

Philanthropy that Keeps on Giving

Introducing Recoverable Grants

The problems of the world feel big and the tools to solve them feel limited. To provide Morgan Stanley GIFT (MS GIFT) donors additional flexibility in the ways they offer support to the causes they care about, MS GIFT has developed a new Recoverable Grants program powered by CapShift, an industry-leading provider of Recoverable Grant solutions.

Recoverable Grants are a philanthropic tool that offer donors the potential to recover granted capital if the recipient charity meets a predetermined success scenario. Any funds recovered to your donor advised fund can then be used for future grant-making.

Recoverable Grant Program

Recoverable Grants can be a powerful tool for situations where a charity experiences a funding gap, wants to scale its impact quickly, or needs funding to support high-risk, innovation. In these situations, Recoverable Grants provide the capital nonprofits need now and the opportunity for the donor to regrant that same money later. Recoverable Grants can be used to:

Bridge Funding Gaps	Scale Impact Quickly	Fund Catalytic Innovation
<p>A nonprofit's expenses do not always line up with the timing of the capital it receives from funders.</p> <p>Recoverable Grants can help fill that gap in funding and can be recovered if the charity receives its funder commitments.</p>	<p>A nonprofit may need capital now to fund a program that is intended to bring in revenue over time.</p> <p>Recoverable Grants can multiply impact by providing the risk capital the charity can use immediately, and then recovered gradually if the charity receives revenues.</p>	<p>New ideas are often difficult to fund, because of the significant risk of failure, even when they have the potential for outsized impact.</p> <p>Recoverable Grants can be more patient and flexible than investors, and only recovered if successful.</p>

Sample Recoverable Grants Available

Curated Recoverable Grant opportunities are available across a wide range of impact themes, including clean energy, racial equity, economic mobility, affordable housing and more. Examples include:



Recoverable Grants to Blue Forest support ecological restoration projects on public and private lands that reduce wildfire risk and improve landscape resilience.



Recoverable Grants to Root Capital support agricultural enterprises that raise farmers' incomes, empower women and young people, and preserve vulnerable ecosystems.

How to Start Making Recoverable Grants with your MS GIFT Account

You can support Recoverable Grants through your MS GIFT account in two ways:

1. Select from a curated menu of Recoverable Grant opportunities that pioneer solutions in clean energy, sustainable food, health, education, affordable housing — and more. This menu is available in PDF form and at www.capshift.com/msgift.
2. Recommend a Recoverable Grant that you have sourced and would like to consider supporting using your MS GIFT Account (at an additional fee). While CapShift will work with both you and the potential recipient on these donor-proposed opportunities, the following information is helpful to collect and share ahead of time:
 - a. Overview: opportunity name, desired grant amount (if known), purpose
 - b. Confirmation that the recipient is an IRS-designed 501(c)3 organization or has a partner organization willing to serve as the 501(c)3 organization.
 - c. The intended impact of the recoverable grant (e.g. use of funds)
 - d. Key terms of the recoverable grant (e.g. recovery amount, tenure, fees, capital structure of receiving entity)
 - e. Key risks (e.g. reputational risks, likelihood of recovery or operational issues)

To begin making Recoverable Grants, you can take the following steps:

If you have an existing Morgan Stanley GIFT account: Recoverable Grants are available.

1. Contact recoverablegrants@morganstanley.com with your Morgan Stanley Financial Advisor or Private Wealth Advisor to get started.
2. If you are proposing a recoverable grant outside of the menu, CapShift will first complete a pre-screen of viability based on the overview information (see above, 2a-b) you provide them. CapShift will then conduct an additional review of the opportunity with the potential grantee for charity, capital structure, and operations (see above, 2c-e).
3. If you are choosing from the menu or if your proposed opportunity has been cleared, you will then confirm in writing the desired grantee, grant amount, no conflict of interest, terms of the Letter of Intent, and fees.
4. The grantee will then sign the Letter of Intent and MS GIFT will make the grant on your behalf.
5. CapShift and MS GIFT will provide ongoing financial and impact information directly in your MS GIFT donor portal with information updated at least annually.

If you don't currently have a Morgan Stanley GIFT account, contact msgiftdaf@morganstanley.com with your Financial Advisor to get started with an account.

At Morgan Stanley GIFT, we believe the potential for positive impact takes many forms. In addition to the Recoverable Grant program, Morgan Stanley GIFT offers “Investing with Impact” investment strategies that aim to generate market rate returns and demonstrate positive environmental and/or social impact. However, be advised that market rate returns may not come to pass. For more information on the range of strategies for driving impact with your philanthropic capital, you can contact us at msgiftdaf@morganstanley.com.

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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 services to MS GIFT. Back office administration provided by RenPSG, 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.

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.

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Recoverable Grants are made to nonprofit public charities and must comply with all IRS guidelines including but not limited to ensuring that no Prohibited Benefits are conferred to any Disqualified Persons or supporting organizations, Private Non- Operating foundations, or for direct or grassroots lobbying purposes. Recoverable Grants are made with no guarantee of recovery of funds or guarantee of impact results. Recovery of funds is not legally required and is performed on a best-efforts basis as determined by each nonprofit in accordance with the terms outlined in the Letter of

Intent (LOI). Recoverable grants are a form of charitable giving. Donors should be prepared that funds may not be recovered and are a permanent and irrevocable gift to the nonprofit. While there is potential for grant recovery to the recommender's MS GIFT account, the grant is an irrevocable gift to the nonprofit.

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