We seek to form strong, collegial and collaborative relationships with the people we serve.
Mikva Challenge
Mikva’s Teen Health Council empowers teens to develop and promote policy changes involving critical health issues in their schools.
Chicagoland Entrepreneurial Center - 1871
CEC helps promising entrepreneurs build businesses that promote economic development and civic leadership in the Chicago area.
Board Special Interest Grantee

National Museum of Wildlife Art
Since 2003, the Foundation’s grants have helped the Museum enrich and inspire appreciation and knowledge of humanity’s relationship with nature.
Dear Friends and Colleagues:

In my February President’s letter that currently appears on our newly redesigned website, I summarized some of the important projects and initiatives we recently completed. These include the accomplishment of our 15th year of grantmaking in which we surpassed the $50 million mark in aggregate grants; our Board’s strategic review of our focus areas and goal statements; and the full implementation of an annual grant portfolio review process. While the letter highlighted our work over the past year, it did not address recent developments in the nonprofit sector that I believe merit comment.

As I review our grant portfolio and think about the myriad of issues our grantees seek to address every day, I cannot help but feel a sense of awe for the immense dedication and commitment that is exhibited in the face of what are sometimes daunting challenges. It is a privilege to work in a field that exhibits such a broad-based commitment to enhancing human knowledge and potential.

That being said, the work of the nonprofit sector is never easy and frequently full of setbacks as new ideas are tested and often fall victim to unanticipated circumstances and outcomes. Impact can rarely be measured in the short term as solutions are typically observed over a period of years.

The work is hard enough without the distraction and obstacles that tend to accompany public sector infighting, miscalculation and blunder. In Illinois, we have become the poster child of public sector dysfunction, although in many ways Springfield is merely a microcosm of the equally discouraging situation in Washington, D.C.

Many nonprofits also encounter undue friction with their own stakeholders. Despite the need to work with governing boards that sometimes fail to understand the complex dynamics of running a successful nonprofit; funders that may seek an inappropriate level of influence over programmatic priorities; or pundits that constantly suggest “better” ways to deliver services; most nonprofits manage to produce extraordinary results.

While it would be easy to use this platform to point fingers, that is not the message I seek to convey. My goal is to highlight the fact that despite the enormous odds that face educators, researchers, program providers and sector advocates, our grantees and significant segments of the wider nonprofit sector continue to generate remarkable programs, findings and outcomes. Those of us who are fortunate enough to work in the sector and see these results on a regular basis should do more than fund this work. We should strive to do a better job of recognizing their accomplishments, particularly in difficult times.

I for one hope to focus much more attention in the coming year on championing the excellent work of the organizations we fund. Thankfully, I have plenty of great material and examples with which to work.

Sincerely,

James D. Parsons
President
I was born in 1943 and raised in a small home just south of Seattle, Washington. My father was a bus driver and my mother a store clerk. My parents had meager financial income and little resources to cover the costs of raising three boys. I was an average student early in life but realized that I needed an advanced education if I was to break away and achieve my goals of financial independence. I was fortunate to be able to achieve success in the investment management world and eventually formed Brinson Partners where I applied my experience and training until my retirement in 2000. The Brinson Foundation was created in 2001 as the residual result of my decisions regarding wealth transfer to my heirs. After addressing the interests of my family, including a limited generational line of heirs that follow; the remaining fraction of my wealth goes to the Foundation for philanthropic purposes.

In point of fact, I am placing limits on the size of wealth transfer to my heirs. My reasons for limiting the size of the wealth transfer for my heirs stem from my strong belief that "excessive" amounts of this form of largess diminish individual initiative and self esteem. If I had no opinion with respect to limiting the size of wealth transfer to my heirs, there would be no Foundation.

The Brinson Foundation has been funded to date with approximately $100 million and is likely to receive considerable future funding; the size of which will be a function of investment returns, targeted allocations for my heirs and deductions for estate taxes and administrative expenses. The government’s estate tax policy will not impact the size of the wealth transfer to my heirs, but will impact the remaining residual for philanthropy. Higher estate tax rates will mean less for philanthropy; lower rates will mean more. If estate taxes become onerous, there will be no further funding for the Foundation at my expiration other than that already included in my estate plan.

My reasons for creating the Foundation as distinct from pursuing personal philanthropic activity are twofold:

» The Foundation provides a formal structure for the family to interact as members of the board of directors and to work cooperatively with each other in shaping the direction of our philanthropic interests.

» The Foundation can have more of a targeted and focused set of priorities that can evolve with the family’s growing knowledge and understanding of philanthropic initiatives. In this sense, my personal beliefs stand a better chance of surviving with the passing of time.

The assets of the Foundation must be considered a scarce resource with an investment objective of moderate risk that should satisfy the goal of earning a 4.0% to 4.5% real (inflation adjusted) return over time. This moderate risk objective is to be defined at the aggregate portfolio level and derived from a globally diversified asset mix across all investible asset classes. I am not concerned with the risk of individual securities or asset classes, but only with the aggregate risk of the entire portfolio which is "optimal," expressed in terms of return per unit of risk. With a payout requirement set by law at 5%, this investment goal suggests that there will likely be some diminishment in the real value of the assets for
Room to Read has extended the reach of its international literacy programs to 10 million children across the world.
In 2015, our grant supported young researchers in the fields of stroke and vision loss research.
future years. Adopting a more aggressive risk profile is not appropriate as I view the risk of shortfalls in returns to be more detrimental for grantees than any benefits from higher returns. I believe foundations should always keep this “utility function,” as economists call it, firmly in mind.

Some of my personal beliefs which guide the grantmaking activities of The Brinson Foundation are noted below:

» The embracement of philanthropy is different than that of charity. The Foundation should avoid “charitable grantmaking,” by which I mean grants that deal with symptoms rather than causes.

» The scope of the Foundation’s activities should be as narrow as possible given the diverse interests of its directors. My hope is that, over time, the Foundation will operate with a limited set of priorities and strive to make an impact and contribution within that self constrained focus. These priorities will likely change and evolve over time. Maintaining a discipline of a narrow set of focus areas will be a necessary challenge.

» I am a libertarian who values individual liberty and what Ayn Rand calls objectivism. I am convinced of the merits of Darwinism and deeply troubled by the general societal ignorance of this reality as it relates to the development of mankind. I am opposed to all forms of egalitarianism that try to diminish individual freedom in the name of some misplaced societal notion. Equal opportunity, which I support, does not mean equal results for all, which I oppose. The Foundation should stress the importance of individual accountability for action or inaction.

» Science, scientific research and rational thinking should always receive the Foundation’s attention and grantmaking support.

» The fact that the Foundation is a U.S.-based organization should not prevent it from defining its role in a global context if that can be accomplished without compromising our standards of practice.

» Sensible funding of “higher risk” programs where the likelihood of failure is evident is appropriate for a moderate portion of the grantmaking portfolio.

» I have worked closely with the other directors to ensure that my personal convictions are reflected in the Foundation’s grantmaking guidelines. These include my view that we should avoid funding religious and “faith based” programs; my preference for market-based solutions over government programs; my belief that medical research should focus on quality of life rather than the extension of life; and my opposition to racial, ethnic and gender specific programs (excluding medical) as a result of my fervent belief that discrimination of any form is antithetical to mankind’s progress and further evolution.

Gary P. Brinson
Founder and Chairman of the Board
OUR MISSION

The Brinson Foundation is a privately funded philanthropic organization that provides an opportunity to focus our family’s common interests in encouraging personal initiative, advancing individual freedoms and liberties and positively contributing to society in the areas of education and scientific research.

OUR VISION

We envision a society that cares for all of its members and endeavors to enhance individual self worth and dignity. We also envision a world where all people are valued and productive members of society, where everyone is committed to improving their life and the quality of their environment.

OUR BELIEFS

- There are no higher values than integrity, truth and honesty.
- We seek to form strong, collegial and collaborative relationships with the people we serve.
- Individuals, families and communities are best positioned to define and solve their own problems.
- We believe that sustainable, long-term solutions to societal problems require comprehensive and multi-disciplined approaches.
- Programs that rely on the incentives of the free enterprise system provide significant potential for long-term success and sustainability and have many advantages over government programs.
- We encourage innovative and experimental ideas that target preventative measures rather than the treatment of existing symptoms.
- Education is essential to the human mind and spirit and provides the basis for people to reach their full potential.
- Advances in science and technology can be harnessed to materially improve the human condition.
- Successful programs need to be communicated to broader audiences to maximize the potential impact on society.
GRANTMAKING OVERVIEW

2015 GRANTS BY PRIORITY1 | TOTAL GRANTS 150 | TOTAL AMOUNT $4,147,400

- **45.0%**
  Education
  61 Grants | $1,867,500

- **32.6%**
  Endorsement
  21 Grants | $1,350,000

- **15.3%**
  Scientific Research
  12 Grants | $635,000

- **3.9%**
  Board Special Interest
  7 Grants | $160,000

- **3.3%**
  Other2
  49 Grants | $134,900

1 Percentage totals do not add due to rounding.

2 The Foundation provided Professional Development and Technical Assistance grants and peer skill sharing micro-grants totaling $75,000 to 43 existing grantees.

TOTAL GRANTS BY PRIORITY SINCE INCEPTION3 | TOTAL GRANTS 1,539 | TOTAL AMOUNT $50,095,533

- **47.1%**
  Education
  791 Grants | $23,592,000

- **33.1%**
  Endorsement
  274 Grants | $16,572,500

- **16.0%**
  Scientific Research
  179 Grants | $7,995,000

- **2.1%**
  Board Special Interest
  45 Grants | $1,075,000

- **1.7%**
  Other
  250 Grants | $861,033

3 Inception date of December 31, 2000
Endorsement grants are made to a limited number of leading institutions selected by the Foundation’s Directors. These grants often involve ongoing core support of the institution rather than specific programmatic support pursuant to the Foundation’s grantmaking priorities. The Foundation does not accept inquiries or applications relating to the Endorsement grant category, as decisions regarding these grants are made on a discretionary basis by the Foundation’s Board of Directors.
Chicago Symphony Orchestra
Since 2002, we have supported CSO and its ongoing commitment to deepen its engagement with the Chicago community.
We believe education provides people with the opportunity to expand their talents and capabilities. Through our grantmaking, we hope to inspire them to reach their full potential both as individuals, and as contributing citizens of a greater community. We are especially interested in programs that make quality education accessible to those who are personally committed.

**2015 PROGRAMMATIC GRANTS**

**EDUCATION**

We believe education provides people with the opportunity to expand their talents and capabilities. Through our grantmaking, we hope to inspire them to reach their full potential both as individuals, and as contributing citizens of a greater community. We are especially interested in programs that make quality education accessible to those who are personally committed.

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Our Education Grants fall into seven focus areas:

Financial Literacy – programs that provide middle and high school students and adults with basic financial and investment skills to help them become financially self-sufficient.

Health Care Career Development – programs that spark interest among high school and college students in health care-related career paths or enhance the skills of health care professionals to equip individuals to have careers that offer opportunities for economic advancement while also positively impacting societal health.

High School, College and Career Success – programs that provide motivated students and young adults of limited means with the academic support, personal skills and financial resources needed to reach their full potential in school and careers.

Liberty, Citizenship and Free Enterprise – programs that educate and promote the principles of liberty, citizenship and free enterprise to elementary through graduate school students and adults.

Literacy – programs that develop the literacy skills of children, birth through elementary school age, improve the pedagogy of teachers and ensure support for this learning among parents so that young children become functionally literate and are prepared for success in their future education and in life.

Science, Technology, Engineering and Math (STEM) – programs that provide STEM education to pre-school through graduate school students or professional development for teachers, promote STEM careers or deliver engaging STEM content to the general public.

Student Health – programs that foster the physical health of pre-school through high school students to help them stay enrolled and be productive in school.
```
A Better Chicago
Chicago, IL
abetterchicago.org
General Support
$25,000

Accion
Cambridge, MA
accion.org
Microfinance Initiatives in Africa
$30,000

Acumen
New York, NY
acumen.org
Global Fellows Program
$50,000

Advance Illinois
Chicago, IL
advanceillinois.org
General Support
$20,000

After School Matters
Chicago, IL
afterschoolmatters.org
Science Out-of-School Time Programming
$25,000

Alan Alda Center for Communicating Science
Stony Brook, NY
centerforcommunicatingscience.org
General Support
$30,000

The Ayn Rand Institute
Irvine, CA
aynrand.org
Free Books to Teachers Program
$35,000

Bottom Line - Chicago
Chicago, IL
bottomline.org
General Support
$25,000

The Cara Program
Chicago, IL
thecaraprogram.org
General Support
$30,000

Carole Robertson Center for Learning
Chicago, IL
crl.net
General Support
$25,000

Cato Institute
Washington, DC
cato.org
Student Briefing Program
$25,000

Center for Economic Progress
Chicago, IL
economicprogress.org
Financial Capability Program
$25,000

CERGE - EI Foundation
Teanack, NJ
www.cerge-ei.cz/donors/foundation
Brinson Fellows Ph.D. Scholarship Program
$30,000

Chicago Community Foundation
Chicago, IL
cct.org
Progressive Pathways Support Fund
$12,500

Chicago Literacy Alliance
Chicago, IL
chicagoliteracyalliance.org
General Support
$25,000

Chicago Public Library Foundation
Chicago, IL
cplfoundation.org
Early Literacy Training for Children’s Library Staff
$25,000

Chicagoland Entrepreneurial Center 1871
Chicago, IL
1871.com/about-cec
General Support
$25,000

Citizen Schools - Chicago
Chicago, IL
citizenschools.org
General Support
$25,000

Communities In Schools of Chicago
Chicago, IL
chicagocis.org
General Support for Student Health Programs
$35,000

Constitutional Rights Foundation Chicago
Chicago, IL
crf.org
Lawyers in the Classroom Program – U.S. Constitution and Legal System Education for Grades 2-8 and General Support
$35,000

Council for the Advancement of Science Writing
Hedgesville, WV
casw.org
Graduate School Science Writing Fellowship Stipends and General Support
$25,000

Daniel Murphy Scholarship Fund
Chicago, IL
dmsf.org
General Support
$45,000

DuPage Children’s Museum
Naperville, IL
dupagechildrens.org
General Support
$40,000

Alan Alda Center for Communicating Science
Our grant helps train the next generation of scientists and health professionals to communicate more effectively with the public and other critical constituencies.
Illinois Caucus for Adolescent Health  
ICAH empowers young people to build the capacity of family, school and healthcare systems to support sexual health of youth.

<table>
<thead>
<tr>
<th>Organization Name</th>
<th>City, State</th>
<th>Website or Additional Information</th>
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<td>Erie Family Health Center</td>
<td>Chicago, IL</td>
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<td>Forefront</td>
<td>Chicago, IL</td>
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<td>Foundation for Teaching Economics</td>
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<td>Chicago, IL</td>
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<td>Institute for Humane Studies</td>
<td>Arlington, VA</td>
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<td>Literacy Works</td>
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**Erie Family Health Center**  
Chicago, IL  
eriefamilyhealth.org

General Support for the Teen Center  
$25,000

**Forefront**  
Chicago, IL  
myforefront.org

College and Career Access, Persistence and Success Initiatives  
$12,500

**Foundation for Teaching Economics**  
Davis, CA  
fte.org

Economics for Leaders Program  
$25,000

**Harvard T.H. Chan School of Public Health**  
Boston, MA  
hsp.harvard.edu

Harnessing Private Enterprise for Public Health Project  
$35,000

**Healthy Schools Campaign**  
Chicago, IL  
healthyschoolscampaign.org

Change for Good Student Health Program  
$35,000

**High Jump**  
Chicago, IL  
highjumpchicago.org

General Support  
$45,000

**The Horatio Alger Association**  
Alexandria, VA  
horatioalger.org

Illinois College Scholarship Program  
$50,000

**Illinois Caucus for Adolescent Health**  
Chicago, IL  
icah.org

General Support  
$25,000

**Illinois Council on Economic Education**  
Econ Illinois  
DeKalb, IL  
econed-il.org

Financial Literacy Program  
$25,000

**Illinois Institute of Technology**  
Chicago, IL  
blogs.iit.edu/global-leaders

Illinois Tech Global Leaders Program  
$25,000

**Inner-City Computer Stars Foundation**  
Chicago, IL  
icstars.org

General Support  
$30,000

**Institute for Humane Studies**  
Arlington, VA  
theilhs.org

Student Programming  
$30,000

**Jack Miller Center for Teaching America’s Founding Principles and History**  
Bala Cynwyd, PA  
jackmillercenter.org

Newberry Library Series on American Political Thought and Chicago Initiative Lectures  
$35,000

**Lake Forest Academy**  
Lake Forest, IL  
Ifanet.org

Class of ’93 Scholarship Fund for High School Students  
$25,000

**Literacy Works**  
Chicago, IL  
litworks.org

General Support  
$25,000

**Loyola University Medical Center**  
Maywood, IL  
luhs.org

Pediatric Mobile Health Unit  
$25,000

**Mercatus Center at George Mason University**  
Arlington, VA  
mercatus.org

F. A. Hayek Program for Advanced Study in Philosophy, Politics and Economics  
$25,000

**Merit School of Music**  
Chicago, IL  
meritmusic.org

General Support  
$30,000

**MetroSquash**  
Chicago, IL  
metrosquash.org

General Support  
$35,000

**Mikva Challenge Grant Foundation**  
Chicago, IL  
mikvachallenge.org

Teen Health Council  
$25,000

**Moneythink**  
Chicago, IL  
moneythink.org

General Support  
$25,000
In 2015, CLA opened the country’s first nonprofit shared workspace dedicated to literacy, the Literacenter.

<table>
<thead>
<tr>
<th>Organization</th>
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<th>Website</th>
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<td><strong>STEM Teacher Coaching</strong> $40,000</td>
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<td>wttw.com</td>
<td><strong>Local Broadcast of NOVA and NOVA ScienceNOW</strong> $70,000</td>
</tr>
<tr>
<td>Chicago Academy of Sciences</td>
<td>Chicago, IL</td>
<td>naturemuseum.org</td>
<td><strong>STEM Teacher Professional Development and STEM Immersion Programs</strong> $20,000</td>
</tr>
<tr>
<td>Peggy Notebaert Nature Museum</td>
<td>Chicago, IL</td>
<td>naturemuseum.org</td>
<td></td>
</tr>
<tr>
<td>Teach for America - Chicago</td>
<td>Chicago, IL</td>
<td>chicago.teachforamerica.org</td>
<td><strong>General Support</strong> $50,000</td>
</tr>
<tr>
<td>Teton Science Schools</td>
<td>Jackson, WY</td>
<td>tetonscience.org</td>
<td><strong>General Support</strong> $30,000</td>
</tr>
<tr>
<td>The University of Chicago</td>
<td>Chicago, IL</td>
<td>uei.uchicago.edu</td>
<td><strong>STEM Teacher Coaching</strong> $40,000</td>
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<td><strong>Local Broadcast of NOVA and NOVA ScienceNOW</strong> $70,000</td>
</tr>
</tbody>
</table>
We are interested in programs on the cutting edge of research in specific areas of interest to our Directors that are underfunded or not yet eligible for funding by governmental programs. These programs are typically sponsored by top research institutions, which provide quality assurance oversight and accountability that may not be possible in a less structured environment. Further, the programs often involve predoctoral and post-doctoral scientists who are beginning their research careers. In addition to promoting the work of young researchers, we are particularly interested in programs that encourage them to remain engaged in research in their field of interest.

Our Scientific Research Grants are made in the following focus areas:

**PHYSICAL SCIENCES**

Astrophysics – the study of the behavior, physical properties and dynamic processes of celestial objects and related phenomena.

Cosmology – the study of the origin, structure and space-time relationships of the Universe.

Evolutionary Developmental Biology – a field of biology which synthesizes embryology, molecular and population genetics, comparative morphology, paleontology and molecular evolution to understand the evolution of biodiversity at a mechanistic level.

Geophysics – the study of the physical processes and phenomena occurring in and on the Earth and in its vicinity.

**MEDICAL RESEARCH**

We partner with leading medical research institutions to fund promising studies conducted by junior investigators that have the potential to cultivate new, innovative clinical interventions for chronic conditions as well as highly treatable conditions which negatively impact the productivity of large segments of the population.

In all cases, we focus our medical research funding in areas that improve the quality of life as distinct from solely extending life.

*The Foundation does not accept grantseeker inquiries in medical research.*
The University of Chicago Department of Astronomy and Astrophysics
The research and mentorship of the graduate students our grant supports adds to basic knowledge about the Universe’s formation and evolution.
2015 BOARD SPECIAL INTEREST GRANTS

These grants represent special family interests and are either one time grants or fall outside of the Foundation’s grantmaking priorities. The Foundation does not accept inquiries related to this category.

**Free the Children**  
Chicago, IL  
WE.org  
**WE Schools Program - Illinois**  
$25,000

**Intonation Music**  
Chicago, IL  
intonationmusic.org  
**General Support**  
$15,000

**Jackson Hole Land Trust**  
Jackson, WY  
jhlandtrust.org  
**General Support**  
$35,000

**The Living Desert**  
Palm Desert, CA  
livingdesert.org  
**General Support**  
$20,000

**National Museum of Wildlife Art**  
Jackson, WY  
wildlifeart.org  
**General Support**  
$20,000

**Teton County Integrated Solid Waste & Recycling**  
Jackson Community Recycling  
Jackson, WY  
tetonwy.org/recycl  
**General Support**  
$30,000

**UChicago Impact**  
Chicago, IL  
uchicagoimpact.org  
**GROWCommunity Partnership - Support for Neighborhood High Schools**  
$15,000

**DePaul University**  
Chicago, IL  
offices.depaul.edu/ors/about/news/Pages/andolina_conklin.aspx  
**Case Study on the Impact of Participatory Civic Education**  
$25,000

**Forefront**  
Chicago, IL  
myforefront.org  
**General Support**  
$26,000

**Grantmakers for Education**  
Portland, OR  
edfunders.org  
**General Support**  
$1,000

**Grantmakers for Effective Organizations**  
Washington, DC  
geofunders.org  
**General Support**  
$3,000

**National Center for Family Philanthropy**  
Washington, DC  
cfp.org  
**Better Boardroom Workshop and General Support**  
$4,900

**Professional Development and Technical Assistance Grants**  
The Foundation provided Professional Development and Technical Assistance grants and peer skill sharing micro-grants to 43 existing grantees.  
$75,000

**OTHER GRANTS**

3.9%  
Board Special Interest  
7 Grants | $160,000

3.3%  
Other  
49 Grants | $134,900
### Statement of Financial Position (Unaudited)

**Modified Cash Basis**

**December 31, 2015**

#### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$253,373</td>
</tr>
<tr>
<td>Investments, at Fair Value</td>
<td>$96,777,207</td>
</tr>
<tr>
<td>Property and Equipment, Net</td>
<td>141,126</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$97,171,706</strong></td>
</tr>
</tbody>
</table>

#### Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Net Assets</td>
<td><strong>$97,171,706</strong></td>
</tr>
</tbody>
</table>

---

*Note to the Reader: In an effort to comply with best practices for private foundations, The Brinson Foundation will be undergoing a financial statement audit for the year ended December 31, 2015. Audited financial statements will be available upon request later in 2016.*
**STATEMENT OF ACTIVITIES (UNAUDITED)**
Modified Cash Basis
For the Year Ended December 31, 2015

### REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution Income</td>
<td>$200,000</td>
</tr>
<tr>
<td>Investment Income</td>
<td>453,502</td>
</tr>
<tr>
<td>Realized and Unrealized Gains (Losses) on Investments</td>
<td>(623,119)</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$30,383</strong></td>
</tr>
</tbody>
</table>

### EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and Donations</td>
<td>4,147,400</td>
</tr>
<tr>
<td>Private Foundation Excise Tax</td>
<td>63,000</td>
</tr>
<tr>
<td>Investment Management Fees</td>
<td>361,437</td>
</tr>
<tr>
<td>Employee Services</td>
<td>695,393</td>
</tr>
<tr>
<td>Rent</td>
<td>46,379</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>93,417</td>
</tr>
<tr>
<td>Other Administrative Expenses</td>
<td>63,538</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>9,185</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>5,479,749</strong></td>
</tr>
</tbody>
</table>

### Change in Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets, Beginning of Year – Unrestricted</td>
<td>102,621,072</td>
</tr>
<tr>
<td><strong>Net Assets, End of Year – Unrestricted</strong></td>
<td><strong>$97,171,706</strong></td>
</tr>
</tbody>
</table>

*Note to the Reader:* In an effort to comply with best practices for private foundations, The Brinson Foundation will be undergoing a financial statement audit for the year ended December 31, 2015. Audited financial statements will be available upon request later in 2016.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements of The Brinson Foundation (the “Foundation”) are prepared on a modified cash basis; consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

Investments
Investments in mutual fund and exchange-traded fund investments are stated at fair value based on quoted market prices. The estimated fair values of alternative investment securities that do not have readily determined fair values (that is, investments not listed on national exchanges or over-the-counter markets, or for which quoted market prices are not available from sources such as financial publications or exchanges) are based on estimates developed by external investment managers. Realized gains and losses are determined on the basis of the carrying value of specific securities sold and investment transactions are recorded on a trade-date basis.

Investments in property and equipment held for charitable purposes are stated at cost or the value at the date of acquisition less applicable accumulated depreciation. Leasehold improvements are depreciated using the MACRS method over an estimated useful life of 39 years. Furniture and computer equipment are depreciated using the MACRS method over useful lives of 7 and 5 years, respectively.

2. GRANT AND DONATION COMMITMENTS
As of December 31, 2015, the Foundation’s Board of Directors has approved grants and/or donations of $465,000 payable through 2019. Disbursements are scheduled to be made as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$160,000</td>
</tr>
<tr>
<td>2017</td>
<td>$160,000</td>
</tr>
<tr>
<td>2018</td>
<td>$85,000</td>
</tr>
<tr>
<td>2019</td>
<td>$60,000</td>
</tr>
</tbody>
</table>

3. TAX STATUS
The Foundation is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation is, however, liable for the private foundation excise tax of 1% or 2% on its net investment income. In addition, the Foundation is required to make minimum qualifying distributions based on a percentage of its assets.

4. NET ASSETS
Beginning of the year Net Assets represent the value from the audited financial statements for the year ended December 31, 2014. This balance differs from the amount in the prior year annual report which was estimated prior to completion of the audit.

Note to the Reader: In an effort to comply with best practices for private foundations, The Brinson Foundation will be undergoing a financial statement audit for the year ended December 31, 2015. Audited financial statements will be available upon request later in 2016.
OBJECTIVES
The objectives of the Foundation’s investment portfolio are to produce a long-term rate of return that provides sufficient funds to meet the Foundation’s required grantmaking target, cover all reasonable and necessary expenses and compensate for inflation. The assets will be invested in a well-diversified global investment portfolio that accepts reasonable risk consistent with the desired return.

GENERAL STANDARDS OF CARE
The Foundation’s Investment Policy provides that the management and investment of the Foundation’s assets shall meet the standards of care outlined by the Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) and U.S. Treasury Regulations Section 53.4944-1(a)(2) (regarding “jeopardizing investments”). Pursuant to these standards, the Foundation’s assets must be managed and invested with reasonable care and prudence. Decisions regarding individual investments must not be made in isolation but in context of the portfolio as a whole and as part of an overall investment strategy.

BENCHMARK
The Foundation has adopted a globally diversified benchmark, the Multiple Markets Index (MMI), comprised of stocks, bonds, real estate and private markets. The actual portfolio’s risk and return will be measured against this benchmark over full market cycles. The Foundation’s benchmark composition and ranges are shown below:

MULTIPLE MARKETS INDEX (MMI) COMPONENTS

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Benchmark Index Component</th>
<th>Normal Weight</th>
<th>Ranges (95% Frequency)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>MSCI All Country World Index</td>
<td>55.00%</td>
<td>+/- 30%</td>
</tr>
<tr>
<td></td>
<td>Developed Markets</td>
<td>49.71%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Emerging Markets</td>
<td>5.29%</td>
<td></td>
</tr>
<tr>
<td>Private Markets</td>
<td>Private Equity Performance Indicator</td>
<td>5.00%</td>
<td>+/- 5%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>NCREIF Property Index</td>
<td>10.00%</td>
<td>+/- 5%</td>
</tr>
<tr>
<td>Global Bonds</td>
<td></td>
<td>25.00%</td>
<td>0 to +30%</td>
</tr>
<tr>
<td></td>
<td>Citigroup World Government Bond ex-U.S. Index</td>
<td>12.50%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Citigroup U.S. Government Bond Index</td>
<td>12.50%</td>
<td></td>
</tr>
<tr>
<td>High Yield Bonds</td>
<td>Merrill Lynch U.S. High Yield</td>
<td>3.00%</td>
<td>0 to +10%</td>
</tr>
<tr>
<td></td>
<td>Cash Pay Constrained Index</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emerging Market Debt</td>
<td>J.P. Morgan EMBI Global</td>
<td>2.00%</td>
<td>0 to +10%</td>
</tr>
<tr>
<td>Cash Equivalents</td>
<td>Three Month Eurodollar</td>
<td>0.00%</td>
<td>0 to +50%</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>100.00%</td>
<td></td>
</tr>
</tbody>
</table>

Source: UBS Global Asset Management
INVESTMENT MARKET CONDITIONS

Since the depths of the Great Recession, global investment market conditions have been dominated by sequences of increasing central bank activity. But 2015 may mark an inflection point where markets began to appreciate the measure of distortion that has taken place and became cognizant of the unintended consequences and analytical challenges associated with this activity. Central bank intervention was initiated justifiably during the Great Recession, and its original objective to stave off a global financial market meltdown had proven successful by the end of 2009. Subsequent central bank policies and rhetoric were intended to stimulate economic growth with moderate inflation while coincidentally creating a wealth effect by inflating asset values. Intervention that results in unnaturally low interest rates is financial repression, an active policy designed to subtly erode the real value of government debt by keeping nominal interest rates often accompanied by negative real (inflation adjusted) rates below nominal GDP growth. Although actions and rhetoric of global central bank interest rate policies were synchronous through 2014, asynchronous interest rate policies emerged in 2015. By year’s end it was unclear if central bank activities had been successful in their economic growth or inflation objectives while concerns about risk asset valuation dependence on central bank intervention had increased markedly. Investment markets may have become cognizant of the exogenous risks associated with central bank intervention.

Endogenous risks are variables from inside the financial and economic system, whereas exogenous risks are associated with variables from outside the financial system. Unlike traditional endogenous risks such as cash flows, discount rates and inflation, central bank policy and intervention is an exogenous risk. Although central bank policy is readily observable and has dominated global headlines for years, it is difficult to analyze or model; that is why exogenous risks are more aptly termed uncertainties.

Two of the most prominent and impactful central bank actions in 2015 illustrate the level of distortion and its attendant consequences. Throughout 2015, markets were focused on if and when the Federal Reserve would increase the nominal fed funds rate by 0.25%. This focus was misplaced. A 25 basis point move is relatively small compared to a fed funds rate that would exist in “normal” times, closer to an estimated 1.5% to 2.0% at the lower range. The fact that a small move from a Zero Interest Rate Policy (ZIRP) left this rate negative in real terms underscores that markets are not operating in a normal environment and highlights the difficulties associated with a transition to normalization. While the Federal Reserve was moving slowly away from its ZIRP policy, other central banks were moving in the opposite direction towards a policy that amplifies negative real rates with the introduction of negative nominal interest rates or NIRP. Negative nominal interest rates are unnatural; they imply lenders should receive no real return or inflation compensation and actually pay banks to hold their money! There is no historical reference for negative nominal interest rates; they are a central bank experiment. Neither ZIRP nor NIRP are equilibrium states for financial markets, but both influence interest rates, an endogenous variable used to discount cash flows. Distorting price discovery in government bond markets introduces uncertainty to the endogenous interest rate variable that then influences all financial markets. This presents market participants with difficult analytical challenges and can influence behavior, intentionally or unintentionally. If government interest rates are the default free discounting mechanism used for financial analysis and those rates can be artificially depressed to unnatural - even negative - levels, investors are forced consequentially to attempt to analyze central bank behavior. Modelling central bank behavior defies conventional analysis. NIRP, a policy that was not required to prevent a global financial meltdown, confounds traditional economic models. Unimpressive investment returns from liquid assets in 2015 combined with tepid economic and inflation growth since the Great Recession suggests central bank policies may not be achieving their objectives, and investors are factoring the attendant challenges and uncertainties into their valuation models.
Although coordinated central bank intervention has been apparent in the synchronous direction of government bond yields since the bursting of the credit bubble, asynchronous currency movements began in 2014 and continued in 2015. The most notable currency movement of 2015 was the yuan devaluation by the People’s Bank of China to combat China’s economic slowdown. Unlike a coordinated central bank policy that lowers global benchmark interest rates for all borrowers, currency devaluation is not coordinated and has “zero sum game” characteristics that generally help a subset of economies at the expense of others. Countries that devalue their currency relative to their trading partners establish a competitive export advantage. In 2015 the U.S. dollar appreciated against every major currency. This appreciation was represented by a 9.26% increase in the Dollar Index, an indicator of the dollar’s value against a basket of major world currencies.

Hindsight may prove 2015 was the year markets experienced a change of heart regarding central bank activity. Market participants who applauded past interventions in its various forms and were beneficiaries of the wealth effect may now recognize the dilemma presented by a policy that suppresses interest rates and inflates asset prices but does not promote sustainable real economic growth. Ultimately a policy that results in asset price dependency and higher leverage fails in its objective and increases rather than decreases exogenous risks, resulting in a self-inflicted Catch-22 that prohibits normalization.

INVESTMENT RETURNS IN 2015

Liquid asset performance in 2015 was muted and largely influenced by a strong U.S. dollar, while illiquid assets experienced attractive returns. As illustrated by investment returns in Exhibit A, there was a marked distinction between unhedged and dollar hedged asset returns as investment returns were responsive to central bank currency policies but less responsive to interest rate policies.

In 2015 Cash provided a nominal return of 0.02%. Investors holding cash knowingly accept a negative real return; that is a “tax” on all savers and a transfer to the government and the financial system. Savers with a real return objective are forced either to bear this tax, which acts as a drag on their real return objective, or to increase their risk posture. This “risk on” dynamic has been the experience since the Great Recession. Alternatively, in a “risk off” environment, investors fear losses and cash becomes a desirable asset class. Bond market returns were driven by three distinct vectors in 2015: dependence on central bank policy, currency and credit. U.S. dollar appreciation against major currencies was the critical determinant in the difference between the -3.57% return for unhedged Global Government Bonds compared to the 1.30% return for the dollar hedged index. The 0.53% return for U.S. Investment Grade Bonds reflects the negative impact of wider credit spreads versus treasuries when benchmark treasury yields were relatively unchanged in the past year. Weaker credits widened more than stronger credits throughout the year, with energy related CCC rated credits experiencing the most pain, resulting in a -4.52% return for U.S. High Yield Bonds. The 1.23% Emerging Market Debt return was largely attributable to increases in credit spreads.

U.S., Global, and ex-U.S. equity markets had respective returns of 1.38%, 2.62% and 4.32% on a dollar-hedged basis in 2015, with the S&P 500 posting a new record level in May. Subsequent equity returns were challenged by, amongst other issues, concerns regarding a potential Federal Reserve tightening at the September meeting. Postponement of September’s anticipated 25 basis point tightening in combination with dovish rhetoric catalyzed an equity rally. Global equity earnings have been relatively flat, but similar to the high yield index credit spreads, energy company earnings have played a pronounced role dampening earnings growth. The -14.90% Emerging Markets Equities return is emblematic of investor concerns regarding growth and stability in these markets, most notably China. Consistent with recent history, throughout 2015 investors were paying a premium multiple for U.S. earnings when compared to ex-U.S. and Emerging Market geographies.
Real Estate and Private Markets had respective returns of 13.33% and 14.72% in 2015. Investors need to be mindful that these attractive returns cannot be viewed in isolation or as sustainable. Realized returns in these markets tend to lag their liquid counterparts and are highly correlated with liquidity alternatives in these otherwise illiquid asset classes. Liquidity alternatives were abundant early in 2015, but by the end of the year financial conditions had become less accommodating, consistent with widening credit spreads and declining credit market completeness.

As mentioned earlier, non-dollar currency exposure had a notable impact on global asset returns in 2015, entirely attributable to U.S. dollar appreciation against major currencies. The U.S. dollar appreciated meaningfully versus the euro and pound sterling, and slightly against the Japanese yen. Non-dollar currency in global bonds (ex-U.S.) had a contribution of -6.98% versus the dollar-hedged portfolio, while the impact of currency exposure in global equities (ex-U.S.) was -7.03%.

**CURRENT INVESTMENT MARKET CONDITIONS**

Financial markets have experienced volatility and disruption in the early months of 2016. Global equity markets fell nearly 6% in January. Continued declines in commodity prices, led by oil, raised deflation fears. Concerns about global economic growth in general and in China in particular added to investor concerns. Credit spreads widened and global government interest rates fell. At the end of January, the Bank of Japan (BOJ) adopted a NIRP and according to *The Economist*, by late February $7 trillion of global government bonds had negative yields.

It was Yogi Berra who said, “In theory there is no difference between practice and theory. In practice there is.” Central bankers would be well advised to listen to Yogi’s wisdom lest they fall prey to what Friedrich Hayek termed The Fatal Conceit. Markets cannot be controlled or managed by central banks indefinitely, they need to equilibrate on their own. In theory and under normal circumstances, lower interest rates should stimulate economic growth and inflation, and investors employing endogenous variables such as observed earnings and discount rates would conclude that risk assets are priced to deliver attractive prospective returns. In practice, however, that is not what is transpiring. Desperate times call for desperate measures. Negative interest rates appear to be an act, or experiment, of desperation. Economic growth has been subdued and deflation fears preempt inflation fears presently. Central bank intervention that imposes negative nominal interest rates is a sign that times aren’t normal. Valuing assets when central bank policies suggest times are desperate increases uncertainty, and in the current environment, investment practitioners are communicating to central bankers that they aren’t taking current earnings and interest rates at face value. In practice, investors may be justifiably questioning the efficacy of continued intervention, appreciating the distortion and its attendant analytical challenges, and sensing risk asset dependency on this exogenous variable. This sentiment was summarized by a *Financial Times* quote from an elderly Japanese gentleman shortly after the BOJ announced its NIRP:

“I am scared and I think a lot of people who are living on investments and savings are scared. These investments were presented to us in normal times, but the times we are living in are not normal.”

This gentleman’s comments extend to another structural problem in the U.S., the ongoing asset liability mismatch in pension plans and government entitlement programs which is exacerbated by current central bank policies. The liability structures of these programs were formulated with assumptions of “normal” investment conditions that included positive real and nominal interest rates, but, paraphrasing the Japanese gentleman, the assets in the programs are not investing in normal times. As a result, whether they like it or not or even know it or not, central bankers, policy makers and investors all face difficult choices with challenging consequences. From the depths of the credit crisis to early 2015 global central bankers had been able to communicate and provide liquidity in a synchronous
manner that minimized tail risk and resulted in unnaturally low interest rates. Zero sum game currency devaluations began in 2014 and extended into 2015. Interest rate policies by major central banks have diverged in 2015 and early 2016 with the introduction of NIRP by the European Central Bank and BOJ on one hand and the Federal Reserve’s initial attempt to move towards normalization on the other. Looking forward into 2016, however, the most significant concern for markets may be how events unfold in an environment where investors are forced to confront the magnitude of distortion that has transpired and to recognize the resultant unintended consequences and challenges to a path towards normalization.

INVESTMENT STRATEGY

Relative to our Multiple Markets Index benchmark (see MMI Components on page 24), The Brinson Foundation began 2015 with above policy weights in Cash and Private Markets, funded by small underweights in Global Equity, High Yield Bonds, Real Estate and, to a greater extent, Global Bonds. The Cash overweight was notable and in concert with the Global Bonds, High Yield Bonds and Real Estate underweights substantially reduced the portfolio’s duration risk. When equity markets experienced a summer swoon, Global Equity exposure was increased to policy with funds coming from Cash. Over the course of the year Private Markets were reduced to policy weight and the Real Estate underweight increased slightly, with proceeds going to Cash. As illustrated in Exhibit B, the portfolio ended the year with a decidedly less than neutral risk posture, specifically attributable to the meaningful underweight in Global Bonds in combination with smaller underweights in Real Estate and High Yield Bonds, all offset by the higher Cash position. This risk posture reflects our concerns regarding the exogenous risks surrounding central bank distortions and how the transition to normalization may unfold.

PERFORMANCE RESULTS

For the calendar year, the portfolio experienced a 0.48% return, versus 0.16% for our MMI benchmark (see Exhibit C). The inflation rate, using the Consumer Price Index, was 0.73% for the year, making the portfolio’s real (inflation adjusted) return -0.25% versus -0.57% for the MMI. Compared to the benchmark, the portfolio’s performance was positively influenced by currency allocation and was negatively impacted by security selection and the bond market underweight.

The Brinson Foundation’s real return objective is 4.0% to 4.5% with moderate risk exposure. From where we find ourselves today with existing yields and prices, we do not believe that larger long-term real returns are attainable without substantial risk and are reconciled to the fact that forward looking real returns will likely fall short of our objective in an environment of financial repression and a starting point of compressed risk premiums.

The portfolio’s real annualized performance since inception (12/31/00) has been 4.82%, compared to the benchmark’s 3.43%, producing 1.39% of added value with most of this contribution coming from market allocation decisions. The portfolio’s nominal return since inception has been 6.99% versus the benchmark’s 5.57% return. Since inception, the portfolio’s volatility is 9.31% compared to the benchmark’s 9.47%. Please refer to Exhibit D for a graphic display that includes a wealth index for both the benchmark and the portfolio.

We expect some modest improvement relative to the benchmark specific to security selection after we receive final end of year valuations from our managers in the Private Markets and Real Estate asset classes. Performance revisions take place for both the portfolio and the benchmark from the original estimates published in this report each year. Revised historical performance and volatility statistics for the portfolio and the benchmark are included in Exhibit E.
INVESTMENT MARKET OVERVIEW
2015 and Inception to Date
Global Capital Market Returns

EXHIBIT A

### NOMINAL RETURNS

<table>
<thead>
<tr>
<th>Market Index</th>
<th>MMI (Unhedged)</th>
<th>MMI ($ Hedged)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple Markets Index</td>
<td>0.16%</td>
<td>2.60%</td>
</tr>
<tr>
<td>U.S. Inflation (CPI)</td>
<td>0.73%</td>
<td>2.07%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market Index</th>
<th>MMI (Unhedged)</th>
<th>MMI ($ Hedged)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple Markets Index</td>
<td>-0.57%</td>
<td>1.86%</td>
</tr>
</tbody>
</table>

### REAL RETURNS

<table>
<thead>
<tr>
<th>Market Index</th>
<th>MMI (Unhedged)</th>
<th>MMI ($ Hedged)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple Markets Index</td>
<td>-0.57%</td>
<td>1.86%</td>
</tr>
</tbody>
</table>

### MARKET INDEX

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Equivalents</td>
<td>0.02%</td>
<td>-3.57%</td>
<td>1.30%</td>
<td>-5.54%</td>
<td>1.55%</td>
<td>-4.52%</td>
<td>-1.66%</td>
<td>1.38%</td>
<td>-3.01%</td>
<td>-14.90%</td>
<td>13.33%</td>
<td>14.72%</td>
</tr>
</tbody>
</table>

Source: UBS Global Asset Management
### INVESTMENT STRATEGY

**Market and Currency Allocation**

As of December 31, 2015

#### EXHIBIT B

<table>
<thead>
<tr>
<th>MARKET ALLOCATION</th>
<th>BENCHMARK</th>
<th>THE BRINSON FOUNDATION</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>55.00%</td>
<td>55.51%</td>
<td>0.51%</td>
</tr>
<tr>
<td></td>
<td><strong>Developed Markets</strong></td>
<td>49.71%</td>
<td>50.51%</td>
</tr>
<tr>
<td></td>
<td><strong>Emerging Markets</strong></td>
<td>5.29%</td>
<td>5.00%</td>
</tr>
<tr>
<td>Private Markets</td>
<td>5.00%</td>
<td>5.33%</td>
<td>0.33%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>10.00%</td>
<td>6.33%</td>
<td>-3.67%</td>
</tr>
<tr>
<td>Global Bonds</td>
<td>25.00%</td>
<td>10.39%</td>
<td>-14.61%</td>
</tr>
<tr>
<td>High Yield Bonds</td>
<td>3.00%</td>
<td>1.49%</td>
<td>-1.51%</td>
</tr>
<tr>
<td>Emerging Market Debt</td>
<td>2.00%</td>
<td>1.03%</td>
<td>-0.97%</td>
</tr>
<tr>
<td>Cash Equivalents</td>
<td>0.00%</td>
<td>19.92%</td>
<td>19.92%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>0.00%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CURRENCY ALLOCATION</th>
<th>BENCHMARK</th>
<th>THE BRINSON FOUNDATION</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>63.94%</td>
<td>75.08%</td>
<td>11.14%</td>
</tr>
<tr>
<td></td>
<td><strong>U.S.</strong></td>
<td>61.62%</td>
<td>72.93%</td>
</tr>
<tr>
<td></td>
<td><strong>Canada</strong></td>
<td>1.91%</td>
<td>1.14%</td>
</tr>
<tr>
<td></td>
<td><strong>Mexico</strong></td>
<td>0.41%</td>
<td>1.01%</td>
</tr>
<tr>
<td>Euro</td>
<td>11.81%</td>
<td>9.84%</td>
<td>-1.97%</td>
</tr>
<tr>
<td>Other Europe</td>
<td>3.16%</td>
<td>1.63%</td>
<td>-1.53%</td>
</tr>
<tr>
<td>UK</td>
<td>5.05%</td>
<td>4.16%</td>
<td>-0.89%</td>
</tr>
<tr>
<td>Japan</td>
<td>8.47%</td>
<td>7.41%</td>
<td>-1.06%</td>
</tr>
<tr>
<td>Asia (Ex-Japan)</td>
<td>0.87%</td>
<td>0.73%</td>
<td>-0.14%</td>
</tr>
<tr>
<td>Australia / New Zealand</td>
<td>1.60%</td>
<td>0.91%</td>
<td>-0.69%</td>
</tr>
<tr>
<td>Thai Baht</td>
<td>0.12%</td>
<td>-1.28%</td>
<td>-1.40%</td>
</tr>
<tr>
<td>Other Emerging Markets</td>
<td>4.98%</td>
<td>1.53%</td>
<td>-3.45%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>0.00%</strong></td>
</tr>
</tbody>
</table>

*Sources: J.P. Morgan, UBS Global Asset Management*
INVESTMENT PERFORMANCE (Net of Fees)

For the Period Ending December 31, 2015

EXHIBIT C

2015 PORTFOLIO PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>INFLATION RATE</th>
<th>REAL RETURN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brinson Foundation Portfolio</td>
<td>0.48%</td>
<td>0.73%</td>
<td>-0.25%</td>
</tr>
<tr>
<td>Multiple Markets Index</td>
<td>0.16%</td>
<td>0.73%</td>
<td>-0.57%</td>
</tr>
<tr>
<td>Added Value</td>
<td>0.32%</td>
<td></td>
<td>0.32%</td>
</tr>
</tbody>
</table>

SINCE INCEPTION (12/31/2000) PORTFOLIO PERFORMANCE (Annualized)

<table>
<thead>
<tr>
<th></th>
<th>SINCE INCEPTION</th>
<th>INFLATION RATE</th>
<th>REAL RETURN</th>
<th>VOLATILITY*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brinson Foundation Portfolio</td>
<td>6.99%</td>
<td>2.07%</td>
<td>4.82%</td>
<td>9.31%</td>
</tr>
<tr>
<td>Multiple Markets Index</td>
<td>5.57%</td>
<td>2.07%</td>
<td>3.43%</td>
<td>9.47%</td>
</tr>
<tr>
<td>Added Value</td>
<td>1.42%</td>
<td></td>
<td>1.39%</td>
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</tr>
</tbody>
</table>

* Annualized standard deviation of monthly logarithmic returns
Source: UBS Global Asset Management

THE BRINSON FOUNDATION PORTFOLIO & MULTIPLE MARKETS INDEX BENCHMARK

December 31, 2000 – December 31, 2015

EXHIBIT D

Wealth Index Log Scale

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>'01</th>
<th>'02</th>
<th>'03</th>
<th>'04</th>
<th>'05</th>
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<th>'09</th>
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<th>'11</th>
<th>'12</th>
<th>'13</th>
<th>'14</th>
<th>'15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annualized Return</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portfolio</td>
<td>6.99%</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benchmark</td>
<td>5.57%</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volatility*</td>
<td>9.31%</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Annualized standard deviation of monthly logarithmic returns
Source: UBS Global Asset Management
EXHIBIT E

The Brinson Foundation Portfolio and Multiple Markets Index Benchmark return numbers that are **bold** and *italicized* remain subject to revision. The Multiple Markets Index is subject to revision for 18 months.

<table>
<thead>
<tr>
<th>Year</th>
<th>The Brinson Foundation Portfolio</th>
<th>Multiple Markets Index Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual Return</td>
<td>Annualized Return Since Inception</td>
</tr>
<tr>
<td>2001</td>
<td>9.70%</td>
<td>9.70%</td>
</tr>
<tr>
<td>2002</td>
<td>-1.70%</td>
<td>3.85%</td>
</tr>
<tr>
<td>2003</td>
<td>25.32%</td>
<td>10.56%</td>
</tr>
<tr>
<td>2004</td>
<td>13.17%</td>
<td>11.21%</td>
</tr>
<tr>
<td>2005</td>
<td>7.60%</td>
<td>10.48%</td>
</tr>
<tr>
<td>2006</td>
<td>16.23%</td>
<td>11.41%</td>
</tr>
<tr>
<td>2007</td>
<td>6.51%</td>
<td>10.70%</td>
</tr>
<tr>
<td>2008</td>
<td>-24.91%</td>
<td>5.46%</td>
</tr>
<tr>
<td>2009</td>
<td>24.43%</td>
<td>7.41%</td>
</tr>
<tr>
<td>2010</td>
<td>12.05%</td>
<td>7.87%</td>
</tr>
<tr>
<td>2011</td>
<td>-3.62%</td>
<td>6.77%</td>
</tr>
<tr>
<td>2012</td>
<td>12.90%</td>
<td>7.27%</td>
</tr>
<tr>
<td>2013</td>
<td>12.74%</td>
<td>7.68%</td>
</tr>
<tr>
<td>2014</td>
<td>4.76%</td>
<td>7.47%</td>
</tr>
<tr>
<td>2015</td>
<td>0.48%</td>
<td>6.99%</td>
</tr>
</tbody>
</table>

* Annualized standard deviation of monthly logarithmic returns

Source: UBS Global Asset Management
GRANTMAKING GUIDELINES & PROCESS

GRANTSEEKER INQUIRIES
We ask grantseekers to review our mission, vision, beliefs, priorities and focus areas as well as our grantmaking guidelines before submitting an inquiry. Information regarding these guidelines can be found on the “Grantseekers” pages on our website at brinsonfoundation.org. If a grantseeker believes its request matches one or more of our grantmaking priorities and focus areas, it can make an inquiry by submitting our Grantseeker Information Form (GIF). The GIF is available on the “Grantseekers - Inquiries” or the “Resources” pages of our website. We accept inquiries throughout the year.

The completed form should be emailed to mail@brinsonfoundation.org. We will send a confirmation email, usually within 3-5 business days, advising the grantseeker of the anticipated timetable for review of the inquiry.

The Grantseeker Information Form is not an application. It simply provides us preliminary information about the grantseeker’s organization and the proposed grant request. We review the information provided in the form to determine whether the organization and the grant request qualify for further consideration. In all cases, we communicate the outcome of the review to the grantseeker. For a description of the process followed if we determine that an inquiry merits further review, see “Process and Calendar” below.

The Brinson Foundation Board of Directors has sole authority to approve grant requests. The Foundation’s staff is responsible for reviewing, screening, performing due diligence and recommending grants to the Board. See the “Process and Calendar” section on the following page regarding the sequence and timing of our grant cycles.

LEGAL REQUIREMENTS
The Brinson Foundation will consider inviting grant applications from organizations:
» Located outside of the United States of America if they can provide a written legal opinion or affidavit stating “charitable equivalency” to a qualifying U.S. organization, or if they are carrying out similar charitable or educational activities.

GRANT LIMITATIONS AND OTHER CONSIDERATIONS
The Brinson Foundation will not consider grant inquiries from organizations that:
» Discriminate on the basis of race, gender, religion, ethnicity or sexual orientation
» Request funding for:
  • Activities that attempt to influence public elections
  • Voter registration
  • Political activity
  • Lobbying efforts
  • Programs that promote religious faith, include religious content or are based on religious or spiritual values
  • Programs that are limited to members of a specific race, gender, religion or ethnic group (excluding medical research programs where such limitations may be necessary and appropriate)

The Brinson Foundation discourages grant inquiries requesting funds for:
» Capital improvements
» Endowments
» Fundraising events

GRANTMAKING PRIORITY UPDATES
The Board of Directors periodically reviews and updates a statement of the Foundation’s Grantmaking Priorities. This statement, which can be found on our website’s “Who We Are – Our Priorities” pages, is intended to provide guidance to grantseekers regarding the types of organizations and programs the Foundation is currently considering for funding. It does not represent a complete statement of the types of organizations and programs that are represented in the Foundation’s grant portfolio.
GRANTMAKING GUIDELINES & PROCESS

GEOGRAPHIC CONSIDERATIONS

Education Programs. The Foundation’s education grants are generally made to organizations that serve individuals and communities in the greater Chicago area. We also consider leading U.S.-based programs that reach broader populations across the U.S. and internationally or have the potential to have a meaningful impact on best practices at the national or international level.

Organizations that do not serve populations in the Chicago area and do not meet the foregoing standards are rarely considered by our Board. As a result, we generally discourage them from submitting inquiries to the Foundation. If you have a question as to whether your organization or program qualifies for consideration, please call our office and speak to a program officer about whether it is appropriate to submit a Grantseeker Information Form.

Scientific Research Programs. The Foundation’s physical science research grants are made to leading organizations across the United States. In this priority area, the location of the program is less critical than the match with the Foundation’s grantmaking priorities.

The Foundation does not accept inquiries with regard to medical research.

PROCESS AND CALENDAR

If our initial review of a grantseeker inquiry indicates there may be a sufficient priority and focus area match, we assign one of our program officers to communicate with the grantseeker to learn more about the organization and its programs. If a grantseeker remains under consideration, our spring and fall due diligence, application and grantmaking cycles proceed as follows:

For New Grantseekers: We generally conduct due diligence discussions with grantseekers that are being considered for spring cycle invitations between January and March.

Following these due diligence discussions, the staff determines whether to invite the grantseeker to submit a grant application. If so, we email the grantseeker a formal application invitation. Spring cycle applications are generally due on the last business day in February.

The staff reviews all applications and prepares recommendations for our Board of Directors. The Board meeting usually occurs in late April or early May. Following the Board meeting, we contact each applicant and advise them of the Board’s decision. If the grant is approved, we generally send out the grant agreement within two weeks following the Board meeting and disburse the grant upon receipt of the signed agreement.

The fall cycle activities are the same as the spring cycle but they take place between July and September and end in November or December.

<table>
<thead>
<tr>
<th>Due Diligence Discussion(s)</th>
<th>All Applications Completed</th>
<th>Board Meeting Application Review</th>
<th>Grant Disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Spring Cycle</strong></td>
<td>January - March</td>
<td>February (last business day)</td>
<td>April - May</td>
</tr>
<tr>
<td><strong>Fall Cycle</strong></td>
<td>July - September</td>
<td>August (last business day)</td>
<td>October - November</td>
</tr>
</tbody>
</table>

For Current Grantees: We have adopted a simplified renewal process for current grantees which combines the evaluation questionnaire and renewal application. The process generally follows the cycle calendars shown above. Details can be found in the “Grantees Login” section of our website.
DIRECTORS AND STAFF

Board of Directors
Gary P. Brinson, CFA
Suzann A. Brinson
Monique B. Demery
Thomas R. Demery
Andrew H. Melone
Tally S. Melone

Staff
James D. Parsons, President
James P. Barnes, Senior Program Officer
Christy Uchida, Senior Program Officer
Harriett V. Edmonds, Grants Manager