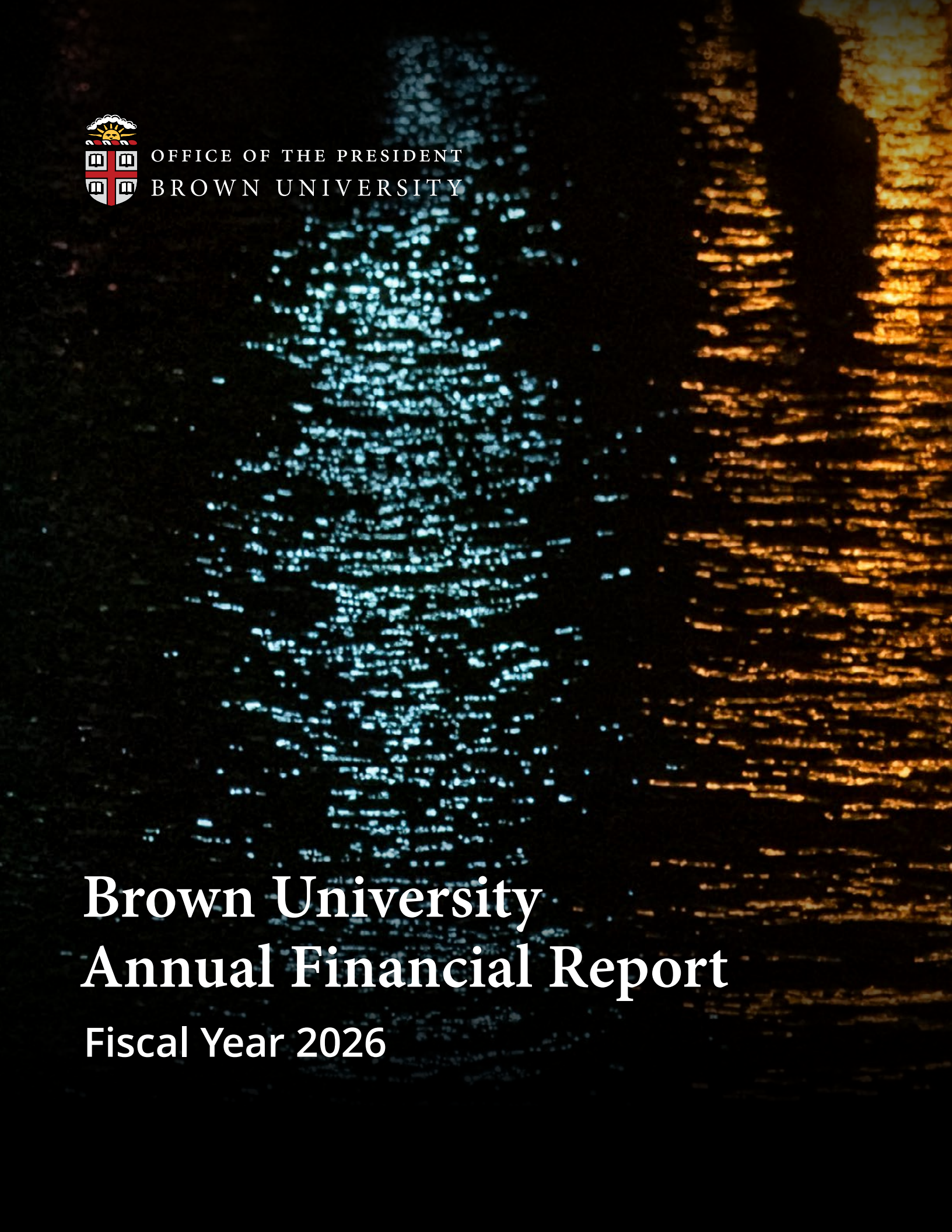


OFFICE OF THE PRESIDENT
BROWN UNIVERSITY

Brown University Annual Financial Report

Fiscal Year 2026

Brown University Summary

Fiscal years ended June 30

FINANCIAL *(dollars in millions)*	FY26	FY25
Principal Revenue Sources		
Tuition and fees (net)	**$428**	$414
Grants and contracts	**$296**	$310
Endowment return appropriated	**$357**	$352
Contributions	**$287**	$307
Total investment return	**$1,380**	$800
Principal Purpose of Expenditures		
Instruction and departmental research	**$544**	$509
Academic and student support	**$374**	$352
Financial Balance Sheet		
Total assets	**$12,920**	$11,284
Total liabilities	**$2,859**	$2,349
Net assets	**$10,061**	$8,934
Fundraising		
New gifts and pledges	**$479**	$351
Cash	**$375**	$374

STUDENTS	FY26	FY25
Enrollment		
Undergraduate students	**7,951**	7,910
Graduate students	**3,389**	3,447
Medical students	**599**	599
Degrees Conferred		
Bachelor's degrees	**1,825**	1,904
Master's degrees	**1,300**	1,187
Doctor of Philosophy	**291**	239
Doctor of Medicine	**150**	147
Annual Tuition and Required Fees		
Undergraduate	**$74,550**	$71,312
Graduate	**$73,126**	$69,948
Medical	**$74,570**	$72,518

EMPLOYEES	FY26	FY25
Campus-based faculty (all ranks)*	**889**	880
Medical school faculty	**592**	597
Nonfaculty regular staff**	**3,858**	3,971

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

***Nonfaculty regular staff head counts include full- and part-time staff, excluding student and seasonal and contract employees.*

The Brown University Annual Financial Report for Fiscal Year 2026 reflects the financial strength and resilience of the institution. The fiscal year was challenging, both due to financial impacts related to the federal landscape and the lasting effects of a mass shooting, a devastating tragedy our community experienced on Dec. 13, 2025. Both contributed in unprecedented ways to existing financial headwinds. Brown successfully navigated through these challenges, ensuring necessary support for our students, faculty and staff and that the University continued to advance its mission of education and research despite difficult circumstances. This report provides an overview of Brown's financial statements, success in fundraising, investment performance and research growth for this period.

As outlined in the Finance and Budgeting section of this annual report, Brown closed FY26 in a significantly stronger financial position than the previous year. Net assets grew to more than $10 billion for the first time, up 12.6% from FY25. As a result of a disciplined approach to financial planning, the University was able to reduce a projected $29 million deficit to only $2 million while at the same time absorbing more than $20 million of unplanned expenses related to the Dec. 13 tragedy.

The University continues to benefit from exceptional investment returns. In FY26, the University's endowment and other managed assets generated a 19.6% return, up from 11.9% in the previous fiscal year and the strongest annual return since FY21. This resulted in an all-time high $357 million contribution to the operating budget, equivalent to 24% of the University's total revenue for the year.

Brown alumni, parents and friends enthusiastically came forward to support our community over the past year. More than 30,000 generous members of the Brown community provided $478.9 million in new gifts and pledges, Brown's second-highest fundraising year ever. The Brown Annual Fund, which provides immediate-use funding for critical University priorities, had a record-breaking year with $63.3 million raised, a 17% increase over the previous fiscal year. In the wake of the December tragedy, Brunonians from all over the world supported students who needed emergency funds for clothes, travel costs and other necessities, and many have contributed to the Ever True Support Fund, supporting both immediate and long-term recovery efforts. Alumni and friends also provided important support for research that has been adversely affected by shifts in federal funding priorities.

Brown faculty and scholars were successful at competing for awards to support high-impact research and education across the University, supported by an extensive network of staff managing research administration. Brown University received $351.8 million in new award dollars in FY26, compared to $257.1 million in the previous fiscal year. The 36.8% increase in new award dollars reflects the University's success in securing large grants, as well as the resumption of reimbursements and awards from the National Institutes of Health following Brown's voluntary agreement with the federal government in July 2025.

Looking ahead, Brown will remain keenly focused on eliminating its structural deficit through a commitment to a disciplined multiyear financial plan that safeguards core academic priorities. A key operational goal is to achieve a 2% to 3% annual surplus to fund future capital expansion and campus renewal to reduce the institution's reliance on debt. Another goal is to reduce the endowment payout (the fraction of the endowment used to support University operations) from 5.5% to 5% over a multi-year period. This reduction will enhance Brown's long-term ability to increase the funds available for generous financial aid awards and building academic strength for future generations of Brunonians. And, at a time when there is significant uncertainty about the future of federal research funding, we have set a goal of diversifying funding sources by expanding corporate engagement.

Brown has ambitious plans. However, the past year has demonstrated that, with disciplined financial planning and professional endowment management, the incredible philanthropic support of Brown's dedicated alumni, parents and friends, and the ability of our talented faculty to secure highly competitive funding for their research, we are able to ensure Brown's continued distinction as a world-class teaching and research university.

Earlier this year I announced that I will step down as Brown's president at the end of the 2026-27 academic year. This is my final letter presenting this report highlighting the University's financial performance. It has been a privilege to partner with Brown's faculty, staff and students across a 15-year period of sustained growth and increasing academic distinction — with elevated commitments to financial aid, high-quality educational programs, path-breaking research and a vibrant and thriving campus. I am confident that, despite uncertain times, Brown is well positioned to continue on a strong upward trajectory.



Sincerely,

Christina H. Paxson
President

Finance and Budgeting Report

Brown University Finance Division

At the heart of Brown University's mission is an imperative to make a positive impact on society by advancing education and research. This is made possible through the work of faculty, staff and students, as well as the careful stewardship of Brown's financial and physical resources to ensure that community members have the support they need to thrive as the University advances its mission.

The importance of careful decision-making regarding how to allocate Brown's financial resources was especially evident in Fiscal Year 2026, a year that presented extraordinary challenges. Brown had to navigate significant financial impacts stemming from changes in federal policies. In addition, the unprecedented tragedy of a mass shooting, which demanded an urgent and sustained institutional response, created new fiscal demands. At the same time, Brown continued to focus on implementing a multiyear plan to eliminate a modest but persistent structural deficit.

Throughout the year, the University's unwavering commitment to its community and its core institutional values guided all financial decision-making, ensuring the academic enterprise would continue to flourish now and far into the future. Brown continued to support academic priorities, maintain competitive compensation and provide generous financial aid to its students, even under a challenging set of circumstances.

Every year, through this and other sections of the Annual Financial Report, Brown aims to create awareness among all members of the extended Brown community regarding the University's available resources, challenges and long-term priorities. Understanding that operating budgets and audited financial statements can be challenging to interpret, this Finance and Budgeting section of the Annual Financial Report has two primary components:

I. **Brown's Financial Model:** This section provides a high-level overview of the factors driving Brown's financial decision-making. For FY26, this includes the University's deliberate approach to managing its structural deficit and its continued investments in campus safety, post-Dec. 13 recovery and long-term academic growth.

II. **Review of FY26 Financial Statements:** This section reviews the FY26 financial performance of the University, based on Brown's audited consolidated financial statements.

I. BROWN'S FINANCIAL MODEL

Brown operates with a dual mandate of balancing current needs against the responsibility of stewarding resources for generations to come. As a result, the University takes a long-term view with respect to financial sustainability, recognizing that important decisions today affect the institution's future. The economic landscape in which universities operate is becoming increasingly complex, and higher education will continue to face mounting challenges in the coming years. Policy changes have significantly shifted the longstanding partnership between higher education and the federal government. These new and evolving challenges facing institutions of higher education, including Brown, have prompted an increased focus on financial strategy, cost discipline and multiyear financial planning to make it possible to adapt to rapidly changing conditions. As a result, the University must carefully plan for and balance investments in programs supporting the infrastructure and people who drive innovation in education and discovery today and into the future.

As Brown works diligently to eliminate its structural deficit, it also continues its commitment to shared governance. While the University had to make challenging decisions over the past year to control expense growth in the University's budget, those decisions reflect input from bodies such as the University Resources Committee (URC). A committee comprising faculty, students and administrators, the URC annually assesses the University's overall financial health, projected operating revenues, expenses and academic priorities. The URC meets from September to May, offering important recommendations to the president on major elements of the budget such as tuition and salary pool increases. These recommendations are expected to reflect the University's core institutional values and a commitment to affordability and academic excellence, while being mindful of the

need for a financially sustainable operating model. Factoring in recommendations from bodies such as the URC, the president ultimately recommends a budget to the Corporation of Brown University, the University's governing body, which approves final recommendations on the University's budget in May of each year.

Brown's Financial Health

Brown University closed FY26 in a significantly stronger financial position than the previous year, with net assets growing to over $10 billion for the first time, despite posting an operating deficit of 3.4%, or $50.4 million as determined by generally accepted accounting principles (GAAP[1]). The University's endowment and other managed assets generated an investment return of 19.6% in FY26, up from 11.9% for the prior fiscal year.

The Brown Corporation in May 2025 approved an operating budget for FY26 with a $29 million structural deficit. In August 2025 the University moved quickly to further reduce the projected deficit by eliminating an additional ~$30 million of expense due to uncertainty in federal programs and financial risks related to international student enrollments. Brown pursued cost containment through unit-level actions (providing expense-reduction targets to academic and administrative units) and focused on increasing revenues through a series of central initiatives. While FY26 did result in a deficit for the University, the final result was a much-improved $2 million operating deficit due to the diligent efforts of the Brown community.

As Brown began the fiscal year, the University was navigating a pause in federal reimbursements of existing grants from the National Institutes of Health, which represent more than 70% of the University's federal research funding. The NIH also was not making any new grant awards to Brown and was not issuing any routine annual grant renewals. The funding freeze had begun at the start of Q4 of FY25, and the University had accrued over $50 million in unreimbursed grant expenditures, creating significant financial uncertainty heading into FY26. This uncertainty continued until the University reached a voluntary resolution agreement with the federal government shortly after the start of FY26, on July 30, 2025. The agreement restored the flow of federally sponsored research funds to the University.

However, ongoing challenges with federal funding for FY26 arose from continued changes to federal funding priorities and government operations. These changes had a sustained impact on colleges and universities nationwide, including Brown. Given the significant uncertainty, the President's Cabinet — in consultation with a faculty committee — took the extraordinary step of determining a set of additional budgetary measures after the start of the budget year. This included establishing $30 million of further expense reductions for the in-progress fiscal year. The reductions were divided between centralized actions and unit-level actions. Central actions resulting in a $15 million budget reduction included: consolidation of employee health plans to a single insurance provider; monetization of non-strategic real estate holdings; a temporary pause in spending toward the University's net-zero carbon emissions commitments; modest and temporary reductions for information technology and facilities renewal; and a redirection of fundraising with an emphasis toward current-use gifts, which would favorably impact the year's operating budget. The remaining $15 million in reductions was achieved through an aggregate 2.5% campus wide reduction in University-funded expenditures across academic and administrative units. Individual reduction targets varied by unit, with lower targets assigned to areas core to the academic mission and to areas that generate revenue.

Unit-level budget plans included reductions in staff. Brown eliminated 55 unfilled positions and 48 occupied staff positions. Staff impacted by these layoffs received substantial severance packages and outplacement support. A campus-wide freeze on hiring, travel and discretionary spending imposed in March 2025 was lifted after the adjusted budgets for academic and administrative units were approved, with the understanding that the permanent 2.5% reductions would deliver structural savings on an ongoing basis that equated to the temporary reductions achieved through the hiring and spending freezes. These difficult but important reductions significantly improved Brown's FY26 financial results.

As noted above, FY26 presented two distinct and extraordinary challenges for Brown. While the campus community adapted financially to the persisting financial impact of federal actions, a tragic shooting took place at Brown on Dec. 13, 2025. The shooting that took the lives of two students, injured nine others and devastated the community required an urgent and sustained institutional response that carried both human and financial costs. The University quickly allocated substantial resources to support additional security measures and support services; provided direct support to impacted families; purchased airfares, phones and computers for students unable to access their belongings in order to leave campus after Brown ended the semester early; constructed facades to restrict access to impacted areas of the building where the shooting took place; and worked quickly to adapt operations for the resumption of the semester in January.

Brown also engaged multiple firms to conduct after-action and safety and security reviews. In January 2026, the Brown Corporation established a Special Committee on Safety and Security. The Corporation committee launched two external reviews: the first to examine the University's actions before, during and after the shooting, and another to assess all aspects of Brown's campus safety and security program. These reviews were conducted by external teams of highly experienced consultants under the direction and supervision of outside legal

1 The University's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) and audited by independent auditors. Throughout this report, unless otherwise noted, GAAP financial information is referenced in narratives, charts and tables.

counsel. In addition, in the days following the shooting, Brown engaged a separate national firm specializing in physical security to conduct a comprehensive physical assessment of all campus facilities. Taken together — with the necessary support to the Brown community and the external reviews and legal fees — Brown incurred expenses in excess of $20 million for FY26 responding to the Dec. 13 tragedy.

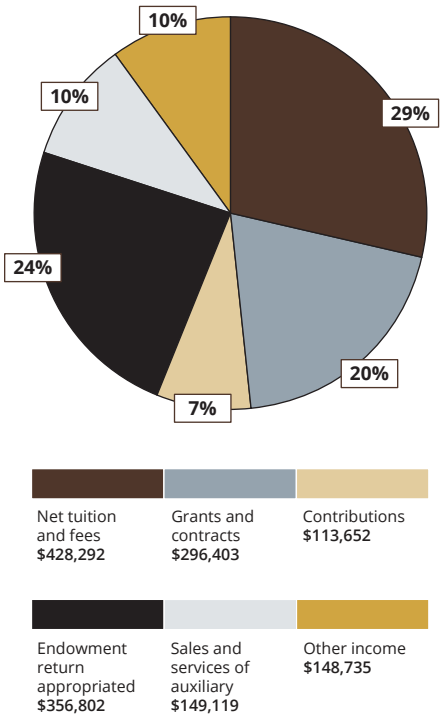
Accounting for these and other expenses, Brown's net assets at the end of FY26 grew to $10.1 billion, increasing by $1.1 billion, or 12.6% from FY25. Total debt at the end of FY26 stood at $1.78 billion, up from $1.66 billion in FY25. Reflected in this increase is $133 million in tax-exempt commercial paper issuance to fund the William A. and Ami Kuan Danoff Life Sciences Laboratories. The current portfolio of debt has an average maturity of 14.1 years and carries a 3.02% blended cost of capital, which remains one of the lowest in higher education. Brown's credit rating remains at AA+/Aa1 with S&P and Moody's respectively, reflecting the financial strength of the University. Philanthropy also continues to play a critical role in supporting the University's mission, particularly at a time of ongoing uncertainty related to Brown's ability to rely on historical sources of federal funding. In FY26 Brown experienced another exceptional year for fundraising, raising $478.9 million in new gifts and pledges (see the Report on Fundraising section).

While FY26 was a challenging year for Brown, the University took steps to meaningfully improve its operating deficit by more than $25 million versus the approved budget, added over $1 billion of net asset value through outstanding investment returns and raised over $475 million in new philanthropy, all in support of the institution's research and teaching mission. Yet higher education continues to face numerous financial pressures: demographic cliffs driving projected enrollment declines; contrasting revenue and expense growth rates; ongoing changes in federal policies and financial aid programs; federal changes affecting international student enrollments; and public sentiment questioning the value of enrolling in institutions of higher education. Brown's commitment to groundbreaking research and academic excellence will continue to propel Brown forward amid these challenges. A thoughtful approach to investing for the future will be informed by a robust multiyear financial plan to help Brown navigate what's to come.

Figure 1: Components of Revenue, FY26

Total Revenue $1,493,003

dollars in thousands



FY26 Categories of Funding Sources / Revenues

1. **Net Tuition and Fees.** Accounting for 28.7% of total University funding in FY26, net tuition and fees is the single largest source of revenue supporting academic and administrative operations. In accordance with GAAP, student tuition and fees are presented net of certain undergraduate scholarships and graduate financial support.

   This calculation begins with gross tuition and fees from Brown's undergraduate, graduate and medical programs. In FY26, gross tuition was $800 million. For the 2025-26 academic year, each undergraduate student was charged tuition of $71,700, not including room and board (this revenue is included in "sales and services of auxiliary enterprises"). Tuition for most doctoral and on-campus master's degree programs was $8,962 per course (approximately a dozen master's programs have tuition rates that vary from the standard), and medical school tuition was $73,150.

   Net tuition is defined as gross tuition minus financial aid provided to Brown students. Undergraduate scholarships and financial support for graduate students amounted to $372 million in FY26, with $226 million for undergraduate financial aid (provided as University scholarships) and $146 million for graduate and medical student fellowships. For the 2025-26 academic year, nearly half of all undergraduates (48%) received University scholarships, and the average University scholarship award was $64,221.

   Similarly, while gross tuition for doctoral students was $117 million in FY26, Ph.D. tuition revenue was largely offset by graduate student aid provided by Brown. Full-tuition scholarships to Ph.D. and MFA students totaled $71,700 per student.

   Over the past decade, the University has made the expansion of financial aid a major priority to ensure a Brown education is accessible to students from the full range of socioeconomic backgrounds, regardless of financial need. Undergraduate financial aid has long been among the fastest-growing elements of the annual budget, more than doubling in the past decade. The University follows a need-blind admissions policy for all domestic students (transfer students are need-aware) and all student veterans, meaning that admission

decisions are made independent of a student's ability to pay. The University adopted need-blind admissions for international students admitted for the Class of 2029 that matriculated in fall 2025 (after becoming need-blind for domestic students in 2003). In addition, Brown meets the full assessed financial need (100%) of all undergraduate students who matriculate, including transfer students and international students. Brown eliminated loans from its financial aid packages for all undergraduates starting in the 2018-19 academic year, and further enhancements were announced in fall 2021. Brown eliminated the home equity provision for incoming students for fall 2022, with the resulting increased scholarships covering full tuition for families earning $125,000 or less a year with typical assets.

Principles Guiding Tuition Setting

Each year, the faculty, students and administrators that make up the URC recommend tuition increases for the coming year. A 4.5% tuition increase was recommended for FY26. The URC deliberates extensively on how to keep tuition increases as reasonable as possible, while ensuring Brown will have the necessary revenues to sustain investment in research, teaching, student support, financial aid and other top priorities. Net tuition and fees have to provide the revenue required for Brown to attract and support the most talented students, faculty and staff, and to sustain the environment needed to advance Brown's mission of advancing knowledge, discovery and innovation to make a positive impact in the world.

Brown has a history of keeping tuition increases modest, while at the same time complementing increases with new and enhanced financial aid initiatives. As noted, the University commits to meet 100% of the demonstrated need of all accepted undergraduate students, and beginning with the 2022-23 year, Brown began to cover full tuition for families of undergraduates earning $125,000 or less with typical assets, while students of families making less than $60,000 a year with typical assets receive scholarships that cover all expenses — tuition, room, board, books and other expenses. Even as such enhancements to financial aid are vital for meeting University priorities, they decrease net tuition revenues and must be considered when setting tuition for the coming year.

2. **Endowment Payout.** Brown's endowment contributed $357 million to the University's operating budget in FY26, or 23.9% of total revenue, representing the second-largest revenue source. The portion of the endowment that is paid to support the University budget (the payout rate) is set annually by the Corporation of Brown University and ranges from 4.5% to 5.5% of its average fair value over the prior 12 quarters. Spending within this range over the long term ensures the endowment can weather changes in financial conditions and sustainably support the University's priorities in perpetuity. Limiting the payout to this range allows the endowment to grow more quickly than if the payout rate were higher, and it ensures greater levels of support for University priorities in future years. However, the Corporation may decide to increase the payout for strategic purposes from time to time. The payout rate, set at 5.5% for FY26, uses endowment funds in support of vital priorities such as financial aid for students, salaries for faculty who hold endowed professorships, academic programs, research, libraries, lectures, athletics and various aspects of student life, and other designated purposes.

   Most endowed funds are restricted by law to the specific use designated by individual donors. Brown's endowment is not a single fund, but is instead a collection of almost 4,000 funds donated to the University over hundreds of years. A small portion of the endowment (currently 13%) is classified as "unrestricted," meaning that the funds have been allocated — without the restriction of a donor's designation — to support purposes identified by the University. These unrestricted funds are invested for the long term in the endowment pool, such that the payout is available to support priorities like financial aid and other operating costs and expenses across campus. To learn more, see the section on "Understanding How the Endowment Contributes to Revenues."

3. **Sponsored Research Funding.** High-impact research is core to the mission of the University. The major sources of funding for research are grants and contracts from federal agencies, foundations and corporations. Sponsored research is the third-largest source of revenue for Brown, at 19.9% in FY26. Sponsored research revenue supports both direct costs of research, such as the salaries of researchers, equipment, supplies and travel costs associated with a funded research project, and indirect costs of research, such as support for libraries, research administration and utilities and maintenance for laboratory buildings. Approximately 76% of sponsored research awards from the federal government and foundations goes to supporting direct costs.

   Although sponsored research awards fund most of Brown's research activity, they do not cover all of the direct and indirect costs of research. In aggregate, grants from federal agencies and foundations typically need an additional investment from the University of between 30% and 40% to fully cover the costs of research. This additional investment is funded by philanthropic sources such as professorships, fellowships and gifts directed to supporting research, as well as other sources of revenues at the University.

4. **Auxiliary Revenue.** Sales and services of auxiliary enterprises is the fourth-largest source of operating revenue at the University, at 10% for FY26. This category primarily includes revenue from student housing and dining services ("room and board"), student health insurance and the Brown Bookstore. As with tuition and fees, many students have financial aid awards that cover all or part of the costs of room and board and health insurance. In addition, low-income undergraduates qualify for free textbooks from the Brown Bookstore.

5. **Other Income.** Other income is narrowly the fifth-largest source of operating revenue at the University, at 9.9% for FY26. Brown receives "other income" from sources such as rental income on property owned by Brown, interest on working capital and revenue from affiliation agreements with Rhode Island's two largest health systems that support medical education and research. This contributed $148 million of total operating revenue.

6. **Contributions.** In FY26, contributions made up 7.6% of total operating revenue. Made up of charitable gifts from donors, which are often called "current-use gifts," contributions are not invested with the endowment and are typically spent within a year of receipt. One source of current-use gifts is the Brown Annual Fund, which is used to enrich all aspects of life at Brown, most especially financial aid. The Brown Annual Fund also provides flexibility to respond to unexpected financial challenges and allows the University to take advantage of emerging opportunities, such as developing a new academic program to align with trends in scholarship, research or learning. Donors give other current-use gifts to support specific priorities including student programs, research, diversity initiatives, athletic teams and sustainability.

Understanding How the Endowment Contributes to Revenues

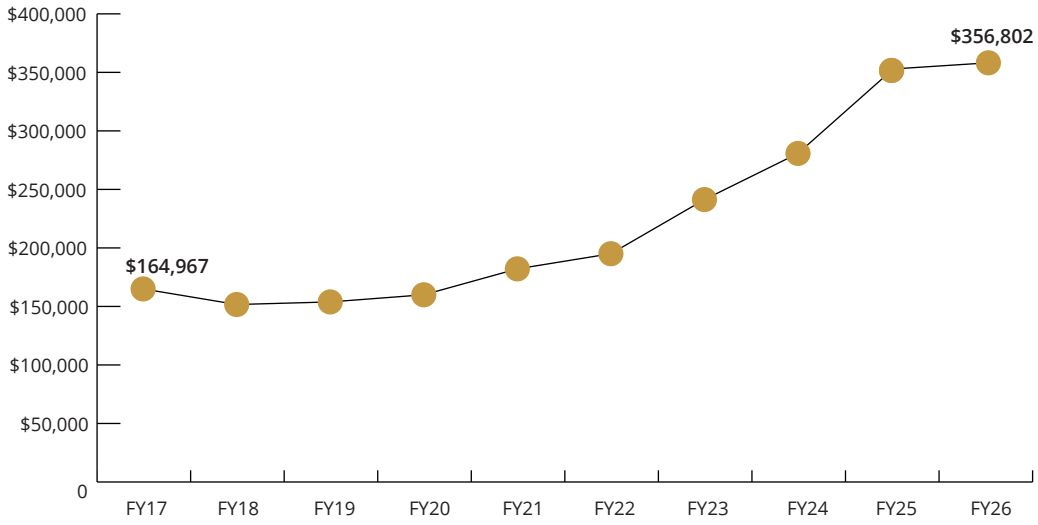
As a nonprofit charitable institution, Brown has a legal responsibility to manage its endowment in a financially responsible way, and to use it in support of the University's mission. Since 1769, alumni, parents, students and friends of Brown have made generous donations to support a specific University purpose (i.e., a student scholarship, a specific professorship, faculty research, etc.), and these funds are "restricted" by law for their designated use. The endowment — now totaling almost 4,000 distinct funds — is invested in a diverse portfolio of assets with the goal of growing the original gifts to provide an ongoing income stream to support the specific endowed purpose.

The University is charged with both protecting and growing the endowment to support Brown's educational mission in perpetuity. Because Brown has preserved and increased the core value of the endowment over time, the University has been able to support past generations of Brown students in their academic pursuits; to fund current education, research and scholarship for those teaching and learning at Brown today; and to make it possible for students, faculty and staff to advance knowledge and discovery for decades into the future. Growing the endowment means that its payouts to the University — the contributions that fund the work of students, faculty and staff and provide the facilities, support and services they need — can grow over time.

To support this dual mandate of both preserving and enhancing the endowment, the Corporation of Brown University votes annually on the amount that will be distributed from the endowment to the University. The Corporation limits the endowment's annual distributions to the University to between 4.5% and 5.5% of the average market value of the endowment. The market value is calculated by taking the average over the prior 12 quarters to smooth distributions relative to market conditions. This translates to 16% to 24% of the University's annual operating budget supported by the endowment in any given year over the past decade.

Figure 2: Endowment Return Contributed to Operating Revenues Since FY17

dollars in thousands



Brown's payout rate of 5.5% for FY26 is critical to sustaining the endowment distribution as the University's second-largest source of revenues. With ongoing careful stewardship, the endowment will continue to build financial strength and support for the many mission-critical endeavors of the University's faculty, staff and students, shape the character of Brown as an institution and ensure its permanence.

SETTING BUDGET PRIORITIES / RESOURCE ALLOCATION

As a joint committee of faculty, administrators and students, the URC develops a recommendation for major components of Brown's annual operating budget that is ultimately submitted to the president for consideration. The president typically accepts the recommendations of the URC, and these recommendations become part of the president's budget, which is submitted for approval to the Corporation of Brown University. The URC budget process is an example of shared governance in action at Brown. The committee receives budgetary information on all aspects of University operations in an open and transparent way, with leaders from major areas presenting to the committee. The URC deliberates thoughtfully before making its recommendations on macro-level elements of the budget such as tuition increases and salary pool recommendations. These decisions involve balancing the need to support the University community with the need to produce a fiscally responsible budget and, in making thoughtful recommendations, the URC is firmly guided by the core values of the institution and the goals of the people who live, work and study at Brown.

Categories of Operating Expenses

1. **Salaries, Wages and Employee Benefits.** Faculty and staff compensation and benefits is the largest expense category, totaling $808 million in FY26, or 52% of total expenses. Of this total amount, 40% is for Brown's faculty and 57% for University staff, with 3% for student employees. For FY26, the URC recommended an aggregate increase of faculty and staff salary pools of 3.5%. Although tuition and salary pools are not intrinsically linked, the committee discusses the parity between increases in tuition — Brown's largest source of revenue — and the ability to fund salary pool investments for faculty and staff. The URC determined that the proposed increase would enable the University to fund the majority of investments that are necessary to adequately support Brown's faculty and staff.

   Principles Guiding Salary Pool Levels

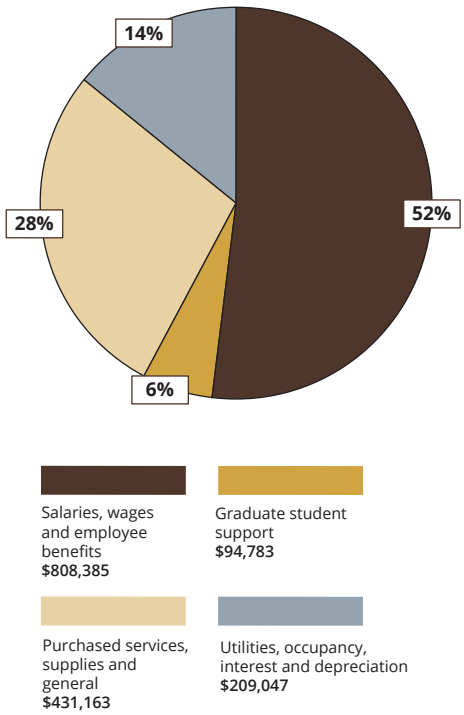
   The faculty, administrators, students and staff who are members of the URC determine salary pools in keeping with the committee's charge to ensure that resources are aligned with the institution's highest strategic priorities and commitment to supporting all members of the community. The University strives to be a place where faculty and staff can build fulfilling careers, while benefitting from competitive salaries, wages and benefits. Brown takes a holistic approach to determining the benefits it offers, including generous healthcare, retirement, tuition assistance, childcare stipends and paid time off, as well as other benefits that make Brown an attractive place to work.

   In making its FY26 recommendation, the URC reviewed substantial analysis on faculty salary levels and hiring and retention rates across all faculty ranks and disciplines. To determine staff compensation pools, University Human Resources provides market data and hiring and retention trends at Brown in all staff employment categories. The URC assesses labor markets and such factors as changing modalities of work (including opportunities for remote and hybrid work that have made recruitment and retention more challenging), to ensure Brown, as an employer, remains competitive.

Figure 3: FY26 Operating Expenses

Total Expenses: $1,543,378

dollars in thousands



2. **Purchased Services, Supplies and General Operating Costs.** The next category of expenses, totaling $431 million or 28% of total expenses in FY26, includes the myriad list of products and services needed to operate the University: food, library materials, supplies for research projects, cleaning and maintenance for facilities and grounds, and much more. A University priority is to ensure that the goods and services are purchased economically, and from a diverse range of suppliers who respect the University's commitments to sustainability and ethical labor practices. The University places priority on buying locally sourced products.

3. **Utilities, Occupancy, Interest and Depreciation.** This next major category of expenses, totaling $209 million or 14% in total expenses in FY26, includes the costs to support the University's property, plant and equipment, and occupancy, such as electricity, water, gas and heat. Interest expense is the result of the University issuing debt to pay for capital expenses, such as constructing new buildings; renovating residence halls, office buildings, classrooms and laboratories; and paying for information technology infrastructure. Depreciation represents the value of the University's property plant and equipment that has been used during the year. Importantly, this helps inform the University's capital plan and resources allocated to the ongoing maintenance and renewal of the campus infrastructure.

4. **Graduate Student Support.** This final category of expenses, totaling $95 million or 6% of total expenses in FY26, includes the payments and support to graduate students, including research assistant and teaching assistant stipends and health insurance support. The collective bargaining agreement between the University and the Graduate Labor Organization included a 6.5% base stipend increase for FY26.

Capital Expenditures

In the past five years, Brown has spent between $180 million and $260 million per year on capital expenditures, defined as the purchase, construction or upgrade of durable assets such as new buildings, major renovations, information technology, real estate and major pieces of equipment. Capital items typically have a long service life of 10 to 40 years. Capital expenditures differ from operating expenses, which are typically recurring, short-term expenses.

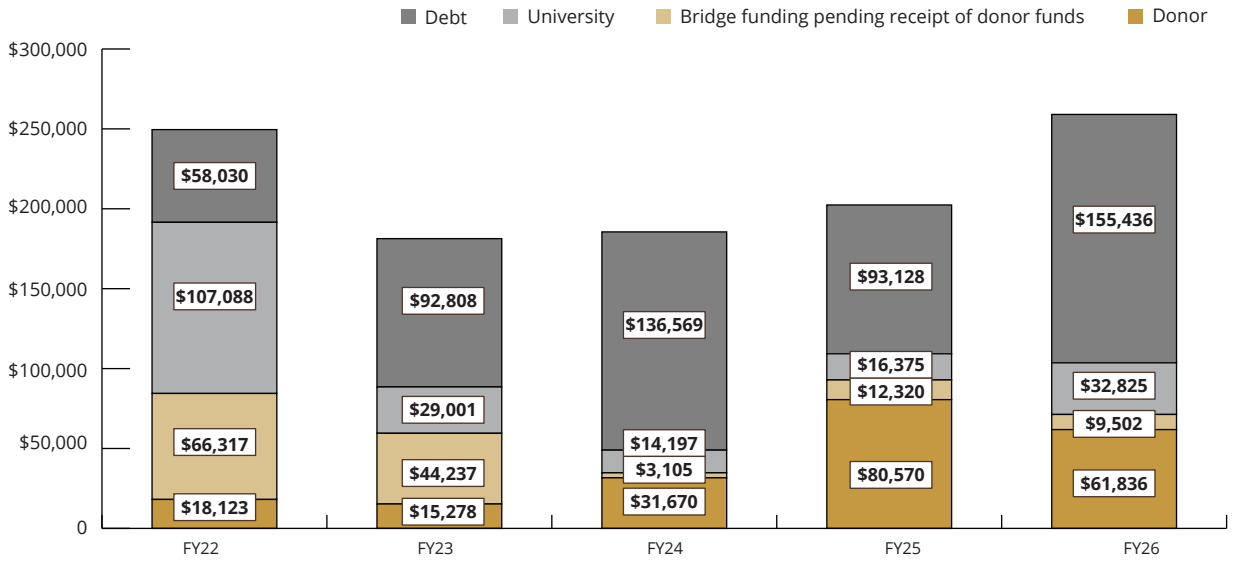
Capital expenditures are generally funded in four ways: 1) from philanthropic contributions (gifts from donors); 2) through the issuance of debt; 3) from University reserves (savings from previous years); and, 4) if available, from positive operating margins (the balance of University revenues after total expenditures). In some cases, the University will provide "bridge funding" to cover the costs of a capital project in advance of the receipt of donor gifts pledged to support the project.

In recent years, Brown has experienced modest operating surpluses and deficits; hence, in recent practice, capital expenses have been funded by philanthropy, debt and reserves. An important priority is to improve the University's operating margins in future years, targeting a modest surplus of 2% to 3%, which would allow the University to increase the level of resources available for reinvestment in capital expenses such as renovations of academic buildings and dorms, enhancements to information technology systems and the development of critical research facilities.

Figure 4 illustrates the capital project spending by funding source used in the respective fiscal year.

Figure 4: Capital Project Spend by Funding Source Since FY22

dollars in thousands



Fundraising is especially important to Brown's ability to construct new buildings. At the beginning of each building project, the University sets a fundraising goal, depending on a number of factors: the objectives of the project in the context of the University's mission; the likely interest the project will generate among donors; and how the building will impact the University's finances. For example, because residence halls generate auxiliary revenue (through room fees charged to students), the fundraising goal may be less than the full cost of construction. Conversely, for new research facilities, fundraising is even more critical. Even though a new research building will enable more funded research, which will attract external sponsored research funding, research requires an additional 30% to 40% of University-funded investment over every research dollar received from external sponsors. As noted previously, sponsored research awards from federal agencies and foundations do not cover all the direct and indirect costs of research. This makes fundraising crucial to Brown's ability to expand its research enterprise.

Brown has established a priority that all athletics facilities be fully funded by gifts, while renovations of academic buildings and residence halls are often all or partially debt-funded. As previously noted, a University priority is to grow its operating margin, so that renovations of academic buildings and residence halls can be completed without incurring additional debt. In FY26 Brown spent $260 million in new capital expenses, including support for the William A. and Ami Kuan Danoff Life Sciences Laboratories and Penner Field House. These projects were supported by a combination of generous philanthropy from members of the Brown community, University working capital and debt.

II. REVIEW OF FY26 FINANCIAL STATEMENTS

The following materials outline the FY26 financial performance of Brown University. The University's financial statements were prepared in accordance with U.S. generally accepted accounting principles (GAAP) and audited by Brown's independent auditors, KPMG LLP. The GAAP financials have been summarized for presentation purposes in the charts and tables presented in this section of the Annual Financial Report.

Figure 5: Summary of FY26 GAAP Financial Statement *(dollars in thousands)*

Balance Sheet	FY26	FY25	% Change
Assets	**$12,920,156**	**$11,283,868**	**15%**
Liabilities	$2,858,693	$2,349,479	22%
Net assets	$10,061,463	$8,934,389	13%
Total liabilities and net assets	**$12,920,156**	**$11,283,868**	**15%**

Statement of Activities	FY26	FY25	% Change
Operating revenues	$1,493,003	$1,481,743	1%
Operating expenses	$1,543,378	$1,479,144	4%
Net operating activities	**-$50,375**	**$2,599**	**-2038%**
Nonoperating activities	$1,177,449	$595,358	98%
Change in net assets	**$1,127,074**	**$597,957**	**88%**
Net assets, beginning of year	$8,934,389	$8,336,432	7%
Net assets, end of year	**$10,061,463**	**$8,934,389**	**13%**

Cash Flow	FY26	FY25	% Change
Change in net assets	**$1,127,074**	**$597,957**	**88%**
Net realized and unrealized gains on investments	-$1,567,778	-$849,457	85%
Other adjustments	$335,728	$123,072	173%
Net cash used in operating activities	**-$104,976**	**-$128,428**	**-18%**
Cash flows from investing activities			
Additions to land, buildings and equipment	-$259,599	-$202,393	28%
Net investments	$34,288	$42,332	-19%
Other	-$968	$4,713	-121%
Net cash used in investing activities	**-$226,279**	**-$155,348**	**46%**
Cash flows from financing activities			
Gift-related activities	$258,279	$224,228	15%
Proceeds and payments on debt instruments	$122,935	$388,218	-68%
Net cash used from financing activities	**$381,214**	**$612,446**	**-38%**
Change in cash	**$49,959**	**$328,670**	**-85%**
Beginning cash balance	$653,117	$324,447	101%
Ending cash balance	**$703,076**	**$653,117**	**8%**

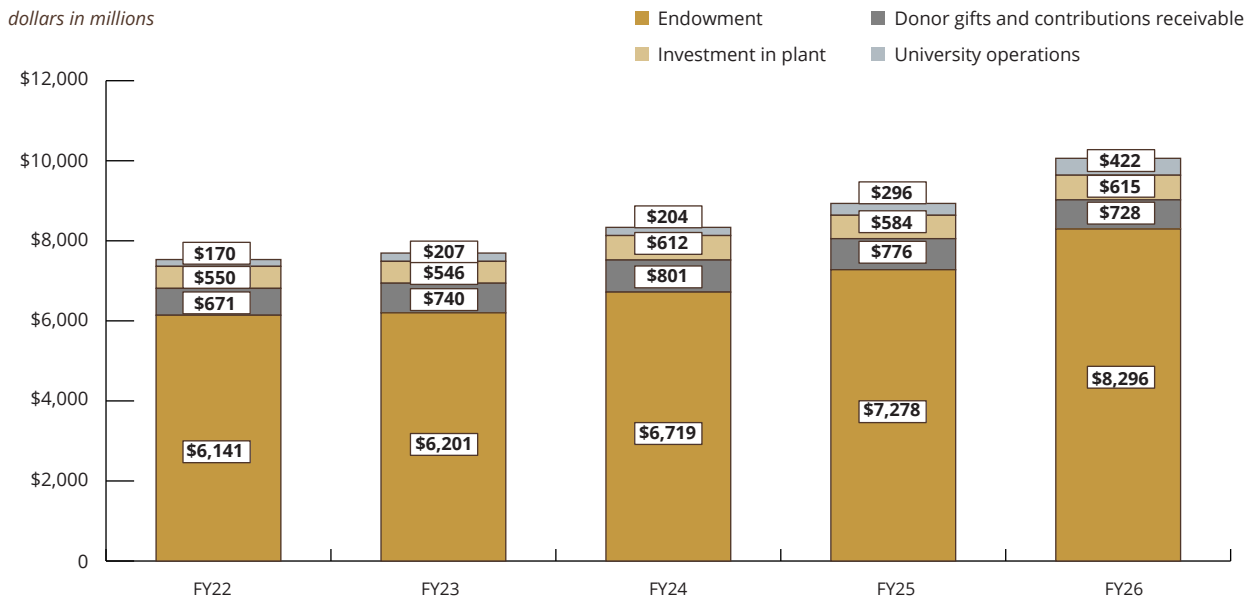
GAAP financials summarized for presentation purposes

Net Assets

The University ended FY26 with net assets of $10.1 billion, an increase of $1.1 billion (12.6%), despite a $50.4 million operating loss. The increase in net assets was driven principally by $287 million in contribution revenue generated from gifts and pledges to the endowment, capital projects and other current-use gifts, combined with an investment return of 19.6%. The cumulative change in net assets for the last five years totals a $2.5 billion, or 34%, increase.

Figure 6: Components of Net Assets Since FY22

dollars in millions

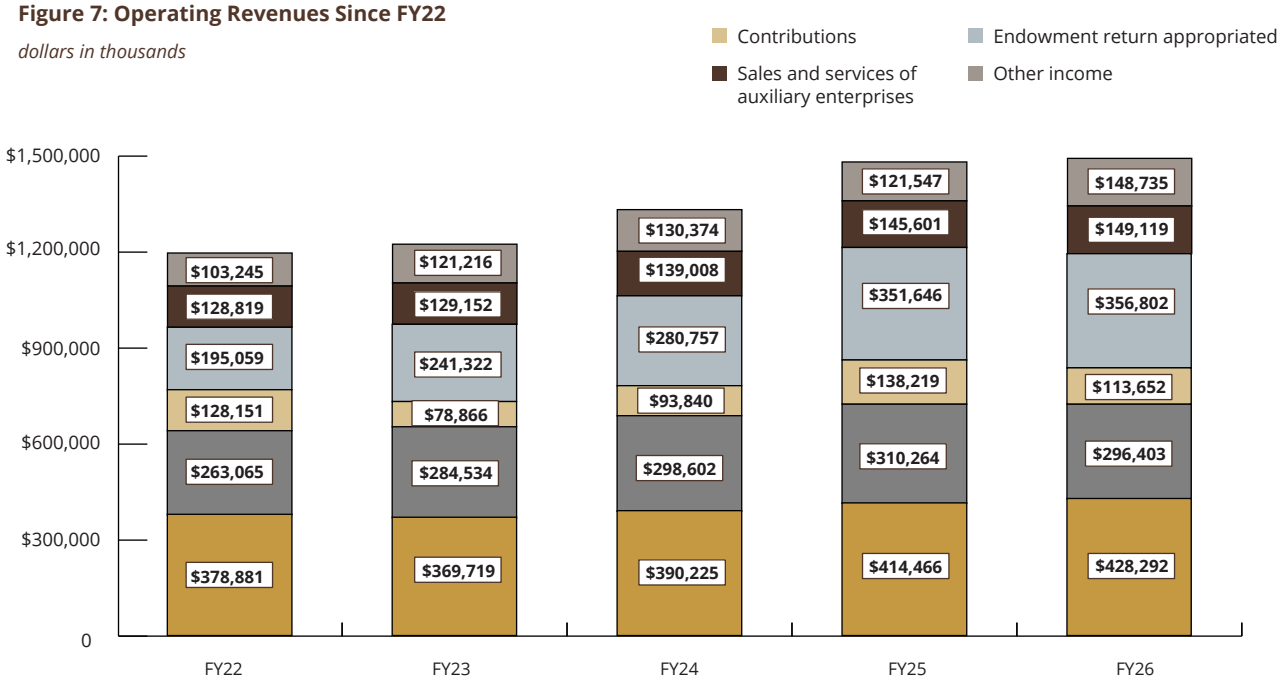


Operating Revenue

The University's total operating revenue increased $11.3 million, or 0.8%, from $1.48 billion in FY25 to $1.49 billion in FY26. The modest increase in total revenue was primarily driven by an increase in net tuition and fees and other income, offset by the decreases in the contributions and grants and contracts revenue sources.

Figure 7: Operating Revenues Since FY22

dollars in thousands

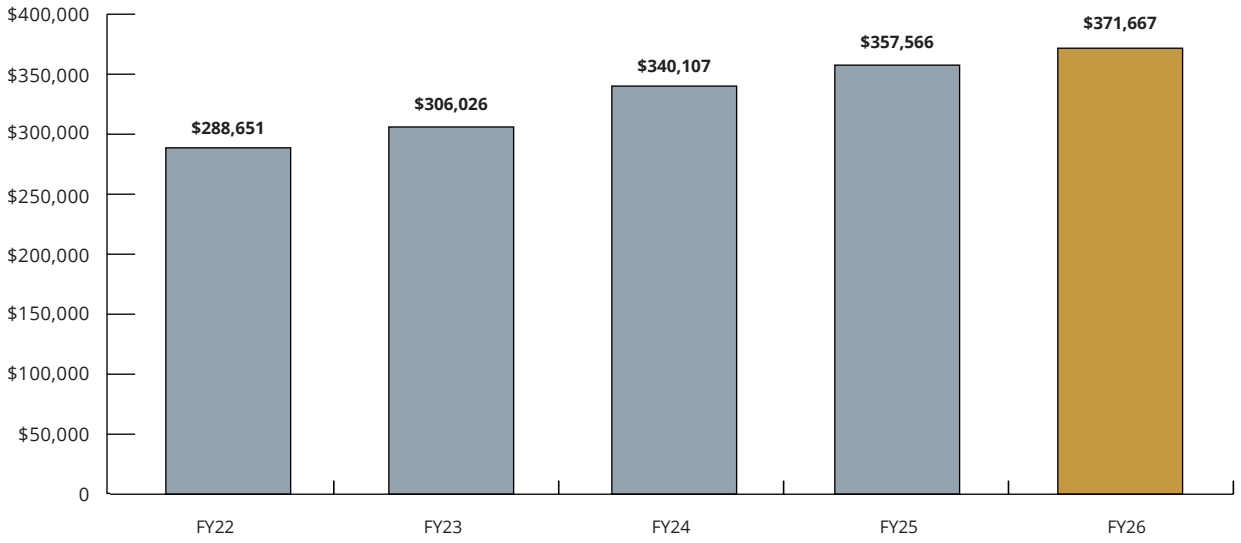


Gross tuition increased by 3.6%, or $27.9 million, from $772 million in FY25 to $800 million in FY26. The undergraduate gross tuition increased by 4.3% or $22.8 million, from $535.2 million in FY25 to $558 million, reflecting a 4.5% tuition rate increase for undergraduate programs. In addition, there was growth in the University's master's and Ph.D. programs from FY25 to FY26, accounting for $5.1 million of the increase.

Scholarships grew 3.9%, or $14.1 million, from $357.6 million in FY25 to $371.7 million in FY26. This reflects the University's continued commitment to access and affordability for its students, including increased funding for veterans and newly establishing need-blind admissions for international undergraduates. This investment in financial aid resulted in a discount rate of 46% in FY25 and FY26. In aggregate, net tuition and fees increased by 3.3% year over year to $428.3 million in FY26.

Figure 8: University Scholarships Paid Since FY22

dollars in thousands

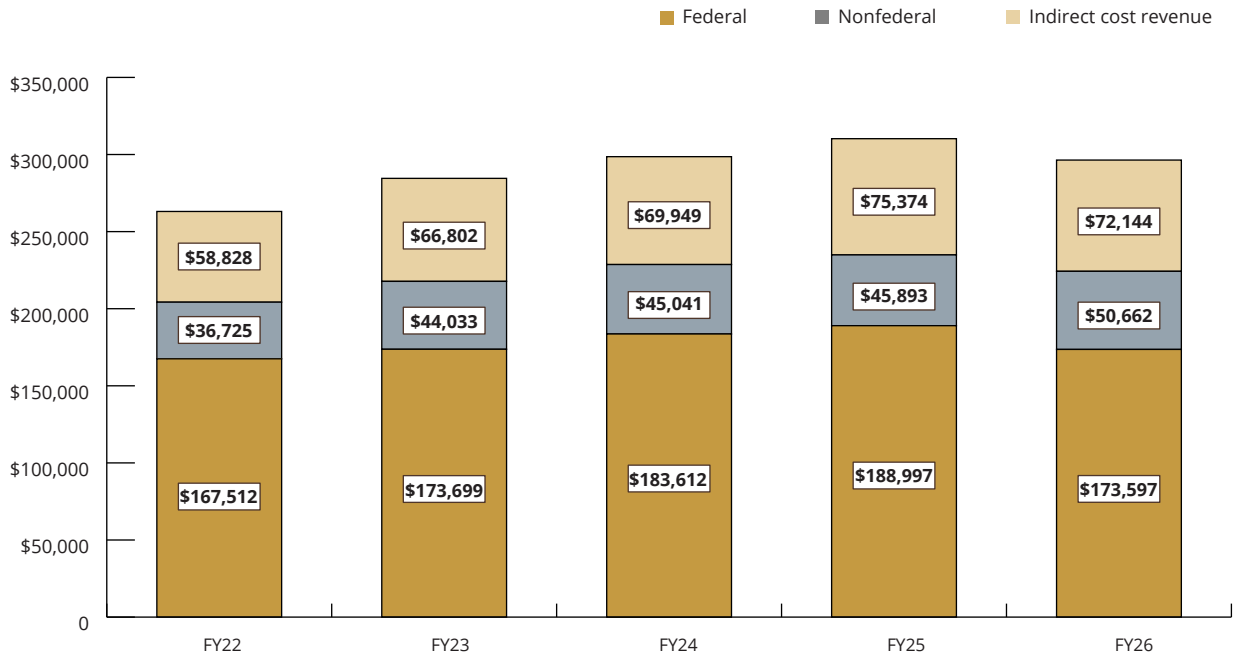


Grants and contracts revenue from government and private sources decreased $13.9 million to $296.4 million, a 4.5% decrease compared to FY25. The decrease was driven by reductions from federally funded grants and contracts due to a decline in the number of new awards, offset by an increase in private grant revenue. The U.S. Department of Health and Human Services continues to be the most significant sponsor, contributing 47% to grants and contracts revenue in FY26. The University's private grant revenue increased from $44.7 million in FY25 to $48.4 million in FY26, which represents 16% of the revenue in FY26. The University's effective indirect cost reimbursement rate remained consistent at 32% for FY25 and FY26. Indirect cost reimbursement, which allows the University to recover certain overhead expenses related to grants, is a critical component of the operating budget, as it broadly supports research at Brown.

While FY26 experienced a decline in revenue, over the past five years, revenue in the category of grants and contracts has increased by more than $33 million.

Figure 9: Grants and Contracts Revenue Composition Since FY22

dollars in thousands



Operating revenue for current-use contributions decreased by $24.6 million to $113.7 million in FY26, from $138.2 million in FY25, reflecting a decline in new operating pledges and gifts. Current-use contributions include pledges and cash gifts. In FY26, the University received $16.2 million in new pledges, a decline from $25.1 million in FY25. However, donors continue to give generously, as evidenced by the Brown Annual Fund contributing 32% to this revenue line in FY26.

The Corporation approved an endowment appropriation distribution of 5.5% for FY25 and FY26. The payout rate is applied to the average market value of the Brown endowment over the most recent 12 quarters. Given the flat endowment distribution percentage, the appropriated endowment income marginally increased $5.2 million, or 1.5%, as a result of new gifts into the endowment pool. This appropriation of $356.8 million from the endowment represented 23.9% of the University's FY26 operating revenue.

Auxiliary revenue increased $3.5 million, or 2.4%, from $145.6 million in FY25 to $149.1 million in FY26. Housing, dining and student health fees constitute 82% of these revenues. The URC approved an increase of 4.73% for the room rates and an 8% increase in the dining rates from FY25 to FY26.

Other income increased $27.2 million, or 22.4%, from $121.5 million in FY25 to $148.7 million in FY26. Working capital investment income increased $18.7 million driven by the overall increase in the cash balance. In FY25 and FY26, the University borrowed $300 million and $500 million respectively, through commercial bank term loans, with the proceeds used for general purposes. In March 2026, the $500 million term loan was repaid in full. The working capital investment income constitutes 39% of the balance in FY26.

Operating Expenses

Total operating expenses for the University increased 4.3% to $1.54 billion in FY26, from $1.48 billion in FY25.

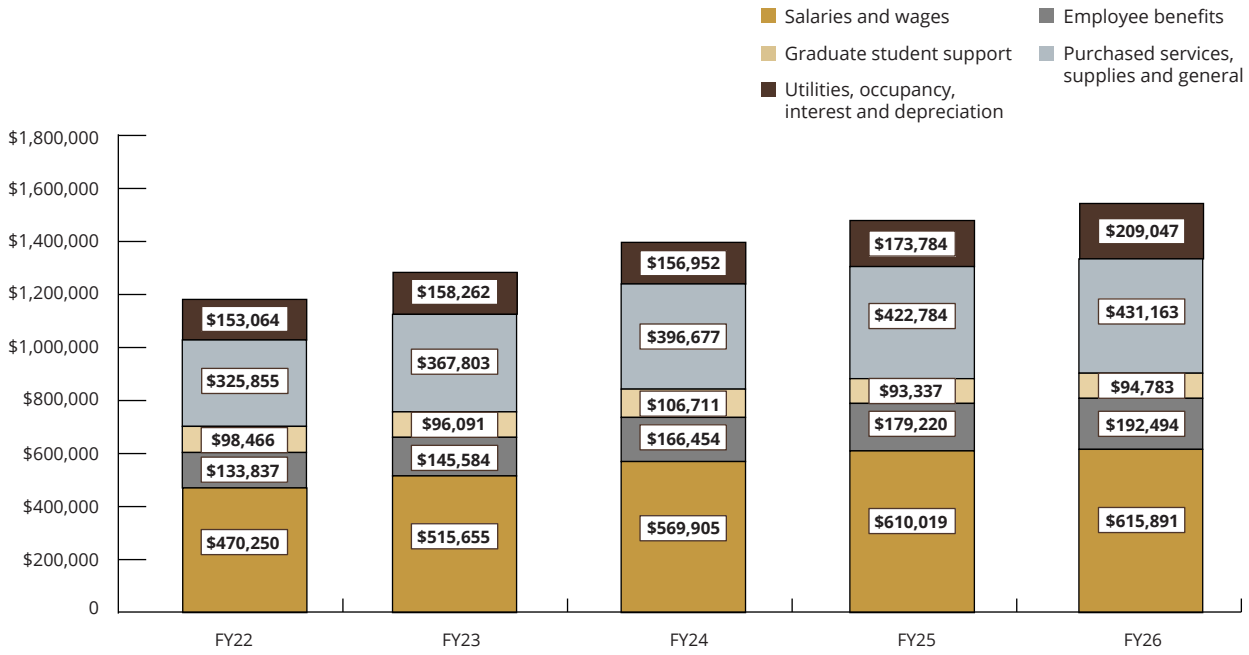
Salaries, wages and benefits expenses, which represent 52% of the operating expenses of the University, grew by 2.4%, to $808.4 million in FY26. Total salaries and wages increased slightly by 1.0% to $616 million. Recognizing the need to continue to recruit and retain talented faculty and staff, the URC approved a salary pool increase of 3.5% for faculty and staff. Employee benefits increased $13.3 million, or 7.4%, to $192.5 million in FY26. Health insurance costs increased $8.9 million, or 13%, from the prior year, which was driven by the overall cost of care and pharmacy costs. The remaining increase can be attributable to increased employer contributions to faculty and staff retirement plans combined with an increase in the faculty sabbatical program.

Graduate student support, which primarily consists of stipends to research and teaching assistants, increased by 1.5%, to $94.8 million. The collective bargaining agreement between the University and the Graduate Labor Organization included a 6.5% and 7.5% base stipend increase for FY26 and FY25, respectively.

Noncompensation expenses across the operating expenses increased by 7.3%, to $640.2 million. This change is primarily attributable to an increase of purchased services relating to legal costs and a $28.3 million increase in interest expense. During nine months of FY26, the University had $800 million outstanding in commercial term loans.

Figure 10: Operating Expenses Since FY22

dollars in thousands



Balance Sheet

FY26 ended with increases to both assets and net assets when compared to FY25.

Figure 11: Balance Sheet Summary *(dollars in thousands)*	FY26	FY25	% Change
Assets			
Cash and cash equivalents	$703,076	$653,117	8%
Accounts receivable and other assets	$117,850	$142,163	-17%
Contributions receivable, net	$390,349	$455,699	-14%
Funds held in trust by others	$42,829	$40,562	6%
Operating lease right-of-use assets	$72,664	$65,839	10%
Investments	$9,687,806	$8,180,357	18%
Land, buildings and equipment, net	$1,905,582	$1,746,131	9%
	$12,920,156	**$11,283,868**	**15%**
Liabilities			
Accounts payable and accrued liabilities	$147,651	$126,557	17%
Student deposits and deferred revenue	$88,081	$89,420	-1%
Funds held for others	$508,405	$261,757	94%
Operating lease obligations	$75,409	$68,082	11%
Other long-term obligations	$181,715	$76,270	138%
Retirement benefit obligations	$76,164	$62,929	21%
Bonds, loans and notes payable	$1,781,268	$1,664,464	7%
	$2,858,693	**$2,349,479**	**22%**
Net assets			
Without donor restrictions	$1,991,726	$1,728,866	15%
With donor restrictions	$8,069,737	$7,205,523	12%
	$10,061,463	**$8,934,389**	13%
Total liabilities and net assets	**$12,920,156**	**$11,283,868**	**15%**

GAAP financials summarized for presentation purposes

Accounts Receivable and Other Assets

Accounts receivable and other assets include amounts due from students, reimbursements due from sponsors of externally funded research, federal student loan advances, inventory and prepaid expenses. The $24.3 million change is due to the decrease in the grant receivable from the National Institutes of Health federal grants. On July 30, 2025, the University reached an agreement with the federal government to restore federally funded research and subsequently received payment for the work performed and billed. The receivable was accrued for June 30, 2025, and paid in FY26, resulting in a decline in the balance.

Contributions Receivable, Net

Contributions receivable, net represents unconditional promises to give from donors, net of an allowance for uncollectible accounts, and a discount for the time value of future receipts. The decrease of $65.4 million is due to $64.7 million in new pledges offset by cash collected of $134.1 million, and the net change in the allowance and discount. Additional information on donor gifts and pledges can be found later in this report. (See the Report on Fundraising section prepared by Brown's Division of Advancement.)

Investments

Brown investments increased 18.4% to $9.7 billion as of the balance sheet date. The endowment and other managed assets generated a 19.6% investment return in FY26. Additional information on the endowment can be found later in this report. (See the Endowment Report section prepared by the Brown University Investment Office.)

Funds Held for Others

In June 2024 the University signed an expanded affiliation agreement with Brown University Health (Brown Health), which operates the largest health system in Rhode Island and hosts the principal teaching hospital of Brown's Warren Alpert Medical School. As part of the agreement, the University will manage $600 million to $800 million of Brown Health's investment portfolio, creating capacity for increased investment returns to support Brown Health's mission, while the health system continues to operate independently of the University. The transfer of funds will be phased in on a schedule expected to be approximately $200 million per year over four years, but may vary depending on availability of funds. Brown Health transferred $50 million in FY24, $200 million in FY25 and an additional $200 million in FY26 to the University's investment pool. The fair market value of Brown Health's investment was $508.4 million as of June 30, 2026, and is included in investments and also recorded as funds held for others on the balance sheet.

Other Long-Term Obligations

Other long-term obligations increased by $105.4 million to $181.7 million in FY26 and consists of split-interest obligations, asset retirement obligations, the interest rate swap liability and the deferred tax liability. The change was driven by the deferred tax liability that increased to $140 million. On July 4, 2025, the federal One Big Beautiful Bill Act (OBBBA) was signed into law, significantly modifying IRC Section 4968, the net investment income tax. The OBBBA replaces the previous 1.4% flat rate with a tiered structure under which the applicable rates of 1.4%, 4% or 8.0% depend on an institution's student-adjusted endowment. The University's applicable federal excise tax rate will increase from 1.4% to 4.0% in FY27.

The University measures a deferred tax liability for future excise tax payable on net unrealized gains in excess of the tax basis of these assets using the enacted rate expected to apply when these temporary differences reverse in future periods. Accordingly, deferred tax liabilities as of June 30, 2026, and June 30, 2025, have been recognized using enacted rates of 4.0% and 1.4%, respectively.

Debt

Total bonds, loans and notes payable increased by $116.8 million to $1.78 billion in FY26. The University issued $133 million in tax-exempt commercial paper to fund the William A. and Ami Kuan Danoff Life Sciences Laboratories.

Capital Expenditures

Brown invested $259.6 million in capital projects, buildings and equipment in FY26. The University continued to contribute to a number of significant projects, including the construction efforts at the William A. and Ami Kuan Danoff Life Sciences Laboratories and Penner Field House.

SUMMARY

In FY26, Brown University continued to pursue strategies to confront the financial headwinds facing higher education while continuing to strengthen its own financial position. Brown increased net assets by 12.6%, reaching the $10 billion mark for the first time in its history. Despite facing significant challenges in FY26, the University maintained a disciplined approach to its financial planning and was able to reduce a projected $29 million deficit to only $2 million, all the while absorbing over $20 million of unplanned expenses related to the Dec. 13 tragedy. While Brown was able to effectively manage pressures on the operating budget, the overall financial health of the University was significantly improved by a 19.6% investment return and $478.9 million raised in new philanthropic gifts and pledges to support its mission of excellence in teaching and research.

Looking ahead, Brown will remain keenly focused on eliminating its structural deficit through a commitment to a disciplined multiyear financial plan that safeguards core academic priorities. A key operational goal moving forward is to achieve a 2% to 3% annual surplus to fund future capital expansion and campus renewal in order to reduce the institution's reliance on debt. At the same time, the University must remain nimble enough to adapt to shifts in federal policy and enrollment challenges as they arise. By remaining disciplined and adhering to a realistic and achievable financial plan, Brown can ensure its long-term strength. However, to continue pushing the boundaries of what's possible with regard to its positive impact on society, Brown will need the ongoing generosity of its philanthropic community. Combining a healthy and sustainable operating model with incredible philanthropic support is what will continue moving Brown into the future as a world-class teaching and research institution.

Endowment Report

Brown University Investment Office

INTRODUCTION

At the conclusion of Fiscal Year 2026, Brown University's endowment and other managed assets totaled $9.5 billion. Investment gains of $1.6 billion equated to an investment return of 19.6%, the strongest annual result since FY21. After accounting for deposits of $335 million into the endowment and contributions of $357 million to the University's operating budget, the endowment grew by 18.5% over the prior year. The compounded annual investment return for the trailing 10-year period is 13.6%.

Global financial markets during FY26 were shaped by two dominant forces. The first was an extraordinary cycle of capital expenditure driven by the construction and equipping of data centers to meet the expanding demands of artificial intelligence. This investment cycle animated technology-related stocks across geographies and attracted vast sums of capital into the industries that supply the physical infrastructure for AI. The second was the outbreak of hostilities between the United States and Iran, which contributed to a persistent elevation of energy prices and, by extension, stubbornly high inflation. The interplay of these forces created a volatile environment for financial assets.

Brown's endowment is a collection of almost 4,000 individual gifts and managed funds spanning decades, with the vast majority carrying a legally designated purpose. The capital is invested in a diversified portfolio of financial assets with the objective of compounding value over time, while a portion of the proceeds is distributed annually to the University for the purpose selected by the donor at the time the gift was made. The investment program that governs this process is rooted in unchanging tenets: a team of dedicated professional investors committed to Brown's mission; long-term partnerships with investment managers of exceptional ability and high character; and governance capable of providing both oversight and guidance.

As discussed in last year's report, the U.S. Congress in 2025 increased the excise tax on net investment income for college and university endowments. As a result of the endowment's growth, Brown will enter the 4% tax bracket for the coming 2027 fiscal year, up from 1.4% previously (the wealthiest endowments now pay 8% on gains). This means a portion of the endowment's investment gains that would otherwise be directed to financial aid, professorships and research will instead be remitted to the U.S. Treasury. The Investment Office remains focused on maximizing the after-tax investment return available to support the University's mission.

SUPPORTING THE UNIVERSITY

The endowment's contribution to the University's operating budget reached a new high of $357 million, equivalent to 24% of the University's total revenue for the year. On a per-student basis, this represents a contribution of nearly $32,000. Over the last decade, the endowment and other managed assets have contributed a cumulative $2.5 billion to support Brown's mission of scholarship and research.

The Corporation of Brown University determines the annual distribution rate, which is set between 4.5% and 5.5% of the endowment's value as measured on a trailing 12-quarter basis. This methodology serves to insulate the University's budget from the inherent volatility of financial markets. For FY26, in recognition of the elevated financial uncertainties that continue to surround federal support for academic research, the Corporation has maintained the distribution at the upper end of the range, at 5.5%.

During the fiscal year, the University reached a resolution agreement with the federal government regarding federal research funds that had been withheld, though the broader landscape of federal support for higher education remains uncertain. A shift in federal priorities for supporting academic research nationally continues to affect Brown. The endowment's role as a financial resource that provides stability amid such uncertainty has rarely been more evident, but the scale of historical federal support for research in higher education is such that no institution's endowment can be expected to compensate for the breadth of reductions.

A question that accompanies periods of strong growth is whether the endowment should distribute at an even higher rate. The endowed gifts that constitute the endowment are accompanied by a legal obligation to steward them in perpetuity. The endowment is not solely a resource for today's students and scholars; it must serve an equivalent role for those who will arrive at Brown in the decades and even centuries ahead. The Corporation's determination of the distribution rate reflects judgment that extends well beyond the current moment.

PERFORMANCE

The endowment's investment return of 19.6% for FY26 is a strong result by every applicable measure. However, a single year is not a sufficient increment to evaluate the success of an investment program with the time horizon of Brown's endowment. The program is designed to deliver outcomes measured in decades, and it is over those longer terms that the most informative assessment can be made.

Inflation-Adjusted Spending

The foremost priority for the endowment's investment performance is to exceed the combined rate of spending and inflation, such that the purchasing power of the endowment is preserved for future generations of Brown scholars. With a distribution rate of 5.5% and the 20-year average of the Commonfund Higher Education Price Index (HEPI) at 2.8%, the effective hurdle rate is approximately 8.3%. This year's return of 19.6% exceeds this hurdle by a substantial margin. The trailing 10- and 20-year returns each exceed this standard as well, affirming that the endowment's contribution to the University is growing in both nominal and real terms.

Figure 12: Endowment Distribution by Purpose, FY26

dollars in thousands

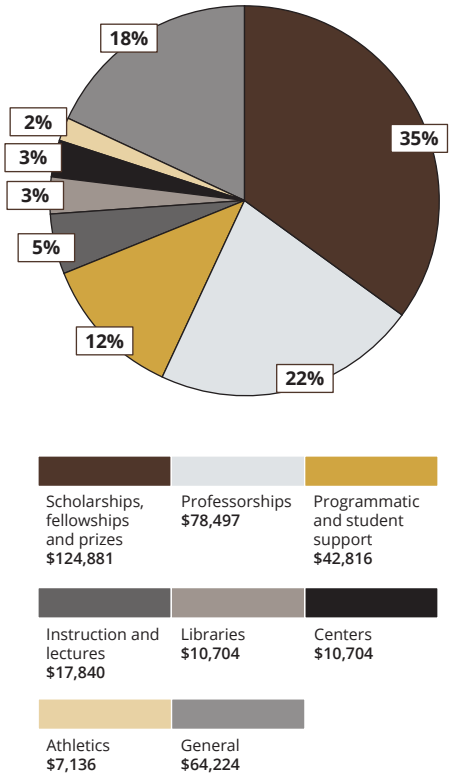
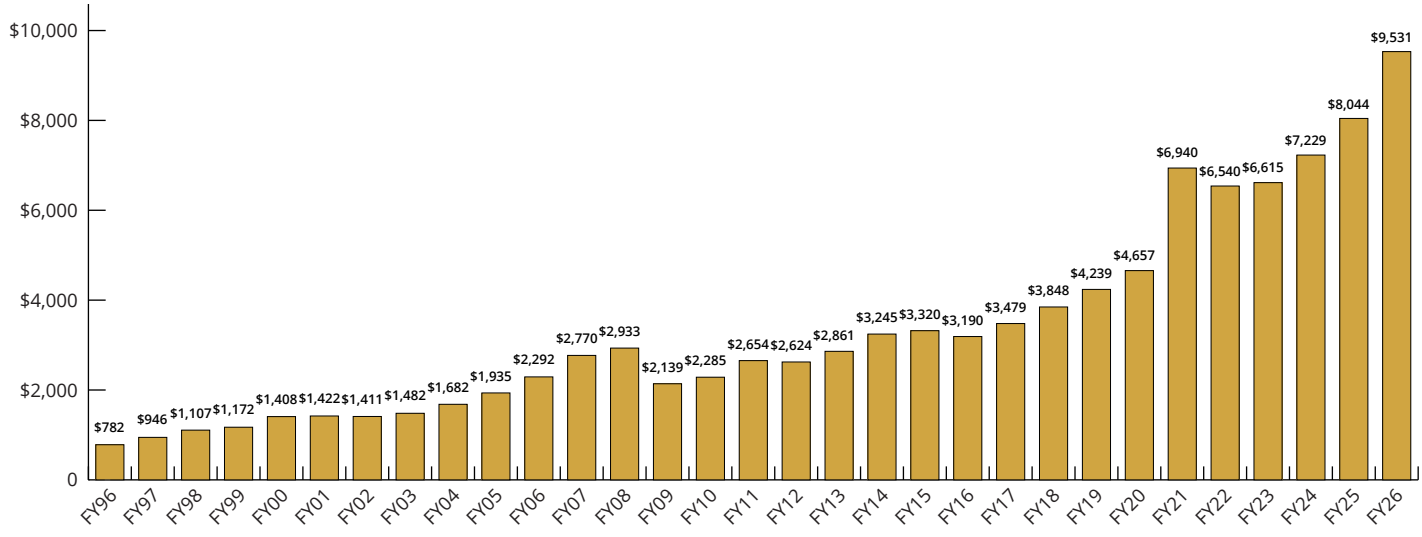


Figure 13: Market Value by Fiscal Year End

dollars in millions



Benchmark Comparison

The Investment Office evaluates the endowment's results against both internally generated and market-based benchmarks. No individual benchmark, examined over a single period, is sufficient to act as a comprehensive yardstick. A fuller picture emerges from examining a combination of benchmarks over multiple time periods.

The Aggregate Benchmark is an internally maintained measure that combines the endowment's actual asset allocation with index-level returns from each asset class. The resulting comparison isolates the incremental value contributed by Brown's external investment managers, net of all fees and expenses. To the extent that Brown's endowment returns exceed the Aggregate Benchmark, it indicates that the selection of investment managers is creating value over and above the endowment's asset allocation.

For FY26, the Aggregate Benchmark returned 15.8%. Brown's return of 19.6% exceeded the Aggregate Benchmark by 380 basis points, a meaningful margin indicating that the endowment's investment managers contributed significant value beyond what could be achieved through passive index exposures alone.

A more straightforward passive strategy would be to invest in a global blend of 70% stocks and 30% bonds, a widely accessible, low-cost method that provides a useful benchmark for comparison. This strategy returned 16.4% in FY26. Brown's active approach exceeded this benchmark by 320 basis points during the year. Over the trailing 10-year period, Brown's compounded annual return of 13.6% substantially exceeds the return of a global 70/30 portfolio, a difference that, when compounded annually, represents billions of dollars that have accrued to the benefit of the University as a result of conducting an active investment program.

The MSCI All-Country World Index, the most comprehensive measure of global stock markets, returned 23.7% during the fiscal year. The endowment's return of 19.6% trails this measure, a result that warrants context. A portfolio entirely comprising global stocks carries a level of volatility that is incompatible with the University's reliance on a predictable stream of annual distributions. The endowment's diversification across asset classes is designed to generate returns while reducing the risk of severe drawdowns. As a result, a diversified portfolio should reasonably be expected to trail a pure equity benchmark in a strong year for global stock markets. Over a trailing 10-year period, Brown's 13.6% return exceeds the 12.8% return of the MSCI All-Country World Index.

Figure 14: Fiscal Year Annualized Returns
annualized returns as of June 30, 2026

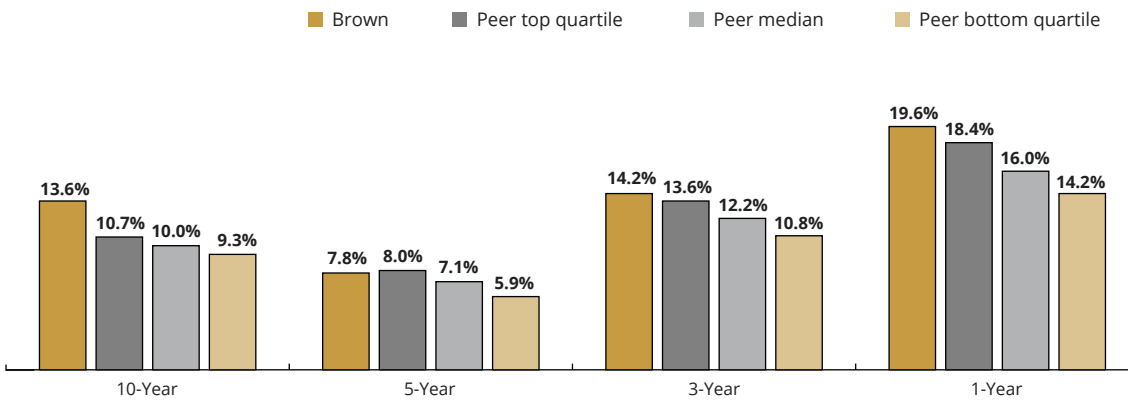
	FY26	3-Year	5-Year	10-Year	20-Year
Brown Endowment	**19.6%**	14.2%	7.8%	13.6%	9.7%
Aggregate Benchmark	**15.8%**	10.8%	6.3%	10.4%	7.5%
70-30 MSCI ACWI/Bloomberg Global Aggregate	**16.4%**	14.7%	7.2%	9.1%	6.8%
70-30 S&P 500/Bloomberg US Aggregate	**16.6%**	15.6%	9.4%	11.4%	9.2%
MSCI All-Country World (ACWI)	**23.7%**	19.7%	11.0%	12.8%	8.4%
MSCI All-Country World (ACWI) ex-US	**27.7%**	18.8%	8.8%	9.9%	5.8%
S&P 500 Index	**22.3%**	20.6%	13.4%	15.5%	11.4%

Peer Comparison and Internal Benchmark

For FY26, Brown's investment return placed in the first quartile of the Cambridge Associates universe of endowments and foundations. The trailing three-year result is also in the first quartile. The five-year return ranks in the second quartile, a period materially shaped by the challenging results of FY22. Considering Brown's long-term approach, the most relevant timeframe for evaluating performance is over the span of a decade or longer. Critically, over the trailing 10-year horizon, Brown's compounded return of 13.6% exceeds the top quartile threshold of 10.7% by 290 basis points, placing the endowment firmly within the top 5% of all reported returns.

Figure 15: Brown Performance vs. Peers Through FY26

*annualized, as reported by Cambridge Associates**



**Peer quartile based on Cambridge Associates preliminary data as of 10/2/2026.*

ASSET ALLOCATION

Central to the endowment's approach to risk management is diversification. The vast majority of the endowment's capital is entrusted to external investment managers selected not only for the productivity of their investment strategies but also for the uniqueness of both the underlying economic drivers and their sensitivity to shifting macroeconomic forces. Effective diversification requires not merely a broad array of investments, but investments that behave differently in response to changes in the economic environment.

FY26 rewarded this approach with meaningful contributions from every asset class. Balanced performance across a diversified portfolio is relatively uncommon; in most years, some strategies contribute strong results while others lag. The breadth of the endowment's gains in FY26, while led by the outstanding results from the Absolute Return portfolio, nonetheless reflected the efforts of investment managers across the entire portfolio.

As of June 30, 2026, the endowment's $9.5 billion in assets was allocated across five principal categories: Private Equity, the largest at $4.1 billion (42.9%); Absolute Return, $2.4 billion (25.6%); Public Equity, $1.0 billion (10.9%); Real Assets, $865 million (9.1%); and Credit, $668 million (7.0%).

Figure 16: Endowment Asset Allocation as of June 30, 2026

dollars in millions

Asset Class	Market Value	% of Endowment
Public Equity	$1,043	11%
Absolute Return	$2,435	26%
Private Equity	$4,090	43%
Real Assets	$865	9%
Credit	$668	7%
Brown Total Risk Assets	**$9,102**	**95%***
Cash and Receivables	429	5%
Total Endowment	**$9,531**	**100%**

**Total exceeds 95% due to rounding.*

Public Equity

Public Equity strategies comprise 10.9% of the endowment, or $1.0 billion, and generated $130 million in profits during the fiscal year, a return of 14.4%. The allocation to Public Equity has declined in recent years and currently stands below the level at which the Investment Office would prefer to operate. The persistent constraint on distributions from Private Equity managers, discussed below, has necessitated periodic liquidations of marketable strategies to fund both the endowment's annual contribution to the University and new investment commitments. This is a practical consequence of the liquidity dynamic affecting the broader Private Equity industry, and it has had the effect of reducing the endowment's exposure to a productive asset class.

The MSCI All-Country World Index returned 23.7% during the fiscal year, exceeding the endowment's Public Equity return. In international markets, Emerging Markets benchmarks delivered particularly strong results, driven by the concentrated performance of three semiconductor manufacturers — TSMC, SK Hynix and Samsung Electronics — in Korea and Taiwan. More broadly, the phenomenon of narrow index leadership by a handful of companies that has characterized U.S. markets in recent years has become a feature of global markets, propelled by the currently insatiable demand for semiconductors that power the infrastructure of AI. Brown's Public Equity managers are selected for the breadth and quality of their approach to stock selection rather than for index replication. As a result, they were not concentrated in these names, contributing to a shortfall against the benchmark. Extreme concentration of index returns in a small number of companies is a dynamic the Investment Office monitors closely but does not necessarily attempt to replicate.

Absolute Return

Absolute Return strategies represent 25.6% of the endowment and generated $766 million in profits for a return of 43.0%. This is an exceptional result, exceeding the return of public stock markets by a wide margin, which merits both explanation and appropriate context.

Brown's Absolute Return portfolio is organized into two primary categories: Long/Short Equity strategies and Market Neutral strategies. Long/Short Equity strategies, which invest in individual stocks with the ability to profit from both rising and declining prices, earned 51.3% during the year. Market Neutral strategies, which use similar techniques but endeavor to minimize exposure to broad market movements, earned 19.8%.

These strong returns will appropriately invite questions about whether this portfolio, unlike Brown's Public Equity portfolio, is excessively exposed to the dominant investment dynamic of the year: AI-related capital spending. The Investment Office is monitoring this risk but believes the portfolio's construction provides a degree of resilience to thematic reversals that was absent in the portfolio configuration that produced disappointing results as recently as FY22.

The restructuring of the Absolute Return portfolio, which commenced in response to excessive correlations identified in that year, is now substantially complete. The results of FY26 are, in a sense, an endorsement of that multi-year effort. Ultimately, however, the credit belongs to the managers themselves. Brown's investment managers demonstrated exceptional skill and judgment during the fiscal year.

Private Equity

Private Equity is the endowment's largest asset class at 42.9% of the portfolio, or $4.1 billion. During FY26, Private Equity strategies generated $508 million in profits for a return of 14.2%. Venture Capital strategies returned 20.3%, while Buyout strategies returned 8.2%.

The fiscal year saw the first of what may prove to be a series of the largest initial public offerings in history. The enormous scale of relatively young private companies is unprecedented, and successful public offerings will remain a critical proving ground. A note of caution: Substantial offerings of stock have a track record of acting as a catalyst for the interruption of market gains.

The broader Private Equity industry continues to navigate a constrained liquidity environment. While there are encouraging indications of improvement, distributions from Private Equity managers to their investors remain below historical norms. This dynamic has implications for the broader portfolio, as discussed in the Public Equity section, requiring the liquidation of other assets to meet spending and capital commitment obligations. The steady improvement in the market for initial public offerings and mergers and acquisitions that the industry requires in order to normalize has commenced, but it has not yet fully materialized. The liquidity of the overall portfolio remains a priority in decision-making.

Real Assets

The Real Assets portfolio totals $865 million and generated $45 million in profits during the fiscal year for a return of 5.6%. Real Assets is a portfolio of strategies that encompasses real estate, commodities, physical infrastructure and other diversifying stores of value. Collectively, this group generated a modest positive contribution during the year. The endowment's emphasis within Real Assets on nontraditional strategies, including investments in digital infrastructure, reflects an effort to align the portfolio with structural economic trends while avoiding segments of the real estate market that continue to face cyclical headwinds.

Credit

Credit strategies constitute 7.0% of the endowment and generated $102 million in profits for a return of 16.8%, substantially exceeding relevant benchmarks for a third consecutive year of strong results. This asset class encompasses a diverse mix of strategies that share the common characteristic of investing primarily in debt rather than equity. The elevated interest rate environment that has prevailed since the end of the era of historically low rates has created attractive opportunities in the credit arena, and Brown's investment managers have demonstrated significant skill in capitalizing on inefficiencies in these markets. The risk-reducing attributes of debt instruments, including seniority in capital structures and regular interest payments, are the primary appeal of the asset class. The results of the past several years reflect both a favorable environment and the quality of Brown's partners.

IN CLOSING

Over the past decade, the endowment and other managed assets have grown from $3.2 billion to $9.5 billion. In that span, they have contributed $2.5 billion to the University's operating budget, supporting financial aid, professorships, research and the diverse academic programs that define Brown.

The environment for higher education continues to evolve with extraordinary speed. Federal support for academic research remains in flux. An escalating excise tax on endowment investment gains diverts a growing portion of the endowment's returns from their intended purpose of supporting students and scholars. And the sweeping technological change associated with artificial intelligence introduces uncertainty about the durability of long-held assumptions. The principles of sound investment management must be re-examined with fresh eyes.

Nonetheless, the stewardship of Brown's endowment is grounded in a process designed to withstand the unpredictable. It is a process rooted in risk assessment, partnership with world-class investment managers, and the counsel of the Investment Committee of the Brown Corporation. The endowment's annual contribution to the University will continue to grow in the coming years, supporting the financial access and groundbreaking research and scholarship that are among Brown's highest priorities.

Brown's mission is to serve the community, the nation and the world by discovering, communicating and preserving knowledge and understanding in a spirit of free inquiry. It is the purpose for which the endowment exists. The growth of the endowment over the past decade ensures that this mission will be supported with expanding resources for generations to come.

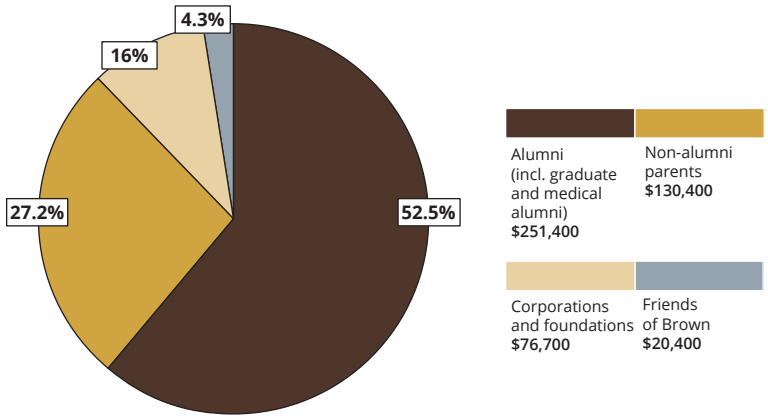
Fundraising Report

Brown University Division of Advancement

The University raised $478.9 million in new gifts and pledges from more than 30,000 donors in Fiscal Year 2026. The overall total raised included record cash contributions of $374.7 million. The Brown Annual Fund surpassed $60 million in current-use gifts for the first time, with a record $63.3 million raised — a 17% increase over the last fiscal year. This caps a decade in which Brown's annual fundraising average was $407.5 million, with a fundraising average of $446.7 million annually over the last five fiscal years (FY22 to FY26).

Figure 17: New Gifts and Pledges by Constituency

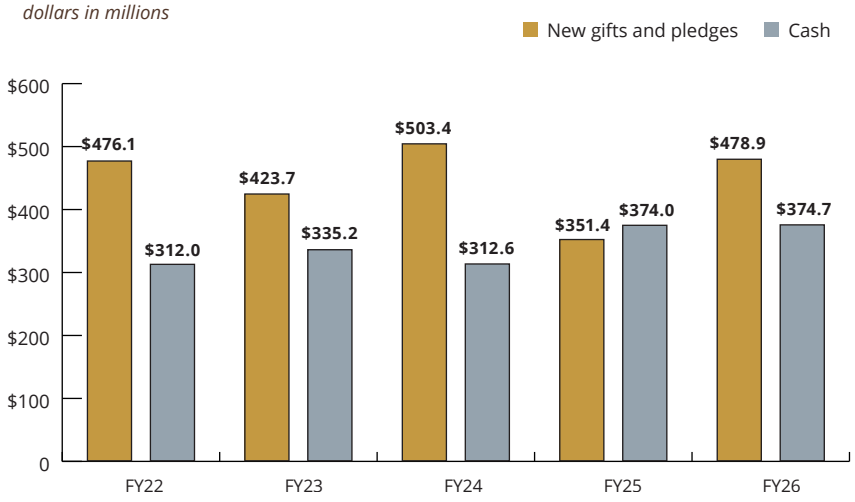
dollars in thousands



Giving from Brown alumni exceeded $251 million. Non-alumni parent giving totaled $130.4 million, including $10 million for the Brown Annual Fund — a 38.5% increase over FY25. Unrestricted current-use gifts totaled $39.4 million in FY26. Corporations and foundations fundraising totaled $76.7 million in grants, awards and gifts to the University, a 130% increase over the previous fiscal year total of $33.4 million. New gifts and pledges to Brown Athletics and Recreation totaled $32.6 million from more than 9,500 donors.

Figure 18: FY26 Fundraising Results Comparison

dollars in millions

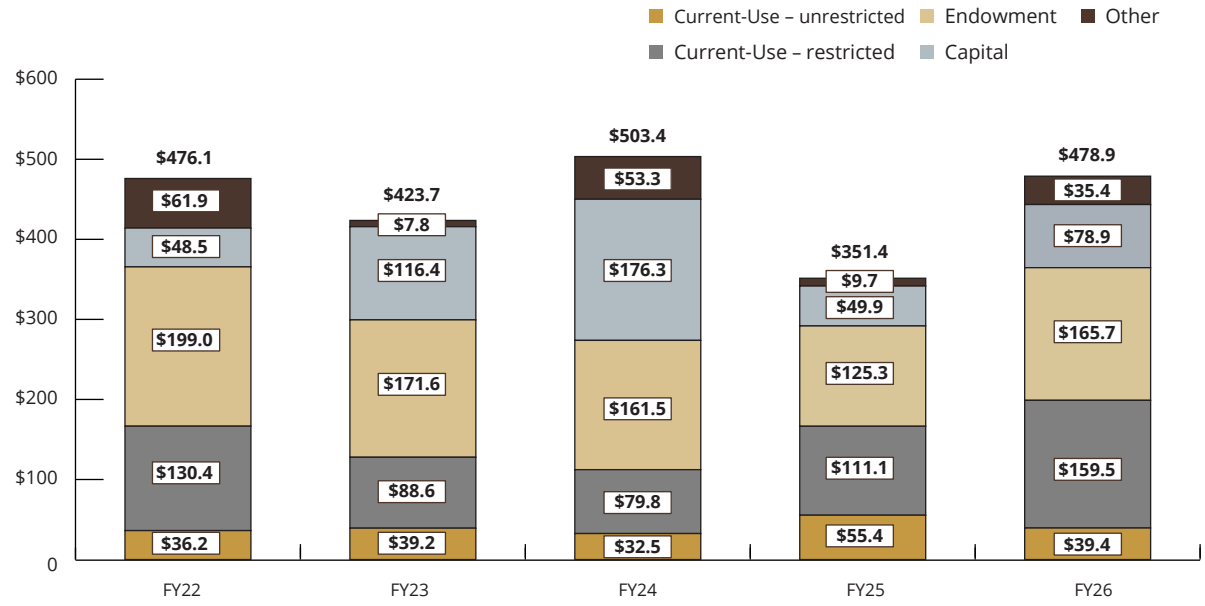


This support from alumni, parents, corporations, foundations and friends is heartening given the continued uncertainty surrounding the federal funding landscape, which affects sponsored research, federal Pell Grants and international tuition revenue. Brown continued to place strong emphasis on philanthropy aligned with ongoing reductions in research funding to colleges and universities due to shifting federal priorities. Current-use gifts that can be allocated immediately continue to be a priority given the need to respond quickly to resource demands.

In the wake of the Dec. 13, 2025, shooting, the University paused all fundraising solicitations and did not resume activity until February 2026. During that time, Brunonians from around the world and local businesses reached out to offer support for students who needed emergency funds for clothes, travel costs and other necessities as a result of the University's decision to end the semester early. Donors were directed to channel their support to the Student Emergency Support Fund. Brown also established the Ever True Support Fund to ensure immediate and long-term support of recovery efforts.

Figure 19: Five-Year Gifts and Commitments by Purpose

dollars in millions



BROWN ANNUAL FUND

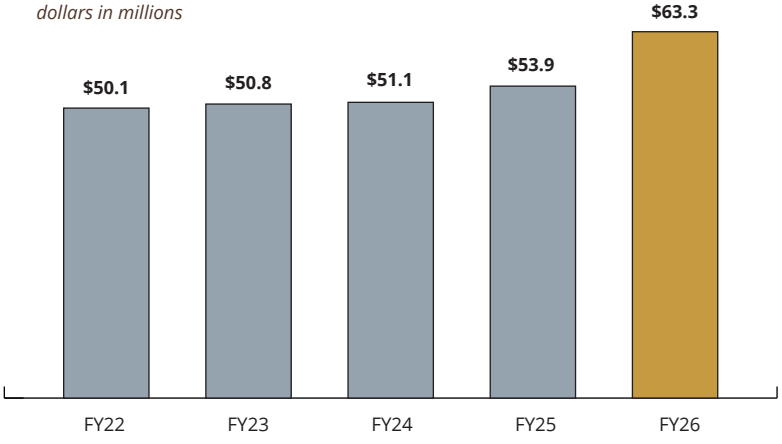
The portfolio of funds that comprises the Brown Annual Fund — The Brown Fund, professional schools' funds, affinity scholarships, impact funds, and athletics — achieved a new record of $63.3 million, thanks to contributions from more than 27,800 donors. This is the fifth consecutive record-breaking year for the Brown Annual Fund.

A record $40.6 million was given through The Brown Fund, and record-breaking totals were realized for the School of Public Health Annual Fund, the Brown University Sports Foundation (BUSF) Athletics Annual Fund, and the International Brown Annual Fund Scholarship.

The Brown Annual Fund introduced two new impact funds in FY26: The Watson School Annual Fund and the Humanities Fund. Both funds attracted strong support in their inaugural year. More than $597,000 in gifts were made to the Watson School Annual Fund, and the Humanities Fund exceeded $458,000 in current-use gifts to support priorities in Brown's academic units in the humanities.

Figure 20: Brown Annual Fund Cash Totals, Five-Year Comparison

dollars in millions



The BUSF Athletics Annual Fund achieved a new high in donations, raising $9.6 million from more than 8,500 donors. Bruno Gives Back Day, a 24-hour annual giving day for athletics, saw a record-breaking $5.4 million in contributions from 4,606 members of the Brown Bears family.

Both the Brown Medical Annual Fund and the School of Engineering Annual Fund topped the $1 million mark for the fifth straight year, raising $1.4 million and $1.3 million, respectively. Gifts to the School of Public Health Annual Fund also exceeded $1 million.

The BrownConnect Fund received $1.1 million to provide undergraduates with financial support for semester and summer internship and research opportunities. The Pathways to Diversity and Inclusion Fund raised $2.8 million to support a broad range of priorities, including emergency funds for low-income students, the centers that provide resources and mentorship for students interested in the perspectives and experiences of diverse communities, and other programs that build and sustain an inclusive community at Brown.

Once again, community giving days boosted the exceptional, year-over-year growth of the Brown Annual Fund. The fourth annual I Heart Brown Day raised $3.4 million from 3,000 donors, and Pay It Forward Day raised $3.1 million in gifts from more than 1,350 donors. In addition to boosting participation and engagement, Pay It Forward Day is an opportunity for Brunonians to celebrate their shared connections, to express gratitude to the family, friends and faculty who were part of their College Hill experience, and to show their collective pride in Brown.

STUDENT EXPERIENCE

Fundraising for financial aid initiatives continues to be a key priority for supporting Brown's goals of admitting a class from the full range of backgrounds, ensuring that a family's financial circumstances are not an obstacle to a decision to attend Brown. In FY26, more than $16.5 million in new commitments were made in support of financial aid for international students. This builds on the successful implementation of the University's need-blind admissions policy for international undergraduates, beginning with the Class of 2029. Endowed scholarships and continued current-use support will ensure that the policy becomes permanent, so Brown can enroll and educate talented students from the widest possible range of backgrounds and income levels from around the world.

During the University's annual Veterans Day Ceremony on Nov. 11, 2025, Brown announced its continued commitment to funding for U.S. military veterans and its expanding participation in the federal Yellow Ribbon Program for veterans pursuing graduate degrees at Brown. Starting with students who enrolled for the 2026-27 academic year, Brown is providing an unlimited match for any graduate program tuition and fees not covered by the Post-9/11 G.I. Bill, ensuring that eligible veterans can pursue master's and doctoral programs at Brown with no financial barriers. In 2023, the University surpassed its $25 million fundraising goal that permanently funds full scholarships for undergraduate student veterans.

Brown named the Lizzie and Jonathan Tisch Center for Career Exploration in recognition of their generous gift for the center serving all students and recent graduates. Support from the Tisches, who are the parents of a Brown graduate, will expand advising, internships and staffing. Additionally, their support will enable the center to deepen its work related to preparation for careers in the common good, in sectors that include government, education, community development, human rights and nonprofit organizations.

In athletics, endowed gifts totaling $3 million for men's and women's squash and a $3 million endowed gift for men's and women's golf helped to create new, sustainable financial models to elevate those teams to varsity status. A $3 million commitment was made to complete the next phase of a renovation of Meehan Auditorium, and a million-dollar endowment was established for a fleet of dinghies essential for Brown's National Championship-winning sailing team.

As more than 1,000 alumni, students, faculty and friends gathered for three days of research presentations, career panels, performances, faculty lectures, festive meals, worship services and film screenings to celebrate 130 years of Jewish life at Brown, a sustained effort from the University's supportive community of donors elevated the Brown Israel Fund toward its endowment goal of $10 million. In addition, endowment commitments now total $6 million from alumni and parents to support the Kosher Kitchen in the Sharpe Refectory, including kosher supervisor (mashgiach) positions.

FACULTY, RESEARCH, AND INNOVATION

Support for Brown's world-class faculty and groundbreaking research remains a top priority. Raising 12 new endowed professorships in FY26 will continue to strengthen Brown's financial foundation to recruit and retain world-class scholars. As the University continues to see volatility in federal research funding, these perpetual funds for individual professorships secure long-term stability for key academic leadership and shield critical research and teaching from economic volatility.

Endowed professorships were established at the Robert J. and Nancy D. Carney Institute for Brain Science, the Giuliani RNA Center, and the Institute at Brown for Environment and Society. An endowed professorship was established at the School of Engineering, and two professorships were established at the Watson School of International and Public Affairs. Professorships also were established in economics, urban studies, computer science, Korean language and literature, and medicine and biological sciences.

A five-year, $37 million commitment from the Starr Foundation, chaired by Brown Trustee Emeritus Jeffrey Greenberg, will support breakthrough research at the Brown Center on the Biology of Aging and advance innovation within Brown University Health, the state's largest health system (which is independent, with a strong affiliation agreement with the University). The Starr Healthspan Innovation Alliance will accelerate discovery and expand clinical trials to enable rapid testing of drugs and diagnostics that target aging and ensure access to new treatments and therapies for those in need.

The Laura and John Arnold Foundation continued its longstanding support of Brown's School of Public Health with multiple grants totaling more than $5.3 million in FY26 that funded studies in the school's Center for Advancing Health Policy Through Research; Department of Health Services, Policy and Practice; and the Hassenfeld Child Health Innovation Institute.

CAMPUS DEVELOPMENT

Penner Field House officially opened on Jan. 27, 2026. Named in recognition of a generous gift from the Penner Family Foundation, the 76,000-square-foot facility enables year-round training for student-athletes and expands intramural sports programs and recreational activities for the entire campus community.

Renovations to Pembroke Hall, completed in fall 2025, will enhance collaboration and expand use of the archives of the Pembroke Center for Teaching and Research on Women. Funded by a generous gift from an alumna and parent, the renovation consolidates the center's full range of offerings under one roof for the first time in its 44-year history.

A spring 2027 opening is planned for the William A. and Ami Kuan Danoff Life Sciences Laboratories. The seven-story, 300,000-square-foot facility, located next to the Warren Alpert Medical School in the Jewelry District, will house 75 principal investigators and more than 700 researchers advancing work on aging, immunity, brain science, cancer and biomedical engineering. When complete, a street-level education lab will be used for teaching and public programs.

Work on the Lassonde Innovation and Design Hub began in January 2026. Funded by the Lassonde Family Foundation and other philanthropic leaders, plans call for the formerly named Prince Engineering Laboratory to be reimagined as a campus hub in the School of Engineering complex for Brown makers, engineers, entrepreneurs and artists. In 2026, construction activities expanded from the ground floor to the second and third floors. The anticipated completion of the Lassonde Innovation and Design Hub is December 2027.

Fundraising commitments for the new, unified home for Brown's Department of Economics stand at $77.6 million. Following a national search, the Boston-based architectural firm Höweler + Yoon was selected to design the facility. Guiding the project's vision is the opportunity to situate the Department of Economics within close proximity to the Watson School of International and Public Affairs and the Department of Political Science to create a concentrated cluster on campus for the social sciences.

IN CLOSING

The success of this extraordinary fundraising year, despite the challenges arising from the events of Dec. 13 and ongoing federal funding volatility, rests on the generosity of the Brown community. This generosity strengthens Brown's momentum, expanding access to a Brown education and giving students and faculty the resources to do their best work. The commitment of alumni, parents, corporations, foundations and friends sustains a vibrant, forward-looking academic community and affirms Brown's role as a global leader in education and research.

Research Report

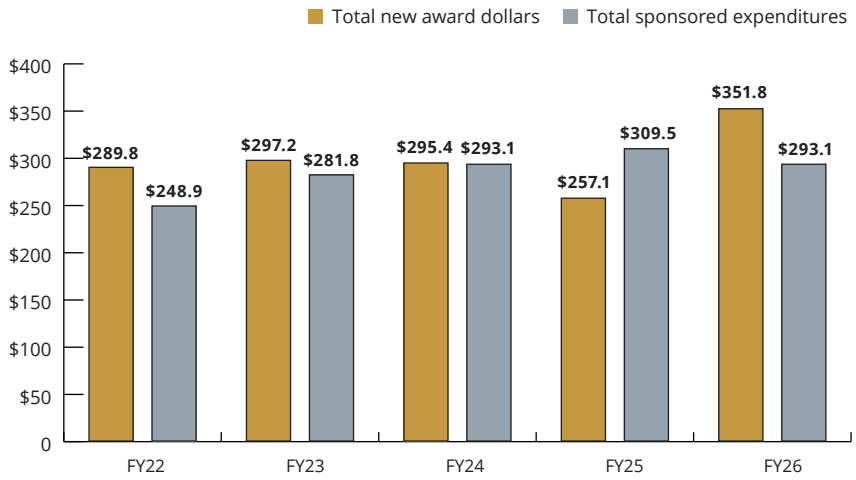
Brown University Division of Research

In Fiscal Year 2026, Brown University received $351.8 million in new award dollars for sponsored research, compared to $257.1 million in the previous fiscal year. Research expenditures dipped slightly, totaling $293.1 million — a decrease of $16.4 million, or 5.3% from FY25. The 36.8% increase in new award dollars reflects the University's success in securing large grants, but also the delayed obligation of federal funds to the end of federal FY26. In addition, as Brown's fiscal year began on July 1, 2025, the University remained in the midst of a federal funding freeze on reimbursements from the National Institutes of Health (whose grants make up approximately 70% of Brown's sponsored portfolio), which led to delays in receiving new awards and routine renewals of existing grants until after July 1.

From the beginning of the federal funding freeze at the start of the fourth quarter of FY25, to the start of FY26 on July 1, unreimbursed funds totaled $45 million (increasing by about $3.5 million per week). The unreimbursed expenses represented a significant threat to Brown's financial sustainability and its ability to conduct federally funded research. Brown signed an agreement with the federal government July 30, 2025, to end the funding freeze.

Figure 21: Total New Award Dollars and Sponsored Expenditures Since FY22

dollars in millions



Total Research Expenditures represents actual direct and indirect expenses incurred on grants and contracts. It excludes certain federal resources, including the Federal Work-Study Program.

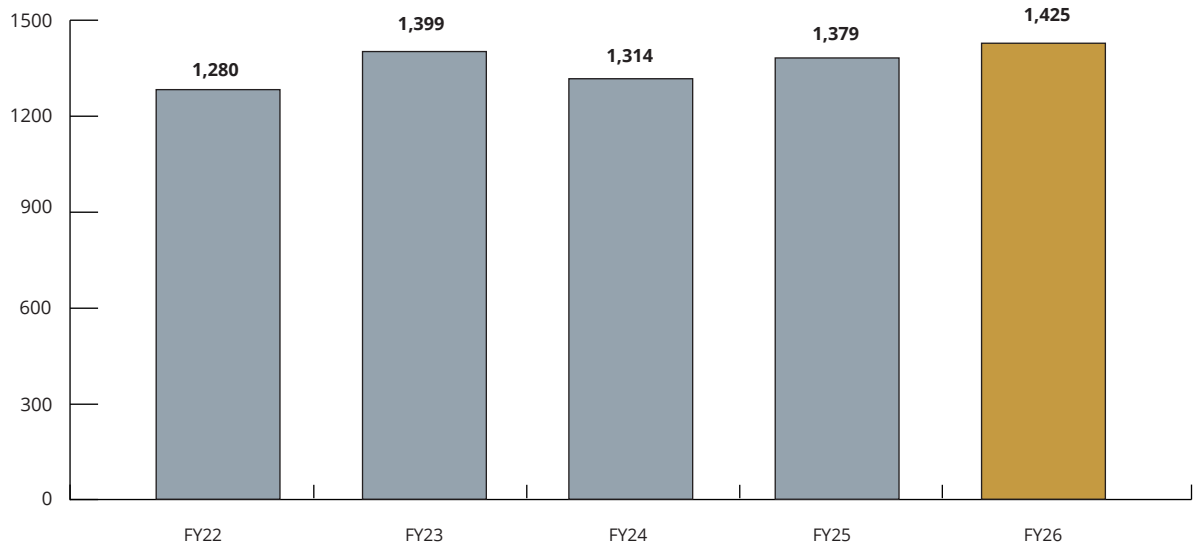
**Funding levels reflect total dollars over the funded period, in some cases for multiyear awards.*

FOCUSED GRANT STRATEGIES

Encouraging proposals across research sponsors has become a key element of ensuring the resilience of Brown's research enterprise. During FY26, Brown's active awards were supported by more than 421 sponsors, including key federal agencies, such as the National Institutes of Health (NIH), NASA, the U.S. Department of Energy and the National Science Foundation (NSF), as well as 63 corporate and industry leaders; and more than 270 nonprofit and foundation partners, including the Alzheimer's Association, American Cancer Society and The Starr Foundation.

Providing resources to researchers to strengthen their capacity and networks for securing awards was another strategic imperative in FY26. When offering its annual Proposal Development Workshop, the Division of Research focused on the specific challenges of the 2026 funding landscape. In addition, the division hosted its second National Labs Day, providing opportunities to connect Brown's research with national scientific priorities, to initiate research collaborations and for students to discover career pathways. In total, the research community had 1,425 active awards in FY26, an increase over recent years. (See the Fiscal Year 2026 Research Sponsors section prepared by the Division of Research.)

Figure 22: Total Research Award Counts, FY22 to FY26



Sponsored research remains a primary revenue driver for the University. Life sciences continued to serve as the primary source of research funding, representing $231 million (65.6%) of the overall portfolio. The strength of Brown's programs in health and life sciences, as well as mathematics and a new focus on AI, led to five major awards — each exceeding $10 million — a rare milestone in a single fiscal year. Together, these top five awards totaled $158.8 million, contributing nearly half of the record $351.8 million in total new award dollars in FY26.

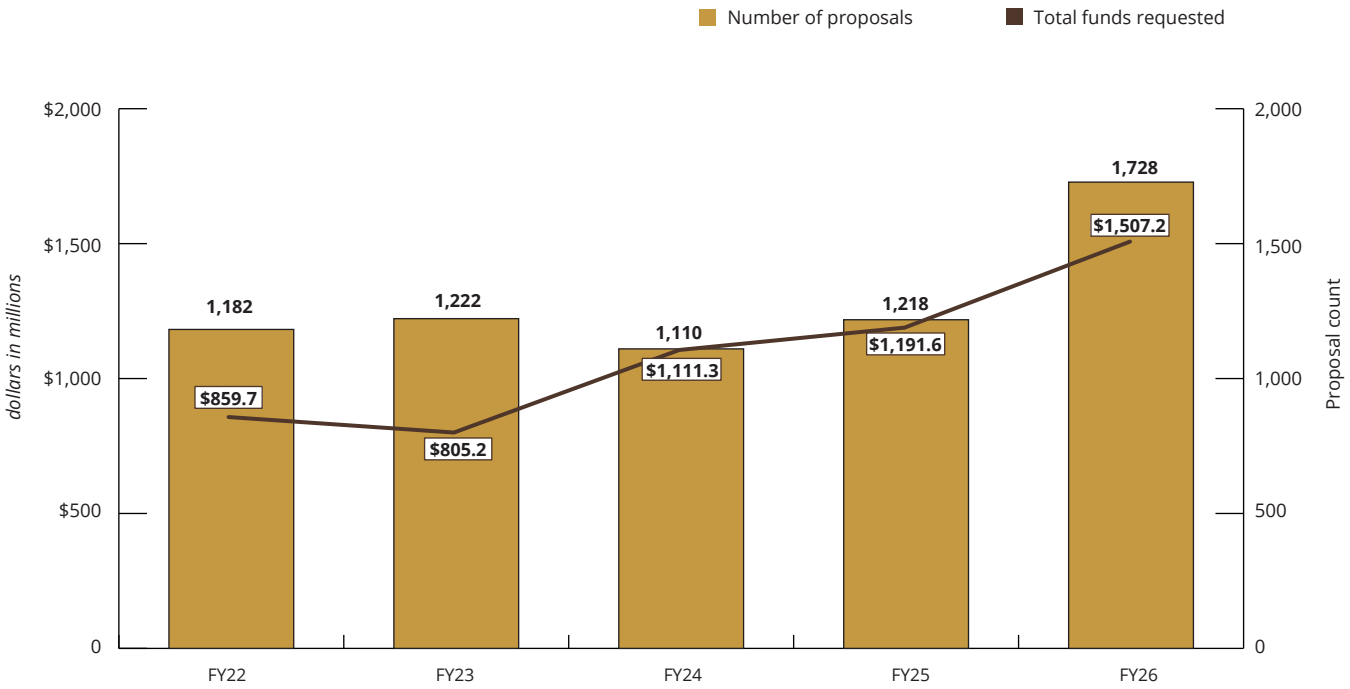
The top five FY26 research awards:

- $84.7 million from the National Institute on Aging to renew a Health Care Systems Research Collaboratory, a massive collaborative research incubator co-led by Brown and Boston-based Hebrew SeniorLife to develop trials aimed at evaluating interventions for Alzheimer's disease or Alzheimer's-related dementia.
- $26.2 million from The Starr Foundation to Brown University and Brown University Health to launch a new partnership to accelerate breakthroughs in aging research, clinical trials and patient treatments. The award marks the first time a private foundation grant ranked among Brown's top five annual research awards. The Starr Foundation also included an $11 million gift, for a total investment of $37.2 million.
- $20.0 million from the National Science Foundation for a new institute — the AI Research Institute on Interaction for AI Assistants, based at Brown — to convene researchers to guide development of a new generation of AI assistants for use in mental and behavioral health.
- $16.5 million from the National Science Foundation to fund the Institute for Computational and Experimental Research in Mathematics through 2030, offering opportunities to explore mathematical concepts that underpin everything from AI to industrial design.
- $11.4 million from the National Institute of General Medical Sciences to launch a Brown-based center to accelerate RNA research in Rhode Island. The COBRE Center for RNA Biology in Health and Disease will create a critical mass of trained RNA researchers and fund cutting-edge RNA technology for scientific use.

CHALLENGES FACING BROWN'S RESEARCH ENTERPRISE

Winning new federal grants is more challenging than it was a few years ago. Application volumes across the country are up, and agencies are shifting money away from single-investigator grants toward targeted programs. Standard grant success rates are falling, requiring faculty to submit more proposals and develop more complex, interdisciplinary proposals to secure funding. Brown faculty submitted a record number of funding proposals in FY26. Submissions jumped to 1,728 proposals with a total request of about $1.5 billion.

Figure 23: Totals of Proposals Submitted and Funding Requests, FY22 to FY26



Federal agencies are also changing how they operate internally. Reorganizations at the NIH and NSF are merging or cutting specialized grant programs, leaving fewer funding options for specific fields. Proposed rules from the Office of Management and Budget give federal agencies more power to pause or cancel grants, restrict international work and expand submission procedures and review processes for subcontracts, adding administrative work and compliance costs for campus researchers.

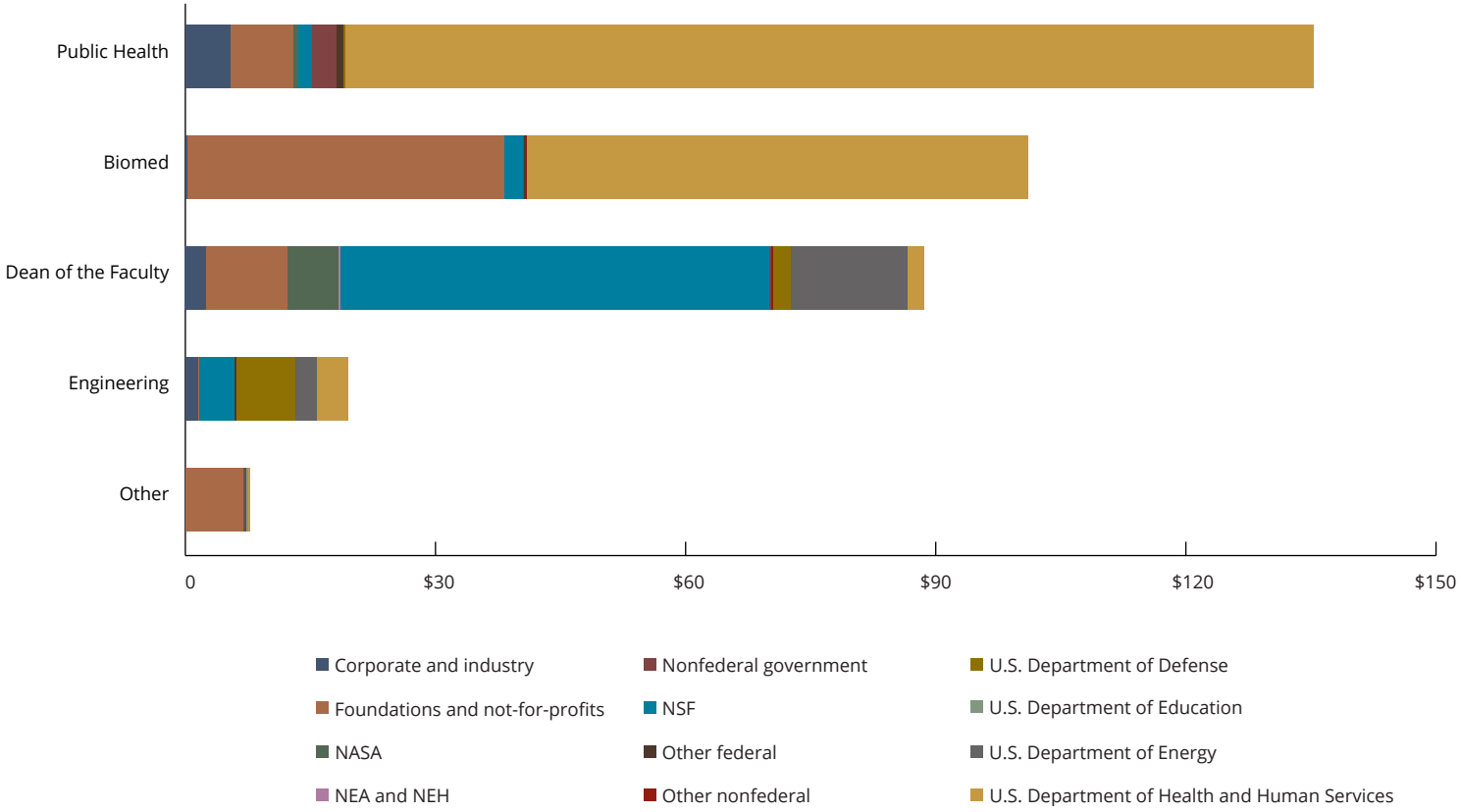
Among ongoing direct threats to Brown research funding, federal priorities have shifted away from research areas such as renewable energy, climate sciences, environmental monitoring, climate-related health studies and health disparities. As federal agencies scale back grant allocations in these areas, research will face reductions in federal research opportunities. In addition, federal support for the social sciences, humanities and the arts via the NSF's Social and Behavioral and Economic Sciences program, the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH) has seen major budget cuts and a curtailment of new funding opportunities. Beyond proposal volume, these policy shifts also have led to a decline in graduate program enrollment, directly affecting departmental research capacity.

DIVERSIFYING NONFEDERAL FUNDING SOURCES

To protect research momentum and counter federal funding shifts, Brown expanded institutional support and broadened its nonfederal partnerships through increased coordination with Corporate and Foundation Relations in the Division of Advancement. Faculty actively pursued corporate partnerships and foundation applications to build a more diverse funding stream. FY26 saw a 129% increase in corporate-sponsored research and a 105% increase in foundation funding over FY25. The $26.2 million award from The Starr Foundation for aging research highlights the growing role of private philanthropy in sustaining major campus research. Funding from corporate partners, industry, foundations and nonprofits still represents a smaller share of Brown's research enterprise, highlighting significant opportunities to diversify non-federally sponsored research.

Figure 24: Total FY26 Research Award Dollars Received

by sponsor category, in millions

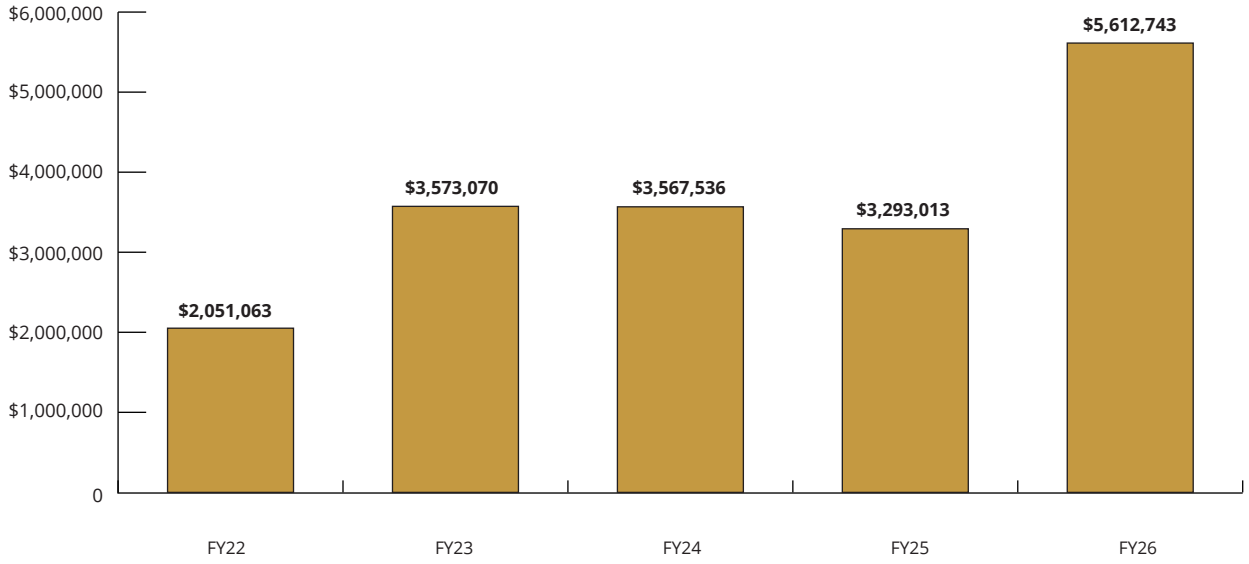


Internal Investments and Faculty Support

As the University continued to contend with a volatile funding environment, the Division of Research increased internal funding for research at the beginning of Q2 of the fiscal year, among efforts to sustain an innovative and resilient research environment at Brown. Thanks to generous gifts from donors, the University contributed $3 million for a one-time increase in internal seed funding for the 2026 Division of Research Seed Program, bringing total institutional backing to $4 million. The expanded Seed Program included a new Research Resilience Award (up to $75,000 for 12 months) and a new Research Innovation Award (up to $250,000 for 24 months), along with the expanded Research Seed Award (up to $75,000 for a multi-PI proposal or up to $50,000 for a single principal investigator for 12 months).

The expanded internal funding opportunities were designed to foster new ideas, build research capacity and support discoveries across campus. The Research Resilience track assisted faculty directly affected by federal grant delays or cuts, and the Innovation track funded long-term investments in emerging interdisciplinary fields. The expanded Seed Program, combined with the University's existing Richard B. Salomon Faculty Research Funds, Humanities Research Funds, Core Research Facility Infrastructure Program and Research Achievement Awards, increased Brown's internal research investment to $5.61 million in FY26, a 70.4% increase over FY25.

Figure 25: Brown Internal Funding Opportunities Awarded Since FY22



FUTURE FUNDING OUTLOOK

Looking ahead to FY27, Brown's research outlook will be guided less by immediate federal budget cuts and more by evolving national policy directives arising from shifts in federal priorities. Directives from the federal Office of Science and Technology Policy place strong emphasis on foundational science, AI-driven discovery and broad partnerships spanning universities, national laboratories and industry. Capitalizing on major federal opportunities will depend on how effectively Brown aligns its research teams with these national priorities. Federal agencies are moving away from funding standalone academic grants, favoring multi-partner initiatives that include industry and flexible grant mechanisms, with large-scale grants being spearheaded by consortia. Continued program consolidation across federal agencies will require faculty to adapt their research agendas to broader priorities.

To sustain growth in this changing landscape, Brown is expanding pre-award support for corporate and foundation strategy and proposal development while maintaining strong investments in compliance systems to manage rising regulatory oversight. The University also will continue its diversification strategies for sponsored research, including philanthropy and corporate relations. Brown is committed to sustaining the strength of its research enterprise.

Fiscal Year 2026 Research Sponsors

Brown's research portfolio is supported by a diverse network of sponsors, spanning corporate and industry partners, major federal agencies and private foundations and nonprofit organizations, which collectively make up the University's externally sponsored research enterprise.

This portfolio includes support from the National Institutes of Health, NASA, the National Science Foundation, the U.S. Department of Defense and other agencies. Such breadth of sponsorship strengthens Brown's capacity to pursue innovative research across disciplines while reducing dependence on any single funding source.

This section of the Research Report provides a list of 421 sponsors with active awards during Fiscal Year 2026. It does not include sponsors for awards on which Brown serves as a subrecipient.

SPONSORS WITH ACTIVE AWARDS IN FY26

excluding Brown subrecipient awards

Corporate and Industry

Aarno Labs
Amazon Research Awards
Amazon Robotics
Arnold Ventures
AstraZeneca International
Bailit Health
Behavior Change Hub
Blue Cross Blue Shield of Rhode Island
Chan Zuckerberg Initiative
Chimerix
Corning Inc.
Cowin Capital
Cowin Education Group
Dalhap Investments Ltd.
Dassault Systèmes Americas Corp.
DEM Biopharma
Eli Lilly and Company
Ellison Medical Institute
Facebook
First Solar Inc.
Gates Ventures
GE Aerospace Inc.
Gentroma
Giner Inc.
Glenmede Trust Company
Google
GSI Environmental Inc.
GSK / GlaxoSmithKline
Harvard Pilgrim Health Care
HighT-Tech
Incyte Corp.
Insight Therapeutics
Intel Corp.
Janssen Research and Development
JNC Materials
Johnson & Johnson Services Inc.
JP Morgan AI Research Fellowship
Karagozian & Case
Meta
Microsoft Corp.
Motorola Labs
Nutter & Associates Inc.
Panasonic Energy Co. Ltd.
Peraton Labs
Pfizer
Physical Sciences Inc.
Quanterix
Rand Corp.
Renox LLC (New Jersey)
Research Corporation for Science Advancement
Revvity Health Sciences Inc.
River Otter
Robotics and AI Institute / Boston Dynamics AI Institute
Rubato Inc.
Salesforce Inc.
Sanofi Pasteur
Smurf-Therapeutics Inc.
Spitfire Pharma
TherapyX Inc.
Theromics Inc.
Toyota Motor Engineering and Manufacturing North America Inc.
Westat Inc.
XTX Markets

Nonprofit and Not-for-Profit

Abrams Foundation Inc. (Boston, MA)
Academy of Medical Sciences
AE Research Foundation LLC
Alfred P. Sloan Foundation
Allegheny County Department of Human Services
Alliance for Sustainable Energy LLC
Alpha Omega Alpha
Alzheimer's Association
Alzheimer's Drug Discovery Foundation
American Academy of Developmental Medicine and Dentistry
American Cancer Society
American Chemical Society
American Chemical Society Petroleum Research Fund
American College of Radiology
American Economic Liberties Project
American Federation for Aging Research
American Foundation for Suicide Prevention
American Health Care Association
American Heart Association
American Physical Society

American Psychological Association

American Radio Relay League

American Sociological Association

American Thoracic Society

Andrew Carnegie Foundation

Angelman e.V.

Annenberg Foundation

Annie E. Casey Foundation

Arcadia Fund

Arnold Ventures

Ascendium

Aspen Institute

Autism Science Foundation

Bank of America Charitable Foundation

Barr Foundation

Bill Wood Foundation

Bloomberg Philanthropies

Brain & Behavior Research Foundation

Breakthrough T1D

Broad Institute

Buck Institute for Research on Aging

Burroughs Wellcome Fund

California Department of Education

Camille and Henry Dreyfus Foundation

Canadian Institute for Advanced Research

Carmel Hill Fund

Cave Research Foundation

Centre for Economic Policy Research

Centre for Effective Altruism

Charles Koch Foundation

Chiang Ching-kuo Foundation for International Scholarly Exchange

Clean Air Fund

Coalition for Epidemic Preparedness Innovations

Coefficient Giving

Coins for Alzheimer's Research Trust / CART Fund

College Futures Foundation

College Unbound

Colombe Peace Foundation

Conservation Law Foundation

Consulate General of the Philippines

CRI Foundation

Cure AHC

CurePSP

Dana Foundation

Dana Foundation

Davis Educational Foundation

DeliverEd LLC

Democracy Fund

Department for Science, Innovation and Technology (UK)

Digital Harbor Foundation

Donor Advised Charitable Giving Inc.

Dr. Ralph and Marian Falk Medical Research Trust

Draper / The Charles Stark Draper Laboratory

Dravet Syndrome Foundation

Eagles Autism Foundation

ECOG-ACRIN Medical Research Foundation Inc.

EdFund

Edward Charles Foundation

EM Foundation

Entertainment Industry Foundation

European Commission Host Organization

Every Page Foundation

Fermi Forward Discovery Group LLC

FIRE / Foundation for Individual Rights and Expression

Firelight Media

Flora Family Foundation

Ford Foundation

Foreign, Commonwealth and Development Office (UK)

Foundation for Opioid Response Efforts

Foundation for Physical Therapy

Foundation to Promote Open Society

Founders Pledge

French National Centre for Scientific Research / CNRS

Gates Foundation

Gilead Foundation

Glenn Foundation for Medical Research

Global Impact

Graduate Fellowships for STEM Diversity

Greenwall Foundation

Hawthornden Foundation

Health Effects Institute

Health Resources in Action

Hebrew SeniorLife

Heising-Simons Foundation

Henry Luce Foundation

Henry M. Jackson Foundation for the Advancement of Military Medicine

Hope4Livi

Howard Hughes Medical Institute

HT LLC

Hubert and Richard Hanlon Trust

Infectious Diseases Research Collaboration

Institute for Public Health Innovation

Institute of International Education

International Agency for Research on Cancer

International Growth Centre

Internews

John Templeton Foundation

Josiah Macy Jr. Foundation

Justice Assistance

Kaiser Permanente Washington Health Research Institute

Kaleta A. Doolin Foundation

Kenneth Rainin Foundation

Kidney Disease Improving Global Outcomes

Korea Foundation

Korea Institute of Science and Technology Information

KR Foundation

Laidlaw Foundation

Longview Philanthropy

MacArthur Foundation

Maine Community Foundation

MaineHealth

Massachusetts Department of Elementary and Secondary Education

Massachusetts Department of Public Health

Mayo Clinic

Meals on Wheels of Rhode Island

Medical College of Virginia Foundation

Melanoma Research Foundation

Mellon Foundation

Mind & Life Institute

Ministry of Business, Innovation and Employment (New Zealand)

Minnesota Department of Health

Movement Disorders Foundation

Mozilla Foundation

My Name'5 Doddie Foundation

National Academy for State Health Policy

National Academy of Education

National Bureau of Economic Research

National Institute for Health Care Management Foundation

National Kidney Foundation

National Philanthropic Trust

National Research Foundation of Korea

Natural Sciences and Engineering Research Council of Canada

Nellie Mae Education Foundation

New England Biolabs Foundation

New England Humanities Consortium

New Venture Fund

New York State Office for the Prevention of Domestic Violence

NORC at the University of Chicago

Norwegian Institute of International Affairs

Nuclear Threat Initiative

One8 Foundation

Open Society Foundations

Oregon Health Authority

Overdeck Family Foundation

Packard Foundation / David and Lucile Packard Foundation

Papitto Opportunity Connection

Patient-Centered Outcomes Research Institute / PCORI

PatientRightsAdvocate.org

Patrick J. McGovern Foundation

Pennsylvania Department of Health

Peter G. Peterson Foundation

PhRMA Foundation

Planetary Science Institute

Sequoia Foundation (California)

PPL Foundation

Radala Foundation for ALS Research

Rainwater Charitable Foundation

RARE Hope

Rare Village Foundation

Re/Imagination Lab

Real Recovery VR

Renaissance Philanthropy

Research Foundation for Mental Hygiene Inc.

Research!America

Rhode Island Attorney General's Office

Rhode Island Commerce

Rhode Island Department of Health

Rhode Island Department of Human Services

Rhode Island Department of Labor and Training

Rhode Island Foundation

Rhode Island Life Science Hub

Rhode Island Parent Information Network / RIPIN

Rhode Island Philharmonic Orchestra and Music School

Rhode Island Research Alliance

Rhode Island Science and Technology Advisory Council

Richard and Susan Smith Family Foundation

Rita Allen Foundation

Robert Wood Johnson Foundation

Rockefeller Family Fund

Rockefeller Foundation

Rockefeller Philanthropy Advisors

Russell Sage Foundation

Ruth D Turner Foundation

San Diego Biomedical Research Institute

Sanford Burnham Prebys

Sanford Research

Schmidt Futures

Schmidt Sciences

Sidney R. Baer Jr. Foundation

Silicon Valley Community Foundation

Simons Foundation

Simons Foundation International

Sloan Foundation / Alfred P. Sloan Foundation

Smith Richardson Foundation

Smithsonian Astrophysical Observatory

Social and Environmental Entrepreneurs

Social Sciences and Humanities Research Council (Canada)

Society for Academic Emergency Medicine Foundation

Society for Molecular Biology and Evolution

Society for the Scientific Study of Religion

Society of Family Planning

Southwest Research Instituten

Space Telescope Science Institute

Spectroscopy Society of Pittsburgh

Spencer Foundation

Stand Up To Cancer

State Agency Superior Council of Scientific Investigations

Steven J. Massarsky Charitable Trust

Strategic National Arts Alumni Project

Susan Wojcicki Foundation

Teiger Foundation

Templeton World Charity Foundation

Terra Foundation for American Art

The ALS Association

The Andy Warhol Foundation for the Visual Arts

The Archer Group

The Chinese University of Hong Kong

The Donaghue Foundation

The Gladys Krieble Delmas Foundation

The Health Foundation (UK)

The Jackson Laboratory

The Kavli Foundation

The MCJ Amelior Foundation

The Merops Foundation 6178-01-16

The Michael J. Fox Foundation for Parkinson's Research

The National GEM Consortium

The Research Council of Norway

The Stanton Foundation

The Starr Foundation

Thrasher Research Fund

Tides Foundation

Tiny Blue Dot Foundation

U.S.-Israel Binational Science Foundation

University Industry Foundation, Yonsei University Health System

Unlikely Collaborators

Urban Institute

van Beuren Charitable Foundation

Vermont Sustainable Jobs Fund

Victoria University of Wellington

Vital Strategies

W.M. Keck Foundation

Wallace Foundation

Warren Alpert Foundation

Wellcome Leap

Wellcome Trust

Wenner-Gren Foundation

West Health Institute

WestEd

What Works Hub for Global Education

William and Flora Hewlett Foundation

William T. Grant Foundation

Woods Hole Oceanographic Institution

World Food Programme

World Health Organization

Federal

Administration for Community Living

Advanced Research Projects Agency for Health / ARPA-H

AFORS Asian Office of Aerospace Research and Development

Agency for Healthcare Research and Quality / AHRQ

Air Force Office of Scientific Research / AFOSR

Argonne National Laboratory

Army Research Office

Canandaigua VA Medical Center

Centers for Disease Control and Prevention / CDC

Defense Advanced Research Projects Agency / DARPA

Defense Threat Reduction Agency / DTRA

Fermi National Accelerator Laboratory / Fermilab

Fogarty International Center

Health Resources and Services Administration / HRSA

Idaho National Laboratory

Institute of Education Sciences / IES

Institute of Museum and Library Services / IMLS

Lawrence Berkeley National Laboratory / Berkeley Lab

Lawrence Livermore National Laboratory

NASA Ames Research Center

NASA Goddard Space Flight Center

NASA Headquarters

NASA Jet Propulsion Laboratory / JPL

NASA Kennedy Space Center

NASA Marshall Space Flight Center

NASA Shared Services Center / NSSC

NASA Stennis Space Center

National Aeronautics and Space Administration / NASA

National Cancer Institute / NCI

National Center for Complementary and Integrative Health / NCCIH

National Endowment for the Humanities / NEH

National Eye Institute

National Heart, Lung and Blood Institute / NHLBI

National Human Genome Research Institute / NHGRI

National Institute of Allergy and Infectious Diseases / NIAID

National Institute of Arthritis and Musculoskeletal and Skin / NIAMS

National Institute of Biomedical Imaging and Bioengineering / NIBIB

National Institute of Child Health and Human Development / NICHD

National Institute of Dental and Craniofacial Research / NIDCR

National Institute of Diabetes and Digestive and Kidney Disease / NIDDK

National Institute of Environmental Health Sciences / NIEHS

National Institute of General Medical Sciences / NIGMS

National Institute of Mental Health / NIMH

National Institute of Neurological Disorders and Stroke / NINDS

National Institute of Nursing Research / NINR

National Institute on Aging / NIA

National Institute on Alcohol Abuse and Alcoholism / NIAAA

National Institute on Deafness and Other Communication Disorders / NIDCD

National Institute on Drug Abuse / NIDA

National Institute on Minority Health and Disparities / NIMHD

National Institutes of Health / NIH

National Library of Medicine

National Nuclear Security Administration / NNSA

National Oceanic and Atmospheric Administration / NOAA

National Park Service

National Science Foundation / NSF

National Security Agency / NSA

Naval Air Warfare Center / NAWCAD

Naval Facilities Engineering and Expeditionary Warfare Center / NAVFAC EXWC

Naval Surface Warfare Center Dahlgren Division

NIH Office of the Director

Oak Ridge National Laboratory

Office of Naval Research / ONR

Pacific Northwest National Laboratory

Pipeline and Hazardous Materials Safety Administration

Providence VA Medical Center

Sandia National Laboratories

Substance Abuse and Mental Health Services Administration / SAMHSA

U.S. Army Combat Capabilities Development Command Soldier Center

U.S. Army Corps of Engineers

U.S. Army Medical Research Acquisition Activity / USAMRAA

U.S. Army Medical Research and Materiel Command

U.S. Department of Agriculture / USDA

U.S. Department of Commerce

U.S. Department of Defense / DOD

U.S. Department of Education / ED

U.S. Department of Energy / DOE

U.S. Department of Health and Human Services / HHS

U.S. Department of Labor

U.S. Department of the Interior

U.S. Environmental Protection Agency / EPA

U.S. Food and Drug Administration / FDA

U.S. Geological Survey

VA Bedford Healthcare System

Editing and Design
Office of University Communications

Photography
Nick Dentamaro

President's Letter
Office of the President

Finance and Budgeting Report
Finance Division

Endowment Report
Investment Office

Fundraising Report
Division of Advancement

Research Report
Division of Research

© Brown University 2026. All Rights Reserved.



ABOUT THE COVER

Brown Loves Providence WaterFire
Brown University sponsored a full lighting of WaterFire Providence on Aug.1, 2026, to honor the first responders, neighbors, businesses and community partners who provided support following the tragic Dec. 13, 2025, shooting on campus. (Photo by Nick Dentamaro)

Brown University
Annual Financial Report
Fiscal Year 2026

Office of the President
Brown University
Box 1862
Providence, Rhode Island 02912
brown.edu/president

Office of University Communications | MP-4618PRES27