WEALTH MANAGEMENT

Philanthropy Management



Philanthropy Management

Capabilities for Individuals and Families

Services We Provide:

- Help navigating the "Philanthropic Journey"
- Aid in articulating your giving motivations and priorities
- Assist with developing your personal "theory of change"
- Discuss pros and cons of various philanthropic structures
- Help to build a diversified giving portfolio
- Identify and vet organizations to support
- Review grant structures
- Assist with measuring impact
- Organize topical conferences, convenings, and events

THE PHILANTHROPIC JOURNEY

1

ARTICULATE YOUR VISION

Create and/or refine a framework for your mission, vision, and values to focus your philanthropic ambitions

2

DESIGN YOUR ROADMAP

Build your own path toward impact and construct your philanthropic portfolio

3

IMPLEMENT YOUR STRATEGY

Determine the most effective structures, polices, and procedures to put your plan into action

4

LEARN AND CONNECT

Measure your impact and expand your networks to understand what works and reflect on your successes

Philanthropy Management

Capabilities for Foundations and Nonprofits

Services We Provide:

- Facilitate strategic planning meetings and board training workshops
- Identify alignment between mission, organizational capacity, and external environment
- Help navigate opportunities and challenges of windfall gifts
- Conduct organizational landscape scans
- Review effectiveness of potential grantees
- Assist with designing and managing grantmaking process
- Assist with refining strategic philanthropic plans
- Leverage measurement and evaluation tools

INSTITUTIONAL IMPACT FOR GRANT MAKERS AND GRANT SEEKERS



THE PURPOSEFUL NONPROFIT

Addressing the challenges of running an effective impact-driven, grant-seeking organization



FOCUSED PHILANTHROPY

Elevating grant makers' strategic development, program design, grantee identification, and impact evaluation



A TOOLBOX FOR IMPACT

Surfacing best practices, nurturing networks, and aligning internal capacities to advance your mission



RESOURCES & RELATIONSHIPS

Leveraging Morgan Stanley and external resources to turbocharge your organization's vision for impact

Philanthropy Management

Case Studies[1]

INDIVIDUALS AND FAMILIES

Balance Commitments

A client focused her philanthropy on the eradication of a deadly disease. She was also a committed proponent of animal rights. Philanthropy Management helped her identify and evaluate nonprofit research institutions that did not use animal testing in their efforts to find a cure for the disease.

Find a Cause

A family had just established a foundation when a local hero died by suicide. In response to the tragic event, the family decided to focus their grant-making on grief counseling in schools and hospitals. Philanthropy Management helped the family identify nonprofits working in that space in their region and help structure the terms of their grants.

Assist with Structuring Terms

A client battling cancer became the subject of important medical research. Later, the client's husband proposed a sizable grant to the hospital to fund research, on the condition of using his wife's DNA in further research. Finally, with assistance from Philanthropy Management and both parties' respective lawyers, the hospital acquiesced to the widower's demand, rooted purely in advancing science, and the grant went forward.

FOUNDATIONS AND NONPROFITS

Morgan Stanley GIFT Cures℠

A family foundation had historically focused their philanthropy on serving individuals affected by a rare genetic disease. The family developed programs to support these individuals in their day-to-day lives but wanted to take its contribution a step further. Together with the Philanthropy Management team, the foundation was able to leverage Morgan Stanley GIFT Cures to magnify the impact of its giving to advance treatments for this rare, life-altering disease. Morgan Stanley GIFT Cures helped the foundation learn about drug development and provide catalytic support to physician scientists working on potential treatments and hopefully a cure for this rare disease.

Navigating an Unexpected Windfall Gift

A chapter of a national nonprofit received a large and unexpected windfall gift with no restrictions on its use. Following their initial jubilation, the board of directors soon recognized the significant challenge of determining how best to use the gift, and how to reconcile competing interests and priorities among board members, staff and stakeholders. The Philanthropy Management team worked with the board of directors to illustrate how other organizations navigated similar windfall gifts, highlight the key strategic questions and risks they should consider, and provide a framework through which they could make an informed decision on how to deploy the gift.

1. The example presented is provided for illustrative purposes only. It does not represent a specific client situation, but it does represent generally ways that Philanthropy Management can help clients with similar circumstances. Each client's specific situation, goals, and results will differ.

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Money Market Funds: You could lose money in money market funds. Although government money market funds (defined as investing 99.5% of total assets in cash and/or securities backed by the U.S. government) and retail funds (defined as money market funds open to natural person investors only) seek to preserve value at $1.00 per share, they cannot guarantee doing so. The price of other money market funds will fluctuate, and when you sell shares they may be worth more or less than originally paid. Money market funds may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A money market fund investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund and investors should not expect that the sponsor will provide financial support to the Fund at any time.

Investing in **Commodities:** Commodity prices may be affected by factors such as supply and demand, government policies, domestic or international political and economic events (including war or terrorism), changes in interest and exchange rates, trading activity in commodities and related contracts, pestilence, technological developments, weather, price volatility, and liquidity constraints. Physical precious metals are speculative, non-regulated products that may experience short- and long-term price volatility. Precious metals do not make interest or dividend payments and therefore may not be appropriate for investors who require current income. Precious metals must be stored, which may impose additional costs on investors.

Master Limited Partnerships (MLPs): Investments in MLPs are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity price fluctuations, supply

and demand imbalances, resource depletion and exploration risk. MLPs also carry interest rate risk and may underperform in rising interest rate environments. In addition, MLP funds accrue deferred income taxes on net operating gains and capital appreciation; as a result their after-tax performance could differ significantly from that of its underlying assets.

Exchange Funds are private placement vehicles that enable holders of concentrated single-stock positions to exchange those stocks for a diversified portfolio. Investors may benefit from greater diversification.

Alternative investments are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They are appropriate only for eligible, long-term investors willing to forgo liquidity and put capital at risk for an indefinite period. They are often illiquid, may employ leverage, short-selling, or other speculative practices that increase volatility and risk of loss, and may require large minimum investments and initial lock-ups. Alternative investments may also involve complex tax structures, tax-inefficient investing, and delays in distributing important tax documents. Clients should consult their own tax and legal advisors, as Morgan Stanley Wealth Management does not provide tax or legal advice. They also typically carry higher fees and expenses than traditional investments, which can reduce overall returns.

Sector investments, due to their narrow focus, tend to be more volatile than broadly diversified investments. **Non-diversified portfolios:** Portfolios that hold a concentrated number of securities may experience greater overall declines when those securities lose value compared with more diversified portfolios. Portfolios that invest heavily in one or a few industry sectors are more vulnerable to price fluctuations than those diversified across a wider range of sectors.

Environmental, Social and Governance (ESG) investments in a portfolio may experience performance that is lower or higher than a portfolio not employing such practices. Portfolios with ESG restrictions and strategies as well as ESG investments may not be able to take advantage of the same opportunities or market trends as portfolios where ESG criteria is not applied. There are inconsistent ESG definitions and criteria within the industry, as well as multiple ESG ratings providers that provide ESG ratings of the same subject companies and/or securities that vary among the providers. Certain issuers of investments may have inconsistent views concerning ESG criteria where the ESG claims made in offering documents or other literature may overstate ESG impact. ESG designations are as of the date of this material, and no assurance is provided that the underlying assets have maintained or will maintain any such designation or any stated ESG compliance. As a result, it is difficult to compare ESG investment products or to evaluate an ESG investment product in comparison to one that does not focus on ESG. Investors should also independently consider whether the ESG investment product meets their own ESG objectives or criteria. There is no assurance that an ESG investing strategy or techniques employed will be successful. Past performance is not a guarantee or a dependable measure of future results.

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