

Creativity, Flexibility & Advanced Planning with Donor-Advised Funds



INVESTMENT PRODUCTS: • NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

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Agenda

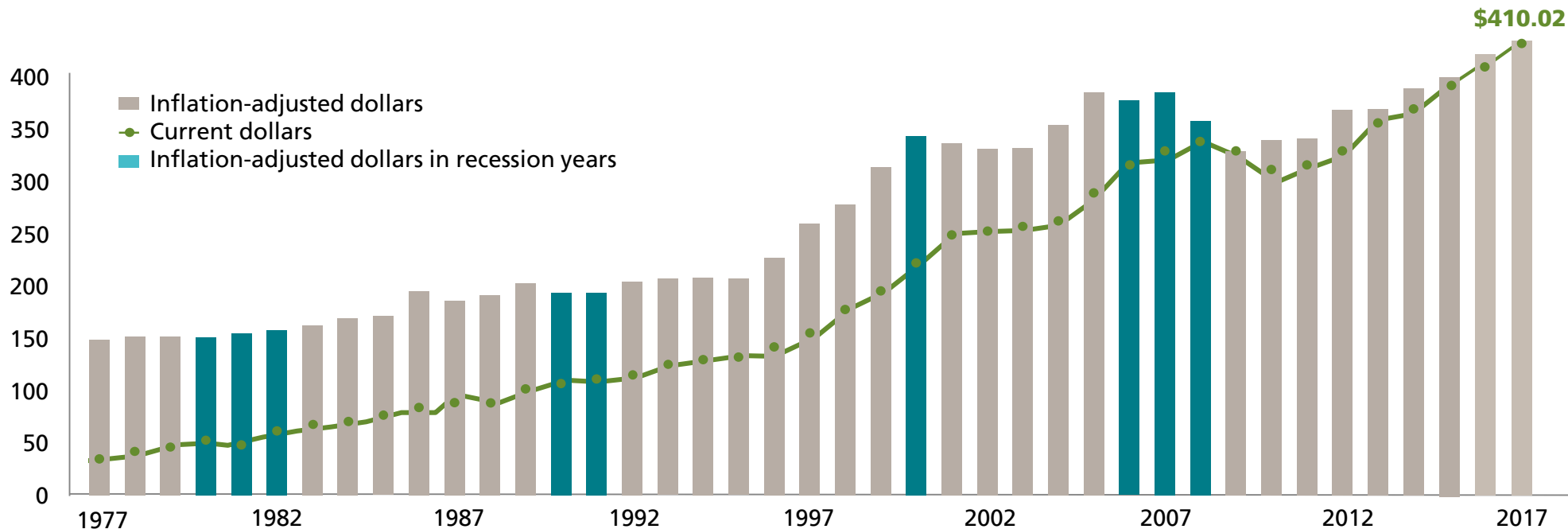
Trends in Charitable Giving
About Donor-Advised Funds
Grantmaking Legacy Planning
Appendix

Deductibility comparison
The J.P. Morgan Charitable Giving Fund
About National Philanthropic Trust

Trends in Charitable Giving

Charitable giving in America has experienced significant growth

PHILANTHROPIC GIVING, UNITED STATES, BN\$, BY YEAR

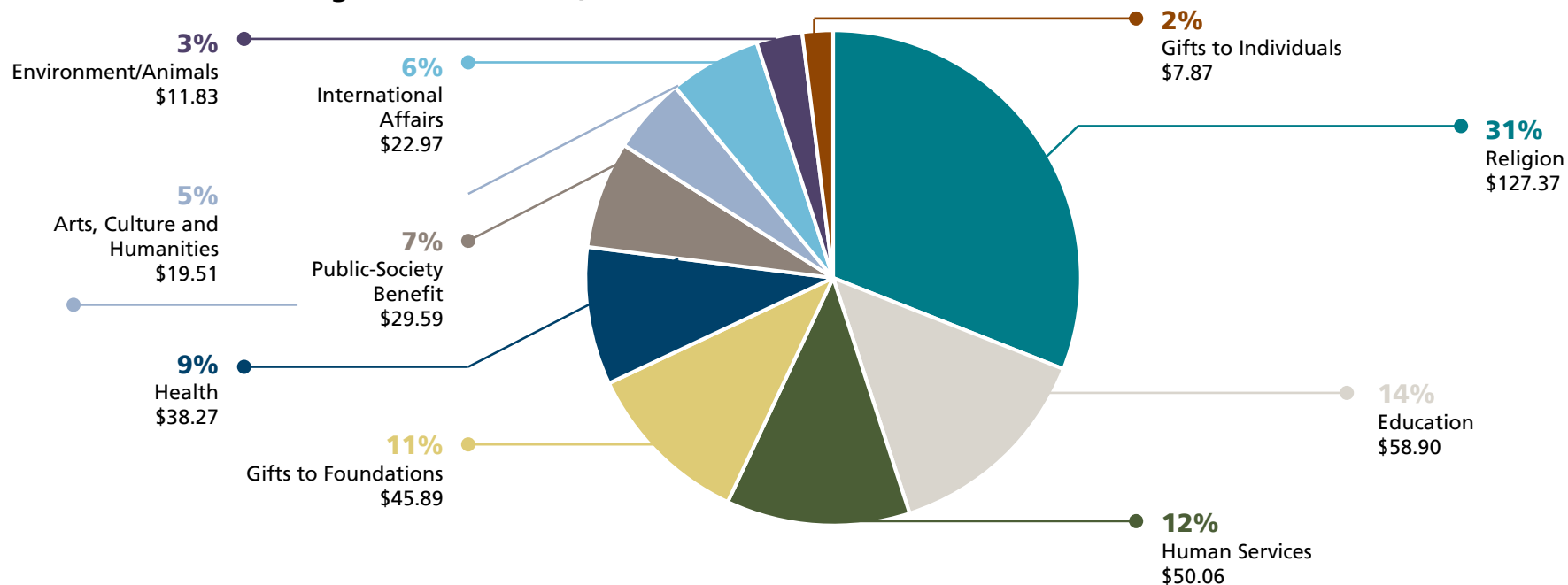


- Giving represents 2.1% of USD GDP
- Over the last 40 years, the level of giving (measured in inflation-adjusted dollars) has almost tripled

Gifts support a variety of recipient organization types

TYPE OF RECIPIENT ORGANIZATION

2017 contributions: \$410.02BN
(in billions of dollars—all figures are rounded)



- People tend to give to what they know—e.g., place of worship, alma mater, local community
- The largest increases in giving from the prior year were to Foundations; Arts, Culture and Humanities; Public-Society Benefit; and Health
- Gifts to Foundations increased by 15.5% from 2016 to 2017

About Donor-Advised Funds

What is a donor-advised fund?

A donor-advised fund (DAF) is a charitable giving vehicle administered by a qualified public charity. Donors establish a DAF by making an irrevocable, tax-deductible contribution to the donor-advised fund sponsor for subsequent disbursement to other qualifying charities.

Simple

- ✓ No startup costs, no IRS tax filings, no required payouts
- ✓ Immediate tax deduction, maximum tax benefit
- ✓ Consolidated recordkeeping and administration

Flexible

- ✓ Select from a wide array of gift options, including illiquid assets
- ✓ Customized investment allocation, with fully tailored portfolio
- ✓ Choose your successor
- ✓ Avoid 5% annual payout requirement
- ✓ Choose multiple forms of donor recognition, or remain anonymous

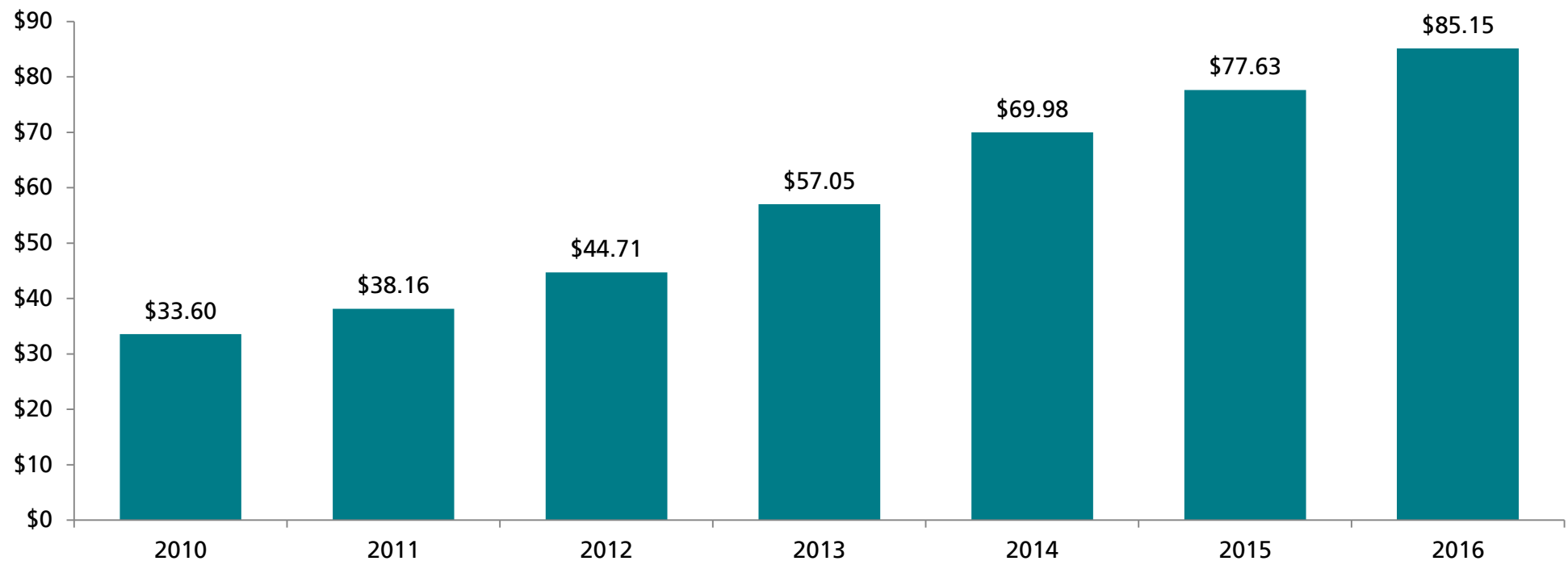
Effective

- ✓ Create a legacy: Your DAF can exist in perpetuity
- ✓ Name your own account
- ✓ Give locally and globally
- ✓ Endow chairs at universities, secure naming rights to buildings and programs—in many instances in perpetuity

DAFs have become increasingly popular

- In 2016, \$23.27 billion was contributed to DAFs, an increase of 7.6% from 2015
- In each of the years 2010–2016, DAF assets experienced double-digit growth
- In the United States, there are 285,000 DAF accounts and 83,000 foundations

TOTAL CHARITABLE ASSETS WITHIN DAFS (\$BN)



Source: 2017 Donor-Advised Fund Report, National Philanthropic Trust (NPT).

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Comparing private foundations and donor-advised funds

	Donor-advised fund	Private foundation
Startup time & cost	<ul style="list-style-type: none"> Can be created immediately with an initial contribution Little or no cost to set up 	<ul style="list-style-type: none"> Can be created within 10 days (excluding IRS review of exemption application) Costs between \$5,000–\$15,000
Typical minimum to start	<ul style="list-style-type: none"> \$25,000 	<ul style="list-style-type: none"> \$1–10 million (may be started with no assets to act as a placeholder)
Estimated annual administrative costs	<ul style="list-style-type: none"> 10–85 basis points 	<ul style="list-style-type: none"> 55–150 basis points
Governance	<ul style="list-style-type: none"> Sponsoring organization has legal oversight on DAF Donor may name advisor(s), but advisor(s) cannot be paid 	<ul style="list-style-type: none"> Donor can control selection of board/trustees Family members can serve and receive compensation (subject to self-dealing rules)
Succession	<ul style="list-style-type: none"> Some DAFs limit the number of successor advisors while others allow accounts to exist in perpetuity with donor naming successor advisor(s) 	<ul style="list-style-type: none"> Donor may define successor board or trustees and existence parameters of the foundation
Control of grants & assets	<ul style="list-style-type: none"> Donors may recommend grants and investment allocations to the sponsoring organization 	<ul style="list-style-type: none"> Donor has complete control of all grantmaking and investment allocation decisions Subject to self-dealing rules
Tax deduction limits for gifts of cash*	<ul style="list-style-type: none"> 60% of adjusted gross income (AGI) 	<ul style="list-style-type: none"> 30% of adjusted gross income (AGI)
Tax deduction limits for gifts of appreciated property*	<ul style="list-style-type: none"> 30% of adjusted gross income (AGI) 	<ul style="list-style-type: none"> 20% of adjusted gross income (AGI)
Valuation of gifts	<ul style="list-style-type: none"> Fair market value 	<ul style="list-style-type: none"> Fair market value for publicly traded stock Cost basis for all other gifts, including gifts of closely held stock or real property
Excise taxes	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> 1% or 2% of net investment income annually
Required grant distribution	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Must distribute 5% of the value of the net assets annually
Anonymity	<ul style="list-style-type: none"> Donor names can be kept confidential, if desired Grants can be made anonymously 	<ul style="list-style-type: none"> Anonymity is not guaranteed, especially if foundation has family name Foundation must file a detailed public tax return (Form 990-PF) including names of directors, officers and staff, fiscal data, summary of grants and contributions, and perhaps state returns
Filing requirements	<ul style="list-style-type: none"> None for donor (sponsoring organization files Form 990) State registrations 	<ul style="list-style-type: none"> Form 1023 and state filings to establish Continuing obligations for Form 990-PF and perhaps state returns State registrations
Fiduciary responsibility	<ul style="list-style-type: none"> The sponsoring organization fulfils the associated fiduciary responsibilities 	<ul style="list-style-type: none"> The board/trustees have full fiduciary responsibility

Note: Gift to a DAF generates the same tax deduction as any other public donation to charity. Tax regulations limit the deductible amount of charitable gifts depending on the asset given, the donor's adjusted gross income (AGI), state of residence, and the status of the charity receiving the gift. JPMorgan Chase & Co. and its affiliates and employees do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only. You should consult your own tax, legal and accounting advisors before engaging in any financial transactions. This table assumes that all property has been held by the donor for more than one year. *Any unused deductions may be carried forward up to five (5) additional years.

Making the most of your DAF

Key questions to consider when selecting a DAF program

- ✓ What flexibility do I need around the structure of my DAF?
- ✓ Are there restrictions on what types of assets I can contribute?
- ✓ Do I need to make a certain number of grants during a given time period?
- ✓ What are the fees associated with a DAF?
- ✓ What are the investment options available to me?
- ✓ Can I give internationally?
- ✓ Can I name successors for my DAF? Can they name additional successors?
- ✓ What kind of support will be available to me once I set up my DAF account?
- ✓ Can my family be involved as a grant committee in making distribution decisions?

Grantmaking

Using a DAF to maintain privacy and anonymity

- Private foundations must annually report board members, contributions and grants on Form 990-PF, which is **widely available to the public**
- Unlike distributions by a private foundation, grants made from a DAF—at least DAFs held at a large sponsoring organization—can generally be made without attribution, and donor can **retain anonymity**
 - Private foundation can also create a DAF account to receive funds that can later be distributed to charities without attribution back to the foundation or original donor
- Donors and foundations can further **protect privacy** surrounding their charitable contributions and grants by setting up accounts with random names that cannot be connected back to the family

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A DAF can enter into specialized gift agreements

- A sponsoring organization can enter into **specialized gift agreements** on behalf of a DAF:
 - Secure **naming rights** to buildings
 - **Endow chair** at a college or university
 - Create **multi-year or challenge grants**
 - Establish **benchmarks** or terms to be achieved prior to funds being released
 - Create a **scholarship** fund

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Case study—Simplicity is the ultimate sophistication

CLIENT

- Family with existing private foundation

ISSUE

- Donor and other family members have **tired of formalities, compliance issues and tax reporting** necessary to provide grants annually to their favored charities

SOLUTION

- Family members constituting the foundation's board elected to terminate foundation and to **direct assets to a newly created DAF**
- Family maintains its philanthropic legacy, but reduces the work involved and simplifies its charitable giving

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Grantmaking

International grantmaking
Grantmaking agreements

Make grants around the world

Since 2001, NPT has made international grants in **189 cities** in **72 countries** worldwide

EUROPE

Austria
Belgium
Czech Republic
Finland
France
Germany
Greece
Hungary
Iceland
Ireland
Italy
Malta
The Netherlands
Poland
Portugal
Russia
Serbia
Spain
Sweden
Switzerland
Ukraine
United Kingdom

THE AMERICAS

Argentina
The Bahamas
Bermuda
Brazil
British Virgin Islands
Canada
Chile
Colombia
Costa Rica
Guatemala
Mexico
Peru
Puerto Rico
St. Kitts
Trinidad and Tobago

AUSTRALASIA

Australia
New Zealand

ASIA

Azerbaijan
China
Georgia
Hong Kong
India
Indonesia
Israel
Japan
Jordan
Kazakhstan
Kyrgyzstan
Malaysia
Nepal
Oman
Philippines
Singapore
South Korea
Sri Lanka
Tajikistan
Taiwan
Thailand
Turkey
U.A.E.
Vietnam

AFRICA

Malawi
Morocco
South Africa
Tanzania



Note: National Philanthropic Trust is legally responsible for ensuring these proposed grants and grantees are qualified to receive the funds. Decisions about grants to qualified foreign charities are made on a case-by-case basis. Additional fees apply. Please request the International Grantmaking solution sheet for additional information. Source: National Philanthropic Trust. As of December 2017.

Case study—Give globally, pay locally

CLIENT

- **Family with private foundation** and a deep interest in supporting charities in Israel

ISSUES

- Client set up DAF account to **simplify and facilitate foreign grantmaking** for a family foundation
- Client wants to make **grants in shekels**, not U.S. dollars, to keep conversion costs to a minimum

SOLUTION

- DAF opened **foreign exchange account** at J.P. Morgan to allow foreign grants to be wired directly to Israeli charities in local currency, significantly reducing currency exchange costs

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Examples—Foreign grants

- Mammography machine & naming rights to breast cancer screening center in Prague, Czech Republic
- Medical training program in Austria for Mexican physicians
- Polio immunization program in Afghanistan and Pakistan
- Support of physics research in over a dozen countries
- Construction of a school and library in Kathmandu, Nepal

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NPT has expanded its philanthropic footprint into the United Kingdom by creating a dual qualified charitable entity

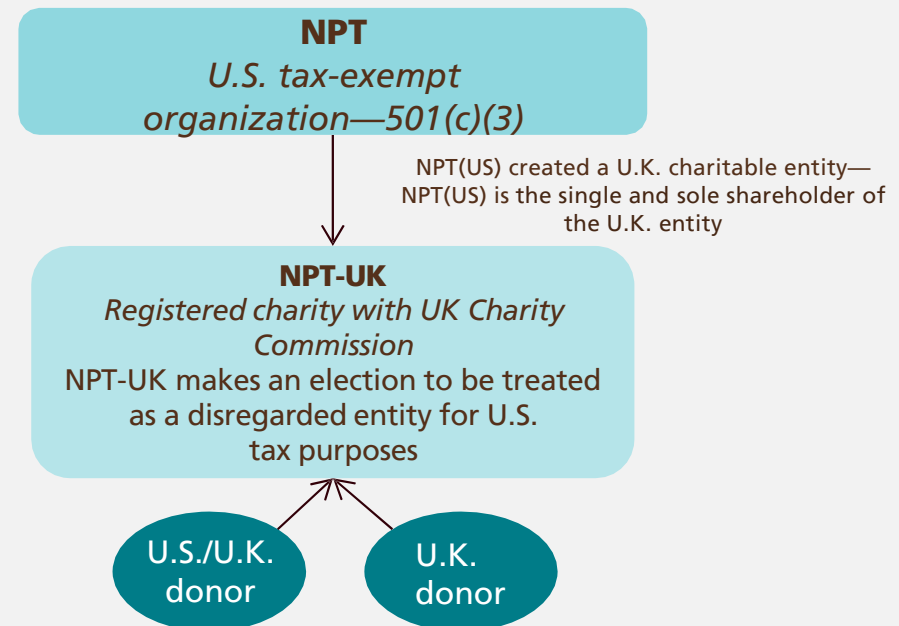
- NPT-UK has been approved by the UK Charity Commission
- NPT-UK is open to U.S. and U.K. donors
- Charitable structure will enable Americans living in the United Kingdom to receive income tax charitable deduction in the U.S. & U.K. Gift Aid relief and other charitable benefits for those individuals who qualify

U.S. income tax:

- U.S. citizens are subject to U.S. income tax on a worldwide basis
- Donors can receive a charitable income tax deduction only to qualified charitable organizations under U.S. regulations

U.K. income tax:

- Income tax relief for a charitable gift is divided between the charity & donor
- In order for donations to be eligible for Gift Aid relief, the donation must be made to a charity organized in the United Kingdom and governed by English, Scottish or Northern Irish law
- Additional tax relief is provided to higher-rate taxpayers



Donations to the U.K. subsidiary of NPT made by a donor subject to both U.S. & U.K. income tax is eligible for income tax benefits in both the United States & United Kingdom:

- **United Kingdom:** The gift is to NPT-UK and is therefore eligible for Gift Aid relief; additional tax relief is provided to higher-rate taxpayers
- **United States:** The gift is treated as a donation to a U.S.-qualified tax-exempt charity¹

1. From the point of view of the United States, NPT-UK simultaneously qualifies as a dual status charity for U.S. tax purposes in that it is disregarded as a U.K. entity, and all gifts qualify for charitable tax deduction.

Case study—NPT and NPT-UK streamline U.K. grants and eliminate need for “U.S. friends of” organization

CLIENT

- Client has an interest in providing annual support to a British museum
- Client has an existing DAF account with NPT

ISSUES

- Expenditure responsibility and equivalency determination rules for private foundations incur additional costs and can slow the grantmaking process
- Donor would also like to solicit contributions by friends and colleagues to the museum
- Making contributions directly to foreign charities is costly and may not be deductible under U.S. tax law

SOLUTION

- Client creates a DAF account with NPT-UK
- Donor and/or the British museum can create DAF accounts with NPT and NPT-UK, thus eliminating the need and expense of creating a U.S. “friends of” organization
- Donor recommends a grant from her NPT DAF account to NPT-UK DAF account
- Donor then recommends a grant from the NPT-UK account to the British museum

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Legacy Planning

Advisor succession and multigenerational planning

- Private foundations are commonly used to **establish a philanthropic legacy** for future generations
- **DAF accounts can serve these same objectives**, either in lieu of or conjunction with a family foundation
- When a client is considering DAFs, determine what options exist for succession planning
 - Does the SO allow DAF accounts to continue **in perpetuity?**
 - How broadly does the SO allow the donor to **designate future advisors?**
 - How flexible is the SO in **accommodating a donor's specific needs** or desires for succession?

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Case study—Where there's a will, there's a way

CLIENT

- Donor wished to name his DAF account as the primary beneficiary of his estate

ISSUES

- Donor's **wife and children from a prior marriage do not like each other** and would not work well together
- Donor understood that philanthropy would not fix the issues between them
- Donor wanted to allow each of them the opportunity to support their favorite causes and to do so from the **same fund**
- Donor's existing DAF sponsor declined his request to create a **"rotating" plan for designating advisors** after his death

SOLUTION

- Donor established a DAF account to receive the bulk of his estate
- Terms of the **DAF account's governing agreement** provided that his wife would recommend grants to her favorite charities for one year, then each of his four children would have an opportunity, in turn, to recommend grants each year thereafter. After one round, the rotation would begin again, and again, and again

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Appendix

Giving to charity—Summary of rules on the income tax deductibility of gifts

Amount deductible			AGI limitation ¹ Gifts “to” charity		AGI limitation ¹ Gifts “for the use of” charity ²	
Type of property	Public charities/ DAFs	Private foundations ³	Public charities/ DAFs	Private foundations ³	Public charities/ DAFs	Private foundations ³
Cash	FMV	FMV	60%	30%	30%	30%
Qualified appreciated stock (unrestricted, publicly traded stock held long-term)	FMV	FMV	30%	20%	30%	20%
Long-term capital gain property⁴ (other than qualified appreciated stock)	FMV ⁴	Cost ⁵	30% ⁴	20%	30%	20%
Ordinary income and short-term capital gain property	Cost ⁵	Cost ⁵	50%	30%	30%	30%
Unrelated use tangible personal property	Cost ⁵	Cost ⁵	50%	20%	30%	30%
Related use tangible personal property⁶	FMV ⁴	Cost ⁵	30% ⁴	20%	30%	20%

1. AGI: Adjusted gross income. Contributions in excess of percentage limitation may be carried forward for use in the taxpayer’s next five tax years.

2. Limits on gifts “for the use of” charity would apply to, for example, the deduction received for funding a grantor-type charitable lead trust. Gifts to a charitable remainder trust may also be subject to these limits if the trust instrument does not provide that the remainder interest will pass to the charitable remainder beneficiary outright at the end of the primary trust term.

3. Non-operating foundations only.

4. Taxpayers may make a “step-down election” such that long-term capital gain property donated to a public charity is deductible up to cost basis and up to 50% of AGI, but this election would apply to all contributions of this type of property in the same tax year.

5. Lesser of cost or fair market value.

6. Must be held long-term. Otherwise, rules for unrelated use tangible personal property would apply.

Source: IRC §170.

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Limitations on deductions—Order of applying AGI limits

The allowable deduction for a charitable contribution is limited to a percentage of the taxpayer's "contribution base" (AGI computed without regard to any net operating loss carrybacks). There are five separate limits that apply: the 60% limit, the 50% limit, the 30% limit, the "special" 30% limit, and the 20% limit. Contributions are considered in the following order:

1. Contributions of cash to public charities are deductible up to 60% of the taxpayer's contribution base
2. Contributions of ordinary income and short-term capital gain property to public charities¹ are deductible up to 50% of the taxpayer's contribution base, reduced by contributions of cash subject to the 60% limit
3. Contributions of cash, ordinary income and short-term capital gain property *for the use of* public charities, or *to or for the use of* semi-public and private charities,¹ are deductible up to the lesser of:
 - a. 30% of the taxpayer's contribution base, and
 - b. 50% of the taxpayer's contribution base, less all contributions to public charities (including contributions of long-term capital gain property)
4. Contributions of long-term capital gain property to public charities are deductible up to the lesser of:
 - a. 30% of the taxpayer's contribution base (the "special" 30% limit), and
 - b. 50% of the taxpayer's contribution base less other contributions to or for the use of any organization (except contributions of long-term capital gain property to or for the use of semi-public and private charities)²
5. Contributions of long-term capital gain property to or for the use of semi-public and private charities are deductible up to the lesser of:
 - a. 20% of the taxpayer's contribution base,
 - b. 30% of the taxpayer's contribution base, less contributions of long-term capital gain property to public charities subject to the "special" 30% limit,
 - c. 30% of the taxpayer's contribution base, less contributions of cash, ordinary income and short-term capital gain property¹ subject to the 30% limit, and
 - d. 50% of the taxpayer's contribution base, less all other contributions previously considered

Due to the 50% limitation that applies when a taxpayer makes contributions of different types of property and/or makes contributions to different types of exempt organizations, a deduction equal to 60% of the taxpayer's contribution base is only attainable if that amount is contributed in cash to a public charity.

1. And contributions of long-term capital gain property, if the taxpayer has elected to deduct the long-term capital gain property based on the property's cost basis.

2. Unless the taxpayer has elected to deduct the long-term capital gain property based on the property's cost basis.

Source: IRC §170, 26 CFR §1.170A-8.

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DAF with a difference: The J.P. Morgan Charitable Giving Fund

The J.P. Morgan Charitable Giving Fund is a DAF, offered in conjunction with National Philanthropic Trust (NPT), that may provide more flexibility, enhanced options, and fewer restrictions than your current DAF.

FLEXIBILITY	CUSTOMIZATION	ENHANCED OPTIONS	FEWER RESTRICTIONS
<ul style="list-style-type: none">▪ Acceptance of the widest array of gifts, including illiquid assets▪ Global and local grantmaking capabilities	<ul style="list-style-type: none">▪ Choose from 40+ J.P. Morgan and third-party investment strategies▪ Create a fully customized, actively managed investment portfolio for accounts greater than \$2 million▪ Customized successor advisory structure, whether rotating, multigenerational or multiparty	<ul style="list-style-type: none">▪ Dedicated Client Service team to assist with your account▪ Grant agreements with particular terms or conditions, such as matching provisions or reporting requirements▪ Endowment of chairs at universities, securing of naming rights to buildings and programs	<ul style="list-style-type: none">▪ No annual payout requirements▪ Three years before the first grant recommendation is requested▪ Charitable Giving Fund accounts may exist in perpetuity▪ Multiple forms of recognition possible—personal, in memory of someone, or anonymous

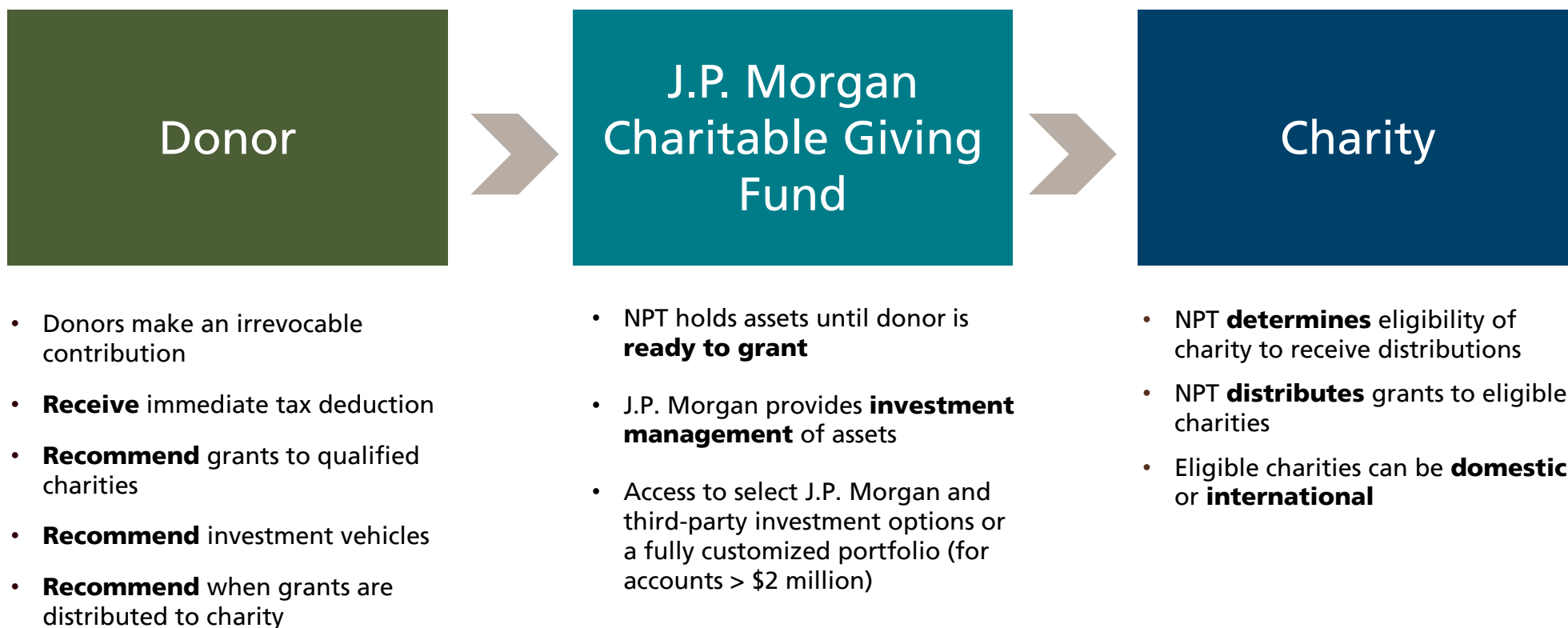
Source: National Philanthropic Trust (NPT), December 2017.

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How the J.P. Morgan Charitable Giving Fund program works

The J.P. Morgan Charitable Giving Fund is a DAF, offered in conjunction with National Philanthropic Trust (NPT), that enables donors to make tax-deductible gifts to an individual DAF account, while recommending grants to qualified charities around the globe on the donor's own timetable.



Note: Contributions to NPT are irrevocable, and NPT has final approval over all donor grant recommendations, and are subject to the terms and conditions of NPT's articles of incorporation, bylaws and this document. NPT's Board of Trustees reserves the right to modify the program at any time.

The J.P. Morgan Charitable Giving Fund can accept a wide variety of gifted assets



J.P. Morgan Charitable Giving Fund

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The Charitable Giving Fund offers a wide variety of investment options

Donors may recommend that assets in their DAF accounts be invested in one or more select J.P. Morgan and third-party mutual funds and exchange-traded funds (ETFs), which have the potential to grow tax-free to support future grant recommendations.

Diversified Multi-Asset-Class Portfolio Investment Options

- The JPMorgan Investor Funds are diversified multi-asset-class portfolios
- These funds, each with its own distinct risk profile, offer broad diversification across asset classes, mutual funds, industries and securities
- They pursue a “fund of funds” strategy, which offers asset allocation from a single fund

Single Strategy Investment Options¹

- For donors who prefer to select individual investment strategies a la carte, J.P. Morgan offers a choice of mutual funds and ETFs

1. J.P. Morgan charges an investment management fee of 0.05% on assets invested in single-strategy investment options.

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Charitable Giving Fund: Custom investment management capabilities

CGF accounts greater than \$2 million may benefit from J.P. Morgan's broad range of services, tailored to their specific needs.

CUSTOMIZED PORTFOLIO MANAGEMENT

- Building portfolios around institutional risk profile, cash flow and biases
- Incorporating existing investment positions
- Customized portfolio metrics

BEST EXECUTION METHODS

- Active and passive ideas
- Single- and multi-asset-class recommendations
- Ideas and advice
- Full trading capabilities
- Execution and settlement of donated funds

OBJECTIVE CONSULTATIVE ANALYTICS

- Capital markets assumptions
- Strategic allocation and portfolio risk modeling
- Cash flow analysis

**CHARITABLE GIVING
FUND**
>\$2 million

MARKET RESEARCH & ADVISORY

- Market analysis
- Tactical advisory

COMMUNICATION

- Daily commentary on active market issues
- Weekly market highlights
- Quarterly formal portfolio reviews with investment committee and staff

CUSTODY & ADMINISTRATIVE SERVICES

- Robust and flexible reporting
- Timely notifications of capital changes
- Customized custody methods
- Centralized dedication team

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Your partner in giving: NPT offers comprehensive administration

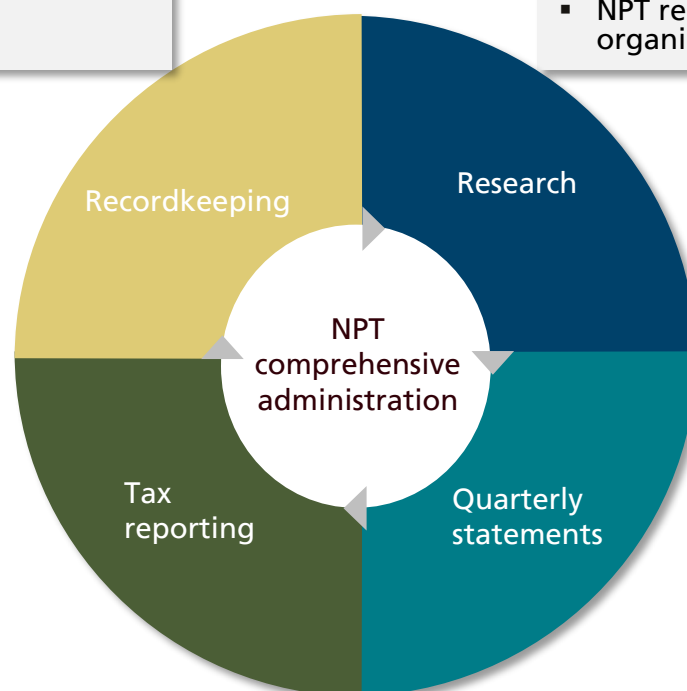
J.P. Morgan partners with NPT as the public charity to administer its Charitable Giving Fund.

About NPT:

- Top 15 largest U.S. grantmaking institution
- \$9 billion+ in charitable contributions since inception
- 200,000+ grants made totaling \$5 billion+ since inception
- 20+ years of grantmaking experience

How NPT partners with J.P. Morgan:

- Fund donors receive comprehensive administration of their giving activities from NPT
- Clients receive quarterly statements and online access to key account information
- NPT completes all applicable recordkeeping and tax reporting
- NPT researches recommended grantee organizations



Source: National Philanthropic Trust as of December 2017. The information contained herein is provided for illustrative purposes only and should not be relied upon in isolation for the purpose of making an investment decision. For more information on product profiles and trade ideas, which discusses risks, benefits, liquidity and other matters of interest, please contact your J.P. Morgan representative.

International grantmaking services

The J.P. Morgan Charitable Giving Fund allows donors to make direct grants to international charities through J.P. Morgan's partnership with NPT.

- Grants to charities overseas require additional due diligence to determine their eligibility, as well as monitoring and reporting once awarded
- To process international grants, NPT can use Expenditure Responsibility (ER) or Equivalency Determination (ED) due diligence processes to ensure and verify that the grant funds are utilized for charitable purposes

NPT charges an additional fee for grants made to foreign and non-501(c)(3) charities

Account Balance	International Grantmaking Fees
\$0–\$5 million	\$1,750/grant
\$5–\$10 million	One free grant annually, then \$1,500 per each additional grant
\$10 million and above	Three free grants annually, then \$1,250 per each additional grant
<ul style="list-style-type: none">- For ER grants, subsequent grants in a 12-month period will be discounted by 50%- For ED grants, subsequent grants in a 12-month period are included	

- NPT reserves the right to charge additional fees for any added (out of the ordinary) due diligence necessary, such as, but not limited to, site visits, translation services, high-risk areas, advice from legal counsel and reporting issues. The related fees will be assessed additionally against the Charitable Giving Fund account assets
- All international grants are sent via wire in U.S. dollars. If the donor prefers that the grant be made in local currency, there will be an additional processing charge of \$175 plus any applicable currency exchange fees
- Any Charitable Giving Fund account set up solely to grant to overseas charities will be charged via the fee schedule, plus any short-term fee if more than 95% of the assets in the account are granted out within 12 months of account opening. The fee will be equal to the greater of (1) \$500 or (2) two percent (2%) of the opening balance in the account during the 12-month period (up to a maximum fee of \$25,000)

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Grant agreements

The J.P. Morgan Charitable Giving Fund allows donors to establish specialized grant agreements through J.P. Morgan's partnership with NPT.

- NPT drafts and finalizes a gift agreement with a charity based on the donor's intent if they wish to make a grant that requires specific terms, such as:

Benchmarking	Matching or challenge grant provisions
Results and research findings	Restrictions on use of funds
Reporting requirements	Recognition

- NPT charges a fee for the development of grant agreements, to be paid from the CGF account
- Legal counsel reviews all grant agreements into which NPT will enter. Charges are reimbursed to NPT from the CGF account
- These grant agreements are legally binding and must be fulfilled according to the terms of the agreement

Grant Agreement Fees

Account Balance	Fee
\$0–\$5 million	\$1,750 plus legal fees per grant agreement
\$5–\$10 million	One free grant agreement annually, then \$1,500 per grant agreement; legal fees will be expensed in all cases
\$10 million and above	Three free grants annually, then \$1,250 per grant agreement; legal fees will be expensed in all cases

NPT reserves the right to charge additional fees for any added (out of the ordinary) due diligence necessary, such as, but not limited to, site visits, translation services, high-risk areas, advice from legal counsel, reporting and monitoring needs/issues. The related fees will be assessed additionally against the Charitable Giving Fund assets.

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Investment strategies are selected from both J.P. Morgan and third-party asset managers and are subject to a review process by our manager research teams. From this pool of strategies, our portfolio construction teams select those strategies we believe fit our asset allocation goals and forward looking views in order to meet the portfolio's investment objective.

As a general matter, we prefer J.P. Morgan managed strategies. We expect the proportion of J.P. Morgan managed strategies will be high (in fact, up to 100 percent) in strategies such as, for example, cash and high-quality fixed income, subject to applicable law and any account-specific considerations.

While our internally managed strategies generally align well with our forward looking views, and we are familiar with the investment processes as well as the risk and compliance philosophy of the firm, it is important to note that J.P. Morgan receives more overall fees when internally managed strategies are included. We offer the option of choosing to exclude J.P. Morgan managed strategies (other than cash and liquidity products) in certain portfolios.

IMPORTANT INFORMATION

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