



Celebrating

20 YEARS

“As I reflect on the past twenty years, I am pleased with the way in which we have employed our finite resources to help our grantees motivate individuals to reach their full potential and improve the human condition. Many of our endorsement, education and scientific research grantees have produced truly impressive results. The dedication of the individuals at the organizations leading these efforts deserve the credit for this impact, and we are proud to have been able to partner with them in their endeavors.”

— Gary P. Brinson
Founder and Chairman of the Board

20 YEARS

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20 YEARS

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 \$120 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

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 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.

20 YEARS

“From our earliest days, the Foundation’s commitment has helped us train scientists all over the world to communicate more effectively with the public and has enabled us to help fulfill, in turn, one of the goals of The Brinson Foundation itself: making a positive contribution to society through education and science.”

— Alan Alda

Founder, Alan Alda Center for Communicating Science

YEARS



PRESIDENT'S LETTER

The year 2020 will forever be time stamped for the Foundation by one major challenge and one noteworthy milestone—the obvious challenge being the global spread of COVID-19, and the milestone being the Foundation reaching twenty years of grantmaking. When the COVID-19 pandemic struck, the Foundation's Board responded by prioritizing stability for existing grantees. Though it has been a struggle, our grantees are resilient. They persist, as many are strongly supported by private philanthropy, and we are grateful to have been able to work alongside so many other committed peer funders. Like many of them, our Board allowed grantees additional flexibility this past year by permitting some grants to shift to support general operations and others to adjust their timelines. I continue to be impressed by the ways nonprofits are adapting new resources and lessons learned from the pandemic to enhance their programs and activities going forward.

The Brinson Foundation's 20th anniversary has offered a logical moment for reflection. One measure of the Foundation's steadfastness is that, after twenty years of grantmaking, our average length of grant is a considerable 12.9 years. Additionally, we have observed that a number of our grantees are around the same age, having "grown up" with the Foundation. There is also consistency across our portfolio, with many of our grantees focused on motivating young people to reach their full potential—whether those young people are preschoolers, emerging scientists or students in between. The quotes and images throughout this report reflect

some of our grantees' impact on developing people, both as individuals and as contributing members of a greater community.

I am pleased to share that, in 2020, the Foundation awarded its first three Brinson Prize Fellowships, a notable expansion of our long-time support of early career scientists in astronomy and astrophysics. These multi-year "prize" fellowships fund individuals who are likely to innovate, be creative, nimble and entrepreneurial in their research pursuits. Although the initiative had been under consideration for several years, the Foundation was reluctant to begin a new effort while university faculty and staff were already stretched thin due to the pandemic and other challenges. However, as it became clear that the crisis would have a negative, long-term impact on basic science funding and the career trajectories of young researchers, the Foundation responded by announcing the hosting institutions for the first cohort of Prize Fellowships in fall 2020, with positions to begin in fall 2021. These first Fellowships are listed on page 22, and the Foundation anticipates awarding additional prizes in subsequent years.

I remain grateful to our grantees and so many other nonprofits who are doing heroic work during this difficult time. As always, I am open to your feedback and reflections on your experience with the Foundation.



Christy Uchida
President





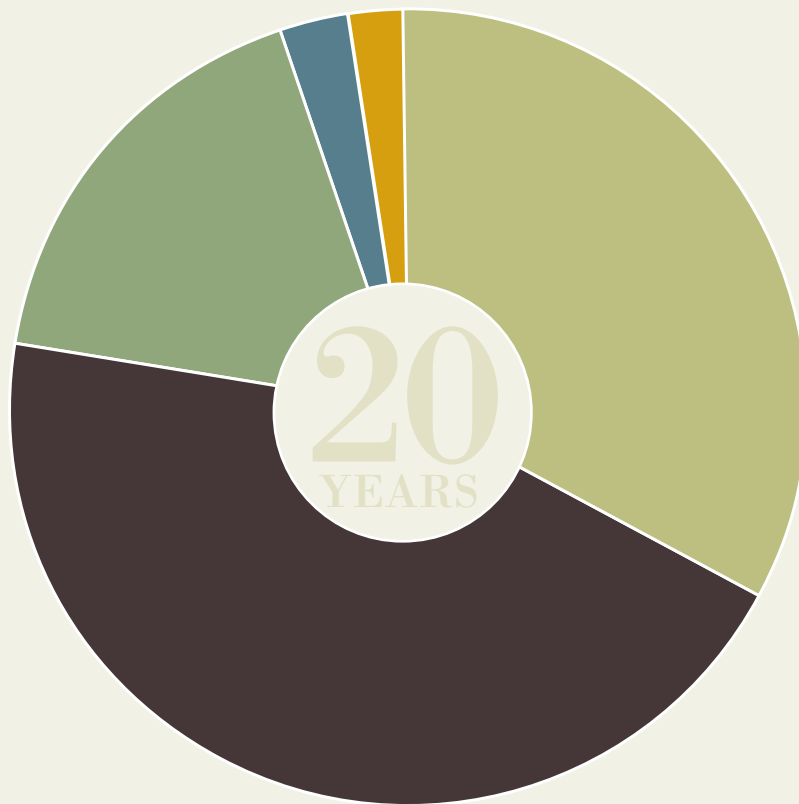


“The Brinson Foundation’s investment is helping Posse fulfill its mission to build a dynamic leadership network—one that better reflects our country’s rich diversity. As a result, so many more young people are able to pursue a top college education and enter the workforce well equipped to take on leadership track positions.”

— Deborah Bial
President and Founder, The Posse Foundation

YEARS

GRANTMAKING OVERVIEW



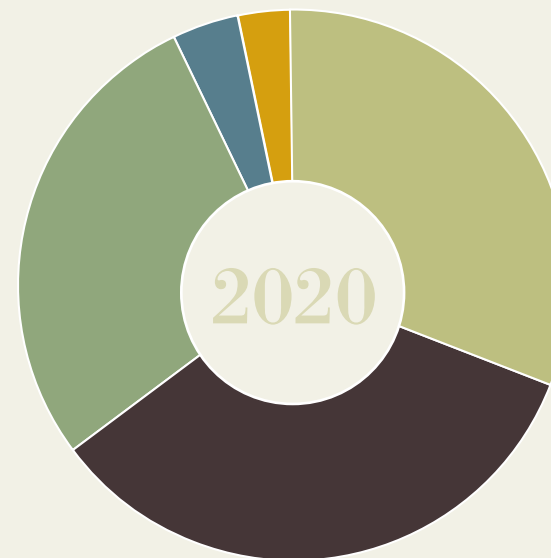
TOTAL GRANTS BY PRIORITY SINCE INCEPTION¹

Total Grants 2,277 Total Amount \$72,611,233

- Endorsement 33.2% | 391 Grants | \$24,078,500
- Education 44.7% | 1,066 Grants | \$32,423,000
- Scientific Research 17.3% | 249 Grants | \$12,540,000
- Board Special Interest 2.7% | 89 Grants | \$1,976,300
- Other 2.2% | 482 Grants | \$1,593,433

¹ Inception date of December 31, 2000.

Percentage totals do not add due to rounding.



2020 GRANTS BY PRIORITY

Total Grants 147 Total Amount \$4,767,100

- Endorsement 31.3% | 23 Grants | \$1,491,000
- Education 33.7% | 49 Grants | \$1,606,000
- Scientific Research¹ 28.2% | 19 Grants | \$1,345,000
- Board Special Interest 3.8% | 9 Grants | \$181,400
- Other² 3.0% | 47 Grants | \$143,700

¹ Scientific Research grants include three Brinson Prize Fellowships.

² The Foundation provided Professional Development and Technical Assistance grants which benefitted 36 existing grantees. These grants totaled \$75,000.

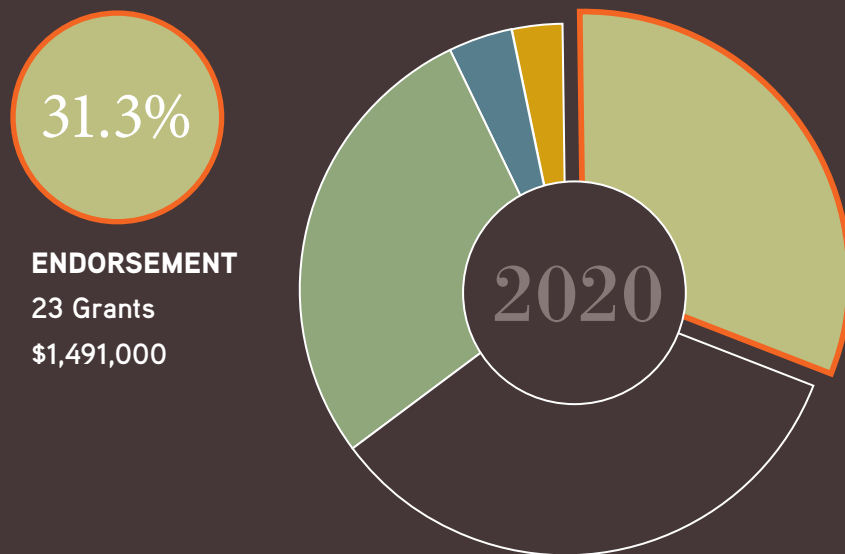


OUR BELIEFS

- ◆ 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.

2020 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.



Adler Planetarium
Chicago, IL
Cosmology and Astrophysics Research
\$80,000

Ann & Robert H. Lurie Children's Hospital of Chicago
Chicago, IL
Medical Research – Brinson Fellowship
\$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
General Support
\$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
General Support
\$60,000

The Morton Arboretum
Lisle, IL
General Support
\$40,000

Museum of Science and Industry
Chicago, IL
General Support and Welcome to Science Initiative
\$80,000

Northwestern Memorial Foundation

Chicago, IL
*Nursing Education and NICU
Lactation Program at Northwestern
Memorial Hospital*
\$51,000

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



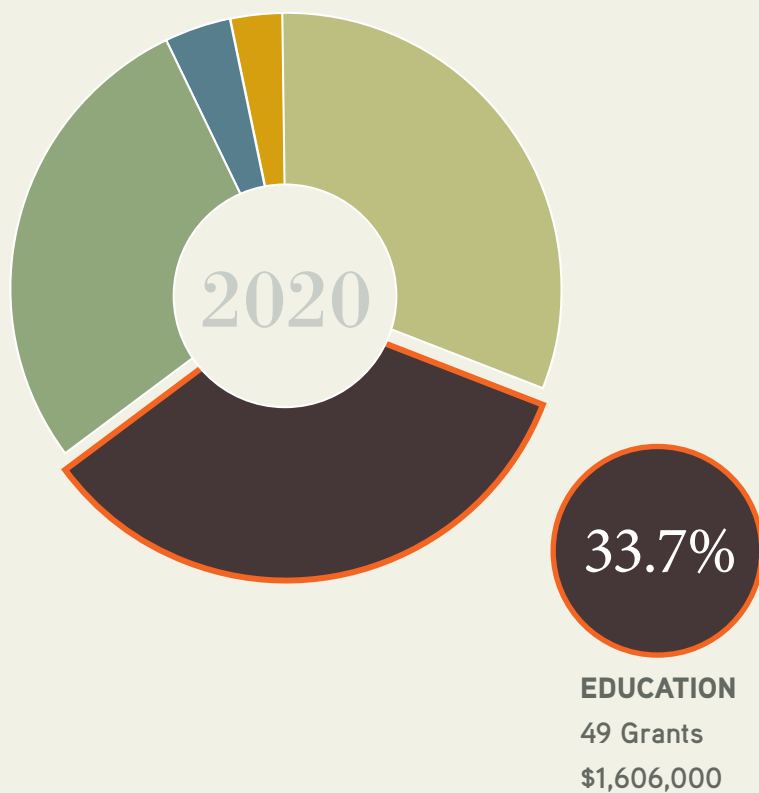
Shedd Aquarium

“For the past sixteen years, the Foundation’s support has helped us to reach students in the Chicago area and introduce them to the importance of values such as rationality and integrity—inspiring these young people to think more critically and lead more productive and happier lives.”

— Tal Tsfany
President and CEO, The Ayn Rand Institute

YEARS

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.



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 preschool 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 preschool 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

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

America Needs You

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

America's Foundation for Chess

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

The Ayn Rand Institute

Santa Ana, CA
Free Books to Teachers Program –
Chicago Area
\$25,000
Chicago Conference
\$25,000

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 Liberty Seminar
\$25,000

**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
\$40,000

**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

Erie Family Health Foundation

Chicago, IL
Erie Teen Center Reproductive
Health Program
\$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
\$26,000

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

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
Student Advisory Council
\$30,000

One Million Degrees

Chicago, IL
General Support
\$35,000

OneGoal

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

**The Partnership for
College Completion**

Chicago, IL
General Support
\$25,000

The Posse Foundation

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

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 Health Foundation

Jackson, WY
Nursing Education Program
\$50,000

Spark

Chicago, IL
General Support
\$25,000

Start Early

Chicago, IL
General Support for Educare
\$30,000

Teach For America

Chicago, IL
*General Support – Greater 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



Healthy Schools Campaign

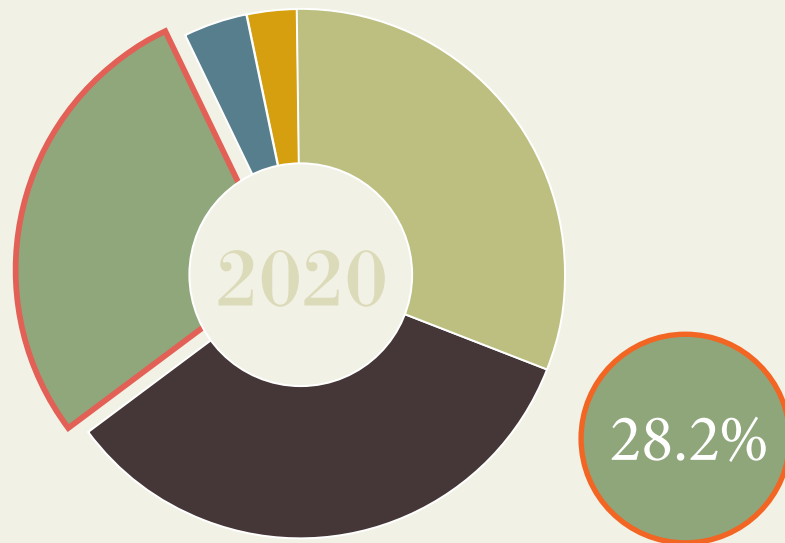
The Foundation's support has liberated some of my most talented students from distractions, so they could focus intensely on research at a crucial formative stage of their careers. This sharp focus has catalyzed their creativity and their boldness in problem solving and facilitated their becoming world leaders in probing the laws of nature and how those laws shape our universe.

— Kip S. Thorne

*Richard P. Feynman Professor of Theoretical Physics, Emeritus
California Institute of Technology*

YEARS

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.



SCIENTIFIC RESEARCH

19 Grants
\$1,345,000

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.

SCIENTIFIC RESEARCH

California Institute of Technology

Pasadena, CA

*Theoretical Gravitational Wave Research –
Graduate Student Support*

\$85,000

California Institute of Technology

Pasadena, CA

*Quantum Communications and
Fundamental Space-Time Physics Research –
Graduate Student Support*

\$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 Research

\$50,000

Cornell University

Center for Astrophysics and Planetary Science

Ithaca, NY

*Dark Matter along a Filament
of Galaxies Project*

\$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

*Research on 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

*Detection of Exoplanet Atmospheric
Biosignatures Project*

\$50,000

The University of Arizona Foundation

Tucson, AZ

*Spacewatch Observations
of Asteroid Lightcurves*

\$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

*Genetic Basis for the Origin
of Limbs Research*

\$50,000

The University of Utah

Salt Lake City, UT

*Yellowstone Seismology
and Tectonophysics Research*

\$65,000

BRINSON PRIZE FELLOWSHIPS

In 2020, the Foundation began a new initiative awarding multi-year “prize” fellowships in scientific research. These grants are designed to prioritize early career individuals who are likely to chase bold ideas, be creative, nimble and entrepreneurial.

California Institute of Technology Institute for Quantum Information and Matter

Pasadena, CA

\$115,000

University of California, Davis

Department of Physics and Astronomy

Davis, CA

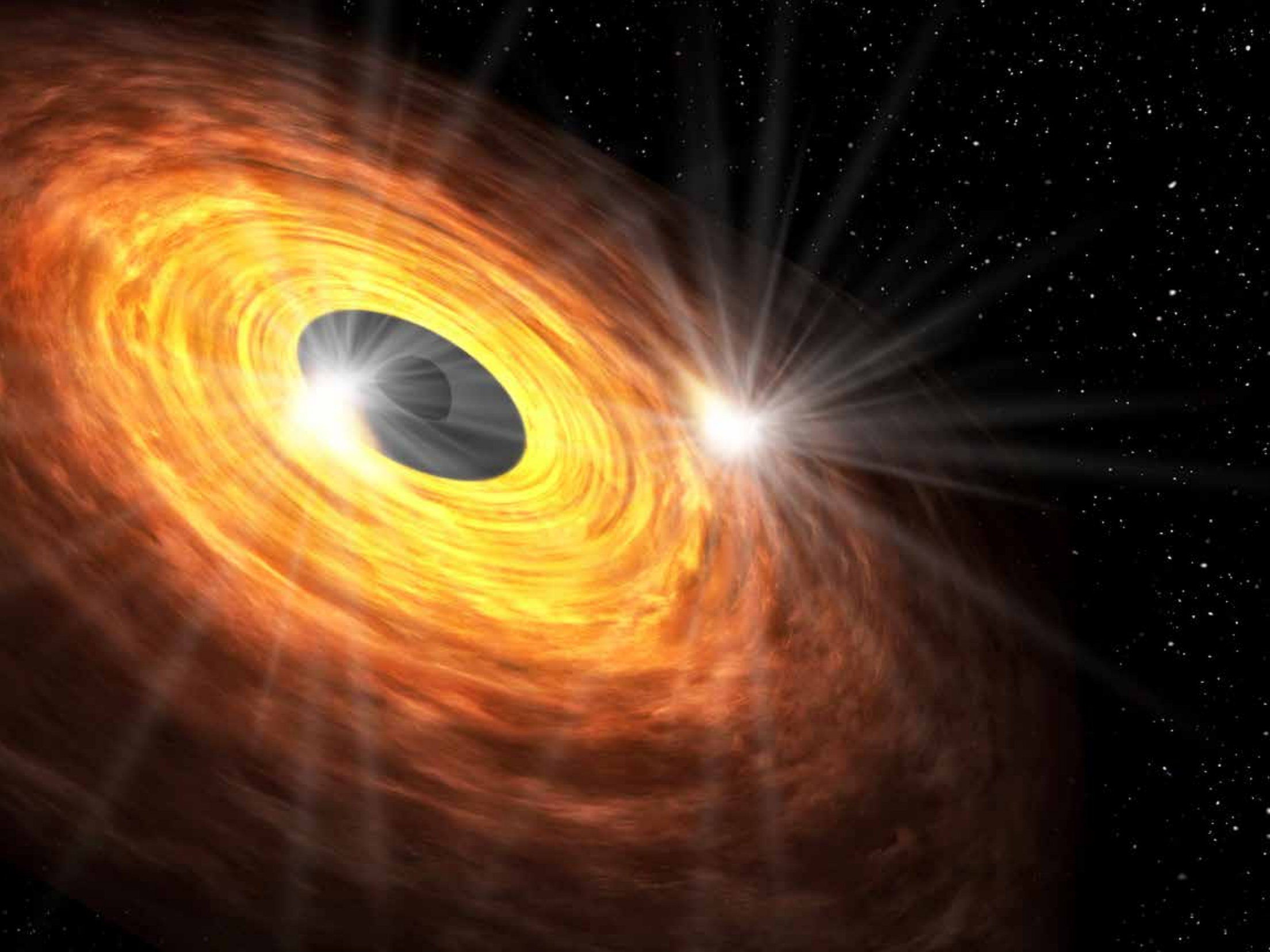
\$115,000

The University of Chicago

Kavli Institute for Cosmological Physics

Chicago, IL

\$115,000



2020 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 in this category.

Boys & Girls Clubs of Chicago

Chicago, IL
General Support
\$15,000

Commit2Change

New York, NY
General Support
\$1,400

Jackson Hole Land Trust

Jackson, WY
General Support
\$35,000

The Living Desert

Palm Desert, CA
General Support
\$20,000

Merit School of Music

Chicago, IL
General Support
\$30,000

National Museum of Wildlife Art

Jackson, WY
General Support
\$20,000

Teton County Integrated Solid Waste & Recycling

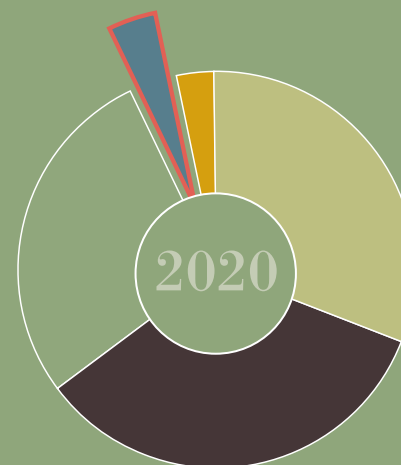
Jackson, WY
Recycling and Household Hazardous Waste Collection, Waste Diversion Outreach and Education
\$30,000

Together Education, Inc.

New York, NY
One World Network of Schools
\$15,000

Umoja Student Development Corporation

Chicago, IL
General Support
\$15,000



3.8%

BOARD SPECIAL INTEREST

9 Grants

\$181,400

2020 OTHER GRANTS

American Association for the Advancement of Science

Washington, DC
General Support
\$1,000

American Geophysical Union

Washington, DC
General Support
\$1,000

Candid

New York, NY
General Support
\$1,000

Chalkbeat

Chicago, IL
General Support
\$500

Chicago Cares

Chicago, IL
AMPT: Advancing Nonprofits
\$25,000

Forefront

Chicago, IL
General Support
\$30,000

Grantmakers for Education

Portland, OR
General Support
\$1,000

Grantmakers for Effective Organizations

Washington, DC
General Support
\$1,500

Mikva Challenge Grant Foundation

Chicago, IL
Honorarium
\$200

National Center for Family Philanthropy

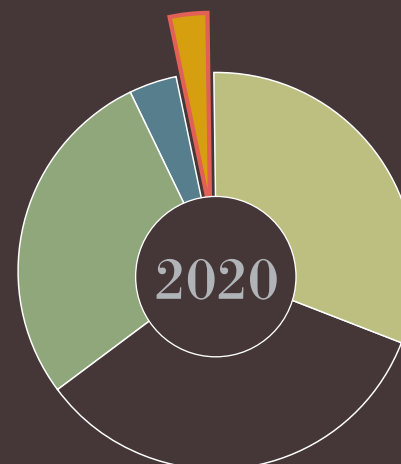
Washington, DC
General Support
\$5,000

Stanford University Kavli Institute for Particle Astrophysics and Cosmology

Stanford, CA
Honorarium
\$2,500

Professional Development and Technical Assistance Grants

The Foundation provided Professional Development and Technical Assistance grants which benefitted 36 existing grantees.
\$75,000



3.0%

OTHER

47 Grants

\$143,700

FINANCIAL SUMMARY

	2020	2019
REVENUES AND EXPENSES years ended December 31, 2020 and 2019		
REVENUES		
Contribution Income	\$ 10,164,998	\$ 43,313
Investment Income	1,496,760	2,510,919
Realized and Unrealized Gains (Losses) on Investments	2,273,665	17,204,670
Total Revenues	13,935,423	19,758,902
EXPENSES		
Grants and Donations	4,767,100	4,620,400
Employee Services	716,785	860,841
Investment Management Fees	333,867	343,894
Private Foundation Excise Tax	157,600	96,500
Professional Fees	129,618	97,657
Other Expenses	117,424	115,584
Total Expenses	6,222,394	6,134,876
Change in Net Assets	\$ 7,713,029	\$ 13,624,026

	2020	2019
ASSETS December 31, 2020 and 2019		
Investments	\$ 128,823,055	\$ 121,534,980
Other (Cash, Property)	669,583	244,629
NET ASSETS	\$ 129,492,638	\$ 121,779,609

Note: This is a summary statement only. In an effort to comply with best practices for private foundations, The Brinson Foundation will be undergoing its financial statement audit for the year ended December 31, 2020 in the upcoming months. Audited financial statements will be available upon request.

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>	47.68%	
	<i>Emerging Markets</i>	7.32%	
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 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%
TOTAL		100.00%	

Sources: BISAM, Bloomberg, GP Brinson Investments, MSCI
As of December 31, 2020

INVESTMENT MARKET CONDITIONS

INVESTMENT MARKET CONDITIONS

The 2020 COVID-19 pandemic was a Black Swan event that extended around the globe and across societies in ways that were both unforeseen and still uncertain. The experience that unfolded in 2020 and is still developing in 2021 illustrates the distinction between risk and uncertainty. COVID-19 introduced pronounced uncertainty to society and investment market conditions in 2020, and a subset of these uncertainties remain extant today.

Understanding the difference between risk and uncertainty helps explain the surprising distribution of outcomes related to the pandemic. 2021 marks the 100th Anniversary of Frank Knight's *Risk, Uncertainty, and Profit* where this contrast was formalized: "To preserve the distinction ... between the measurable uncertainty and an unmeasurable one we may use the term "risk" to designate the former and the term "uncertainty" for the latter."¹ By Knight's definition, situations associated with risk have uncertain outcomes, but those outcomes can be quantified by a known probabilistic distribution. Alternatively, uncertainty is governed by random outcomes that are not quantifiable "because the situation dealt with is in a high degree unique."²

Investment markets typically operate in an environment of subjective quantified uncertainty, where outcomes are uncertain but there is enough information to assign qualitative probabilities to support price discovery. This is not risk in Knight's definition since there is not a known probability distribution (e.g. rolling dice). But it is distinct from unmeasurable or unquantifiable uncertainty, where the uniqueness of the situation suggests there is almost no information to assign probabilities and there is no path to logical price discovery. COVID-19 is certainly unique, and its outcomes are not governed by a known distribution, meaning it is an example of uncertainty that Knight defined as unmeasurable or what we would call unquantifiable uncertainty.

After a relatively tranquil start to the year, in March the world began to recognize the magnitude of the COVID-19 pandemic, where the unquantifiable uncertainty continuum extended across medical, economic, and financial sectors and was likely to include lockdowns of entire swaths of global economies. Responses from each sector were unknown and markets were forced to confront this unique shock as it ricocheted across the globe catalyzing another Black Swan, an Oil Price War. Outcomes for both Black Swan events were unmeasurable, and their combination presented historically unprecedented chaos by mid-March. Price discovery was not subject to rational thinking and resulted in extreme volatility. Risk asset prices fell as liquidity evaporated and risk

premiums gapped wider. Long duration default free bonds rallied strongly as risk asset prices fell. In less than a month the nominal 30-year U.S. Treasury (UST) yield halved, closing under 1.00%, and widening credit spreads were drawing comparisons to the Global Financial Crisis (GFC). By the third week in March, the S&P 500 had lost more than a third of its value. COVID-19 demand destruction coupled with the supply shock from the Oil Price War caused oil prices to fall by more than 50% in March alone, and spot oil later traded below zero in April before the Oil Price War was concluded.

As the pandemic escalated and lockdowns ensued, the resulting economic damage was extraordinary. Unemployment skyrocketed as businesses shut down. In the many other businesses that remained open, employees were forced to work from home (WFH). Medical, economic, and political uncertainty remained unquantifiable, but global central banks acted swiftly and vigorously to provide liquidity so markets could function. Central banks had learned valuable lessons from the GFC and deployed tactics from that experience decisively. COVID-19 was unique, but a liquidity crisis was not. Central bank policy that included cutting interest rates to GFC levels coincident with increased bond purchase programs, including investment grade and high yield bonds, provided requisite confidence that markets would function properly despite the pandemic and WFH. Likewise, fiscal policy was equally swift and impactful. Governments recognized that subsets of economies would be unable to work in forced lockdowns and provided fiscal policy relief to fill the hole created by COVID-19. By the third week in March, in the U.S. both monetary and fiscal policy uncertainty was mitigated significantly, truncating perceived market downside risk. Investors were conditioned to the central bank reaction function of providing support during windows of heightened volatility and markets rallied strongly in the face of still elevated medical and economic uncertainties. Risk premium compression was initiated in investment grade corporate bonds and began to transition through other assets along the risk curve sequentially.

Uncertain outcomes, especially investment market outcomes, are random and often counterintuitive; that is the nature of uncertainty. The first six months of 2020 provide a striking example of this dynamic. In this window, U.S. GDP fell more than 10%, unemployment increased from 3.6% to 11.1%, and the nominal UST 30-year fell from 2.39% to 1.41%. However, in this same six-month window U.S. Personal Income **increased** more than 6%, supported by a 57% increase in Personal Transfer Payments which included increased unemployment benefits and "stimulus checks". Although aggregate stock market earnings were revised sharply lower, earnings for U.S. technology companies which were WFH beneficiaries stabilized quickly and growth

¹ Knight, Frank, *Risk, Uncertainty, and Profit*, Online Library of Liberty, 1921, page 118.

² Ibid.

INVESTMENT MARKET CONDITIONS

rates increased. Higher growth rates of these long duration cash flows discounted at appreciably lower default free rates produced a rally that carried the broader market indices higher from the March lows. By the end of the first half of 2020 the S&P 500 was down just over 3% on the year. Risk premiums along the risk curve had compressed appreciably since the depths of the crisis.

Unsurprisingly, global central bank balance sheets increased significantly in response to the crisis, playing a crucial role in providing financial stability. Although confident in near term support, investors were looking for a message regarding long term central bank commitments to support markets. In August, Federal Reserve Chair Jerome Powell announced a new policy framework, Average Inflation Targeting, whereby the Fed seeks to achieve inflation that averages 2% over time, allowing inflation to overshoot the 2% level to make up for past periods when inflation was below 2%. This critical policy shift provided investors comfort that nominal and real interest rates would remain accommodative for the foreseeable future.

As the year progressed, it became clear that COVID-19 medical uncertainty was going to be a battle between vaccine development and distribution versus additional pandemic surges. Vaccine announcements following the U.S. Presidential election reduced vaccine development uncertainty and catalyzed a powerful and broad-based equity and commodity rally in anticipation of an accelerated economic recovery. Through the end of the year, risk assets rallied as nominal bond yields increased, driven almost entirely by implied inflation expectations.

For classically trained investors who grapple with COVID-19 uncertainties, the year over year change in interest rates is understandable but risk premium changes appear surprisingly modest. U.S. bond markets provide a helpful starting point that illustrates this dynamic. Nominal 30-year UST bonds started the year at 2.39%, comprised of a 0.58% real yield and implied inflation of 1.81%. By the end of 2020 the nominal yield had fallen 74 basis points to 1.65%. Real yields fell 95 basis points to -0.37%, and implied inflation increased 21 basis points to 2.02%. U.S. credit spreads, a measure of risk premiums for bonds, started 2020 at historically low levels and ended the year little changed. BBB (investment grade) spreads ended the year exactly where they started, at 130 basis points, while high yield spreads increased slightly from 360 to 384 basis points. Nominal and real interest rates fell in 2020 and risk premium changes were minimal.

The S&P 500 produced an 18.39% return in 2020 and closed the year at a record high, providing a striking example of an unexpected outcome despite appreciable uncertainty. Equity valuations benefitted from lower nominal and real interest rates that are expected to remain accommodative for the foreseeable future in combination with expectations for a V-shaped earnings recovery. By the end of the year, interest rates had fallen to levels consistent with elevated uncertainty, but risk premiums remained modest for all asset classes with the possible exception of commercial real estate.

INVESTMENT RETURNS IN 2020

Investment market performance (see Exhibit A) in 2020 followed the narrative outlined above.

Cash's 0.67% return was the lowest asset return in 2020, below the inflation rate of 1.36%. Benchmark yields in all developed countries fell as the global market value of negative yielding bonds increased from \$11.3T to \$17.8T. Because credit spreads were relatively stable, capital appreciation for all bond indices was attributable to lower benchmark yields. Investment Grade U.S. Bonds, Global Bonds, and ex-U.S. Bonds produced returns of 7.51%, 5.58%, and 3.94% respectively, all in dollar hedged terms. U.S. High Yield Bonds and Emerging Market Debt index returns of 5.87% and 5.79% were a function of the lower benchmark yield tailwind.

Equities are long duration assets with valuations highly sensitive to changes in long term interest rates as well as to changes in risk premiums. U.S., Global, and ex-U.S. Equity returns were 20.73%, 14.27%, and 3.23% on a dollar-hedged basis in 2020. Although all equity markets were beneficiaries of lower interest rates, U.S. outperformance resulted from meaningfully higher exposure to technology companies that were experiencing a steeper earnings growth trajectory than other market sectors. The Emerging Markets Equities return of 18.31% was a function of lower discount rates and anticipation of a global economic recovery.

Real Estate and Private Markets had respective returns of 1.60% and 11.72% in 2020. Both asset classes benefitted from falling interest rates, but Real Estate risk premiums, measured as the spread between real estate capitalization rates and UST yields, widened in 2020, offsetting the positive impact of lower discount rates. The Private Markets return noted above is preliminary and may show an upward adjustment upon receipt of final numbers.

INVESTMENT MARKET CONDITIONS

Non-dollar currency exposure had a meaningful impact on global asset returns in 2020. The U.S. dollar weakened appreciably against the euro and Japanese yen; both have sizable weights in global indices. The U.S. dollar also weakened to a lesser extent versus the pound sterling where the weight is less pronounced. Non-dollar currency in Global Bonds (ex-U.S.) had a contribution of 5.93% versus the dollar-hedged portfolio, while the impact of currency exposure in Global Equities (ex-U.S.) was 4.22%.

CURRENT INVESTMENT CONDITIONS

As mentioned earlier, 2021 starts with low to negative nominal (and negative real) government interest rates combined with modest risk premiums, resulting in a capital markets line that is low and flat. Credit spreads have tightened since the end of the year as government yields have increased. Equity markets are pricing a V-shaped earnings recovery and anticipate vaccines will win the battle with the virus, producing a powerful, but uneven K-shaped economic recovery. This dynamic is supported by the expectation of ongoing central bank and fiscal accommodation to smooth the irregular economic recovery. Although aspects of the uncertainty continuum are more quantifiable than at the depths of the crisis, today's starting point remains uncertain because as Frank Knight wrote 100 years ago, the current situation "is in a high degree unique." Specifically, many components of COVID-19 medical and economic uncertainty remain elevated, valuations and economic stability are dependent on monetary and fiscal support, and substantive societal changes have taken place with unknown consequences.

Medical uncertainty is diminishing but remains unresolved. Markets appear optimistic that vaccinations will be distributed effectively and that their efficacy will not be diminished by virus mutations. Questions focused on the end of the COVID-19 pandemic inevitably raise concerns related to the uncertain range of outcomes that medicine and society may need to manage assuming herd immunity is achieved.

The economic recovery intersects with the medical progress *and* monetary and fiscal support. At present there is a high degree of confidence that central banks and governments will continue to provide requisite support for both asset valuations and the economy with no concern for the long-term costs or consequences of escalating debt levels. Nonetheless, the economic recovery remains unbalanced, or K-shaped, with some sectors of the economy still burdened with an uncertain present and future.

From a societal perspective COVID-19 accelerated a "*tectonic*" shift, proving necessity is the mother of not just invention but adoption. The pandemic and subsequent WFH response accelerated technology adoption for both households and corporations, increasing its interaction in all facets of society and the economy. The acceleration of the digital transformation is a unique window in history that has and will play an increasing role differentiating between winners and losers. An important subset of this adoption will be permanent with attendant uncertainties. What this means for the future of airlines, hospitality, commercial real estate, and other sectors that have been hard hit by the pandemic or are in the crosshairs of the digital transformation is unknown and challenging to measure.

Current investment conditions characterized by a low and flat capital markets line suggest prospective returns will be meager. Equity market valuations appear elevated relative to historic levels. However, when nominal and real interest rates are taken into consideration, valuations may appear reasonable albeit with modest risk premiums. A similar dynamic holds for credit markets where record government and corporate debt levels exist paradoxically with tight credit spreads and comfortable debt service ratios dependent on today's depressed interest rates. Increases in benchmark yields can transition from a tailwind to a headwind and credit spreads on liquid assets do not appear to provide adequate compensation for the duration and credit risk taken. Although we feel there has been a significant transition from unquantifiable to quantifiable uncertainty in subsets of the uncertainty continuum, other subsets remain unmeasurable. Current risk premiums reflect an environment more consistent with quantifiable uncertainty across the continuum. We are surprised risk premiums are not higher than observed presently given the remaining unquantifiable uncertainty associated with the uniqueness of today's situation.

INVESTMENT STRATEGY

Relative to our Global Diversified Index (GDI) benchmark (see GDI Components on page 26), The Brinson Foundation began 2020 with significant above policy weights in Cash and High Yield Bonds and a slightly above policy weight in Global Equity that was funded by below policy weights in Global Bonds, Emerging Market Debt, and Real Estate. Our High Yield Bond exposure was due to an idiosyncratic floating rate high yield opportunity

INVESTMENT MARKET CONDITIONS

and not the attraction of the asset class itself. An important 15% subset of Global Equity was comprised of another idiosyncratic exposure, large cap investment grade midstream assets. We expected both exposures to follow independent paths specific to their fundamentals and the cash position would provide liquidity and optionality should volatility present opportunities to deploy cash. As markets sold off in early March, we added to Developed Equity funded with Cash. When the full brunt of the COVID-19 and Oil Price War Black Swans hit markets in mid-March, the midstream exposures experienced a significant drawdown that catalyzed forced selling by closed end funds, which begat more selling as the funds were forced to reduce leverage. This exposed an unanticipated and unacceptable level of commodity risk exposure and we reduced Global Equity strategy by moving the existing midstream exposures to a tactical overweight within Global Equity. At the end of March, we increased High Yield Bond strategy to access an exposure where forced selling provided an attractive opportunity set in specific market sectors. We were unable to fully access the exposures and reduced High Yield strategy in August. Although the midstream exposures rallied from their March lows, their fundamental prospects are indelibly altered from our original analysis and they did not recover or participate fully in the equity market rally. We sold slightly less than half of the positions in early December in response to the post vaccine market and commodity rally.

As illustrated in Exhibit B, the portfolio ended the year with decidedly less interest rate and equity risk than the benchmark. This is attributable to the significant underweight in Global Bonds in combination with the Global Equity underweight and smaller underweights in Emerging Market Debt all offset by the Cash position. The High Yield overweight is mostly comprised of illiquid floating rate exposures, where we feel we are receiving a satisfactory illiquidity premium. This risk posture reflects our view that all investment assets are subject to real and nominal interest rate risk, and risk premiums are reflective of a quantifiable uncertainty environment, whereas we feel components of the uncertainty continuum are still unquantifiable due to the uniqueness of the COVID-19 pandemic.

At the end of February 2021, nominal 30-year UST bonds yield 2.16%, comprised of a 0.04% real yield and inflation expectations of 2.12%. In this interest rate environment, we find inadequate compensation for the duration risk. As pointed out earlier, if nominal and real rates are expected to remain low for the foreseeable future then equity valuations are reasonable and suggest a risk premium of about 4.00% at current market levels. This results in an expected nominal equity return of 6.16% and an expected real return of about 4.04%. Although acceptable in real terms, especially compared to other liquid

assets classes, this is an example of the low and flat capital markets line where nominal return expectations are diminished relative to history. Likewise, the modest risk premium appears more consistent with a normal environment. As indicated earlier, we still consider our current circumstance unique and believe risk premiums should be higher.

PERFORMANCE RESULTS

For the calendar year, the portfolio experienced a 2.78% return, versus 13.60% for our GDI benchmark (see Exhibit C). The inflation rate, using the Consumer Price Index, was 1.36%, making the portfolio's real (inflation adjusted) return 1.40% versus 12.07% for the GDI. Compared to the benchmark, the portfolio's poor performance was most negatively influenced by security selection specific to the midstream exposures. The Cash position, which reduced overall portfolio risk, also had a meaningful negative contribution from market allocation as both Global Bonds and Global Equities experienced attractive returns in 2020 and we were underweight both asset classes.

The Brinson Foundation's long-term real return objective is 4.0 to 4.5% with moderate risk exposure. From today's low and flat capital markets line, comprised of depressed interest rates and modest risk premiums, increasing risk at this time exposes the portfolio to the random outcomes associated with unquantifiable uncertainty. We recognize these outcomes are random and returns in 2020 provide a living example of an unexpectedly positive outcome. Risk management acts as a drag on performance in years like 2020. However, risk control continues to appear sensible to us in an environment where risk premiums are low by historical norms.

The portfolio's real annualized performance since inception (12/31/00) has been 4.98% compared to the benchmark's 4.54%, producing 0.44% added value with most of the contribution coming from market allocation. The portfolio's annualized nominal return since inception has been 7.12% versus the benchmark's 6.67% return. Since inception, the portfolio's annualized volatility has been 9.68% compared to the benchmark's 9.28%. 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 from our managers in Private Markets, Real Estate and High Yield Bonds. Revised historical performance and volatility statistics for the portfolio and the benchmark are included in Exhibit E.

INVESTMENT MARKET OVERVIEW 2020 AND INCEPTION TO DATE

GLOBAL CAPITAL MARKET RETURNS

EXHIBIT A			
NOMINAL RETURNS	INDEX	2020	ANNUALIZED 12/31/00 THROUGH 12/31/20
Global Diversified Index (GDI)	GDI (Unhedged)	13.60 %	6.67 %
	GDI (\$ Hedged)	11.21 %	6.57 %
U.S. Inflation (CPI)	Consumer Price Index (CPI)	1.36 %	2.04 %
REAL RETURNS			
Global Diversified Index (GDI)	GDI (Unhedged)	12.07 %	4.54 %
	GDI (\$ Hedged)	9.71 %	4.44 %
MARKET INDEX			
Cash Equivalents	ICE BofA Merrill Lynch U.S. 3-Month Treasury Bill Index	0.67 %	1.51 %
Global Bonds (Investment Grade)	Bloomberg Barclays Global Aggregate Index (Unhedged)	9.20 %	4.76 %
	Bloomberg Barclays Global Aggregate Index (\$ Hedged)	5.58 %	4.69 %
Ex-U.S. Bonds (Investment Grade)	Bloomberg Barclays Global Aggregate ex-USD Index (Unhedged)	10.11 %	4.67 %
	Bloomberg Barclays Global Aggregate ex-USD Index (\$ Hedged)	3.94 %	4.53 %
U.S. Bonds (Investment Grade)	Bloomberg Barclays U.S. Aggregate Bond Index	7.51 %	4.83 %
U.S. High Yield Bonds	Bloomberg Barclays High Yield Very Liquid Bond Index	5.87 %	7.10 %
Emerging Market Debt	Bloomberg Barclays USD Emerging Markets Government RIC Capped Index	5.79 %	8.16 %
Global Equities	MSCI World (Net) Index (Unhedged)	15.90 %	6.02 %
	MSCI World (Net) Index (\$ Hedged)	14.27 %	5.81 %
U.S. Equities	MSCI USA (Net) Index	20.73 %	6.99 %
Ex-U.S. Equities	MSCI World ex-U.S. (Net) Index (Unhedged)	7.59 %	4.58 %
	MSCI World ex-U.S. (Net) Index (\$ Hedged)	3.23 %	4.22 %
Emerging Market Equities	MSCI Emerging Markets (Net) Index	18.31 %	9.59 %
Real Estate	NCREIF Property Index	1.60 %	8.19 %
Private Markets	Cambridge Associates Private Equity Index	11.72 %	9.55 %

Sources: BISAM, Bloomberg, GP Brinson Investments, MSCI

INVESTMENT STRATEGY

MARKET & CURRENCY ALLOCATION

AS OF DECEMBER 31, 2020

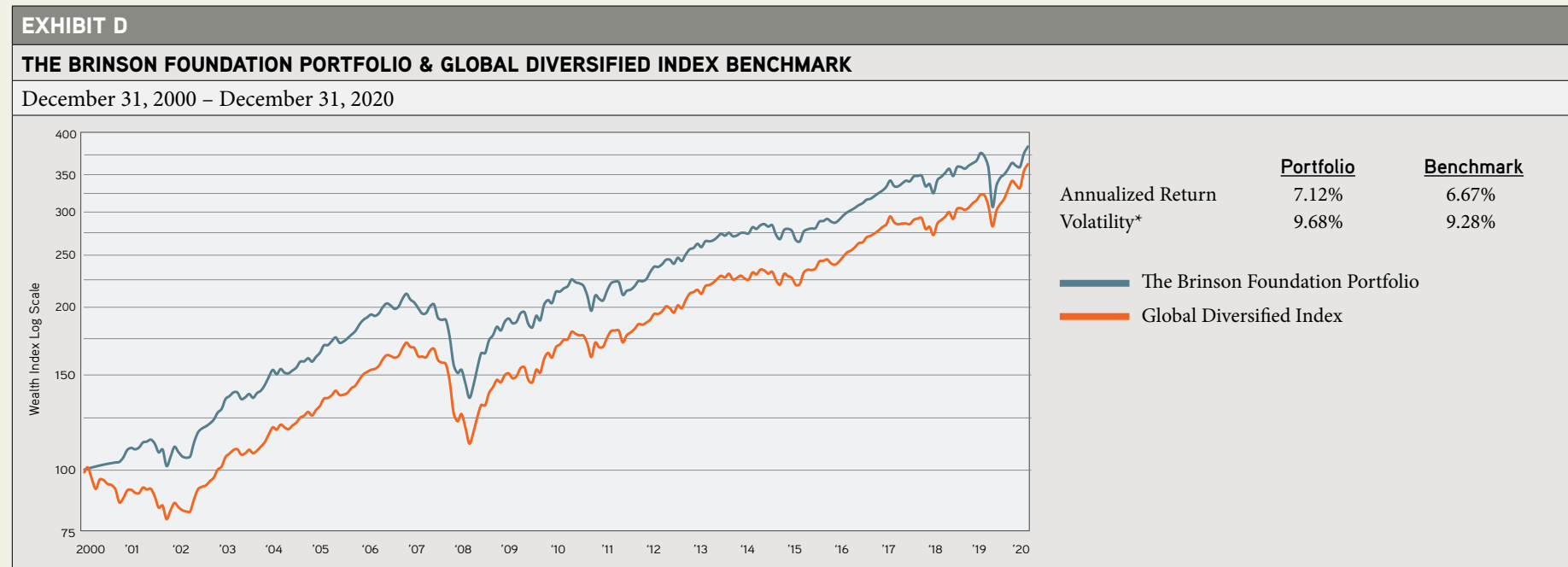
EXHIBIT B			
MARKET ALLOCATION	BENCHMARK	THE BRINSON FOUNDATION	DIFFERENCE
Global Equity	55.00 %	42.46 %	-12.54 %
<i>Developed Markets</i>	47.68 %	35.14 %	-12.54 %
<i>Emerging Markets</i>	7.32 %	7.32 %	-0.00 %
Private Markets	5.00 %	5.65 %	0.65 %
Real Estate	10.00 %	9.32 %	-0.68 %
Global Bonds	25.00 %	0.00 %	-25.00 %
<i>U.S. Bonds</i>	12.50 %	0.00 %	-12.50 %
<i>Global ex-U.S. Bonds</i>	12.50 %	0.00 %	-12.50 %
High Yield Bonds	3.00 %	12.76 %	9.76 %
Emerging Market Debt	2.00 %	0.00 %	-2.00 %
Cash Equivalents	0.00 %	29.81 %	29.81 %
TOTAL	100.00 %	100.00 %	0.00 %
CURRENCY ALLOCATION	BENCHMARK	THE BRINSON FOUNDATION	DIFFERENCE
North America	68.26 %	81.34 %	13.08 %
<i>U.S.</i>	65.87 %	80.04 %	14.17 %
<i>Canada</i>	2.20 %	1.15 %	-1.05 %
<i>Mexico</i>	0.19 %	0.15 %	-0.04 %
Euro	10.80 %	3.72 %	-7.08 %
UK	2.93 %	1.65 %	-1.28 %
Other Europe	2.99 %	2.13 %	-0.86 %
Japan	5.22 %	3.15 %	-2.07 %
Asia (ex-Japan)	3.19 %	3.43 %	0.24 %
Australia / New Zealand	1.49 %	0.97 %	-0.52 %
China / Hong Kong	3.96 %	2.41 %	-1.55 %
Other Emerging Markets	1.16 %	1.20 %	0.04 %
TOTAL	100.00 %	100.00 %	0.00 %

Sources: BISAM, FactSet, GP Brinson Investments

INVESTMENT PERFORMANCE (NET OF FEES)

FOR THE PERIOD ENDING DECEMBER 31, 2020

EXHIBIT C				
2020 PORTFOLIO PERFORMANCE	2020	INFLATION RATE	REAL RETURN	VOLATILITY*
The Brinson Foundation Portfolio	2.78%	1.36 %	1.40 %	21.18%
Global Diversified Index	13.60%	1.36 %	12.07 %	15.60%
Added Value	-10.82 %		-10.67%	
SINCE INCEPTION (12/31/2000) PORTFOLIO PERFORMANCE (Annualized)	SINCE INCEPTION	INFLATION RATE	REAL RETURN	VOLATILITY*
The Brinson Foundation Portfolio	7.12%	2.04 %	4.98 %	9.68%
Global Diversified Index	6.67%	2.04 %	4.54 %	9.28%
Added Value	0.45%		0.44%	



* 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, 2020

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	-2.66 %	6.76 %	8.81 %	-4.34 %	5.67 %	8.94 %
2019	18.65 %	7.35 %	8.77 %	18.48 %	6.31 %	8.87 %
2020	2.78 %	7.12%	9.68%	13.60%	6.67%	9.28%

* 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. If a grantseeker believes its request matches one or more of our grantmaking priorities and focus areas, an inquiry can be made by submitting our Letter of Inquiry (LOI) form. 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. 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.

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)

The Foundation discourages grant inquiries requesting funds for:

- Capital improvements
- Endowments
- Fundraising events

GRANTMAKING GUIDELINES & PROCESS

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.



The Brinson Foundation

737 North Michigan Avenue

Suite 1850

Chicago, Illinois 60611

312.799.4500

brinsonfoundation.org