

*The Morgan Stanley Global Impact Funding Trust, Inc.*

# **DONOR CIRCULAR & DISCLOSURE STATEMENT**

**August 2024**

The Morgan Stanley Global Impact Funding Trust, Inc. ("MS GIFT, Inc." or "MS GIFT") is a Maryland nonprofit corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") that is exempt from federal income tax pursuant to Section 501(a) of the Code. MS GIFT, Inc., among other activities, operates a donor advised fund program (the "Fund"). Morgan Stanley Smith Barney LLC provides investment management and other services to the Fund.

While we believe that the Fund provides a valuable philanthropic opportunity, contributions to the Fund are not appropriate for everyone. Other forms of charitable giving may be more appropriate depending on a donor's specific situation. Of critical importance to any person considering making a donation to the Fund is the fact that any such donation is an irrevocable contribution. Although donors will have certain rights to make recommendations to the Fund as described in this document, contributions become the legal property of the Fund when donated.

This Donor Circular & Disclosure Statement describes the risks, fees and expenses associated with establishing and maintaining a Fund account. Read it carefully before contributing.

*Please see the "Important Disclosures" Section at the end of this document for information relating to Morgan Stanley Smith Barney LLC.*

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## Introduction

**General.** Morgan Stanley Global Impact Funding Trust, Inc. ("MS GIFT, Inc." or "MS GIFT") is an independent nonprofit corporation described in Section 501(c)(3) of the Internal Revenue Code. The charitable purpose of MS GIFT, Inc. is to advance philanthropy and deepen its impact through education, collaboration, and customized support, enabling donors to enhance their charitable effectiveness. Consistent with this mission, MS GIFT, Inc. has established a donor advised fund program, which is known as Morgan Stanley Global Impact Funding Trust (the "Fund"). The intent of the Fund is to maintain separately identifiable accounts (each, an "Account") funded by contributions from not more than two individual donors and/or one entity donor. This Donor Circular & Disclosure Statement ("Donor Circular") describes the policies, procedures and services governing making a contribution to MS GIFT, Inc. and maintaining an Account with the Fund.

MS GIFT, Inc. has retained Morgan Stanley Smith Barney LLC ("MSSB") and a third-party administrator to provide various investment, administration and record-keeping services, for which each receives a fee as further described herein. MSSB advises MS GIFT, Inc. on investment management decisions and provides certain additional administrative services associated with the ongoing maintenance and support of the program. The third party administrator performs certain services and functions for the Fund, which include, but may not be limited to: provision of an online contribution and grant-making platform, located at <https://msgift.donorfirstx.com/> (the "Online Portal"); grantmaking due diligence; grant disbursement; and performance of certain accounting and record-keeping functions.

## Establishing an Account

**Who Can Be a Donor.** Individuals, corporations, partnerships, trusts, family foundations and other legal entities may fund an Account.

**Account Opening.** An Account may be opened by completing a Donor Contribution Agreement ("Agreement" or "DCA"). This agreement should be submitted to an MSSB Financial Advisor or Private Wealth Advisor ("Financial Advisor") to complete and forward to MS GIFT, Inc. for review and approval. In some cases, additional items may be required.

- **Step 1:** Read this Donor Circular document to become familiar with the MS GIFT program.
- **Step 2:** Open an Account by contacting your Financial Advisor to complete an application. This includes (as further described below in *Additional Information About Account Opening*):
  - Providing donor information
  - Naming the Account
  - -Designating Account Grant Advisors (Optional)
  - Creating a legacy plan (i.e. naming Successor donors and ultimate charitable beneficiaries)
  - Providing details about the nature, source, and amount of the initial contribution to the Account
  - Selecting investment options at MSSB, as further described herein.
- **Step 3:** Fund the Account. The minimum contributions are \$25,000 in Select UMA Program Accounts and in Portfolio Management Program Accounts. These minimums are subject to change. Upon funding of the Account, MS GIFT will:
  - Provide a gift acknowledgement letter for tax purposes
  - Provide viewing access of the Account via the Online Portal
  - Review and may approve grant recommendations

## Additional Information about Account Opening

**Initial Contribution.** A donor's initial contribution to an Account shall consist of cash or other assets acceptable to MS GIFT, Inc. The initial account value must be a minimum of \$25,000 in aggregate in the Select UMA Program and in aggregate in the Portfolio Management Program. Other investment options, if available, may have other minimum contribution requirements.

**NextGen Legacy Account.** In an effort to promote intergenerational philanthropy, MS GIFT offers its donors the opportunity to create a NextGen Legacy Account on behalf of their lineal descendant(s). The NextGen Legacy Account must be funded with a minimum of \$5,000.

**Types of Property that can be Contributed.** Donors may make irrevocable and nonrefundable charitable gifts of cash, securities, and freely transferable restricted stock. Other assets may be accepted at the sole discretion of MS GIFT, Inc.

**Additions to the Account.** After an Account is established, additional contributions may be made at any time by

submitting the additional contribution information through the Online Portal. Any subsequent contribution to an account must be valued at no less than \$5,000 in the aggregate, except that a contribution of \$1,000 may be made to a Next Gen Legacy Account.

**Irrevocability.** All contributions to the fund are irrevocable and nonrefundable. Contributions and all related future earnings, including any income and appreciation thereon, are no longer the donor's assets; they are the property of MS GIFT, Inc. When making a contribution, a donor cannot impose any restriction or condition that prevents MS GIFT, Inc. from freely and effectively using the contribution.

**Naming the Account.** Donors will be asked to name their account(s), subject to MS GIFT, Inc.'s approval, for use in correspondence and for publications. Typically, donors choose a name to recognize themselves or their family and/or to reflect their charitable goals (e.g., Jones Family Foundation, or Robert Smith Educational Fund).

**Naming Grant Advisors.** Donors may designate one or more other persons to provide advice and guidance with respect to, and in connection with, grant making (each a "Grant Advisor"). Grant Advisors may recommend grants concurrently with the donors. Financial Advisors cannot serve as Grant Advisors on Accounts, except in the case in which an Account's donor is the Financial Advisor's parent, sibling, spouse and/or child.

**Naming Successors.** Donors may also designate one or more persons as Successors to exercise the rights and privileges granted to donors with respect to an Account(s) after the death or incapacity of the donor. Successors may designate their own Successors. Financial Advisors cannot serve as Successors on Accounts, except in the case in which an Account's donor is the Financial Advisor's parent, sibling, spouse or child.

**Naming Ultimate Charitable Beneficiary.** Donors are also given the opportunity to recommend grants of funds remaining in the Account after the donor's death or incapacity if there are no Successors designated and/or willing to act. In such a circumstance, donors may recommend one or more qualified charities to receive a specific percentage of the Account, or may recommend an area of charitable or geographical interest.

In case the donor dies or becomes incapacitated, and if the donor did not recommend an ultimate charitable beneficiary and did not designate one or more Successors, or there are no Successors available and willing to act, the Board of Directors of MS GIFT, Inc. ("Board") may exercise its discretion in the distribution, reinvestment, and/or use of such charitable funds.

## Funding an Account

**Please allow sufficient time to complete all transfers. Note that some transfers can take two weeks or more. In all cases, donors are responsible for ensuring the timely transfer of financial assets to the Account.**

MS GIFT, Inc. has the final decision over any asset allocation or investment of the assets in an Account.

MS GIFT, Inc. will conduct due diligence on all contributions before accepting them and reserves the right to perform additional reviews as it deems necessary. All contributions are subject to the approval of MS GIFT, Inc. MS GIFT, Inc. in its sole and absolute discretion may:

- 1) refuse certain contributions or
- 2) condition its acceptance of any contribution upon the donor completing additional forms and complying with such procedures as it deems necessary.

If for any reason a contribution is not accepted, it will be returned to the donor.

Upon accepting a contribution, MS GIFT, Inc. will issue a written confirmation to the donor acknowledging receipt of the contribution, as required by law.

Accounts are not designed to serve as fundraising vehicles. Donors may not conduct fundraising campaigns or crowdfunding on behalf of or to benefit an Account. Except in the case of approved Pooled Contribution Accounts as described above, contributions will be receipted only for parties listed as donors on the Donor Contribution Agreement used to establish an Account.

Cash equivalents must be in U.S. dollars and delivered by check, electronic funds transfer (EFT), or wire. Checks should be made payable to Morgan Stanley Global Impact Funding Trust, Inc.

**Donating Securities.** Donors can contribute publicly-traded securities, including, but not limited to, mutual fund shares, stocks, restricted stock, bonds, and options. When contributed assets are sold, the Account will be credited with the net proceeds received from the sale of such donated assets. Options which are not publicly-traded may be accepted subject to the review and approval of MS GIFT, Inc.

Securities contributed to an Account may be liquidated as soon as the business day following the date of the contribution.

Any gift of securities is an irrevocable and unconditional contribution when received and accepted by MS GIFT, and at all times following its acceptance, MS GIFT, Inc. retains exclusive legal control over the contributed securities, voting powers related thereto, and disposition thereof.

As a condition to processing of a donor's contribution request, the donor must represent that he or she will, and undertake to, comply with and fulfill all obligations under applicable laws and regulations to which he or she may be subject, and that he or she will not breach such applicable laws, regulations or policies and procedures with respect to such contributions.

**Complex Asset Gifts.** MS GIFT, Inc. may accept gifts of illiquid, "complex" assets, which may include, but may not be limited to, privately-held business interests, real estate, alternative investments, certain cryptocurrencies, artwork, and collectibles. Contributions of complex assets are subject to due diligence by MS GIFT and approval by the Board. In all instances, MS GIFT shall have the sole discretion and authority to accept such assets and the terms under which they are accepted, considerations for which may include anticipated dollar value of the prospective gift, liquidity characteristics, risk parameters, and others. Such terms and considerations may change from time to time.

Donations of cryptocurrency are accepted through a third-party service provider and processed through a third-party provider of money transmission services. Neither MS GIFT nor MSSB accept cryptocurrency directly.

For contributions of non-cash assets, including publicly traded securities, for which you claim a deduction of more than \$5,000, you must obtain a qualified appraisal from a qualified appraiser in order to substantiate your charitable income tax deduction. However, unrestricted publicly traded securities generally do not require a qualified appraisal. Please refer to the instructions for Form 8283, available at <https://www.irs.gov/forms-pubs/about-form-8283> for more detailed requirements.

**Deferred Gifts.** Donors may contribute to an Account by naming MS GIFT, Inc. as the beneficiary of a bequest of cash, securities or other property or as the beneficiary of a qualified retirement plan, individual retirement account (IRA), life insurance policy or a revocable or irrevocable trust, including a charitable remainder trust or a charitable lead trust.

Donors wishing to create or name an Account with a deferred gift should contact their Financial Advisor. Donors should consult their tax and legal advisors prior to making any deferred gift.

**Unallocated Contributions.** In cases where the receipt of a contribution is not accompanied by the donor's completed Donor Contribution Agreement, MS GIFT, Inc. will make reasonable efforts to identify and contact the donor and/or his or her Financial Advisor. Unallocated contributions will be held for 12 months, after which time the contribution(s) will be allocated to MS GIFT, Inc.'s undesignated fund for discretionary use by the Board.

**Receipt of Minimum Contributions.** In cases when initial contributions do not meet the minimum initial contribution requirement(s) within 6 months of initial funding, the assets in the Account may be moved to the MS GIFT, Inc.'s undesignated fund for discretionary use by the Board.

**Employer Matching Contributions.** For donors whose employers will match contributions to donor advised fund accounts, MS GIFT, Inc. will accept matching contributions in any amount. Employers making matching contributions to an existing Account are not required to complete a Donor Contribution Agreement. Matching contributions should identify the donor whose contribution is being matched so that MS GIFT, Inc. may attribute those funds to the appropriate Account. Matching contributions received by MS GIFT, Inc. that do not identify the associated donor may be allocated to MS GIFT, Inc.'s undesignated fund for discretionary use by the Board.

**Credit Card.** Donors may make contributions to their Accounts using a credit card. Credit card contributions funding an Account must meet initial account minimum requirements. Additional contributions paid with a credit card to an Account do not have a minimum. Please note, credit card fees may apply and will be paid with Account funds.

## Tax Deduction

Donors who itemize their income tax deductions may be eligible for a U.S. income tax charitable deduction for contributions to the Fund. Applicable tax regulations specify deduction limits, how contributions are to be valued and how to determine the valuation date. Under the laws and regulations in effect at the time of the publication of this Donor Circular, the U.S. income tax charitable deduction for a contribution is based on the following guidelines and as detailed in IRS publications including *Publication 526, Charitable Contributions* (<https://www.irs.gov/pub/irs-pdf/p526.pdf>) and *Publication 561, Determining the Value of Donated Property* (<https://www.irs.gov/pub/irs-pdf/p561.pdf>). For foreign contributions, or for more information about your specific situation, please consult your tax advisor.

- The valuation date is the date on which assets are received by MS GIFT, Inc. (which may not be the date on which contributed assets are liquidated by MS GIFT, Inc., the date on which the donor executes the documents necessary to make contributions or the date on which the donor's Account is credited).

- Generally, a U.S. income tax deduction can be claimed for the full amount of a cash contribution. For contributions of publicly traded securities that the donor has owned for more than one year, a U.S. charitable income tax deduction may be claimed for the fair market value of the securities on the date the Fund receives the contribution. The charitable income tax deduction for securities owned for one year or less is limited to cost basis or current fair market value of the securities, whichever is lower.
- The determination of the fair market value of securities traded on a stock exchange or in an over-the-counter market is based on procedures prescribed by the United States Treasury Department and/or the Internal Revenue Service ("IRS"), as applicable. In general, the fair market value of any such security is the mean between its highest and lowest quoted selling prices on the date of the contribution.

**Limitations.** Since MS GIFT, Inc. is a U.S. public charity, the income tax charitable deduction for contributions to the Fund is generally more advantageous than that for contributions to a private foundation. (Although public charities and private non-operating foundations are both tax-exempt organizations to which deductible contributions may be made.)

U.S. income tax deductions for contributions to public charities, including MS GIFT, Inc., are limited each year depending on the type of contribution made during the year. In general, the maximum income tax charitable deduction an individual may claim in any one year is limited to 60% of his or her adjusted gross income ("AGI"). This maximum limitation applies only to gifts of cash, and lower percentage limitations apply to other types of contributions, as described below. Corporations may deduct up to 10% of their taxable income (with some adjustments) for contributions of cash or securities.

Contributions of appreciated property to a U.S. public charity are generally deductible at fair market value, subject to certain exceptions. In particular, a donor's deduction is reduced by the amount of any gain that would not be treated as long term capital gain if the property were sold.

MS GIFT, Inc. and MSSB do not provide tax or legal advice. Donors should consult with their legal and tax advisors to understand the tax implications of any donation or contribution.

**Adjusted Gross Income Percentage – Limitations on Contributions to Public Charities for Donor Advised Funds.**

- 60%: Contributions of cash, but only if all contributions for which a deduction is claimed were cash contributions.
- 50%: Contributions of (i) cash, if the donor is also claiming a deduction for non-cash contributions and (ii) property, if the property is valued at or below the donor's cost basis. In each case, the 50% limitation is an aggregate limit that includes any contributions subject to a lower AGI limitation.
- 30%: Contributions of appreciated property for which a fair market value deduction is claimed.

Deductions for contributions exceeding these AGI limits may be carried forward for up to five years, but any current year deductions must be taken first.

*Donors seeking to maximize the U.S. income tax deduction for charitable contributions and planning to give different types of assets to both U.S. public charities and private foundations should consult their tax advisor to determine the deductibility and advisability of such contributions.*

**Contributions to MS GIFT, Inc. from Individual Retirement Accounts.** Federal tax laws do not permit donors to make a qualified charitable distribution or rollover of funds from an IRA to a donor advised fund. Contributions from a traditional IRA to the Fund are recognized as taxable income by the IRA owner who is responsible for paying these taxes before donation. However, the IRA owner may be eligible for a potential charitable income tax deduction up to the amount of the IRA contributions. The contributions may be counted towards the IRA owner's required minimum distribution for the year. Donors should consult their tax advisors to understand the tax implications of a contribution from an IRA to MS GIFT, Inc.

**Valuation Changes After the Donation.** After making a contribution to the Fund, any change in the value of donated assets does not affect the amount of the donor's U.S. income tax charitable deduction. Any change in the value only affects the amount available to make recommendations of grants.

**Other Taxation Issues.** In general, a donor will not realize capital gains for the sale of any appreciated securities contributed to an Account when the securities are liquidated by MS GIFT, Inc. after the contribution.

All contributions to an Account and any earnings related to contributions are not part of the donor's estate and thus are not subject to either U.S. estate tax or probate.

## Investment Options

Donors have no ownership interest in any Account or any investment in which an Account is invested. The Board has the

sole responsibility and authority for investing the Fund's assets. Donors may recommend to the Board the allocation of each of their contributions-original or additional-among the MS GIFT pre-approved investment options described herein. For more information about the MSSB investment advisory programs referenced below, please refer to the applicable Form ADV brochure at [www.morganstanley.com/adv](http://www.morganstanley.com/adv). The value of Account assets invested in one or more of the investment options described may fluctuate with market conditions, which may result in a loss of principal. Thus, the assets in the Accounts might be worth more or less than the original contribution made by donors by the time grants are made. Funds must be invested within thirty (30) days after MS GIFT receives the funds. If after 30 days the account remains uninvested, the funds will be allocated in the Firm Discretionary All ETF Model or Pathway Solutions appropriate for the Account value and risk tolerance recommended by the donor for the Account, subject to review and approval by MS GIFT.

**Portfolio Management Program.** In its role as Investment Adviser to MS GIFT, Inc., MSSB permits certain qualified Financial Advisors to manage eligible Accounts in accordance with an agreed upon investment strategy through its Portfolio Management ("PM") program. Recommendations by donors with respect to the investment strategy to be implemented in the PM program are subject to ultimate approval by MS GIFT.

**Select UMA Program.** The Select UMA Program is a unified managed account program in which MSSB, as discretionary investment manager, creates a portfolio which may be comprised of investments in a combination of mutual funds, exchange traded funds, and separately managed accounts, which may be managed by third-party or affiliated portfolio managers.

In addition, MSSB has certain investment pools in the Select UMA Program for MS GIFT, Inc. whereby assets of various Accounts can be pooled together and invested in one or more of a number of pooled investment portfolio options ("MS GIFT Legacy Pools"). Effective July 21, 2021, however, the MS GIFT Legacy Pools are closed to new donors, new Accounts, and/or additional contributions. Any additional contributions on or after July 21, 2021 will require the opening of a new Account and cannot be invested in MS GIFT Legacy Pools.

**Other.** Under certain limited circumstances and subject to the approval of MS GIFT, Account assets may be invested in other investment strategies.

## Grant Making

Donors and Grant Advisors may recommend grants online, or by directing their Financial Advisor (or assistants and other branch-related personnel acting at their direction) to do so on their behalf. A donor may recommend that grants be made from an Account to one or more qualified: (1) domestic public charities, (2) domestic organizations, (3) private operating foundations, and (4) foreign organizations. There are no additional fees for grants to domestic public charities, governmental bodies, religious institutions, or eligible private operating foundations.

Grants to private operating foundations may be subject to additional review and approval at the discretion of MS GIFT, Inc.'s Board.

**Grants cannot be made to private non-operating foundations, certain types of supporting organizations, or to individuals.**

Grant recommendations are nonbinding and subject to review and approval by MS GIFT, Inc.'s Board. It generally takes approximately 10 business days for review, approval and processing of a grant, other than a grant to an Other Grantee Organization, as defined below. If, during the due diligence process a grant recommendation is identified as being potentially outside the scope of what the Fund could grant, or if additional information is required to establish the legality of the grant, MS GIFT, Inc. will contact the donor's Financial Advisor in an effort to obtain any information to complete the due diligence process related to the grant. Following review of the grantee, the grant recommendation must then receive Board approval. If a grant recommendation does not receive approval, MS GIFT, Inc. will notify the donor and ask whether the donor wishes to make an alternative grant recommendation.

**Grant Disbursement.** MS GIFT, Inc. will respond as promptly as possible to grant recommendations. Recommendations for grants to domestic public charities and domestic governmental bodies (e.g., public schools and parks) will be reviewed and, if approved, a grant disbursement to the grantee organization will generally be made within 10 business days. Grant disbursements may not be provided to donors or other parties for delivery to grantee organization. MS GIFT, Inc. makes grants payable to the grantee organization's legal name (which may be different from the grantee organization's commonly used name) and sent to the organization utilizing its validated mailing address or banking details. Each grant must be at least \$250.

**Grants on Hold.** Certain grants will require additional due diligence to verify the status of the grant recipient as a qualified charity or to validate the charitable purpose of the grant.

**Recurring Grants.** A donor or Grant Advisor may request recurring grants (e.g., quarterly, bi-annually or annually) that will continue to be made as long as the grantee organization remains qualified to receive grants under the applicable tax law and as long as there are funds available in the Account to cover the grant request amounts. If funds are not available, then recurring grants will be stopped.

**Grants to Other Grantee Organizations.** MS GIFT, Inc. will consider grant recommendations to other grantee organizations, which include permitted domestic and foreign organizations not recognized as tax-exempt charitable organizations by the IRS ("Other Grantee Organizations"). Additional fees will be assessed for grants to Other Grantee Organizations. These fees are in addition to any other fees described in this Donor Circular. Additional processing and due diligence time are to be expected. Please contact the third-party administrator for fee information.

**Recoverable Grants.** A donor or Grant Advisor may recommend a recoverable grant from an Account to a qualified public charity. Currently, recoverable grants are not legally defined under the Internal Revenue Code, or otherwise; however, such grants may be generally described as grants with an opportunity for repayment by the grantee charity back to the Account, so long as certain conditions are satisfied by such charity. In other words, a grantee charity is not legally obligated to repay the grant to the Account unless certain conditions are met (e.g., the grantee charity generates revenue as a result of the recoverable grant which triggers MS GIFT's right to receive repayment of all or a portion of the grant to the Account). Recoverable grants are subject to additional fees which are in addition to any other fees described in this Donor Circular.

**Additional Grant Guidelines.** To expedite the review and processing of grant recommendations, the following guidelines should be considered by donors:

- Grants may be made only to domestic public charities and certain private operating foundations that qualify as tax-exempt under Section 501(c)(3) of the Internal Revenue Code, unless MS GIFT, in its sole discretion, agrees to exercise "expenditure responsibility" over the grant or obtains an "equivalency determination" on a qualifying foreign organization.
- Grants will not be made to individuals, to certain types of supporting organizations, to charities that benefit a particular person, to certain types of private foundations, to political parties/candidates or lobbying expenses or to support terrorist activities in anyway.
- Recommended grantee organizations will be asked to represent that grant monies will not be used for illegal purposes, including drug trafficking, money laundering or supporting terrorism.
- Proposed grants (and any additional fees applicable to those grants) cannot exceed the balance in an Account. Moreover, Accounts must maintain sufficient balances and liquidity to cover Account fees.
- For Accounts with investments in multiple MS GIFT Legacy Pools, grants are made pro rata from all the MS GIFT Legacy Pools that comprise the Account.
- Proposed grants cannot fulfill legally binding pledges or promises already made by the donor, Grant Advisors, or others. For example, if a donor makes a binding pledge in his or her own name to support an organization, MS GIFT, Inc. cannot fulfill that pledge on the donor's behalf. In certain instances, MS GIFT may agree to enter into a pledge or grant agreement with a qualified organization at the recommendation of the donor or Grant Advisor.
- IRS regulations forbid grant disbursements from donor advised funds that would benefit the donor or any specific individual. This includes requests to pay for memberships or tickets to galleries, museums or public broadcasting stations, goods at a charitable auction, school tuition, or benefit dinners. This regulation ensures that the dollars contributed to MS GIFT, Inc. will directly and fully support charitable programs.
- No donor or grant advisor to an MS GIFT donor advised fund, nor any of their family members or related entities, will receive, directly or indirectly, any grant, loan, compensation, or other similar payment in connection with the grant.
- Grants cannot be made for lobbying purposes or to support political campaigns.
- Grants may not be earmarked or restricted for the benefit of a particular individual within an organization.
- Unless otherwise instructed in writing by MS GIFT to a grantee, grants made by MS GIFT. are unrestricted grants and any purpose designated on a grant check or any correspondence to a grantee is merely a recommendation. Each grantee shall have the discretion to apply grant funds it receives from MS GIFT as they determine, unless otherwise instructed in writing by MS GIFT. MS GIFT may request additional information from the donor, his or her Financial Advisor, Grant Advisor, and/or a proposed grantee in order to ensure that the grantee will control all funds granted to it from MS GIFT and that such funds will be used solely for charitable purposes.



- Grantees should not provide donors or grant advisors with a written acknowledgment for tax purposes.
- Upon MS GIFT's approval of a grant request, the grant disbursement will be accompanied by a physical or electronic letter and sent to the recommended recipient organization. Such letter will generally identify the name of the Account from which the grant was made (unless the donor has requested anonymity). Donors may elect to have their address included in the grant letter to the recipient organization for recognition purposes.
- The donor may view grant disbursements out of the Account via the Online Portal, including within the quarterly Account statements accessible thereon.

**Tax Treatment of MS GIFT, Inc.'s Grants.** The donor is not eligible to receive additional charitable deductions for grants disbursed from an Account. The donor's charitable deduction is generated by the contribution to MS GIFT, Inc. provided the donor qualifies for a charitable deduction.

**Minimum Grant Activity, Dormant Accounts.** One of the purposes of MS GIFT, Inc. is to promote philanthropy by seeking charitable contributions that can be used to support qualified organizations. The Fund expects that its grant distributions will be equal to or exceed 5% of its average net assets on a fiscal five-year rolling basis. Assets in Accounts that have had no activity for five or more years may be distributed after reasonable efforts by MS GIFT, Inc. have been made to contact donors or Grant Advisors and will be consistent with the donor's stated charitable area(s) or geographical area(s) of interest or to the donor's ultimate remainder beneficiaries, if the donor has provided this information. If no charitable or geographical areas of interest or ultimate remainder beneficiaries are named in the Donor Contribution Agreement, funds from dormant Accounts may be transferred to MS GIFT, Inc.'s undesignated fund for discretionary grant-making by the Board.

## Grant Advisors and Succession

**Grant Advisors.** When an individual creates an Account, he or she may name one or more Grant Advisors, other than Financial Advisor(s), who, during the donor's lifetime, have the authority to recommend grants from the Account. The Grant Advisor, however, cannot make recommendations with respect to the Account's investment options. Grant Advisors must have attained the age of 18 and reached adulthood in the jurisdiction(s) in which they will act.

If no Grant Advisor is named in the Donor Contribution Agreement, a donor may designate an attorney-in-fact to act as a Grant Advisor to the donor's Account upon submission of a certified copy of the power-of-attorney specifically referencing this power under which the attorney-in-fact is acting accompanied by either (i) a written letter of authorization from the donor addressed to the Board, or (ii) in the case of an attorney-in-fact acting under a durable power of attorney on behalf of an incapacitated donor, acceptable documentation of the donor's incapacity.

Financial Advisors (and assistants and other Morgan Stanley branch-related personnel acting at their direction) are given the authority to submit grant recommendations for Accounts upon the donor's or Grant Advisor's verbal direction and also to access other information regarding the donor's Account. MS GIFT, Inc. and its third party administrator may communicate with a Financial Advisor's assistant or other branch-related personnel regarding an Account in the same manner as with the Financial Advisor.

**Successors.** The donor may at any time nominate (or remove) a spouse, child, other relative or any unrelated individual, other than Financial Advisor(s), as a Successor to succeed on the Account as a Grant Advisor and provide grant and investment recommendations to MS Gift, Inc. after the donor's death or incapacity. The Successor must provide the Fund with written notification and written proof of the donor's death or incapacity. Until such time as a minor attains the age of 18, the Fund may require that legal guardians make grant recommendations. MS GIFT, Inc. reserves the right to limit overall succession on Accounts to a specific number of generations and/or years.

Corporate entity donors may designate individuals as successors who will succeed the corporation once it terminates operations (for any reason).

If no Successors are named, or, if all named Successors are unable to act, the Account will be terminated (a "Terminated Account") and the assets will be distributed as provided in the sections below entitled "Grant to Charity at Death" or "Undesignated Fund", as applicable. Any assets held in a Terminated Account will cease to be held as a donor advised fund under the terms of this Donor Circular except to the extent required to comply with the provisions of the applicable sections.

**Grant to Charity at Death.** The donor may designate one or more permitted public charities as ultimate charitable beneficiaries, to be considered for grants from the Account upon the donor's death or incapacity. These organizations will be subject to the same grant approval process as grant recommendations made during the donor's lifetime. In the event that a designated ultimate charitable beneficiary no longer exists at the time of the donor's

death or incapacity, MS GIFT, Inc. will make reasonable efforts to make a grant to an organization that supports similar purposes, provided such an organization is qualified and is acceptable to the Board.

**Undesignated Fund.** If the donor does not name a Successor or designate one or more ultimate charitable beneficiaries, the Board may, upon notification of the donor's death or incapacity, transfer assets from the Account to the Undesignated Fund. Grants from the Undesignated Fund are made to organizations and programs that address one or more of the following, but not limited to:

- Health and human services
- Culture, religion, arts and the humanities
- Children, youth and families
- Civic and community affairs
- Social welfare
- Environment and wildlife
- Education and scientific research

### Important Additional Information

**Conflict of Terms.** In the event of an inconsistency between the terms of this Donor Circular and the Articles of Incorporation, Bylaws or corporate resolutions of MS GIFT, Inc. (the "Governing Documents"), the terms of the Governing Documents shall govern the rights and obligations of MS GIFT, Inc., its donors and Grant Advisors.

**Relationship of MS GIFT, Inc. and MSSB.** MS GIFT, Inc. was founded as an independent, nonprofit organization. MS GIFT, Inc. and MSSB are separate legal entities.

MSSB serves as investment adviser to the Fund, but does not serve as a fiduciary or in an investment advisory capacity relative to donors. Financial Advisors (and assistants and other branch-related personnel acting at their direction) may provide various non-investment advisory services to assist donors in meeting their charitable goals.

Although MSSB and its affiliates may provide certain investment management, administration, support and record-keeping services to MS GIFT, Inc. and/or the Fund through service agreements, the Fund and MS GIFT, Inc. are not programs or services provided by MSSB. Likewise, while MSSB employees may serve as directors or officers of MS GIFT, Inc. and MSSB may provide services to MS GIFT, Inc. or the Fund or donors to the Fund, MSSB does not control MS GIFT, Inc. or the Fund.

MSSB is not responsible for these materials and makes no representation as to their accuracy or completeness.

**No Tax Advice.** Each individual's tax situation is unique and is subject to specific facts and circumstances that are beyond MS GIFT, Inc.'s control or knowledge. Additionally, tax laws and regulations change frequently, and their application to a particular taxpayer's circumstances can vary widely. MS GIFT, Inc. strongly encourages donors to consult with their own tax and legal advisors prior to contributing to MS GIFT, Inc. or undertaking any tax or estate planning. Neither MS GIFT, Inc. nor MSSB provides tax advice or legal advice, and both specifically disclaim any responsibility for the accuracy or adequacy of any position taken by donors in their own tax returns and any investment management decisions made by donors at times of contributions to the Fund.

These materials and any tax-related statements are not intended or written for the purpose of avoiding taxes and tax penalties and cannot be used for such purposes. Tax-related statements, if any, may have been included in connection with the "promotion or marketing" of the matters addressed by these materials, to the extent permitted by applicable law.

The Fund is not suitable for all persons. Other methods of charitable giving exist and neither MS GIFT, Inc. nor MSSB represent that the Fund is appropriate for any individual client.

### Privacy Policy Statement

At MS GIFT, Inc., privacy and confidentiality of the donor's personal information is important and we want to ensure the donor's trust in us. The following statement describes our practices and policies for protecting the donor's nonpublic personal information. MS GIFT, Inc. reserves the right to revise this policy at any time without notice.

MS GIFT, Inc. does not disclose, sell, rent, trade, or otherwise provide nonpublic personal information that we have about the donor or the donor's Account(s) to third parties, whether affiliated or unaffiliated with MS GIFT, Inc., except as permitted by law.

MS GIFT, Inc. only collects nonpublic personal information provided by the donor either through the secure online

information requests or application, through general and toll-free telephone numbers, through the application process, or through the donor's transactions with our program managers, our third party administrator or us.

Examples of nonpublic personal information of the donor collected include:

- Name, address, phone number, advisor(s) and successor(s.)
- Account information, such as dollars contributed, units held and value of Account.
- Optional demographic information such as gender, household income, ethnicity, age and level of education.
- Voluntary information collected by our service providers to conduct market research on our behalf.

MS GIFT, Inc. restricts access to the donor's nonpublic personal and account information to those employees, agents, and independent contractors who need to know that information to service the donor's account(s). We also maintain physical, electronic and procedural safeguards to protect the donor's nonpublic personal information.

MS GIFT, Inc. will disclose nonpublic personal information to third parties as is necessary to process and service the donor's account(s) and to mail general information about MS GIFT, Inc. products and services. We also may provide donors' names, addresses and telephone numbers to a firm that conducts market research on our behalf.

All third party service providers are governed by confidentiality agreements requiring the third party to keep all personal information provided to them by MS GIFT, Inc. confidential except as permitted by law.

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## Important State Disclosures

MS GIFT, is a Maryland nonprofit nonstock corporation dedicated to charitable, religious, scientific, literary and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. **MS GIFT may be contacted by writing to 8888 Keystone Crossing, Suite 1200, Indianapolis, IN 46240.**

### **REGISTRATION WITH A STATE AGENCY DOES NOT CONSTITUTE OR IMPLY ENDORSEMENT, APPROVAL OR RECOMMENDATION BY THAT STATE**

If you are a resident of the following states, please note the following information:

**Florida:** A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION OF MS GIFT MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICE BY CALLING 1-800-435-7352, TOLL-FREE WITHIN THE STATE. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE. THE REGISTRATION NUMBER FOR MS GIFT in Florida is CH13406.

**Georgia:** A full and fair description of the programs and activities of MS GIFT and its financial statement, which is consistent with the financial statement required to be filed with the Secretary of State, are available upon request at the address indicated above.

**Maryland:** A copy of the current financial statement of MS GIFT is available by writing to the above address. Documents and information submitted under the Maryland Solicitations Act are also available for the cost of postage and copies, from the Maryland Secretary of State, Charitable Division, State House, Annapolis, MD 21401, 410-974-5534.

**Michigan:** MICS No. CS26000.

**Mississippi:** The official registration and financial information of MS GIFT, Inc. may be obtained from the Mississippi Secretary of State's office by calling 1-888-236-6167. Registration by the Secretary of State does not imply endorsement.

**Nevada:** Contributions may be tax deductible pursuant to the provisions of sec. 170(c) of the Internal Revenue Code of 1986, 26 U.S.C. §170(c).

**New Jersey:** INFORMATION FILED WITH THE ATTORNEY GENERAL CONCERNING THIS CHARITABLE SOLICITATION AND THE PERCENTAGE OF CONTRIBUTIONS RECEIVED BY THE CHARITY DURING THE LAST REPORTING PERIOD THAT WERE DEDICATED TO THE CHARITABLE PURPOSE MAY BE OBTAINED FROM THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY BY CALLING (973) 504-6215 AND IS AVAILABLE ON THE INTERNET AT <https://www.state.nj.us/lps/ca/charity/chardir.htm>. REGISTRATION WITH THE ATTORNEY GENERAL DOES NOT IMPLY ENDORSEMENT.

**New York:** Upon written request to the above-listed address, a copy of the latest annual report can be obtained from MS GIFT, or from the Office of the Attorney General by writing the Charities Bureau, 28 Liberty Street, New York, NY 10005, 1-212-416-8686 or [www.charitiesnys.com](http://www.charitiesnys.com).

**North Carolina:** Financial information about MS GIFT and a copy of its license are available from the State Solicitation Licensing Branch at 1-919-814-5400. This license is not an endorsement by the State.

**Pennsylvania:** The official registration and financial information of MS GIFT may be obtained from the Pennsylvania Department of State by calling toll-free, within Pennsylvania, 1-800-732-0999. Registration does not imply endorsement.

**Virginia:** A financial statement for the most recent fiscal year is available upon request from the State Office of Consumer Affairs in the Department of Agriculture and Consumer Services, P.O. Box 1163, Richmond, VA 23219; 1-804-786-1343.

**Washington:** MS GIFT is a Maryland nonprofit nonstock corporation. Additional financial information relating to MS GIFT is available from the Washington Secretary of State by using the toll-free number for Washington residents: 1-800-332-GIVE (1-800-332-4483) or <http://www.sos.wa.gov/charities/>.

**West Virginia:** West Virginia residents may obtain a summary of the registration and financial documents from the Secretary of State, State Capitol, Charleston, WV 25305. Registration does not imply endorsement.

**Wisconsin:** A financial statement of the charitable organization disclosing assets, liabilities, fund balances, revenue and expenses for the preceding fiscal year will be provided to any person upon request.

## Schedule A: MSSB Select UMA Program

The Select UMA Program is a unified managed account program in which MSSB, as discretionary investment manager, creates a portfolio which may be comprised of investments in a combination of mutual funds, exchange traded funds, and/or separately managed accounts, and which may be managed by third party or affiliated portfolio managers.

The available investment options through the Select UMA program were formerly inclusive of certain investment pools whereby assets of various Accounts were pooled together and invested in one or more of a number of pooled investment portfolio options ("MS GIFT Legacy Pools"). **Effective on or about July 21, 2021, these MS GIFT Legacy Pools were closed to new donors, new Accounts, and/or additional contributions.**

## Schedule B: MSSB Portfolio Management Program

MS GIFT, Inc. has retained MSSB to serve as its investment adviser and manage Account assets on a discretionary basis in MSSB's PM Program. Under the Portfolio Management ("PM") Program, certain pre-approved Financial Advisors will manage MSGIFT, Inc. assets in the Accounts, for which these Financial Advisors create tailored investment portfolios. The PM Program allows Financial Advisors the ability to use either Morgan Stanley Wealth Management research or incorporate their own research into the portfolio.

**Investment Guidelines.** The Financial Advisor is primarily responsible for making and implementing investment management decisions and ensuring that the investments comply with the PM Program's investment guidelines. The guidelines specify the number and types of securities eligible for investment in a PM Program account, including percentage limitations on account holdings in certain types of investments. The guidelines also specify diversification requirements across industry sectors and asset classes.

## Schedule C: Administrative and Investment Fees and Expenses

Fees and expenses attributed to creating and maintaining Accounts are absorbed by each Account as set forth below. Grants to Other Grantee Organizations and Recoverable Grants are subject to additional fees, as described above.

**Please Note:** Assets that a donor may hold in their own or a related account at MSSB will not be aggregated with MS GIFT Accounts for the purpose of determining whether an Account meets the fee breakpoints set forth below. Please note that the below fees and expenses described below are as of the date of this Donor Circular and are subject to change at any time without notice. It is the responsibility of the donor to review the most recent Donor Circular available on the Online Portal located at <https://msgift.donorfirstx.com/> for the most up to date terms governing the Fund and the Accounts.

### Administrative Fees and Expenses

- **Third Party Administrator's Fee:** MS GIFT, Inc. has engaged a third-party administrator to provide an Online Portal, to assist donors who wish to make contributions and recommend grants, and process donor contributions and grant payments, as well as perform certain administrative, accounting and record-keeping functions. Each Account is subject to the following annual administration fee assessed monthly by the third-party administrator based on the Account's month-end balance.

| <u>Third Party Administrator's Tiered Fee Schedule</u> |   |
|--|---|
| DAF Account Assets                                     | Third-Party Administrator Annual Administration Fee** |
| \$0 - \$1,999,999                                      | The greater of \$100 or 0.27%                         |
| Next \$2,000,000 - \$4,999,999                         | 0.20%   |
| Next \$5,000,000 - \$9,999,999                         | 0.15%   |
| Next \$10,000,000 - \$24,999,999                       | 0.13%   |
| Next \$25,000,000 - \$49,999,999                       | 0.11%   |
| <u>Third Party Administrator's Flat Fee Schedule</u>   |   |
| DAF Account Assets                                     | Third-Party Administrator Annual Administration Fee** |
| \$50,000,000- \$99,999,999                             | 0.09% based on first dollar                           |
| \$100,000,000 or greater                               | Custom based on first dollar                          |

\*\* Does not include MSSB Administrative Fee or Administrative Expenses. Grants to Other Grantee Organizations and recoverable grants are subject to additional fees, as described above.

- **MSSB Administrative Fee:** Accounts will also be assessed a monthly fee paid to MSSB for administration services and ongoing maintenance and support of the platform based on the Account's average balance for the month.

| DAF Account Assets                | MSSB Administrative Fee                              |
|-----------------------------------|--|
| \$0 to \$24,999,999               | 0.07%  |
| \$25,000,000 to \$499,999,999     | 0.07% on first \$25M and 0.03% on remaining assets   |
| \$500,000,000 to \$999,999,999    | 0.06% on first \$25M and 0.02% on remaining assets   |
| \$1,000,000,000 - \$1,999,999,999 | 0.055% on first \$25M and 0.015% on remaining assets |
| \$2,000,000,000 - \$4,999,999,999 | 0.05% on first \$25M and 0.01% on remaining assets   |
| \$5,000,000,000 or more           | 0.045% on first \$25M and 0.005% on remaining assets |

- **Charitable Administrative Fee:** Each Account is assessed a pro rata share of MS GIFT's general operating expenses (Charitable Administrative Fee), which include but are not limited to audit, operational, technology, legal, regulatory, and registration costs incurred by MS GIFT. The maximum annual rate of the Charitable Administrative Fee that will be charged is 0.03%.

### Investment Fees and Expenses

- **Advisory Fees.** MSSB advises MS GIFT, Inc. on asset allocation and provides certain investment advisory and investment management services to each Account, as applicable for the investment advisory program selected. A

portion of the Morgan Stanley Advisory Fee is shared with the applicable Financial Advisor. **Effective on or about July 21, 2021 – The Maximum Morgan Stanley Advisory fee for Accounts is 1.00%, except for Accounts in MS GIFT Legacy Pools.**

- Morgan Stanley Advisory Fees do not include and are in addition to any fees and expenses charged by the mutual funds and ETFs. For the Select UMA program, the Account may also be charged Separately Managed Account fees by third party portfolio managers, if applicable. Mutual Fund, ETF, and Separately Managed Account fees vary over time.
- **Advisory Fees for MS GIFT Legacy Pools.** Note that Advisory fees for MS GIFT Legacy Pools, which are closed to new donors, new Accounts, and/or additional contributions as of July 21, 2021, are as follows:

| <b>MS GIFT Legacy Pools</b>                         | <b>Advisory Fee</b> |
|---|---------------------|
| CG Select UMA Aggressive Pool                       | 0.97%               |
| CG Select UMA Growth Pool                           | 0.98%               |
| CG Select UMA Balanced Pool                         | 0.98%               |
| CG Select UMA Conservative Pool                     | 1.00%               |
| CG Select UMA Investing with Impact Aggressive Pool | 1.24%               |
| CG Select UMA Investing with Impact Balanced Pool   | 1.11%               |
| CG Select UMA Equity ETF Pool                       | 0.74%               |
| CG Select UMA Fixed Income ETF Pool                 | 0.78%               |
| CG Select Money Market Pool                         | 0.60%               |