AMERICAN BRAIN FOUNDATION
Board of Directors Meeting
March 19, 2022
10:00 a.m. CT
Virtual Conference Call

Board Members	David Dodick, MD, Chair; Ben Lenail, Vice Chair; Jacqueline French, MD, Secretary; James Essey, Treasurer; Merit Cudkowicz, MD; David Eagleman, PhD; Dan Gasby; Robert Griggs, MD; James Grotta, MD; Frances Jensen, MD; Ralph R. Leslie; Suzanne Miller; Ronald Peterson, MD, PhD; Alyx Porter, MD; Sean Sansiveri; Orly Avitzur, MD, President AAN; Mary Post, CEO AAN
Guests	Ken Shubin Stein, CMO and Co-Founder, Atria Health; Jeff Schreifels, Senior Partner, Veritus Group
Staff	Jane Ransom, ED; Noah Zak, Susan Corcoran; Emily Christian; Julia Miglets-Nelson; Lisa Dahlberg, Liam Moore, Kim Howard, Samantha Ross

	AGENDA ITEM **Indicates Board Action Needed*	**PRESENTED BY**

10:00 CST	**Call to Order**
	• Consent Agenda*
	  ○ Approve Minutes of Board Meeting of Oct. 30, 2021
	  ○ Approve Joint Investment Policy Update
	• Call for disclosure of conflicts of interest
	• Board Chair Remarks
		David Dodick, MD,

10:15	**Financial Report** • Q4 Financial Statements ending December 31,2021	Jim Essey, Treasurer
10:30	**ABF's Major Donor Fundraising Program**	Jeff Schreifels, Senior Partner, Veritus Group
11:00	**Commitment to Cures Update**	Sean Sansiveri
11:10	**ABF Strategic Planning**	Jane Ransom, David Dodick
11:50	**Break**	
12:00	**Executive Session**	

1:00	**Adjourn**	David Dodick, MD, Chair

Meeting Materials:

American Brain Foundation
Board of Directors Meeting
October 30, 2021
10:00 a.m. CST – 1:00 p.m. CST
Video Conference Call

In Attendance: David Dodick, MD, Chair; Susan Schneider Williams, Vice Chair; Shafali Jeste, MD, Secretary; James Essey, Treasurer; Jacqueline French, MD; Kevin Goodno; James Grotta, MD; Frances Jensen, MD; Ben Lenail; Ronald Peterson, MD; Alyx Porter, MD; Sean Sansiveri; Martin Shenkman, CPA; Ken Shubin Stein, MD; Carlayne Jackson, MD for Orly Avitzur, MD, President AAN

Excused: David Eagleman, PhD; Dan Gasby; Robert Griggs, MD; Suzanne Miller

Guests: Dr. Tarun Dua, MD, MPH, Unit Head, Brain Health, Mental Health and Substance Use Department, World Health Organization (WHO); Alan Tisch; Ralph Leslie

Staff: Mary Post, CEO AAN; Jane Ransom, ED; Emily Christian; Julia Miglets-Nelson; Lisa Dahlberg, Kim Howard, Noah Zak, Susan Corcoran

The Board meeting was called to order by Dr. David Dodick at 10:02 a.m. CT. The consent agenda (minutes of the August 6, 2021 board meeting, grant release & agreement, and the 2020 State of MN Charitable Organization Annual Report Form) was approved unanimously. A call was made for disclosure of conflict of interest related to any agenda items and there were none.

Board Chair Remarks (David Dodick, MD)

New 2022 Board members Ralph Leslie and Alan Tisch were welcomed to their first board meeting (as non-board members). Today's agenda was briefly reviewed, with a request from David to contact him with any questions or comments about the 2002 proposed committees and chairs. Our first Board retreat since January 2020 is tentatively planned for February 5-7 in Miami. This will be a valuable time to meet our newest board members and renew existing relationships. David gave a farewell to our four retiring board members: Kevin Goodno, Susan Schneider Williams, Marty Shenkman, and Shafali Jeste. He acknowledged their many contributions to the board and thanked them for their service. David then reviewed our agenda for the remainder of the meeting.

AAN Update (Carlayne Jackson, MD, AAN President-Elect)

Dr. Dodick welcomed Dr. Carlayne Jackson, MD. Dr. Jackson is the incoming President-elect of the AAN and is presenting today's update on behalf of Dr. Orly Avitzur. Dr. Jackson provided updates on the following areas:

- **AAN Strategic Planning** – James Goldenberg, MD, is leading an exercise with the AAN board to develop a 5-year strategic plan. It will be ready soon for the ABF to review.
- **2021 Research Program** – Sixteen awards were given in 2021, 8 through the AANI ($1.8M) and 8 through the ABF ($1.29M). Demand certainly exceeded our ability to give out awards with 70 applications received.

- **New LBD research award** – the AAN is handling grant submissions for the Cure One, Cure Many award. 21 letters of intent were received, with 10 asked to submit applications. Winners will be announced in January 2022.
- **ABF/AAN marketing partnership** – the AAN was pleased to support the ABF with year-round fundraising by providing access to lists and AAN staff, complimentary promotional space in AAN publications, and allowing access to Brain & Life content for use in ABF social media posts.
- **2022 Annual meeting** – the annual meeting is scheduled for April 2-7, 2022 in Seattle, with a virtual experience to follow on April 24-26.

Currently, 11.5% of dues-paying neurologists contribute to the ABF, so there is room for improvement in this area.

Guest Speaker: Tarun Dua, MD, World Health Organization Unit Head, Brain Health Mental Health and Substance Abuse (Tarun Dua, MD, MPH)

The World Health Organization established a Brain Health Unit in 2019 and commissioned an Intersectoral Global Action Plan. The IGAP was created to look at the high burden of epilepsy and other neurological disorders on patients, clinicians, and caregivers across the world. It will also address the limited resources and access, and the diagnostic and treatment gaps across the WHO member states. The IGAP will be discussed by all member states and provides a 10-year action plan for countries, governments, and partners. It comes with global targets and a monitoring and accountability mechanism. Dr. Dua walked us through the scope, vision, goals, guiding principles, strategic objectives & action areas, and global targets.

Jane Ransom asked whether the IGAP has identified gaps in research. Thus far, gaps have been identified in both basic science research and implementation research. There is a lack of capacity and participation in studies in low- and middle-income countries. Less availability of treatment options in many countries. We have seen through the efforts around COVID-19 how fragmented research can come together to solve problems.

Ron Peterson inquired about the nomenclature around dementia, how translations and cultural differences can affect their work. Dr. Dua acknowledged that more work needs to be done with consistent descriptions and definitions. We need language and diagnostic techniques that can be used by primary care physicians in low- and middle-income countries who do not have access to neurologists.

Jim Essey asked whether WHO is looking at the interrelationships between brain diseases as it affects treatment and research? Again, COVID-19 comes to mind when we are looking at repurposing medications and making them available. They are also looking to reset the paradigm with having advanced treatments accessible to all countries.

Carlayne Jackson inquired about increasing the pipeline of neurologists, and how we can encourage people to enter the field. Dr. Dua discussed two approaches; one is to increase training among primary care physicians; and another is to increase secondary care using a shorter training program similar to Physician Assistant or Nurse Practitioner. Dr. Jensen noted that we already have a curriculum, which could certainly be shared. Telemedicine tools are still limited at this point due to resources and capacity.

Dr. Dodick thanked Dr. Dua for her time and the presentation and encouraged her to reach out to the AAN and ABF with any requests for assistance in her work.

Financial Report (Jim Essey, Treasurer Kevin Myren, CFO)

Financial Statements for Third Quarter ending September 30, 2021: Our expenses and revenue through third quarter are on track with budget and we should be able to achieve goal this year. Expenses to run the organization are much less than expected due to reducing our rent at the AAN headquarters and switching IT vendors. Our total assets are the highest they've ever been.

IRS form 990 is filed annually and contains all kinds of information regarding the foundation and our operations, which is used by GuideStar and Charity Navigator to determine our star-rating. Staff has added information to our 2020 form suggested by the Finance Committee, including an explanation of the variations in our programming functional expense ratio. The 2020 form submission may reduce our rating by one star, but it should quickly get back up as soon as we file the 2021 form.

MOTION: A motion was made to approve Form 990 for 2020 as presented. The motion passed unanimously.

2022 Budget: We have fine-tuned a few numbers for 2022, mostly related to unrestricted money. The percentage of unrestricted money is starting to go up as a result of the 10% surcharge which was implemented last year. We are currently receiving about 60% of our unrestricted money from the AAN. Our projected income for 2022 is looking good. The grant for our LBD initiative will be our largest grant in 2022, about half of our giving. Overall, everything is moving is a good direction – managing expenses, improving the amount we are giving away, and keeping a sound bottom line.

MOTION: A motion was made to approve the 2022 budget as presented. The motion passed unanimously.

Ad Hoc Fundraising Strategy Group • Recommendations* Frances Jensen, MD

Dr. Jensen and small group from our board formed an ad hoc think tank to talk about short- and long-term fundraising. The October 7 discussion started with 4 points:

- What is the ABF's position in the landscape of neuroscience research philanthropy? What is our projected scale?
- How do we differentiate ourselves?
- Take our position as a cross-cutting organization
- Argument to focus on training and large collaborative grants

Questions/comments from the board:

Dr. French agrees with the larger risk, larger funding across multiple researchers with ABF maintaining contact with all the team members.

Susan Williams agrees we should set ourselves up as the link, the organization who can bring a variety of researchers together.

Dr. Jeste feels that we can help shape young researchers' careers, help focus their interests during the protected time period by defining priority research areas, establishing workgroups.

ABF Fundraising Process

- Our board/task force members are major advantages for ABF
- How much do we need?
- How much should we invest in fund raising? Can we fundraise in an innovative way?
- Our reputation is critical, take credit for what we've funded

Current Position/Planning Concepts include the neuroinflammation initiative, our marketing initiative, and the five-year fundraising plan. We need to set a dollar amount goal and a timeline.

Questions/comments from the board:

Ken Shubin Stein, MD; agrees with the much larger funding goals, 100x what we are doing now. It's risky to be too cautious. We have to want to get this done, be ambitious.

Dr. Dodick would like to talk about this at our retreat, put some numbers to these goals.

Susan Williams would like to develop a way for us to keep track of not only the winner for the grant, but also the other labs/researchers who were not selected. She also made a suggestion to pair grant winners with a younger researchers in a mentorship relationship.

Ron Peterson brought up technological research as a research focus area.

Sean Sansiveri mentioned an existing initiative between Google, Cleveland Clinic, Morehouse, and AADI that we could certainly become a part of.

Dr. Dodick suggested looking at and possibly loosening restrictions around grant money going to recipients.

ABF Advisory Council (Shafali Jeste, MD, Chair, Governance Committee)

The Governance Committee is proposing the formation of an advisory council, consisting of former board members and awardees. This council would receive two briefings per year from Board Officers, as a means of retaining knowledge, getting feedback from them, and keeping them engaged in ABF's activities. Membership for former board members would be automatic, others could be invited to join as applicable. Jim Essey suggested giving the group an annual mission to get involved in to keep them engaged. Dr. Jeste suggested having term limits as a way of keeping the interest level up.

MOTION: Motion made to approve the formation of an advisory council, and authorizing work to continue on the specifics. Motion approved unanimously.

Governance Committee Update: Dr. Jeste reviewed our 2022 recruiting goals, confirmed that Jim Grotta will become the new Chair of the Governance Committee, and announced that Cindy McCain has resigned from the ABF due to her new role as a US Ambassador.

<u>Messaging the American Brain Foundation (Emily Christian, Director, Advancement & External Relations)</u>

Commitment to Cures Update: Sean Sansiveri and the planning committee are well underway for this year's C2C gala, which will be held on April 6, 2022 as an in-person event at the AAN annual meeting. A livestream option is being explored. Seth and Lauren Miller Rogen and Dr. Stephen Hauser will be honored as our award winners. The fundraising goal increased to $261K, which comes from tickets sales, raffles, and donations. Several sponsorship opportunities are still available, please contact Kim Howard for details.

Emily Christian spoke about our 2021 goals. As of the third quarter, all goals have been exceeded regarding social media reach, site traffic, email subscribers, and online giving. Targeted paid advertising is helping to extend our reach. Our variety of original content is driving the number of impressions, engagement, and post-link clicks. Email lists and open rates are also increasing, leading to a very good online giving rate. Emily then shared 2022 marketing targets and 3-year goals regarding rebranding, positioning, and funding. Due to the lack of time, it was decided to postpone the break-out group discussions until our retreat.

Questions/discussion followed:

Jim Essey questioned whether our goals are high enough? Emily believes they are aggressive, competitive within the industry. Ashley Logan from Yakkety Yak explained that non-profit goals are different, they stress organic growth over a longer period of time rather than relying on paid growth. Jim would like specific advice from Yakkety Yak on our main goal, which is how to make ABF a household name. Jane Ransom stressed that we need build a fundraising and a marketing base in a methodical, incremental way *and* look for larger opportunities at the same time.

Sean Sansiveri inquired whether increasing our social media reach translates into donations? He noted the success they've had in the sports world by partnering with other organizations.

Carlayne Jackson would like to leverage our newly formed advisory committee, especially the influential former award winners, in our marketing efforts.

Alyx Porter asked whether our previous C2C recipients shared ABF materials on social media? Emily responded that we did strongly encourage it and provided copy, with moderate success. Creating posts for people to use is key.

Jane Ransom stressed the importance of the staff and the board working together.

David thanked everyone for a productive and strategic meeting and looks forward to our retreat.

Meeting adjourned at 1:02pm CST.

AMERICAN BRAIN FOUNDATION

TO: Board of Directors

FROM: Jane Ransom, Executive Director

DATE: March 15, 2022

SUBJECT: ***Approve Revised Investment Policies***

CC: Kevin Myren, CFO

The AAN/ABF Joint investment Committee has recommended to the Boards of AAN/AANI/ABF approval of modifications to the Investment Policies. The AAN and ANNI Boards are currently reviewing the request and voting electronically and would like the ABF Board to approve, too.

The current Investment Policies have been reviewed by the Joint Investment Committee and a number of modifications are recommended. We are asking that the ABF Board approve the following motion:

> **Accept the recommendation of the Joint Investment Committee to modify the Investment Policies, as presented.**

I have attached the revised policy and a red-lined version.

The Investment Policies of the Joint Investment Committee govern the management of cash, the long-term reserve and quasi-endowment operations and the selection of investments held by the ANN, AANI and ABF. The policies were last reviewed in 2019. It is the practice of the committee to review and update the policies generally every three years to ensure they are current, accurate and conform to best practices. The suggested modifications to the policies center on:

- Clarification between net assets and reserves
- Incorporation of the quasi-endowment into the policies
- Clarification of the governance responsibilities of the Joint Investment Committee
- Simplification of the long-term reserve calculation
- Inclusion of coverage for potential of loss of revenue from annual meeting cancellation in the long-term reserve
- Update investment guidelines with desired current instruments

The suggested modifications have been coordinated with Marquette Advisors, the committee's investment advisors. The committee has reviewed the modifications and recommends the respective Boards approve the modifications as presented in the attached final version of the document.

The proposed modifications to the investment policies ensure that the invested assets are appropriately stewarded to provide on-going resources and financial stability to the Academy and the Institute to carry out their respective missions.

Our CFO Kevin Myren states that the policies to align with current best practice in the management of cash, long-term reserves, and quasi-endowment assets. The investment policy changes allow the Joint Investment Committee to oversee the management of these substantial assets with transparency and prudence.

American Academy of Neurology
American Academy of Neurology Institute
American Brain Foundation

INVESTMENT POLICIES

I. CASH MANAGEMENT POLICY

A. Introduction

1. The Cash Management Policy (“Policy”) establishes guidelines and responsibilities regarding the investment of Target Cash ~~Reserves~~(Short Term and Intermediate Term Liquidity Funds). The balances will be invested to meet short term and intermediate term cash needs based on annual cash flow projections. They will also be invested in support of the organization’s strategic directions. The intent is to make efficient use of cash and to manage investments in a prudent and productive manner. The key objectives are as follows:

   a. Security – Protect the underlying capital balance of funds transferred to investment instruments.

   b. Liquidity – Ability to quickly and easily meet daily operating cash requirements.

   c. Return – Minimize idle cash balances and thereby maximize potential investment returns.

B. General Guidelines

1. Adequate day-to-day liquidity must be available for the organization to meet cash operating requirements. This liquidity is provided via cash balances invested in Short Term Funds or other easily liquidated investments.

2. Cash balances are to be invested only in instruments authorized by the Joint Investment Committee (“Committee”) and approved by the Board of Directors (“Board”).

3. To maintain liquidity, excess moneys are to be invested only in liquid funds that are convertible to cash upon demand (within two to four business days).

4. To eliminate the risk of impairment of underlying capital values, investment of ~~cash reserve funds~~Target Cash is prohibited in equity securities, real estate, or any other investment instruments for which the capital amount is materially at risk.

5. The Chief Financial Officer (“CFO”) may delegate duties described in this policy.

C. Policy Approval and Review Protocol

1. Annually, the CFO will review this P~~p~~olicy ~~statement~~. At a minimum, the CFO will recommend, to the Treasurer(s), Executive Director, and ~~Joint Investment~~ Committee, any necessary updates to the “Cash and Investment Composition” section of the P~~p~~olicy.

2. Subsequently, the ~~Joint Investment~~ Committee shall review this P~~p~~olicy ~~statement~~ and any proposed amendments will be submitted to the ~~governing~~ B~~b~~oards.

3. Annually the ~~Joint Audit~~ Committee shall review the extent to which the organization has complied with this P~~p~~olicy ~~statement~~ for the preceding fiscal year. As part of the annual ~~Joint Audit~~ Committee report, the results are to be presented to the Board ~~of Directors~~.

D. Cash and Investment Composition

1. In general, the Target Cash (Short Term and Intermediate Term Liquidity Funds) may be composed of a variety of instruments, rather than concentrating on a specific type of investment. The Short Term Fund is meant to meet daily operating cash requirements. The Intermediate Term Liquidity Fund is meant to cover unforeseen revenue shortfalls and unanticipated expenditures. Long-T~~t~~erm ~~investments~~ Reserves are meant to provide long-term financial stability to the organization and are outside the scope of ~~Cash~~

Policy.

2. The Target Cash will change from year to year as organizational situations and needs change. The daily balance in these accounts should be kept at the following levels measured as of the end of each calendar year for the subsequent year. Target cash balances may and will fluctuate above or below the target levels during calendar year.

3. American Academy of Neurology

   a. Target Cash of twenty-five percent (25%) of annual operating budgeted expenditures.

4. American Academy of Neurology Institute

   a. Target Cash of twenty-five percent (25%) of annual operating budgeted expenditures net of depreciation plus current principal payment due on long-term debt.

5. American Brain Foundation

   a. Target Cash of forty percent (40%) of annual Operating budgeted expenditures.

6. Cash balances in excess of above levels

   a. Shall be reviewed annually in the first quarter of each year based on the year end balances

   b. A report on cash balances and cash in excess of required levels will be presented to the Committee. This report shall include a recommendation from the CFO on the use of such funds. The Committee will approve any use of funds, such as the transfer to Long-Term Reserves or Quasi-Endowment.

7. If balances are below Target Cash levels the CFO shall also recommend steps to bring funds into compliance.

E. Operating Procedures and Internal Controls

1. Cash, Intermediate Term Investments, and Long-Term Reserve balances are overseen by the CFO, serving as cash manager, under the guidelines provided in this policy. The cash balances of the organization are monitored at least weekly. On a monthly basis, cash balances are compared against annual monthly cash flow projections and project cash requirements.

2. If the CFO determines that cash is outside of the target range by greater than 25% and believes that the balance will not return within the guidelines before the end of the year the CFO will notify the Committee and Treasurer(s) with a recommended course of action.

3. The Committee will review the excess cash balances in the first quarter of each year and approve moving funds to the Long Term Reserves if appropriate. The transfer is to be made within 30 days of approval. The CFO will provide quarterly reports to the Committee comparing cash balances to Target Cash levels.

   If during the course of the year, the CFO deems that the targets should be modified, the CFO will notify the Treasurer(s) and CEO and will request that the Treasurer(s) call a meeting of the Committee to request a modification in the Funds Target Cash. The Committee will approve any changes to the policy.

4. Permissible Holdings

   a. Target Cash balances may be invested in the following:

      i. Money Market Funds

      ii. CD's

      iii. Commercial Paper with a grade of A1/P1 or better

      iv. US Government and Agency Securities

      v. Short Term Bond Funds

II. LONG TERM RESERVES AND NET ASSETS POLICY

A. Introduction

1. This statement of Long-Term Reserves and Net Assets Policy ("Policy") reflects the objectives and constraints of the American Academy of Neurology Institute ("Institute"), American Academy of Neurology ("Academy"), and the American Brain Foundation ("Foundation"). In general, the purpose of this statement is to outline a philosophy and attitude that will guide the management of the Long-Term Reserves net assets toward the desired results.

B. Definitions

1. Net assets: The excess of assets over liabilities. Net assets can be restricted or unrestricted and liquid or non-liquid. Furthermore, unrestricted net assets can be designated or undesignated.

2. Restricted net assets: Those net assets restricted by outside agencies or people for a specific purpose or time period. These may include government, corporate, or foundation grants, sponsorships and contributions.

3. Unrestricted net assets: Funds that have no external restriction on their use or purpose. Unrestricted net assets also include any portion of net assets that are designated by the Board of Directors for a specific purpose, such as to fund a new program in the future. Therefore, unrestricted net assets may be classified as undesignated or designated or a combination of both.

4. Liquid net assets: Those net assets that can be readily converted to cash with little or no risk of loss. Liquid net assets may include cash, investments and accounts receivable.

5. Non-liquid net assets: Those net assets cannot be readily converted to cash without risk of loss. They include funds allotted to the purchase of a building, office equipment and furniture. They could also include funds invested in a for-profit subsidiary or a related foundation.

6. Investment policy: The allocation of assets to various investment options based on the goals and objectives of the Institute, Academy, and the Foundation.

7. Target cash: Liquid assets used to support an association in the normal course of its operations.

8. Long-Term Reserves: The assets not anticipated

necessary to fund the operations of the association within the next year. These are assets not necessarily convertible to cash in a short timeframe. The Long-Term Reserves include assets to support future activities, fund significant long-term initiatives or to serve as a 'rainy day' fund for future uncertainties.

9. Quasi-Endowment: These are longer term assets that have been designated by the Board to be held for the long term stability of the organization. The principal amount of the Quasi-Endowment is not anticipated to be spent, but rather preserved over the long term. The earnings on the Quasi-Endowment are meant to support the annual operations of the association or other purpose designated by the Board.
10. Optimal mission balance: This is a concept to achieve an appropriate balance among current member programs and future growth of these programs and missions.

C. Key principles

1. The following are principles and concepts providing long-term guidance for managing the Long-Term Reserves and Quasi-Endowment. The organizations will best be served by adhering to these principles, or alternatively, avoiding violating them other than for unforeseeable circumstances. In the event that these principles are violated, long-term plans should be adjusted to bring the organizations' finances back into conformity with them. However, it should be emphasized that these are principles, not rules, and balanced with consideration for mission critical programs and projects. The following are the financial principles that should guide overall strategy.
2. Current activities should sustain an "optimal mission balance" to provide:
    a. Sufficient annual funding to attract and retain high quality staff
    b. Annual funding of working capital needs
    c. Annual funding to maintain member programs
    d. Funding to renovate and replace equipment and facilities
3. Activities of all organizations are included in the definition of the mission. Within "sustaining the mission," "sustaining the member programs" – is an appropriate multi-year objective.

K.D. Long-Term Reserve analysis and amounts

1. If the organizations are to maintain a surplus into the future, the rationale and amount of reserve should be periodically reviewed. Reserves generally have two major purposes: a reserve for potential liabilities and a reserve to provide a buffer if there is a sudden change in revenue or cash flow.

2. General Liability Reserve: The organizations are at potential risk for both civil liability and liability associated with a breach of contract
The organizations carry liability insurance to cover these events. However, some potential liability is not fully covered by insurance products. The extent of that liability is more or less measurable. A reserve of $2million for the Academy and $2 million for the Institute should adequately protect the organizations' interests.

2.3. Annual Meeting Cancellation Reserve: The Institute receives a significant amount of resources as a result of the annual meeting. If this meeting were cancelled the organization would suffer significant loss of financial resources. Some potential causes for cancellation can be covered by insurance, such as fire, earthquake and some natural disasters. However, subsequent to COVID-19, it is not currently possible to obtain coverage for cancellation due to contagious disease. Accordingly, this risk must be "self-insured" against so that such an occurrence would not financially incapacitate the organization. A reserve of $10 million should provide adequate coverage for the net loss of such an occurrence. This reserve would only apply to the Institute.

4. Reserve for Major Revenue Loss: The organizations have significant categories of revenue. Due to a number of reasons, it is *possible* that one of these sources may unexpectedly be eliminated or significantly decreased. If there were a significant loss, it could take up to three years to readjust the cost structure to meet the new realities and identify new sources of revenue. The demand on the reserves would decline in each subsequent year as the organizations adjusted its operations to the new operating realities.. To adequately protect the organizations from the potential shock of such a loss of revenue and to provide adequate time to adjust operations, a reserve for major revenue loss will be included in the long-term reserves. Generally, the largest source of revenue comprises about 25% of the revenue for each organization (not counting revenue that is already guaranteed for the subsequent year). Accordingly, the reserve will be based on the potential of losing 25% of total operating revenue, less guaranteed revenue. As it may take more than one year to realign the operations: the first year reserve will be 75% of potential loss, the second year will be 50% and the third year will be 25%. The total of the three year potential will be the total reserve.

5. Strategic Initiative Reserve: If the Board of either organization adopts a strategic initiative that is to be funded from reserves, instead of operating resources, that reserve shall be added to the computation of total reserve requirements. Such an initiative might be to develop a new program or offering and the reserve funding would be to cover a certain number of years of start up expense and/or expected initial years operating losses. Another purpose for strategic initiative reserve funding may be the acquisition of a capital asset to support the members and activities of the organizations.

6. Working Capital Reserve: This reserve is to address the cash flow needs of the organization. Revenues and expenses of the organization are not ratable throughout the year. The peaks and valleys in cash needs must either be funded externally through bank lines of credit or other financing vehicles. The Academy and the Institute are able to internally finance these working capital needs through the establishment of a reserve. These resources are in addition to the shorter-term cash needs covered by Targeted cash. Generally, three months of annual operating revenue should be adequate to cover the working capital needs of the organization.

9.7. Reserve for Market Fluctuations in Long-Term Investments: The Long-Term Reserves of the organization are generally funded by investments in various long-term instruments. The value of these instruments potentially increase and decrease over time. To help ensure that the reserves of the organization are adequately covered, a reserve of 10% of the long-term investments for these reserves (not including the Quasi-Endowment) will be established to smooth out the impact of potential significant market corrections.

10.8. ______.

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E. Quasi-Endowment analysis and amounts

1. As part of the annual analysis of balances, the balance of the principal and earnings portion of the Quasi-Endowment shall be reviewed by the Committee.

2. The CFO shall make a recommendation to the Committee on transferring additional financial resources to the principal of the Quasi-Endowment. The Long-Term Reserve, as defined and quantified above, shall be ‘funded’ before additional resources are recommended to be moved to the Quasi-Endowment.

3. Upon approval of the CFO recommendation or modification, the funds shall be moved to the Quasi-Endowment.

4. It is expected that once funds are moved to the Quasi-Endowment they will remain as part of the principal of the Quasi-Endowment. The Quasi-Endowment is Board designated, and as such, can be undesignated.

5. Annually, as part of the budget approval process, the CFO shall compute and include the ‘spend’ from the Quasi-Endowment.

    a. The ‘spend’ is calculated as 5% of the average quarterly balance of the Quasi-Endowment fund over the previous 12 quarters.

    b. The ‘spend’ will be considered an operating revenue for budgeting purposes and will be used to fund the on-going operations of the organization. Should the Board so choose it may designate a specific purpose for the ‘spend’ to be used to support.

    c. If the ‘spend’ is not required to fund the operations of the organization, per analysis at year-end, the ‘spend’ can be suspended for that year and remain part of the invested assets of the quasi-endowment.

III. STATEMENT OF INVESTMENT OBJECTIVES AND POLICIES

A. Purpose of Statement

1. This Statement of Investment of Objectives and Policies (“Statement”) for the funds (“Funds”) invested by the American Academy of Neurology Institute (“Institute”), American Academy of Neurology (“Academy”), and the American Brain Foundation (“Foundation”) is intended to:

    a. Outline investment-related responsibilities of all parties involved in the oversight and management of the Funds of the Institute, Academy, and Foundation.

    b. Establish formal, yet flexible, investment guidelines incorporating prudent asset allocation and realistic total return goals.

    c. Provide a framework for regular, constructive communication between the Institute, Academy, and Foundation and all investment professionals involved in the investment of its assets.

    d. Create standards of investment performance which are historically achievable and by which the performance of investment managers will be measured, over a reasonable time period.

    e. .
    .

B. Funds Description

1. The Long-Term Reserve's portfolio has the dual investment goal of striving for long-term growth while at the same time generating a reasonable current return for the support of the ongoing operations of the Institute, Academy and the Foundation. While the assets of the Institute and Foundation are managed independently, the Institute and Foundation Investment Committees have agreed to commingle the assets. Since the Academy is not a 501(c)(3), they are forbidden to commingle their assets. The Funds under management are primarily unrestricted, but may also include restricted endowment funds.

2. The quasi-endowment's portfolio is intended to be perpetual in nature. The goal is to maximize long-term growth while assuming prudent risk in consideration of return expectations.

C. Responsibilities – Boards of Directors/Joint Investment Committee

1. The Boards of Directors ("Boards") of the Institute, Academy and the Foundation acknowledge their fiduciary responsibilities for the Funds and delegate the responsibility for oversight of the investments, including quarterly reviews, to the Joint Investment Committee ("Committee"). In the management and investment of the Funds' assets, the Boards and Committee must act prudently and for the best long-term interests of the Funds. The Boards, on the recommendation of the Committee, hold responsibility to monitor the progress of the Funds' investments toward achieving the Funds' investment objectives, compliance with the policies and guidelines as stated in this Statement, and to consider other investment matters, as appropriate. Responsibilities of the Committee include:

   a. Developing investment objectives, guidelines, and performance measurement standards that are consistent with the risk, return and policy parameters of the Funds.

   b. Selecting a custodian bank

   c. Selecting Investment Managers who make investment decisions for the assets placed under their jurisdiction, including separately managed accounts and pooled vehicles (commingled funds and mutual funds), or other appropriate investment vehicles for the Funds.

   d. Selecting an Investment Consultant to assist in review of the Statement, conducting Investment Manager searches, monitoring the performance of Investment Managers, and related communications as deemed necessary.

   e. Communicating the investment objectives, guidelines and standards (including any material changes that may occur) to each Investment Manager and responsible representatives of the selected investments of the Funds.

   f. Reviewing and evaluating results of each investment component, including individual manager's performance, in context with established standards of performance.

   g. Taking any corrective action deemed prudent and appropriate if investment results are below expectations.

   h. The Chair of the Committee shall be responsible for holding at least quarterly meetings of the Committee, coupled with open communication with the Committee, Boards, Chief Financial Officer ("CFO") for the Institute, Academy and Foundation, Investment Managers, and Investment Consultant pertaining to material matters that impact the Funds' assets.

i. The CFO shall be responsible for the technical administrative functions as a proxy for the Boards, e.g. signing documents.

D. Responsibilities – Investment Managers

1. Investment Managers must strive to meet the high standards and integrity of the Institute, Academy, and Foundation. For pooled vehicles (commingled funds and mutual funds), the Investment Managers must meet all obligations as established in their respective fund prospectus or trust documents. For separately managed accounts, the Investment Managers, in recognition of their role as fiduciaries of the Funds, must assume the following responsibilities as they pertain to the Funds.

a. Investment Program:

i. Acknowledge in writing acceptance of the objectives, guidelines, and standards of performance as defined in this Statement, and invest assets in accordance with those objectives, guidelines and standards.

ii. Exercise full discretionary authority as to all buy, hold, and sell decisions for each security under management, subject to the guidelines as defined in this Statement.

iii. Make written recommendations, when deemed necessary as to changes in the objectives, guidelines, or standards, based upon material and sustained changes in the capital markets.

iv. Ensure that their actions, decisions, and investments do not imperil the legal standing of the Funds under the laws of the United States and the State of Minnesota.

b. Reporting:

i. Produce a statement for the Funds at the end of each quarter describing portfolio asset class weightings, individual security positions showing both cost and market value, and all principal cash transactions, including all purchases and sales in sufficient descriptive detail.

ii. For pooled investment vehicles (commingled funds and mutual funds), provide a statement that shows unit position and unit value.

iii. Review meetings. At the request of the Boards or the Committee, each Investment Manager will participate in a review meeting and will provide:

(a) A review and re-appraisal of the investment program.

(b) A commentary on investment results in light of the appropriate standards of performance and Funds' investment guidelines.

(c) A synopsis of the key investment decisions made by the Investment Manager, his or her underlying rationale, and how those decisions could affect future results.

(d) A discussion of the Investment Manager's outlook, the investment decisions this outlook may trigger, and how these decisions could affect future results.

c. Communication:

i. The Investment Managers are responsible for frequent and open communication with the Institute, Academy, and Foundation on all material matters pertaining to investment policies and the management of the Funds' assets. In particular, the Investment Managers will:

(a) Provide notice of any material changes in each Investment Manager's investment outlook, strategy and portfolio structure to the Treasurers, Executive Directors, CFO, and Investment Consultant immediately, which will then be communicated to the Committee as deemed appropriate.

(b) Notify the Treasurers, Executive Directors, CFO, and Investment Consultant of material changes in each firm's ownership, organizational structure, financial conditions, senior staffing and management, which will be communicated to the Committee as deemed appropriate.

(c) Send a copy each year of the firm's S.E.C. Form ADV filing.

(d) Acknowledge, at least annually, their understanding of and intent to adhere to the investment guidelines as they pertain to all parties involved in the portfolio management, trading, and portfolio administration process.

d. Brokerage

i. The Investment Managers will use their best judgment to obtain brokerage services resulting in the best execution of trades at the lowest net cost to the Funds. The Investment Managers will make brokerage summaries available to the Funds upon request.

E. Responsibilities – Investment Consultant

1. The Investment Consultant, in recognition of their role as fiduciaries of the Funds, must assume the following responsibilities as they pertain to the Funds.

a. Prepare a statement highlighting various policy issues affecting the Institute, Academy, and Foundation for consideration by the Committee. The statement should describe the responsibilities of key parties, specify the broad investment objectives, provide investment policy guidelines, and set appropriate performances standards for all components of the asset structure.

b. Incorporate amendments through subsequent revisions until the Committee approves a final draft.

c. Make recommendations, when deemed advisable as to changes in the objectives, guidelines, or standards, based upon material and sustained changes in the capital markets.

d. Asset allocation. Make recommendations, with supporting materials, as to the appropriate target portfolio weightings among the various major asset classes (e.g., stocks, bonds, cash, etc.). If a multiple Investment Manager structure exists, this recommendation will include a plan for periodic rebalancing of asset class weightings and manager weightings as capital market movements cause the actual weightings to diverge from the target weightings.

e. Selection of Investment Managers. Assist the Committee through the selection process by identifying and screening candidates for appropriate portfolio and organizational characteristics. Attend formal presentations of finalists. Perform due diligence checks. Help quantify the trade-offs between expected returns and risks among various alternatives. Gather and submit information at the direction of the Committee.

f. Compensation negotiations. Assist in compensation negotiations with Investment Managers, Custodians and other service providers.

g. Monitor investment performance. A performance evaluation report of the investment component parts will be conducted quarterly. The written report will cover five basic areas:

   i. Returns – Total time-weighted returns over various periods

   ii. Comparisons – Returns will be compared to appropriate benchmark indices and a statistical universe of similar funds

   iii. Diagnostics – Measurement of risk-adjusted performance, analyses of risks, style characteristics, and return attributions

   iv. Compliance – Portfolios will be checked for compliance with the objectives, targets, and policy guidelines specified in this Statement

   v. Monitor risk-adjusted performance

h. Investment Manager reviews. Facilitate formal Investment Manager reviews and evaluations, as triggered by circumstances or events outlined in section I.

i. Administrative support. While the consultant does not have any discretionary control over the Funds and thus has no authority to effect transitions, portfolio rebalancing, or any other related asset movements, the Investment Consultant will assist the Committee or the Institute, Academy, or Foundation staff in reviewing documents, drafting letters, and facilitating processes as requested.

j. Investment Consultant performance reviews. Conducted at the request of Committee, the Investment Consultant will prepare materials for discussion that document the Investment Consultant's contributions to the relative success of the investment program. Areas to be covered include:

   i. Asset allocation strategy, rebalancing, and tactical tilts

   ii. Investment Manger selection, retention, and termination

   iii. Performance measurement and analysis, and other documentation of the Committee's fiduciary prudence

   iv. Negotiated fee savings from service providers

   v. Time savings of staff and the Committee

   vi. Administrative support

   vii. Topical education for the Committee and staff

   viii. Documentation of Investment Consultant's investment advisor registration. Annually or upon material revision, provide a copy of the Investment Consultant's Securities Exchange Commission Registration Form ADV, Part II

F. Investment Objectives

1. Investment objectives. The investment objectives of the Funds have been established in conjunction with a comprehensive review of the current and projected financial requirements of the Investors. In general, it is understood that all funding, accounting, and investment policies reflect current and foreseeable economic and market conditions, as well as any applicable accounting and statutory requirements.
2. Time horizon. The Investors, established as going concerns, have an infinite ultimate time horizon. The adverse effects of short-term investment return volatility on the ability of the Funds to meet its short-term liabilities will be minimized by segregating the necessary assets to meet current obligations of one year or less into a short-term investment pool consisting primarily of money market investments.
3. Performance measurements. The total returns for the Funds and for each investment component of the Funds will be compared to the distribution of returns represented by an appropriate statistically valid universe of separately managed funds. Over a market cycle, each investment component is expected to rank in the top 50% of its appropriate Universe.

Relative Total Return Objective: The total returns for the Funds should outperform a passive policy Index benchmark comprised of market indices weighted to reflect the Funds' target asset allocation policy. The composition of this policy index benchmark will be disclosed in all performance reports provided to the Boards and Committee

~~4. In addition, a passive Allocation Index of the indices above will be weighted by actual month-by-month allocations of the investment program, and the investment program is expected to outperform the Allocation Index.~~

~~5. Component Returns: The total for each investment component of the Funds is expected to exceed the total return of its respective index over a market cycle.~~

~~**Investment Component**~~	~~**Index**~~
~~Large Cap U.S. Equity~~	~~FTSE High Dividend Yield Index~~
~~Small Cap U.S. Equity~~	~~Russell 2000 Stock Index~~
~~Non-U.S. Equity~~	~~MSCI All Country World ex. U.S. (ACWI ex. U.S.) Index~~
~~Long/Short Equity~~	~~HFRI Hedge Equity Index~~
~~U.S. Bonds~~	~~Bloomberg Barclays U.S. Aggregate Index~~
~~Alternative Investments~~	~~Bloomberg Barclays U.S. TIPS 1-10 Year Index~~
~~Cash~~	~~90 Day T-Bills~~

~~31.~~4. Statistical universe of similar portfolios. The total returns for the Fund and each ~~Fund~~ component ~~and the Total Fund~~ will be compared to the distribution of returns represented by an appropriate and statistically valid universe. Over a market cycle, the ~~Total~~ Fund and its individual components are expected to rank in the top 50% of their respective universe.

~~32.~~5. Risk-adjusted performance. The Sharpe Ratio divides the excess return (portfolio return less risk-free return) by the standard deviation of total return, and will be the measure of risk-adjusted performance. Over a market cycle, the Sharpe Ratios for the ~~Total~~ Fund and each component are expected to exceed the Sharpe Ratio for the appropriate comparative indices.

~~33.~~6. Volatility. The volatility of return for the Fund~~s'~~ and each component ~~composite of investments and each of its investment components~~ should be controlled. In general, higher-than-market volatility for the Funds' investments is permitted only to the extent that returns in excess of the appropriate benchmark are generated.

G. Asset Allocation

1. Asset Allocation. ~~Overall~~ The asset allocation targets for Funds are currently:
~~Target Allowable Range~~

	~~Target~~	~~Allowable Range~~
~~Large Cap U.S. Equity~~	~~30%~~	~~25-35%~~
~~Small Cap U.S. Equity~~	~~10%~~	~~5-15%~~
~~Non-U.S. Equity~~	~~20%~~	~~15-25%~~
~~Long/Short Equity~~	~~7.5%~~	~~5-10%~~
~~U.S. Bonds~~	~~25%~~	~~20-30%~~
~~Alternative Investments~~	~~7.5%~~	~~5-10%~~
~~Cash~~	~~0%~~	~~0-5%~~

~~In extreme capital market environments, an Investment Manager may decrease commitment to their dedicated asset class with the expectation that such a move will be justified to the Fund in writing and will result in increased long-term performance for the Funds' investments.~~

ASSET CLASS	MIN WEIGHT	TARGET WEIGHT	MAX WEIGHT
Core Fixed Income		11.5%	
Senior Secured Loan Fixed Income		2%	
High Yield Fixed Income		2%	
Emerging Market Debt Fixed Income		2%	
TOTAL FIXED INCOME	**12.5%**	**17.5%**	**22.5%**
U.S. Large-Cap Equity		29%	
U.S. Mid-Cap Equity	_	6%	
U.S. Small-Cap Equity		4%	
TOTAL U.S. EQUITY	**34%**	**39%**	**44%**
Non. U.S. Large-Cap Value Equity		4.5%	
Non-U.S. Large-Cap Core Equity		5%	
Non-U.S. Large-Cap Value Equity		4.5%	
Non-U.S. Small-Cap Core Equity		3.5%	
Emerging Markets Equity		3.5%	
TOTAL NON-U.S. EQUITY	**16%**	**21%**	**26%**
Hedge Fund		5.0%	
Real Asset		10.0%	
Private Market		7.5%	
TOTAL ALTERNATIVES	**17%**	**22.5%**	**28%**

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2. Rebalancing the portfolio. Over time, fluctuations of the market, as well as cash flow needs of the ~~Investors~~Institute, Academy, or Foundation, may cause the asset allocation to differ materially from target levels. At such times, the target allocations will be maintained using the Funds' income cash flows and spending outflows to rebalance the overall allocation among asset classes when possible. The Investment Consultant monthly will monitor the asset allocation. The CFO, on advice from the Investment Consultant, will allocate cash inflows and outflows to the appropriate asset classes based on their market values relative to the target allocation by investing cash inflows in underweighted asset classes and taking distributions from those asset classes that exceed their target ranges. If these cash flows are not sufficient to bring the allocation within ~~±5% of the target levels~~the permissible target range by year-end, the ~~Chief Financial Officer~~CFO may rebalance the component weights back to target levels set by the B~~b~~oards or Committee.

3. Cash reserves. Cash will typically be reserved only for the purpose of meeting short-term certain liabilities or spending. The Funds may require increased cash reserves as the Funds' financial or operating conditions warrant, and may rebalance or reallocate according to the Funds' current needs.

H. Asset Guidelines

1. Pooled investment vehicles (commingled funds or mutual funds). As the Investors cannot direct the particular investment policies of any pooled investment vehicle used in the Funds' investment structure, the Boards and Committee guidelines outlined below will govern the selection of appropriate vehicles.

   a. Aggregate Assets. The Boards and the Committee, in conjuncture with the Investment Consultant, will determine for each Investment Manager a threshold level of aggregate assets (including both the assets in the pooled investment vehicle and any separate account assets managed similarly) sufficient to ensure broad diversification, efficient trading, and economies of scale in administrative expenses and transaction costs. The Boards and Committee will also determine whether the aggregate assets have reached too large a size where they are causing the Investment Manager to deviate from the portfolio construction methods upon which the performance record was built.

      i. Personnel. The Boards and Committee, in conjunction with the Investment Consultant, will monitor the Investment Managers providing investment management services of the pooled investment vehicle, to ensure stability of personnel in order to encourage consistency of the investment method.

      ii. Expenses. The Boards and Committee, in conjuncture with the Investment Consultant, will monitor both management fees and administrative expenses.

      iii. Portfolio Characteristics. The Boards and Committee, in conjuncture with the Investment Consultant, will monitor each pooled investment vehicle's aggregate portfolio characteristics. Deviations from general expectations will occasion a review of the continued appropriateness of the investment structure.

2. Equities – Separately Managed Accounts.

   a. Diversification. No more than 5% of any Investment Manager's portfolio at cost and 8% at the market value shall be invested in any one company. At no time must the Funds be required to make regulatory filings due to ownership or control of a large proportion of a company's shares.

   b. Market Capitalization. Only securities of companies with market capitalization (current price per share times the number of common shares outstanding) in excess of $100 million are permissible.

   c. Portfolio Turnover. There shall be no specific guidelines with regard to portfolio activity. By not restricting turnover, the Investment Managers are given the flexibility to adjust their asset mix and security selection to changing market expectations.

   d. Permissible Holdings. The following list of investments may be purchased in an equity portfolio regardless of the particular Investment Manager's investment philosophy or process.

      i. Common stocks or American Depository Receipts (ADRs) listed on a major U.S. exchange

      ii. Common stocks traded through the NASDAQ

      iii. Common stocks listed on international exchanges

iv. Investment-grade securities convertible into common stock

v. Investment-grade preferred stock

vi. Mutual or commingled funds

vii. Bank, trust or Insurance Company pooled funds

viii. Stock index futures and financial derivatives for purposes of replication a major market index

3. Holdings Not Permissible Without the Boards' Prior Written Approval. The following list of investments may be purchased in an equity portfolio only if the portfolio's Investment Manager has received written approval from the Institute, Academy, or Foundation. This approval will generally be granted at the inception of a portfolio's management by an Investment manager. Approval of any of the following investments is expected to be consistent with the Investment Manager's strategic, and not tactical, overall investment philosophy and process.

   i. Short sales

   ii. Put and Call options, except where specified in Section 2.d., above

   iii. Margin purchases or borrowing funds

   iv. Private or direct placements

   v. Commodities

   vi. Securities of the Investment Manager, the Custodian or Master Trustee, their parent or subsidiaries (excluding money market and index- replicating funds)

   vii. Stock loans

   viii. Stock options or hedging purposes

   ix. Exchange-traded call options sold against stock held in the portfolio

   x. Any other securities not specifically defined as Permissible Holdings in Section 2.d., above

11.4. Hedge Funs

a. Definition. Hedge funds will refer to any investment or investment strategy that at its core is not a long-only portfolio of traditional equity or fixed income instruments. The Investors recognize that hedge funds cover an enormous variety of non-traditional investments and investment strategies, spanning various levels of risk and return. The Investors will seek hedge fund exposures that offer significant diversification benefits to the Funds, with the goals of enhancing returns and helping to lower the overall investment programs' volatility of returns.

c.b. Diversification. The hedge funds shall be invested in a broad array of alternative, traditional and non-traditional investment strategies including, but not limited to: equities, fixed income, commodities, options, futures, distressed securities, and international opportunities.

d.c. Liquidity. All hedge fund investments must have at least yearly liquidity – the ability to make withdrawals at least once per year, after any lock-up period. Other things equal, preference will be given to investment vehicles offering quarterly liquidity or better.

d. Correlation of Returns with Those of Traditional Asset Classes. The hedge fund investment are expected to generate returns that provide a correlation benefit when paired with traditional equity or fixed income investments.

5. Real Asset

   a. Definition. Real assets will refer to any investment or investment strategy that primarily consists of real estate or infrastructure assets. The Investors will seek real asset strategies that offer significant diversification benefits to the Funds, with the goals of enhancing returns and helping to lower the overall investment programs' volatility of returns.

   b. Diversification. The real asset investments which will primarily be accessed through pooled investment vehicles shall be properly diversified as to avoid concentration risk.

   c. Liquidity. All real asset investments must have at least yearly liquidity – the ability to make withdrawals at least once per year, after any lock-up period. Other things equal, preference will be given to investment vehicles offering quarterly liquidity or better.

   d. Correlation of Returns with Those of Traditional Asset Classes. The real asset investments are expected to generate returns that provide a correlation benefit when paired with traditional equity or fixed income investments.

6. Private Market

   a. Definition. Private markets will refer to any investment or investment strategy that primarily consists of private equity or private debt/credit assets. The Investors will seek real asset strategies that offer significant diversification benefits to the Funds, with the goals of enhancing returns and helping to lower the overall investment programs' volatility of returns.

   b. Diversification. The private market investments which will primarily be accessed through pooled investment vehicles shall be properly diversified as to avoid concentration risk.

   e.c. Liquidity. All real asset investments must have at least yearly liquidity – the ability to make withdrawals at least once per year, after any lock-up period. Other things equal, preference will be given to investment vehicles offering quarterly liquidity or better.

   f.d. Correlation of Returns with Those of Traditional Asset Classes. The private market investments are expected to generate returns that provide a correlation benefit when paired with traditional equity or fixed income investments.

12.7. Cash and equivalents.

   a. All cash and equivalent investments should be made with concern for quality and liquidity. To that end, investments will be limited to commercial paper rated at least A-2 (by Standard & Poor's) or P-2 (by Moody's), certificates of deposit issued by banking institutions rated "A" or better, or securities issued or guaranteed by the U.S. Government, and perfected repurchase agreements collateralized by U.S. Government securities. The maximum amount to be invested in the commercial paper or certificate of deposit of any one issuer will be 5% of the total portfolio. This latter requirement does not pertain to investments in any short- term investment fund of the Custodian or Master Trustee bank.

13.8. Other assets.

   a. Guidelines for investments in other asset classes will be established in the future, if and when additional asset classes are added..

I. Automatic Review Process for Investment Funds

1. Investment performance reviews of all Funds will be conducted quarterly to ascertain progress against the return objectives of each component. Quarterly reports cover five basic areas: returns, comparisons of returns to benchmarks, comparison of returns to a statistically valid universe of similar portfolios, diagnostic risk analyses, and compliance with relevant policies and objectives.

   Beyond these customary reviews, certain circumstances or events, or a confluence of disappointing metrics, as outlined below, may trigger automatic formal reviews by the Boards and Committee. None of these circumstances or events shall serve as automatic causes for changing Investment Managers, but will merely indicate the need for review. The report prepared shall include a conclusion recommending manager retention, probation, or termination.

   a. Disappointing relative performance
      i. Three-year and/or five-year annualized return trails benchmark index
      ii. Percentile ranking of portfolio's three-year and/or five-year annualized return again peer group is below median
   b. Disappointing risk-adjusted performance
      i. Three-year Sharpe Ratio (excess return divided by standard deviation of returns) is below that of the benchmark
      ii. Five-year Sharpe Ratio is below that of benchmark
   c. Fund management organization changes
      i. Turnover of portfolio manager or other personnel significant to the portfolio management process
      ii. Ownership change
      iii. Involvement in relevant regulatory investigation or litigation
   d. Deviation from investment methods basic to historical records
      i. Aggregate assets in product are insufficient to ensure broad diversification, efficient trading, and economies of scale
      ii. Assets in product grow too large to be managed in manner similar to methods that built historical record
      iii. Portfolio characteristics do not match stylistic expectations
      iv. Significant increase in fees
      v. Perceived change in the investment process
      vi. Failure to provide adequate service
      vii. Violations of investment guidelines

Policy History:

A number of related policies were consolidated into this policy in 2006. Recent committee and board approvals are listed below:

January 2003 – AAN Board of Directors (AAN Policy 2003-4)

February 26, 2005 – AAN Board of Directors (AAN Policies 2005-12, 14) January 5, 2006 – AAN Executive Committee (AAN Policy 2006-2)

June 1, 2006 – AAN Executive Committee (AAN Policy 2006-36)

September 18, 2009 – AAN Board of Directors (email vote) (AAN Policy 2009-54)

September 24, 2009 – AAN Foundation Board of Trustees

June 22, 2013- AAN and AANI Board of Directors

July 2013 ABF Board of Trustees

June 6, 2016 AAN / AANI Board of Directors

June 24 2016 ABF Board of Trustees

February 16, 2022 - Joint Investment Committee (Reviewed and motion passed to accept

February 2022 - Board of Directors

American Academy of Neurology
Academy of Neurology Institute
American Brain Foundation

INVESTMENT POLICIES

I. CASH MANAGEMENT POLICY

A. Introduction

1. The Cash Management Policy ("Policy") establishes guidelines and responsibilities regarding the investment of Target Cash (Short Term and Intermediate Term Liquidity Funds). The balances will be invested to meet short term and intermediate term cash needs based on annual cash flow projections. They will also be invested in support of the organization's strategic directions. The intent is to make efficient use of cash and to manage investments in a prudent and productive manner. The key objectives are as follows:

   a. Security – Protect the underlying capital balance of funds transferred to investment instruments.

   b. Liquidity – Ability to quickly and easily meet daily operating cash requirements.

   c. Return – Minimize idle cash balances and thereby maximize potential investment returns.

B. General Guidelines

1. Adequate day-to-day liquidity must be available for the organization to meet cash operating requirements. This liquidity is provided via cash balances invested in Short Term Funds or other easily liquidated investments.

2. Cash balances are to be invested only in instruments authorized by the Joint Investment Committee ("Committee") and approved by the Board of Directors ("Board").

3. To maintain liquidity, excess moneys are to be invested only in liquid funds that are convertible to cash upon demand (within two to four business days).

4. To eliminate the risk of impairment of underlying capital values, investment of Target Cash is prohibited in equity securities, real estate, or any other investment instruments for which the capital amount is materially at risk.

5. The Chief Financial Officer ("CFO") may delegate duties described in this policy.

C. Policy Approval and Review Protocol

1. Annually, the CFO will review this Policy. At a minimum, the CFO will recommend, to the Treasurer(s), Executive Director, and Committee, any necessary updates to the "Cash and Investment Composition" section of the Policy.

2. Subsequently, the Committee shall review this Policy and any proposed amendments will be submitted to the Boards.

3. Annually the Committee shall review the extent to which the organization has complied with this Policy for the preceding fiscal year. As part of the annual Committee report, the results are to be presented to the Board.

D. Cash and Investment Composition

1. In general, the Target Cash (Short Term and Intermediate Term Liquidity Funds) may be composed of a variety of instruments, rather than concentrating on a specific type of investment. The Short-Term Fund is meant to meet daily operating cash requirements. The Intermediate Term Liquidity Fund is meant to cover unforeseen revenue shortfalls and unanticipated expenditures. Long-Term Reserves are meant to provide long-term financial stability to the organization and are outside the scope of Policy.

2. The Target Cash will change from year to year as organizational situations and needs change. The daily balance in these accounts should be kept at the following levels measured as of the end of each calendar year for the subsequent year. Target cash balances may and will fluctuate above or below the target levels during calendar year.
3. American Academy of Neurology
    a. Target Cash of twenty-five percent (25%) of annual operating budgeted expenditures.
4. American Academy of Neurology Institute
    a. Target Cash of twenty-five percent (25%) of annual operating budgeted expenditures net of depreciation plus current principal payment due on long-term debt.
5. American Brain Foundation
    a. Target Cash of forty percent (40%) of annual Operating budgeted expenditures.
6. Cash balances in excess of above levels
    a. Shall be reviewed annually in the first quarter of each year based on the year end balances
    b. A report on cash balances and cash in excess of required levels will be presented to the Committee. This report shall include a recommendation from the CFO on the use of such funds. The Committee will approve any use of funds, such as the transfer to Long-Term Reserves or Quasi-Endowment.
7. If balances are below Target Cash levels the CFO shall also recommend steps to bring funds into compliance.

E. Operating Procedures and Internal Controls

1. Cash, Intermediate Term Investments, and Long-Term Reserve balances are overseen by the CFO, serving as cash manager, under the guidelines provided in this policy. The cash balances of the organization are monitored at least weekly. On a monthly basis, cash balances are compared against annual monthly cash flow projections and project cash requirements.
2. If the CFO determines that cash is outside of the target range by greater than 25% and believes that the balance will not return within the guidelines before the end of the year the CFO will notify the Committee and Treasurer(s) with a recommended course of action.
3. The Committee will review the excess cash balances in the first quarter of each year and approve moving funds to the Long-Term Reserves if appropriate. The transfer is to be made within 30 days of approval. The CFO will provide quarterly reports to the Committee comparing cash balances to Target Cash levels.

    If during the course of the year, the CFO deems that the targets should be modified, the CFO will notify the Treasurer(s) and CEO and will request that the Treasurer(s) call a meeting of the Committee to request a modification in the Funds Target Cash. The Committee will approve any changes to the policy.
4. Permissible Holdings
    a. Target Cash balances may be invested in the following:
        i. Money Market Funds
        ii. CD’s

iii. Commercial Paper with a grade of A1/P1 or better

iv. US Government and Agency Securities

v. Short Term Bond Funds

II. LONG TERM RESERVES AND NET ASSETS POLICY

A. Introduction

1. This statement of Long-Term Reserves and Net Assets Policy ("Policy") reflects the objectives and constraints of the American Academy of Neurology Institute ("Institute"), American Academy of Neurology ("Academy"), and the American Brain Foundation ("Foundation"). In general, the purpose of this statement is to outline a philosophy and attitude that will guide the management of the Long-Term Reserves net assets toward the desired results.

B. Definitions

1. Net assets: The excess of assets over liabilities. Net assets can be restricted or unrestricted and liquid or non-liquid. Furthermore, unrestricted net assets can be designated or undesignated.

2. Restricted net assets: Those net assets restricted by outside agencies or people for a specific purpose or time period. These may include government, corporate, or foundation grants, sponsorships, and contributions.

3. Unrestricted net assets: Funds that have no external restriction on their use or purpose. Unrestricted net assets also include any portion of net assets that are designated by the Board of Directors for a specific purpose, such as to fund a new program in the future. Therefore, unrestricted net assets may be classified as undesignated or designated or a combination of both.

4. Liquid net assets: Those net assets that can be readily converted to cash with little or no risk of loss. Liquid net assets may include cash, investments, and accounts receivable.

5. Non-liquid net assets: Those net assets cannot be readily converted to cash without risk of loss. They include funds allotted to the purchase of a building, office equipment and furniture. They could also include funds invested in a for-profit subsidiary or a related foundation.

6. Investment policy: The allocation of assets to various investment options based on the goals and objectives of the Institute, Academy, and the Foundation.

7. Target cash: Liquid assets used to support an association in the normal course of its operations.

8. Long-Term Reserves: The assets not anticipated necessary to fund the operations of the association within the next year. These are assets not necessarily convertible to cash in a short timeframe. The Long-Term Reserves include assets to support future activities, fund significant long-term initiatives or to serve as a 'rainy day' fund for future uncertainties.

9. Quasi-Endowment: These are longer term assets that have been designated by the Board to be held for the long-term stability of the organization. The principal amount of the Quasi-Endowment is not anticipated to be spent, but rather preserved over the long term. The earnings on the Quasi-Endowment are meant to support the annual operations of the association or other purpose designated by the Board.

10. Optimal mission balance: This is a concept to achieve an appropriate balance among

current member programs and future growth of these programs and missions.

C. Key principles

1. The following are principles and concepts providing long-term guidance for managing the Long-Term Reserves and Quasi-Endowment. The organizations will best be served by adhering to these principles, or alternatively, avoiding violating them other than for unforeseeable circumstances. In the event that these principles are violated, long-term plans should be adjusted to bring the organizations' finances back into conformity with them. However, it should be emphasized that these are principles, not rules, and balanced with consideration for mission critical programs and projects. The following are the financial principles that should guide overall strategy.

2. Current activities should sustain an "optimal mission balance" to provide:

   a. Sufficient annual funding to attract and retain high quality staff

   b. Annual funding of working capital needs

   c. Annual funding to maintain member programs

   d. Funding to renovate and replace equipment and facilities

3. Activities of all organizations are included in the definition of the mission. Within "sustaining the mission," "sustaining the member programs" – is an appropriate multi-year objective.

D. Long-Term Reserve Analysis and Amounts

1. If the organizations are to maintain a surplus into the future, the rationale and amount of reserve should be periodically reviewed. Reserves generally have two major purposes: a reserve for potential liabilities and a reserve to provide a buffer if there is a sudden change in revenue or cash flow.

2. General Liability Reserve: The organizations are at potential risk for both civil liability and liability associated with a breach of contract. The organizations carry liability insurance to cover these events. However, some potential liability is not fully covered by insurance products. The extent of that liability is more or less measurable. A reserve of $2 million for the Academy and $2 million for the Institute should adequately protect the organizations' interests.

3. Annual Meeting Cancellation Reserve: The Institute receives a significant amount of resources as a result of the annual meeting. If this meeting were cancelled the organization would suffer significant loss of financial resources. Some potential causes for cancellation can be covered by insurance, such as fire, earthquake and some natural disasters. However, subsequent to COVID-19, it is not currently possible to obtain coverage for cancellation due to contagious disease. Accordingly, this risk must be "self-insured" against so that such an occurrence would not financially incapacitate the organization. A reserve of $10 million should provide adequate coverage for the net loss of such an occurrence. This reserve would only apply to the Institute.

4. Reserve for Major Revenue Loss: The organizations have significant categories of revenue. Due to a number of reasons, it is *possible* that one of these sources may unexpectedly be eliminated or significantly decreased. If there were a significant loss, it could take up to three years to readjust the cost structure to meet the new realities and identify new sources of revenue. The demand on the reserves would decline in each subsequent year as the organizations adjusted its operations to the new operating realities. To adequately protect the organizations from the potential shock of such a loss of revenue and to provide adequate time to adjust operations, a reserve for major

revenue loss will be included in the long-term reserves. Generally, the largest source of revenue comprises about 25% of the revenue for each organization (not counting revenue that is already guaranteed for the subsequent year). Accordingly, the reserve will be based on the potential of losing 25% of total operating revenue, less guaranteed revenue. As it may take more than one year to realign the operations: the first year reserve will be 75% of potential loss, the second year will be 50% and the third year will be 25%. The total of the three year potential will be the total reserve.

5. Strategic Initiative Reserve: If the Board of either organization adopts a strategic initiative that is to be funded from reserves, instead of operating resources, that reserve shall be added to the computation of total reserve requirements. Such an initiative might be to develop a new program or offering and the reserve funding would be to cover a certain number of years of startup expense and/or expected initial years operating losses. Another purpose for strategic initiative reserve funding may be the acquisition of a capital asset to support the members and activities of the organizations.
6. Working Capital Reserve: This reserve is to address the cash flow needs of the organization. Revenues and expenses of the organization are not ratable throughout the year. The peaks and valleys in cash needs must either be funded externally through bank lines of credit or other financing vehicles. The Academy and the Institute are able to internally finance these working capital needs through the establishment of a reserve. These resources are in addition to the shorter-term cash needs covered by Targeted cash. Generally, three months of annual operating revenue should be adequate to cover the working capital needs of the organization.
7. Reserve for Market Fluctuations in Long-Term Investments: The Long-Term Reserves of the organization are generally funded by investments in various long-term instruments. The value of these instruments potentially increase and decrease over time. To help ensure that the reserves of the organization are adequately covered, a reserve of 10% of the long-term investments for these reserves (not including the Quasi-Endowment) will be established to smooth out the impact of potential significant market corrections.

E. Quasi-Endowment Analysis and Amounts

1. As part of the annual analysis of balances, the balance of the principal and earnings portion of the Quasi-Endowment shall be reviewed by the Committee.
2. The CFO shall make a recommendation to the Committee on transferring additional financial resources to the principal of the Quasi-Endowment. The Long-Term Reserve, as defined and quantified above, shall be ‘funded’ before additional resources are recommended to be moved to the Quasi-Endowment.
3. Upon approval of the CFO recommendation or modification, the funds shall be moved to the Quasi-Endowment.
4. It is expected that once funds are moved to the Quasi-Endowment they will remain as part of the principal of the Quasi-Endowment. The Quasi-Endowment is Board designated, and as such, can be undesignated.
5. Annually, as part of the budget approval process, the CFO shall compute and include the ‘spend’ from the Quasi-Endowment.
    a. The ‘spend’ is calculated as 5% of the average quarterly balance of the Quasi-Endowment fund over the previous 12 quarters.
    b. The ‘spend’ will be considered an operating revenue for budgeting purposes and will be used to fund the on-going operations of the organization.

Should the Board so choose it may designate a specific purpose for the 'spend' to be used to support.

c. If the 'spend' is not required to fund the operations of the organization, per analysis at year-end, the 'spend' can be suspended for that year and remain part of the invested assets of the quasi-endowment.

III. STATEMENT OF INVESTMENT OBJECTIVES AND POLICIES

A. Purpose of Statement

1. This Statement of Investment of Objectives and Policies ("Statement") for the funds ("Funds") invested by the American Academy of Neurology Institute ("Institute"), American Academy of Neurology ("Academy"), and the American Brain Foundation ("Foundation") is intended to:

a. Outline investment-related responsibilities of all parties involved in the oversight and management of the Funds of the Institute, Academy, and Foundation.

b. Establish formal, yet flexible, investment guidelines incorporating prudent asset allocation and realistic total return goals.

c. Provide a framework for regular, constructive communication between the Institute, Academy, and Foundation and all investment professionals involved in the investment of its assets.

d. Create standards of investment performance which are historically achievable and by which the performance of investment managers will be measured, over a reasonable time period.

B. Funds Description

1. The Long-Term Reserve's portfolio has the dual investment goal of striving for long-term growth while at the same time generating a reasonable current return for the support of the ongoing operations of the Institute, Academy and the Foundation. While the assets of the Institute and Foundation are managed independently, the Institute and Foundation Investment Committees have agreed to commingle the assets. Since the Academy is not a 501(c)(3), they are forbidden to commingle their assets. The Funds under management are primarily unrestricted but may also include restricted endowment funds.

2. The quasi-endowment's portfolio is intended to be perpetual in nature. The goal is to maximize long-term growth while assuming prudent risk in consideration of return expectations.

C. Responsibilities – Boards of Directors/Joint Investment Committee

1. The Boards of Directors ("Boards") of the Institute, Academy and the Foundation acknowledge their fiduciary responsibilities for the Funds and delegate the responsibility for oversight of the investments, including quarterly reviews, to the Joint Investment Committee ("Committee"). In the management and investment of the Funds' assets, the Boards and Committee must act prudently and for the best long-term interests of the Funds. The Boards, on the recommendation of the Committee, hold responsibility to monitor the progress of the Funds' investments toward achieving the Funds' investment objectives, compliance with the policies and guidelines as stated in this Statement, and to consider other investment matters, as appropriate. Responsibilities of the Committee include:

a. Developing investment objectives, guidelines, and performance measurement standards that are consistent with the risk, return and policy parameters of the Funds.

b. Selecting a custodian bank.

c. Selecting Investment Managers who make investment decisions for the assets placed under their jurisdiction, including separately managed accounts and pooled vehicles (commingled funds and mutual funds), or other appropriate investment vehicles for the Funds.

d. Selecting an Investment Consultant to assist in review of the Statement, conducting Investment Manager searches, monitoring the performance of Investment Managers, and related communications as deemed necessary.

e. Communicating the investment objectives, guidelines, and standards (including any material changes that may occur) to each Investment Manager and responsible representatives of the selected investments of the Funds.

f. Reviewing and evaluating results of each investment component, including individual manager's performance, in context with established standards of performance.

g. Taking any corrective action deemed prudent and appropriate if investment results are below expectations.

h. The Chair of the Committee shall be responsible for holding at least quarterly meetings of the Committee, coupled with open communication with the Committee, Boards, Chief Financial Officer ("CFO") for the Institute, Academy and Foundation, Investment Managers, and Investment Consultant pertaining to material matters that impact the Funds' assets.

i. The CFO shall be responsible for the technical administrative functions as a proxy for the Boards, e.g., signing documents.

D. Responsibilities – Investment Managers

1. Investment Managers must strive to meet the high standards and integrity of the Institute, Academy, and Foundation. For pooled vehicles (commingled funds and mutual funds), the Investment Managers must meet all obligations as established in their respective fund prospectus or trust documents. For separately managed accounts, the Investment Managers, in recognition of their role as fiduciaries of the Funds, must assume the following responsibilities as they pertain to the Funds.

    a. Investment Program:

        i. Acknowledge in writing acceptance of the objectives, guidelines, and standards of performance as defined in this Statement, and invest assets in accordance with those objectives, guidelines, and standards.

        ii. Exercise full discretionary authority as to all buy, hold, and sell decisions for each security under management, subject to the guidelines as defined in this Statement.

        iii. Make written recommendations, when deemed necessary as to changes in the objectives, guidelines, or standards, based upon material and sustained changes in the capital markets.

        iv. Ensure that their actions, decisions, and investments do not imperil the legal standing of the Funds under the laws of the United States and the State of Minnesota.

b. Reporting:

   i. Produce a statement for the Funds at the end of each quarter describing portfolio asset class weightings, individual security positions showing both cost and market value, and all principal cash transactions, including all purchases and sales in sufficient descriptive detail.

   ii. For pooled investment vehicles (commingled funds and mutual funds), provide a statement that shows unit position and unit value.

   iii. Review meetings. At the request of the Boards or the Committee, each Investment Manager will participate in a review meeting and will provide:

      (a) A review and re-appraisal of the investment program.

      (b) A commentary on investment results in light of the appropriate standards of performance and Funds' investment guidelines.

      (c) A synopsis of the key investment decisions made by the Investment Manager, his or her underlying rationale, and how those decisions could affect future results.

      (d) A discussion of the Investment Manager's outlook, the investment decisions this outlook may trigger, and how these decisions could affect future results.

c. Communication:

   i. The Investment Managers are responsible for frequent and open communication with the Institute, Academy, and Foundation on all material matters pertaining to investment policies and the management of the Funds' assets. In particular, the Investment Managers will:

      (a) Provide notice of any material changes in each Investment Manager's investment outlook, strategy and portfolio structure to the Treasurers, Executive Directors, CFO, and Investment Consultant immediately, which will then be communicated to the Committee as deemed appropriate.

      (b) Notify the Treasurers, Executive Directors, CFO, and Investment Consultant of material changes in each firm's ownership, organizational structure, financial conditions, senior staffing and management, which will be communicated to the Committee as deemed appropriate.

      (c) Send a copy each year of the firm's S.E.C. Form ADV filing.

      (d) Acknowledge, at least annually, their understanding of and intent to adhere to the investment guidelines as they pertain to all parties involved in the portfolio management, trading, and portfolio administration process.

d. Brokerage:

   i. The Investment Managers will use their best judgment to obtain brokerage services resulting in the best execution of trades at the lowest net cost to the Funds. The Investment Managers will make brokerage summaries available to the Funds upon request.

E. Responsibilities – Investment Consultant

1. The Investment Consultant, in recognition of their role as fiduciaries of the Funds, must assume the following responsibilities as they pertain to the Funds:

a. Prepare a statement highlighting various policy issues affecting the Institute, Academy, and Foundation for consideration by the Committee. The statement should describe the responsibilities of key parties, specify the broad investment objectives, provide investment policy guidelines, and set appropriate performances standards for all components of the asset structure.

b. Incorporate amendments through subsequent revisions until the Committee approves a final draft.

c. Make recommendations, when deemed advisable as to changes in the objectives, guidelines, or standards, based upon material and sustained changes in the capital markets.

d. Asset allocation. Make recommendations, with supporting materials, as to the appropriate target portfolio weightings among the various major asset classes (e.g., stocks, bonds, cash, etc.). If a multiple Investment Manager structure exists, this recommendation will include a plan for periodic rebalancing of asset class weightings and manager weightings as capital market movements cause the actual weightings to diverge from the target weightings.

e. Selection of Investment Managers. Assist the Committee through the selection process by identifying and screening candidates for appropriate portfolio and organizational characteristics. Attend formal presentations of finalists. Perform due diligence checks. Help quantify the trade-offs between expected returns and risks among various alternatives. Gather and submit information at the direction of the Committee.

f. Compensation negotiations. Assist in compensation negotiations with Investment Managers, Custodians and other service providers.

g. Monitor investment performance. A performance evaluation report of the investment component parts will be conducted quarterly. The written report will cover five basic areas:

   i. Returns – Total time-weighted returns over various periods

   ii. Comparisons – Returns will be compared to appropriate benchmark indices and a statistical universe of similar funds

   iii. Diagnostics – Measurement of risk-adjusted performance, analyses of risks, style characteristics, and return attributions

   iv. Compliance – Portfolios will be checked for compliance with the objectives, targets, and policy guidelines specified in this Statement

   v. Monitor risk-adjusted performance

h. Investment Manager reviews. Facilitate formal Investment Manager reviews and evaluations, as triggered by circumstances or events outlined in section I.

i. Administrative support. While the consultant does not have any discretionary control over the Funds and thus has no authority to effect transitions, portfolio rebalancing, or any other related asset movements, the Investment Consultant will assist the Committee or the Institute, Academy, or Foundation staff in reviewing documents, drafting letters, and facilitating processes as requested.

j. Investment Consultant performance reviews. Conducted at the request of Committee, the Investment Consultant will prepare materials for discussion that document the Investment Consultant's contributions to the relative success of the investment program. Areas to be covered include:

i. Asset allocation strategy, rebalancing, and tactical tilts
ii. Investment Manger selection, retention, and termination
iii. Performance measurement and analysis, and other documentation of the Committee's fiduciary prudence
iv. Negotiated fee savings from service providers
v. Time savings of staff and the Committee
vi. Administrative support
vii. Topical education for the Committee and staff
viii. Documentation of Investment Consultant's investment advisor registration. Annually or upon material revision, provide a copy of the Investment Consultant's Securities Exchange Commission Registration Form ADV, Part II

F. Investment Objectives

1. Investment objectives. The investment objectives of the Funds have been established in conjunction with a comprehensive review of the current and projected financial requirements of the Investors. In general, it is understood that all funding, accounting, and investment policies reflect current and foreseeable economic and market conditions, as well as any applicable accounting and statutory requirements.
2. Time horizon. The Investors, established as going concerns, have an infinite ultimate time horizon. The adverse effects of short-term investment return volatility on the ability of the Funds to meet its short-term liabilities will be minimized by segregating the necessary assets to meet current obligations of one year or less into a short-term investment pool consisting primarily of money market investments.
3. Performance measurements. The total returns for the Funds and for each investment component of the Funds will be compared to the distribution of returns represented by an appropriate statistically valid universe of separately managed funds. Over a market cycle, each investment component is expected to rank in the top 50% of its appropriate Universe.
4. Relative Total Return Objective. The total returns for the Funds should outperform a passive policy Index benchmark comprised of market indices weighted to reflect the Funds' target asset allocation policy. The composition of this policy index benchmark will be disclosed in all performance reports provided to the Boards and Committee.

5. Statistical universe of similar portfolios. The total returns for the Fund and each component will be compared to the distribution of returns represented by an appropriate and statistically valid universe. Over a market cycle, the Fund and its individual components are expected to rank in the top 50% of their respective universe.
6. Risk-adjusted performance. The Sharpe Ratio divides the excess return (portfolio return less risk-free return) by the standard deviation of total return, and will be the measure of risk-adjusted performance. Over a market cycle, the Sharpe Ratios for the Fund and each component are expected to exceed the Sharpe Ratio for the appropriate comparative indices.
7. Volatility. The volatility of return for the Fund and each component should be controlled. In general, higher-than-market volatility for the Funds' investments is permitted only to the extent that returns in excess of the appropriate benchmark are generated.

G. Asset Allocation

1. Asset Allocation. The asset allocation targets for Funds are currently:

ASSET CLASS	MIN WEIGHT	TARGET WEIGHT	MAX WEIGHT
Core Fixed Income		11.5%	
Senior Secured Loan Fixed Income		2%	
High Yield Fixed Income		2%	
Emerging Market Debt Fixed Income		2%	
TOTAL FIXED INCOME	**12.5%**	**17.5%**	**22.5%**
U.S. Large-Cap Equity		29%	
U.S. Mid-Cap Equity		6%	
U.S. Small-Cap Equity		4%	
TOTAL U.S. EQUITY	**34%**	**39%**	**44%**
Non. U.S. Large-Cap Value Equity		4.5%	
Non-U.S. Large-Cap Core Equity		5%	
Non-U.S. Large-Cap Value Equity		4.5%	
Non-U.S. Small-Cap Core Equity		3.5%	
Emerging Markets Equity		3.5%	
TOTAL NON-U.S. EQUITY	**16%**	**21%**	**26%**
Hedge Fund		5.0%	
Real Asset		10.0%	
Private Market		7.5%	
TOTAL ALTERNATIVES	**17%**	**22.5%**	**28%**

2. Rebalancing the portfolio. Over time, fluctuations of the market, as well as cash flow needs of the Institute, Academy, or Foundation, may cause the asset allocation to differ materially from target levels. At such times, the target allocations will be maintained using the Funds' income cash flows and spending outflows to rebalance the overall allocation among asset classes when possible. The Investment Consultant monthly will monitor the asset allocation. The CFO, on advice from the Investment Consultant, will allocate cash inflows and outflows to the appropriate asset classes based on their market values relative to the target allocation by investing cash inflows in underweighted asset classes and taking distributions from those asset classes that exceed their target ranges. If these cash flows are not sufficient to bring the allocation within the permissible target range by year-end, the CFO may rebalance the component weights back to target levels set by the Boards or Committee.

3. Cash reserves. Cash will typically be reserved only for the purpose of meeting short-term certain liabilities or spending. The Funds may require increased cash reserves as the Funds' financial or operating conditions warrant, and may rebalance or reallocate according to the Funds' current needs.

H. Asset Guidelines

1. Pooled investment vehicles (commingled funds or mutual funds). As the Investors cannot direct the particular investment policies of any pooled investment vehicle used in the Funds' investment structure, the Boards and Committee guidelines outlined below will govern the selection of appropriate vehicles.

   a. Aggregate Assets. The Boards and the Committee, in conjuncture with the Investment Consultant, will determine for each Investment Manager a threshold level of aggregate assets (including both the assets in the pooled investment vehicle and any separate account assets managed similarly) sufficient to ensure broad diversification, efficient trading, and economies of scale in administrative expenses and transaction costs. The Boards and Committee will also determine whether the aggregate assets have reached too large a size where they are causing the Investment Manager to deviate from the portfolio construction methods upon which the performance record was built.

      i. Personnel. The Boards and Committee, in conjunction with the Investment Consultant, will monitor the Investment Managers providing investment management services of the pooled investment vehicle, to ensure stability of personnel in order to encourage consistency of the investment method.

      ii. Expenses. The Boards and Committee, in conjuncture with the Investment Consultant, will monitor both management fees and administrative expenses.

      iii. Portfolio Characteristics. The Boards and Committee, in conjuncture with the Investment Consultant, will monitor each pooled investment vehicle's aggregate portfolio characteristics. Deviations from general expectations will occasion a review of the continued appropriateness of the investment structure.

2. Equities – Separately Managed Accounts.

   a. Diversification. No more than 5% of any Investment Manager's portfolio at cost and 8% at the market value shall be invested in any one company. At no time must the Funds be required to make regulatory filings due to ownership or control of a large proportion of a company's shares.

b. Market Capitalization. Only securities of companies with market capitalization (current price per share times the number of common shares outstanding) in excess of $100 million are permissible.

c. Portfolio Turnover. There shall be no specific guidelines with regard to portfolio activity. By not restricting turnover, the Investment Managers are given the flexibility to adjust their asset mix and security selection to changing market expectations.

d. Permissible Holdings. The following list of investments may be purchased in an equity portfolio regardless of the particular Investment Manager's investment philosophy or process.

   i. Common stocks or American Depository Receipts (ADRs) listed on a major U.S. exchange

   ii. Common stocks traded through the NASDAQ

   iii. Common stocks listed on international exchanges

   iv. Investment-grade securities convertible into common stock

   v. Investment-grade preferred stock

   vi. Mutual or commingled funds

   vii. Bank, Trust, or Insurance Company pooled funds

   viii. Stock index futures and financial derivatives for purposes of replication a major market index

3. Holdings Not Permissible Without the Boards' Prior Written Approval. The following list of investments may be purchased in an equity portfolio only if the portfolio's Investment Manager has received written approval from the Institute, Academy, or Foundation. This approval will generally be granted at the inception of a portfolio's management by an Investment manager. Approval of any of the following investments is expected to be consistent with the Investment Manager's strategic, and not tactical, overall investment philosophy and process.

   i. Short sales

   ii. Put and Call options, except where specified in Section 2.d., above

   iii. Margin purchases or borrowing funds

   iv. Private or direct placements

   v. Commodities

   vi. Securities of the Investment Manager, the Custodian or Master Trustee, their parent or subsidiaries (excluding money market and index- replicating funds)

   vii. Stock loans

   viii. Stock options or hedging purposes

   ix. Exchange-traded call options sold against stock held in the portfolio

   x. Any other securities not specifically defined as Permissible Holdings in Section 2.d., above

4. Hedge Funds

a. Definition. Hedge funds will refer to any investment or investment strategy that at its core is not a long-only portfolio of traditional equity or fixed income instruments.

The Investors recognize that hedge funds cover an enormous variety of non-traditional investments and investment strategies, spanning various levels of risk and return. The Investors will seek hedge fund exposures that offer significant diversification benefits to the Funds, with the goals of enhancing returns and helping to lower the overall investment programs' volatility of returns.

b. Diversification. The hedge funds shall be invested in a broad array of alternative, traditional and non-traditional investment strategies including, but not limited to: equities, fixed income, commodities, options, futures, distressed securities, and international opportunities.

c. Liquidity. All hedge fund investments must have at least yearly liquidity – the ability to make withdrawals at least once per year, after any lock-up period. Other things equal, preference will be given to investment vehicles offering quarterly liquidity or better.

d. Correlation of Returns with Those of Traditional Asset Classes. The hedge fund investment are expected to generate returns that provide a correlation benefit when paired with traditional equity or fixed income investments.

5. Real Asset

a. Definition. Real assets will refer to any investment or investment strategy that primarily consists of real estate or infrastructure assets. The Investors will seek real asset strategies that offer significant diversification benefits to the Funds, with the goals of enhancing returns and helping to lower the overall investment programs' volatility of returns.

b. Diversification. The real asset investments which will primarily be accessed through pooled investment vehicles shall be properly diversified as to avoid concentration risk.

c. Liquidity. All real asset investments must have at least yearly liquidity – the ability to make withdrawals at least once per year, after any lock-up period. Other things equal, preference will be given to investment vehicles offering quarterly liquidity or better.

d. Correlation of Returns with Those of Traditional Asset Classes. The real asset investments are expected to generate returns that provide a correlation benefit when paired with traditional equity or fixed income investments.

6. Private Market

a. Definition. Private markets will refer to any investment or investment strategy that primarily consists of private equity or private debt/credit assets. The Investors will seek real asset strategies that offer significant diversification benefits to the Funds, with the goals of enhancing returns and helping to lower the overall investment programs' volatility of returns.

b. Diversification. The private market investments which will primarily be accessed through pooled investment vehicles shall be properly diversified as to avoid concentration risk.

c. Liquidity. All real asset investments must have at least yearly liquidity – the ability to make withdrawals at least once per year, after any lock-up period. Other things equal, preference will be given to investment vehicles offering quarterly liquidity or better.

d. Correlation of Returns with Those of Traditional Asset Classes. The private market investments are expected to generate returns that provide a correlation benefit when paired with traditional equity or fixed income investments.

7. Cash and equivalents.

   a. All cash and equivalent investments should be made with concern for quality and liquidity. To that end, investments will be limited to commercial paper rated at least A-2 (by Standard & Poor's) or P-2 (by Moody's), certificates of deposit issued by banking institutions rated "A" or better, or securities issued or guaranteed by the U.S. Government, and perfected repurchase agreements collateralized by U.S. Government securities. The maximum amount to be invested in the commercial paper or certificate of deposit of any one issuer will be 5% of the total portfolio. This latter requirement does not pertain to investments in any short- term investment fund of the Custodian or Master Trustee bank.

8. Other assets.

   a. Guidelines for investments in other asset classes will be established in the future, if and when additional asset classes are added.

I. Automatic Review Process for Investment Funds

1. Investment performance reviews of all Funds will be conducted quarterly to ascertain progress against the return objectives of each component. Quarterly reports cover five basic areas: returns, comparisons of returns to benchmarks, comparison of returns to a statistically valid universe of similar portfolios, diagnostic risk analyses, and compliance with relevant policies and objectives.

   Beyond these customary reviews, certain circumstances or events, or a confluence of disappointing metrics, as outlined below, may trigger automatic formal reviews by the Boards and Committee. None of these circumstances or events shall serve as automatic causes for changing Investment Managers but will merely indicate the need for review. The report prepared shall include a conclusion recommending manager retention, probation, or termination.

   a. Disappointing relative performance

      i. Three-year and/or five-year annualized return trails benchmark index

      ii. Percentile ranking of portfolio's three-year and/or five-year annualized return again peer group is below median

   b. Disappointing risk-adjusted performance

      i. Three-year Sharpe Ratio (excess return divided by standard deviation of returns) is below that of the benchmark

      ii. Five-year Sharpe Ratio is below that of benchmark

   c. Fund management organization changes

      i. Turnover of portfolio manager or other personnel significant to the portfolio management process

      ii. Ownership change

      iii. Involvement in relevant regulatory investigation or litigation

   d. Deviation from investment methods basic to historical records

      i. Aggregate assets in product are insufficient to ensure broad diversification, efficient trading, and economies of scale

      ii. Assets in product grow too large to be managed in manner similar to methods that built historical record

iii. Portfolio characteristics do not match stylistic expectations

iv. Significant increase in fees

v. Perceived change in the investment process

vi. Failure to provide adequate service

vii. Violations of investment guidelines

Policy History:

A number of related policies were consolidated into this policy in 2006. Recent committee and board approvals are listed below:

January 2003 – AAN Board of Directors (AAN Policy 2003-4)

February 26, 2005 – AAN Board of Directors (AAN Policies 2005-12, 14) January 5, 2006 – AAN Executive Committee (AAN Policy 2006-2)

June 1, 2006 – AAN Executive Committee (AAN Policy 2006-36)

September 18, 2009 – AAN Board of Directors (email vote) (AAN Policy 2009-54)

September 24, 2009 – AAN Foundation Board of Trustees

June 22, 2013- AAN and AANI Board of Directors

July 2013 ABF Board of Trustees

June 6, 2016 AAN / AANI Board of Directors

June 24 2016 ABF Board of Trustees

April 22, 2019 Joint Investment Committee

June 2019 Board of Directors

February 16, 2022 - Joint Investment Committee (Reviewed and motion passed to accept changes)

February 2022 - Board of Directors

AMERICAN BRAIN FOUNDATION

Date:	Saturday, March 19th, 2022
To:	ABF Board of Directors
From:	Kevin Myren, CPA Chief Financial Officer Jane Ransom, Executive Director Noah Zak, Staff Accountant
Subject:	Preliminary 2021 Year-End Financial Reports

The enclosed materials present the financial performance of the American Brain Foundation for December 2021.

Statement of Operations

- Operating Revenues of $5.3M
- Operating Expenses are $5M
- Net Operating Increase is $271K
- Long-Term Investments are $663K

Revenue

ABF raised $6.7M in 2021, surpassing the total 2021 fundraising goal by 7%. The $6.7M raised includes the following:

- $1M Unrestricted Funds
- $1.25M AAN operating
- $1.5M restricted grant from the Michael J. Fox Foundation for the LBD project.
- $2.15M for future year CRTS/CSDA grants

In the GAAP Adjustment section of the Income Statement, Releases from Restrictions have a negative budget variance of ($203K) primarily due to:

- ($78K) fewer new Public Awareness grants compared to budget
- ($74K) fewer CRTS/CSDA grants compared to budget
- ($50K) fewer Commitment to Cures Sponsorships compared to budget

Expenses

Natural Expenses are 13% under budget, but there is some variation within the different expense areas:

- Salaries and Benefits expenses are over budget by ($62K) or (6%) due to staff benefit elections that are larger than originally budgeted for, an internship position, and staff salary increase percentages exceeding budget.

- General Office expenses under by $23K or 17% comprised primarily of the following:
    - $19K positive variance in printing and postage
    - $8K positive variance in professional development
    - $7K negative variance in credit card fees due to more credit card donations than expected

- Technology expense is under budget by $163K or 47% primarily due to the lower cost of the new CRM implementation than budgeted.

- Professional Expenses are under $56K or 9%. The variance is made up primarily of the following:

    - $39K positive variance in Public Awareness due to Yakkety Yak expense being spread out among other divisions
    - $20K positive variance for legal fees due to lower than expected monthly contract work for legal matters
    - $18K positive variance in Commitment to Cures due to lower-than-expected Yakkety Yak expense and general savings
    - $12K positive variance in Research Grants due to lack of need for research initiatives support.
    - $25K negative variance in Annual Fundraising due to use of Yakkety Yak in fundraising that was not budgeted for
    - $11K negative variance in Major Donor Fundraising due to use of Yakkety Yak in fundraising that was not budgeted for

- Advertising Expenses are over budget by ($30K) or (27%) due to using Yakkety Yak for advertising more than expected and receiving t-shirts for 2022 Commitment to Cures

- Meetings & Travel Expenses are under budget by $55K or 76% due to the lack of in-person meeting in 2021

- Management Fee is under by $154K or 44% due to the ABF reducing the amount of space being rented at the AAN and a refund from AAN.

<u>Statement of Financial Position</u>

- The Foundation ended 2021 with total assets of $18.1M, which includes:
    - $2.6M in cash and short-term investments
    - $4.1M in grants receivable
    - $11.2M in long-term investments, of which 46% represents restricted Endowments and Donor Advised Funds

- Liabilities are $1.6M
    - $1.5M or 90% is in Grants Payable

- Net Assets total $16.5M
    - $10.6M or 64% of net assets are restricted by donors

2021 Operating Reserve

ABF's Operating Reserve Policy establishes a reserve equal to 75% of the average of the last two years actual expenses and the succeeding years operating budget excluding any grants with donor restrictions and noncash items. The reserve calculation below has been updated:

$5,880,255	Preliminary Year End 2021 Unrestricted Net Assets Balance
($1,752,821)	less Minimum Required Operating Reserve
$4,127,434	Unrestricted Net Assets exceeding the Minimum Required Operating Reserve

2022 Budget Comparison

The 2022 budget proposes a surplus of $200K, down $71K from 2021

2022 Operating Revenue - $8.90M

- Operating revenue is projected to increase by $3.5M from 2021 to 2022. This is due primarily to the release from restrictions line, where we will see the release of the $3M LBD Biomarker Initiative to AAN along with the release of more CRTS/CSDA grants in 2022.

2022 Operating Expenses - $8.70M

- Operating Expenses are projected to increase by $3.7M from 2021 to 2022. This is primarily due to the following:

    - $3M grant expense from the LBD Biomarker initiative
    - General increase in grants given out in 2022
    - Increase to Meetings and Travel in 2022
    - Increase in Salaries and Benefits due to hiring of new employee and general increases

Provided in the following pages are:

- Preliminary 2021 Year-End Income Statement
- Preliminary 2021 Year-End Functional Expenses
- Preliminary 2021 Year-End Balance Sheet
- 2022 Budget Income Statement

American Brain Foundation
Operating Statement
Prior Year to Current Year Comparison

	Preliminary 2021 Actuals	2021 Budget	Actuals vs. Budget Favorable (Unfavorable)	2021* Forecast	Actuals vs. Forecast Favorable (Unfavorable)	Final 2020 Actuals	2021 Actuals vs 2020 Actuals Favorable (Unfavorable)
REVENUE							
GRANTS & GIFTS RAISED							
AANI Support Grant	1,250,000	1,250,000	-	1,250,000	-	1,646,710	(396,710)
Unrestricted	1,046,841	717,475	329,366	852,788	194,053	886,138	160,703
Funds Raised for Future Years - Research	4,189,777	4,044,666	145,111	4,044,666	145,111	4,050,570	139,207
Funds Raised for Future Years - Awards	193,208	150,000	43,208	150,000	43,208	228,314	(35,106)
Funds Raised for Future Years - Public Awareness	26,056	120,000	(93,944)	120,000	(93,944)	9,500	16,556
Total Funds Raised	6,705,881	6,282,141	423,740	6,417,454	288,427	6,821,232	(115,350)
GAAP ADJUSTMENT							
Funds Raised for Future Years	(4,409,040)	(4,314,666)	(94,374)	(4,314,666)	(94,374)	(4,288,383)	(120,657)
Released from Restrictions	2,531,997	2,734,960	(202,963)	3,209,480	(677,483)	2,275,812	256,185
Total GAAP Adjustment	(1,877,043)	(1,579,706)	(297,337)	(1,105,186)	(771,857)	(2,012,571)	135,528
Net Operating Funds Raised	4,828,838	4,702,435	126,403	5,312,268	(483,430)	4,808,660	20,178
OTHER REVENUE							
Gift in Kind Revenue	473,575	-	473,575	-	473,575	436,229	37,346
Interest Revenue	3,481	8,004	(4,523)	3,436	45	14,573	(11,092)
Other Revenue	485	608	(123)	485	(0)	1,216	(731)
Total Revenue	5,306,379	4,711,047	595,332	5,316,189	(9,810)	5,260,678	45,701
EXPENSES							
FUNDING EXPENSE							
Grants & Awards	2,245,973	2,297,000	51,027	2,854,000	608,027	1,976,103	(269,870)
NATURAL EXPENSES							
Salaries & Benefits	1,080,361	1,017,968	(62,393)	1,093,885	13,524	1,094,234	13,873
General Office	109,235	132,074	22,839	122,412	13,177	88,936	(20,299)
Technology	183,251	346,140	162,888	184,281	1,029	184,634	1,382
Professional Services	550,795	607,184	56,389	547,796	(2,999)	327,401	(223,394)
Advertising	141,600	111,567	(30,033)	145,700	4,100	18,709	(122,890)
Meetings & Travel	17,757	73,465	55,708	23,690	5,933	82,748	64,991
Depreciation	37,349	37,344	(5)	37,344	(5)	40,271	2,922
Management Fee	195,115	349,036	153,921	228,000	32,885	339,000	143,885
Total Natural Expenses	2,315,463	2,674,778	359,315	2,383,108	67,645	2,175,933	(139,529)
OTHER EXPENSES							
Gift in Kind Expense	473,575	-	(473,575)	-	(473,575)	436,229	(37,346)
Total Expense	5,035,011	4,971,778	(63,233)	5,237,108	202,097	4,588,265	(446,746)
Net Operating Increase (Decrease)	271,369	(260,731)	532,100	79,081	192,288	672,413	(401,044)
Long Term Investment Earnings	662,841	-	(662,841)	(5)	(5)	335,652	327,189
CHANGE IN UNRESTRICTED NET ASSETS	934,210	(260,731)	1,194,941	79,076	192,283	1,008,065	(73,855)

*Forecast last updated 12/10/2021

American Brain Foundation
Functional Expenses and Ratios
For Twelve Months Ending
Friday, December 31st 2021

	2020 Management	2021 Management	Management Variance	2020 Fundraising	2021 Fundraising	Fundraising Variance	2020 Programming	2021 Programming	Programming Variance
EXPENSES									
Salaries and Benefits	$ 390,588	$ 423,516	$ (32,927)	$ 311,313	$ 243,417	$ 67,896	$ 392,332	$ 413,428	$ (21,096)
General Office	24,422	28,302	(3,880)	55,159	77,858	(22,699)	7,262	4,833	2,429
Software and Maintenance	133,612	129,039	4,574	36,184	37,834	(1,650)	12,213	12,452	(239)
Professional Fees	60,202	46,854	13,348	105,800	143,714	(37,914)	184,825	503,995	(319,170)
Management and Service Fees	118,731	71,652	47,078	96,695	44,589	52,106	123,574	78,873	44,701
Meeting and Travel	43,383	3,594	39,789	3,814	9,604	(5,790)	35,049	4,498	30,551
Grants and Awards	-	-	-	-	-	-	1,976,605	2,246,033	(269,429)
Depreciation	-	-	-	-	-	-	40,271	37,349	2,922
Total Natural Expenses	**$ 770,939**	**$ 702,958**	**$ 67,981**	**$ 608,965**	**$ 557,016**	**$ 51,949**	**$ 2,772,131**	**$ 3,301,462**	**$ (529,331)**
Gift in Kind Expense	-	-	-	226,575	345,300	(118,725)	209,654	128,275	81,379
Total Expense	**$ 770,939**	**$ 702,958**	**$ 67,981**	**$ 835,540**	**$ 902,316**	**$ (66,776)**	**$ 2,981,786**	**$ 3,429,737**	**$ (447,951)**

	Management	Fundraising	Programming
2020 Actuals	17%	18%	65%
2021 Goals	14%	12%	75%
2021 Actuals	14%	18%	68%

American Brain Foundation

Statement of Financial Position

12/30/2021

	12/30/2021	12/30/2020	Net Change
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	$653,804	$199,592	$454,212
Short Term Investments	2,018,103	2,590,621	(572,519)
Grants and Gifts Receivable, Net	1,679,726	1,389,925	289,801
Accounts Receivable	66,746	30,280	36,465
Other Assets	38,631	23,044	15,587
Total Current Assets	4,457,010	4,233,462	223,547
FIXED ASSETS			
ABF Website	213,045	223,770	(10,725)
Less Accumulated Depreciation	(200,595)	(173,971)	(26,624)
Net Fixed Assets	12,449	49,799	(37,349)
LONG TERM ASSETS			
Investments - Reserves	11,230,468	8,796,078	2,434,390
Grants and Gifts Receivable, Net	2,478,300	2,048,437	429,863
Total Long Term Assets	13,708,768	10,844,515	2,864,253
Total Assets	18,178,227	15,127,776	3,050,451
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable	154,342	188,547	(34,205)
Grants Payable	1,151,508	1,105,296	46,212
Deferred Revenue	4,250	1,000	3,250
Total Liabilities	1,310,100	1,294,842	15,258
LONG TERM LIABILITIES			
Grants Payable	341,419	105,621	235,798
NET ASSETS			
Unrestricted	5,880,255	4,946,047	934,209
With Donor Restrictions	10,646,452	8,781,266	1,865,186
Total Net Assets	16,526,708	13,727,312	2,799,395
Total Liabilities and Net Assets	18,178,227	15,127,776	3,050,451

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American Brain Foundation
Operating Statement
2022 Budget

	Total 2022 Budget	Preliminary 2021 Actuals	Final 2020 Actuals	2022 Budget vs 2021 Actuals Favorable (Unfavorable)
REVENUE				
GRANTS & GIFTS RAISED				
AANI Support Grant	1,250,000	1,250,000	1,646,710	-
Unrestricted	976,057	1,046,841	886,138	(70,784)
Funds Raised for Future Years - Research	6,485,749	4,189,777	4,050,570	2,295,972
Funds Raised for Future Years - Awards	150,000	193,208	228,314	(43,208)
Funds Raised for Future Years - Public Awareness	110,000	26,056	9,500	83,944
Total Funds Raised	8,971,806	6,705,881	6,821,232	2,265,925
GAAP ADJUSTMENT				
Funds Raised for Future Years	(6,745,749)	(4,409,040)	(4,288,383)	(2,336,709)
Released from Restrictions	6,677,000	2,531,997	2,275,812	4,145,003
Total GAAP Adjustment	(68,749)	(1,877,043)	(2,012,571)	1,808,294
Net Operating Funds Raised	8,903,057	4,828,838	4,808,660	4,074,219
OTHER REVENUE				
Gift in Kind Revenue	-	473,575	436,229	(473,575)
Interest Revenue	3,900	3,481	14,573	419
Other Revenue	-	485	1,216	(485)
Total Revenue	8,906,957	5,306,379	5,260,678	3,600,578
EXPENSES				
FUNDING EXPENSE				
Grants & Awards	6,097,000	2,245,973	1,976,103	(3,851,027)
NATURAL EXPENSES				
Salaries & Benefits	1,206,937	1,080,361	1,094,234	(126,576)
General Office	152,136	109,235	88,936	(42,901)
Technology	109,789	183,251	184,634	73,463
Professional Services	565,638	550,795	327,401	(14,843)
Advertising	105,341	141,600	18,709	36,259
Meetings & Travel	211,885	17,757	82,748	(194,128)
Depreciation	12,448	37,349	40,271	24,901
Management Fee	245,784	195,115	339,000	(50,669)
Total Natural Expenses	2,609,957	2,315,463	2,175,933	(294,494)
OTHER EXPENSES				
Gift in Kind Expense	-	473,575	436,229	473,575
Total Expense	8,706,957	5,035,011	4,588,265	(3,671,946)
Net Operating Increase (Decrease)	200,000	271,368	672,413	(71,368)

AMERICAN BRAIN FOUNDATION

TO: Board of Directors

FROM: Jane Ransom, Executive Director

DATE: March 15, 2021

SUBJECT: ***Report for Board Meeting of March 19, 2022***

The year has begun with personnel changes on both the staff and the board. In February we added a new staff member, Samantha Ross, in the position of Operations and Program Assistant. The additional support for operations allowed for promoting Kim Howard to Manager, Operations and Corporate Partnerships. In this role Kim has provided leadership for corporate fundraising for Commitment to Cures while continuing other operational duties. Julia Miglets-Nelson's work on the research program will also benefit from Samantha's support. Julia's title is now Senior Manager, Research Programs & Partnerships.

As you know, Alan Tisch and Ken Shubin Stein resigned from the ABF board in February to avoid the appearance of undue influence. The Governance Committee will use this year's board recruitment cycle to compensate for these losses in finance, fundraising, and strategic thinking.

RESEARCH

ABF will grant more than $5 million to AAN this year, consisting of funds for 18 clinical research training scholarships and $3 million for the LBD initiative. This is the most the foundation has granted for research in our 30-year history.

Our Research Advisory Committee met recently and decided to appoint leadership for our neuroinflammation initiative, while simultaneously developing frameworks for future initiatives, including Brain Health, ALS & Genetics in Neuromuscular Diseases, and Brain Tumor.

Dr. Stephen Hauser has agreed to chair our neuroinflammation initiative. ABF board and staff representatives have been meeting with our research funding partners and others to bring thought partners, and eventually funding, into this joint venture.

FUNDRAISING

Fundraising for Commitment to Cures has been stellar under Sean Sansiveri's leadership. We have raised $527,000 in sponsorships, mainly because Sean is involving the professional football community—including pro sports vendors, sports medicine clinics, and the NFL itself—and other new companies in supporting the foundation. We expect a good turnout in-person at the upcoming event, as well as a virtual audience for the live streamed version.

We saw an uptick in AAN member contributions to ABF in January. In February, ABF raised $646,000 for our Next Generation Research Program for clinical research training scholarships in ALS and in frontotemporal degeneration.

ABF is continuing to build an ABF Advancement Council in Houston, Texas. Picking up from where we left off when the pandemic began in 2020, a member of the new Advancement Council is opening her home for a dinner on March 29th to introduce prospective donors to ABF. Drs. Dodick and Grotta will both be speaking, and our new CRTS recipient from University of Texas Houston will be in attendance.

This year, ABF is shifting away from publishing one annual report for distribution to only major donors. We will instead send two shorter Impact Reports to a larger group of donors as well as prospects, giving us more stewardship touches with donors and prospective donors, while providing the information that would have been in a single annual report. The Winter-Spring Impact Report was distributed two weeks ago.

While ABF has met its major giving goals each year, and has received some outstanding new gifts, our major donor retention rate has not been strong. In late 2021, ABF hired the Veritus Group to analyze our major giving program and guide us through an overhaul. I look forward to introducing Jeff Schreifels, Sr. Partner of Veritus Group, at this board meeting to share what we are doing and what we can expect to raise over time from wealthy individuals.

PUBLIC AWARENESS

Public awareness work has been focused upon the LBD initiative, Commitment to Cures, our virtual salons, and ongoing content for social media, email, and the ABF blog. On Feb. 21, an online event with the recipients of the LBD grant, the selection committee, and our partners from AAN, Alzheimer's Association, and the MJ Fox Foundation, drew an audience of 507 registrants. ABF and partners also issued a joint press release announcing the award. In July, Alzheimer's Magazine will be running an article on the new initiative. *Brain & Life* magazine is also publishing an article about the award in the April/May issue.

Promotion of the in-person Commitment to Cures event is being aimed at neurologists and past attendees. We are promoting the virtual, livestreamed event to our donors, *Brain & Life* subscribers, and the public. We are excited that Seth and Lauren Rogen's Hilarity for Charity organization is teaming up with ABF to promote Commitment to Cures on their social media channels.

Our virtual salons have drawn a combined audience of 542 so far this year with these topics:

- "Why Sleep is Important for Brain Health," with Phyllis Zee, MD
- "Know the Signs & Symptoms of Brain Diseases," with Dr. Jim Stevens, Feb. 16

Coming up on Wed., March 16 will be "Humanism in Neurology," with our 2022 Ted Burns Award recipient, Dr. Barbara Giesser, MD.

Ongoing marketing activities include:

- In-kind ad and article placements in AAN publications
- Stewardship campaigns

- Daily social postings and paid advertising on social media
- Weekly blog posts
- Monthly newsletter
- Preparation of ABF booth at the AAN Annual Meeting
- Promotion of 2022 awards, webinars, Commitment to Cures, and other content

AAN/ABF PARTNERSHIP

AAN and ABF have been working on alignment in three areas:

- Governance
- Operating Grant
- Public Awareness

David Dodick will speak to the board about the governance discussions. As far as our operating grant is concerned, our Finance Committee has discussed AAN's interest in changing management of our operating grant and is hoping for a resolution as soon as possible.

In the area of public awareness/public education, the ABF staff sees enormous opportunity for AAN to advance its public education agenda and for ABF to advance its research fundraising agenda through greater collaboration. We are hoping for more progress in this area after the annual meeting.

Q4 2021 ABF BOARD SCORECARD

Strategic Goal #1	FUNDRAISING			
Outcomes	**Q4 2021**	**Threshold**	**Target**	**Maximum**
1. Total funds raised				
a. Restricted	$4,409,040	$4,314,666	$4,530,399	$5,393,333
b. Unrestricted	$1,157,356	$867,475	$910,849	$954,223
c. AAN Support	$1,250,000	$1,250,000	$1,250,000	$1,250,000
2. Major Donor Pipeline Value				
a. Number of Solicitiations	175	860	903	1075
b. Total Gift Ask	$11,057,700	$9,745,332	$10,232,599	$12,181,665
3. Donors				
a. Total Number of Donors	3946	2938	3085	3232
b. Total Donors from Website	1564	912	958	1003
4. Staffing - Total FTE's				
a. Total FTEs	8	8	9	10
b. Retention Rate	100%	80%	90%	100%
5. Functional Ratios				
a. Programming	67%	72%	75%	77%
b. Fundraising	17%	13%	12%	10%
c. Management	16%	15%	14%	13%
6. Fundraising Efficiency Ratio				
a. Cost to Raise a $1	$0.13	$0.12	$0.11	$0.10
b. Revenue Raised Per FTE	$852,050	$804,018	$836,406	$949,694
7. Charity Navigator Rating	Four Star	Three Star	Three Star	Four Star
8. Guidestar Rating	Platinum	Gold	Gold	Platinum

Strategic Goal #2	RESEARCH GRANTS			
Outcomes	**Q4 2021**	**Threshold**	**Target**	**Maximum**
1. Total Grant & Awards Funded				
a. AAN Total	$2,046,160	$2,000,000	$2,000,000	$2,000,000
b. Other Grants Total	$203,848	$203,000	$203,000	$203,000
2. Total # of Grants				
a. AAN Total	11	9	10	11
b. Other Awards Total	3	3	4	5
3. Total Number of CDA's	0	0	1	2
4. Total AAN ROI on ABF Research Grants	220%	166%	166%	166%

Strategic Goal #3	PUBLIC AWARENESS			
Outcomes	**Q4 2021**	**Threshold**	**Target**	**Maximum**
1. Stakeholder awareness of what Brain Disease is	N/A	25%	30%	34%
2. Stakeholder awareness of the American Brain Foundation	N/A	27%	30%	32%
3. Unique Web Visitors	220,536	156,000	163,800	171,600
4. Social Media Followers	63,805	42,000	44,100	46,200
5. Email Contact List	21,945	18,000	18,900	19,800
6. Web Sessions	267,855	180,000	189,000	198,000
Strategic Goal #4	**AAN/ABF PARTNERSHIP**			
Outcomes	**Q4 2021**	**Threshold**	**Target**	**Maximum**
1. Number of AAN members who are aware of the ABF	N/A	80%	81%	82%
2. Number of AAN members donating to the ABF	1928	1637	1653	1669
3. Percentage of AAN staff donating to the ABF	59%	60%	63%	66%
4. AAN ROI on Total ABF Fundraising	667%	531%	531%	531%

AMERICAN BRAIN FOUNDATION

January 31, 2022

Mary Post, MBA, CAE
Chief Executive Officer
American Academy of Neurology
201 Chicago Avenue
Minneapolis, MN 55415

Re: Final Report on 2021 AANI Grant

Dear Mary,

On behalf of our Board and staff, I extend thanks from the American Brain Foundation to the American Academy of Neurology for your generous support in 2021. The Academy's grant of $1.25 million supported the Foundation in executing Year 2 of our 5-year business plan. We appreciate your Board's generous initiative in holding our 2020 goals over to 2021; and we are pleased to report we exceeded all but one of them.

Moreover, ABF provided substantial funding to AAN's research program and continued moving toward becoming a nationally recognized grantmaking charity supporting research on brain disease.

The ABF used the AANI grant for operating expenses only. AANI funding did not exceed our operating needs, exclusive of program expenses.

I am enclosing the American Brain Foundation's scorecard for the fourth and final quarter of 2021, cumulative for the period 1/1/21 – 12/31/21. With the help of the Academy, ABF moved our mission forward in four strategic areas:

Strategic Goal #1: Philanthropy/Fundraising

The Foundation's total fundraising goal for 2020 was $4,650,000, not including AAN's support. Our total fundraising result for the year was $5,566,396.

The scorecard reflects $4,409,040 in restricted funds raised, which exceeded our goal of $3,800,000. We also exceeded our unrestricted fundraising goal of $850,000, by raising $1,157,356.

Working through the second year of the COVID-19 pandemic, ABF implemented another virtual Commitment to Cures fundraising gala, grossing $203,000 on the event which honored Drs. Sanjay Gupta and Peter Goadsby for their leadership in the fight against brain diseases and disorders. A new endowed fund for headache research was established in Dr. Goadsby's name.
Moreover, the number of donors to ABF in 2021 grew to 3,946 from 2,938 in 2020, exceeding our goal for the year. Further, ABF maintained its Four-Star Charity Navigator and Platinum Guidestar ratings, which are their highest possible ratings.

ABF 2021 restricted fundraising will yield the following grants for the AAN research program in 2022:

- CRTS in **ALS and Related Disorders**
- McKnight CTRS in **Cognitive Aging** (2)
- Susan Spencer, MD CRTS in **Epilepsy**
- CRTS in **Frontotemporal Degeneration**
- CRTS in **Parkinson's Disease**
- CRTS in **Neuromuscular Disease**
- Lawrence Brass CRTS in **Stroke**
- (NEW) CRTS in **Peripheral Neuropathy** (2)
- (NEW) CRTS in **Mal de Debarquement Syndrome and Central Vestibular Neurological Disorders**

Strategic Goal #2: Research

ABF granted $2,250,008 in research grants and awards in 2021, of which $2,046160 went to AAN's research program, exceeding general and AAN-specific research goals. New grants in 2021 included CRTSs in neuro health disparities, stroke, migraine, and Tourette's Syndrome. In addition, a new seed grant for research in disparities in autism research was awarded through AAN.

ABF and AAN, along with other partners, worked throughout the year to establish a multi-year, multimillion-dollar award in Lewy Body Dementia diagnostics and to select a recipient. The recipient was selected by December and will be announced in February 2022.

By 12/31/21 the ABF had $8,644,600[i] of donor restricted assets available for future research and awards comprised of the following:

LBD Research Project		$3,250,000
Endowment interest earnings		2,950,514*
General CRTS Grant funding		708,552
Partner CRTS Grant funding		550,061
Research Specific funding		492,355
Donor Advised funds		288,510*
AANI CRTS Grant funding		263,840
Non-endowed awards		124,388
Crowdfunding Projects		16,380
	TOTAL	**$8,644,600**

In addition, at the end of 2021 we had a cumulative $3,794,598 of conditional research grant contracts signed that will be recognized in their corresponding years:

2022 CRTS & CSDA in ALS	273,000
2022 CRTS for Dementia with Lewy Bodies	86,666
2022 CRTS in Alzheimer's	106,666
2022 CRTS in Epilepsy	100,000
2022 CRTS in Parkinson's Disease	100,000
2022 CRTS in FTD	100,000
2022 CSDA in Myasthenia Gravis	160,000
2022 CRTS in Neuromuscular	100,000
2022 CRTS in Stroke	75,000
2022 CRTS in Tourette Syndrome	100,000

2022 CRTS in Muscular Dystrophy	330,000
2023 CRTS in ALS	100,000
2023 CRTS in Stroke	75,000
2023 CRTS in Epilepsy	100,000
2023 CRTS in Mal de Débarquement Syndrome	157,500
2024 Stroke	75,000
2024 CRTS in Alzheimer's	106,666
2023-2028 CRTS in Cognitive and Aging	1,650,000
TOTAL	**$3,794,598**

Strategic Goal #3: Public Awareness

Midway through 2021, ABF and AAN agreed to ABF to shift to new metrics for measuring ABF's progress in raising public awareness of the need for research. Since these metrics are not reflected on the 2021 scorecard, we them here.

Metric	2021 Goal	2021 Results
Social Media Followers	25-30%	95%
Website Traffic	30%	92%
Email Subscribers	20%	31%
Online Donations	15%	43%

ABF used *Brain & Life* content consistently to make our case to the public to support brain disease research. ABF presented 12 virtual salons for donors and supporters, engaging more than 1,000 people in conversation with premier researchers holding AAN membership.[ii]
ABF's regular promotion of AAN and *Brain & Life* magazine included:

- Linking to *Brain & Life* on every disease education page on ABF website
- Linking to *Brain & Life* or AAN articles on brain health most Fridays on ABF social channels
- Producing a video highlighting the AAN/ABF partnership for public sharing
- Featuring AAN members in each of our live events and blogs about research
- Citing AAN as our Founder & Research partner in all publications and videos
- Acknowledging AAN during all public and private programs

ABF made full use of the generous in-kind marketing benefits granted to the Foundation by the AAN valued at $472,080. ABF advertising ran regularly in AANnews and Brain & Life magazine. AAN and ABF leadership worked to align our respective marketing strategies, and collaborative discussions on the staff level led to greater synergy between our two marketing programs.

Strategic Goal #4: Thriving Partnership with the Academy

ABF provided more than $2,000,000 of support for AAN's research program, exceeding our ROI goals for the year by achieving these returns on AAN's investment in the foundation:

- ROI of 220 percent on research
- ROI of 667 percent on total fundraising on AAN's investment

Regular meetings were held between ABF and AAN at these levels:

- Volunteer leaders with chief executives
- AAN Science Committee and ABF Research Committee
- Chief executives
- ABF staff leadership and AAN Executive Team
- ABF and AAN marketing teams

We saw our collaboration with AAN grow stronger, especially in research, on both the early-career investigator grants and the new LBD initiative. We look forward to further research collaboration in 2022. We hope for greater collaboration around public awareness and fundraising in the coming year.

The ABF continued to build our board of directors in 2021, recruiting influential donors, neurologists, and financial experts. With the increasing capabilities and prominence of our governing board, we believe the foundation will continue to grow and bring even more value to the AAN/ABF collaboration.

* * * *

Enormous thanks to the Academy for your partnership in achieving our mutual goal of raising money and awareness for brain disease.

Sincerely,

Jane Ransom
Executive Director

CC: David Dodick, MD, Board Chair
Kevin Myren, CFO
Jason Kopinski, Interim Deputy Director, AANI
Orly Avitzur, MD, President, AAN

[i] Subject to change when December 2021 investment results are finalized.
[ii] A list of 2021 salons is attached.

AMERICAN BRAIN FOUNDATION 2021 Salons with the Experts

DATE/TIME	TITLE[1]	SPEAKER(S)	HOSTS
1/28/21, 7 p.m. CT	**"This Hits Home":** Domestic Violence and Traumatic Brain Injury	**David Dodick, MD, FAAN**; Chair, American Brain Foundation and **Sydney Scotia,** producer/ director, "This Hits Home"	Blanche Hawkins
2/18/21, 7 p.m. CT	**"Livewired":** The Brain and Neuroplasticity	**Dr. David Eagleman**, neuroscientist, best-selling author, entrepreneur, and American Brain Foundation Board Member	Susan Schneider Williams
3/18/21, 7 p.m. CT	**Research in Epilepsy:** What is Giving us Hope?	**Jacqueline French, MD, FAAN**, Comprehensive Epilepsy Center, NYU Langone School of Medicine; Chief Medical and Innovation Officer, Epilepsy Foundation; and American Brain Foundation Board Member	TBA
4/__/21, 7 p.m. CT	TBA	TBA	TBA
5/18/2021 7 p.m. CT	**Research in Autism:** What is Giving us Hope?	**Shafali Jeste, MD, FAAN**; Vice Chair, American Brain Foundation; Semmel Institute, UCLA; and American Brain Foundation Board Member	TBA
6/15/21, 7 p.m. CT	**Grief and Healing the Brain After Loss:** Translating Brain Dysfunction to Effective Intervention	**Lisa Shulman, MD, FAAN**, University of Maryland Medical School; and former American Brain Foundation Board Member	TBA
7/__/21, 7 p.m. CT	**Research in Muscular Dystrophy:** What is Giving Us Hope?	**John Quinlan, MD,** University of Cincinnati, Recipient of 2021 Ted Burns Humanism in Neurology Award	Date and speaker unconfirmed
8/19/21, 7 p.m. CT	**Concussion in Sport:** Making an Impact	**David Dodick, MD, FAAN**; Chair, American Brain Foundation and **Sean Sansiveri**, NFLPA	TBA
9/27/21, 7 p.m. CT	**Cure One, Cure Many;** The Case of Spinal Muscular Atrophy	**Jerry Mendell, MD**, Nationwide Children's Hospital, and **Robert Griggs, MD, FAAN**, University of Rochester; and American Brain Foundation Board Member and Research Advisory Committee Chair	TBA
10/27/21 7 p.m. CT	**Research in Parkinson's Disease:** What is Giving us Hope?	**Matthew B. Stern, MD**, University of Pennsylvania, Perelman School of Medicine	TBA
11/16/21 7 p.m. CT	**Research in Multiple Sclerosis:** What is Giving us Hope?	**Raymond Roos, MD**, University of Chicago School of Medicine; and member, American Brain Foundation Research Advisory Committee	TBA
12/16/2021 7 p.m. CT	**Stroke:** Research and Practice on the Horizon	**Jim Grotta, MD, FAAN** Memorial Hermann Texas Medical Center	TBA

[1] Event titles have not been finalized.

2021 ABF Business Plan Metrics for AAN

Strategic Goal #1	FUNDRAISING			
Outcomes	**Q4 2021**	**Threshold**	**Target**	**Maximum**
1. Total funds raised				
a. Restricted	$4,409,040	$3,800,000	$3,990,000	$4,750,000
b. Unrestricted	$1,157,356	$850,000	$892,500	$935,000
c. AAN Support	$1,250,000	$1,250,000	$1,250,000	$1,250,000
2. Fundraising Efficiency Ratio				
a. Cost to Raise a $1	$0.13	$0.12	$0.11	$0.10
b. Revenue Raised Per FTE	$852,050	$683,333	$709,167	$798,333
3. Charity Navigator Rating	Four Star	Two Star	Three Star	Four Star
4. Guidestar Rating	Platinum	Gold	Gold	Platinum
Strategic Goal #2	**RESEARCH GRANTS**			
Outcomes	**Q4 2021**	**Threshold**	**Target**	**Maximum**
5. Total Grants & Awards Funded				
a. AAN Total	$2,046,160	$1,800,000	$1,800,000	$1,800,000
b. Other Grants Total	$203,848	$203,000	$203,000	$203,000
Strategic Goal #3	**PUBLIC AWARENESS**			
Outcomes	**Q4 2021**	**Threshold**	**Target**	**Maximum**
6. Stakeholder awareness of the American Brain Foundation	N/A	23%	25%	27%
Strategic Goal #4	**AAN/ABF PARTNERSHIP**			
Outcomes	**Q4 2021**			
7. AAN ROI on ABF Research Grants	220%	166%	166%	166%
8. AAN ROI on Total ABF Fundraising	667%	531%	531%	531%

*2021 Scorecard is using the 2020 Threshold Goals based on direction from AAN. One exception, the AAN Support was reduced to the 2021 amount of $1,250,000.

American Brain Foundation
2022 Incentive Goals

	2021 Actuals	Threshold	Target	Maximum	2022 Weight	Threshold	Target	Maximum	Score	Weight	Weighted Score
Public Engagement											
Increased site traffic/web session (# of Users)	267,855	308,033	338,836	369,640	10%	15% over 2021 Actuals	10% over Threshold	20% over Threshold		10%	
Social Media Followers	63,805	79,756	87,732	95,707	10%	25% over 2021 Actuals	10% over Threshold	20% over Threshold		10%	
Online Donations	$ 326,968	$ 359,665	$ 395,632	$ 431,598	5%	10% over 2021 Actuals	10% over Threshold	20% over Threshold		5%	
Philanthropy											
Total Restricted Funds Raised	$ 4,409,040	$ 6,793,324	$ 7,132,990	$ 8,491,655	25%	2022 Business Plan	5% over Threshold	25% over Threshold		25%	
Total Unrestricted Funds Raised (Excludes Any AAN Support and Planned Gifts)	$ 1,157,356	$ 1,163,508	$ 1,221,683	$ 1,279,859	20%	5% over 2022 Business Plan	5% over Threshold	10% over Threshold		20%	
Total Number of Donors	3,946	4,143	4,350	4,558	15%	5% over 2021 Actuals	5% over Threshold	10% over Threshold		15%	
Financial											
Net Operating Increase	$ 271,369	$ 200,000	$ 268,569	$ 337,138	15%	2022 Budget	Midpoint of Threshold & Maximum	Average of Last Three Years		15%	
					100%					100%	

2022 ABF BOARD SCORECARD

Strategic Goal #1	FUNDRAISING			
Outcomes	**Q1 2022**	**Threshold**	**Target**	**Maximum**
1. Total funds raised				
a. Restricted		$6,793,324	$7,132,990	$8,491,655
b. Unrestricted		$1,163,508	$1,221,683	$1,279,859
c. AAN Support		$1,250,000	$1,250,000	$1,250,000
2. Major Donor Pipeline Value				
a. Number of Solicitiations		183	192	229
b. Total Gift Ask		$11,330,000	$11,896,500	$14,162,500
3. Donors				
a. Total Number of Donors		4143	4350	4558
b. Total Donors from Website		1610	1691	1771
4. Staffing - Total FTE's				
a. Total FTEs		9	9	9
b. Retention Rate		100%	100%	100%
5. Functional Ratios				
a. Programming		83%	85%	87%
b. Fundraising		9%	8%	7%
c. Management		8%	7%	6%
6. Fundraising Efficiency Ratio				
a. Cost to Raise a $1		$0.06	$0.05	$0.04
b. Revenue Raised Per FTE		$1,016,825	$1,067,666	$1,118,507
7. Charity Navigator Rating		Three Star	Three Star	Four Star
8. Guidestar Rating		Gold	Gold	Platinum

2022 ABF BOARD SCORECARD

Strategic Goal #2	RESEARCH GRANTS			
Outcomes	**Q1 2022**	**Threshold**	**Target**	**Maximum**
1. Total Grant & Awards Funded				
a. AAN Total		$3,402,000	$3,402,000	$3,402,000
b. Other Grants Total		$200,000	$200,000	$200,000
2. Total # of Grants				
a. AAN Total		15	16	17
b. Other Awards Total		1	2	3
4. Total AAN ROI on ABF Research Grants		259%	259%	259%

Strategic Goal #3	PUBLIC AWARENESS			
Outcomes	**Q1 2022**	**Threshold**	**Target**	**Maximum**
1. Stakeholder awareness of ABF				
a. Web Visitors		308,033	338,836	369,640
b. Unique Web Visitors		253,616	266,297	278,978
c. Social Media Reach		79,756	87,732	95,707
d. Email Subscribers		26,334	27,651	28,967
e. Online Donations		$ 359,665	$ 395,632	$ 431,598

Strategic Goal #4	AAN/ABF PARTNERSHIP			
Outcomes	**Q1 2022**	**Threshold**	**Target**	**Maximum**
1. AAN US Dues Paying Neurologists who give to ABF		10.5%	11.2%	11.5%
2. Percentage of AAN staff donating to the ABF		60%	63%	66%
3. AAN ROI on Total ABF Fundraising		787%	787%	787%