



THE DONOR MANAGED INVESTMENT ACCOUNTSM

*Increases and
accelerates
contributions
by offering
donors a
greater
voice in the
investment
management
of their gift*

CHARITABLE GIVING'S NEW GROWTH OPPORTUNITYSM







The DMI AccountSM Program creates new opportunities to engage major gift donors by offering greater flexibility in directing the investment management of their contributed assets.

For nonprofits looking to build endowment and attract new capital gifts for their institution, the Donor Managed Investment Account Program can promote incremental donations. The program offers donors the opportunity to *manage directly* the investment of their contributions while generating tax-free returns for the benefit of the organization.

The DMI Account Program appeals to proactive donors seeking a more participatory role in their philanthropic support, offering them the ability to continue to manage the investment of their donated assets after they are gifted. Unlike a donor advised fund, which limits investment alternatives to a small choice of funds or a predetermined investment strategy, the DMI Account Program allows a donor (or their preferred advisor) to choose among a vast array of investment alternatives to grow donated assets for the benefit of their chosen charities.

The enhanced investment management capabilities associated with the DMI Account Program represent a powerful new linkage between the donor and

BENEFITS TO NONPROFITS USING THE DMI ACCOUNT PROGRAM:

-  Generates incremental donations by attracting new donors
-  Offers an economic incentive to accelerate gifting from current donors
-  Turns “intended gifts” into actual donations
-  Builds stronger relationships with major donors

nonprofit organization that doesn't end after the initial contribution is made. By allowing donors to freely implement and direct their own investment strategies, nonprofits can create a stronger sense of shared purpose and responsibility with their key supporters.

WHY OFFER THE DMI ACCOUNT PROGRAM

The DMI Account Program can help your organization attract new donors, generate incremental contributions, and accelerate gift-making from current donors.

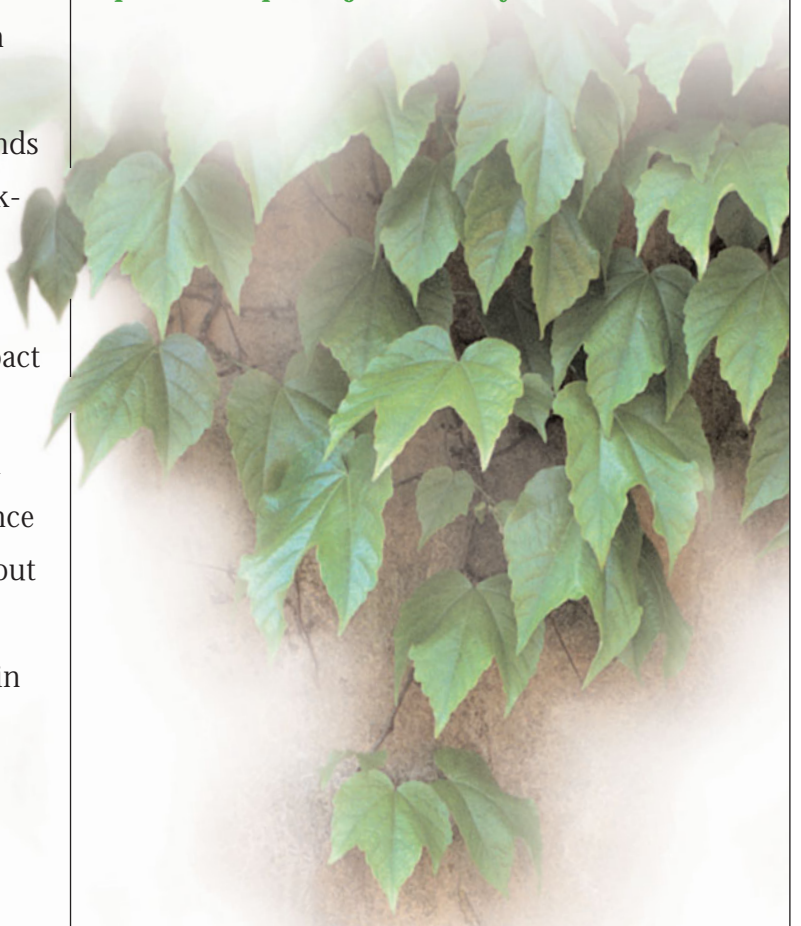
Research in the field of donor motivation by Dr. Paul Schervish at Boston College, a collaborator in the development of the DMI Account Program, confirms that many high net worth donors are keenly interested in the outcome that results from their charitable gifts and would welcome having a greater influence on the investment performance.

The ability to actively manage donated funds will appeal especially to proactive donors looking to "take more responsibility" for the performance of their philanthropic gifts. These donors are motivated to make as large an impact as possible on the organizations they support, and the DMI Account Program offers them an ability to extend their influence and significance in gifting activities. They are often excited about sharing with their selected charities the same investment strategies that they have pursued in their personal or professional lives and using the same advisors with whom they are comfortable in managing these investments.

TAX FREE GROWTH LEADS TO LARGER GIFTS

Donors often postpone making substantial gifts until they have grown their designated assets to large amounts or until they reach certain milestones. In these cases, money that is ultimately gifted will have been accumulated in a taxable environment. A DMI Account lets these gifted assets grow tax free, creating a potentially larger gift for the receiving nonprofit. Organizations offering the DMI Account Program can demonstrate to their donors the economic advantages of accelerating their gifts, while still employing the investment strategies with which they feel most comfortable.

Adding the DMI Account Program to your existing suite of giving alternatives allows you to offer a full range of solutions to address the philanthropic objectives of your donors.



SERVICES FROM WINKLEVOSS CONSULTANTS

Winklevoss Consultants provides a fully outsourced licensed solution for all of the

back-office services necessary to ensure the smooth set-up, operation, and administration of the DMI Account Program. Website access to your DMI Account information gives designated staff members a convenient and central source of information. Your organization can also customize key risk elements of the Program to suit your particular risk profile.

Our core services include:

- Set-up, documentation and implementation
- Marketing and training support
- Aggregation of all DMI Account information from each participating investment manager
- Reporting donors DMI Account activity
- Monitoring compliance with investment guidelines
- Monitoring advisory fee compliance

(We are not an investment manager and do not provide financial advisory services.)

Premium services also available for the DMI Account Program include:

- Grant-making, administration and disbursement oversight
- Access to sophisticated performance analytics to evaluate investment portfolio

GETTING STARTED

It's easy to establish the DMI Account Program for your organization.

To find out more, simply visit our website at winklevoss.com or contact Mark Rakov, Senior Managing Director - Philanthropic Services Division, at (203) 861-5565 or Mrakov@winklevoss.com

EXAMPLE OF GIFTING SCENARIO:



Elizabeth decided on a gift to her alma mater in the amount of \$500,000 and is considering establishing a DMI Account today instead of “growing the money on her own” before donating it in five years time.

If Elizabeth retains the money to invest on her own, she would be taxed on the proceeds at her personal tax rate. Were she able to earn 10% annually for a five year term, Elizabeth would generate gains of \$201,275 for the period, assuming a 30% tax rate. This would create a gift of just over \$700,000 for her college.



However, if Elizabeth makes her contribution through a DMI Account, retaining the ability to direct the investment management but doing so with funds that are owned by the college, her gains accrue tax free. Assuming the same investment experience of 10% annual growth over a five year period, Elizabeth will have generated \$305,255 in accrued gains in a DMI Account, making for a total gift in excess of \$800,000.



In both cases Elizabeth would exercise control of investment management decisions, but **more than \$100,000 in additional income** would be generated when the gift is made and managed through a DMI Account.



Frequently asked questions about The Donor Managed Investment Account

WHAT IS THE DONOR MANAGED INVESTMENT ACCOUNT PROGRAM?

The Donor Managed Investment (DMI) Account Program is a new charitable giving methodology that provides donors the ability to manage the investment of contributed assets among a vast range of alternatives after they have been gifted to a qualified 501(c)(3) nonprofit organization.

HOW DOES THE DMI ACCOUNT PROGRAM DIFFER FROM A DONOR ADVISED FUND OR A PRIVATE FOUNDATION?

A DMI Account differs in the level of investment control permitted for the donor, the overall flexibility of the Program, and the cost to establish and operate. A donor's investment choices are substantially limited in a donor advised fund, as is the ability to actively manage the investment of their donation with a preferred advisor. A private foundation offers somewhat more investment flexibility than donor advised funds, but the costs of establishing and maintaining a foundation are substantial. Foundations also carry requirements for accounting and reporting that often require additional staff to administer. A DMI Account offers a wide-ranging selection of investment choices, including stocks, bonds, mutual funds, index funds, and alternative investments, without the administrative costs or reporting requirements, including IRS filings open to the public, associated with foundations. Donors can actively reallocate their investments themselves or work with a preferred investment advisor, and are not restricted by adherence to a predetermined investment style.

WHO OWNS THE FUNDS IN A DMI ACCOUNT?

Funds in a DMI Account are owned by the recipient nonprofit organization. The donor is granted authorization to direct the investment management of these funds for an agreed period of time by the nonprofit.

WHAT HAPPENS TO THE FUNDS IN THE ACCOUNT WHEN THE INVESTMENT PERIOD ENDS?

At the conclusion of the donor's investment management period, proceeds are applied to the agreed-upon use established by the donor and nonprofit in the Program Agreement that is completed at the outset of the arrangement.

HOW MUCH DOES IT COST TO ESTABLISH A DMI ACCOUNT?

Participating donors pay no fees for using a DMI Account. As Program administrator, Winklevoss Consultants charges each participating nonprofit a license and servicing fee based on assets under management in DMI Accounts to cover record keeping and administrative services. There are no initial charges or set-up fees for the nonprofit to establish a DMI Account.



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