., et al. (the Plan), a noncontributory defined benefit plan covering substantially all its employees. Effective December 31, 2003, the Plan was frozen. At January 1, 2004, the plan assets were allocated between the Fund and ACC to establish separate pension plans for each entity. At June 30, 2006, the ACC Plan had $1,922,543, $1,296,611 and $625,932 of projected benefit obligation, plan assets, and accrued pension cost, respectively. The following table sets forth the Plan's funded status and amounts recognized in the consolidated financial statements at December 31, 2006 and 2005 and for the years then ended:

		2006	2005
Actuarial present value of benefit obligations:			
Accumulated benefit obligation	$	5,830,528	7,637,476
Projected benefit obligation for services rendered to date		5,830,528	7,637,476
Plan assets at fair value		5,749,505	6,789,610
Funded status		(81,023)	(847,866)
Intangible asset		(215,090)	(548,771)
Unrecognized prior service cost		215,090	548,771
Unrecognized net loss		707,625	707,207
Unamortized transition asset		(25,148)	(36,773)
Additional minimum pension liability adjustment		(682,477)	(670,434)
Pension liability	$	(81,023)	(847,866)

(Continued)

		2006	2005
Net pension cost included the following components:			
Interest cost on projected benefit obligation	$	377,749	369,524
Actual return on plan assets		(267,634)	(407,942)
Net amortization and deferral		(196,878)	34,571
Net periodic pension benefit	$	(86,763)	(3,847)

The weighted average discount rates used in determining the actuarial present value of the projected benefit obligation were 5.75% in 2006 and 2005. The weighted average discount rates used in determining the period's benefit costs were 5.75% and 6.25% in 2006 and 2005, respectively. The expected long-term rate of return on assets was 8% in 2006 and 7.5% in 2005. Because the accumulated benefit obligation exceeds the fair value of plan assets at December 31, 2006 and 2005, an additional minimum pension liability adjustment of $12,043 and $(15,736), respectively, has been recorded. Amortization of unrecognized prior service cost was $16,191 and $38,417 in 2006 and 2005 respectively. A contribution of $50,000 was made to the Plan in both 2006 and 2005.

The plan assets are currently invested in mutual funds, with an allocation of 70% equity and 30% debt securities. 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 anticipated benefit payments cash flow for the next ten years is as follows:

Year ending December 31:		
2007	$	315,000
2008		321,000
2009		387,000
2010		388,000
2011		390,000
2012 – 2016		2,058,000

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*. SFAS No. 158 requires an employer to recognize the funded status of a benefit plan, measured as the difference between plan assets at fair value and the benefit obligation, in the balance sheet. The Fund will be required to adopt this standard in its December 31, 2007 financial statements. The adoption of this standard is not expected to have a significant impact on the financial statements taken as a whole.

(6) Postretirement Healthcare Benefits

In addition to providing pension benefits, the Fund provides certain healthcare benefits for retired employees. Substantially, all of the Fund's and ACC'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, 2006 and 2005:

		2006	2005
Accumulated postretirement benefit obligation (APBO)	$	2,943,385	2,876,678
Unrecognized net loss		(617,190)	(440,757)
Accrued postretirement benefit cost included in accounts payable and accrued liabilities	$	2,326,195	2,435,921

The net periodic postretirement benefit cost included the following components as of December 31, 2006 and 2005:

		2006	2005
Service cost	$	179,424	147,987
Interest cost		180,194	158,843
Amortization of unrecognized gain (loss)		19,240	(3,796)
Net periodic postretirement benefit cost	$	378,858	303,034

Actual retiree premiums paid by the Fund and ACC during 2006 and 2005 amounted to $122,000 and $176,000, respectively. In 2006, the Fund recorded an additional expense of $144,543 to reflect the decision not to apply for Medicare Part D reimbursement. In 2006, the Fund transferred accrued postretirement benefit cost of $510,754 related to ACC due to the termination of the relationship between the Fund and ACC.

The discount rate assumed in determining the APBO was 5.75% in both 2006 and 2005. The weighted average discount rates used in determining the period's benefit costs were 5.75% and 6.25% in 2006 and 2005, respectively. The medical cost trend rates assumed were 10% and declining to 6% over a five-year period for 2006 and 2005. Increasing the assumed medical cost trend rate by 1% each year would result in increases in both the APBO and the net periodic postretirement cost of approximately $584,000 and $79,000 in 2006 and $568,000 and $70,000 in 2005, respectively.

The anticipated benefit payments cash flow for the next ten years is as follows:

Year ending December 31:		
2007	$	112,000
2008		124,000
2009		117,000
2010		125,000
2011		118,000
2012 – 2016		650,000

(7) Related-Party Transactions

The Fund was reimbursed approximately $491,000 and $482,000 in 2006 and 2005, respectively, for the fair value of certain expenses, including accounting, occupancy, capital expenditures, and employee benefits, by the Rockefeller Family Fund, Inc. The Fund was also reimbursed $591,000 and $18,000 in 2006 and $559,000 and $14,000 in 2005 for the fair value of certain expenses, including accounting, occupancy, capital expenditures, and employee benefits, by ACC and the David Rockefeller Fund, respectively. The Fund received reimbursement for the fair value of certain expenses, including accounting, occupancy, capital expenditures, and employee benefits, in 2006 and 2005 in the amounts of $1,088,000 and $917,000, respectively, from Rockefeller Philanthropy Advisors.

The Fund paid fees of approximately $1,193,000 and $1,210,000 in 2006 and 2005, respectively, for maintenance of the Pocantico properties to Greenrock Corporation, which is wholly owned by Rockefeller family members.

(8) 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. For 2006, the Fund expects to pay the full tax rate and provided for excise taxes at the rate of 2% in the amount of $2,200,000. For 2005, the Fund paid the full tax rate and provided for excise taxes at the rate of 2% in the amount of $1,400,000.

(9) Commitments

The Fund, together with its affiliates, occupies office facilities that provide for annual minimum rental commitments excluding escalation as follows:

Fiscal year:		
2007	$	1,945,000
2008		1,745,000
2009		1,765,000
2010		1,765,000
2011		1,765,000
2012		1,765,000

On January 1, 1998, the Fund entered into a new lease agreement and relocated its offices in June 1998. The terms of the leases for the Fund's offices expire in December, 2012 with one five-year renewal option. Portions of this additional space have been subleased through 2012. Approximately $300,000 is expected to be received each year through the end of the sublease agreement (2012). Under the terms of its merger agreement with the Charles E. Culpeper Foundation, the Fund assumed the liability for Culpeper's office space through 2007. This space was subleased in 1999 for the years 2000 through 2007.

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 can not be presently determined, no amount for the claim has been included in these consolidated 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 2006 and 2005, these costs aggregated approximately $2,116,000 and $1,738,000, 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.

Pursuant to its limited partnership agreements, the Fund is committed to invest approximately $132,000,000 as of December 31, 2006.

ROCKEFELLER BROTHERS FUND, INC.
AND AFFILIATE

Supplemental Schedule of Functional Expenses

Year ended December 31, 2006
(with summarized financial information for the year ended December 31, 2005)

	Direct Charitable Activities				
	General programs	**Pocantico Fund**	**Subtotal**	**Program and grant management**	**Investment management**
Salaries and employee benefits:					
Salaries	$ 295,314	441,423	736,737	1,569,283	380,784
Employee benefits	114,519	210,916	325,435	596,507	151,031
	409,833	652,339	1,062,172	2,165,790	531,815
Other expenses:					
Grants awarded	—	—	—	28,352,594	—
Fellowship and leadership – program expenses	203,910	—	203,910	—	—
Federal excise and other taxes	—	—	—	—	—
Consultants' fees	—	—	—	247,551	14,500
Investment services	—	—	—	—	3,999,306
Legal, audit, and professional fees	—	17,399	17,399	27,066	68,150
Travel	17,219	26,187	43,406	413,956	26,692
Rent and electricity	78,659	—	78,659	594,772	143,518
Program conferences and events	276,383	—	276,383	—	—
Facilities maintenance and operations	—	2,116,209	2,116,209	—	—
Telephone, facsimile, and Internet	2,484	15,317	17,801	18,780	5,613
General office expenses	70,801	115,370	186,171	310,160	82,991
Publications	—	—	—	10,340	—
Fundraising expenses	—	—	—	—	—
Depreciation and amortization	17,472	721,313	738,785	132,112	82,830
	$ 1,076,761	3,664,134	4,740,895	32,273,121	4,955,415

General management and federal excise and other taxes	2006 RBF Funds	2005 RBF Funds	2006 Asian Cultural Council, Inc.	2005 Asian Cultural Council, Inc.	Consolidated total 2006	Consolidated total 2005
1,414,885	4,101,689	4,132,069	505,309	826,720	4,606,998	4,958,789
565,691	1,638,664	1,258,144	272,570	467,620	1,911,234	1,725,764
1,980,576	5,740,353	5,390,213	777,879	1,294,340	6,518,232	6,684,553
—	28,352,594	22,676,998	1,359,580	1,584,931	29,712,174	24,261,929
—	203,910	184,323	—	—	203,910	184,323
3,260,761	3,260,761	2,056,975	—	42,988	3,260,761	2,099,963
193,724	455,775	436,481	158,908	203,422	614,683	639,903
—	3,999,306	3,595,860	133,861	359,796	4,133,167	3,955,656
128,850	241,465	274,798	25,094	238,702	266,559	513,500
15,170	499,224	405,621	71,466	59,065	570,690	464,686
563,031	1,379,980	1,371,002	105,382	193,640	1,485,362	1,564,642
—	276,383	195,897	13,016	13,517	289,399	209,414
—	2,116,209	1,737,579	—	20,474	2,116,209	1,758,053
22,593	64,787	62,334	7,592	12,152	72,379	74,486
350,850	930,172	708,905	55,417	132,224	985,589	841,129
332,069	342,409	143,570	5,913	37,888	348,322	181,458
—	—	—	1,777	1,533	1,777	1,533
351,847	1,305,574	1,281,962	—	10,096	1,305,574	1,292,058
7,199,471	49,168,902	40,522,518	2,715,885	4,204,768	51,884,787	44,727,286