

Morgan Stanley

A person stands on a vast, flat landscape, possibly a beach or dunes, at sunset. The sun is low on the horizon, casting a warm, golden glow over the scene. The person is silhouetted against the bright light of the setting sun. The landscape is flat and extends to the horizon, where a body of water is visible. The sky is a mix of blue and orange, indicating the time is either dawn or dusk. The overall mood is serene and contemplative.

# Philanthropy Management

Capabilities for Foundations and Nonprofits





---

**06 Institutional Impact**

---

**07 The Purposeful Nonprofit**

---

**13 Focused Philanthropy**

---

**19 A Toolbox for Impact**

---

**24 Resources and Relationships  
To Accelerate Your Mission**



# Institutional Impact

## Operational Excellence and the Quest for a Better World

The nonprofit sector not only makes contributions to the health, welfare, education and cultural vibrancy of our society—it also collectively represents an essential sector of our economy. As either grant makers or grant seekers, nonprofit organizations are part of a multitrillion-dollar industry with a diverse range of commitments to improving the lives of billions of people in myriad ways.

The philanthropic community faces formidable challenges. Whether philanthropy is your vocation or avocation, and whether you work for a service-providing organization or the grant makers that support them, you must continually look to strengthen your governance, increase the efficiency of your operations and strive to achieve real, measurable results in your areas of interest.

At Morgan Stanley Philanthropy Management, we serve as an experienced and capable ally in these efforts. Our team has worked with some of the largest, most innovative and most impactful nonprofit organizations and grantmaking institutions in the world. We leverage that experience to provide a broad

range of services to help impact-focused organizations refine and implement their strategies and identify and implement the most effective methods for governing and growing their institutions. We can help you address the most pressing challenges facing your organization so you can focus on achieving impact in your community.

The services we provide are very much an extension of our work with affluent individuals and families. Working with both grant makers and the nonprofits they support, we have gained invaluable insights into the needs and inclinations of each. The result is a cross-pollination that helps us connect donors and nonprofits, and guide both toward the most effective ways to work together.

In devoting time and energy to the service of others, you have an opportunity to make a positive impact in the world. We are committed to helping you make the most of that opportunity.

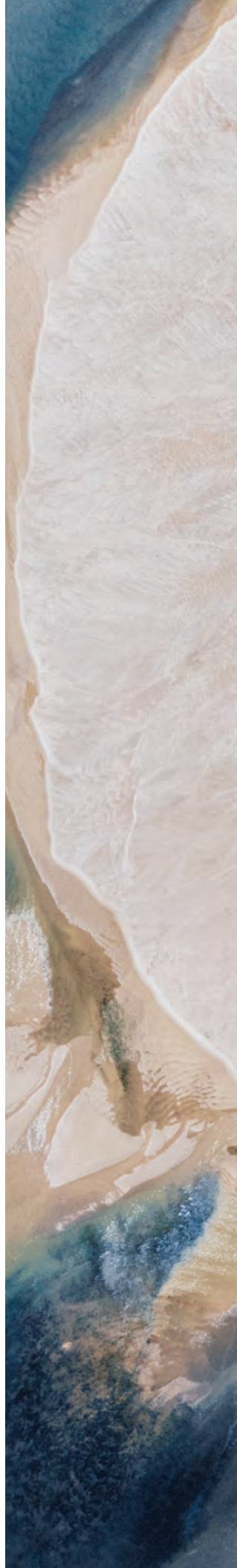
# The Purposeful Nonprofit

## Addressing the Challenges of Running an Effective Social-Sector Organization

In addition to the perennial need to attract new resources, nonprofits are faced with the pressure to create more sustainable models for financing, governance and program delivery, and to build the capacity of their leadership teams to adapt to changing conditions in the economy and their communities. Given these challenges and others, it is no surprise that nonprofits often feel that they cannot keep up with the increasing demand for their services.

Morgan Stanley Philanthropy Management partners with nonprofit leaders to strengthen organizations and accelerate mission delivery. Our experience across a broad range of nonprofit types and issue areas helps changemakers clarify and articulate strategy, enhance governance and leadership effectiveness, and navigate unexpected opportunities and operational challenges. We can help to streamline administrative and organizational processes where they stand in the way of impact, and activate relevant networks—connecting organizations with prospective donors and board candidates and facilitating relationships among aligned nonprofits and issue experts with shared goals.

Our goal is to provide the full range of experience, knowledge and introductions you need to address your challenges and pursue the mission of your institution.





### **Enhance Governance Capabilities, Practices and Procedures**

Nonprofit boards represent an essential anchor in an organization's overall governance. They possess core responsibilities for the health and operation of their nonprofit and serve as indispensable partners for both the executive leadership of the organization and the community it serves.

Yet many nonprofit boards—both as collective bodies and individuals serving on a board—lack the resources and training to thrive in their roles and best serve their organizations. Through our team's Exemplary Board Leadership curriculum, we provide customized training to nonprofit boards and board members on topics such as fundraising strategy, impact measurement, teamwork, succession planning and other functions that are essential for successful nonprofit boards. This close partnership helps boards develop and deploy the techniques for productive debate so that issues can be explored from multiple perspectives while allowing the board to still speak with one voice in support of their organization's mission.

### **Refresh and Refine Programmatic Strategies**

As organizations grow and evolve to meet internal and external changes, so too should their strategies to achieve impact. These strategies need to remain anchored in an organization's core mission and values, but they also need to reflect the current state of the organization and the community and issues it serves. They also need to help ensure that an organization's human, programmatic and financial capital are aligned and fully complementing

one another. Our team helps nonprofits that are undergoing transition or navigating uncertainty ensure that their strategies remain not only mission-aligned and optimized to achieve the desired impact but also resilient, responsive and adaptable.

### **Sharpen Your Message of Impact for Stakeholders and Donors**

At the core of a nonprofit's fundraising efforts is the story that it tells donors about itself, about its community and about the challenges it is trying to address. Ensuring that this message is true not only to an organization's mission and values but also the community it serves is difficult. Addressing the latest trends and best practices of the field in which it operates is also an ongoing challenge. Our team works with nonprofit boards and executive leadership as a thought partner to sharpen and refine the stories that mission-driven organizations tell about themselves in order to maximize engagement with community stakeholders and donors, both current and potential.

### **Navigate the Opportunities (and Challenges) of Windfall Gifts**

For organizations fortunate to receive sudden and significant infusions of capital, the immediate joy of new opportunity can be overwhelming. In many cases, it can also be paralyzing, as typically threadbare budgets now need to address essential organizational and community priorities. Our team has helped many nonprofits navigate the unique opportunities and challenges that windfall gifts represent, identifying options that address both short- and long-term needs in a manner that advances organizational values, strategic planning and community impact.

## Services We Provide

The Philanthropy Management Team Is Available To:

- Facilitate strategic planning meetings and board retreats
- Provide board training workshops
- Refresh and refine strategic plans
- Scan the landscape of organizations working within relevant issue areas
- Develop and/or revise theories of change and logic models
- Identify areas of alignment between mission, organizational capacity and external environment
- Raise awareness about industry trends and best practices across the nonprofit sector





## Philanthropy in Action

### Improving Succession Planning for an Evolving Board Of Directors

A family foundation asked Philanthropy Management to help it navigate a series of forthcoming changes on its board of directors. The board primarily consisted of family members who were planning to retire and pass their responsibilities onto younger family members and outside directors to guide the future of the foundation. By leveraging select modules of our Exemplary Board Leadership curriculum and providing one-on-one coaching, the Philanthropy Management team helped the current board members institutionalize foundation norms, governance, traditions and best practices, and develop a plan to responsibly transition their responsibilities and onboard new board members.

### 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.

# Focused Philanthropy

## Expert Advice for Grantmakers

As private foundations and Donor Advised Funds (DAFs)—such as Morgan Stanley Global Impact Funding Trust (MS GIFT)—grow in scope, they tend to develop more complex needs. The philanthropists who formed them, whether a family or a corporate management team, often find that proper administration requires more time, effort and specialized expertise than they can muster. Even the best-run grantmaking organizations eventually discover the need for an outside perspective and supplemental expertise.

Morgan Stanley Philanthropy Management has supported some of the largest and most complex corporate and family foundations and Donor Advised Funds in addressing these obstacles. Our support can include evaluating and strengthening governance practices, updating grantmaking policies and procedures, enhancing communication with grantees and community partners, and assessing the impact of grantmaking programs. We can also provide the experienced, unbiased perspective that your board, or your family, may occasionally need to help balance and resolve competing interests.

Our goal is to bring the same experience, insight and networks that have supported the most impactful grantmakers in the world to support your own vision for impact.



### Advise on Grantmaking Program Design

Making a grant, or writing a check, is easy—creating genuine, lasting impact is much harder. The way a foundation or DAF deploys its resources is just as essential to achieving impact as the organization’s broader mission, vision and strategy. From closed, invitation-only grantmaking processes to open calls designed to spur innovation to participatory initiatives in which community organizations share responsibility for how funds are dispersed, we can help you design the kind of grantmaking initiative (or initiatives) that is aligned with your organization’s mission and values.

### Develop or Refresh Grantmaking Policies and Grantee Selection Criteria

The most thoughtful grantmaking programs are only as effective as the tools used to put them into practice. At a practical level, these tools are the policies, procedures and criteria that your organization uses to identify and review organizations seeking support. Ensuring that the criteria you use to make these selections are aligned with the core mission, vision and values of your organization often becomes increasingly difficult at scale, especially as grantmaking budgets expand and the needs in your community become even greater. Our team can help develop, rationalize and optimize the tools and procedures your organization uses to put its plans into action.

### Identify, Review and Facilitate Grantee Relationships

Once you have determined how you want to select your grantee partners, you need to identify organizations that are aligned with your values and that are achieving real impact in their communities. Our team can prepare surveys of the relevant issue-area or geographic landscapes to identify potential partners that could advance your learning and vision for impact. We can facilitate introductions—providing a screen of anonymity, as desired—that can serve as the foundation for successful funding relationships. Once grant decisions have been made, we can help you tackle the important questions that form the basis for productive grantee relationships, such as:

- What are the terms of the grant agreement?
- What is the appropriate cadence for reporting and data collection from grantees?
- Which stakeholders—both internal and external—need what information from our grantees?
- How can we best support our grantees “after the grant” without placing an undue burden on their operations?

Our team has helped hundreds of grant makers navigate these questions, and we can bring that experience to bear to find the right balance for you.

### Evaluate the Effectiveness of Grantmaking Programs

Knowing whether your grantmaking is making a difference is one of the most challenging tasks for any grantmaking organization. The challenge lies not just in measuring impact, but also in defining what “impact” actually means or looks like for your organization and in your community. Differentiating between short-term outputs, longer-term outcomes and ultimate impact—not to mention mapping the relationship between these elements—can be difficult. In addition, finding the right balance between your investment in measurement and evaluation and the actionable data you can glean from such efforts is challenging and often clear only in retrospect. Our team can help you assess the effectiveness of your grantmaking, from defining “impact” to developing an efficient means to measure it to communicating it most effectively to critical stakeholders and the communities you serve.

## Services We Provide

### The Philanthropy Management Team Is Available To:

- Prepare landscape surveys that identify potential partnerships for learning and/or grantmaking
- Review effectiveness of potential grantees
- Design and manage grantmaking processes
- Review grant agreements and the structuring of grant terms
- Support the building and growth of grantee relationships
- Build measurement and evaluation tools







## Philanthropy in Action

### Managing an Anonymous Grantmaking Process

A foundation focused on the health and social-service needs of the poor, women and children decided to spend down its endowment over a period of time but preferred to do so anonymously. The Philanthropy Management team helped determine the foundation's annual grantmaking budget and researched and conducted reviews of dozens of organizations aligned with the foundation's mission. Ultimately, our team helped develop a final portfolio of 15 grantees and facilitated a grant application and reporting process that preserved the foundation's anonymity.

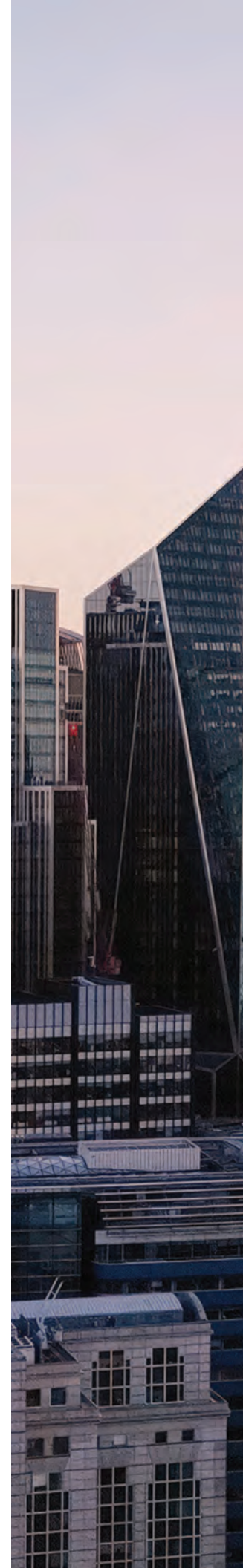
### Structuring a Complex Grant Agreement

A family foundation had made a verbal agreement to make a large, multi year grant to a national university to redevelop a neglected part of its campus. Before signing a grant agreement, the president of the university—with whom the foundation had a long relationship—abruptly resigned, creating uncertainty about the direction of the campus redevelopment. The Philanthropy Management team helped the foundation review and restructure their final grant agreement with the university. This process built confidence for both parties, identified opportunities to ensure the grant would be used as intended and incorporated opportunities for the foundation to learn from and measure the impact of its grant on an ongoing basis.

# A Toolbox for Impact

## Insights, Strategies and Connections To Advance Your Mission

Your organization may work directly with communities to improve their livelihoods, environments or socioeconomic conditions. Or it may provide financial and non-financial support to the grassroots organizations on the ground doing such work firsthand. It may even do a bit of both, or something in between. However your organization works to achieve impact—as a grant maker or a grant seeker—the Philanthropy Management team can leverage its breadth of experience in helping changemakers identify, plan and execute their visions for impact to help your organization realize its own.





### **Generate Insights on Best Practices and the State of the Art in Social Impact**

We work with passionate changemakers to identify the ideal vehicles and structures to realize their visions for impact, no matter how complex or ambitious such visions may be. For some organizations, launching a foundation or DAF may be the best tool to drive resources to important causes. In other situations, creating a public charity to directly execute a vision for social change is most appropriate. In still other cases, a social change organization may benefit from having multiple tools at its disposal, leveraging hybrid approaches that may include philanthropic LLCs, social enterprises and impact-seeking investments. We also help organizations navigate the best use of return-seeking tools such as recoverable grants, mission-related investments and program-related investments. Regardless of your organization's vision for change, we can help you identify and deploy the best tools for the job.

### **Nurture Networks and Connections To Build Your Expertise, Partnerships and Influence**

Philanthropy is often a team sport. Not only does collaboration yield more resources, insight and impact, but it also makes the exercise of philanthropy more fulfilling, and thus more likely to be sustained and perpetuated. Through Exchange—our annual flagship in-person event—the Philanthropy Management team brings together more than 150 of the most thoughtful, strategic and curious philanthropists and changemakers in our network.

At Exchange and throughout the year, we feature a carefully curated series of opportunities for deep networking and shared learning, connecting philanthropists and philanthropic organizations with peers, allies and potential partners to accelerate the collective learning process and forge new collaborations that can drive ever-deeper impact.


### **Help Deploy the Full Breadth of Your Internal Capacities To Achieve Your Mission**

Social-sector organizations—whether grant makers or grantseekers—have far more resources to deploy than simply their financial assets. Through our Mission Align 360° framework, the Morgan Stanley Philanthropy Management team can help your organization assess and better understand the full breadth of assets at your disposal. We can help refine your programmatic and governance strategies to align with your values and mission, the needs of your external environment, and the resources realistically at your disposal. Through our work with thousands of Morgan Stanley's most strategic and philanthropically minded clients—including our dedicated learning communities for the next generation of social entrepreneurs—our team also has a keen understanding of how to maximize your investment in your most important resource: your people. By considering your organization's resources in a broad and holistic way—and by measuring them against their contributions to your core mission—we can help your organization identify opportunities for closer synergy and areas for deeper investment.

# The Mission Align 360° Framework

|                       | STRATEGIES                            | IMPACT/THEME   | APPROACH  | APPLICATION TO MISSION  |
|-----------------------|---------------------------------------|--|---|---|
| Financial Capital     | <b>Equity</b>                         | Emphasizing investments aligned with the organization's mission and reducing exposure to investments that contradict the mission | Restriction screening, ESG integration, thematic solutions, shareholder engagement          | <ul style="list-style-type: none"> <li>Invest in funds made up of global publicly traded companies whose global operational and governance practices are aligned with organizational mission</li> <li>Requires companies to meet broad ESG criteria</li> </ul>                              |
|                       | <b>Fixed Income</b>                   | Lending to support beneficiary group or target audience  | Restriction screening, ESG integration, thematic solutions                                  | <ul style="list-style-type: none"> <li>Invest in a bond fund whose lending activity supports community economic development, including affordable housing, elder care, schools, hospitals and community centers</li> <li>Invest in bonds aligned with the organization's mission</li> </ul> |
|                       | <b>Private Equity</b>                 | Strengthening institutional mission-aligned firms  | Thematic solutions  | <ul style="list-style-type: none"> <li>Target businesses that align with institutional mission and have high levels of involvement with targeted community</li> </ul>   |
| Philanthropic Capital | <b>Defined Contribution Plan</b>      | Focused on organizational mission  | ESG integration, thematic solutions   | <ul style="list-style-type: none"> <li>Add appropriate investment options aligned with client's mission to retirement plan menus</li> </ul>   |
|                       | <b>Mission-Related Investment</b>     | Funding for the expansion of other mission-aligned organizations   | Seed funding/equity investment  | <ul style="list-style-type: none"> <li>Provide capital for expansion of museums, educational institutions, environmental conservation groups or research institutions that are aligned with the organization's mission</li> </ul>   |
|                       | <b>Donor Advised Fund (DAF)</b>       | Strategic giving that supports organizational purpose  | Mission-aligned grantmaking, recoverable grants or other support for 501c3 public charities | <ul style="list-style-type: none"> <li>MS GIFT account designed to complement mission of a private foundation or grantmaking charity</li> </ul>   |
|                       | <b>Grant</b>                          | Supporting other mission-aligned organizations   | Unrestricted, multi year  | <ul style="list-style-type: none"> <li>Contribute funds (without expectation of repayment) for museums, educational institutions, environmental conservation groups or research institutions that are aligned with the organization's mission</li> </ul>                                    |
| Human Capital         | <b>Volunteerism and Pro Bono Work</b> | Donating time and talent   | Seed funding/equity investment  | <ul style="list-style-type: none"> <li>Support staff of other organizations that are aligned to mission to improve operations and generate efficiencies</li> </ul>  |
|                       | <b>Peer Network</b>                   | Aligning key stakeholders with mission   | Mission advisors  | <ul style="list-style-type: none"> <li>Elect mission advisors with experience promoting the organization's mission</li> </ul>   |





# Resources and Relationships To Accelerate Your Mission

The Philanthropy Management team can leverage the breadth of resources available at Morgan Stanley and, through exclusive and preferred external relationships, turbocharge your organization's vision for impact.

## Outsourced Chief Investment Office

Mission-driven organizations such as foundations and nonprofits face enough challenges navigating the ever-shifting philanthropic landscape, let alone managing their financial assets against an evolving regulatory environment and volatile markets.

Morgan Stanley's Outsourced Chief Investment Office (OCIO) is equipped to help endowments, foundations, educational institutions, faith-based organizations, health care systems and other nonprofits meet their unique mission-driven needs by providing full-discretion portfolio management and serving as a fiduciary. Philanthropy Management works seamlessly with OCIO to help create alignment between an organization's financial, philanthropic and human capital. This allows foundations and nonprofits to spend more time focused on their mission and strategy for bringing about the positive social change they envision.

### **OCIO SUITE OF SERVICES FOR NONPROFITS**

Investment Policy Statement

---

Spending Policy Analysis

---

Mission-Aligned Investing

---

Asset Allocation Strategy

---

Manager Analysis and Due Diligence

---

Portfolio Construction and Management

---

Liquidity Management

---

Risk Monitoring And Oversight

---

Performance Reporting and Peer Comparison

---

## Investing with Impact

Building on Morgan Stanley’s strong wealth management offering, the Investing with Impact Platform enables mission-focused organizations to align their financial capital with their values. The platform helps you identify and leverage investment opportunities that support positive change while striving for competitive performance. It leverages a holistic approach that focuses on the “Three I’s of Impact” (Intentionality, Influence and Inclusion), a framework that is customizable to an organization’s unique mission and goals.<sup>1</sup>

To measure and monitor your portfolio’s alignment with your values, the proprietary Morgan Stanley Impact Quotient® (Morgan Stanley IQ®) tool captures your unique priorities across multiple value-based themes and utilizes third-party data to generate multidimensional, customized reporting. Morgan Stanley IQ® assesses how your current portfolio holdings align with your unique impact goals and pinpoints opportunities to create further impact through your investment strategies.

### INTENTIONALITY

Intentional investment process that seeks to generate market-rate returns alongside positive social and environmental impact in one or more of the following ways:

#### Minimize Objectionable Impact

**Restriction Screening:**  
Reduce or seek to eliminate exposure to companies that detract from intended positive impacts

**ESG Integration:**  
Consider environmental, social and governance factors in the investment process

#### Generate Targeted Impact

**Thematic Solutions:**  
Evaluate companies on revenue generated from products and services that seek to contribute to sustainability solutions

### INFLUENCE

Modify the behavior of portfolio companies to seek better social and environmental outcomes and drive industry capabilities through:

- Active Ownership, which can be achieved through management dialogue, strategy setting, proxy voting, resolution filing and filling board seats
- Market Building, which seeks to influence the industry through collaborative affiliations and adopting global frameworks

### INCLUSION

Diverse perspectives can help guide the intentional investment process and engagement activities, or influence, through:

- Diverse firm ownership and/or
- Diverse representation across investment professionals

## Morgan Stanley GIFT Cures<sup>SM</sup>

Morgan Stanley GIFT Cures, powered by the Harrington Discovery Institute, was established to provide an opportunity to pool philanthropic capital to magnify the impact of medical-related giving. In partnership with the Harrington Discovery Institute—whose mission is to accelerate promising discoveries into medicines for unmet needs—Morgan Stanley GIFT Cures provides a donor community to learn about best practices in giving to drug research and discover the issues related to bringing drug therapies to market.

The Morgan Stanley GIFT Cures program provides the capital, expertise and management needed to guide therapies through the high-risk early stages of development to the point where the pharmaceutical industry is willing to make investments needed to bring these treatments to market. Through a competitive process, the Harrington Discovery Institute sources and Morgan Stanley GIFT Cures funds the most promising research from leading academic institutions across the United States, Canada, and the United Kingdom, targeting a broad range of diseases.

### MORGAN STANLEY GIFT CURES: AT A GLANCE<sup>2</sup>

4000+

Applications

sourced from top academic centers through competitive programs

---

225+

Medicines

funded and supported by Harrington Discovery Institute programs

---

75

Institutions

supported across the United States, Canada, and the United Kingdom

---

45+

Companies

launched with full-time management, funded through venture capital and industry partnerships

---

20+

Clinical Candidates

ready for or currently being evaluated in clinical studies

---

15

Licenses to Pharma

to advance technologies through industrial partnerships

---



## Impact Genome

Through our exclusive partnership with Impact Genome—a global registry that allows social-sector organizations to standardize and report their program outcomes—the Philanthropy Management team can leverage industry-leading tools to help nonprofits measure their impact. For grant makers, Impact Genome can serve as a powerful tool to discover nonprofit organizations and programs with standardized, verified impact measures that align with their philanthropic priorities. It also provides grant makers with a ready-made platform to streamline and synthesize reporting from grantees, complementing the advisory support already provided by the Philanthropy Management team. For grant seekers, Impact Genome provides a vehicle to systemize impact measurement, preserve time and energy, and communicate verified results to both current and prospective funders. By pairing the Impact Genome platform with the Philanthropy Management team's strategic guidance, we can elevate changemakers' efforts to better understand and communicate their results.

## Foundation Source

Morgan Stanley's referral relationship with Foundation Source<sup>3</sup>, one of the nation's leading private foundation administration firms, provides our family and corporate foundation clients with a fully outsourced, sophisticated and turnkey back-office solution to manage their foundation operations. Whether by helping changemakers launch a new foundation or by transitioning and streamlining the operations of an existing foundation, our direct and preferred access to Foundation Source's best-in-class back-office platform seamlessly complements the Philanthropy Management team's strategic advisory support. Our relationship with Foundation Source allows U.S. to offer preferred access to an extensive suite of back-office administration functions, including:

- Compliance monitoring
- Transaction processing
- Tax preparation and filing
- Financial and grant reporting
- Administration of matching gift and volunteer programs
- Exercising of expenditure responsibility for international grants



## Philanthropy In Action

### Mission Align 360°

A foundation focused on advancing Jewish values felt it was not fulfilling its mission and asked the Philanthropy Management team for assistance in realigning its strategy. In partnership with the Investing with Impact team, the Philanthropy Management team performed a Mission Align 360° evaluation to identify how the foundation could better leverage its human, philanthropic and financial capital to advance its mission and create positive impact. The process helped the foundation identify opportunities for strategic investment and facilitated important conversations about how it could better align short-term initiatives to realize long-term objectives.

### 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.





# Supporting Your Efforts To Create a Better World

Without the vital contributions of nonprofit organizations and the grant makers that support them, our world would be a far bleaker place. In countless ways, the philanthropic community addresses our most basic needs and underwrites the pursuit of our loftiest ambitions. At Morgan Stanley Philanthropy Management, we are proud to play a role in helping scores of these nonprofit organizations and grant makers pursue their missions. Our team provides advice, insight, introductions and administrative services to help you create the change you want to see in the world—efficiently, strategically and successfully.



1. Morgan Stanley's Global Investment Management Analysis (GIMA) team defines "diverse asset managers" as those with 33% or greater ownership by women or racial/ethnic diverse individuals. This definition aligns with the U.S. Equal Employment Opportunity Commission categories and includes: Hispanic or Latino, Black or African American, Asian, American Indian or Alaska Native, Or Native Hawaiian or other Pacific Islander.
2. Data reported by the Harrington Discovery Institute as of Jan. 1, 2026.
3. Morgan Stanley and its affiliates (the "Firm") do not currently offer the services provided by Foundation Source (the "Service Provider"). The Service Provider is not an affiliate of the Firm. Any review of the Service Provider performed by the Firm was based on information from sources that we believe are reliable but we cannot guarantee its accuracy or completeness. This referral should in no way be considered to be a solicitation by the Firm for business on behalf of the Service Provider. The Firm makes no representations regarding the suitability or otherwise of the products or services provided by the Service Provider. There may be additional service providers for comparative purposes. If you choose to contact the Service Provider, do thorough due diligence, and make your own independent decision.

The Firm will not receive a referral fee for referring you to the Service Provider. The Firm is a diversified financial services company with millions of individual clients and corporations, institutions and governmental clients in several countries around the world. The Firm routinely enters into a variety of business relationships for which either the Firm receives compensation or pays for services, and such business relationships may include the named Service Provider, its employees or agents, or companies affiliated with the Service Provider.

Certain portfolios may include investment holdings that takes into account one or more Environmental, Social and Governance ("ESG") factors (referred to as "ESG investments"). For reference, environmental ("E") factors can include, but are not limited to, climate change, water, waste, and biodiversity. Social ("S") factors can include, but are not limited to, employees, diversity & inclusion, cyber security, data privacy, health & wellness, supply chains, product safety & security, community engagement, and human rights. Governance ("G") factors can include, but are not limited to, board structure & oversight, leadership composition, pay and incentive structures, corruption & bribery, ethics & business conduct, shareholder rights, accounting & audit practices, tax evasion, and risk management. You should carefully review an investment product's prospectus or other offering documents, disclosures and/or marketing material to learn more about how it incorporates ESG factors into its investment strategy.

ESG investments may also be referred to as sustainable investments, impact aware investments, socially responsible investments or diversity, equity, and inclusion ("DEI") investments. It is important to understand that ESG definitions and criteria used within the industry can vary, and ESG ratings of the same subject companies and/or securities can vary among different ESG ratings providers for various reasons including. Differences in definitions, methodologies, processes, data sources and subjectivity among ESG rating providers when determining a rating. Certain issuers of investments including, but not limited to, separately managed accounts ("SMAs"), mutual funds and exchange traded funds ("ETFs") may have differing and inconsistent views concerning ESG criteria where the ESG claims made in offering documents or other literature may overstate ESG impact. Further, socially responsible norms vary by region, and an issuer's ESG practices or Morgan Stanley's assessment of an issuer's ESG practices can change over time.

Portfolios that include investment holdings deemed ESG investments or that employ ESG screening criteria as part of an overall strategy 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 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. For risks related to a specific fund, please refer to the fund's prospectus or summary prospectus.

Investment managers can have different approaches to ESG and can offer strategies that differ from the strategies offered by other investment

managers with respect to the same theme or topic. Additionally, when evaluating investments, an investment manager is dependent upon information and data that may be incomplete, inaccurate or unavailable, which could cause the manager to incorrectly assess an investment's ESG characteristics or performance. Such data or information may be obtained through voluntary or third-party reporting. Morgan Stanley does not verify that such information and data is accurate and makes no representation or warranty as to its accuracy, timeliness, or completeness when evaluating an issuer.

Morgan Stanley's assessment of an issuer's ESG practices or an ESG portfolio is as of the date of this material. No assurance is provided that the underlying assets have maintained or will maintain any applicable ESG designations or any stated ESG compliance, or that the underlying assets have been operated or will be operated in an ESG-compliant manner. The ESG impacts of the securities and any underlying assets may vary over time.

This can cause Morgan Stanley to incorrectly assess an issuer's business practices with respect to its ESG practices. As a result, it is difficult to compare ESG investment products.

Morgan Stanley makes no representation as to the compliance or otherwise of any fund or portfolio with any laws or regulatory guidelines, recommendations, requirements or similar relating to the ESG characterization of any fund or portfolio, or in connection with or to meet any of your investing ESG objectives, metrics or criteria.

The appropriateness of a particular ESG investment or strategy will depend on an investor's individual circumstances and objectives. Principal value and return of an investment will fluctuate with changes in market conditions.

The case studies throughout this brochure are example client situations, and therefore do not necessarily represent the background, challenges, solutions and outcome for every client. There is no guarantee of future results, as each particular client has its own unique set of circumstances. Case studies do not reflect the same experience for all clients.

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 GIFT is a donor-advised fund. Morgan Stanley Smith Barney LLC provides investment management and certain administrative services to MS GIFT. Back-office administration provided by Ren, an unaffiliated charitable gift administrator.

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.

University Hospital of Cleveland, OH is a client of Morgan Stanley. It is not known whether the client approves of Morgan Stanley or the advisory services provided. Nothing in this material is intended to imply any other affiliation, sponsorship, endorsement, approval, investigation, verification or monitoring of the Harrington Discovery Institute, University Hospital of Cleveland, OH, or any other entity referenced in this material.

While we believe that MS GIFT Cures provides a valuable philanthropic opportunity, contributions to MS GIFT Cures are not appropriate for everyone. Other forms of charitable giving may be more appropriate depending on a donor's specific situation.

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.

