

Morgan Stanley

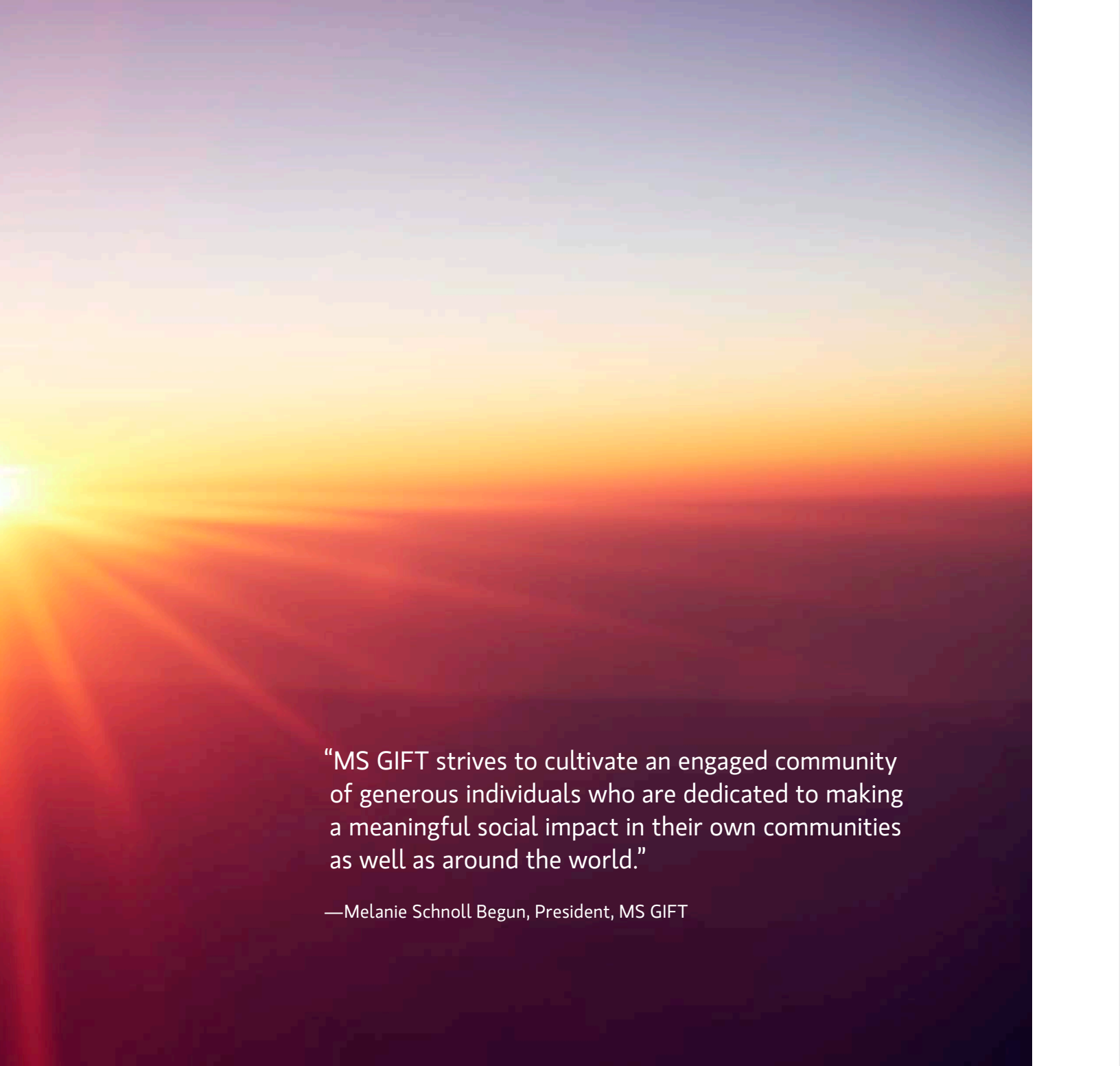
Rising to Today

Your Impact in Review



Our Purpose

We advance philanthropy and deepen its impact through education, collaboration and customized donor support, enabling donors to maximize their effectiveness at the individual and collective levels.



“MS GIFT strives to cultivate an engaged community of generous individuals who are dedicated to making a meaningful social impact in their own communities as well as around the world.”

—Melanie Schnoll Begun, President, MS GIFT

Take a look at what we were able to accomplish:

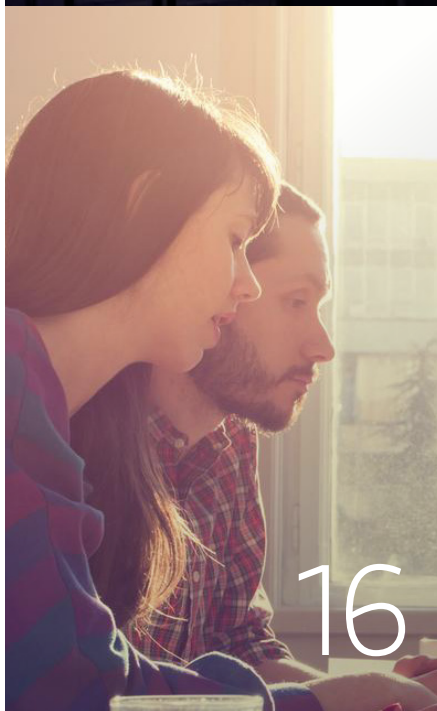
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The past year was a notable one for Morgan Stanley GIFT and marked the culmination of a decade of meaningful work on the part of our donors. As a community, we gave our time, money and resources to create more impact than ever.

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Reflections

**A LETTER FROM MELANIE SCHNOLL BEGUN
PRESIDENT, MORGAN STANLEY GIFT**

Before we reflect on a banner 2019 for the Morgan Stanley GIFT (MS GIFT) community, we would like to offer our thoughts on the unprecedented events of 2020 thus far and offer up ideas on how you—our community—can lead. At a time when so many of us are seeking clarity and information, we trust these ideas will provide reassurance, encouragement and hope.

As I write this in June, the world has witnessed horrific scenes of hatred and racism, resulting in a powerful social justice movement that seeks to confront the damage caused by centuries of systemic racism. This is a historic moment, and we must ask ourselves—as a community of grantmakers—what can we do to achieve greater justice? Now is the time to embrace the difficult questions, to listen to Black communities, and to challenge our beliefs, however uncomfortable. As a global giving community, we are here to support each other as we lean into this tumultuous era and think intentionally about the importance of effective charitable giving.

There is also no underestimating the deep impact that COVID-19 has wrought worldwide. The pandemic is not only an urgent public health crisis but an economic one as well, with profound implications on food security, livelihoods, education and beyond. Despite this sobering outlook, we have witnessed the relentless strength, cooperation and optimism of communities both near and far—from the resilience of health care and essential workers to the agility of nonprofits and small businesses in the service of others.



Amid an uncertain future, you—as individual donors—have the unique power to use your resources for good. Regardless of funding from major foundations, government and corporations, donors like you are nimble and fill the gaps other forms of support may not reach as quickly. To help you in this mission, our recent landscape surveys, *Swing for the Fences* and *In Solidarity*, provide a compelling array of national and local funding opportunities.

In this spirit, I am proud to present our 2019 in Review. Thanks to your ongoing generosity, 2019 was a record year for MS GIFT, with more than 2,000 new accounts opened, contributions totaling more than \$1 billion, and \$457 million in grants awarded.

Donor-advised funds (DAFs) have experienced a surge of growth, driven largely by their flexibility and simplicity—making philanthropy more accessible to people of all backgrounds and interests. In particular, grant-making from DAFs has nearly doubled in the past five years, with payout rates consistently above 20%. I am pleased to announce that in 2019, MS GIFT's efforts were no less impressive, with a 32% increase in gifts to nonprofits and a payout rate of 25%.

Around the world, 2019 will be remembered as a year of renewed activism and civic engagement—from the #MeToo movement to the rise of youth activists such as Greta Thunberg. Despite staggering levels of political uncertainty, global acts of violence and international humanitarian crises, your generosity and humanity shepherded more than 50,000 grants in 2019 alone.

The year 2019 was also unprecedented for our planet, with fires sweeping across the Amazon, California and Australia; rising temperatures, carbon emissions and sea level rise; and mass displacement of people. In response to these threats, our donors granted nearly \$22 million in 2019 toward the environment, up 56% since 2018. MS GIFT is proud to assist our donors in advancing a more sustainable world and generating positive environmental and social impact.

We have also made significant strides in expanding field-of-interest programs in new and innovative ways. In June, we proudly launched Morgan Stanley GIFT CuresSM—our first donor collaborative, dedicated to accelerating drug development to create new cures and treatments for a broad range of diseases. In addition, we partnered with RenPSG for the administration of the DAF platform, helping to guarantee an improved user experience and superior reporting.

In June, we hosted our annual Exchange conference in New York City in partnership with the Social Impact Exchange, as well as our first Exchange West event in Los Angeles. Through these curated client gatherings, we brought together more than 600 prominent philanthropists and industry leaders to build and strengthen our community.

As we look ahead, our goal is to continue to engage our community in meaningful ways to educate and inspire. We thank you for your continued philanthropic commitment and participation in our vibrant community. We are proud to support you.



Melanie Schnoll Begun

MELANIE SCHNOLL BEGUN

*Managing Director
President of Morgan Stanley GIFT
Head of Morgan Stanley Philanthropy Management*

Inspired Philanthropy

Morgan Stanley GIFT cultivates a rich client community by offering innovative and impactful ways to give back.



19+ years

More than 19 years of operation and experience, established in August 2000



\$2.73 billion

Collective value of 9,000+ active accounts



\$2.22 billion

Value of 221,000 grants gifted since inception



\$4.51 billion

Value of 59,000 contributions since inception

COMMUNITY

Connection to a vibrant community of impact-driven philanthropists and organizations

Donor gatherings and industry-led conferences

Access to donor collaboratives

INNOVATION

Groundbreaking drug development issue fund

Access to impact investing pools to amplify charitable giving

KNOWLEDGE

Experienced and dedicated philanthropic consultants with national coverage and global experience

Dynamic research capabilities across a spectrum of cause areas and sectors

Partnership with cybersecurity team on risk awareness and mitigation for nonprofits

FLEXIBILITY

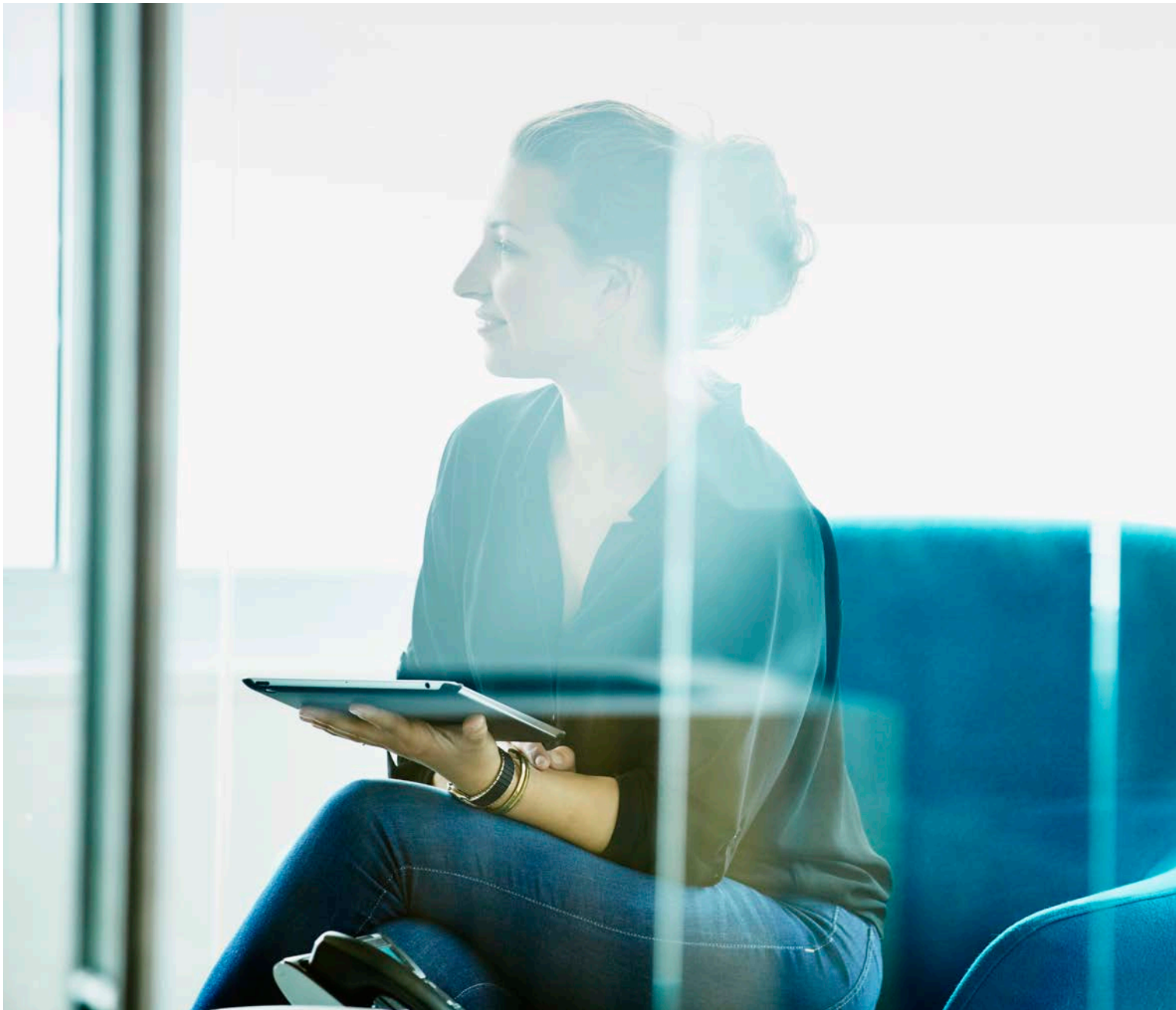
Complex asset donations such as real estate, hotels, art, jewelry, private company shares and more

Domestic and international grant-making capabilities

Technology platform for on-demand giving across all devices

“I’m proud to be a part of creating a safe and secure environment for our clients to achieve their philanthropic goals. Clients who work with MS GIFT have the confidence of knowing that their philanthropic advisor team is conducting thorough vetting on potential grantees and that their data and assets are protected by Morgan Stanley’s premier in-house cybersecurity team.”

—Rachel Wilson, Head of Wealth Management Cybersecurity



Who We Are

Our Donors

Morgan Stanley GIFT donors are a unique collection of leaders, philanthropists and families with one thing in common: the desire to give back in meaningful and impactful ways.

50 states, 10 countries

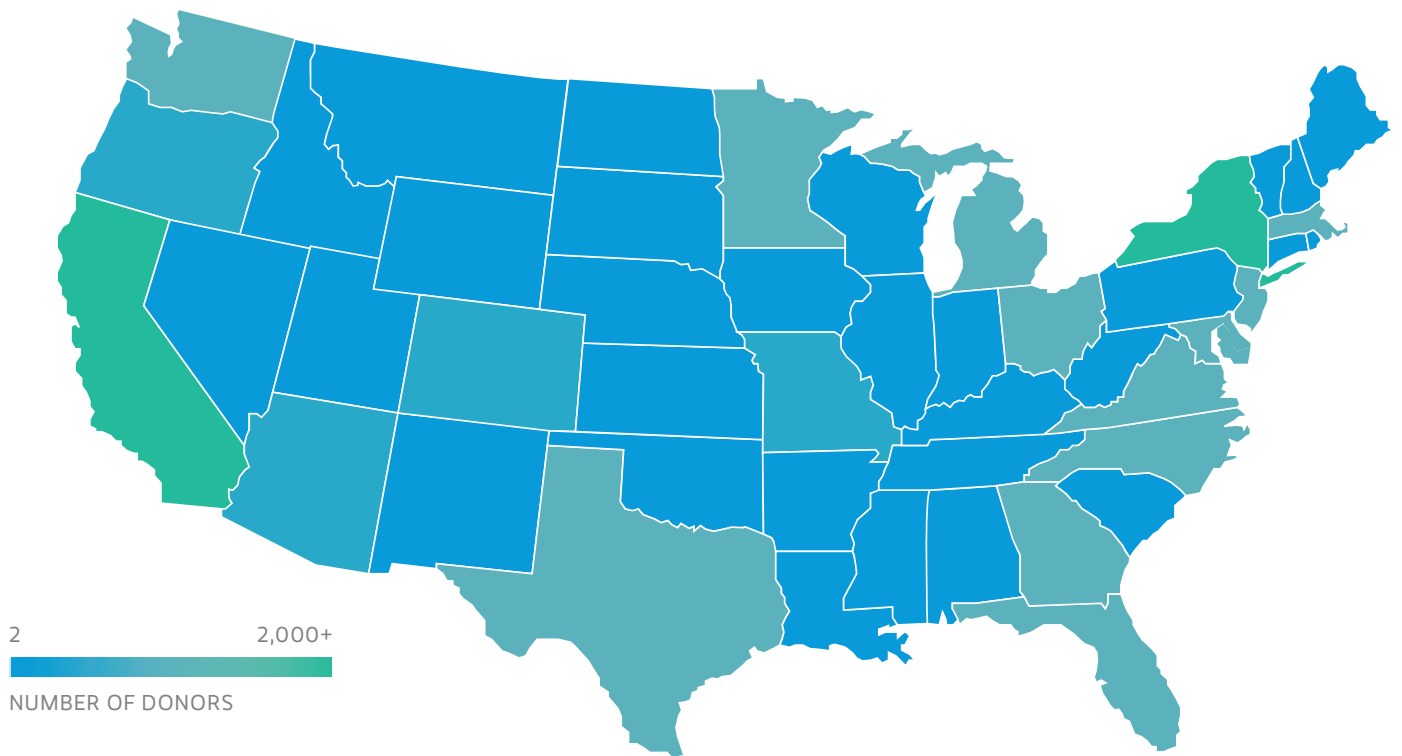
Our donors are geographically diverse, representing all 50 states and 10 countries:

11,000 donors

More than 11,000 donors contributed \$1.14 billion to Morgan Stanley GIFT in 2019, relying on our guidance and know-how when it comes to impactful grant-making.

2,000+ new accounts

Morgan Stanley GIFT opened more than 2,000 new accounts in 2019, showcasing Morgan Stanley GIFT as a charitable vehicle of choice among donors.





Donor Spotlight

Barry Schlouch on Assisting Small Businesses During COVID-19

Barry L. Schlouch is the Founder and President of Schlouch Incorporated, which he founded with his wife, Deb Schlouch, in 1983. Schlouch Incorporated, the leading contractor and site preparation company in Eastern Pennsylvania, is founded on the principles of developing strong relationships between its people and their families, customers, vendors and communities. Barry and Deb have been personal clients of Morgan Stanley for many years and use MS GIFT to achieve their philanthropic legacy.

What is the PA 30-Day Fund?

The PA 30-Day Fund was founded by Jeff Bartos, a small-business owner in Montgomery County, to help for-profit small-businesses across Pennsylvania struggling in the face of COVID-19 by distributing \$3,000 forgivable loans.

How did you use MS GIFT to get involved in the PA 30-Day Fund?

After having to go through the heartbreaking task of laying off many of my own workforce, I knew I needed to lend a hand to other companies in need. I used my MS GIFT account to seed the Berks County branch of the PA 30-Day Fund, and with the help of the team, was able to raise over \$70,000 in one week. To date, we have raised \$100,000 and have funded 27 quality local companies that qualified for funding, including businesses such as hair salons, taxi cabs, restaurants and cafes, marketing companies and more. At a time when so many are in need, Deb and I are proud to support our local community.

PA 30-
Day Fund

Over
\$70,000

raised in one week

\$100,000

raised to date

27

quality local
companies funded

Cultivating Collaboration

Curated Convenings

In 2019, we hosted several events that brought together private investors, donor-advised funds, foundations, family offices and networks to harness the power of experiential philanthropy and activate social capital for good.



The Exchange 2019: Shaping the Future Together: Philanthropy as Change Capital

The Exchange 2019, presented in partnership with Social Impact Exchange, was hosted at the Museum of Jewish Heritage in New York City over two days in which we explored the role of philanthropy in the future of our democracy, economy, health care, education and more. Guests discussed key approaches such as multisector and public/private collaboration, movement building, systems change strategies and game-changing innovations. Prominent speakers included Anand Giridharadas, journalist and author of “Winners Take All: The Elite Charade of Changing the World”; Sally Yates, Former Deputy Attorney General; and Van Jones of CNN.



Jewish Values Consortium: Aligning Values with Capital

We convened more than 250 leaders in the Jewish philanthropy and investment communities in a series of conversations across the country to discuss what it means to give and invest money in alignment with Jewish values. These conversations served as a compelling platform for participants to consider how they might integrate Jewish values thoughtfully into their giving and investing decisions. In response to demand, we created the Jewish Values Guide as a practical framework to actualize these conversations into actionable strategies.



The Exchange West: Philanthropy as Change Capital

The one-day Exchange West, hosted at a contemporary art museum in Los Angeles, sparked creativity and action through the lens of philanthropy. Beginning with innovations from award-winning, virtual reality filmmakers and concluding with a forward look at the megatrends shaping our future with XPRIZE, we focused on key passions across multiple sectors. One of the day’s highlights was our lunch conversation between mother-son duo, Eileen Rockefeller Growald and Danny Growald, on addressing intergenerational problems, principally, the climate crisis.

Powerful Networks

Through the power of our network, we are able to convene the brightest minds in Philanthropy to nurture, build and activate a sense of community and common purpose.



Knowledge Sharing: Quarterly Call Series

In April, the Philanthropy Management team launched a Quarterly Call Series, focused on current, timely topics in philanthropy. The first call, Crisis Triage, explored the global, national and local response to COVID 19, with a focus on the gaps philanthropy can fill during an economic crisis that is impacting families everywhere. The call included several prominent speakers, including Arnaud Bernaert of the World Economic Forum.

The second call in May, Reimagining Education: Will Crisis Catalyze Change, was a timely and prescient discussion of how the COVID 19 crisis may mold the future of education. The call included a conversation with educational equity and innovation leaders, including Sal Khan of Khan Academy.



\$367,000

As of April 2020, we have raised over \$367,000 for the CDC foundation

Nearly \$60 Million in Grants

In April 2020, MS GIFT grant-making was double what it was in April 2019, with nearly \$60 million granted out.

“Collaborative philanthropy provides a powerful opportunity to come together to address challenging health threats, like COVID-19. Our crowdfunding campaign, supported by MS GIFT, is enabling the CDC Foundation to act quickly and effectively to deploy resources to address critical needs. By working together, we are having an impact in America and across the globe for those suffering from COVID-19.”

—Judy Monroe, MD, President
and CEO, CDC Foundation

How We Give

Philanthropy For All, By All

We support our donors along every step of their philanthropic journey, from small donations to large legacy gifts. In 2019, donors gave grants ranging from \$250 for local commitments across a variety of cause areas, to outsized grants of \$20 million for large-scale impact.

\$457 million

TOTAL VALUE OF
50,279 GRANTS
IN 2019

\$9,000

AVERAGE
GRANT SIZE

\$1,000

MEDIAN
GRANT SIZE

25%

Grant
Payout

rate² in 2019
exceeds the national
average of 21%

82%

Increase

in average grants
per account since 2005

Donor Spotlight

Jeff Sprecher and Kelly Loeffler Charitable Fund



About Jeff and Kelly

Jeff Sprecher and his wife, Kelly Loeffler, currently reside in Atlanta, Georgia, where Jeff is the CEO of Intercontinental Exchange and the chairman of the New York Stock Exchange.

Fighting COVID-19

At the height of the COVID-19 crisis, Kelly Loeffler and her husband, Jeffrey Sprecher, mobilized their DAF funds to grant \$1 million to the Phoebe Foundation's COVID-19 Relief Fund in order to purchase personal protective equipment for the front-line workers at Phoebe Putney Memorial Hospital in Albany, Georgia. The hospital system, which is using years' worth of PPE every 10 days, is in dire need of support, and the grant has helped Phoebe offset the huge and unanticipated expenses of purchasing additional PPE.

Why MS GIFT?

"In these circumstances, where the need is immense and time is of the essence, MS GIFT and their partners at RenPSG worked diligently to get the grant vetted, approved and wired to Phoebe in under 24 hours. We are grateful for their support in our fight to protect those on the frontlines."

Our Causes

Through more than 50,000 grants in 2019, our community supported organizations across a broad range of cause areas.

Grantee Snapshot

Of the 19,428 charities supported in 2019, top grantees include:



Doctors Without Borders

270 Grants worth
\$1.21 million



St. Jude Children's Research Hospital

263 Grants worth
\$440,268



American Cancer Society

126 Grants worth
\$269,249



YMCA

167 Grants worth
\$1.19 million

“Addressing climate change and its consequences is within our reach, and philanthropy plays an important role in making this happen. By supporting Environmental Defense Fund, Morgan Stanley GIFT donors have a hand in developing practical and lasting solutions to the most serious environmental problems.”

—Fred Krupp, President of EDF



The Environmental Defense Fund

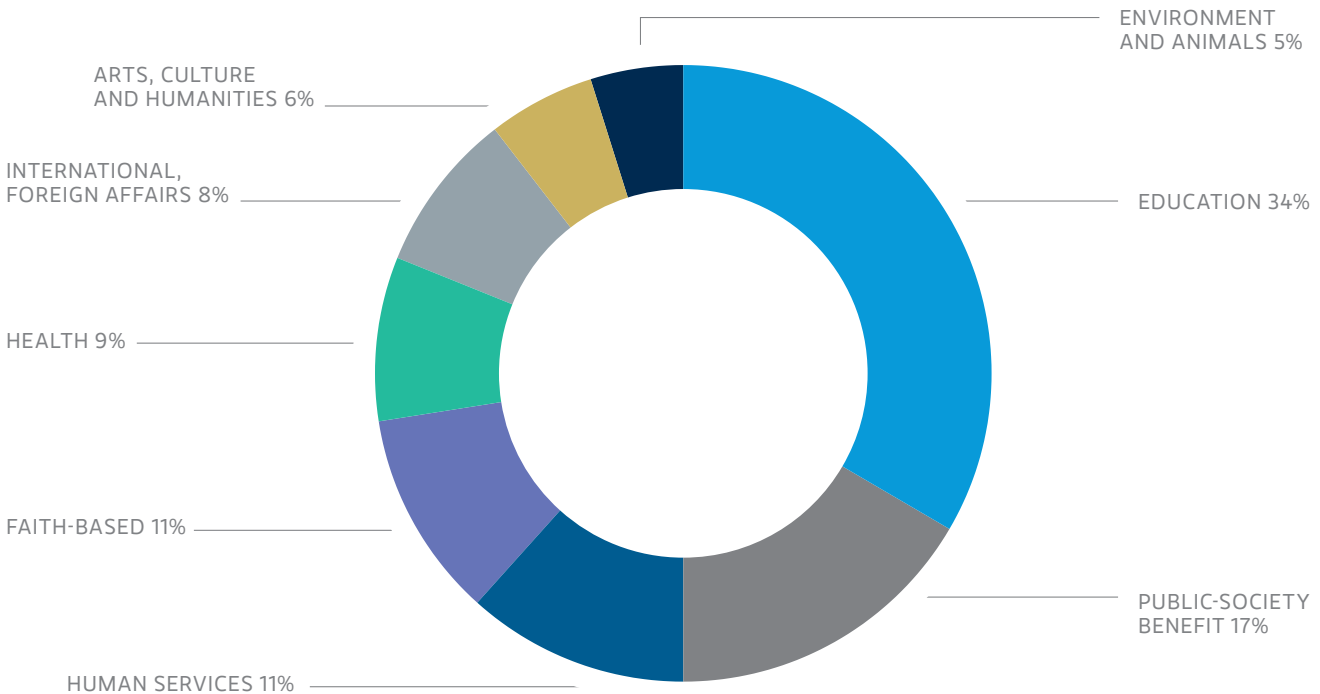
61 Grants
worth **\$1.03 million**



Giving by the Numbers

In 2019, \$457 million were granted to the following cause areas:

Education	\$145.8 MM	Health	\$38.3 MM
Public-Society Benefit	\$72.3 MM	Inertational, Foreign Affairs	\$34.7 MM
Human Services	\$48.3 MM	Arts, Culture and Humanities	\$25.8 MM
Faith-Based	\$47.6 MM	Environment and Animals	\$21.9 MM



Our Offerings

Morgan Stanley GIFT is a trailblazer when it comes to anticipating the unique needs of our community. We are a giving platform for not only families and family foundations, but also for NextGen donors, corporations and nonprofit organizations.

37%

Increase in number
of NextGen accounts
since inception

Nonprofit Solutions

The Private Label Program is a flexible solution that allows nonprofits to offer a donor-advised fund program to its donors without the administrative and investment management burdens.

Next Generation

Millennials are a powerful new voice in philanthropy. As a generation, they strive to make the world a better place than it was yesterday, and when it comes to giving back, millennials engage more actively than ever before. Morgan Stanley GIFT's NextGen accounts give millennials the platform they need to give back to the causes that matter most to them.



NextGen Donor Spotlight

Michael and Robert Springer on Family Philanthropy

Michael and Robert Springer are brothers from San Francisco who have made philanthropy a central part of their lives. Robert, a rising junior studying business at the University of Southern California and interning with CBRE, discovered his passion for giving back when he started volunteering at the Boys and Girls Club in San Francisco over four years ago, and he has continued to support at-risk youth not only by volunteering, but also on a broader financial platform. Michael, who recently graduated from Wharton at the University of Pennsylvania with degree in finance and is now working at investment banking firm Qatalyst, has committed himself to helping disadvantaged youth find avenues for professional and social mobility, a passion that he discovered at his internship with YearUp in high school.

How does your family discuss philanthropy and social impact? How was it a part of your childhood?

From a young age, Michael and Robert have understood the importance of giving back and raising others up. Their parents are generous and caring people, setting a strong example for them and instilling these values into the family. Having gone to Quaker school, Michael and Robert strive to live by the values of equality, community and stewardship by supporting their community and encouraging their peers to get involved as well.

How have your undergraduate educations in the business and economic space informed your philanthropy?

Michael: "Although I chose a career in a sector that prioritizes earnings, it doesn't mean that it should be at the expense of social impact. For me, my work actually helps me stay grounded and gives me opportunities to live out my values and contribute my income toward my donor-advised fund. In addition, I am working to get more involved in recruiting at my firm so that my same opportunities can be available to others."

What philanthropic experiences have really impacted you?

Robert: "Our family's journey with Charity Water has been inspirational for us and has showed us the different ways that we can give back. Our father, who was introduced to the organization many years ago, has developed a relationship with the organization and its founder, Scott Harrison, and has pulled us into his work at The Well, an entity of donors that fund the overhead costs of Charity Water and provide advice and guidance to the organization."

When you think ahead 5-10 years, where do you see philanthropy and social impact?

Robert: "I hope that more people are able to realize that earnings and social impact can work together and not against each other." Michael: "I agree. I would say that I hope we can get to

a place where our values system is integrated in a way that complements both our philanthropic interests and professional goals."

What is one piece of advice you would give to others?

Robert: "No amount or step is too small when it comes to giving back. Reach out to as many organizations as you can to learn where you can make a difference." Michael: "Take the time to learn about the organization you want to give to. By understanding their unique challenges, you are able to give much more effectively and gain a sense of ownership over your philanthropic journey."



Accelerating Next-Generation Medicines

We launched Morgan Stanley GIFT Cures (“Cures”), a partnership with Harrington Discovery Institute (HDI), in 2019, to advance the world’s most promising medical discoveries into clinical trials by bridging the gap known as the “Valley of Death,” where funding for medical research dries up before it can attract significant investment from the private sector.

Operating like a nonprofit pharmaceutical company, HDI’s objective is to de-risk large portfolios of promising drug discoveries from the world’s top innovative scientists and advancing treatments for multiple diseases at once so that they can be delivered to patients who need them. HDI breakthroughs are more attractive to pharmaceutical companies and private investors because they are sourced from the top academic research institutions globally and de-risked by dynamic teams of industry experts and leaders.

Cures is a unique opportunity for philanthropists who are particularly interested in seeing the impact of their philanthropic support directed toward developing cures for diseases where there are no available treatments, such as the COVID-19 pandemic.

7

Projects in Clinical Trials³

6

Medicines Licensed to Pharma⁴

24

Companies Launched⁵



“When I thought about integrating my philanthropy into a larger entrepreneurial legacy, this project was the solution I wanted and the world needed.”

—Ron Harrington, Entrepreneur, Philanthropist

COVID-19 Response

HDI redirected a portion of its operations to accelerate promising, near-term therapies to treat COVID 19 and its clinical complications, and to battle future pandemic threats. Through a transatlantic call for breakthrough medicines in development, HDI seeks to immediately increase its 120 project portfolio by as many as 50 new drugs, which will be dedicated to developing next-generation vaccines to avert the next pandemic, and drugs, which will save patients from dying from lung injury. As of April 2020, HDI has been awaiting FDA approval for clinical trials of a drug that will treat patients suffering from COVID 19 lung injuries, the first of its kind.

Harrington Scholars 2012–2017



Five Years of
Advancing Discoveries



Activating Capital Toward Mission

The Mission Align 360° process examines organizations from every vantage point — a 360-degree view. This involves assessing all pools of capital, including human, financial and philanthropic, in order to understand how it can be used to further accomplish mission. Through Mission Align 360°, organizations can leverage their own endowed funds to generate positive impact and avoid mission misalignment while seeking to achieve their financial objectives.

Mission 360° in Action

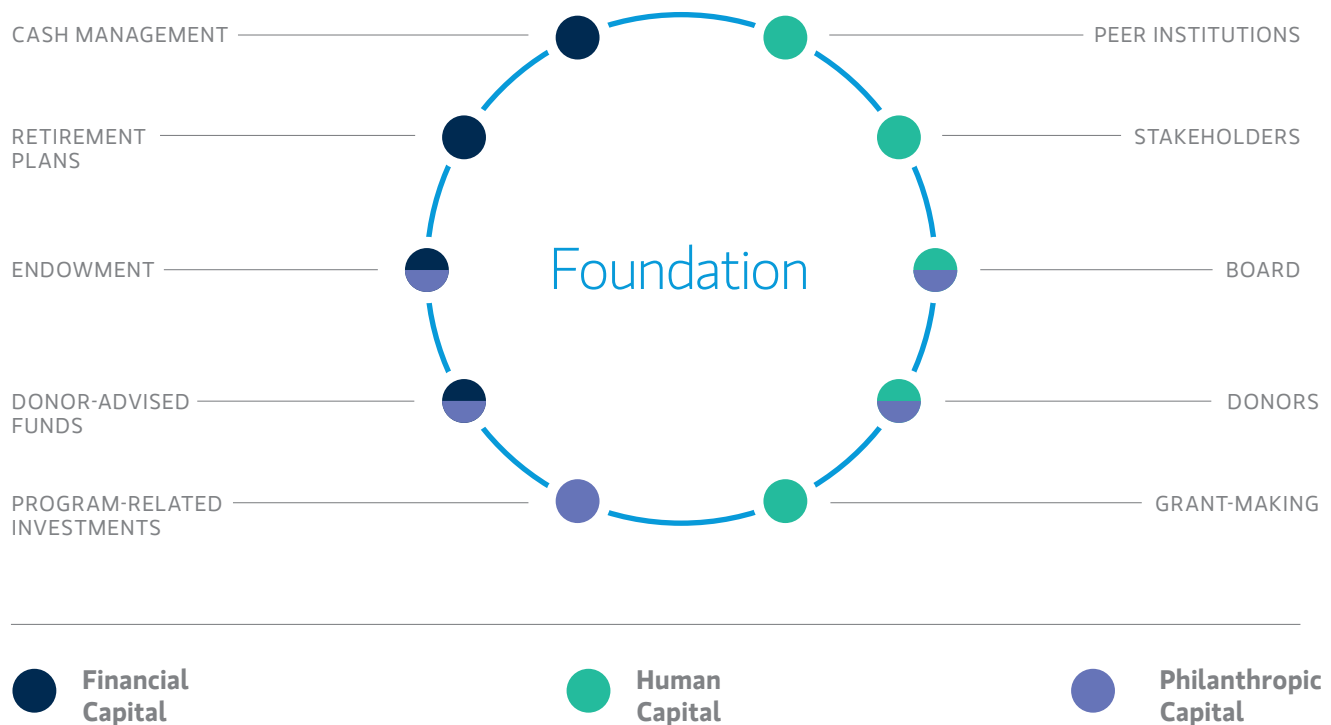
Case Study: **Jewish Futures Pledge**

A client, who is passionate in the space of Jewish giving, had a large family foundation and contributed to a donor-advised fund at a Jewish community foundation. Inspired by this passion, he wanted to ensure that upon his death, the majority of his foundation's assets are used to support the Jewish people and/or the state of Israel.

With Philanthropy Management, he was able to simplify his giving under MS GIFT and create NextGen accounts for his sons. In addition, he was able to hold a family board meeting to discuss his Jewish values, from both a philanthropic and an investment perspective. Working with the Investing with Impact team, he was able to invest 50% of his MS GIFT account assets in a portfolio, incorporating Israeli bonds and investment in Israeli companies and companies with significant ties to Israel.

Investing with Impact

The Investing with Impact Pools utilize exceptional third-party investment managers with demonstrated experience in generating positive environmental and social impact alongside potential market rate returns. These pools are well diversified and risk aware, and include separately managed accounts, mutual funds and exchange-traded funds



“Impact investing is just good investing. We see it as not only a positive way to steward capital but also as risk mitigation ... We have not seen a trade-off between doing good and doing well.”

—Elizabeth Carlock Phillips, Executive Director, Phillips Foundation and MS GIFT Client

Thank You For Your Commitment

Through your commitment, MS GIFT was able to drive real change and positively impact communities around the world. In 2020, we will strive to bring the Morgan Stanley GIFT community together to make a collective impact larger than any one individual alone. We thank you for your philanthropic commitment and the privilege of helping you realize your philanthropic goals.



Contact your Morgan Stanley Financial Advisor or Private Wealth Advisor to get started.



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*Affiliated with Morgan Stanley Smith Barney LLC

¹ National Philanthropic Trust, The 2019 DAF Report.

² National Philanthropic Trust, The 2019 DAF Report. The payout rate for donor-advised funds is this year's grants divided by last year's total assets.

^{3,4,5} Harrington Discovery Institute, 2018, 2019 Breakthrough Discoveries that Create Impact.

Past performance is not a guarantee of future results.

Asset Allocation and diversification do not assure a profit or protect against loss in declining financial markets.

Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice. Clients should consult their tax advisor for matters involving taxation and tax planning, and their attorney for matters involving trust and estate planning, charitable giving, philanthropic planning and other legal matters.

The returns on a portfolio consisting primarily of Environmental, Social and Governance (ESG) aware investments may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment considerations. Because ESG criteria exclude some investments, investors may not be able to take advantage of the same opportunities or market trends as investors that do not use such criteria.

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

While we believe that MS GIFT provides a valuable philanthropic opportunity, contributions to MS GIFT 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 MS GIFT is the fact that any such donation is an irrevocable contribution. Although donors will have certain rights to make recommendations to MS GIFT as described in the Donor Circular & Disclosure Statement, contributions become the legal property of MS GIFT when donated. The Donor Circular & Disclosure Statement describes the risks, fees and expenses associated with establishing and maintaining an MS GIFT account. Read it carefully before contributing.