

An Introduction to Morgan Stanley GIFT's Donor Advised Fund Program

Since 2000, Morgan Stanley Global Impact Funding Trust, Inc. (or "Morgan Stanley GIFT") has been proud to offer a donor advised fund program to the public. Donor advised funds promote philanthropy by providing an easy, flexible and convenient vehicle for charitable giving and by supporting educational activities to encourage charitable contributions. A donor advised fund can serve as a convenient alternative for a donor who does not wish to make direct grants to charity or form a private foundation. Your gift to a donor advised fund is tax-deductible to the extent permitted by law. Once an account is created, you may use it as a fund to support your favorite causes. A donor advised fund also offers professional investment management for the assets held in the account and administrative ease, all at competitive cost.

Morgan Stanley GIFT is a non-profit corporation formed under Maryland law and is an organization described in section 501(c)(3) of the Internal Revenue Code. It serves as the sponsoring organization for numerous donor advised funds.

YOU MAY ESTABLISH A DONOR ADVISED FUND ACCOUNT BY SUBMITTING A DONOR CONTRIBUTION AGREEMENT AND AN INITIAL CONTRIBUTION TO THE FUND.

The minimum size for a new account is \$10,000. (The minimum contribution to an existing account is \$5,000). Although the property in a donor advised fund account is owned by Morgan Stanley GIFT, you, as the donor, (or another advisor named by you), have the right to make non-binding recommendations to Morgan Stanley GIFT about how the account is administered, including how the assets are invested and which charities should receive grants from the account.

YOUR CONTRIBUTION TO FUND YOUR ACCOUNT CAN PRODUCE SEVERAL TAX ADVANTAGES. Assets contributed may qualify for an immediate income tax charitable deduction. The earnings in the account are not subject to income tax. If you contribute appreciated property that is later sold, you will not realize any capital gain.

Assets held in your donor advised fund account are managed by investment professionals at Morgan Stanley Smith Barney, LLC. There are five different investment pools to choose from, each of which reflects a different investment style. You may recommend that your donor advised fund account invest in any combination of the different pools.



YOU MAY RECOMMEND GRANTS FROM YOUR ACCOUNT TO QUALIFYING DOMESTIC AND FOREIGN ORGANIZATIONS. Qualifying domestic organizations include public charities (other than certain supporting organizations), as well as certain governmental bodies such as cities, states, public parks and schools. Other domestic and foreign organizations may also receive grants to conduct charitable, religious, scientific, literary and educational purposes if they successfully complete a due diligence process and comply with other federal tax law requirements. Grant recommendations to domestic and foreign organizations that are not qualified as U.S. public charities require additional time and investigation, and are subject to a separate administrative fee. The minimum amount of each grant is

\$250. Morgan Stanley GIFT provides an online technology application that allows you to search for qualifying domestic public charities and submit grant recommendations. All proposed grants are reviewed by Morgan Stanley GIFT and must be approved by Morgan Stanley GIFT's board of directors before being paid. Grants cannot be made to individuals, private foundations or certain supporting organizations.

An account at Morgan Stanley GIFT may continue after the death of the initial donor. A donor may name one or more successor advisors who have the ability to recommend grants and investments after the donor is deceased. This presents an excellent opportunity for family or friends to perpetuate your charitable interests after you have passed away.

An account at Morgan Stanley GIFT presents a competitive cost solution to a donor who does not want to incur the expense of starting a private foundation. There are no separate start-up expenses aside from your initial contribution, and Morgan Stanley GIFT's administrative and investment expenses are covered through a low annual fee on donor accounts. Forming one's own charity, by contrast, can involve significant legal, accounting and administrative expense both in the beginning and on an ongoing basis.

FOR MORE INFORMATION about Morgan Stanley GIFT and its donor advised fund program, please consult CCS Foundation Executive Director Tony Higley at (509) 434-5123 or foundation@ccs.spokane.edu.

Information contained herein has been obtained from sources considered to be reliable, but we do not guarantee their accuracy or completeness.

Morgan Stanley Global Impact Funding Trust, Inc. is an organization described in Section 501(c)(3), of the Internal Revenue Code of 1986, as amended, and Morgan Stanley Global Impact Funding Trust is a donor advised fund. Various divisions of Morgan Stanley Smith Barney, LLC provide investment management services to Morgan Stanley GIFT.

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