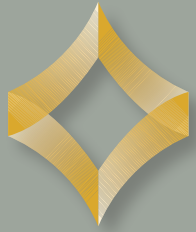




The Brinson Foundation

**2019** ANNUAL REPORT

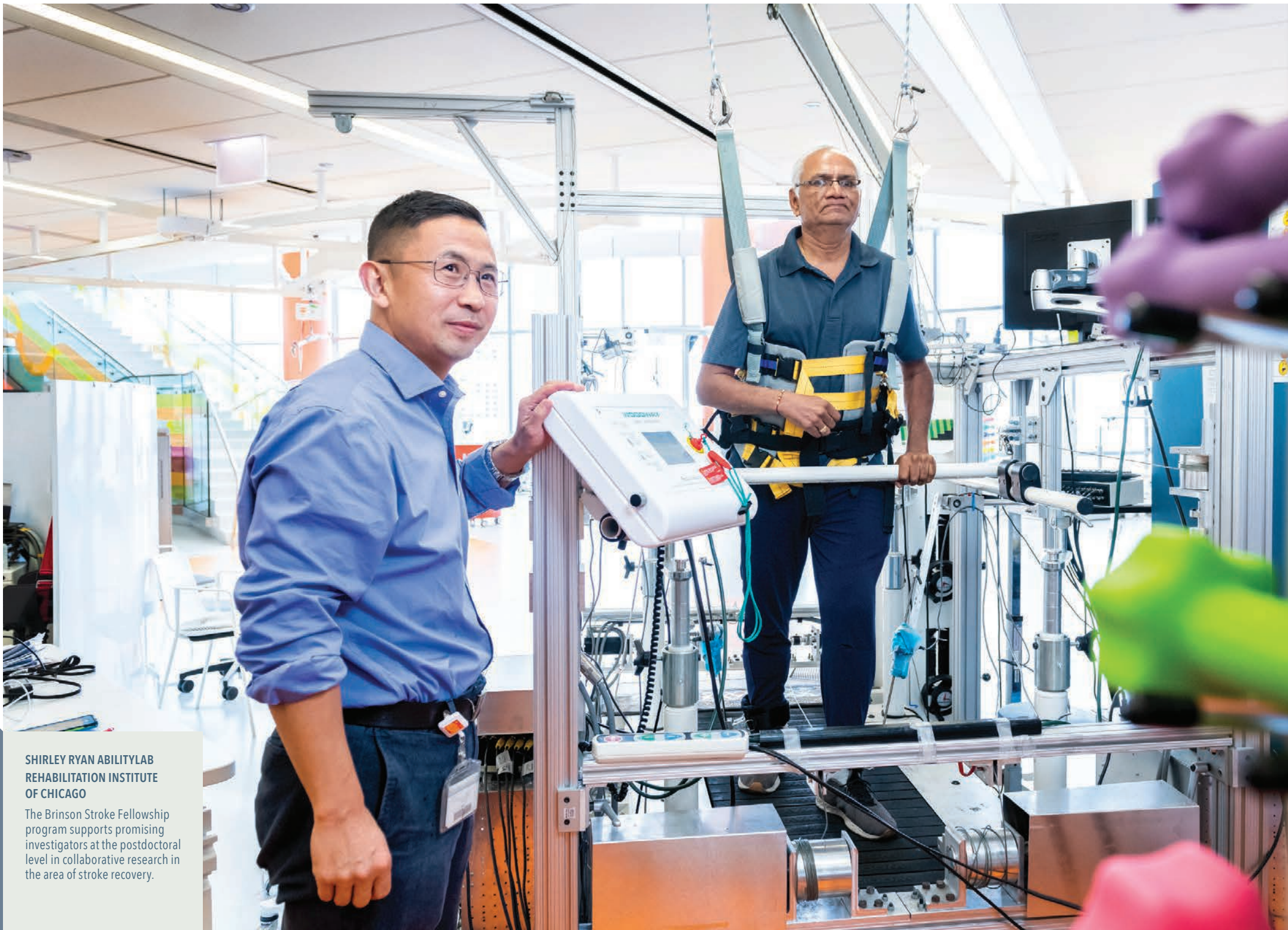


Education is essential to the human mind and spirit and provides the basis for people to reach their full potential.



#### LSST CORPORATION

The Foundation supports a Data Science Fellowship Program designed to train astronomy students in the essential skills needed to utilize the unprecedented amount of data that will be collected from the Rubin Observatory's Legacy Survey of Space and Time (LSST).



**SHIRLEY RYAN ABILITYLAB  
REHABILITATION INSTITUTE  
OF CHICAGO**

The Brinson Stroke Fellowship program supports promising investigators at the postdoctoral level in collaborative research in the area of stroke recovery.



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**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 every individual is a valued and productive member of society, where all people are committed to improving their lives and the quality of their environments.

## PRESIDENT'S LETTER

At the start of an exciting 20th year of the Foundation, it is a privilege to be writing my first President's letter. I'm grateful to our Board of Directors for entrusting me with this new leadership role and especially to my predecessor Jim Parsons who has been and continues to be a career-making mentor to me. I appreciate that Jim remains involved as a Senior Advisor to the Foundation and sits on the boards or otherwise advises at least five of our grantees. We have a new program officer rounding out our capable staff as we aspire to a seamless transition.

Many have asked if now is the right time for me to work with our Board to create a new vision or direction for the Foundation. While I believe in continuous improvement, as there are always ways we can strive to be better, my current objective is continuity. To this end, I plan to build on our

existing practices that, while not unique, will hopefully make us even more effective grantmakers. This includes practices such as providing capacity building and general operating support, where appropriate, as well as collaborating with other funders on areas of mutual interest.

In 2019, we identified an opportunity to streamline the Foundation's Education priority. Since many of our grantees whose work focuses on high school, college and career success have a financial education component to their programming and some prioritize the high-demand sector of health care, we have decided to fold the Foundation's focus areas of Financial Literacy and Health Care Career Development within our existing High School, College and Career Success focus area. Additionally, for the past few years, we have been increasing our focus on Scientific Research grantmaking, which was only 14% of the portfolio three years ago and now represents 21.6% of our total giving.

This report reflects on the Foundation's 19th complete year of grantmaking. Remarkably, after 19 years, our average grant length is 12.3 years, demonstrating the Foundation's deliberate commitment to sustaining the excellent work of our grantees. While the Foundation does not seek recognition, we plan to reflect at the end of this year (just as we did at the end of ten years) on the extent of our impact over the past twenty years, lessons learned and hopes for the future. We are open to your feedback and reflections on your experience with the Foundation as we complete our second decade and look ahead to many more exciting years of collaboration.



Christy Uchida  
President

While I believe in continuous improvement, as there are always ways we can strive to be better, my current objective is continuity.



#### HIGH JUMP

Academic enrichment and counseling provided by High Jump to Chicago middle school students sets them on a trajectory to attend top high schools and colleges and graduate from college at a higher rate than their peers.

## FOUNDER'S STATEMENT

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 \$110 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:

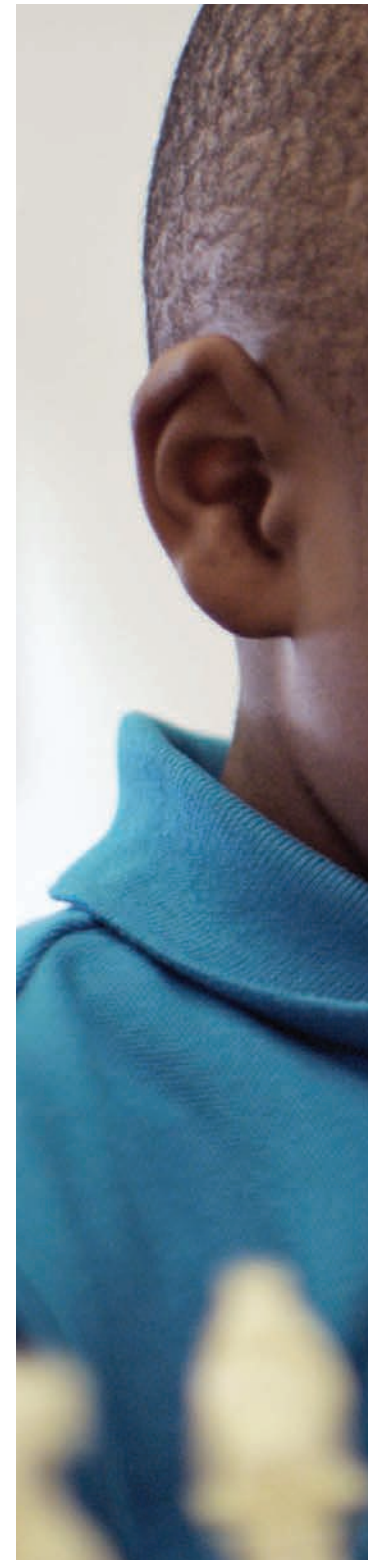
◇ The Foundation provides a formal structure for the family to interact as members of the board of directors and to work cooperatively with each other in

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

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.





**AMERICA'S FOUNDATION  
FOR CHESS**

The First Move program is used in hundreds of Chicago Public Schools classrooms to teach critical and creative thinking skills to 2nd and 3rd grade students.

## FOUNDER'S STATEMENT

diminishment in the real value of the assets for 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:

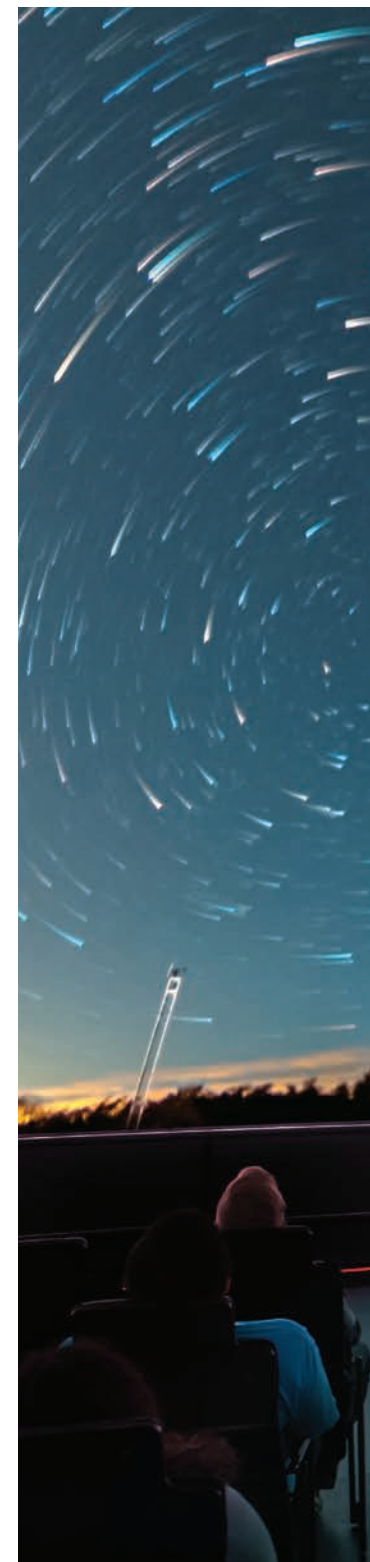
- ◇ The embracement of philanthropy is different than that of charity. The Foundation should avoid "charitable grantmaking," by which I mean grants that deal with symptoms rather than causes.
  - ◇ The scope of the Foundation's activities should be as narrow as possible given the diverse interests of 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

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

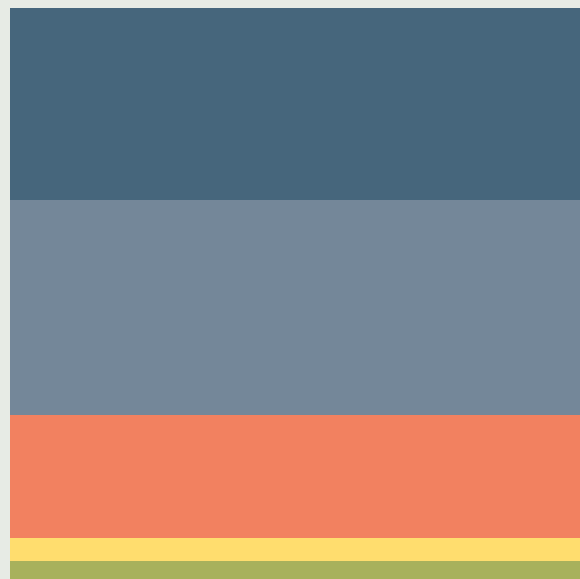




#### ADLER PLANETARIUM

The Planetarium is a leader in state-of-the-art space science visualization, which is used to advance the knowledge of wide audiences. The Foundation supports the Adler's astronomy program which conducts frontier research and facilitates public access to those cutting-edge studies.

## GRANTMAKING OVERVIEW



### 2019 GRANTS BY PRIORITY

Total Grants 160      Total Amount \$4,620,400

- Endorsement 33.5% | 24 Grants | \$1,550,000
- Education 37.2% | 52 Grants | \$1,720,000
- Scientific Research 21.6% | 16 Grants | \$1,000,000
- Board Special Interest 4.0% | 12 Grants | \$184,900
- Other<sup>1</sup> 3.6% | 56 Grants | \$165,500

<sup>1</sup> The Foundation provided Professional Development and Technical Assistance grants, funded an evaluation capacity building initiative and supported a peer skill sharing micro-grants program (through Forefront) which benefitted 42 existing grantees. These grants totaled \$112,500.

Percentage totals do not add due to rounding.



### TOTAL GRANTS BY PRIORITY SINCE INCEPTION<sup>2</sup>

Total Grants 2,130      Total Amount \$67,844,133

- Endorsement 33.3% | 368 Grants | \$22,587,500
- Education 45.4% | 1,017 Grants | \$30,817,000
- Scientific Research 16.5% | 230 Grants | \$11,195,000
- Board Special Interest 2.6% | 80 Grants | \$1,794,900
- Other 2.1% | 435 Grants | \$1,449,733

<sup>2</sup> Inception date of December 31, 2000.

Percentage totals do not add due to rounding.

# 2019

**24 Endorsements Grants**  
**52 Education Grants**  
**16 Scientific Research Grants**

**2,130 Total Grants since inception**

**Total Grantmaking since inception**

# \$67.8 million

## OUR BELIEFS

- ▲ There are no higher values than integrity, truth and honesty.
- ▲ Strong, collegial and collaborative relationships with grantees are central to effective philanthropy.
- ▲ Individuals, families and communities are best positioned to define and solve their own problems.
- ▲ 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.
- ▲ Initiatives that pursue preventative measures rather than the treatment of existing symptoms offer greater opportunities for long-term impact.
- ▲ 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.



### MATH CIRCLES OF CHICAGO

MC2 creates opportunities for 5th through 12th graders from all communities in Chicago to engage in novel mathematics programs while gaining a lifelong love of the subject.

## 2019 ENDORSEMENT GRANTS

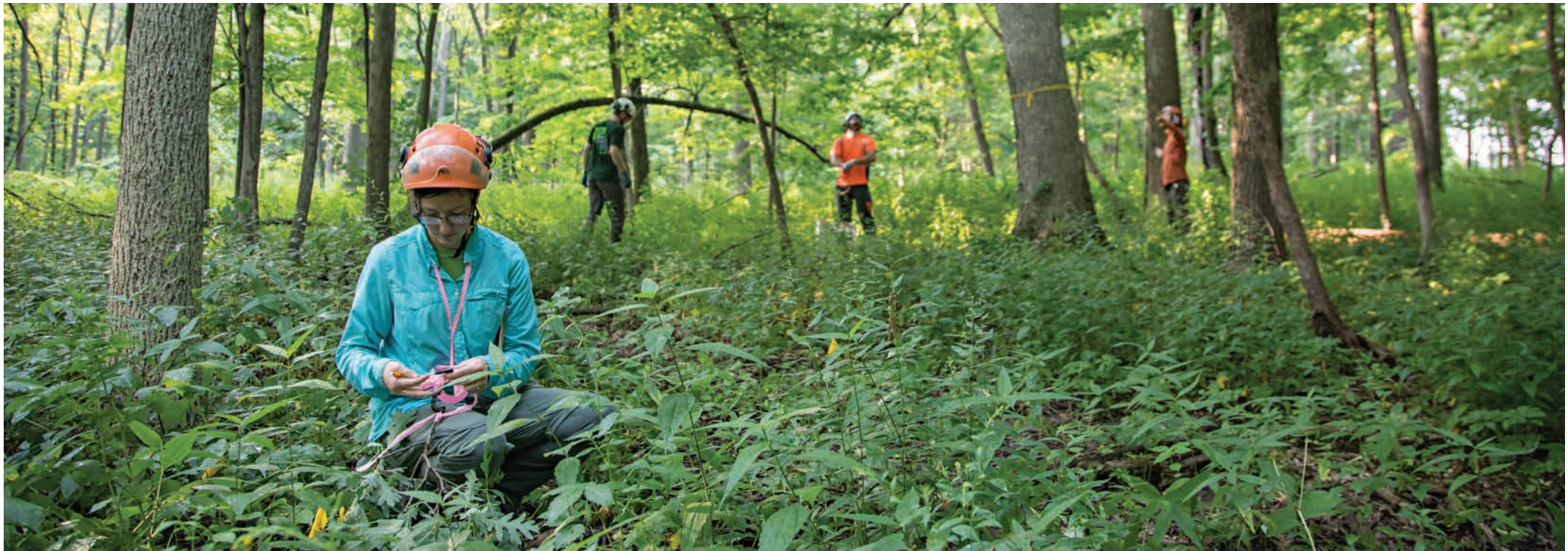
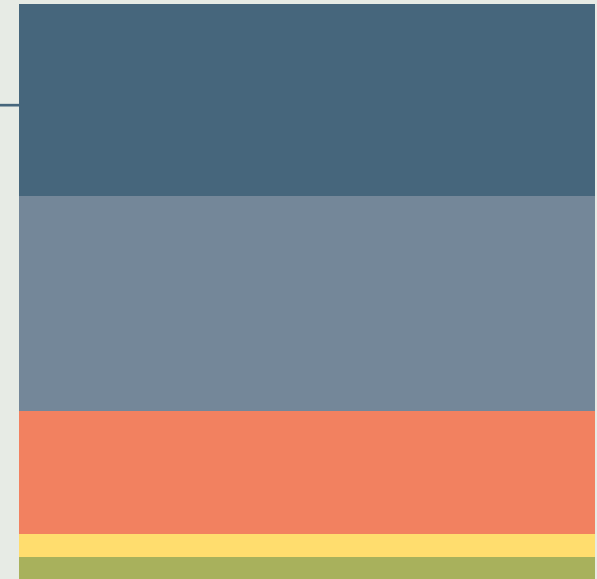
Endorsement grants are made to a limited number of leading institutions selected by the Foundation's Directors. These grants often involve ongoing core support of the institution rather than specific programmatic support pursuant to the Foundation's grantmaking priorities. The Foundation does not accept inquiries or applications relating to the Endorsement grant category, as decisions to include grants in this category are solely within the discretion of the Foundation's Board of Directors.

33.5%

### ENDORSEMENT

24 Grants

\$1,550,000



**Adler Planetarium**

Chicago, IL  
*Cosmology and Astrophysics  
 Research*  
 \$80,000

**America's Foundation for Chess**

Bellevue, WA  
*General Support and First Move in  
 Chicago Public Schools*  
 \$40,000

**Ann & Robert H. Lurie Children's Hospital of Chicago**

Chicago, IL  
*Medical Research –  
 Junior Investigator Award*  
 \$80,000

**Art Institute of Chicago**

Chicago, IL  
*General Support*  
 \$80,000

**Chicago Architecture Center**

Chicago, IL  
*General Support*  
 \$50,000

**Chicago Botanic Garden  
Chicago Horticultural Society**

Glencoe, IL  
*Learning and Engagement  
 Programs*  
 \$50,000

**Chicago History Museum  
Chicago Historical Society**

Chicago, IL  
*General Support*  
 \$60,000

**Chicago Symphony Orchestra Association**

Chicago, IL  
*General Support*  
 \$60,000

**Eisenhower Health**

Rancho Mirage, CA  
*Nursing Education and  
 General Support*  
 \$50,000

**The Field Museum**

Chicago, IL  
*Learning Center Programs*  
 \$80,000

**The Joffrey Ballet**

Chicago, IL  
*General Support*  
 \$40,000

**La Rabida Children's Hospital**

Chicago, IL  
*General Support*  
 \$80,000

**Lincoln Park Zoological Society**

Chicago, IL  
*General Support*  
 \$60,000

**Lyric Opera of Chicago**

Chicago, IL  
*NEXT – Discount Student Tickets  
 for the Next Generation*  
 \$60,000

**The Morton Arboretum**

Lisle, IL  
*General Support*  
 \$40,000

**Museum of Science and Industry**

Chicago, IL  
*General Support and  
 Community Initiatives*  
 \$80,000

**Northwestern Memorial Foundation**

Chicago, IL  
*Nursing Education and NICU  
 Lactation Program at Northwestern  
 Memorial Hospital*  
 \$70,000

**Peggy Notebaert Nature Museum  
Chicago Academy of Sciences**

Chicago, IL  
*General Support*  
 \$40,000

**Rush University Medical Center**

Chicago, IL  
*Medical Research –  
 Junior Investigator Award*  
 \$75,000

**Shedd Aquarium**

Chicago, IL  
*General Support*  
 \$80,000

**Shirley Ryan AbilityLab  
Rehabilitation Institute of Chicago**

Chicago, IL  
*Brinson Stroke Fellowship*  
 \$75,000

**Special Olympics Illinois**

Normal, IL  
*General Support*  
 \$50,000

**The University of Chicago Medicine**

Chicago, IL  
*Medical Research –  
 Junior Investigator Award*  
 \$100,000

**WTTW****Window to the World  
Communications, Inc.**

Chicago, IL  
*Local Broadcast of NOVA  
 and General Support*  
 \$70,000

**THE MORTON ARBORETUM**

The Arboretum plays a vital role in tree science and educational outreach in the Chicagoland area. The organization welcomed over one million visitors each of the past four years, more than double the attendance when the Foundation began its support in 2005.

## 2019 PROGRAMMATIC GRANTS

### EDUCATION

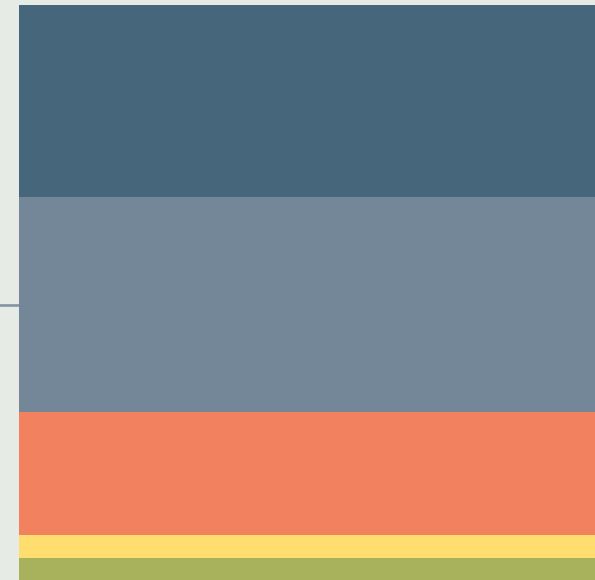
We believe education provides people with the opportunity to expand their talents and capabilities. Through our grantmaking, we hope to inspire them to reach their full potential both as individuals and as contributing citizens of a greater community. We are especially interested in programs that make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

37.2%

#### EDUCATION

52 Grants

\$1,720,000



#### EDUCATION GRANTS ARE MADE IN THE FOLLOWING FOCUS AREAS:

**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. Health care career development is of particular interest.

**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 serve to 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.

**1871  
Chicagoland Entrepreneurial  
Center**

Chicago, IL  
*General Support*  
\$30,000

**A Better Chicago**

Chicago, IL  
*General Support*  
\$25,000

**Accion**

Cambridge, MA  
*Microfinance Initiatives in Africa,  
Asia and Latin America*  
\$30,000

**Acumen**

New York, NY  
*Acumen Academy and  
Fellows Programs*  
\$50,000

**Advance Illinois**

Chicago, IL  
*General Support*  
\$30,000

**After School Matters**

Chicago, IL  
*STEM Out-of-School Time  
Programming*  
\$25,000

**Alan Alda Center for  
Communicating Science  
Stony Brook Foundation**

Stony Brook, NY  
*General Support*  
\$35,000

**The Ayn Rand Institute**

Irvine, CA  
*Free Books to Teachers Program –  
Chicago Area*  
\$35,000

**Bottom Line**

Chicago, IL  
*General Support – Chicago*  
\$35,000

**Cara**

Chicago, IL  
*General Support – Chicago*  
\$30,000

**Carole Robertson Center  
for Learning**

Chicago, IL  
*General Support*  
\$25,000

**Cato Institute**

Washington, DC  
*Student Briefing Program and  
Student Seminar*  
\$25,000

**CERGE - EI Foundation**

Teaneck, NJ  
*Brinson Fellows Ph.D.  
Scholarship Program*  
\$30,000

**Chicago Community Foundation  
Chicagoland Workforce Funder  
Alliance**

Chicago, IL  
*Progressive Postsecondary  
Pathways Support Fund*  
\$25,000

**Chicago Literacy Alliance**

Chicago, IL  
*General Support*  
\$25,000

**Chicago Public Education Fund**

Chicago, IL  
*Fund 5 Support to Promote Principal  
Quality in Chicago Public Schools*  
\$75,000

**Chicago Public Library Foundation**

Chicago, IL  
*Early Literacy Training for Children's  
Library Staff*  
\$25,000

**Communities In Schools of Chicago**

Chicago, IL  
*General Support for Student  
Health Programs*  
\$40,000

**Constitutional Rights Foundation  
Chicago**

Chicago, IL  
*Lawyers in the Classroom – U.S.  
Constitution and Legal System  
Education for Grades 2-8*  
\$25,000

**Council for the Advancement  
of Science Writing**

Hedgesville, WV  
*Graduate School Science Writing  
Fellowships and General Support*  
\$25,000

**Daniel Murphy Scholarship Fund**

Chicago, IL  
*General Support*  
\$50,000

**DuPage Children's Museum**

Naperville, IL  
*General Support*  
\$35,000



**AFTER SCHOOL MATTERS**

ASM's STEM out-of-school time programs help Chicago teens understand and engage in scientific inquiry, explore careers in science and STEM-related fields and develop skills to think critically about science in their daily lives.

**Erie Family Health Foundation**  
Chicago, IL  
*General Support for the Teen Center*  
\$40,000

**Healthy Schools Campaign**  
Chicago, IL  
*General Support – Chicago*  
\$40,000

**High Jump**  
Chicago, IL  
*General Support*  
\$45,000

**The Horatio Alger Association**  
Alexandria, VA  
*Illinois College Scholarship Program*  
\$50,000

**i.c.stars**  
**Inner-City Computer Stars Foundation**  
Chicago, IL  
*General Support*  
\$30,000

**Illinois Network of Charter Schools**  
Chicago, IL  
*General Support*  
\$30,000

**Institute for Humane Studies**  
Arlington, VA  
*Student Programming*  
\$35,000

**Jack Miller Center for Teaching America's Founding Principles and History**  
Bala Cynwyd, PA  
*High School Teacher Professional Development in Civics*  
\$35,000

**Lake Forest Academy**  
Lake Forest, IL  
*Class of '93 Scholarship Fund for High School Students*  
\$30,000

**Literacy Works**  
Chicago, IL  
*General Support*  
\$25,000

**Loyola University Medical Center**  
Maywood, IL  
*Pediatric Mobile Health Unit*  
\$25,000

**Math Circles of Chicago**  
Chicago, IL  
*General Support*  
\$25,000

**Mercatus Center at George Mason University**  
Arlington, VA  
*F. A. Hayek Program for Advanced Study in Philosophy, Politics and Economics*  
\$25,000

**MetroSquash**  
Chicago, IL  
*General Support*  
\$40,000

**Mikva Challenge Grant Foundation**  
Chicago, IL  
*Teen Health Council*  
\$30,000

**Moneythink**  
Chicago, IL  
*General Support*  
\$25,000

**One Million Degrees**  
Chicago, IL  
*General Support*  
\$35,000

**OneGoal**  
Chicago, IL  
*General Support – Chicago*  
\$35,000

**Ounce of Prevention Fund**  
Chicago, IL  
*General Support for Educare*  
\$30,000

**The Partnership for College Completion**  
Chicago, IL  
*General Support*  
\$25,000

**The Posse Foundation**  
Chicago, IL  
*General Support – Chicago*  
\$50,000

**Project SYNCERE**  
Chicago, IL  
*General Support*  
\$25,000

**Room to Read**  
San Francisco, CA  
*General Support for International Literacy Programs*  
\$25,000

**Rush University Medical Center**  
Chicago, IL  
*Adolescent Family Center Reproductive Health Program*  
\$40,000

**St. John's Hospital Foundation**  
Jackson, WY  
*Nursing Education Program*  
\$50,000

**Spark**  
Chicago, IL  
*General Support*  
\$25,000

**Teach For America**  
Chicago, IL  
*General Support – Chicago and Northwest Indiana*  
\$35,000

**Teton Science Schools**  
Jackson, WY  
*General Support*  
\$35,000

**The University of Chicago Consortium on School Research**  
Chicago, IL  
*General Support*  
\$25,000  
*College to Career Transition Study*  
\$25,000



#### ACCION

Working with microfinance institutions in Latin America, Africa and Asia, Accion is leveraging the free market to bring financial services to hundreds of millions of individuals who have been left out of the formal financial sector.

## 2019 PROGRAMMATIC GRANTS

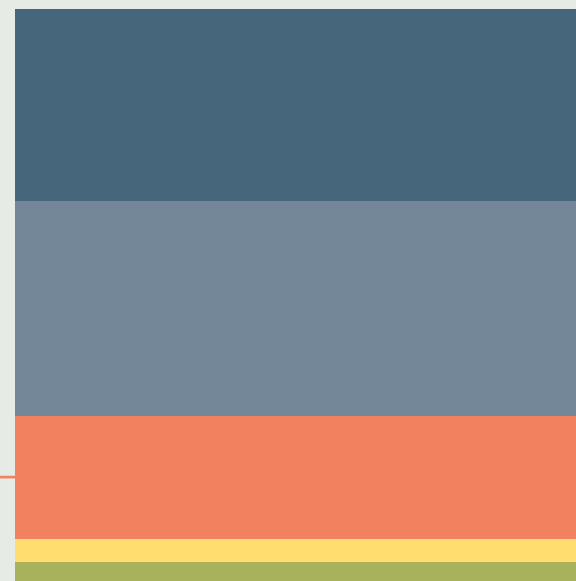
### SCIENTIFIC RESEARCH

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 postdoctoral scientists who are beginning their research careers. We are particularly interested in programs that encourage early-career scientists to remain engaged in research in their field.

21.6%

#### SCIENTIFIC RESEARCH

16 Grants  
\$1,000,000



#### SCIENTIFIC RESEARCH GRANTS ARE MADE IN THE FOLLOWING FOCUS AREAS:

**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.*

**California Institute of Technology**

Pasadena, CA  
*Theoretical Gravitational Wave Research*  
\$85,000

**California Institute of Technology**

Pasadena, CA  
*Quantum Communications and Fundamental Space-Time Physics*  
\$50,000

**Carnegie Institution for Science**

Washington, DC  
*Seismology Monitoring Research*  
\$65,000

**Columbia University  
Lamont-Doherty Earth Observatory**

Palisades, NY  
*Anticipating Earthquakes Initiative*  
\$70,000

**Cornell University  
Carl Sagan Institute**

Ithaca, NY  
*Search for Life in the Universe*  
\$50,000

**Cornell University  
Center for Astrophysics and Planetary Science**

Ithaca, NY  
*Dark Matter along a Filament of Galaxies*  
\$50,000

**LSST Corporation**

Tucson, AZ  
*Data Science Fellowship Program*  
\$100,000

**Northwestern Memorial Foundation**

Chicago, IL  
*Medical Research – Junior Investigator Award at Northwestern Memorial Hospital*  
\$70,000

**Rush University Medical Center**

Chicago, IL  
*Breast Cancer Research*  
\$50,000

**Salk Institute for Biological Studies**

La Jolla, CA  
*The Role of Neoteny in Human-Specific Brain Development*  
\$50,000

**Science Philanthropy Alliance  
New Venture Fund**

Washington, DC  
*Associate Membership*  
\$75,000

**Smithsonian Astrophysical Observatory**

Cambridge, MA  
*Exoplanet Biosignature Search Project*  
\$50,000

**The University of Arizona Foundation**

Tucson, AZ  
*Spacewatch – Asteroid Composition Research*  
\$35,000

**The University of Chicago  
Department of Astronomy and Astrophysics**

Chicago, IL  
*Brinson Fellowship Program*  
\$85,000

**The University of Chicago  
Department of Organismal Biology and Anatomy**

Chicago, IL  
*The Genetic Basis for the Origin of Limbs*  
\$50,000

**The University of Utah**

Salt Lake City, UT  
*Yellowstone Seismology and Tectonophysics Research*  
\$65,000



**CALIFORNIA INSTITUTE OF TECHNOLOGY**

Since 2006, the Foundation has supported outstanding graduate students and postdoctoral scholars in their exploration of the dynamically evolving warped space-time around black holes.

## 2019 BOARD SPECIAL INTEREST GRANTS

**America Needs You**  
Chicago, IL  
*General Support*  
\$30,000

**Best Friends Animal Society**  
Kanab, UT  
*General Support*  
\$600

**Humble Design**  
Chicago, IL  
*General Support*  
\$1,300

**Jackson Chance Foundation**  
Chicago, IL  
*NICU Transportation Program*  
\$1,100

**Jackson Hole Land Trust**  
Jackson, WY  
*General Support*  
\$35,000

**The Living Desert**  
Palm Desert, CA  
*General Support*  
\$20,000

**Lycée Français de Chicago**  
Chicago, IL  
*Eye to Eye Program*  
\$15,000

**Make-A-Wish International**  
Phoenix, AZ  
*General Support*  
\$1,300

**Merit School of Music**  
Chicago, IL  
*General Support*  
\$30,000

**National Museum of Wildlife Art**  
Jackson, WY  
*General Support*  
\$20,000

**Save the Earth Foundation**  
Los Angeles, CA  
*General Support*  
\$600

**Teton County Integrated Solid Waste & Recycling**  
Jackson, WY  
*Recycling and Household Hazardous Waste Collection, Waste Diversion Outreach and Education*  
\$30,000

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 in this category.*

## 2019 OTHER GRANTS

**American Association for the Advancement of Science**  
Washington, DC  
*General Support*  
\$1,000

**Candid**  
New York, NY  
*General Support*  
\$1,000

**Chicago CRED**  
Pasadena, CA  
*Honorarium*  
\$2,500

**Children First Fund: The Chicago Public Schools Foundation**  
Chicago, IL  
*Honorarium*  
\$2,500

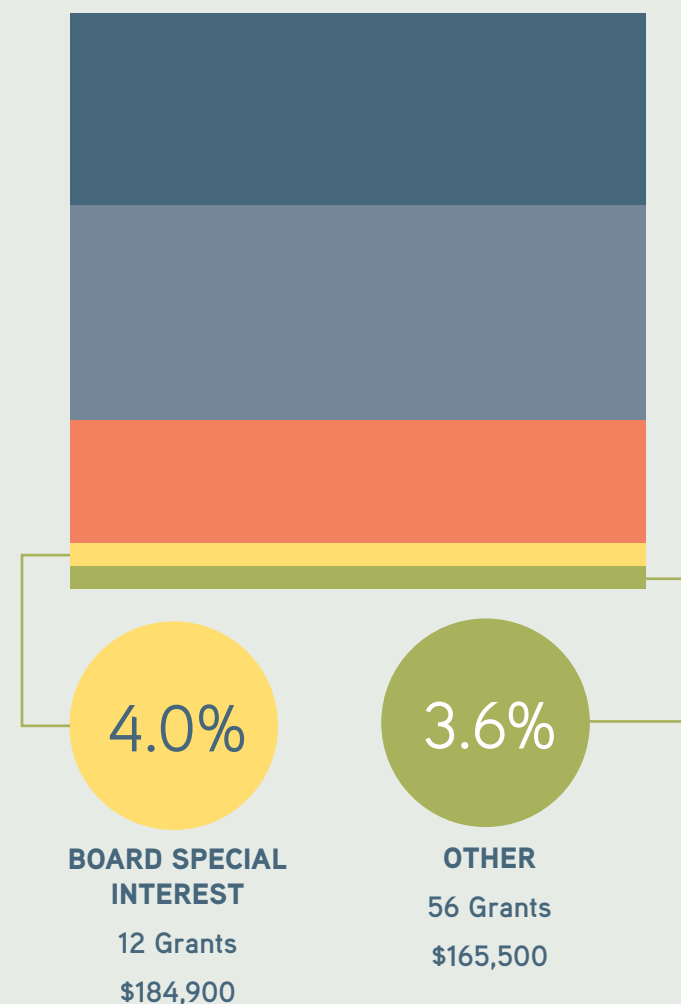
**Forefront**  
Chicago, IL  
*General Support*  
\$30,000

**Grantmakers for Education**  
Portland, OR  
*General Support*  
\$1,000

**National Center for Family Philanthropy**  
Washington, DC  
*General Support*  
\$5,000  
*National Forum Sponsorship*  
\$10,000

### Professional Development and Technical Assistance Grants

*The Foundation provided Professional Development and Technical Assistance grants, funded an evaluation capacity building initiative and supported a peer skill sharing micro-grants program (through Forefront) which benefitted 42 existing grantees.*  
\$112,500



# STATEMENT OF FINANCIAL POSITION (UNAUDITED)

## MODIFIED CASH BASIS

DECEMBER 31, 2019

ASSETS	
Cash and Cash Equivalents	\$ 77,959
Investments, at Fair Value	120,680,859
Property and Equipment, Net	166,670
<b>TOTAL ASSETS</b>	<b>\$ 120,925,488</b>
NET ASSETS	
<b>NET ASSETS - No Donor Restrictions</b>	<b>\$ 120,925,488</b>

**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, 2019. Audited financial statements will be available upon request later in 2020.

## STATEMENT OF ACTIVITIES (UNAUDITED) MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2019

REVENUES	
Contribution Income	\$ 43,313
Investment Income	2,510,919
Realized and Unrealized Gains (Losses) on Investments	16,350,549
<b>Total Revenues</b>	<b>18,904,781</b>
EXPENSES	
Grants and Donations	4,620,400
Private Foundation Excise Tax	96,500
Investment Management Fees	343,894
Employee Services	860,841
Rent	13,138
Professional Fees	97,657
Other Administrative Expenses	92,671
Depreciation Expense	9,775
<b>Total Expenses</b>	<b>6,134,876</b>
<b>CHANGE IN NET ASSETS</b>	<b>12,769,905</b>
Net Assets - No Donor Restrictions - Beginning of Year	108,155,583
<b>NET ASSETS - No Donor Restrictions - End of Year</b>	<b>\$ 120,925,488</b>

**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, 2019. Audited financial statements will be available upon request later in 2020.

## NOTES TO FINANCIAL STATEMENTS (UNAUDITED) MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2019

### 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 used by the Foundation are recorded at historical cost and are depreciated using the modified accelerated cost recovery method over the estimated useful lives of the assets, ranging from 5 to 39 years.

### 2. GRANT AND DONATION COMMITMENTS

As of December 31, 2019, the Foundation's Board of Directors has approved grants and/or donations of \$820,000 payable through 2022. Disbursements are scheduled to be made as follows:

#### Year Ending December 31,

2020	\$ 630,000
2021	\$ 160,000
2022	\$ 30,000

### 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, 2018. This balance differs from the amount in the prior year annual report which was estimated prior to completion of the audit.

### 5. SUBSEQUENT EVENTS

The recent outbreak of COVID-19 in many countries continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. Nevertheless, COVID-19 presents material uncertainty and risk with respect to the Foundation's performance and financial results.

**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, 2019. Audited financial statements will be available upon request later in 2020.

## INVESTMENT PORTFOLIO

### 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 Global Diversified Index (GDI), 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.

GLOBAL DIVERSIFIED INDEX (GDI) COMPONENTS			
ASSET CLASS	BENCHMARK INDEX COMPONENT	NORMAL WEIGHT	RANGES (95% FREQUENCY)
Global Equity	MSCI All Country World Index	55.00%	+/- 30%
	<i>Developed Markets</i>	48.27%	
	<i>Emerging Markets</i>	6.73%	
Private Markets	Cambridge Associates Private Equity Index	5.00%	+/- 5%
Real Estate	NCREIF Property Index	10.00%	+/- 5%
Global Bonds	Bloomberg Barclays Global Aggregate Bond Index	25.00%	0 to +30%
	<i>Bloomberg Barclays Capital U.S. Aggregate Bond Index</i>	12.50%	
	<i>Bloomberg Barclays Global Aggregate ex-USD Index</i>	12.50%	
High Yield Bonds	Bloomberg Barclays High Yield Very Liquid Bond Index	3.00%	0 to +10%
Emerging Market Debt	Bloomberg Barclays USD Emerging Markets Government RIC Capped Index	2.00%	0 to +10%
Cash Equivalents	ICE BofA Merrill Lynch U.S. 3-Month Treasury Bill Index	0.00%	0 to +50%
<b>TOTAL</b>		<b>100.00%</b>	

Sources: BISAM, Bloomberg, GP Brinson Investments, MSCI  
As of December 31, 2019

## INVESTMENT MARKET CONDITIONS

### INVESTMENT MARKET CONDITIONS

Investment market performance in each year is distinct. It is a function of starting points influenced by market expectations and investment fundamentals imbedded in prices at the beginning of the year intersecting with changes in those vectors over the course of that year. This was especially true in 2019, as a reversal of 2018's expectations regarding Federal Reserve (FED) policies played the leading role in producing robust returns last year. Long duration interest rates, the denominator in asset valuation models, are the cornerstone of these models as risk premiums and inflation expectations are combined with default free real interest rates to determine the appropriate discount rate for each asset class.

Present value calculations are comprised of a numerator, representing an asset's expected future cash flows, and a denominator, representing the discount rate used to value those cash flows. Changes in long duration real interest rates impact all financial assets directly with the present value of future cash flows moving inversely to the change in these rates. Cash flows from fixed income instruments are contractually adjusted for default rates and these did not change over the year. The earnings stream from equities was relatively flat while growth expectations for the future were also little changed. Therefore, the numerator in valuation models had little influence on returns in 2019. Abnormally large returns for nearly all asset classes in 2019 (real estate being the exception) were attributable to the increase in the present values of expected cash flows resulting from falling discount rates in the denominator of valuation models, specifically long duration default free interest rates. Furthermore, that decline was almost exclusively in real rates (nominal minus expected inflation) and that amplified the impact.

For nearly a decade after the Great Financial Crisis (GFC), global central banks, led by the FED, pursued unconventional and unprecedented policies that included zero and negative interest rates combined with Quantitative Easing (QE). Unnaturally low and sometimes negative real and nominal interest rates were intended consequences of these policies. Investment markets had become accustomed to this central bank support and it was uncertain how they would respond when accommodation was withdrawn. As the FED proceeded to normalize policy in 2018, markets were forced to confront increasing Federal Funds (FED Funds) rates and the unwinding of QE into Quantitative Tightening (QT). An increase in both short and long duration U.S. real and nominal interest rates was an expected consequence. This confrontation proved consequential. Returns for all assets except cash were negative in 2018 as financial conditions tightened considerably, setting the stage for 2019 when the FED abruptly reversed its policy.

After 2018 illuminated the codependency between central bank interest rate repression with investment markets and financial conditions, the FED intimated a dovish policy shift coincident with their fourth 25 basis point FED Funds rate increase in December of 2018. Investors looking for certainty regarding FED policy didn't have to wait long. In what became known as the "Powell Pivot" in early January of 2019, Chairman Powell stated the FED "will be patient" with monetary policy and "wouldn't hesitate" to adjust its QT program if necessary, as the FED was sensitive to the tightening financial conditions. The FED's patient policy transitioned quickly to a pause in normalization efforts. Markets took their cue from this message and risk assets rallied strongly. Over the course of the year, the "Powell Pivot" proved to be significant. There were three separate 25 basis point cuts to the FED Funds rate, beginning in July, and long duration real interest rates declined by more than 60 basis points. It appears central bank intervention in markets will be extant for the foreseeable future. We may also be witnessing a permanent shift in real interest rates across all developed markets related to population demographics and reduced industrial capital expenditures.

## INVESTMENT MARKET CONDITIONS

To classically trained investors, it seems perverse that a central bank like the FED was not only unable to normalize policy, but felt it necessary to provide additional accommodation when both real and nominal interest rates and unemployment were already at or near multigeneration lows, domestic economic growth was healthy, and equity markets were at record levels. Nonetheless, this conundrum is emblematic of the current state of affairs in global investment markets that includes elevated debt levels and asset valuations that are dependent on low and sometimes negative real and nominal interest rates.

Driven by changes in real rates, U.S. long duration bonds rallied initially on the FED's dovish shift in December of 2018 and the rally accelerated throughout 2019. Coincidentally, global bond markets quickly absorbed central bank rhetoric that increasingly expressed concerns regarding global growth and alluded to further accommodation. This dynamic was most evident in the U.S., which was the only developed market with a positive long duration default free real interest rate at the beginning of 2019. 30-year nominal U.S. Treasury (UST) bond yields at the beginning of the year were 3.02%, comprised of a real yield of 1.21% and implied inflation of 1.81%. By the end of 2019, the 30-year UST nominal yield fell 63 basis points to 2.39% with the entire change attributable to a decline in real yields. Real yields more than halved, from 1.21% to 0.58%, while inflation expectations were unchanged at 1.81%.

A hypothetical default free real return zero coupon 30-year bond helps illustrate the magnitude of this change in the denominator of asset valuations. If an investor desiring \$100 in real terms in 30 years bought this hypothetical bond at the prevailing 1.21% yield at the end of 2018, they would have paid \$69.71 and received \$100 in real dollars at maturity, a return of \$30.29 on their investment. If that same bond was priced at the end of 2019 to yield 0.58%, it would now have 29 years to maturity and increased in value to \$84.56, representing a one-year return of \$14.85 or over 21%. Nearly half the total 30-year total return would have accrued in the first year as a result of the change in the denominator. This example provides an illustration of returns for nearly all asset classes in 2019. There was no change in the \$100 terminal value, or numerator, in the hypothetical bond's valuation or its 1.21% 30-year real return, but the 2019 end of year value and resulting return increased markedly in response to the change in the denominator. The return's path changes, but not the terminal return. With no change in the terminal numerator, the change in the denominator only accelerates returns to the present at the expense of returns in the future. This is a mathematical identity. We would argue that future long-term real investment returns are very likely to be significantly below historical experience and wonder if both institutional and individual investors have calibrated their expectations accordingly.

We recognize there are a myriad of variables that influence investment returns in any given year and that many of those variables are global in nature. This narrative is focused only on two variables, both of which are U.S. centric. Nonetheless, central bank intervention and its impact on long duration real and nominal interest rates is a global phenomenon that impacts all asset classes in all geographies. The confrontation that took place in 2018 between the FED, long duration real rates, and investment markets and financial conditions followed by 2019's reaction function from the FED and the bond market was profound. This suggests the discounting mechanism for cash flows, real and nominal interest rates, will be lower for longer. As we saw in 2019, and as our example illustrated, falling discount rates can produce attractive returns even without growth in expected cash flows. Furthermore, current elevated valuations for financial assets at the end of 2019 are consistent with low real interest rates. In one sense, collective central bank efforts have successfully inflated asset values by repressing the denominator in valuation models. However, it is uncertain that they have been successful in stimulating the real economic growth that produces the earnings stream in the numerator.

## INVESTMENT MARKET CONDITIONS

### INVESTMENT RETURNS IN 2019

Investment market performance (see Exhibit A) in 2019 followed the narrative outlined above. Catalyzed by central bank rhetoric and action, falling nominal and real rates, especially in the U.S., played the predominant role in attractive returns for all asset classes. As a rising tide lifts all boats, falling discount rates lift all asset valuations.

As would be expected in this environment, zero duration Cash had the lowest return of unhedged liquid assets in 2019 with a nominal return of 2.28%, in line with the inflation rate of 2.29%. Benchmark yields in all developed economies fell markedly as negative yielding bonds increased from \$8.3T to \$11.3T over the course of the year. Investors who bought bonds with negative yields at the beginning of 2019 had attractive positive returns over the course of the year. Falling benchmark yields combined with tightening credit spreads resulted in returns that were positively influenced by capital appreciation for all bond indices. Investment Grade Global Bonds, ex-U.S. Bonds, and U.S. Bonds produced returns of 8.22%, and 7.57%, 8.72% respectively, all in dollar-hedged terms. U.S. High Yield Bonds and Emerging Market Debt index returns of 15.28% and 14.03% reflect their elevated credit sensitivity compared to the investment grade indices.

Equities are long duration assets with valuations highly sensitive to changes in long duration real rates. U.S., Global, and Ex-U.S. Equity Markets returns of 30.88%, 28.43%, and 24.41% on a dollar-hedged basis in 2019 resulted almost entirely from price-to-earnings multiple expansion in response to the fall in long duration default free real rates. Continuing a theme from past years, U.S. equity outperformance relative to other geographies resulted from investors paying a premium multiple for U.S. earnings that have had and are expected to continue to have a steeper growth trajectory than earnings in other developed countries. The Emerging Market Equities 18.42% return was lower than returns in developed markets, as these markets are more exposed to global growth concerns and ongoing trade negotiations between the U.S. and China.

Real Estate and Private Markets had respective returns of 6.42% and 10.96% in 2019. This apparently subdued performance relative to liquid assets is a function of the valuation metrics used for these illiquid asset classes. Unlike liquid assets that are priced daily, illiquid assets are usually marked to market on a quarterly basis which results in lower observed volatilities and smoother returns that lag their liquid counterparts. Nonetheless, because realized returns for these illiquid assets are ultimately a function of the same inputs as liquid markets, an earnings stream present valued by a discount rate, their realized returns are highly correlated with liquid alternatives. The numbers above are preliminary and final returns for Real Estate and Private Markets may show an upward adjustment although the spread between Real Estate capitalization rates and Treasury yields did widen in 2019 thus blunting some of the interest rate decline.

Non-dollar currency exposure had a muted impact on global asset returns in 2019 relative to past years, as U.S. dollar strength versus the euro was offset by slight weakness versus the Japanese yen, and to a greater extent, weakness versus the pound sterling. Non-dollar currency in global bonds (ex-U.S.) had a contribution of -2.31% versus the dollar-hedged portfolio, while the impact of currency exposure in global equities (ex-U.S.) was -1.54%. The impact of currency exposure in these indices is attributable to both the movement of the U.S. dollar versus the other currencies, as well as each currency's weight in the index. Because the euro has the largest weight in the indices, and an appreciably larger weight than the pound sterling, U.S. dollar appreciation versus the euro had a meaningfully greater contribution than weakness against the pound sterling.

## INVESTMENT MARKET CONDITIONS

### CURRENT INVESTMENT CONDITIONS

As we went to press with this Annual Report, the financial markets are chaotic and extremely volatile. This is a result of unprecedented double Black Swan events: COVID-19 and the Oil Price War. Uncertainty rules.

### INVESTMENT STRATEGY

At this writing, our investment strategy for 2020 is under review as asset values are changing by more than 5% each day with negative outcomes predominating.

### PERFORMANCE RESULTS

For the calendar year, the portfolio experienced a 17.85% return, versus 18.14% for our GDI benchmark (see Exhibit C). The inflation rate, using the Consumer Price Index, was 2.29% for the year, making the portfolio's real (inflation adjusted) return 15.21% versus 15.50% for the GDI. Compared to the benchmark, the portfolio's performance was negatively influenced by security selection where a positive contribution in Real Estate was more than offset by a negative midstream asset contribution in Global Equities. The Cash position, which reduced overall portfolio duration, contributed to a negative contribution from market allocation.

The Brinson Foundation's long-term real return objective is 4.0% to 4.5% with moderate risk exposure. As pointed out above, real return expectations for stocks and especially for bonds are both below this objective; expected returns for diversified portfolios follow suit. From today's starting point of elevated valuations, where returns in the present have been pulled forward at the expense of returns in the future, we are reconciled to the fact that the portfolio is unlikely to satisfy our real return objectives without a substantial increase in risk. Increasing risk at this juncture would expose the portfolio to a hostile risk environment should there be an adverse change to either the numerator or denominator in asset valuations. This would impinge the portfolio's ability to produce acceptable returns over a full market cycle and potentially challenge The Brinson Foundation's ability to fulfill its grantmaking mission. This challenge is not unique to The Brinson Foundation as it affects all global institutions with real and nominal return objectives that are based on historical returns generated from starting points that supported those returns.

The portfolio's real annualized performance since inception (12/31/00) has been 5.14%, compared to the benchmark's 4.14%, producing 1.00% of added value with most of this contribution coming from market allocation decisions. The portfolio's annualized nominal return since inception has been 7.32% versus the benchmark's 6.30% return. Since inception, the portfolio's annualized volatility has been 8.76% compared to the benchmark's 8.87%. Please refer to Exhibit D for a graphic display that includes a wealth index for both the portfolio and the benchmark.

Performance revisions take place for both the portfolio and the benchmark from the original estimates published in this report each year, specific to final year end valuations for the Private Markets benchmark return and year end valuations from our managers in Private Markets and Real Estate. Revised historical performance and volatility statistics for the portfolio and the benchmark are included in Exhibit E.

## INVESTMENT MARKET OVERVIEW 2019 AND INCEPTION TO DATE

### GLOBAL CAPITAL MARKET RETURNS

EXHIBIT A			
NOMINAL RETURNS	INDEX	2019	ANNUALIZED 12/31/00 THROUGH 12/31/19
Global Diversified Index (GDI)	GDI (Unhedged)	18.14 %	6.30 %
	GDI (\$ Hedged)	18.79 %	6.32 %
U.S. Inflation (CPI)	CPI	2.29 %	2.07 %
REAL RETURNS			
Global Diversified Index (GDI)	GDI (Unhedged)	15.50 %	4.14 %
	GDI (\$ Hedged)	16.14 %	4.16 %
MARKET INDEX			
Cash Equivalents	ICE BofA Merrill Lynch U.S. 3-Month Treasury Bill Index	2.28 %	1.55 %
Global Bonds (Investment Grade)	Bloomberg Barclays Global Aggregate Index (Unhedged)	6.84 %	4.53 %
	Bloomberg Barclays Global Aggregate Index (\$ Hedged)	8.22 %	4.65 %
Ex-U.S. Bonds (Investment Grade)	Bloomberg Barclays Global Aggregate ex-USD Index (Unhedged)	5.09 %	4.39 %
	Bloomberg Barclays Global Aggregate ex-USD Index (\$ Hedged)	7.57 %	4.56 %
U.S. Bonds (Investment Grade)	Bloomberg Barclays U.S. Aggregate Bond Index	8.72 %	4.69 %
U.S. High Yield Bonds	Bloomberg Barclays High Yield Very Liquid Bond Index	15.28 %	7.72 %
Emerging Market Debt	Bloomberg Barclays USD Emerging Markets Government RIC Capped Index	14.03 %	8.28 %
Global Equities	MSCI World (Net) Index (Unhedged)	27.67 %	5.52 %
	MSCI World (Net) Index (\$ Hedged)	28.43 %	5.39 %
U.S. Equities	MSCI USA (Net) Index	30.88 %	6.31 %
Ex-U.S. Equities	MSCI World ex-U.S. (Net) Index (Unhedged)	22.49 %	4.43 %
	MSCI World ex-U.S. (Net) Index (\$ Hedged)	24.41 %	4.28 %
Emerging Market Equities	MSCI Emerging Markets (Net) Index	18.42 %	9.15 %
Real Estate	NCREIF Property Index	6.42 %	8.55 %
Private Markets	Cambridge Associates Private Equity Index	10.96 %	9.11 %

Sources: BISAM, Bloomberg, GP Brinson Investments, MSCI

## INVESTMENT STRATEGY MARKET & CURRENCY ALLOCATION

AS OF DECEMBER 31, 2019

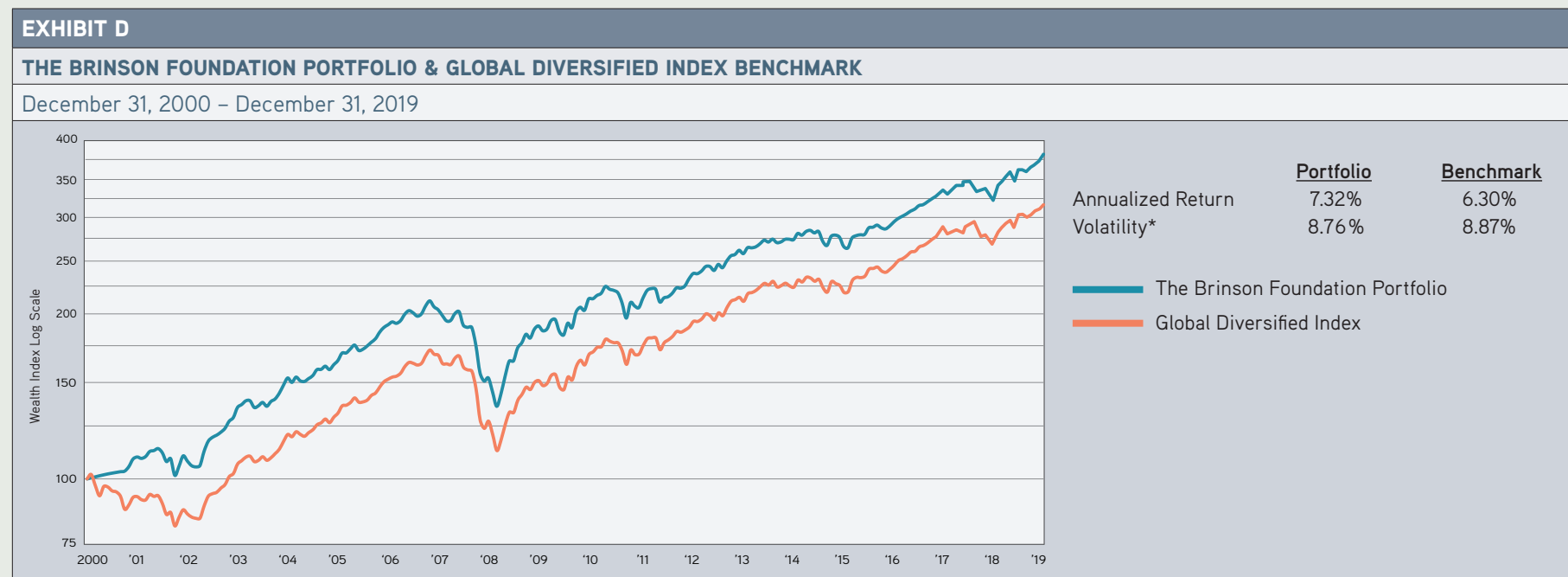
EXHIBIT B			
MARKET ALLOCATION	BENCHMARK	THE BRINSON FOUNDATION	DIFFERENCE
Global Equity	55.00 %	59.69 %	4.69 %
<i>Developed Markets</i>	48.27 %	53.30 %	5.03 %
<i>Emerging Markets</i>	6.73 %	6.39 %	-0.34 %
Private Markets	5.00 %	5.00 %	0.00 %
Real Estate	10.00 %	9.25 %	-0.75 %
Global Bonds	25.00 %	4.98 %	-20.02 %
<i>U.S. Bonds</i>	12.50 %	4.98 %	-7.52 %
<i>Global ex-U.S. Bonds</i>	12.50 %	0.00 %	-12.50 %
High Yield Bonds	3.00 %	6.75 %	3.75 %
Emerging Market Debt	2.00 %	0.00 %	-2.00 %
Cash Equivalents	0.00 %	14.34 %	14.34 %
<b>TOTAL</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>0.00 %</b>
CURRENCY ALLOCATION	BENCHMARK	THE BRINSON FOUNDATION	DIFFERENCE
North America	67.56 %	80.70 %	13.14 %
<i>U.S.</i>	64.93 %	79.22 %	14.29 %
<i>Canada</i>	2.39 %	1.32 %	-1.07 %
<i>Mexico</i>	0.24 %	0.16 %	-0.08 %
Euro	11.79 %	4.11 %	-7.68 %
UK	3.64 %	2.27 %	-1.37 %
Other Europe	2.90 %	2.18 %	-0.72 %
Japan	5.53 %	3.43 %	-2.10 %
Asia (ex-Japan)	2.89 %	2.94 %	0.05 %
Australia / New Zealand	1.51 %	1.02 %	-0.49 %
China / Hong Kong	2.85 %	2.08 %	-0.77 %
Other Emerging Markets	1.33 %	1.27 %	-0.06 %
<b>TOTAL</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>0.00 %</b>

Sources: BISAM, FactSet, GP Brinson Investments

## INVESTMENT PERFORMANCE (NET OF FEES)

FOR THE PERIOD ENDING DECEMBER 31, 2019

EXHIBIT C				
2019 PORTFOLIO PERFORMANCE	2019	INFLATION RATE	REAL RETURN	VOLATILITY*
The Brinson Foundation Portfolio	17.85%	2.29%	15.21%	7.57%
Global Diversified Index	18.14%	2.29%	15.50%	7.14%
Added Value	-0.29%		-0.29%	
SINCE INCEPTION (12/31/2000) PORTFOLIO PERFORMANCE (Annualized)	SINCE INCEPTION	INFLATION RATE	REAL RETURN	VOLATILITY*
The Brinson Foundation Portfolio	7.32%	2.07%	5.14%	8.76%
Global Diversified Index	6.30%	2.07%	4.14%	8.87%
Added Value	1.02%		1.00%	



\* Annualized standard deviation of monthly logarithmic returns

Sources: BISAM, GP Brinson Investments

## THE BRINSON FOUNDATION PORTFOLIO & GLOBAL DIVERSIFIED INDEX BENCHMARK HISTORICAL PERFORMANCE AND VOLATILITY

DECEMBER 31, 2000 - DECEMBER 31, 2019

### EXHIBIT E

The Brinson Foundation Portfolio and Global Diversified Index Benchmark return numbers that are **bold** and *italicized* remain subject to revision. The Global Diversified Index is subject to revision for five months.

	The Brinson Foundation Portfolio			Global Diversified Index Benchmark		
	Annual Return	Annualized Return Since Inception	Annualized Volatility Since Inception*	Annual Return	Annualized Return Since Inception	Annualized Volatility Since Inception*
2001	9.70 %	9.70 %	3.11 %	-7.13 %	-7.13 %	10.57 %
2002	-1.70 %	3.85 %	8.04 %	-7.02 %	-7.08 %	10.10 %
2003	25.32 %	10.56 %	8.28 %	23.35 %	2.13 %	9.91 %
2004	13.17 %	11.21 %	7.76 %	13.24 %	4.80 %	9.06 %
2005	7.60 %	10.48 %	7.32 %	9.40 %	5.70 %	8.37 %
2006	16.23 %	11.41 %	6.96 %	15.32 %	7.25 %	7.89 %
2007	6.51 %	10.70 %	6.85 %	10.59 %	7.72 %	7.56 %
2008	-24.91 %	5.46 %	8.75 %	-24.22 %	3.09 %	9.34 %
2009	24.43 %	7.41 %	9.77 %	18.59 %	4.70 %	10.04 %
2010	12.05 %	7.87 %	10.00 %	11.61 %	5.37 %	10.21 %
2011	-3.62 %	6.77 %	10.12 %	0.20 %	4.89 %	10.20 %
2012	12.90 %	7.27 %	9.97 %	12.02 %	5.47 %	10.00 %
2013	12.74 %	7.68 %	9.68 %	13.28 %	6.05 %	9.75 %
2014	4.76 %	7.47 %	9.39 %	4.91 %	5.97 %	9.50 %
2015	0.87 %	7.01 %	9.26 %	0.16 %	5.57 %	9.39 %
2016	4.78 %	6.87 %	9.12 %	7.16 %	5.67 %	9.24 %
2017	15.11 %	7.34 %	8.86 %	16.83 %	6.30 %	9.00 %
2018	-2.96 %	6.76 %	8.81 %	-4.34 %	5.67 %	8.94 %
2019	<b>17.85 %</b>	<b>7.32 %</b>	<b>8.76 %</b>	<b>18.14 %</b>	<b>6.30 %</b>	<b>8.87 %</b>

\* Annualized standard deviation of monthly logarithmic returns Sources: BISAM, GP Brinson Investments

## 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](http://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 Letter of Inquiry form (LOI). The LOI is available on the “Grantseekers - Inquiries” and the “Resources” pages of our website. We accept inquiries throughout the year.

The completed form should be emailed to [mail@brinsonfoundation.org](mailto: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 Letter of Inquiry 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, should we determine that an inquiry merits further review, see the “Process and Calendar” section on the following page.

***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.

***Current Perspectives on Grant Inquiries.*** The Board of Directors continues to follow a “no new net grants” policy. Under this policy, new grants will be made only as existing grants are transitioned from our portfolio and our financial resources permit. This policy along with current volatility in the investment markets (at this writing) make it unlikely that we will add a meaningful number of new grantees to our grant portfolio in the near future. To the extent that we are able to consider grant inquiries, we will continue to be highly selective and focus only on those that involve programs that closely align with our interests and fill gaps within our focus area portfolios.

### LEGAL REQUIREMENTS – U.S. AND INTERNATIONAL GRANTMAKING

***Grantmaking within the United States.*** The Brinson Foundation will consider inviting grant applications from organizations located in the United States of America that have been determined by the Internal Revenue Service to be exempt from tax under Section 501(c)(3) of the Internal Revenue Code and to be public charities described in Section 509(a)(1), (2) or (3) of the Internal Revenue Code (“501(c)(3) Public Charities”). 501(c)(3) Public Charities classified under Section 509(a)(3) of the Code may be required to submit additional information.

***International Grantmaking.*** In general, the Foundation’s international grantmaking is conducted exclusively through 501(c)(3) Public Charities. In extraordinary circumstances identified by the Foundation’s staff and approved by the Board of Directors, the Foundation may consider funding

non-U.S. organizations without a determination from the Internal Revenue Service of status under Section 501(c)(3) of the Internal Revenue Code (“Non-U.S. Organizations”). In these isolated situations, grantmaking will be subject to the Foundation completing an “equivalency determination” or exercising expenditure responsibility to make restricted grants to such organizations. Given the highly limited circumstances in which the Foundation will consider grants to non-U.S. organizations, we generally discourage them from submitting inquiries to the Foundation.

### GRANT LIMITATIONS AND OTHER CONSIDERATIONS

The 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)

## GRANTMAKING GUIDELINES & PROCESS

The 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.

### 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. See above, however, "Legal Requirements – U.S. and International Grantmaking."

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 Letter of Inquiry form.

**Scientific Research Programs.** The Foundation's scientific 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 focus areas.

*The Foundation does not accept grantseeker inquiries in medical research.*

### PROCESS AND CALENDAR

If our initial review of a letter of 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 in mid to late February.

The staff reviews all applications and prepares recommendations for our Board of Directors. The Board meeting usually occurs in late April or early to mid-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.

	Spring Cycle	Fall Cycle
Due Diligence Discussions	January-March	July-September
All Applications Completed	Mid to Late February	Mid to Late August
Board Meeting Application Review	April-May	October-November
Grant Disbursement	May-June	November-December

**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.

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## DIRECTORS & STAFF

### BOARD OF DIRECTORS

Gary P. Brinson, *CFA*

Suzann A. Brinson

Monique B. Demery

Thomas R. Demery

Tally S. Melone

### STAFF

Christy Uchida, *President*

Jamie B. Bender, *Senior Program Officer*

Janice Lombardo, *Program Officer*

Harriett Edmonds, *Grants Manager*

### CONSULTANT/ADVISOR

James D. Parsons, *Senior Advisor*

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## The Brinson Foundation

737 North Michigan Avenue

Suite 1850

Chicago, Illinois 60611

312.799.4500

[brinsonfoundation.org](http://brinsonfoundation.org)