

BROWN UNIVERSITY
FINANCIAL REPORT
Fiscal Year 2017



BROWN

Brown University Summary

Fiscal years ended June 30

FINANCIAL (dollars in millions)	Fiscal Year 2017	Fiscal Year 2016
Principal Revenue Sources		
Tuition and Fees (net)	\$327.4	\$307.3
Grants and Contracts	\$172.2	\$161.0
Endowment Support	\$165.0	\$153.5
Contributions	\$214.4	\$216.2
Total Investment Return	\$421.0	(\$37.0)
Principal Purpose of Expenditures		
Instruction and Departmental Research	\$335.1	\$322.4
Academic Student Support	\$215.9	\$204.3
Financial Balance Sheet		
Total Assets	\$5,369.9	\$5,000.2
Total Liabilities	\$1,183.2	\$1,197.9
Net Assets	\$4,186.7	\$3,802.3
Fundraising		
New Gifts and Pledges	\$270.4	\$300.7
Cash	\$241.7	\$217.3
STUDENTS		
Enrollment		
Undergraduate Students	6,926	6,652
Graduate Students	2,310	2,283
Medical Students	545	523
Degrees Conferred		
Bachelor's Degrees	1,561	1,591
Master's Degrees	633	626
Doctor of Philosophy	210	235
Doctor of Medicine	121	116
Annual Tuition and Required Fees		
Undergraduate	\$51,366	\$49,346
Graduate	\$51,152	\$49,146
Medical	\$56,480	\$54,292
FACULTY		
Campus-based Faculty (all ranks)*	749	732
Campus-based Clinical Faculty	654	653

*Campus-based faculty head counts include professor, associate and assistant professor, and lecturer and senior lecturer.

BROWN UNIVERSITY FINANCIAL REPORT

Fiscal Year 2017

FROM THE PRESIDENT



Operational excellence and enduring financial security are the bedrocks for Brown's vision to achieve new levels of leadership as a renowned institution of higher education.

This year's Brown University Financial Report highlights how Brown is building on the excellence of our research and the innovation of our education through responsible stewardship and focused investments. Covering Fiscal Year 2017, the report offers an overview of our financial statements, success in fundraising and investment performance.

As outlined in the report's Financial Statement Overview, Brown enjoyed excellent financial results in FY17, with a \$20 million gain from operations, a 13.4 percent endowment return and 10.1 percent growth in net assets. The University also advanced a set of initiatives that will increase long-term financial strength and resilience. Brown reduced the annual payout rate for distributions to the operating budget from the endowment, beginning in fiscal 2018. This decision reflects national concerns that future investment returns may not keep pace with historical results. The primary goal is to maintain the purchasing power of the endowment for future generations of students.

As shown in the Endowment Report prepared by the Investment Office, the endowment and other funds managed within the University's investment portfolio ended FY17 at \$3.5 billion, up from \$3.2 billion in FY16. The endowment provided \$179 million to the University and supported about 18 percent of Brown's annual operating budget.

Brown also enjoyed tremendous success in fundraising. More than 30,000 donors contributed a total of \$270.4 million from July 1, 2016, through June 30, 2017, as part of the *BrownTogether* comprehensive campaign. At the end of FY17, the campaign total stood at \$1.3 billion, positioning the University to reach the halfway point toward its goal of \$3 billion by late fall.

This momentum has helped drive an ambitious new fundraising effort to eliminate loans from packaged financial aid awards for all undergraduate students. Launched in fiscal 2018, *The Brown Promise* initiative is spurring efforts to reach the \$500-million fundraising goal for financial aid as part of *BrownTogether*. You can read more about the campaign's progress in the Report on Fundraising in the latter pages of this report.

Last year, the Brown University Financial Report began with a comprehensive overview of significant progress on all aspects of the University's strategic plan, *Building on Distinction: A New Plan for Brown*. Starting this year and going forward, the report will focus on accomplishments in one thematic area of research and education.

The theme for this year's report is the deep impact of Brown's work in medicine, public health and brain science. In this far-ranging overview, you will read how the Brown Institute for Translational Science has created a collaboration of researchers to confront respiratory diseases, the second-leading cause of death worldwide. We describe work in the School of Public Health to confront the opioid epidemic. And you will learn about a brain-computer interface that could help people suffering from paralysis.

Future annual Financial Reports will highlight areas that include the arts and humanities; physical sciences and engineering; social sciences and public and international affairs; and teaching innovations that include experiential learning, entrepreneurship, curricular enhancements and student opportunities for internships, travel and research.

These reports demonstrate the ways in which targeted investment is building Brown's strength as an academic powerhouse in numerous areas. This is not only the case in the areas of innovative education, influential scholarship and groundbreaking research, but also in administrative initiatives that shape Brown's distinctive educational experience.

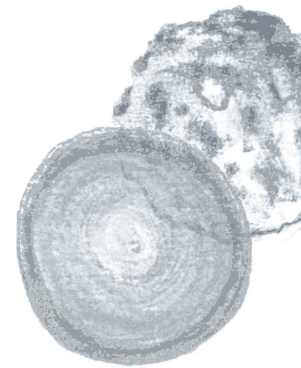
Sincerely,

A handwritten signature in black ink, appearing to read 'C. Paxson', written in a cursive style.

Christina Paxson
President, Brown University

Brown Medicine, Public Health and Brain Science

Strategic investments making an impact



Brown University is ascending to leadership in the life sciences.

In Providence and around the world, from infants to the elderly, and at the level of cells and whole populations, Brown University's community of life sciences scholars is making a profoundly positive impact on the human condition.

This report details the ways in which the faculty and students in the Division of Biology and Medicine, the School of Public Health and the Brown Institute for Brain Science are making vital contributions to research, patient care and public health. With a focus on Fiscal Year 2017, the report describes how Brown's work in these academic areas has helped prevent suicides, uncover a mechanism of aging that undermines health and fought Southern New England's opioid overdose epidemic on multiple fronts, among a multitude of other advances.

Pursuing competitive grants and receiving generous gifts for endowed professorships and research enabled the University to vastly expand its capacity to support students, researchers and scholars. Investments in the life sciences are making it possible to address the urgent challenges of deciphering disease, sustaining population health and unraveling mysteries of the brain.

THE DIVISION OF BIOLOGY AND MEDICINE

The 2016-17 academic year proved to be nothing short of transformative for Brown University's Division of Biology and Medicine. Innovations surged from the division as it asserted leadership in research, teaching and in "translational medicine" — the process of turning discoveries into treatments that benefit patients.

The division's research volume has grown 55 percent in recent years, from \$36.8 million in Fiscal Year 2013 to \$57.1 million in FY17, not including research in the division's seven affiliated hospitals. The fiscal year began with a \$19.5 million, five-year grant from the National Institutes of Health (NIH) to establish Advance-CTR, a center for mentoring and funding teams of clinical and scientific researchers across Rhode Island.

The center has already funded four pilot studies on cancer treatment, recovery from traumatic brain injury, circulation in diabetes patients and stem cells to repair knee cartilage.

In November 2016, the Warren Alpert Foundation pledged \$27 million to advance translational science in two more ways: a major expansion of the school's M.D./Ph.D. program, which supports students in becoming physician-scientists; and by endowing the first chair in the Brown Institute for Translational Science. BITS is composed of integrated research teams that allow scientists and clinicians to work together on a common disease, biologic pathway or problem in society. BITS invests in new faculty recruiting, research grants, equipment purchases, fellowships and other programs to build and support these collaborations.

With the support of multiple generous gifts, BITS launched Brown Biomedical Innovations Inc., a font of proof-of-concept stage funding for researchers to develop and demonstrate ideas for potential investors and industry partners. BBII provided two grants in April: one for technology to help neonatologists diagnose when babies are suffering withdrawal from opioid drugs they are exposed to in utero, and another for a genetic animal model of amyotrophic lateral sclerosis (ALS).



Translating science from bench to bedside

BITS emphasizes a variety of areas of research that include the five listed below. Each one has experienced significant advances in FY17.

- 1. BIOLOGY OF AGING:** A nationally renowned team of biologists is rapidly generating insights into the genetics and molecular biology of aging. In September, they demonstrated in flies that when aging cells lose control of rogue elements of DNA called “transposons,” this contributes to failing health and shorter lifespan. In December the team identified a particular RNA pathway the body employs to suppress transposons to prolong lifespan. To support further work on this Brown-generated “transposon theory of aging,” including studies in humans and other mammal models, the NIH awarded Brown a \$9.7 million grant.
- 2. RESPIRATORY DISEASE:** Brown has created a powerhouse collaboration to confront respiratory diseases, the second-leading cause of death worldwide. As part of Brown Investigators of Respiratory Diseases (BIRDs), Dr. Jack A. Elias, senior vice president for health affairs and dean of medicine and biologic sciences, published a study in *Nature Communications* showing that the protein TMEM219 may be a linchpin in the progression of idiopathic pulmonary fibrosis, cancer and asthma. His team has also developed potential therapeutics for lung cancer and pulmonary fibrosis.
- 3. MATERNAL, CHILD AND DEVELOPMENTAL HEALTH:** Brown has earned national recognition for research and clinical programs to ensure healthy pregnancies, preserve fertility, understand and treat childhood diseases, and advance regenerative medicine. Dr. Phyllis Dennery, a BIRDs member who is also chair and Sylvia Kay Hassenfeld Professor of Pediatrics and a co-director of Brown’s Hassenfeld Child Health Innovation Institute, earned a \$1.87 million NIH grant to lead studies at Rhode Island Hospital on how environmental exposures affect children’s health. In the same round of funding, Dr. Barry Lester, pediatrician and director of the Center for the Study of Children at Risk, earned a grant to study environmental effects on neurodevelopment in premature infants.
- 4. HUMAN GENETICS, GENOMICS AND PERSONALIZED MEDICINE:** Building on recent investments in cutting-edge equipment, key faculty hires and significant grant funding, BITS is positioned to launch Brown into the forefront of understanding and treating disease from the perspective of the individual patient’s unique biology. At the end of Fiscal Year 2016, the NIH awarded Brown \$11.6 million to create the Center for Biomedical Research Excellence in Computational

In close alignment



In May 2017, the Warren Alpert Medical School and six local medical practice groups employing more than 500 medical faculty members created Brown Physicians Inc. With a shared, strategic vision, the new physician-led federation, encompassing neurology, emergency medicine, internal medicine, surgery, urology and dermatology will enable a new level of coordination for research, teaching and clinical care in southern New England. Dr. Angela Caliendo, interim executive director, and Dr. Jack A. Elias, senior vice president for health affairs and dean of medicine and biologic sciences, joined in celebration at the formal signing.

Biology of Human Disease, advancing Brown's research in genomics and personalized medicine. The center equips Brown with the core resources to make major strides in tackling the "big data" challenge of genomics and supports several new faculty research projects. For example, in April, Associate Professor William Fairbrother unveiled an assay he invented to analyze 5,000 known disease-causing mutations. He revealed that about 500 of them affect health by disrupting the proper splicing, or editing, of genetic material.

5. MUSCULOSKELETAL AND MOTION SCIENCES:

Brown is moving toward developing restorative technologies, preserving mobility in aging and advancing sports rehabilitation. During the 2016-17 year, Professor Beth Brainerd unveiled two major technical upgrades to the globally renowned technology of X-ray Reconstruction of Moving Morphology. This technology blends X-ray movies and CT scans to precisely image human and animal muscles and bones — and their interactions — in exquisite detail as they move. Meanwhile, graduate student David Sleboda showed that the amount of fluid in muscle fibers is a substantial source of their resistance to stretching.

Medical school research also advanced translational medicine in global health. Dr. Adam Levine, associate professor of emergency medicine, created the Humanitarian Innovation Initiative in the Watson Institute for Public Affairs. The

initiative brings together two disparate fields with much to teach each other: academic research and disaster relief. Meanwhile, Dr. Jonathan Kurtis, chair of pathology and laboratory medicine, has developed a promising malaria vaccine candidate that is poised to begin human trials.

Innovations in the classroom

But research is not the only area where the Warren Alpert Medical School makes an impact. The medical school implemented innovations in the classroom, including two that are first in the nation. Students in the novel Primary Care and Population Medicine M.D./Sc.M. program embarked on a unique "longitudinal integrated clerkship," where they followed a panel of patients for nine months. The school and the Watson Institute also launched the nation's first integrated four-year M.D./Master's in Public Affairs program. And in the new Gateways to Medicine, Health Care and Research program, college graduates can gain extra preparation for medical school through master's degree or certificate studies.

Finally, funding for talent development received a boost in the 2016-17 year. After years of successfully preparing incoming graduate students from historically underrepresented groups for successful doctoral studies in the life sciences, the NIH-funded Initiative to Maximize Student Development received a grant to expand its training, mentoring and community-building programs to all graduate science education at Brown.



Scholarship in the Community

In August 2016, Dean Terrie Fox Wetle of the Brown University School of Public Health and Director Nicole Alexander-Scott of the Rhode Island Department of Health signed on to a partnership to build healthy communities and create a hub of public health research and innovation in Rhode Island. The agreement's framework for exchanges of data and personnel, as well as a commitment to research collaboration, already have yielded opportunities for Brown students to help address urgent public health issues in the state. This includes analyzing care quality after hospital mergers and health data analysis.



BROWN UNIVERSITY SCHOOL OF PUBLIC HEALTH

Just four years after it emerged from the Division of Biology and Medicine, the Brown University School of Public Health is a national leader in the scholarship and service needed to sustain and enhance population health. A research powerhouse, Brown ranks among the top 10 public health schools in earning grant and award funding from the National Institutes of Health.

As the school's total research volume reached \$42 million in Fiscal Year 2017, the ranks of faculty have swelled also, from just 10 tenure-track professors when the school was the Department of Community Health in 2004, to 37 today. Students, meanwhile, have flocked to the school's expanding degree programs. In FY14 the school enrolled 129 undergraduate, 135 master's and 40 doctoral students. In FY17, the numbers rose to 171, 169 and 63 respectively.

Across its four departments, 12 research centers and local, state and international partnerships, the school worked in myriad ways during the 2016-17 year to protect and advance the health of diverse and vulnerable populations. In two studies, epidemiology Associate Professor Brandon Marshall and medical colleagues brought to light the insidious role of the powerful drug fentanyl in causing opioid overdose deaths in Rhode Island. Marshall continues to engage a team including undergraduates in maintaining the state of Rhode Island's comprehensive opioid dashboard website.

The school's Center for Alcohol and Addiction Studies has served for decades as a locus for training New England health care providers to treat addiction. This year the center earned a \$3.8 million, five-year grant renewal to focus on the opioid epidemic. To change prescribing habits, a team of biostatistics and emergency medicine professors led a study showing that, for many patients, non-addictive NSAID painkillers worked as well or better than opioids for relieving pain after car crashes.

In numerous examples of innovative research and education this year, public health scholars helped to protect underserved populations. Epidemiology doctoral student Mary Lacy led a study providing evidence that a common test to diagnose and monitor diabetes was systematically providing inaccurate readings for the 10 percent of African Americans with sickle cell trait. Professor Linda Resnik co-authored a National Academies report showing that the promise of advanced prosthetics technologies often remains unfulfilled because of barriers like insufficient insurance coverage, training and follow-up care. And in the neighborhoods of Pawtucket, public health master's graduate Akosua Adu-Boahene surveyed the health needs of the city's West African population.

Students and faculty alike produced novel insights to advance the health of children. A study in November led by master's student Xiao Gu found that, while the diet of U.S. children remained poor by many measures, it was improving. Health services, policy and practice Professor Theresa Shireman co-authored a study showing that in municipalities that have imposed indoor smoking bans, fewer children with asthma have to go to the emergency room with breathing difficulties. In new work to protect children, epidemiology Assistant

Professor Joe Braun shared in a national grant to study how early life environmental exposures affect brain development.

Amid all this work, faculty and students in the Hassenfeld Institute forged ahead with dozens of educational programs and projects. This included studies of how socioeconomic status can affect psychological development and the complex reasons underlying why some Rhode Island children frequently end up in the emergency department.

Researchers also worked to improve care for the oldest and most frail. To promote the life- and money-saving practice of teaming geriatricians with orthopedists in the care for elderly people with hip fractures, Dr. Richard Besdine received a \$1.4 million grant from the John Hartford Foundation. Meanwhile, researchers at Brown's Center for Long-Term Care Quality & Innovation received federal funding to implement infection prevention measures in dozens of nursing homes.

Public health influencing policymakers

Public health research and scholarship continues to make an impact on national discussions and policy development. Epidemiology Professor Gregory Wellenius led a study with

three state health departments showing that weather poses a life-and-death risk for New Englanders at a heat index below where the National Weather Service (NWS) issued warnings. As a result, the NWS lowered the level. In addition, through a study relevant to the nation's debate over the Affordable Care Act, Dr. Amal Trivedi showed that the law's Medicaid expansion significantly improved care quality at community health centers.

Across the world, researchers modeled how addressing alcohol use would help Kenya make greater headway against its HIV epidemic, and Professor Steven McGarvey led a team in discovering a unique genetic variant that contributes to world-leading rates of obesity in the Samoas. Trivedi showed that when Australia cut drug copays for indigenous people, they needed less hospital care.

All of the school's considerable growth has come under the leadership of Terrie Fox Wetle, the inaugural dean, who announced during the summer she would step down. On Nov. 7 Bess Marcus, a former Brown professor who had more recently built new public health programs at the University of California at San Diego, returned to Brown to succeed Wetle.



Student-centered learning


Madeline Pesec, a student in the Program in Liberal Medical Education, combined her own initiative and talent with Brown's unique academic programs to lead a paper in the March 2017 issue of Health Affairs. The paper describes the exceptional success of Costa Rica's approach to primary care. Interested in both subjects since her teens, Pesec pursued a dual concentration in public health and Latin American studies through Brown's Open Curriculum. She also engaged in an internship with alumni at the Boston health think tank Ariadne Labs. Now enrolled in the Alpert Medical School's dual-degree Primary Care and Population Medicine program, Pesec is continuing her research.



BRAIN SCIENCE

In the field of brain science, Brown is gaining recognition for having some of the best scientists in the world.

The Brown Institute for Brain Science is establishing its pre-eminence for the study of the brain with 45 labs across campus engaged in research. Since 2011 core BIBS faculty members have led projects with more than \$116 million in grant funding. It's no accident that about a quarter of all Brown University undergraduates take Introduction to Neuroscience, reflecting the excitement in the field. Well-known strengths at Brown include solving the mysteries of the brain by innovating methods to locate, decipher and fix circuits in the nervous system. Brown also is recognized for devising treatments and technologies to address neurological disease and injury.



“By building on our strong foundation, BIBS faculty, scientists and students are integrating knowledge from across the disciplines to develop treatments and technologies for improved quality of life.”

—*Diane Lipscombe, professor of neuroscience, director of the Brown Institute for Brain Science and president-elect of the international Society for Neuroscience*

For patients who have become severely paralyzed — and even unable to speak — Brown researchers pioneered the BrainGate brain-computer interface (BCI). It allows patients to control computer cursors or robotic arms just by thinking about moving their own arm and hand. In FY17 the multi-institution team testing BrainGate in a clinical trial directed by Dr. Leigh Hochberg, professor of engineering, announced key breakthroughs. They published a study in *eLife* showing participants typing on an on-screen keyboard at record speed. In *The Lancet*, the team published work demonstrating that after connecting BrainGate with electrical stimulators in the arm and hand of a man with paralysis from a spinal cord injury, he could control the arm to feed himself.

Elsewhere in engineering, Assistant Professor David Borton also conducted research on spinal cord injury. In November Borton co-led a study showing that combining a wireless brain-computer interface system with spinal stimulation could help animals with a temporary spinal cord injury regain control of their legs.

BIBS continues to test boundaries and innovate, and Brown's capacity for innovation in the brain sciences attracted major new grants. Engineering Professor Arto Nurmikko earned

a federal grant that could reach \$19 million to invent a next-generation wireless BCI with a radically greater set of capabilities. In addition, the National Science Foundation awarded neuroscientist Christopher Moore \$9.8 million to engineer ways for neurons to react to circuit malfunctions or disease states, and then to compensate for them by communicating with light. If successful, these efforts could revolutionize the ability of scientists to decipher, diagnose and treat diseases such as obsessive-compulsive disorder, epilepsy, stroke or traumatic brain injury.

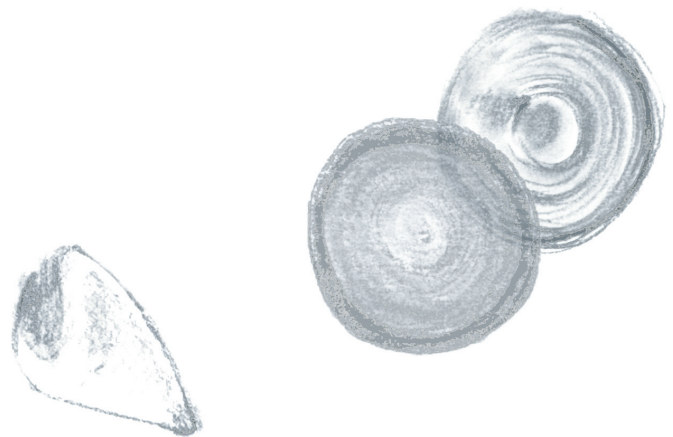
Advances in Alzheimer's, ALS and neurological disorders

BIBS researchers are working to identify treatments and cures for some of the most widespread diseases affecting health. Neuroscience Professor Anne Hart discovered two key mechanisms underlying spinal muscular atrophy, a leading genetic cause of infant death.

In the area of Alzheimer's and ALS research, Dr. Stephen Salloway, professor of neurology, co-authored a *Nature* paper showing significant reductions in harmful amyloid plaques in the brains of people who received the drug aducanumab. In separate research, Assistant Professor Nicolas Fawzi showed how genetic mutations upset the behavior of a key protein in ALS and Alzheimer's disease. Professor Kristi Wharton and Professor Robert Reenan's labs also continued a landmark collaboration with three other Brown research groups in conducting an innovative search for rare genetic variations that may suppress ALS.

Insights into mind, behavior and biology

Brown brain scientists made innovative advances to address behavior and mood. Ivan Miller, professor of psychiatry and human behavior, led a clinical trial showing that at-risk emergency department patients who received an intervention made 30 percent fewer suicide attempts than patients who received standard care.



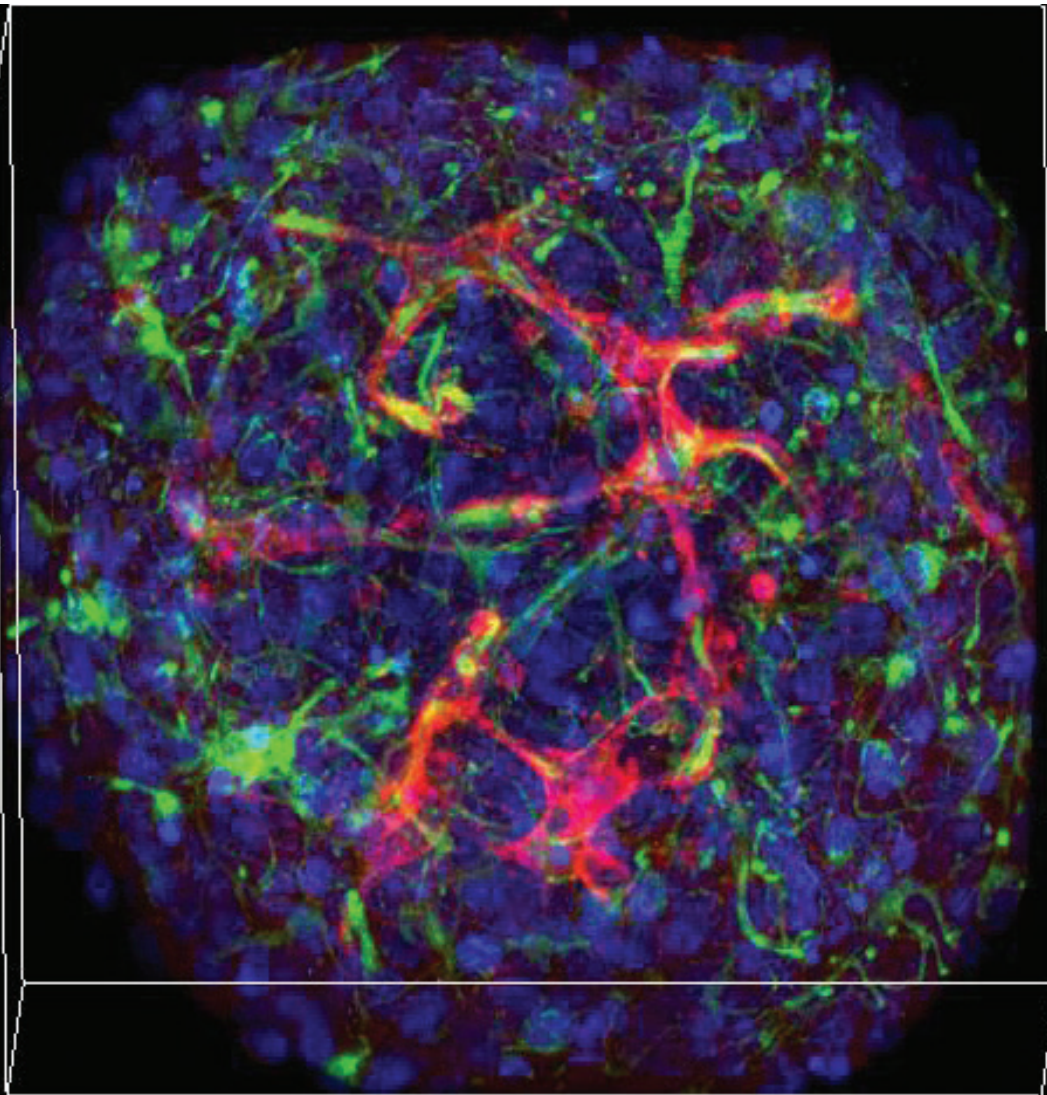
To develop a novel treatment for stress or mood disorders, Cognitive, Linguistic and Psychological Sciences (CLPS) Professors Takeo Watanabe and Yuka Sasaki demonstrated that by using MRI to read out brain patterns associated with how volunteers felt about faces they saw on a screen, the researchers could unconsciously change those feelings. And to fight addiction, molecular biology Professor Julie Kauer and colleagues published a study explaining how stressful events can make people with cocaine addiction susceptible to relapse.

CLPS researchers published social psychology insights that included a detailed study finding that impulsive thinkers take the quicker and simpler path when thinking about logical challenges, the people around them, the societies they live in and even spiritual matters. Professor Steven Sloman published a popular book discussing how we function in a “community of knowledge.” His experiments demonstrated that our confidence about what we understand depends on whether we believe others around us understand it.

And Brown neuroscientists led key insights into fundamental nervous system function. In *Nature*, David Berson discovered how the mammalian retina is configured to track our own movement through space. In the *Proceedings of the National Academy of Sciences*, Moore and Stephanie Jones proposed a new theory of how beta waves emerge in the brain. Also, CLPS Associate Professor Dima Amso showed for the first time that babies as young as eight months old can employ the prefrontal cortex to learn simple rules.

Other Brown brain scientists developing tools for the field earned many grants, including seven in recent years from the federal BRAIN Initiative. In FY17, biostatistics Assistant Professor Xi Luo earned a \$1.2 million award to model how brain networks are wired to process external information, and Jones received a \$1.6 million grant to develop software to help scientists understand the neural origin of brainwave data.

Associate Professor Diane Hoffman-Kim demonstrated another tool: “mini-brains.” These are tiny but functional balls of neurons and blood vessels that provide a versatile test bed for studies of drugs, stem cell treatments or neurological injury.



Battling neurodevelopmental disorders



An insightful molecular biologist, a caring psychiatrist and a leader of the autism initiative of the Hassenfeld Child Health Innovation Institute, Dr. Eric Morrow works in many ways to fight severe childhood neurodevelopmental disorders. For his work, President Barack Obama awarded Morrow the nation's highest honor for young scientists, the Presidential Early Career Award in Science and Engineering. With investigator Qing Ouyang, Morrow recently discovered the genetic basis of a previously uncharacterized form of intellectual disability. With Assistant Professor Giulia Righi, he helped to identify key reasons why children with autism seek inpatient psychiatric care.

Research Grants in the Life Sciences

In Fiscal Year 2017, Brown life science, medical, public health and brain science researchers were awarded 35 individual grants of \$1 million or more. These are highlights among those new projects:

\$19.5 million to create Advance-CTR, a center for R.I. researchers to design, conduct and analyze medical studies, including treatment trials, that build on basic research.

\$9.8 million to study the role of rogue DNA elements as a molecular mechanism that may undermine health during aging.

\$3.2 million to test a counseling intervention to reduce sexual- and drug use-related HIV risk behaviors among men who have sex with men.

\$2.2 million to train graduate students and postdoctoral researchers to become independent investigators in the pathobiology of respiratory diseases.

\$2 million to use new methods and technologies to study how T cells are signaled in the immune system response to infection.

\$2 million for a three-state study of why college students engage in the risky behavior of simultaneous alcohol and marijuana use.

\$1.8 million to learn the molecular mechanisms by which alcohol co-opts the brain's natural reward-related memory circuitry to produce alcohol cravings.

\$1.6 million to study whether Medicaid expansion has helped to reduce racial disparities in care for end-stage renal disease.

\$1.5 million to study how early detection of Alzheimer's disease via PET scans can affect patients, caregivers and the care plans they pursue.

\$1.3 million to help create a unified model of attention from the scale of individual neurons to vast brain circuits.

Financial Statement Overview

Letter from the Chief Financial Officer

The three pillars of Brown University's *Building on Distinction* strategic plan are academic excellence, community and financial sustainability. During our 2017 fiscal year, we made some important strides toward the goal of greater financial sustainability with a set of initiatives designed to increase long-term financial strength and resilience, and to ensure that the University will have sufficient resources to pursue its mission under any set of circumstances.

KEY FINANCIAL SUSTAINABILITY INITIATIVES

The endowment distributes money that supports University operations; approximately 18 percent of Brown's operating expenses were funded from this source in 2017. The amount of the annual distribution is guided by a policy that allows for a range of rates between 4.5 percent and 5.5 percent that are applied to the average market value of the endowment over the 12 quarters ending in December of the preceding fiscal year. The rate chosen is intended to support the University's fundamental fiduciary responsibility to maintain the purchasing power of the endowment for future generations of students. With widespread national concern that future investment returns may not keep pace with historical results, and a desire for real growth in the endowment and its contribution to the annual budget, Brown made a strategic decision to reduce the policy rate to the middle of the policy range in Fiscal Year 2018, and over time, to the low end of the policy range. While this decision will impose some short-term budget pressure, it will create a stronger financial foundation for the future.

In 2017, more than 30,000 very generous alumni and friends of Brown made new gifts and pledges totaling \$270.4 million, and cash received was \$241.7 million. A study that was conducted in the same year concluded that additional investment in Brown's fundraising function, housed in the Division of Advancement, would enable the University to reach even more donors who would potentially have an interest in contributing to Brown. As a result, leadership in the Division of Advancement is now building out an organization that will have the resources to reach a broader community of supporters who can strengthen our revenue base and create new opportunities for the University to distinguish itself. An important, current fundraising priority is *The Brown Promise*, an initiative that will eliminate loans from the University-packaged financial aid awards of all undergraduate students. This initiative will rely on substantial, incremental fundraising to support the grants and scholarships that will replace those loans. Over the course of a few years, we plan to build a \$100 million endowment that will provide the annual funding for this initiative.

FINANCIAL RESULTS

Brown enjoyed excellent financial results in FY17, with a \$20 million gain from operations, a 13.4 percent endowment return and 10.1 percent growth in net assets. Maintaining positive results in the years ahead will require sophisticated financial planning that includes detailed analysis of our budget units, strategic sourcing to ensure that we are spending wisely across the campus and process improvements that enhance the productivity of our people and our capital assets. We are currently working on the implementation of Workday Planning, integrated financial planning and budgeting software that will improve the efficiency and accuracy of our budgeting process and enable more effective scenario analysis and stress testing. And we are reviewing software alternatives for a strategic sourcing platform that will make it easier for our community to purchase from preferred vendors.

In this letter I have highlighted just a few of the initiatives we are pursuing to enhance the financial sustainability of Brown, and a few financial metrics from the 2017 financial statements. The following section reviews 2017 financial results in more detail.

Sincerely,



Jay Calhoun
Chief Financial Officer, Brown University

REVIEW OF 2017 FINANCIAL STATEMENTS

Brown University's 2017 financial statements were prepared in accordance with U. S. generally accepted accounting principles and audited by independent outside auditors from the firm KPMG, LLP.

Assets <i>dollars in thousands</i>			
	2017	2016	% Change
Cash and cash equivalents	\$78,454	\$72,414	8.3%
Accounts receivable and other assets	\$59,362	\$55,386	7.2%
Contribution receivable and other assets	\$158,224	\$170,904	-7.4%
Notes receivable, net	\$29,031	\$31,188	-6.9%
Funds held in trust by others	\$35,530	\$75,055	-52.7%
Investments	\$3,909,576	\$3,530,605	10.7%
Land, buildings and equipment, net	\$1,099,743	\$1,064,631	3.3%
	\$5,369,920	\$5,000,183	7.4%

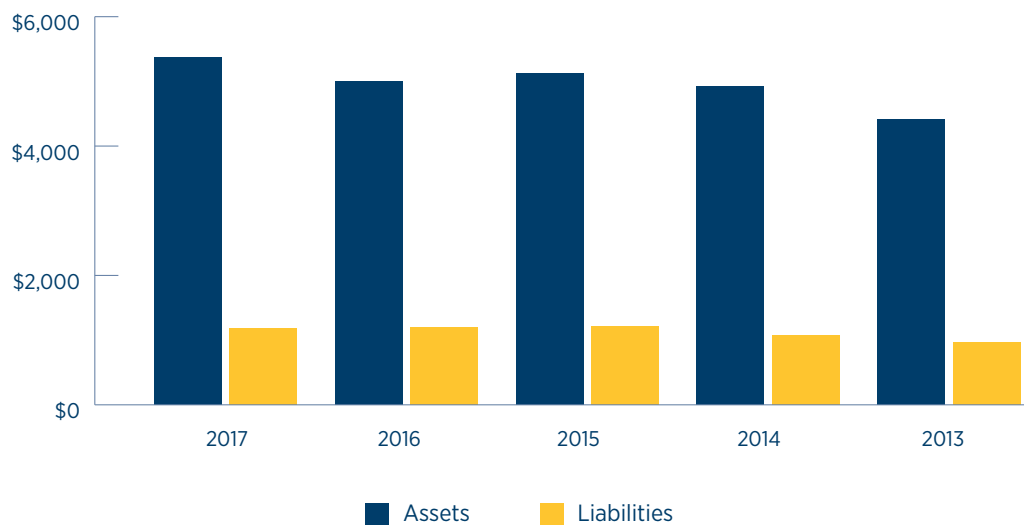
Total asset growth of 7.4 percent is attributable to a 13.4 percent endowment return that drove the \$379 million increase to investments. The large decrease in funds held in trust by others was caused by a drawdown of tax-exempt bond proceeds that are held by a trustee until they are needed for capital projects.

Liabilities <i>dollars in thousands</i>			
	2017	2016	% Change
Accounts payable and accrued liabilities	\$59,761	\$57,993	3.0%
Liabilities associated with investments	\$157,954	\$74,750	111.3%
Student deposits and grant advances	\$65,099	\$62,769	3.7%
Federal student loan advances	\$25,271	\$24,496	3.2%
Split-interest obligations	\$18,986	\$21,335	-11.0%
Other long-term obligations	\$82,225	\$111,883	-26.5%
Bonds, loans and notes payable	\$773,910	\$844,676	-8.4%
	\$1,183,206	\$1,197,902	-1.2%

Liabilities associated with investments increased due to short positions that were established to hedge equity market exposure. Other long-term obligations declined due to the effect of lower interest rates on interest rate swap liabilities, and because a pension obligation was reduced by a smaller projected benefit obligation and favorable investment return.

Bonds, loans and notes payable decreased \$70.8 million from fiscal 2016 due to the normal repayment of debt, plus a decision to redeem \$55.0 million of the Series 2009 Taxable Bond. The University did not issue any new debt in fiscal 2017.

Assets and Liabilities
dollars in millions

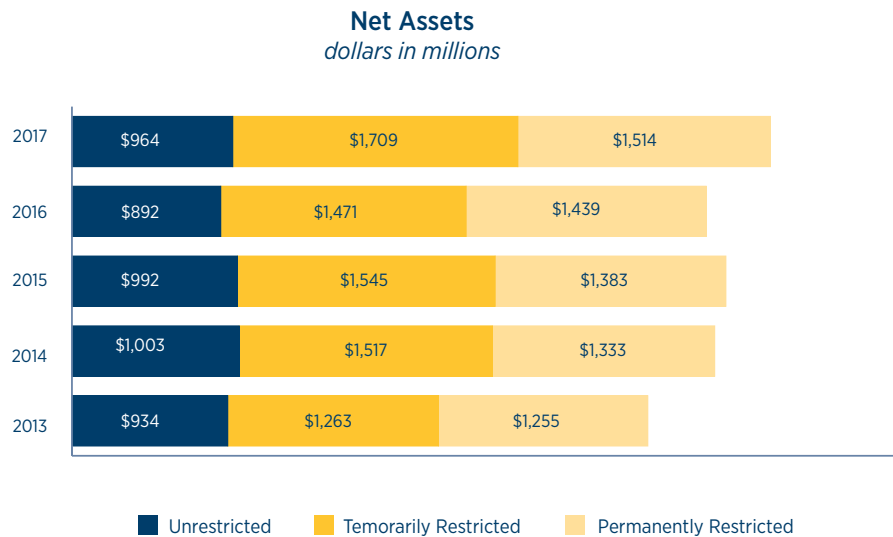


Assets, Liabilities and Net Assets
dollars in millions

	2017	2016	2015	2014	2013
Assets	\$5,370	\$5,000	\$5,132	\$4,926	\$4,415
Liabilities	\$1,183	\$1,198	\$1,213	\$1,073	\$ 963
Net Assets	\$4,187	\$3,802	\$3,919	\$3,853	\$3,452

NET ASSETS

Excellent net asset growth of 10.1 percent in 2017 exceeded the compound annual growth rate of 4.9 percent over the past five years. This was a result of strong investment performance, restricted contributions and favorable operating results. Restricted net assets grew at a slightly higher rate of 10.8 percent in 2017 compared to unrestricted net asset growth of 8.1 percent.



OPERATING REVENUES

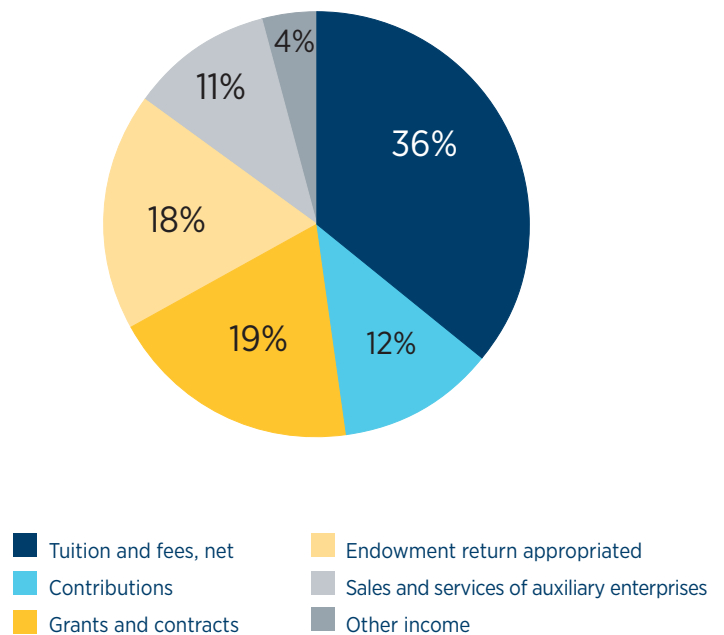
Total operating revenues for the University increased 7.2 percent, or \$60.8 million, from \$841.6 million at June 30, 2016, to \$902.4 million at June 30, 2017. The components of operating revenue are summarized in the chart on right.

Gross tuition and fees of \$514.5 million increased \$32 million, or 6.6 percent over the prior year, reflecting a 4.1 percent increase in undergraduate student charges and a modest increase in undergraduate enrollment. After a reduction of \$187 million for University scholarships, net tuition and fees of \$327.5 million were the largest component of revenues with a 36 percent share.

A 6.8 percent increase in the number of sponsored research awards contributed to an almost identical 6.9 percent increase in grants and contracts revenue that represents 19 percent of total revenue, just ahead of the endowment distribution's share of 18 percent. The initiative referenced earlier to reduce the policy rate that determines the endowment payout is expected, over time, to grow the endowment and increase the portion of total revenue from this source.

Contributions within operating revenues include current-use gifts, gifts to the Brown Annual Fund and changes to the current use contribution receivable balance. The contributions operating revenue increased 14.1 percent in fiscal 2017, to revenue of \$103.0 million. The increase is due to a number of factors, including additions to the current-use contribution receivable balance and focused efforts by the Division of Advancement to fundraise for the Brown Annual Fund and other current use gifts.

Fiscal Year 2017 Operating Revenues



OPERATING EXPENSES

Total operating expense for the University increased 5.2 percent, or \$43.7 million, from \$838.2 million at June 30, 2016, to \$881.9 million at June 30, 2017. The components of operating expense are summarized below.

The total of salaries, wages and employee benefits accounts for 53 percent of the total operating expenses. Salaries and wages increased 6.2 percent, or \$20.9 million, from \$337 million in fiscal 2016 to \$357.9 million in fiscal 2017. The increase was roughly evenly split between compensation increases for existing employees, and increased faculty and staff headcount. Employee benefits, which increased from the prior year at a rate of 5.2 percent, were approximately 29 percent of the salaries and wages. Increases to FICA and the defined contribution 403(b) plan contributions aligned with increases in salary and wage expense to account for most of the increased benefit cost.

Purchased services, supplies and general expenses totaled \$220.9 million, 25 percent of total operating expenses that increased \$15.6 million or 7.6 percent from the prior year. The increase from the prior year was due to a number of factors, including increases in sponsored awards, casualty insurance expense, consulting fees and higher than average turnover that increased temporary staffing costs.

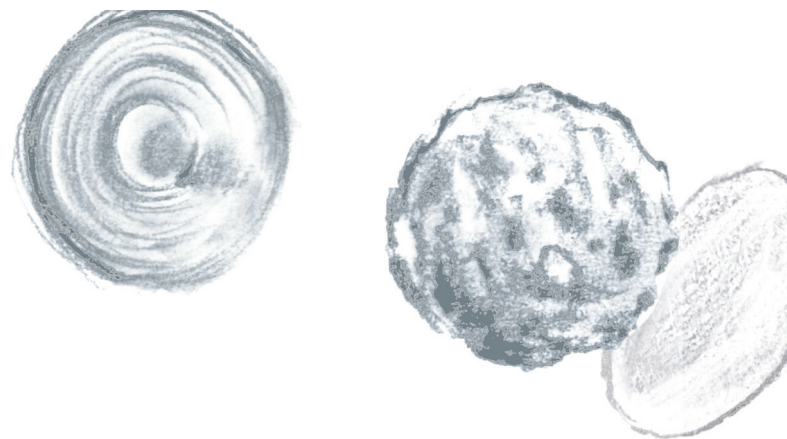
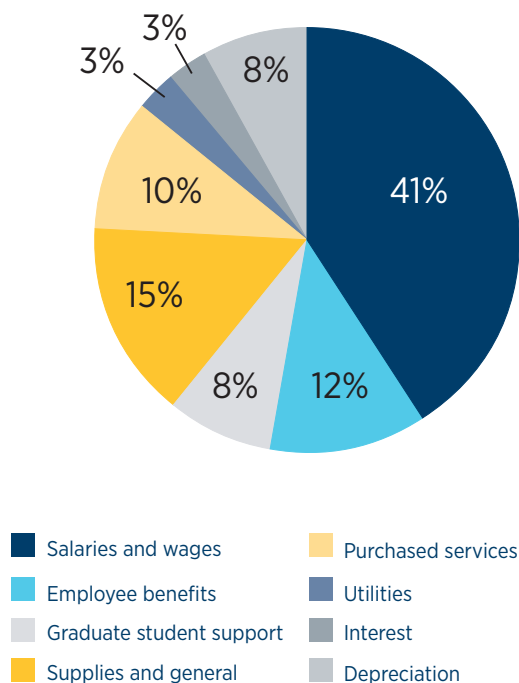
Non-operating activities

Non-operating activities include contributions to plant and endowment, net investment return reduced by endowment income appropriated and other changes, net.

Non-operating contributions decreased slightly from \$125.9 million in fiscal 2016 to \$111.3 million in fiscal 2017. Net investment returns of 13.4 percent produced a gain of \$409.3 million versus a loss of \$47.5 million in fiscal 2016. And other changes net resulted in \$20.9 million in non-operating revenue. This revenue was a product of the favorable decrease in the pension and interest rate swap liabilities that was noted earlier in this overview in the discussion of liabilities.

FY 2017 Financial Statements and Independent Auditor's Report
brown.edu/go/financialstatements

Fiscal Year 2017 Operating Expenses



Endowment Report

Brown University Investment Office

During the fiscal year from July 1, 2016, to June 30, 2017, Brown University's endowment and other managed assets appreciated by 13.4 percent, representing \$419 million in investment gains. This period was marked by strong performance for a broad array of risk assets, particularly equities.

During the year, Brown's endowment provided \$179 million to the University, representing 18 percent of the annual operating budget and equivalent to approximately \$19,000 per student. The endowment was the recipient of \$91 million in net additions from donors, a strong year for giving. Managed with a dual mandate of both protecting and prudently growing its value over the long term, the endowment and other managed assets now stand at \$3.5 billion at the end of Fiscal Year 2017.

As the risk-free rate has lingered at historic lows for nearly a decade, the required return with an acceptable level of risk has proven a high hurdle to clear. Therefore, during Fiscal Year 2017, the Corporation of Brown University voted to reduce the target distribution. This will move the endowment closer to Brown's peers in terms of annual spending targets, and the additional capital retained will compound its value in the future. This is, in effect, an investment in Brown's future.

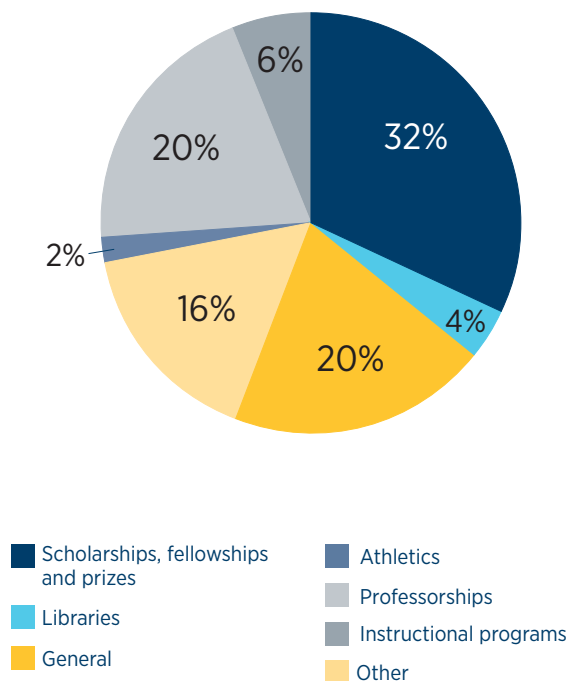
PURPOSE OF THE ENDOWMENT

The endowment exists today because of the generous and consistent support of benefactors dating back to an original gift of \$4,500 in 1769. Its purpose is to provide financial stability and support to the educational mission of the University and the diverse undertakings of its faculty and students. Because the University is managed as a permanent institution, this mandate extends to future generations of participants in Brown's mission. The funds that comprise the endowment, therefore, must be managed not only for capital preservation, but also to maintain purchasing power indefinitely into the future.

SPENDING

The endowment provides financial support by contributing a percentage of its value each year to the University's operating budget. Historically, the target policy guideline for that distribution of funds has been between 4.5 percent and 5.5 percent. This creates a hurdle: In order to maintain the value of the endowment, it must appreciate at a rate equal to or greater than the annual spend over the long term. Moreover, in order to protect the purchasing power of the endowment, it must also outpace inflation. As a result, the necessary rate of appreciation to overcome the hurdle is effectively higher. The endowment must outpace the sum of the annual spend plus the rate of inflation, as measured by the Higher Education Price Index (HEPI).

Endowment Income Distribution by Purpose



PERFORMANCE

The investment performance should be evaluated in three ways: First, is the endowment achieving its primary mandate of preserving both value and purchasing power after spending? Second, is the endowment matching or exceeding the performance of broad measures of the equity and debt markets? Third, is the endowment keeping pace with peer institutions that pursue similar mandates with similar resources? Each of these comparisons should be made over appropriate horizons.

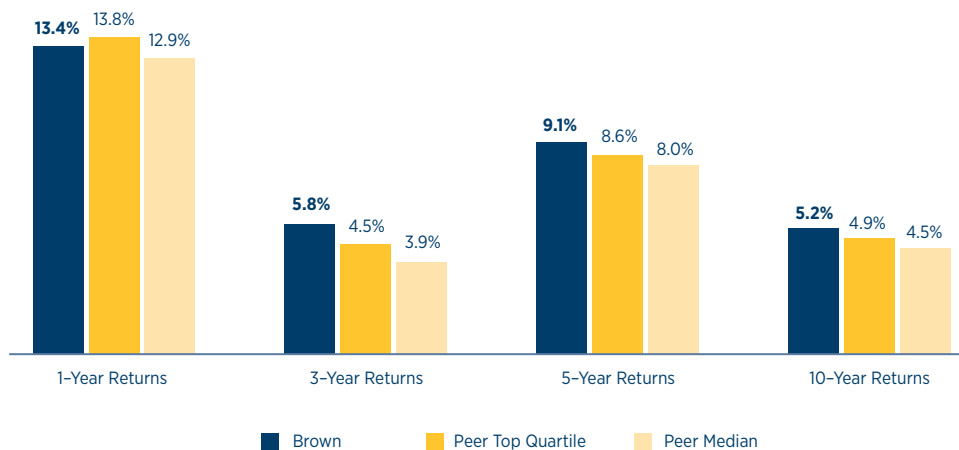
The performance of Brown's endowment fares well by all three measures. For Fiscal 2017, the endowment far outpaced the required return of spending plus inflation. This is also the case over the trailing 5- and 20-year terms. The trailing 10-year term includes Fiscal 2009, an exceptionally destructive year for financial assets.

Over 10 years, the endowment has outperformed its global equity benchmark, the MSCI All-Country World Index (ACWI). This is notable because the index represents the performance of only global equity markets, while the endowment is managed with a greater degree of asset diversification. As a result, the Investment Office also includes for comparison a blend of the MSCI ACWI with a broad index of global fixed-income markets, the Barclays Global Aggregate. The endowment outperformed this 70/30 blend in FY17, and over each of the trailing periods.

	FY	Annualized Returns as of June 30, 2017			
	2017	3 Year	5 Year	10 Year	20 Year
Brown Endowment	13.4%	5.8%	9.1%	5.2%	8.6%
Aggregate Benchmark	11.1%	4.0%	6.9%	3.7%	N/A
70/30 MSCI ACWI/Barclays Global Aggregate ¹	12.1%	3.4%	7.6%	4.0%	N/A
MSCI All-Country World (ACWI)	18.8%	4.8%	10.5%	3.7%	N/A
MSCI All-Country World (ACWI) ex-US	20.5%	0.8%	7.2%	1.1%	N/A
S&P 500 Index	17.9%	9.6%	14.6%	7.2%	7.2%

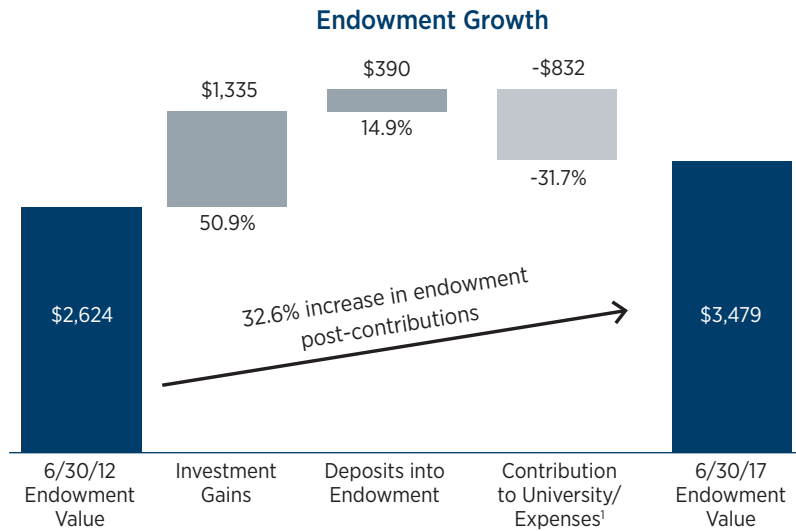
Finally, it is imperative that the endowment is also measured against other educational institutions that share our mission and time horizon. In this case, the Investment Office benchmarks against the returns of 145 colleges and universities maintained by Cambridge Associates. Brown's 13.4% return surpassed the mean (+12.9%) and median (+12.9%) returns of peers for the period in question.

Brown Performance Versus Cambridge Associates Peers Through FY17¹



1. Cambridge Associates as of September 19, 2017.

The Investment Office also evaluates performance in the context of University leadership. Fiscal 2018 marks the beginning of President Christina Paxson's second five-year term at Brown. Thanks to a combination of strong financial market conditions and the generous support of the Brown community, the endowment has recorded investment gains of over \$1.3 billion under Brown's current leadership. In addition, in this period since June 2012, the endowment has contributed \$832 million to the University.



ASSET ALLOCATION REVIEW

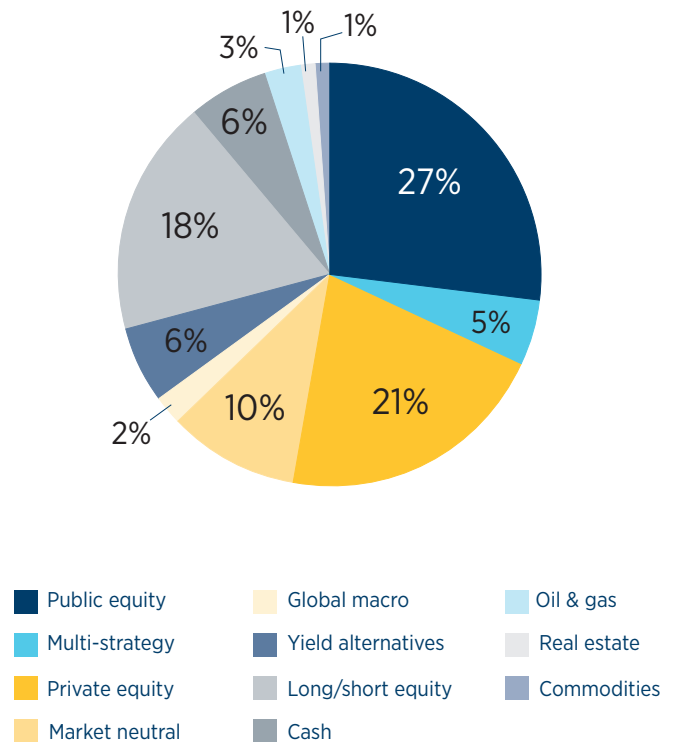
The endowment is managed with a diversified approach to asset allocation. The mix of assets — and the associated risk that is assumed — is not tailored to one specific version of the future, nor to achieve maximum appreciation in the next fiscal year. Rather it is designed to anticipate multiple future scenarios that develop over many years, and to include multiple engines of return that should compensate for each other in a diverse array of circumstances. As the future unfolds and new data become available, the course is modified.

For the purposes of this report, the endowment's allocation of investments are grouped into three broad categories: public equities, private investments and absolute return strategies. Historically a fourth category — fixed-income investments — would have merited attention. However, in today's low interest-rate environment, the Investment Office has winnowed Brown's fixed-income investments to a handful of opportunities where the likely reward justifies the assumed risk.

Public Equities: Fiscal Year 2017 was a strong 12-month period for public equities. The S&P 500 climbed 17.9 percent, and for the first time in nine years, that broad measure of U.S. stocks was bested by overseas stock markets, which appreciated 20.5 percent as measured by the MSCI All-Country World ex-US index. Emerging Markets awoke from a multiyear slumber; the MSCI Emerging Markets Index generated a 23.7 percent return.

For years, Brown's endowment has had an explicit bias in favor of U.S. assets. This allocation has supported the

Endowment Asset Allocation 6/30/17



endowment's returns for several years as U.S. markets have outperformed global markets. Whether FY17 is an aberration in this pattern, or a reversal thereof, will only become known in hindsight.

The Investment Office is pleased to report, however, that despite Brown's limited exposure to international developed and emerging markets, the return from the public equity portfolio kept pace with international markets and outperformed domestic markets. This is attributed for the most part to the skill of Brown's investment managers.

At this stage of the market cycle, a bull market in equities is well advanced, and broad valuation measures stand at high levels. In preparation for an inevitable change to this favorable environment, the Investment Office has undertaken an effort to improve the liquidity profile of the public equity portfolio. This effort includes negotiating improved liquidity terms with managers and selectively using low-cost, passive instruments to achieve desired exposure. As a result, the public equities portfolio is more liquid than in recent years, and we expect further progress in this regard.

Private Equity: Though not a steadfast rule, there exists in the marketplace for financial assets an illiquidity premium. In properly functioning markets, with all other factors being equal, a higher rate of return will be awarded to investments where the invested capital is unavailable to its owners for re-investment or reallocation. For the most part, the longer the duration, the better the returns. This higher expected return, which comes at the cost of liquidity, is the primary appeal of private investments, a category that encompasses leveraged buyouts, venture capital and real assets such as real estate.

As one of the endowment's core advantages is a long-term investment horizon, Brown expects to capitalize by taking advantage of the illiquidity premium. The practical application, however, is more complex than simply making investments until the endowment reaches a target allocation. It takes considerable time to adjust course with a portfolio of long-term investments, and the Investment Office does so judiciously.

A portfolio of private investments must be diversified by year, such that the risks that characterize each year, or vintage, are layered. As a result, building a diversified portfolio requires many years of steady execution. In addition to this primary task, the Investment Office is concurrently taking other actions to optimize the endowment's private equity portfolio. Partnering with managers on co-investments and participating in the secondary market for fund interests both play a role.

Brown's Private Equity portfolio today remains a mix of outstanding managers that are long-term partners of Brown, and some legacy investments that will eventually exit the portfolio as they mature or are liquidated. Improving the quality of this mix — through new investments, re-investments, co-investments and secondary transactions — is among the Investment Office's highest priorities.

Absolute Return Strategies: The endowment's allocation to absolute return strategies is the product of an ongoing search for engines of return that have a low correlation to each other and to the market overall. It is a broad category that encompasses a diverse set of investments with individual characteristics.

Brown has a substantial allocation to this group of strategies, but this grouping masks significant diversification. The portfolio's return in FY17 exceeded the pace the University would expect based on the aggregate "look-through" market exposure of the group. In aggregate, Brown's managers executed well during the year.

Although the allocation to the Absolute Return asset class represents a diverse set of investments, the common thread that runs through each is a set of selection criteria that emphasizes partnership and alignment. The Investment Office focuses its research on managers that value Brown's qualities as an investment partner, and endeavor to treat the University as such. The Investment Office thinks carefully about the alignment of interests for Brown with those of its investment managers and strictly manages the incentives that exert influence over the behavior of these partners. This is true of all of Brown's investment managers, regardless of strategy.

The robust performance of financial markets over the last 12 months has only served to reinforce our conclusions about prospective returns. Identifying investment opportunities that combine an adequate return with a low correlation to the market is an exceedingly challenging task that often proves fruitless. Nonetheless, it is a priority for the Investment Office.



BROWN'S COMPETITIVE ADVANTAGE

The endowment enjoys certain natural advantages, and the Investment Office works to accentuate these advantages in order to fulfill its mandate.

The first is the ability to invest for the long term. Few institutions enjoy the flexibility to consider investments that mature over years and even decades. In Brown's case, contemplating such time horizons is imperative, and the impact of doing so is significant and diverse. One key implication is the profound importance of developing partnerships with world-class investment managers that can be productive for many years to come. When investing over long time horizons, people are paramount.

The second advantage is related in that it is rooted in people, but truly unique to Brown. Brown's alumni, investment managers and strategic partners, faculty, staff, parents and students comprise an exceptionally knowledgeable and supportive network with a clear and common cause. This community helps the endowment partner with some of the world's most exceptional investment managers. It grants access to and supports the evaluation of myriad investment opportunities. It is a significant and rare asset that the Investment Office, as well as the Investment Committee of the Corporation of Brown University, works to utilize increasingly each year.

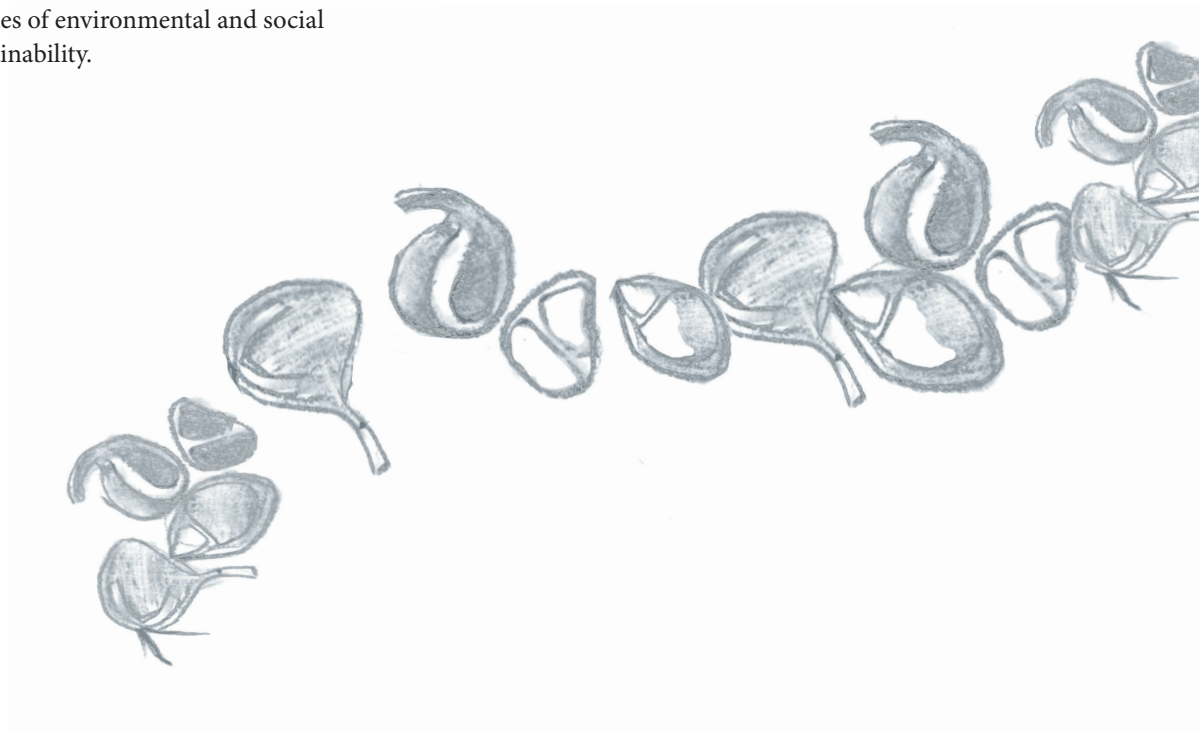
These advantages help us evaluate and select responsible stewards for the endowment's capital. Without deviating from the dual mandate of preserving and prudently growing the endowment, the Investment Office is increasingly extending the concept of responsible stewardship to include our partners' attention to issues of environmental and social impact, governance and sustainability.

RISK AND RETURN

The investment return over any time period is not the result of an effort to simply achieve the highest possible number. Rather the goal is to maximize the growth of the endowment within the context of a specific constraint. That constraint is an acceptable level of risk. Risk, unlike return, does not easily avail itself to precise measurement.

Looking forward, financial assets appear richly valued, and uncertainty abounds. The approach of the Investment Office is to assess the risk of each opportunity and ask: Is the endowment being appropriately compensated for assuming such risk?

The Investment Office, with oversight from the Investment Committee, endeavors to be disciplined about the appropriate compensation for each risk assumed. The Office will utilize the unique advantages granted by the Brown community and will pursue the endowment's goals with integrity and the spirit of partnership.



Report on Fundraising

Brown University Division of Advancement

Fiscal Year 2017 was a record-breaking year in many respects for fundraising at Brown. The momentum and excitement around the BrownTogether campaign inspired more than 30,000 donors to contribute a total of \$270.4 million from July 1, 2016, through June 30, 2017. These new gifts and pledges supported a range of initiatives — from the Warren Alpert Medical School and the School of Engineering to BrownConnect internships and financial aid — and brought the campaign total to \$1.3 billion, positioning the University to reach the halfway point toward its goal of \$3 billion by late fall.

As part of the FY17 fundraising effort, Brown broke records for amount of cash raised (\$241.7 million); Brown Annual Fund giving (\$37.9 million); and the largest one-day total in Brown Annual Fund giving history, with \$1.6 million raised on Pay It Forward Day on April 27, 2017. In addition, gifts from \$1 million to \$4.9 million increased by 36 percent over last year.

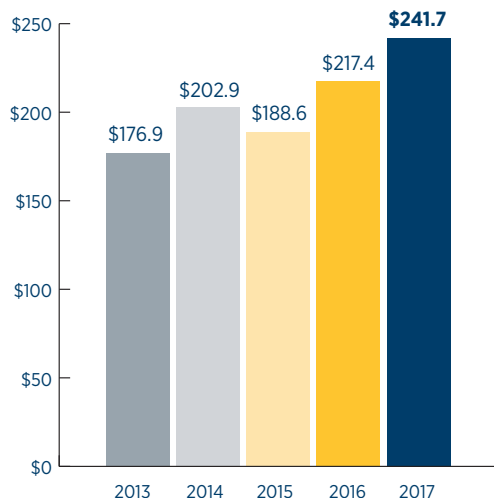
Sustaining this high level of consistent support has allowed the University to make great strides toward the goals laid out in *Building on Distinction*, Brown's strategic plan. The University launched new academic programs this year — including the Jonathan M. Nelson Center for

Entrepreneurship, the Brown Arts Initiative and the Data Science Initiative, among others — recruited distinguished new faculty members to newly endowed chairs; began renovations to the football complex and a physical addition to the Watson Institute for International and Public Affairs; and increased the total amount of financial aid available to more than \$122 million.

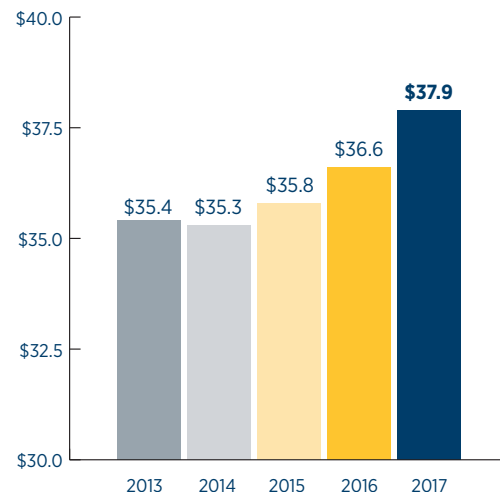
Campaign giving has made these enhancements possible. Widespread support throughout the Brown community is also a springboard to the next phase of improvements to the Brown experience in FY18, including *The Brown Promise* initiative, an effort to eliminate loans from the financial aid packages offered by Brown to all undergraduate students.

The following pages provide a snapshot of progress in the *BrownTogether* comprehensive campaign in crucial sectors of growth from Fiscal Year 2017. The campaign was launched in October 2015 to support the priorities outlined in the Brown's strategic plan, *Building on Distinction*.

Fiscal Year 2017 Final Fundraising Results
dollars in millions



Year-End Cash Received Full Fiscal Comparison



Total Brown Annual Fund Dollars Raised

OUR PEOPLE

Goal: \$1.1 billion

Raised as of June 30, 2017: \$330 million

“*BrownTogether* aims to raise \$1.1 billion in support of sustainable excellence — strengthening our distinctive community of scholars by funding new endowed professorships, recruiting more faculty from historically underrepresented groups, increasing undergraduate financial aid, strengthening opportunity for undergraduate internships, and offering expanded fellowships and other support for graduate and medical students.”

—*BrownTogether Campaign Case Statement*

FY17 Highlights

\$27 million raised for undergraduate financial aid

To meet increased need throughout the student population, Brown’s financial aid budget climbed to more than \$120 million for the 2016-17 academic year. This amount encompasses aid for approximately 43 percent of undergraduates, including more than 180 international students. Endowed scholarships and financial aid funds, as well as Brown Annual Fund Scholarships established by alumni, parents and friends of the University, helped Brown provide need-based awards to 89 percent of all undergraduates who applied for financial aid. The average package totaled \$46,123, which covered 61 percent of the total cost (not just tuition) of attending the University. As part of this effort, anonymous donors made a particularly generous gift of \$5 million to establish scholarships for undocumented and refugee students at the undergraduate, graduate and medical school level.

\$21.8 million raised for endowed faculty positions

During Fiscal Year 2017, more than \$21 million was raised to support endowed faculty positions. This includes University professorships, assistant professorships, professor of the practice positions and research center directorships. Alumni, parents and foundations chose to establish these positions in areas related to the integrative themes of the University’s strategic plan. In the next column is a sampling of newly endowed faculty positions.

- 1 University professorship affiliated with the Brown Institute for Translational Science
- 1 University professorship affiliated with the Institute at Brown for Environment and Society
- 1 professorship affiliated with the Brown Institute for Brain Science
- 1 professorship in the Department of Philosophy
- 1 assistant professorship in the Brown Arts Initiative

EDUCATION AND RESEARCH

Goal: \$900 million

Raised as of June 30, 2017: \$444 million

“Through *BrownTogether*, we aim to raise \$900 million that will empower collaboration and innovation in education and research. These pursuits are inextricably linked at Brown, where all researchers teach and all students are encouraged to participate in research.”

—*BrownTogether Campaign Case Statement*

FY17 Highlights

\$27 million gift to the Warren Alpert Medical School

President Christina Paxson has expressed a deep commitment to strengthening the University’s research profile. In the *Building on Distinction* strategic plan, the president identified several integrative themes in which Brown is positioned to emerge as a leader. Deciphering Disease and Improving Human Health is one of the integrative themes that places the Warren Alpert Medical School at the center of the University’s strategy. In FY17, the Warren Alpert Foundation built upon its 2007 gift of \$100 million to the medical school with a gift of \$27 million to endow the Warren Alpert Physician-Scientist M.D./Ph.D. and Advanced Training Program at the school and establish a professorship in the school’s new Brown Institute for Translational Science. The gift will substantially expand the training program through tuition assistance and research stipends and enable the institute to recruit and support a new faculty member with the expertise needed to translate scientific discoveries into applicable solutions for pressing health issues.

\$2.75 million gift to support Brown in Washington D.C. Fellowships

An alumnus has created the opportunity for a cohort of undergraduate students to complete summer internships in Washington, D.C., that focus on public policy. This fellowship program will double the number of students accepted to the Brown in Washington program, which is a collaboration among the Swearer Center for Public Service, the Watson Institute for International and Public Affairs and the Center for Careers and Life After Brown (CareerLAB). Students in this new fellowship program will participate in preparatory workshops during the spring semester, complete their internship over the summer and engage in reflection seminars, events, tours and other activities coordinated by Swearer Center staff.

CAMPUS AND COMMUNITY

Goal: \$600 million

Raised as of June 30, 2017: \$314 million

“BrownTogether seeks to inspire \$600 million in support of the evolution of our campus as a dynamic, living laboratory where great minds come together to develop knowledge to serve the world.”

—BrownTogether Campaign Case Statement

FY17 Highlights

\$24 million gift to renovate Wilson Hall

With support from the Richard A. and Susan P. Friedman Family Foundation, the University is transforming one of its most heavily trafficked undergraduate academic buildings into a state-of-the-art facility for teaching and learning at the heart of College Hill. The renovation will preserve the exterior of the 1891 building, but provide a new three-floor configuration inside, with seven new classrooms, a common area, flexible seating configurations and fully accessible entryways from both the College Green and Simmons Quadrangle. The renovation began in June and will be completed in time for the start of the fall 2018 semester, at which time the building will be renamed Friedman Hall.

\$20.5 million raised for Brown Athletics

Total new gifts and pledges to Athletics in FY17 included more than \$7 million raised for facilities, including Phase I of the Berylson Football Complex in the Olney Margolies Athletic Center and a \$5 million gift to support the upcoming renovation of the Marston Boathouse for men's and women's crew. In addition, donors to the Brown University Sports Foundation contributed a total of \$4 million in current-use funding, which is used for travel and game expenses, recruiting expenses and equipment for Brown's 38 varsity programs.

BROWN ANNUAL FUND

Goal: \$400 million

Raised as of June 30, 2017: \$107 million

*“Through a \$400 million investment in unrestricted resources, *BrownTogether* will support transformative experiences for students and academic excellence each and every year.”*

—BrownTogether Campaign Case Statement

FY17 Highlights

\$37.9 million raised for the Brown Annual Fund from 29,905 donors

The contributions of donors from a variety of constituencies across the University came together to break the Brown Annual Fund record for total dollars raised and to increase participation by 3.7 percent. Reunion giving increased by 10.5 percent from FY16, with a total of \$10.9 million raised, and graduates of the last decade and non-alumni parents increased their giving from last year. Overall, the Annual Fund saw a 4.1 percent increase in leadership gifts (donations of \$10,000 or more), with leaders contributing \$27.1 million of the \$37.9 million total.

\$10.9 million raised through Reunion giving

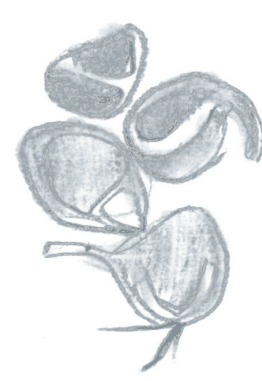
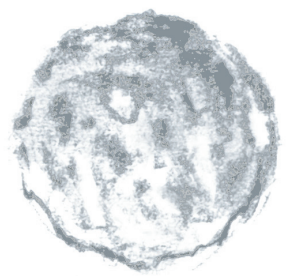
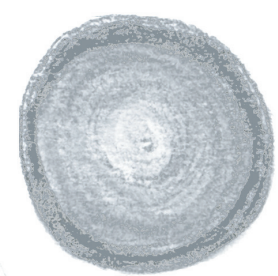
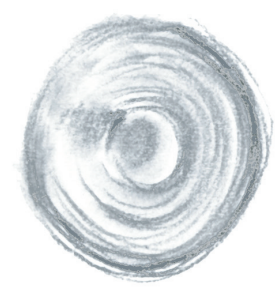
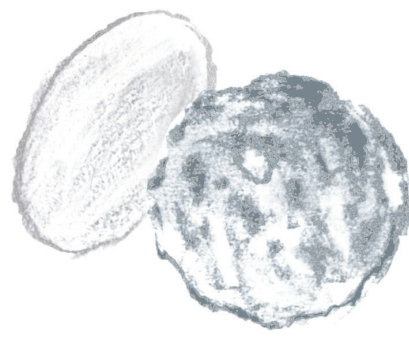
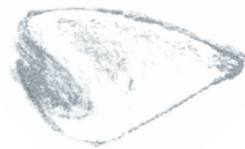
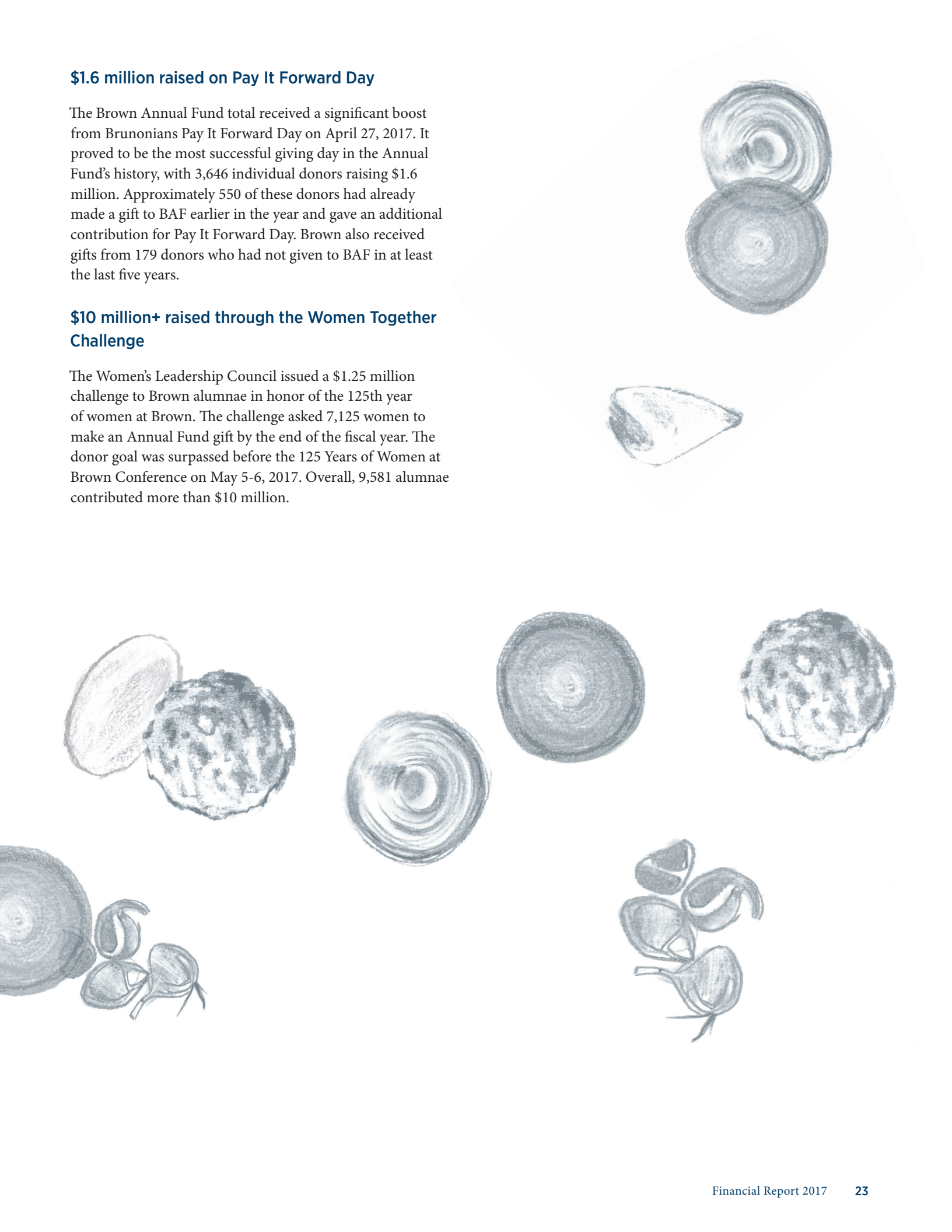
Alumni in Reunion years increased their giving by 10.5 percent over last year and increased overall participation by 8.4 percent. The Class of 1987 became the first class ever to break all three Reunion giving records, raising \$3.77 million in cash from 47.4 percent of the class with 77 leadership-level gifts. The Class of 1982 broke the record for leadership-level gifts for the 35th Reunion, and the Class of 1967 posted the highest Annual Fund participation rate of all Reunion classes with 54.7 percent of the class making a gift.

\$1.6 million raised on Pay It Forward Day

The Brown Annual Fund total received a significant boost from Brunonians Pay It Forward Day on April 27, 2017. It proved to be the most successful giving day in the Annual Fund's history, with 3,646 individual donors raising \$1.6 million. Approximately 550 of these donors had already made a gift to BAF earlier in the year and gave an additional contribution for Pay It Forward Day. Brown also received gifts from 179 donors who had not given to BAF in at least the last five years.

\$10 million+ raised through the Women Together Challenge

The Women's Leadership Council issued a \$1.25 million challenge to Brown alumnae in honor of the 125th year of women at Brown. The challenge asked 7,125 women to make an Annual Fund gift by the end of the fiscal year. The donor goal was surpassed before the 125 Years of Women at Brown Conference on May 5-6, 2017. Overall, 9,581 alumnae contributed more than \$10 million.





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Financial Statement Overview

Finance and Administration

Endowment Report

Brown University Investment Office

Fundraising Report

Division of Advancement

Printing

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Brown University Financial Report
Fiscal Year 2017

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