

A WIDE SCOPE FOR GIVING

Establishing an account with the MHBG Donor Advised Fund can help make your charitable donation go further and do more for the causes and organizations you support.

When you are ready to release funds from your MHBG Donor Advised Fund account to a charity, you simply make a grant recommendation. This can be done through your account online using a web application or by contacting Mercy Home directly.

Grant recommendations are subject to due diligence review and approval by the board of directors of Morgan Stanley GIFT. Once a grant is approved, a check will be mailed to the charity.

IMPACT



When you establish an account with the MHBG Donor Advised Fund, you name your account (i.e. The Smith Family Foundation) and select one or more successor advisors. These are often spouses or children, and they can recommend investments and grants after the initial donor is no longer able to do so. Each successor has the ability to name another. In this way, your family can continue your work long after you are gone.

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

MHBG, in its discretion, may contribute property from time to time to Morgan Stanley Global Impact Funding Trust, Inc. ("Morgan Stanley GIFT") for the purposes of establishing "white label" donor-advised funds in the name of MHBG's own donors. MHBG would be the "Sponsor" of each such fund. Morgan Stanley GIFT is an organization described in Section 501(c) (3), of the Internal Revenue Code of 1986, as amended, and a donor-advised fund. Various divisions of Morgan Stanley Smith Barney, LLC provide investment management and administrative services to Morgan Stanley GIFT.

You can recommend grants to the following types of charities:

- US organizations that are tax-exempt public charities
- US state and local government organizations, including schools and libraries
- Religious houses of worship
- US-qualified foreign charitable organizations

It is easy to give away money. The greater challenge is to give effectively so that your charitable work impacts the world for years to come.

The program can help you:

- Identify your financial and philanthropic goals
- Develop an achievable and affordable program of giving
- Research areas of charitable interest or specific charities
- Incorporate giving into succession planning ... for your children and grandchildren

For more information about the MHBG Donor Advised Fund, visit us at www.mercyhome.org/DAF or call us at 800-378-8266.

Mercy Home for Boys & Girls, its affiliates, Financial Advisors and Private Wealth Advisors do not provide tax or legal advice. This material was not intended or written to be used, and it cannot be used, for the purpose of avoiding tax penalties that may be imposed on the taxpayer. Clients should consult their tax advisor for matters involving taxation and tax planning and their attorney for matters involving trust and estate planning and other legal matters.

Mercy Home for Boys & Girls DONOR ADVISED FUND (MHBG Donor Advised Fund)



The MHBG Donor Advised Fund: Simplify Your Giving and Maximize Your Impact

One of the greatest pleasures in life is giving back. Whether you support causes close to home or far away, you know you are helping create a brighter future for those whose lives you touch.

Your support can also benefit you and your family — financially — for generations to come.

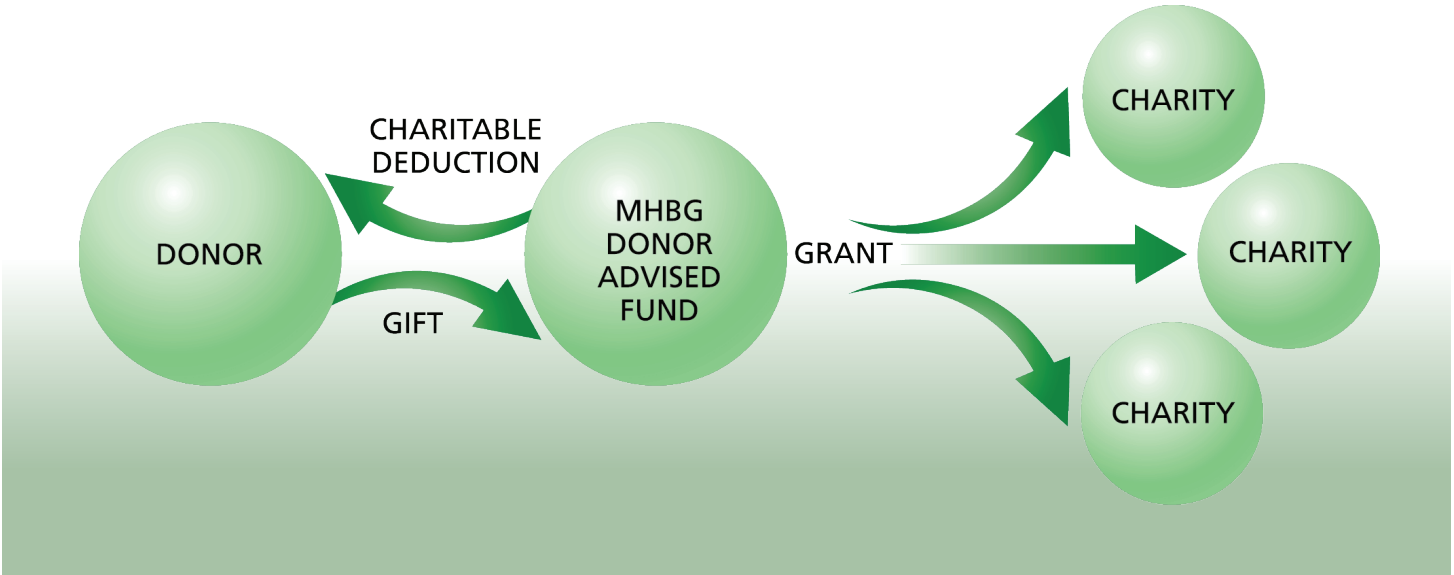
The MHBG Donor Advised Fund can help you simplify your giving.

Mercy Home has partnered with Morgan Stanley Global Impact Funding Trust, Inc. (or "Morgan Stanley GIFT"), who has over a decade of experience sponsoring donor advised funds. Morgan Stanley Gift will administer each MHBG Donor Advised Fund account.

- 1) DONATE.** With the MHBG Donor Advised Fund giving is simple, efficient and effective. Donor advised fund accounts are established with gifts of cash or other assets. These gifts are irrevocable and eligible for a charitable income tax deduction.

Once your contribution is made, Mercy Home then sells the assets it receives and adds the net proceeds to your donor advised fund account.

- 2) MANAGE.** You have the option to invest the assets in your account in one of six separate investment pools which represent different investment strategies. You recommend how the assets in your account are allocated among the various investment pools. This allows your money to be actively invested with the chance to grow over time.
- 3) GIVE.** Distributions (called grants) can be made from your donor advised fund to Mercy Home or *any other qualified charity* today, tomorrow, or any time in the future.





SIMPLICITY

Donating outright to charities generally means giving cash or securities. With the MHBG Donor Advised Fund, you have many more choices.

The MHBG Donor Advised Fund allows considerable flexibility in terms of the type of assets that can be used to fund an account. With a team of experts available to help value and liquidate more complicated assets, the program simplifies the donation process and can be more cost-effective than traditional alternatives.

The fund accepts the following types of assets*:

- Cash
- Appreciated or Illiquid Securities
- S Corporations
- Real Estate
- Life Insurance
- Antiques
- Fine Art

The MHBG Donor Advised Fund program gives you several other key advantages, including:

- Reduction of the costly administrative burdens of establishing and maintaining a private foundation
- Simpler way to designate grants
- Not subject to the federally mandated 5% distribution rule for private foundations
- Capability to conduct multiple grant-making decisions without additional transaction charges
- Simplified recordkeeping with the ability to make grants to multiple charities with one tax substantiation letter

*Some types of donations are subject to board approval.

INVESTING FOR MAXIMUM IMPACT

Giving should be approached with the same level of discipline and diversification as any investment plan. Mercy Home's Philanthropic Advisory Team will act as your partner in helping you decide how your contributions should be invested to help ensure you meet all of your goals. We will take time to help you consider your giving and investment goals, risk tolerance and time horizon.

The MHBG Donor Advised Fund currently uses six separate investment pools which are professionally managed by Morgan Stanley, and which represent different investment strategies. The investment pools are part of a unified managed account platform that combines separately managed accounts, mutual funds and exchange-traded funds in a prudently diversified, cost-effective portfolio. Additionally, the Impact Balanced Pool goes one step further with a commitment to delivering financial, social and environmental value through its holdings. The asset allocation strategies are developed by the Morgan Stanley Wealth Management Global Investment Committee, a team of investment professionals and economists.

You recommend how the assets in your account are allocated among the different investment pools (see below). Because your contributions can be actively invested in the market, there is opportunity for them to increase in value over time, potentially resulting in larger grants to the organizations you choose to support.



FUNDING AN ACCOUNT

SELECT UNIFIED MANAGED ACCOUNT AND MONEY MARKET ACCOUNT POOLS*

