KPMG

ROCKEFELLER BROTHERS FUND, INC.
AND AFFILIATE

Consolidated Financial Statements and Supplemental Schedule

December 31, 2007 and 2006

(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, 2007 and 2006 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, 2007 and 2006 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 2007 basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2007 basic consolidated financial statements taken as a whole.

KPMG LLP

June 5, 2008

ROCKEFELLER BROTHERS FUND, INC.
AND AFFILIATE

Consolidated Statements of Financial Position

December 31, 2007 and 2006

Assets		Principal Fund	Pocantico Fund	Pocantico II Fund	Ramon Magsaysay Award Foundation Fund
Cash and cash equivalents	$	261,248	1,051	—	—
Accounts receivable		819,291	—	—	—
Contributions receivable		—	—	13,539,872	—
Interest and dividends receivable		933,153	133,270	—	9,355
Due from brokers and dealers		27,896,762	2,828,161	176,911	165,078
Investments, at fair value		841,445,015	80,198,397	1,239,891	5,066,878
Program-related investments:					
Program mortgage loans		1,485,000	—	—	—
Real estate		510,000	—	—	—
Prepaid expenses		1,065,516	—	—	—
Fixed assets, net		1,342,897	4,381,901	—	—
Interfund		(1,582,132)	(1,399,405)	3,568,794	(587,257)
Total assets	$	874,176,750	86,143,375	18,525,468	4,654,054
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued liabilities	$	3,172,539	684,964	2,363	2,883
Due to brokers and dealers		616,518	319,738	—	21,739
Grants payable		19,070,439	—	—	137,500
Deferred taxes payable		3,033,027	860,697	51,704	50,342
Total liabilities		25,892,523	1,865,399	54,067	212,464
Commitments					
Net assets:					
Unrestricted		848,284,227	84,277,976	—	4,441,590
Temporarily restricted		—	—	10,576,401	—
Permanently restricted		—	—	7,895,000	—
Total net assets		848,284,227	84,277,976	18,471,401	4,441,590
Total liabilities and net assets	$	874,176,750	86,143,375	18,525,468	4,654,054

See accompanying notes to consolidated financial statements.

2007 RBF Funds	2006 RBF Funds	2006 Asian Cultural Council, Inc.	Total 2007	Consolidated total 2006
262,299	320,892	—	262,299	320,892
819,291	885,501	—	819,291	885,501
13,539,872	13,539,872	—	13,539,872	13,539,872
1,075,778	1,365,612	—	1,075,778	1,365,612
31,066,912	853,032	—	31,066,912	853,032
927,950,181	892,627,786	—	927,950,181	892,627,786
1,485,000	1,605,000	—	1,485,000	1,605,000
510,000	510,000	—	510,000	510,000
1,065,516	355,228	—	1,065,516	355,228
5,724,798	6,520,313	—	5,724,798	6,520,313
—	—	—	—	—
983,499,647	918,583,236	—	983,499,647	918,583,236
3,862,749	3,788,441	—	3,862,749	3,788,441
957,995	1,123,509	—	957,995	1,123,509
19,207,939	20,898,598	—	19,207,939	20,898,598
3,995,770	3,954,623	—	3,995,770	3,954,623
28,024,453	29,765,171	—	28,024,453	29,765,171
937,003,793	870,915,119	—	937,003,793	870,915,119
10,576,401	10,007,946	—	10,576,401	10,007,946
7,895,000	7,895,000	—	7,895,000	7,895,000
955,475,194	888,818,065	—	955,475,194	888,818,065
983,499,647	918,583,236	—	983,499,647	918,583,236

ROCKEFELLER BROTHERS FUND, INC.
AND AFFILIATE

Consolidated Statements of Activities

Years ended December 31, 2007 and 2006

		Principal Fund	Pocantico Fund	Pocantico II Fund	Ramon Magsaysay Award Foundation Fund
Changes in unrestricted net assets:					
Operating revenues:					
Dividend income	$	8,104,428	761,275	—	42,990
Interest income		3,834,299	350,622	—	19,800
Other income		335,723	1,374	—	77
Contributions		160,500	—	—	—
Net assets released from restrictions		—	—	37,325	—
		12,434,950	1,113,271	37,325	62,867
Operating expenses:					
Direct charitable activities		881,014	3,796,217	—	—
Program and grant management		31,283,472	—	—	568,930
Investment management		4,935,362	439,319	24,873	22,527
General management		3,173,038	522,187	—	—
Federal excise and other taxes		2,092,714	253,661	12,257	11,101
		42,365,600	5,011,384	37,130	602,558
(Deficiency) excess of operating revenues over operating expenses		(29,930,650)	(3,898,113)	195	(539,691)
Nonoperating activities:					
Net realized gain from securities sales		90,034,272	8,457,193	—	477,582
Unrealized gain on investments		1,509,003	141,744	—	8,005
Minimum pension liability adjustment		—	—	—	—
		91,543,275	8,598,937	—	485,587
Increase (decrease) in unrestricted net assets prior to effect of adoption of SFAS No. 158 and transfers of unrestricted net assets		61,612,625	4,700,824	195	(54,104)
Effect of adoption of SFAS No. 158		8,287	(178,958)	—	—
Increase (decrease) in unrestricted net assets prior to transfers of unrestricted net assets		61,620,912	4,521,866	195	(54,104)
Transfer of affiliate's unrestricted net assets		—	—	—	—
Transfer of Asian Projects Fund net assets		4,386,116	—	—	—
Increase (decrease) in unrestricted net assets		66,007,028	4,521,866	195	(54,104)

Asian Projects Fund	2007 RBF Funds	2006 RBF Funds	2006 Asian Cultural Council, Inc.	Total 2007	Consolidated total 2006
—	8,908,693	9,770,733	204,299	8,908,693	9,975,032
—	4,204,721	4,423,694	79,658	4,204,721	4,503,352
—	337,174	527,515	50,462	337,174	577,977
—	160,500	79,000	165,523	160,500	244,523
—	37,325	36,107	1,153,218	37,325	1,189,325
—	13,648,413	14,837,049	1,653,160	13,648,413	16,490,209
—	4,677,231	4,740,895	—	4,677,231	4,740,895
—	31,852,402	32,273,121	2,389,501	31,852,402	34,662,622
—	5,422,081	4,955,415	133,861	5,422,081	5,089,276
—	3,695,225	3,938,710	192,523	3,695,225	4,131,233
—	2,369,733	3,260,761	—	2,369,733	3,260,761
—	48,016,672	49,168,902	2,715,885	48,016,672	51,884,787
—	(34,368,259)	(34,331,853)	(1,062,725)	(34,368,259)	(35,394,578)
—	98,969,047	93,572,110	1,718,676	98,969,047	95,290,786
—	1,658,752	39,584,933	(1,205,707)	1,658,752	38,379,226
—	—	(12,043)	—	—	(12,043)
—	100,627,799	133,145,000	512,969	100,627,799	133,657,969
—	66,259,540	98,813,147	(549,756)	66,259,540	98,263,391
—	(170,671)	—	—	(170,671)	—
—	66,088,869	98,813,147	(549,756)	66,088,869	98,263,391
—	—	—	(16,877,904)	—	(16,877,904)
(4,386,116)	—	—	—	—	—
(4,386,116)	66,088,869	98,813,147	(17,427,660)	66,088,869	81,385,487

(Continued)

ROCKEFELLER BROTHERS FUND, INC.
AND AFFILIATE

Consolidated Statements of Activities

Years ended December 31, 2007 and 2006

		Principal Fund	Pocantico Fund	Pocantico II Fund	Ramon Magsaysay Award Foundation Fund
Changes in temporarily restricted net assets:					
Dividend income	$	—	—	47,468	—
Interest income		—	—	21,862	—
Other income		—	—	86	—
Contributions		—	—	—	—
Net realized and unrealized gain on investments		—	—	536,169	—
Net assets released from restrictions		—	—	(37,325)	—
Increase in temporarily restricted net assets prior to transfer of affiliate's temporarily restricted net assets		—	—	568,260	—
Transfer of affiliate's temporarily restricted net assets		—	—	—	—
Increase (decrease) in temporarily restricted net assets		—	—	568,260	—
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		—	—	—	—
Decrease in permanently restricted net assets		—	—	—	—
Increase (decrease) in net assets		66,007,028	4,521,866	568,455	(54,104)
Net assets:					
Beginning of year		782,277,199	79,756,110	17,902,946	4,495,694
End of year	$	848,284,227	84,277,976	18,471,401	4,441,590

See accompanying notes to consolidated financial statements.

Asian Projects Fund	2007 RBF Funds	2006 RBF Funds	2006 Asian Cultural Council, inc.	Total 2007	Consolidated total 2006
—	47,468	50,086	81,434	47,468	131,520
—	21,862	22,302	31,752	21,862	54,054
—	86	102	—	86	102
—	—	—	325,502	—	325,502
—	536,169	682,583	151,113	536,169	833,696
—	(37,325)	(36,107)	(1,153,218)	(37,325)	(1,189,325)
—	568,260	718,966	(563,417)	568,260	155,549
—	—	—	(690,681)	—	(690,681)
—	568,260	718,966	(1,254,098)	568,260	(535,132)
—	—	—	69,274	—	69,274
—	—	—	69,274	—	69,274
—	—	—	(15,173,968)	—	(15,173,968)
—	—	—	(15,104,694)	—	(15,104,694)
(4,386,116)	66,657,129	99,532,113	(33,786,452)	66,657,129	65,745,661
4,386,116	888,818,065	789,285,952	33,786,452	888,818,065	823,072,404
—	955,475,194	888,818,065	—	955,475,194	888,818,065

ROCKEFELLER BROTHERS FUND, INC.
AND AFFILIATE

Consolidated Statements of Cash Flows

Years ended December 31, 2007 and 2006

	2007	2006
Cash flows from operating activities:		
Increase in net assets	$ 66,657,129	65,745,661
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Net realized and unrealized gain on investments	(101,163,968)	(134,503,708)
Effect of adoption of SFAS No. 158	170,671	—
Transfer of affiliate's net assets	—	32,742,553
Depreciation and amortization	1,421,007	1,305,574
Decrease (increase) in accounts receivable	66,210	(339,323)
Decrease in contributions receivable	—	663,500
Decrease in interest and dividends receivable	289,834	7,469
(Increase) decrease in prepaid expenses	(710,288)	507,366
(Decrease) increase in grants payable	(1,690,659)	1,426,715
Decrease in accounts payable and accrued liabilities	(96,363)	(1,102,994)
Increase in deferred taxes payable	41,147	818,499
Net cash used in operating activities	(35,015,280)	(32,728,688)
Cash flows from investing activities:		
Proceeds from sales of investments	998,464,845	787,770,158
Purchases of investments	(932,623,272)	(756,757,322)
(Increase) decrease in due from brokers and dealers	(30,213,880)	815,337
(Decrease) increase in due to brokers and dealers	(165,514)	28,215
Reductions of program-related investment	120,000	120,000
Purchases of fixed assets	(625,492)	(266,694)
Net cash provided by investing activities	34,956,687	31,709,694
Net decrease in cash and cash equivalents	(58,593)	(1,018,994)
Cash and cash equivalents at beginning of year	320,892	1,339,886
Cash and cash equivalents at end of year	$ 262,299	320,892
Supplemental disclosure of cash flow information:		
Cash paid for taxes	$ 2,190,000	2,214,000

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. Effective December 31, 2007, this fund was terminated, and its remaining assets transferred to the Principal 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 consolidated financial statements of the Fund include ACC, of which it is the sole member, until termination of their relationship, effective June 30, 2006. The 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 other nonrecurring activities 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, 2007 and 2006, approximately $271,000,000 and $232,000,000, 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, and Ramon Magsaysay Award Foundation 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 (see note 7).

(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 $16,651,000 and $15,230,000 at December 31, 2007 and 2006, 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

(Continued)

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. Actual results could differ from those estimates.

(3) Investments

The fair value of investments at December 31, 2007 and 2006 is summarized as follows:

	2007	2006
Short-term investments	$ 66,878,998	30,529,027
Stocks	429,155,839	478,508,506
Bonds	46,773,426	72,695,606
Alternative investments	385,141,918	310,894,647
	$ 927,950,181	892,627,786

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 $6,800,000 and $28,000,000 with a notional amount of $6,300,000 and $27,900,000 at December 31, 2007 and 2006, 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 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.

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 $1,485,000 and $1,605,000 at December 31, 2007 and 2006, 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.

Effective December 31, 2007, the Fund adopted the recognition and disclosure provisions of FASB Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans.* SFAS No. 158 requires organizations to recognize the funded status of defined benefit pension and other postretirement plans as a net asset or liability and to recognize 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 statement of financial position, under SFAS No. 158 was measured as the difference between the fair value of plan assets and the benefit obligations as of December 31, 2007.

The following table sets forth the Plan's funded status and amounts recognized in the consolidated financial statements at December 31, 2007 and 2006 and for the years then ended:

		2007	2006
Actuarial present value of benefit obligations:			
Accumulated benefit obligation	$	5,456,105	5,830,528
Projected benefit obligation for services rendered to date		5,456,105	5,830,528
Plan assets at fair value		6,378,403	5,749,505
Funded status		922,298	(81,023)
Intangible asset		—	(215,090)
Unrecognized prior service cost		—	215,090
Unrecognized net loss		—	707,625
Unamortized transition asset		—	(25,148)
Additional minimum pension liability adjustment		—	(682,477)
Pension asset (liability)	$	922,298	(81,023)

		2007	2006
Net pension cost included the following components:			
Interest cost on projected benefit obligation	$	326,203	377,749
Actual return on plan assets		(471,972)	(267,634)
Net amortization and deferral		(8,957)	(196,878)
Net periodic pension benefit	$	(154,726)	(86,763)

The weighted average discount rates used in determining the actuarial present value of the projected benefit obligation were 6.35% in 2007 and 5.75% in 2006. The weighted average discount rates used in determining the period's benefit costs was 5.75% in 2007 and 2006. The expected long-term rate of return on assets was 8.00% in 2007 and 2006. Because the plan assets at fair value exceeded the accumulated benefit obligation at December 31, 2007, an additional minimum pension liability adjustment (credit) of ($897,567) was recorded in 2007. Because the accumulated benefit obligation exceeded the fair value of plan assets at December 31, 2006, an additional minimum pension liability adjustment of $12,043 was recorded in 2006. Amortization of unrecognized prior service cost was $16,191 in 2006. A contribution of $50,000 was made to the Plan in 2006.

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

(Continued)

diversification. Investments within each asset category are further diversified with regard to investment style and concentration of holdings.

Amounts recognized as the effect of adoption of SFAS No. 158 are $149,927 of net actuarial gain and $198,899 of prior service cost. The net actuarial gain and prior service cost that will be amortized into net periodic credit cost in 2008 is approximately $49,000.

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

Year ending December 31:		
2008	$	291,000
2009		358,000
2010		358,000
2011		360,000
2012		396,000
2013 – 2017		2,161,000

(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, 2007 and 2006:

		2007	2006
Accumulated postretirement benefit obligation (APBO)	$	2,652,761	2,943,385
Unrecognized net loss		—	(617,190)
Accrued postretirement benefit cost included in accounts payable and accrued liabilities	$	2,652,761	2,326,195

The net periodic postretirement benefit cost included the following components as of December 31, 2007 and 2006:

		2007	2006
Service cost	$	144,192	179,424
Interest cost		161,070	180,194
Amortization of unrecognized loss		4,336	19,240
Net periodic postretirement benefit cost	$	309,598	378,858

Actual retiree premiums paid by the Fund and ACC during 2007 and 2006 amounted to $104,731 and $122,000, 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 6.45% in 2007 and 5.75% in 2006. The weighted average discount rates used in determining the period's benefit costs was 5.75% in 2007 and 2006. The medical cost trend rates assumed were 9% and 10% and declining to 6%, respectively, over a five-year period for 2007 and 2006. 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 $479,000 and $75,000 in 2007 and $584,000 and $79,000 in 2006, respectively.

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

Year ending December 31:		
2008	$	111,000
2009		120,000
2010		125,000
2011		127,000
2012		121,000
2013 – 2017		758,000

Amounts recognized as the effect of the adoption of SFAS No. 158 are $121,699 of net actuarial loss. The net actuarial loss that will be amortized into net periodic benefit cost in 2008 is approximately $122,000.

(7) Reconciliation of Grants Awarded

The following table reconciles grants awarded and grants paid during 2007 and 2006:

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
Grants awarded 2007		28,460,930
Grants paid 2007		(30,151,589)
Grants payable, December 31, 2007	$	19,207,939

The Fund estimates that the grants payable balance as of December 31, 2007 will be paid as follows:

Year ending December 31:		
2008	$	15,208,739
2009		3,037,800
2010		805,200
2011		68,800
2012		87,400
Total	$	19,207,939

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

(8) Related-Party Transactions

In December 2007, the Fund made a grant appropriation in the amount of $1,000,000 to 1Sky, a project of the Rockefeller Family Fund, for which the Rockefeller Family Fund provides fiscal and legal oversight. As of December 31, 2007, $100,000 has been paid by the Fund towards this grant appropriation, with the remaining $900,000 commitment expected to be paid during 2008.

The Fund was reimbursed approximately $405,000 and $491,000 in 2007 and 2006, 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 $431,000 and $34,000 in 2007 and $591,000 and $18,000 in 2006 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 2007 and 2006 in the amounts of $1,563,000 and $1,088,000, respectively, from Rockefeller Philanthropy Advisors.

The Fund paid fees of approximately $1,055,000 and $1,193,000 in 2007 and 2006, respectively, for maintenance of the Pocantico properties to Greenrock Corporation, which is wholly owned by Rockefeller family members.

(9) 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 2007, 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.

(10) Commitments

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

Fiscal year:		
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 2007 and 2006, these costs aggregated approximately $1,848,000 and $2,116,000, 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 $103,000,000 as of December 31, 2007.

ROCKEFELLER BROTHERS FUND, INC.
AND AFFILIATE

Supplemental Schedule of Functional Expenses

Year ended December 31, 2007
(with summarized financial information for the year ended December 31, 2006)

	Direct charitable activities				
	General programs	Pocantico Fund	Subtotal	Program and grant management	Investment management
Salaries and employee benefits:					
Salaries	$ 198,488	558,609	757,097	1,465,760	210,885
Employee benefits	20,792	319,518	340,310	153,539	27,883
	219,280	878,127	1,097,407	1,619,299	238,768
Other expenses:					
Grants awarded	—	—	—	28,460,930	—
Fellowship and leadership – program expenses	259,092	—	259,092	—	—
Federal excise and other taxes	—	—	—	—	—
Consultants' fees	—	11,842	11,842	135,967	15,225
Investment services	—	—	—	—	4,784,666
Legal, audit, and professional fees	—	50,868	50,868	65,408	142,938
Travel	8,192	39,301	47,493	518,755	12,005
Rent and electricity	46,190	—	46,190	490,328	98,302
Program conferences and events	267,524	—	267,524	—	—
Facilities maintenance and operations	—	1,810,385	1,810,385	—	—
Telephone, facsimile, and internet	2,782	17,287	20,069	29,533	6,249
General office expenses	64,922	129,800	194,722	386,198	79,890
Publications	—	—	—	7,641	—
Fundraising expenses	—	—	—	—	—
Depreciation and amortization	13,032	858,607	871,639	138,343	44,038
	$ 881,014	3,796,217	4,677,231	31,852,402	5,422,081

See accompanying independent auditors' report.

Schedule

General management and federal excise and other taxes	2007 RBF Funds	2006 RBF Funds	2006 Asian Cultural Council, Inc.	Total 2007	Consolidated total 2006
1,349,178	3,782,920	4,101,689	505,309	3,782,920	4,606,998
215,269	737,001	1,638,664	272,570	737,001	1,911,234
1,564,447	4,519,921	5,740,353	777,879	4,519,921	6,518,232
—	28,460,930	28,352,594	1,359,580	28,460,930	29,712,174
—	259,092	203,910	—	259,092	203,910
2,369,733	2,369,733	3,260,761	—	2,369,733	3,260,761
98,121	261,155	455,775	158,908	261,155	614,683
—	4,784,666	3,999,306	133,861	4,784,666	4,133,167
286,358	545,572	241,465	25,094	545,572	266,559
22,676	600,929	499,224	71,466	600,929	570,690
549,545	1,184,365	1,379,980	105,382	1,184,365	1,485,362
—	267,524	276,383	13,016	267,524	289,399
—	1,810,385	2,116,209	—	1,810,385	2,116,209
37,367	93,218	64,787	7,592	93,218	72,379
465,071	1,125,881	930,172	55,417	1,125,881	985,589
304,653	312,294	342,409	5,913	312,294	348,322
—	—	—	1,777	—	1,777
366,987	1,421,007	1,305,574	—	1,421,007	1,305,574
6,064,958	48,016,672	49,168,902	2,715,885	48,016,672	51,884,787