

Mission Align 360

CRAIG STYLES, MORGAN STANLEY

 2022 PHILANTHROPY
LEADS



GOELZER
INVESTMENT MANAGEMENT

GOELZER

INVESTMENT MANAGEMENT



Faegre Drinker Biddle & Reath

FORVIS

Johnson, Grossnickle + Associates

Morgan Stanley



Mission Align 360°

Morgan Stanley Philanthropy Management

Institutional Consulting Services – Our Process

Our firm uniquely combines the scope, scale and oversight of a global financial services firm with the independence, objectivity and service capabilities of a boutique consulting firm.

Step 4: Ongoing Review & Monitoring

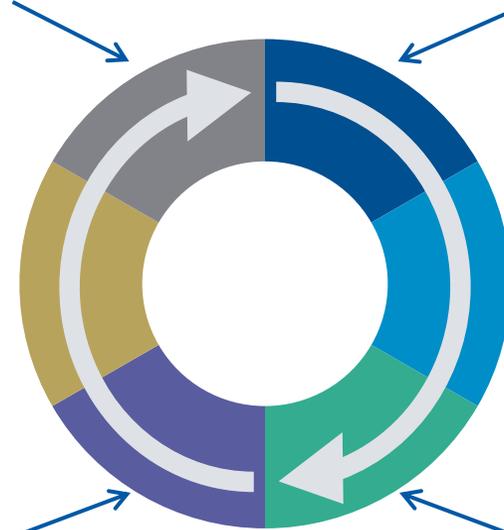
- Regular investment performance reviews with trustees
- Review progress toward objective
- Review manager performance versus appropriate benchmarks and peer group
- Steps repeated as needed

Holistic Advice to Grow Your Assets - Philanthropy Management

- Private Label Donor Advised Funds
- Best Practices in Fundraising and Crowdfunding
- Board Development and Governance
- Fundraising and planned giving consulting

Step 3: Investment Manager Analysis and Due-Diligence

- Unparalleled Due-Diligence by Global Investment Management Analysis (GIMA) staff
- Size and Scale enable access and favorable investment manager pricing
- Select active and passive investments per strategy



Step 1: Organizational Assessment

- Gain an understanding of your organization’s mission, values and objectives
- Address SRI/ESG/Impact Investment goals
- Review and evaluate investment policy statements

Board Member/Trustee Education

- Well informed boards make better decisions
- Education topics addressed at review meetings
- Topics include: fiduciary responsibilities, alternative investments, socially responsible investing, active versus passive investments, behavioral finance, modern portfolio theory (MPT) and portfolio construction.

Step 2: Asset Allocation Studies

- Objective-driven asset allocation
- Spending policy simulations
- Optimize risk and return to achieve objectives
- Set asset allocation strategy

“The trustees of endowed institutions are the guardians of the future against the claims of the present. Their task is to preserve equity among generations.”

-James Tobin, Nobel Prize winning Economist at Yale University

Institutional Consulting Services – Our People

The Stapleton Fox Group at Morgan Stanley

Steve Stapleton, CIMA®, CFP®

Senior VP, Wealth Advisor,
Senior Investment Mgmt
Consultant

steven.stapleton@ms.com

+1 317 263-8722

NMLS ID# 1279167

Matt Fox, CIMA®, CFP®

First Vice President,
Financial Advisor,
Investment Mgmt Consultant

cmatthew.fox@ms.com

+1 317 263-8723

NMLS ID# 1316511

Brian Elliott

Financial Advisor

brian.j.elliott@ms.com

+1 317 263-8754

Wendy Power

Registered Associate

wendy.power@ms.com

+1 317 263-8705

111 Monument Circle, Ste 3100
Indianapolis, IN 46204
Toll free: +1 800 624-2524

Steven B. (Steve) Stapleton, CFP®, CIMA®

- Senior Vice President and Wealth Advisor with 33 years financial services industry experience, all with Morgan Stanley.
- CIMA®, Certified Investment Management Analyst.
- CFP®, Certified Financial Planner™ practitioner.
- Senior Investment Management Consultant (SIMC), Wharton Executive Education, University of Pennsylvania.
- MBA, Bellarmine University.
- BS in Economics, with Honors, University of Kentucky, Beta Gamma Sigma, Nat'l Scholastic Honor Society.
- Married 36 years to his wife Jo Ann and blessed with three children.
- Community Service: Catholic Community Foundation Board of Trustees (past president) and Investment Committee; The Children's Museum of Indianapolis, Planned Giving Council; Ball State University Foundation, Professional Advisors Committee; Catholic Charities Indianapolis Board (Agency Council).

C. Matthew (Matt) Fox, CFP®, CIMA®

- First Vice President and Financial Advisor with 25 years of financial services industry experience, all with Morgan Stanley.
- CIMA®, Certified Investment Management Analyst · CFP®, Certified Financial Planner practitioner.
- Morgan Stanley Institute of Family Wealth Management: Family Wealth Advisor designee.
- Wharton Executive Education, University of Pennsylvania, 2009.
- Leadership Boot Camp for Investment Stewards, West Point Military Academy, 2015.
- BA Economics, 1991, DePauw University.
- Married to wife Natalie and blessed with three children.
- Community Service: 2009-Present - Hearts and Hands of Indiana, Board Member; 2006-Present - Indiana Council on World Affairs Board Member (Past President); 2006 World Affairs Councils of America, Delegation to Taiwan; 2000 Rotary International Group Study Exchange to India; 1995-Present Phi Kappa Psi Home Association (Past President).

This material does not provide individually tailored investment advice. It has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The strategies and/or investments discussed in this material may not be appropriate for all investors. Morgan Stanley Wealth Management recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the advice of a Financial Advisor. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives.

Tax laws are complex and subject to change. 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 and are not "fiduciaries" (under ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise agreed to in writing by Morgan Stanley. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

The views expressed herein are those of the author and do not necessarily reflect the views of Morgan Stanley Wealth Management or its affiliates. All opinions are subject to change without notice. Neither the information provided nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. Past performance is no guarantee of future results.

Asset Allocation does not assure a profit or protect against loss in declining financial markets.

Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services. Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY.

Certified Financial Planner™ Board of Standards Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™ and CFP® (with flame logo)® in the U.S., which it awards to individuals who successfully complete CFP® Board's initial and ongoing certification requirements.

Morgan Stanley Smith Barney LLC, member SIPC.

CRC 3507168 03.2021

A Snapshot: 360° of an Organization

Organizations transitioning to Mission Align 360° are encouraged to consider all available pools of capital for alignment. Pools of capital an organization can align for impact include:



FINANCIAL CAPITAL

Investments that seek to achieve specific social and/or environmental goals while targeting market-rate financial returns



PHILANTHROPIC CAPITAL

A broad term which describes capital that has no, or low, expectation of financial return such as grant-making and program related investments.

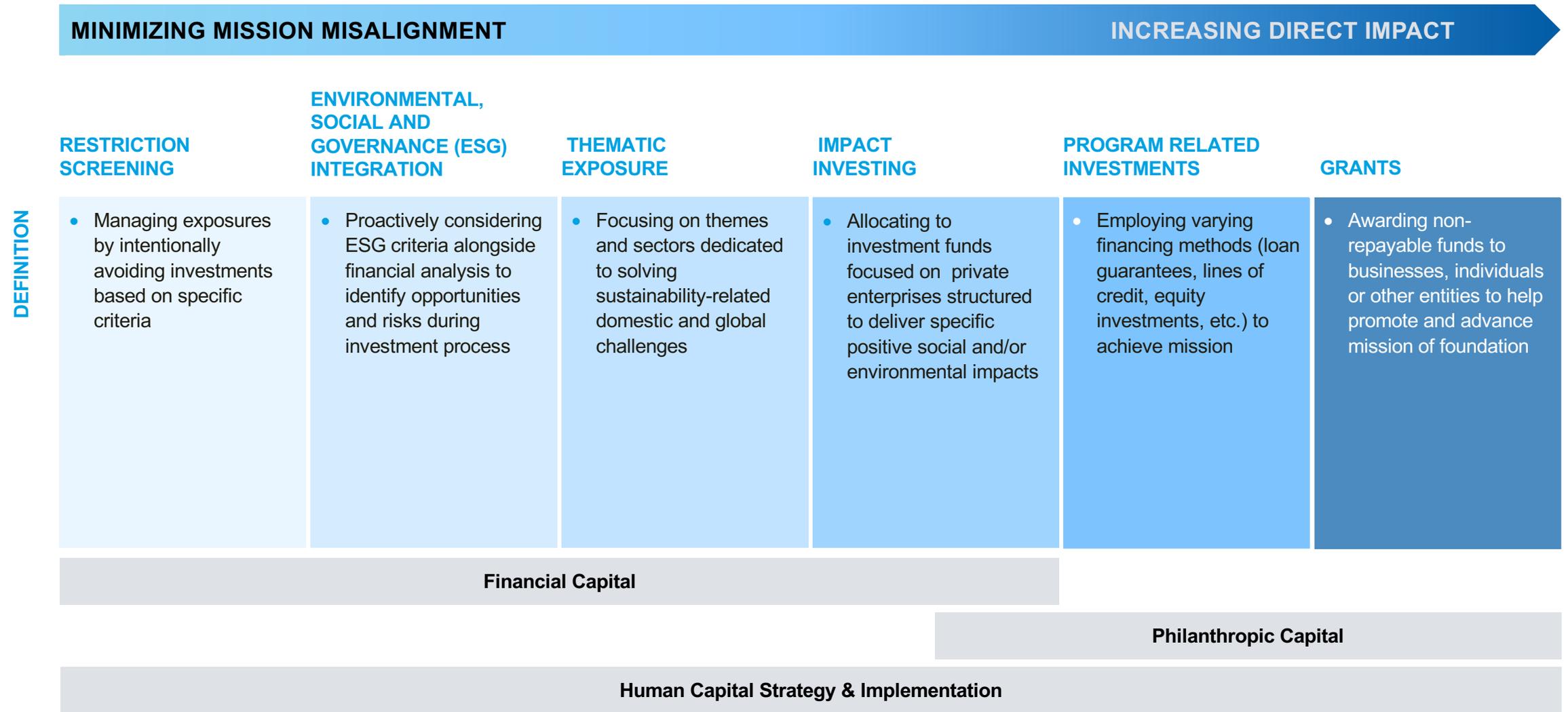


HUMAN CAPITAL

The collective skills, talents, knowledge or other intangible assets of individuals that can be used to create economic value for the individuals, their organization or their community

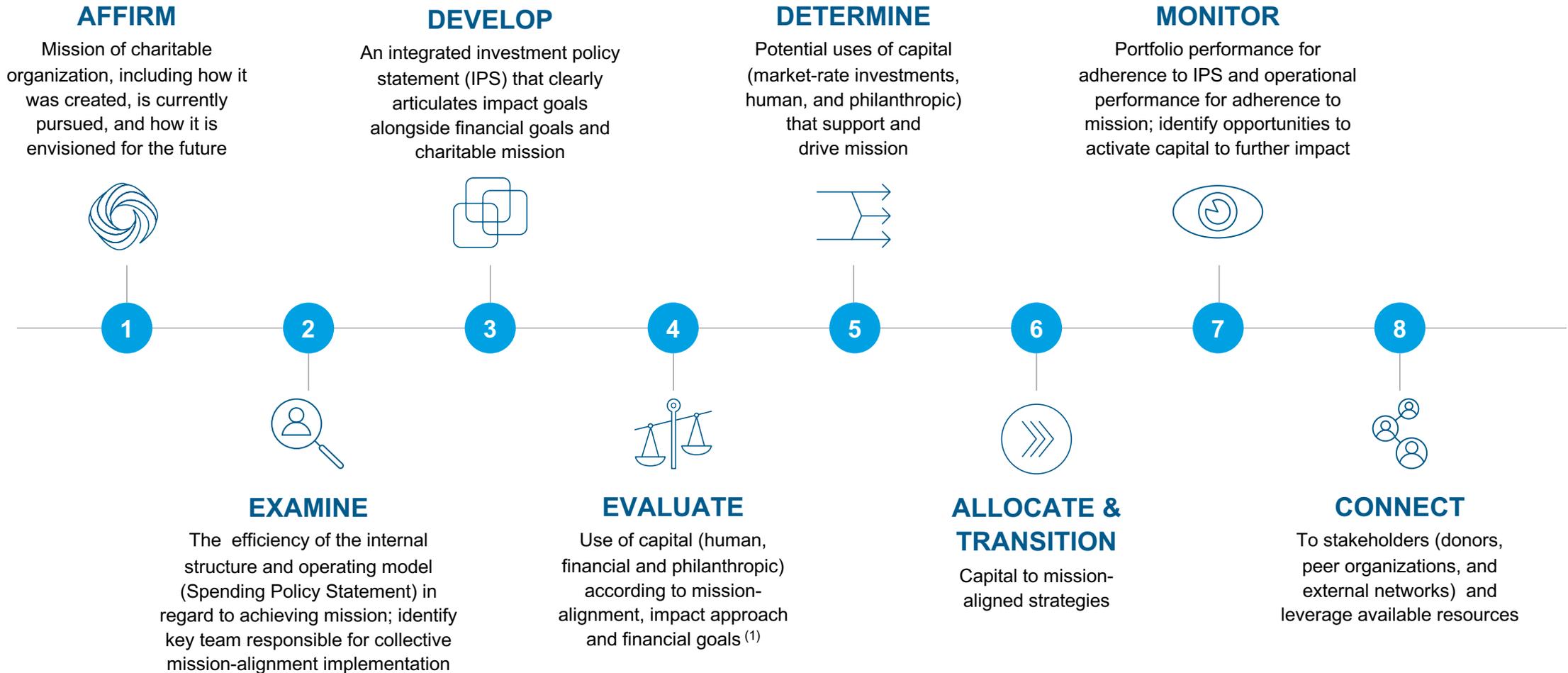


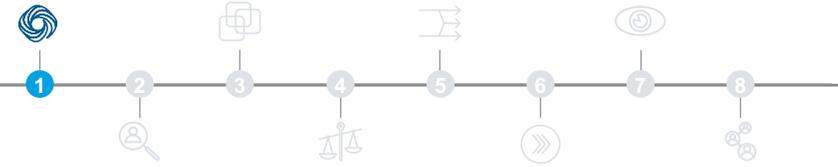
Mission Align 360°: Spectrum of Approaches



Mission Align 360°: Roadmap

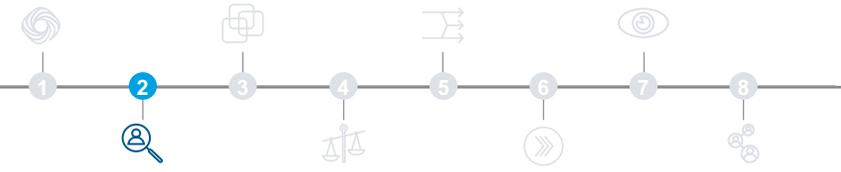
The Mission Align 360° process facilitates an examination of an organization’s human, philanthropic, and financial capital to advance its mission and impact.





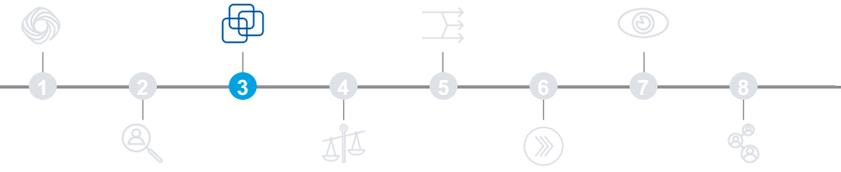
Affirm the Mission

| | |
|---|---|
| <p>AFFIRM ORGANIZATION'S MISSION</p> | <p>By affirming your organization’s mission statement, you can successfully define your organization’s purpose and provide key stakeholders with a clear vision of what the organization is working to achieve.</p> |
| <p>SAMPLE QUESTIONS</p> | <ul style="list-style-type: none"> • How is our mission currently pursued? Does our mission statement accurately reflect our work? • What external market forces have impacted our ability to deliver on our mission? |
| <p>POTENTIAL ACTIONS</p> | <ul style="list-style-type: none"> • Complete Discovery Questionnaire • Review Mission Statement |



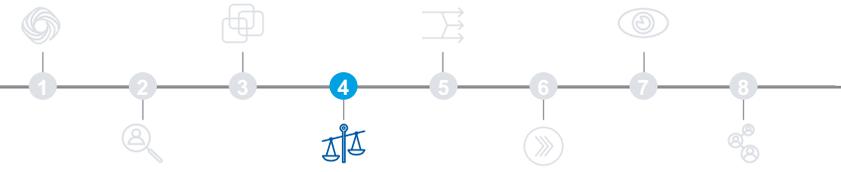
Examine Internal Operating Efficiency

| | |
|---|--|
| <p>EXAMINE INTERNAL OPERATING EFFICIENCY</p> | <p>Transitioning to Mission Align 360° requires an assessment of your organization’s human, philanthropic, and financial capital and how such capital is allocated in order to accomplish your mission.</p> |
| <p>SAMPLE QUESTIONS</p> | <ul style="list-style-type: none"> • Do we have appropriate processes in place to achieve our vision? • Have we defined a link between the teams that manage programs and investments? |
| <p>POTENTIAL ACTIONS</p> | <ul style="list-style-type: none"> • Determine internal champions of the Mission Align 360° Process • Refine and establish processes that will promote Investing with Impact |



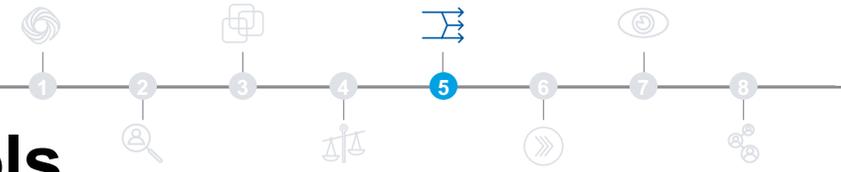
Develop an Integrated IPS

| | |
|---|---|
| <p>DEVELOP INVESTMENT POLICY STATEMENT</p> | <p>Investment Policy Statements that integrate Investing with Impact considerations should guide decisions that influence aligning assets and goals, and provide direction for prioritizing all available resources.</p> |
| <p>SAMPLE QUESTIONS</p> | <ul style="list-style-type: none"> • How do we define our endowment’s value and how do we want to preserve or generate it? • How do we align our mission with existing or new financial objectives around the balance of risk and return? |
| <p>POTENTIAL ACTIONS</p> | <ul style="list-style-type: none"> • Custom Solutions Outsourced CIO (OCIO) • Integrate Impact Criteria into an Investment Policy Statement (Broad Impact, Gender Diversity, Catholic Values, Climate Change) |



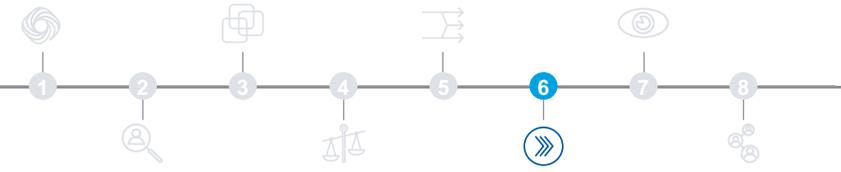
Evaluate Existing Assets

| | |
|--|--|
| <p>EVALUATE EXISTING ASSETS</p> | <p>Your organization’s assets should be evaluated according to both mission alignment and positive impact and financial goals.</p> |
| <p>SAMPLE QUESTIONS</p> | <ul style="list-style-type: none"> • How do we quantify and evaluate the impact current assets are making? • Are we invested in assets that erode our mission? |
| <p>POTENTIAL ACTIONS</p> | <ul style="list-style-type: none"> • Determine the impact approach being used on each asset class • Determine portion of portfolio aligned to impact; where potential gaps exist and where impact should be strengthened |



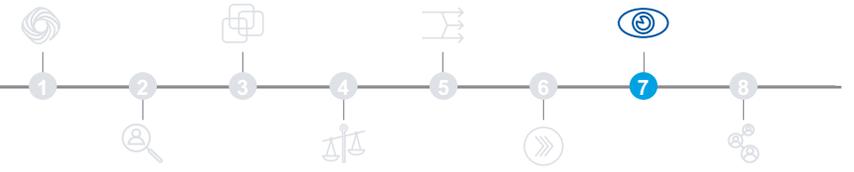
Determine Potential Uses of All Capital Pools

| | |
|---|--|
| <p>DETERMINE POTENTIAL CAPITAL USE</p> | <p>Achieving Mission Align 360° requires an open mind and creative thinking, and encourages organizations to consider all available pools of capital for potential allocation toward its mission.</p> |
| <p>SAMPLE QUESTIONS</p> | <ul style="list-style-type: none"> • How do we decide what opportunities align best with our mission? • What is the optimal asset allocation that aligns with our financial and impact objectives? |
| <p>POTENTIAL ACTIONS</p> | <ul style="list-style-type: none"> • Examine the impact of each strategy in regard to achieving the mission • Use Bridge to Mission approach and allow for creative solutions |



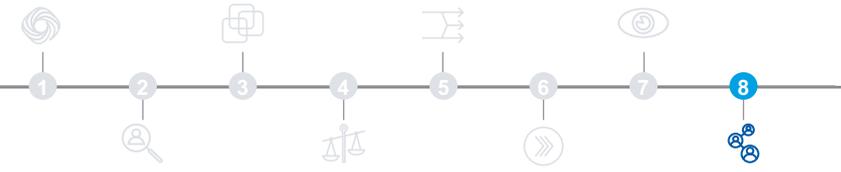
Allocate and Transition Assets

| | |
|--|--|
| <p>ALLOCATE AND TRANSITION ASSETS</p> | <p>An organization has numerous opportunities to allocate capital across the spectrum of Mission Align 360° approaches to produce greater positive impact.</p> |
| <p>SAMPLE QUESTIONS</p> | <ul style="list-style-type: none"> • What assets are we able to transition (divest, invest or reallocate) now? • Do we plan to transition further assets in the future? When? |
| <p>POTENTIAL ACTIONS</p> | <ul style="list-style-type: none"> • Decide whether a carve-out or gradual transition to Mission Align 360° is appropriate • Speak with investment managers of funds that are being considered for a mission-aligned portfolio |



Monitor Portfolio

| | |
|---------------------------------|--|
| <p>MONITOR PORTFOLIO</p> | <p>Impact measurement is a key evaluative tool to assist your organization in understanding the value of your investments.</p> |
| <p>SAMPLE QUESTIONS</p> | <ul style="list-style-type: none"> • Why do we monitor grants, mission alignment and financial performance? How and at what frequency? • What impact data is available and most applicable to our mission? |
| <p>POTENTIAL ACTIONS</p> | <ul style="list-style-type: none"> • Work with an advisor to set procedures and guidelines for monitoring impact • Stay up-to-date with proxy voting and shareholder engagement results |



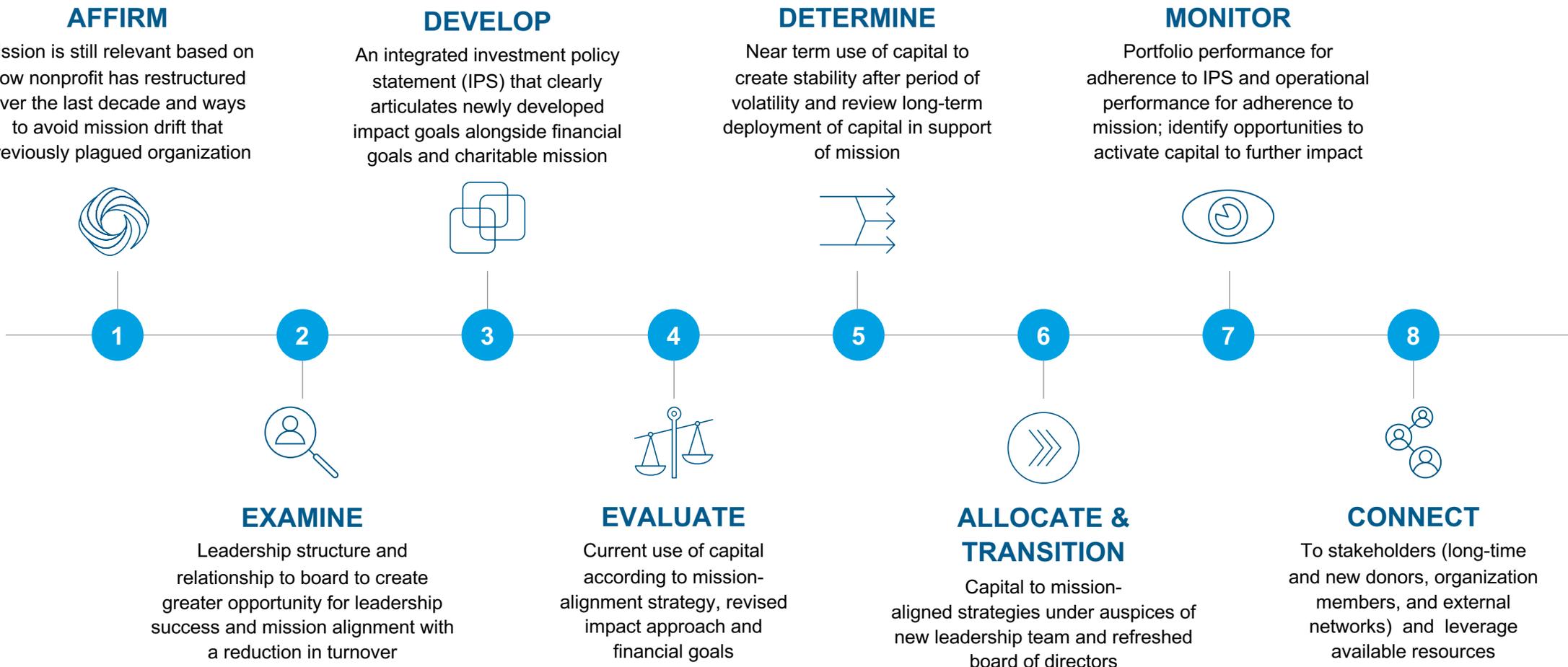
Connect to Stakeholders

| | |
|---------------------------------------|--|
| <p>CONNECT TO STAKEHOLDERS</p> | <p>Publicly sharing your organization’s journey to Mission Align 360° will assist the board, staff, donors, stakeholders and peer organizations in understanding the steps taken to better achieve their mission and values.</p> |
| <p>SAMPLE QUESTIONS</p> | <ul style="list-style-type: none"> • What resources are there to stay up-to-date on ideas we value? • How do we share results and success stories with the public? |
| <p>POTENTIAL ACTIONS</p> | <ul style="list-style-type: none"> • Employee education: Investment team to educate employees on impact of financial goals on constituencies and foundation’s bottom line • Highlight case studies: Connect financial stories to mission |

How much more of your organization's **mission** can be achieved if you maximize and leverage all available pools of capital for **innovative and mission-focused efforts?**

Mission Align 360°: Case Study

A decades old institution grappling with leadership turnover seizes opportunity to conduct holistic review of the organization across all capital pools to ensure better mission alignment under new leadership



Disclaimer

This material does not provide individually tailored investment advice. It has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The strategies and/or investments discussed in this material may not be suitable for all investors. Morgan Stanley

Smith Barney LLC recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the advice of a Financial Advisor. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. This material is not an offer to buy or sell any security or to participate in any trading strategy. Asset allocation and diversification do not guarantee a profit or protect against a loss. Past performance is no guarantee of future results.

Investing in the market entails the risk of market volatility. The value of all types of investments may increase or decrease over varying time periods. Fixed Income investing entails credit risks and interest rate risks. When interest rates rise, bond prices generally fall.

Private Funds (which include hedge funds and private equity funds) often engage in speculative investment techniques and are only suitable for long-term, qualified investors. Investors could lose all or a substantial amount of their investment. They are generally illiquid, not tax-efficient and have higher fees than many traditional investments.

The returns on a portfolio consisting primarily of sustainable investments may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment considerations. Because sustainability 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.

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.

Feeling inspired?

PLEASE RATE THIS SESSION BEFORE LEAVING



**PHILANTHROPY
LEADS**



GOELZER
INVESTMENT MANAGEMENT