



Pooled Income Funds

Established By

Philanthropy Fund of America

Trustee

New York Private Bank & Trust, FSB

200 Bellevue Parkway, Suite 150

Wilmington, Delaware 19809

GIFTING DISCLOSURE STATEMENT

September 18, 2008

A moment to give, a lifetime to receive

GIFTING DISCLOSURE

The Philanthropy Fund of America (the “Philanthropy Fund”), established in 2007, is a Delaware non-stock, not-for-profit corporation that has been recognized by the Internal Revenue Service (the “IRS”) as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and classified by the IRS as a public charity described in Code Section 509(a)(1). The Philanthropy Fund seeks to expand charitable giving in the United States and facilitate the making of charitable grants to deserving nonprofit organizations across numerous charitable fields of interest and regions of the United States.

While the Philanthropy Fund accepts donations via check, wire or credit card, the expertise of our Board of Directors, staff, and volunteers provides us with the unique opportunity to accept donations of more complex assets such as real estate and securities. Many nonprofit organizations lack knowledge and expertise with respect to the management and liquidation of real estate. The Philanthropy Fund intends to assist deserving nonprofit organizations by increasing the amount of charitable donations to such organizations through an easy and efficient process for making donations of more complex assets.

This Gifting Disclosure Statement provides potential donors with information about the structure, mechanics and operations of the Life Income Funds of America (the “Life Income Funds”). The Life Income Funds are a series of pooled income funds established by the Philanthropy Fund and formed in the State of Delaware as separate charitable trusts. The Philanthropy Fund is the beneficiary of the remainder interests associated with any contribution to the Life Income Funds and it formed the charitable trusts to further its efforts to expand charitable giving and assist deserving nonprofit organizations by providing donors with a charitable-giving program that offers donors certain tax benefits and current income for life.

Each Life Income Fund was established and operates pursuant to a declaration of trust (each, a “Trust Agreement”). The standard terms of the Trust Agreement are set forth below under “*Terms of the Declarations of Trust*”. A donor’s contribution to one of the Life Income Funds will be governed by such fund’s Trust Agreement. The Life Income Funds, as newly established pooled income funds, have been nominally capitalized.

The independent members of the Board of Directors of the Philanthropy Fund have approved the engagement of Welton Street Advisors LLC (the “Investment Manager” or “WSA”) to act as the investment manager of the Life Income Funds. The Investment Manager has been engaged to (i) provide fund and manager selection, portfolio allocation, management and oversight services, (ii) negotiate the terms of asset management agreements with certain third-party sub-advisors and (iii) deliver investment and separate account management services for the Life Income Funds. The Investment Manager will not be actively engaged in the trading of securities.

The Investment Manager is currently managing each of the pooled income funds’ investments in accordance with the investment objectives outlined below under “*Pooled Income Fund Investment Alternatives*”.

The Life Income Funds have not been registered under any federal or state securities laws, pursuant to an exemption from registration available to certain pooled income funds under the Philanthropy Protection Act of 1995. Neither the Securities and Exchange Commission nor any

state regulators have approved or disapproved of the pooled income fund units in the Life Income Funds (the “Units”) or determined if this Gifting Disclosure Statement is accurate or complete

As of the date of this Gifting Disclosure Statement, the Philanthropy Fund of America has registered in all states which require registration before the solicitation of charitable contributions may commence.

For the offering of the Life Income Funds of America, the following disclosures are required by the states indicated for either the solicitation of charitable contributions or the offering of pooled income fund securities:

FLORIDA – A COPY OF THE PHILANTHROPY FUND OF AMERICA’S OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE, 1-800-435-7352 (800-HELP-FLA) WITHIN THE STATE. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE. FLORIDA REGISTRATION, CH22905.

THE LIFE INCOME FUNDS HAVE NOT BEEN REGISTERED WITH THE STATE OF FLORIDA.

MARYLAND – DOCUMENTS AND INFORMATION WITH RESPECT TO THE PHILANTHROPY FUND OF AMERICA MAY BE OBTAINED FOR THE COST OF COPIES AND POSTAGE, OFFICE OF THE SECRETARY OF STATE, STATE HOUSE, ANNAPOLIS, MD 21401.

MISSISSIPPI – THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION OF THE PHILANTHROPY FUND OF AMERICA MAY BE OBTAINED FROM THE MISSISSIPPI SECRETARY OF STATE’S OFFICE BY CALLING 1-888-236-6167. REGISTRATION BY THE SECRETARY OF STATE DOES NOT IMPLY ENDORSEMENT.

NEW JERSEY – INFORMATION FILED WITH THE ATTORNEY GENERAL CONCERNING THIS CHARITABLE SOLICITATION AND THE PERCENTAGE OF CONTRIBUTIONS RECEIVED BY THE PHILANTHROPY FUND OF AMERICA DURING THE LAST REPORTING PERIOD THAT WERE DEDICATED TO THE CHARITABLE PURPOSE MAY BE OBTAINED FROM THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY BY CALLING (973) 504-6215 AND IS AVAILABLE ON THE INTERNET AT www.njconsumeraffairs.gov/ocp.htm#charity. REGISTRATION WITH THE ATTORNEY GENERAL DOES NOT IMPLY ENDORSEMENT.

NEW YORK – OFFICE OF THE ATTORNEY GENERAL, DEPARTMENT OF LAW, CHARITIES BUREAU, 120 BROADWAY, NEW YORK, NY 10271.

NORTH CAROLINA – FINANCIAL INFORMATION ABOUT THE PHILANTHROPY FUND OF AMERICA AND A COPY OF ITS LICENSE ARE AVAILABLE FROM THE STATE SOLICITATION LICENSING BRANCH AT 1-888-830-4989. THE LICENSE IS NOT AN ENDORSEMENT BY THE STATE.

PENNSYLVANIA – THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION OF THE PHILANTHROPY FUND OF AMERICA MAY BE OBTAINED FROM THE PENNSYLVANIA DEPARTMENT OF STATE BY CALLING TOLL-FREE, WITHIN PENNSYLVANIA, 1-800-732-0999. REGISTRATION DOES NOT IMPLY ENDORSEMENT.

TENNESSEE - IN MAKING A GIFTING DECISION DONORS MUST RELY ON THEIR OWN EXAMINATION OF THE LIFE INCOME FUNDS AND THE GIFTING TERMS, INCLUDING THE MERITS AND RISKS INVOLVED. THE LIFE INCOME FUNDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS GIFTING DISCLOSURE STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

BENEFICIAL INTERESTS IN THE LIFE INCOME FUNDS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE. DONORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THEIR DONATION FOR AN INDEFINITE PERIOD OF TIME.

VIRGINIA – VIRGINIA STATE DIVISION OF CONSUMER AFFAIRS, DEPARTMENT OF AGRICULTURAL AND CONSUMER SERVICES, PO BOX 1163, RICHMOND, VA 23218.

WASHINGTON – CHARITIES DIVISION, OFFICE OF THE SECRETARY OF STATE, STATE OF WASHINGTON, OLYMPIA, WA 98504-0422, 1-800-332-4483.

WEST VIRGINIA – RESIDENTS MAY OBTAIN A SUMMARY OF THE REGISTRATION AND FINANCIAL DOCUMENTS FROM THE SECRETARY OF STATE, STATE CAPITOL, CHARLESTON, WV 25305. REGISTRATION WITH ANY OF THESE STATE AGENCIES DOES NOT IMPLY ENDORSEMENT, APPROVAL OR RECOMMENDATION BY ANY STATE.

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SUMMARY OF PHILANTHROPY FUND OF AMERICA

Expanding the Base of Giving

The Philanthropy Fund of America, established in 2007, is a Delaware non-stock, not-for-profit corporation that has been recognized by the IRS as a tax-exempt organization under Section 501(c)(3) of the Code, and classified by the IRS as a public charity within the meaning of Code Section 509(a)(1). As a public charity the Philanthropy Fund seeks to expand charitable giving and support deserving nonprofit organizations in the United States through the acceptance of charitable donations, including donations of complex assets such as real estate, to fund its program of charitable grant-making. Additionally, the Life Income Funds are a series of pooled income funds established by the Philanthropy Fund that are designed to further enhance charitable giving and provide additional flexibility (as discussed below) to potential donors who wish to make charitable donations and receive current income.

The Philanthropy Fund is working to expand the base of charitable giving, with the objective of making grants to deserving nonprofit organizations. A nonprofit organization's ability to maximize the impact of the charitable gifts the organization receives is an important part of the decision to support a particular nonprofit organization. While many high net-worth individuals and corporations spend large amounts of time and money determining where they should donate their "charity dollars," the majority of Americans do not have the expertise or the resources to make such a determination.

Increasing Effective Giving

The Philanthropy Fund makes grants to effective and deserving nonprofit organizations. Specifically, the Philanthropy Fund has formulated an array of measuring tools through which it evaluates nonprofit organizations in the United States. The Philanthropy Fund groups these organizations into "fields of interest" and evaluates these organizations according to specific parameters with respect to each field of interest.

There are over 1.5 million nonprofit organizations in the United States. The Philanthropy Fund evaluates nonprofit organizations of all types and in all areas of the United States for inclusion in the Philanthropy Fund's index of deserving nonprofits (the "Index"). To be eligible for consideration, a nonprofit organization must have been (i) recognized by the IRS as tax-exempt under Section 501(c)(3) of the Code, (ii) classified by the IRS as a public charity within the meaning of Section 509(a) of the Code and (iii) current in filing its annual Form 990 with the IRS. The Philanthropy Fund's process for selecting organizations to be included in the Index is independent and objective, emphasizing both quantitative and qualitative criteria. The Philanthropy Fund's aim is to consistently select nonprofit organizations that will effectively utilize the grants made by the Philanthropy Fund. Quantitative factors are determined from publicly-available financial information (such as the annual Form 990 filed with the IRS) and utilized to analyze each organization's efficiency, sustainability and long-term growth. The Philanthropy Fund combines this analytical analysis with a qualitative review of organizational accountability, operational and reporting standards, historical support, effectiveness and a series of additional criteria.

In evaluating nonprofit organizations, the Philanthropy Fund utilizes all resources available including, but not limited to, GuideStar and the BBB Wise Giving Alliance, as well as information and analysis gathered from numerous private foundations and other nonprofit

reviewing organizations. GuideStar and the BBB Wise Giving Alliance are leading organizations within the nonprofit sector that focus on better reporting and accountability and provide information to donors as to how his or her charitable dollars are being used and the impact of such contributions. The Philanthropy Fund incorporates the information and products offered by these organizations with its own information-gathering efforts in order to analyze various nonprofit organizations.

The Philanthropy Fund will endeavor to reanalyze all eligible nonprofit organizations at least once a year. Once the review is complete, the Philanthropy Fund's Board of Directors (the "Board") will approve the updated Index and the grant-making methodology to be used (e.g., the timing and allocation of grants). In addition, the Philanthropy Fund continuously monitors the nonprofit organizations in the Index for any developments that might warrant removing a given nonprofit organization from the list of eligible grantees. Finally, the Philanthropy Fund is open to recommendations from donors regarding nonprofit organizations that the donors feel are deserving of Philanthropy Fund grants. All such recommendations will be reviewed by the Philanthropy Fund and its Board.

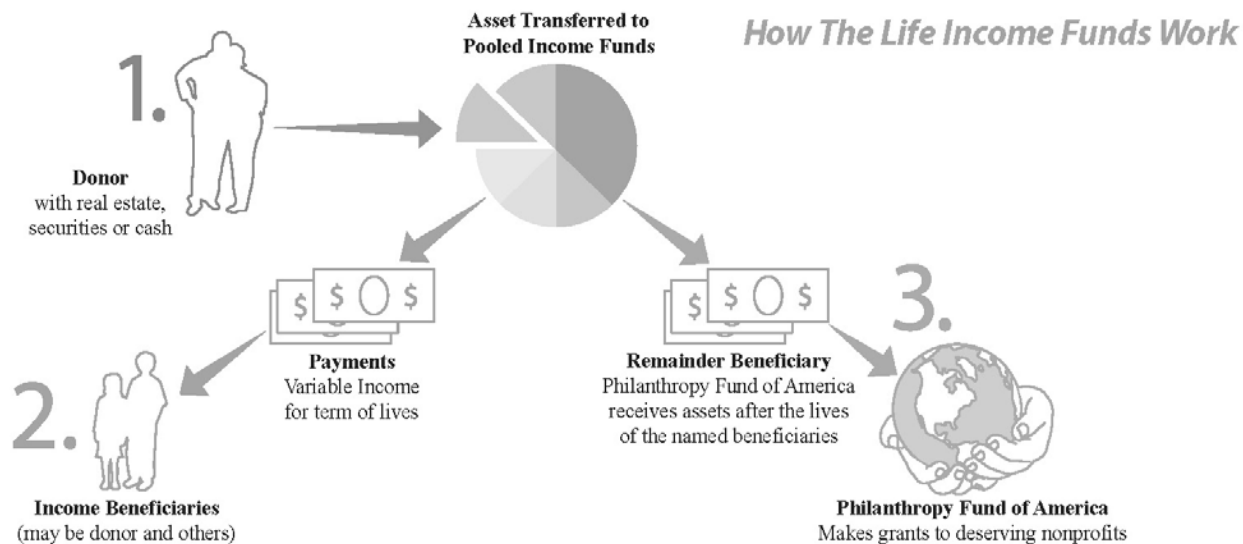
Directed Charitable Portfolios

Based upon the analysis described above, the Philanthropy Fund identifies and supports through its grant-making, effective, deserving and financially efficient nonprofit organizations. Donors may allocate their charitable contributions broadly across the entire Index or in specific percentages across chosen fields of interest. A donor is provided with three giving options for the designation of his or her contribution: (i) allocate his or her charitable dollars across the organizations that are included in the Index; (ii) create a personalized giving portfolio (each, a "Charitable Portfolio") across the specific field of interest the donor wishes to support; or (iii) designate one of the Philanthropy Fund's pre-built giving portfolios (the "Select Portfolios"). If the donor elects to build a Charitable Portfolio, the donor has the ability to identify the category or categories of charitable causes he or she wishes to support, and once identified, the portfolio will be populated with the nonprofit organizations identified by the Philanthropy Fund as deserving organizations. The goal of the Philanthropy Fund is to increase the overall level of charitable contributions to effective and deserving nonprofit organizations by making the contribution process simpler and more efficient. In addition, a donor has the ability to recommend up to five nonprofit organizations that are not currently a part of the Index, that he or she feels are deserving. A donor has the ability to include these recommendations in the construction of his or her Charitable Portfolio. All recommended nonprofit organizations will be reviewed and analyzed by the staff of the Philanthropy Fund and any grants to such organizations are subject to the approval of the Board. To review the Index, the charitable fields of interest or the Select Portfolios, please visit the Philanthropy Fund website at www.philanthropyfund.org.

POOLED INCOME FUNDS

The Philanthropy Fund of America has established the Life Income Funds, which are two series of split-interest charitable trusts (consisting of four trusts per series) that qualify as pooled income funds under Section 642(c)(5) of the Code. Each pooled income fund has been established to provide the Philanthropy Fund with future charitable support as the beneficiary of the charitable remainder interest for each trust. The Life Income Funds, as split-interest

charitable trusts similar to charitable remainder trusts: (1) allow donors the opportunity to make tax deductible charitable contributions of cash, real estate or certain other assets (such as securities); (2) provide one or more designated income beneficiaries with a source of variable income for the remainder of their lives; and (3) assist in the expansion of the Philanthropy Fund's efforts to make grants to effective and deserving nonprofit organizations as the beneficiary of the charitable remainder interest.



By providing donors and their designated beneficiaries with access to the benefits outlined in (1) and (2) above, the Philanthropy Fund is seeking to expand its base of future financial capital for grant-making. While a donor has the ability to identify his or her desired income beneficiaries for a specific contribution, the beneficiary of the charitable remainder interest (as described in more detail below) is always the Philanthropy Fund. Upon the death of the last income beneficiary, the corresponding Units in the Life Income Funds will be redeemed and the proceeds contributed to the Philanthropy Fund. Donors have the ability to customize their recommendation through the creation of a Charitable Portfolio (as discussed in more detail above under *Directed Charitable Portfolios*). The Philanthropy Fund will take a donor's recommendations into consideration; however, the ultimate distribution of the remainder interest, through charitable grant-making by the Philanthropy Fund, is subject to review by the Philanthropy Fund and approval by its Board.

Contributions to pooled income funds may produce significant benefits for a donor, a donor's designated income beneficiaries and the Philanthropy Fund. The donor will receive a charitable contribution deduction and potentially additional tax benefits (dependent upon each donor's particular circumstances). Contributions will be received by the Life Income Funds and the variable income generated from such contribution will be distributed pro rata to one or more income beneficiaries (the donor may designate himself or herself as an income beneficiary) for the remainder of their lives. As noted above, upon the death of the last surviving income beneficiary, the principal value of the contribution existing at such time will be distributed to the Philanthropy Fund and used in its grant-making process.

Contributions to the Life Income Funds are administered by New York Private Bank and Trust, FSB (the "Trustee") in accordance with the Trust Agreement of each Life Income Fund, this

Gifted Disclosure Statement and the Donor Contribution Form (defined below). The operation of each pooled income fund and a donor's participation therein are subject to the terms of the Trust Agreement. Each pooled income fund has an established investment objective and provides differing levels of income to its income beneficiaries. The investment objectives for each pooled income fund are outlined in more detail under "*Pooled Income Fund Investment Alternatives*" below. The Board maintains ultimate control over the management of the Life Income Funds and has the right to remove or replace the Trustee and appoint a successor Trustee. Neither the donor nor any beneficiary has any right to participate in the selection of the Trustee or any successor Trustee.

As pooled income funds, the Life Income Funds should not be treated as, and are not designed to compete with an investment made for private gain. The Life Income Funds are charitable vehicles and are designed to support and benefit the Philanthropy Fund and its charitable mission. The Philanthropy Fund's mission and its intention to benefit nonprofit organizations should be considered when making a decision to contribute to the Life Income Funds. If a donor lacks this charitable intention, he or she should not consider making a contribution to the Life Income Funds.

Each contribution to the Life Income Funds creates two distinct types of beneficial interests. The first is the income interest for the donor and his or her designated income beneficiaries, and the second is the charitable remainder interest in the principal value of the contribution, which is reserved for the Philanthropy Fund. The income beneficiary designations cannot be changed for any reason once a contribution has been made. However, a donor may reserve the right to revoke by will the income interest of a consecutive income beneficiary that receives income after the life of the donor, as discussed in more detail under "*Completing the Donor Contribution Form*" below.

Upon the death of the last designated income beneficiary, the Life Income Funds will liquidate the corresponding pooled income fund Units assigned to such contribution and contribute the proceeds to the Philanthropy Fund. The amount contributed will then be utilized by the Philanthropy Fund to make grants to nonprofit organizations across its Index or, subject to the Board's approval, to the donor's selected Charitable Portfolio. Grants will not be made immediately, but will occur in the normal course of the Philanthropy Fund's operations and be subject to the review of the Philanthropy Fund and the approval of its Board.

In the event that the Philanthropy Fund goes out of existence or loses its classification as a public charity under the federal tax laws, a nonprofit organization (or organizations) classified as a public charity (or charities) under federal tax laws will be selected by the Trustee to be the new beneficiary of the charitable remainder interests in the pooled income funds. The Life Income Funds have not previously offered any type of security nor entered into any material lease and neither the Life Income Funds nor any affiliate or predecessor of the Life Income Funds has had any material default on the payment of (i) principal, interest, dividends or sinking fund installments on any security or indebtedness for borrowed money or (ii) rentals under any material leases.

LIFE INCOME FUNDS' INVESTMENT OBJECTIVES

The Life Income Funds described herein are offered in two series, each of which has several pooled income fund investment alternatives. The mechanics for allocating contributions are discussed under “*Contributions*” below. While each series of Life Income Funds has identical investment objectives, the fees and expense structure of each differs as is more fully discussed under “*Fees and Expenses*” below. As a result of these different fee structures, the performance of each series of pooled income funds will also differ. At the time cash, real estate or other assets are contributed, the donor will have the ability to allocate his or her contributions across the differing pooled income funds outlined below. The Investment Manager may use various investment vehicles within a pooled income fund in an attempt to meet the investment objectives, including mutual funds, exchange-traded funds, and other publicly traded investments. Portfolio construction is initially focused on selecting those asset classes that provide the best opportunity to meet the portfolio’s investment objective. Once determined, the Investment Manager’s management team identifies whether an active or passive management strategy is most appropriate and uses quantitative and qualitative measures to identify the leading investment vehicles or money managers in each class. The two series of trusts will each have four pooled income funds with identical investment objectives as follows:

High Income Pool: Seeks to provide current income and, secondarily, growth of capital through a flexible mix of debt and equity instruments. This trust seeks to achieve its objectives by investing primarily in mutual funds or securing separate accounts that invest in a diversified portfolio of fixed-income instruments that are rated below investment grade by the established rating services (Ba or lower by Moody’s Investors Service, Inc., BB or lower by Standard & Poor’s Ratings Services or BB or lower by Fitch, Inc.) or, if unrated, are considered to be of comparable quality. A portion of the fund may be allocated to funds or separate accounts that invest in common or preferred stocks, convertible securities, bonds, U.S. and non-U.S. government securities, agencies, mortgage backed and asset backed securities, inflation-protected securities, corporate debt rated above investment grade by established rating services, other fixed income type instruments, cash and cash equivalents.

Core Income Pool: Seeks to provide current income and, secondarily, growth of capital through a flexible mix of equity and debt instruments. This trust seeks to achieve its objectives by investing primarily in mutual funds or securing separate accounts that invest in a diversified portfolio of U.S. government securities, agencies, mortgage backed and asset backed securities, inflation-protected securities and other corporate debt rated above investment grade by the established rating services (Ba or higher by Moody’s Investors Service, Inc., BB or higher by Standard & Poor’s Ratings Services or BB or higher by Fitch, Inc.) or, if unrated, are considered to be of comparable quality. A portion of the fund may be allocated to funds or separate accounts that invest in common or preferred stocks, convertible securities, fixed-income instruments that are rated below investment grade, other fixed income type instruments, cash and cash equivalents.

Real Estate Income Pool: Seeks to provide current income and, secondarily, growth of capital through investments in real estate related securities. This trust seeks to achieve its objectives by investing primarily in mutual funds or securing separate accounts that invest in common stocks issued by real estate companies (including REITs) and preferred

securities (including REIT preferred securities). A portion of the fund may be allocated to funds or separate accounts that invest in debt securities, including convertible debt securities, convertible preferred securities, and foreign securities. The fund managers may use limited leverage.

Capital Growth Pool: Seeks to provide growth of capital and, secondarily, current income through investments in equity instruments. This trust seeks to achieve its objectives by investing primarily in mutual funds or securing separate accounts that invest in a diversified portfolio of common stocks of both U.S. and foreign issuers. A portion of the fund may be allocated to funds or separate accounts that invest in preferred stocks, convertible securities, bonds, U.S. and non U.S. government securities, REITs, cash and cash equivalents.

INVESTMENT MANAGEMENT PROCESS

The Investment Manager, pursuant to its “Investment Management Agreement” with the Philanthropy Fund, has been provided discretion and authority to: (i) invest all or a portion of the assets of each pooled income fund in “Investment Instruments” (defined as any share or other beneficial interest in mutual funds or an equivalent entity registered as an investment company under the United States Investment Company Act of 1940); (ii) allocate all or a portion of the assets of each pooled income fund to one or more sub-advisors via fund investment or separate account management; and (iii) negotiate terms for such arrangements with sub-advisors and other service providers. The responsibilities of the Investment Manager will include reviewing and assuring that the mutual funds and/or sub-advisor investments do not include tax-exempt securities or any depreciable or depletable assets. The Investment Manager has discretion over the selection of the sub-advisors, subject to oversight by the Board, and the Investment Management Agreement may be terminated by the Board upon two weeks’ notice.

The Investment Manager focuses on constructing portfolios that meet the objective of each pooled income fund. Portfolio construction is initially focused on selecting those asset classes that provide the best opportunity to meet the portfolio’s investment objective. Once the asset allocation is determined, the management team uses quantitative and qualitative measures to identify the leading investment vehicles or money managers in each asset class. The Investment Manager has elected to utilize a “fund of funds” approach to managing the assets of each pool. The Investment Manager will select a combination of third-party mutual funds for each of the Life Income Funds from those with a reputable, demonstrated and disciplined investment approach.

INVESTMENT MANAGER

The independent members of the Board have approved the engagement of the Investment Manager to provide investment management services for the Life Income Funds. The Investment Manager additionally performs certain administrative services for the Fund and provides persons satisfactory to the Board to oversee such services. For its services the Investment Manager receives an Asset Management Fee as discussed in more detail within “*Fees and Expenses of The Funds*” below. Please review the “Board of Directors” and “Conflicts of Interest” sections of this Gifting Disclosure Statement for certain matters related to the investment management relationship.

The team managing the Life Income Funds is headed up by two officers of the Investment Manager, Casey Frazier and Monica Brisnehan. All decisions are vetted through the Investment Manager's investment advisory committee. The committee includes members of the Investment Manager as well as independent members with significant industry experience.

Mr. Frazier is the President of the Investment Manager and chairs its investment advisory committee. Prior to joining the Investment Manager, he was an Assistant Vice President of Asset Management at Curian Capital, a Registered Investment Advisor. In this capacity, Mr. Frazier helped supervise the asset allocation and money manager selection for Curian's turnkey asset management program. Mr. Frazier has earned the Chartered Financial Analyst (CFA) designation.

Ms. Brisnehan is the Chief Investment Officer of the Investment Manager and member of the investment advisory committee. Prior to joining the Investment Manager, she worked as Vice President of Equity Research for RBC Capital Markets. Ms. Brisnehan served as an Associate in Investment Banking for McDonald Investments/The Wallach Company before joining RBC. Ms. Brisnehan has earned the Chartered Financial Analyst (CFA) designation.

SELECTING FUNDS

The Investment Manager has established a fund-of-funds approach. The overall investment results of the Life Income Funds cannot be guaranteed and are subject to market fluctuations and investment risk. Market and economic conditions will create fluctuations in the value of the assets of each pooled income fund and the income distributed from each. As such, past performance of the Investment Instruments and sub-advisors is not an indicator of future results. Each pooled income fund will have varying degrees of volatility based upon its investment objectives, the composition of its securities portfolio, and market conditions.

Income distributed by the Life Income Funds includes dividends, interest income and short-term capital gains (deemed ordinary income for federal tax purposes), and it is fully taxable as income to the beneficiaries. Income will vary depending upon the investment performance and yield of each pooled income fund. Capital gains will remain in the Life Income Funds, and potentially result in the growth of principal, which in turn may lead to greater income to the beneficiaries and an increase in the remainder interest to benefit the Philanthropy Fund. Any commissions or 12b-1 fees paid in connection with the Investment Instruments will be applied to offset Sales Charges and Marketing and Servicing Fees (as defined under "*Fees and Expenses of The Funds*" below).

As the yields, objectives and risks will vary for each pooled income fund the donor may find one or more of such pooled income funds to be suitable options for his or her charitable and financial objectives. For longer-term donors seeking more stable income and preservation of the principal value of the contribution, a donor may find the Core Income or the Capital Growth Pools more suitable, while a donor seeking higher current yields with less long-term stability might prefer the High Income or Real Estate Income Pools. **A donor should consult his or her Donor Financial Advisor (as defined below) and tax advisors to carefully identify the most appropriate pooled income fund or funds for the donor's needs, as the donor will not have the ability to alter his or her selection or allocation between the pooled income fund(s) once the contribution is made. The suitability of a donor's contribution to the Life Income Funds and choice of pooled income fund allocations should take into consideration the**

donor's long-term income and financial objectives with a full understanding of the irrevocable nature of the contribution.

ISSUANCE AND VALUATION OF POOLED INCOME FUND UNITS

The Trustee will establish a record within its account management system for each contribution (the "Donor Account"). The contributions to each pooled income fund will be commingled with, invested with and reinvested with other contributions to such pooled income fund. Within the Donor Account, the Trustee will record and monitor the amount contributed to each pooled income fund, the Units issued in accordance with each contribution and the designated income beneficiaries for such contribution. The pro rata beneficial income interest for each contribution will be represented by the issuance of Units. The Donor Account will be established to receive the income from the Life Income Funds based upon the number of Units held in each pooled income fund and distributed to the designated income beneficiaries. Each of the designated income beneficiaries will be entitled to receive an allocable share of the income received by the Donor Account in accordance with the donor's percentage designations.

When a contribution is made to a chosen pooled income fund, the Trustee on behalf of the Life Income Funds calculates and issues to the Donor Account the Units in such pooled income fund. The unit calculation is based upon the fair market value of the contributed property (after payment of fees and expenses including the Sales Charge, Real Estate and Other Fees and Expenses discussed under "*Fees and Expenses of The Funds*" below) divided by the closing fair market price of a Unit on the date the contributed amount is received in the accounts of the Life Income Funds. The price of a Unit is determined at the end of each day the New York Stock Exchange is open based upon the value of the pooled income fund's total assets divided by the number of Units outstanding as of that date. While each Unit of a pooled income fund has the same price, the price of those Units fluctuates with changes in the value of the pooled income fund's assets. As the pooled income funds are not public investment vehicles, Unit prices are not available to the public. There can be no assurances as to the ultimate value of the Units. Once the Units have been issued to a Donor Account, the number of Units will not change.

Each of the Life income Funds have been nominally funded by multiple donors contributing into each trust. Each donor has been issued Units in accordance with the procedures outlined above and all contributions are irrevocable.

CONTRIBUTIONS

Donors seeking to make contributions of cash or other assets (such as securities) to the Life Income Funds must complete the "Securities & Cash Donor Contribution and Authorization Forms". These are available upon request or from your Donor Financial Advisor and the completed forms should be delivered to the Trustee via mail and may be preceded by a faxed copy (see "*Contact Information*" below). The amount of any contribution by a donor to the Life Income Funds (the "Contribution Amount") shall equal, in the case of a contribution of (A) securities or cash, the amount of such contributed asset determined, in the case of marketable securities, following a sale to a third-party purchaser, or (B) real property, the gross proceeds from a third-party sale, less any closing expenses, less any Grantor Purchase Price (as defined below) payable by the Life Income Funds to the donor under the terms of the Real Property Contribution Agreement (as defined below), less in the case of each of items (A) and (B) the

applicable fees and expenses described in “*Fees and Expenses*” below and any closing costs associated with a contribution of real property.

For contributions of real estate, a donor must complete the “Real Estate Donor Contribution Form”, which shall be provided to the donor by the Life Income Funds after the review of the Real Estate Information Statement (defined below) and acceptance of the property by the Life Income Funds. The completed form should be delivered to the Life Income Funds via mail and may be preceded by a faxed copy. The Securities & Cash Donor Contribution and Authorization Forms and Real Estate Donor Contribution Form are collectively referred to hereinafter as the “Donor Contribution Form”. The Donor Contribution Form requires disclosure of the donor’s (i) personal information, (ii) pooled income fund contributions, (iii) beneficiary designations and (iv) financial advisor information, as well as other information regarding the contributed asset needed to complete the contribution and instructions for its execution.

Each subsequent contribution by a donor will generate a new record and Donor Account and therefore a donor must complete a new Donor Contribution Form and any additional documentation required for each new contribution. Each contribution will be recorded and monitored by the Trustee separately, but as the pooled income fund designated beneficiaries may vary for each contribution, the donor will have the ability to access online a single summary of his or her contribution activity. Additionally, all designated income beneficiaries currently receiving income will receive quarterly statements summarizing the Units issued and the income distributed to such beneficiary. For concurrent income beneficiaries a statement of income reflecting the proportional income generated per pooled income fund will be provided quarterly to each such concurrent beneficiary. All transactions will be effected through broker/dealers registered under applicable laws. In the event that an interested donor does not have a securities broker (a “Donor Financial Advisor”), Welton Street Investments LLC (“WSI”), the dealer manager for the offering, will assign a registered representative to assist the donor and WSI will serve as the Donor Financial Advisor for the transaction. The Life Income Funds will accept contributions of cash, securities, real estate and other assets subject to the following provisions:

Cash Contributions

The minimum allocable cash contribution to a given pooled income fund within the Life Income Funds is \$20,000. Cash contributions must be denominated in U.S. dollars and delivered by check or by wire transfer. The Trustee will not accept contributions of foreign currency, or other cash-like instruments such as cashier’s checks, treasury checks, bank checks, money orders and traveler’s checks. For more detailed information on how to make cash contributions, please refer to the Donor Contribution Form.

All contributions are subject to review and approval by the Board, the Trustee and/or designated agents of the Philanthropy Fund and the Life Income Funds, and will not be accepted until such time as a complete and accurate Donor Contribution Form is submitted. If the Donor Contribution Form is incomplete upon submission, the Trustee and/or WSI will contact the donor and the Donor Financial Advisor in an attempt to resolve any omissions. In the event the donor has sent a wire or check along with an incomplete Donor Contribution Form, the Trustee will deposit the proceeds into a general reconciliation account (the “Reconciliation Account”) of the Life Income Funds before the contribution is accepted. Funds will be held in the Reconciliation Account while the Trustee and/or dealer manager attempts to resolve any issues with the donor. In the event that such omissions are not resolved within 30 days of receipt of the Donor Contribution Form, such form and the cash contribution will be returned to the donor. **Once**

accepted, a cash contribution represents an irrevocable contribution to the Life Income Funds and will not be refundable.

Real Estate Contributions

The Philanthropy Fund and the Life Income Funds have put in place a standardized process for accepting contributions of real estate. Contributions of real estate to the Life Income Funds may provide donors with certain tax benefits as outlined in more detail under “*Material Federal Tax Consequences for Contributions to the Life Income Funds*”.

Each contribution of real estate is unique and subject to review and approval by the Philanthropy Fund and the Life Income Funds. Any contribution of real estate must have a minimum fair market value of \$150,000 and have been owned by the donor for at least one year. The Board requires that each asset be subject to a basic due diligence review before acceptance. In order to initiate that process, a donor must first complete and submit a Real Estate Information Statement (a copy of which is available online or upon request). The Philanthropy Fund’s due diligence agent, Welton Street Real Estate LLC (or other designated agent), will review the submitted statement and notify the donor whether the potential contribution has qualified for acceptance, is subject to a further diligence review or has been declined. Once the review of the Real Estate Information Statement has been completed, the donor is required to provide a standard set of real estate due diligence items that any potential buyer would need. The real estate due diligence checklist and donor instructions are contained within the Real Estate Information Statement.

Once the review of all due diligence material is completed to the Philanthropy Fund’s satisfaction and all required checklist items have been provided, the Life Income Funds will initiate the real estate contribution process. In order to mitigate the risk of potential liabilities for the Life Income Funds, all real estate contributions are accomplished via a simple transaction that allows for the disposition of the real estate by the Life Income Funds, the eventual allocation of such disposition proceeds to the appropriate Life Income Funds and the establishment of a Donor Account. Once the potential contribution of real estate has been accepted by the Philanthropy Fund, the donor enters into a real property contribution agreement (a “Real Property Contribution Agreement”) with the Life Income Funds, pursuant to which the Life Income Funds are given the right to purchase the subject real estate and cause the donor to transfer the subject real estate either to the Life Income Funds or, at the direction of the Life Income Funds, to a third-party buyer. The donor will be required to execute the Real Property Contribution Agreement and submit a completed Donor Contribution Form. Each Real Property Contribution Agreement has an expiration date and termination rights for both the donor and the Life Income Funds.

Under the terms of the Real Property Contribution Agreement, the Life Income Funds will have an option to acquire the real estate from the donor at a bargain sale price. Prior to the Life Income Funds’ exercise of such option, the donor will have submitted the completed Donor Contribution Form and therein designated one or more of the specific Life Income Funds to retain the Contribution Amount from the exercise of the option, which Contribution Amount will be contributed to the specific Life Income Fund(s) in proportion to the donor’s designations set forth in the Donor Contribution Form. In exchange, the donor will receive an income interest (for the benefit of such donor or his or her selected life income beneficiaries) in such Life Income Fund(s).

Although the Life Income Funds may acquire a donor's contributed real estate in its own name pursuant to the terms of the Real Property Contribution Agreement, it is generally expected that the Life Income Funds will seek to procure a third-party purchaser for the real estate. In any event, the Life Income Funds will notify the donor of the intent to exercise the option to acquire the real estate prior to the Life Income Funds entering into a purchase and sale agreement (the "Purchase and Sale Agreement") with any third-party purchaser.

Once the Life Income Funds have notified the donor of the intent to exercise the option and acquire the real estate, the donor becomes obligated to transfer the real estate to the Life Income Funds. Although the Life Income Funds generally expect to procure third-party purchasers of donated real property, the Life Income Funds are under no obligation to do so. Any third-party sale arranged by the Life Income Funds is solely at the discretion of the Life Income Funds and for its own benefit. The Life Income Funds are not acting as an agent of, or otherwise on behalf of, the donor in connection with the disposition of donated real property.

The Real Property Contribution Agreement will provide for the payment of a bargain sale fixed purchase price (the "Grantor Purchase Price") to the donor by the Life Income Funds at the time the real estate is conveyed to the Life Income Funds or to a third-party purchaser at the direction of the Life Income Funds (as the case may be). The Grantor Purchase Price is an amount designated by the donor (at the time the option is granted) and determined by considering the real estate's expected fair market value, the donor's desired contribution to one or more of the Life Income Funds (taking into account fees and expenses) and the desired sales proceeds to the donor. In the event of a third-party sale of the real estate by the Life Income Funds, the Contribution Amount realized by the Life Income Funds on the sale and allocated to the Life Income Funds, consists of the gross proceeds from the third-party sale, less closing expenses and the various fees and expenses described in "*Fees and Expenses*" below, less any Grantor Purchase Price payable by such Life Income Funds to the donor under the terms of the Real Property Contribution Agreement. The Real Property Contribution Agreement (and applicable tax law) requires the Life Income Funds to allocate the Contribution Amount to the donor's chosen Life Income Funds (which Contribution Amount shall be for the benefit of his or her selected life income beneficiaries and ultimately for the benefit of the Philanthropy Fund). To the extent the Life Income Funds exercise the option and acquire the real estate without a subsequent third-party sale, the value of the contribution will be determined by substituting an appraised fair market value, as of the date of exercise, for the gross proceeds in the above calculation of the Contribution Amount.

The Real Property Contribution Agreement is intended to be characterized for federal income tax purposes as a charitable contribution of the donor's real estate (or a portion thereof) to the selected Life Income Funds at the time the real estate is conveyed to the Life Income Funds or to a third-party purchaser at the direction of the Life Income Funds (as the case may be). To the extent the Real Property Contribution Agreement specifies a Grantor Purchase Price, the transfer will be treated as a "bargain sale" (i.e. part contribution, part sale) for federal income tax purposes. See "*Material Federal Tax Consequences for Contributions to Life Income Funds*".

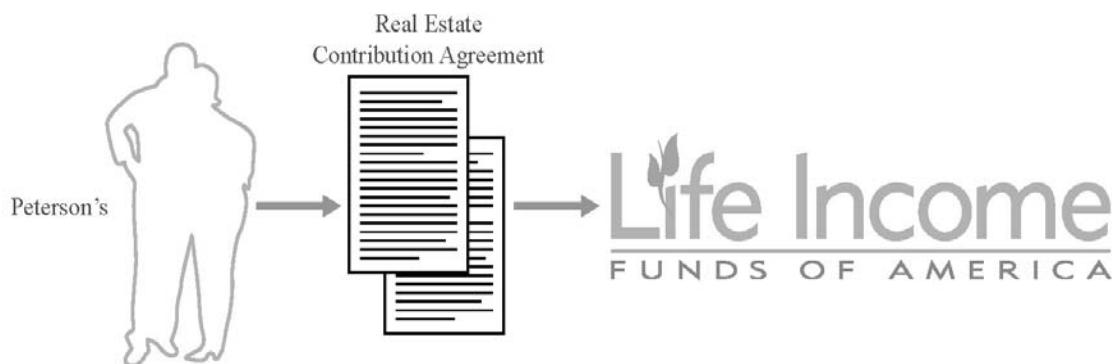
For all real estate contributions, the donor is responsible for the satisfaction of any existing mortgage debt secured by the real estate and any other existing liens must be satisfied and/or released by the donor prior to the sale and transfer of the property. To the extent a donor seeks to contribute real estate with mortgage debt secured by the property, the Grantor Purchase Price

will be set at an amount sufficient to satisfy and discharge the cumulative outstanding obligations on the indebtedness.

The following example has been provided without elaboration on the fees and expenses associated with a contribution of real estate in order to give a potential donor a better understanding of the transaction process. Transactional fees and expenses for the transfer of real estate, as well as the contribution to the Life Income Funds and issuance of Units, will reduce the net contribution to the pooled income funds and/or the value received for the bargain sale of a donor's property. This summary example is for illustrative purposes only and a donor should consult his or her tax advisor and Donor Financial Advisor for the details of a specific contribution to the Life Income Funds.

Howard (age 67) and Mary (age 64) Peterson have been retired for a few years. They own a highly appreciated investment property, which is a long-term capital asset, worth \$750,000 with a tax basis of \$100,000. They are tired of maintaining their property and are looking to sell. While they are ready to pay taxes on a portion of the proceeds, they would like to contribute \$150,000 of the property's value to the Life Income Funds, receive current income, diversify their holdings, eliminate ownership hassles, have access to professionally managed funds and make a charitable gift, all without having to pay capital gains taxes on the contributed value of the property.

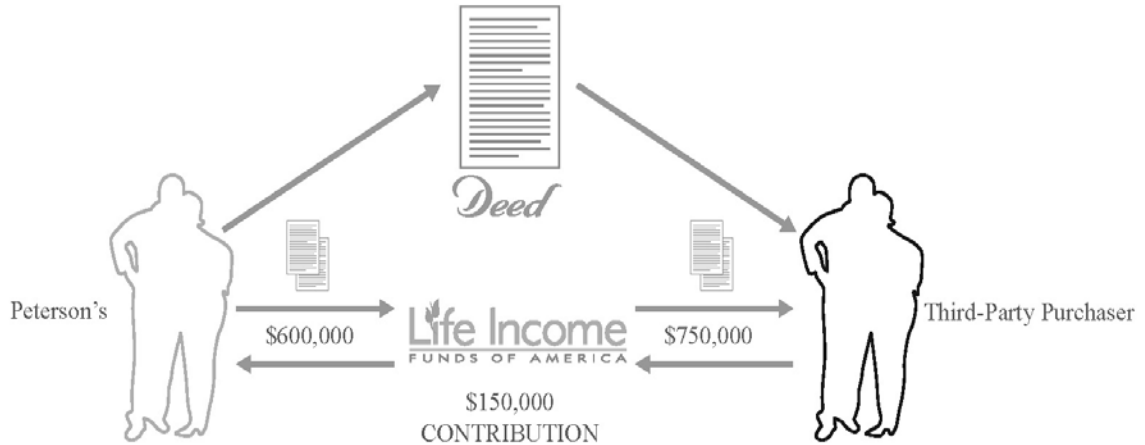
Step 1 – Real Property Contribution Agreement:



The Petersons have valued their investment property at \$750,000 and wish to make a contribution to the Life Income Funds in the amount of \$150,000. To accomplish this result, the Petersons will enter into a Real Property Contribution Agreement with the Life Income Funds providing the Life Income Funds with the right to purchase the property at a bargain sale price, (i.e. the Grantor Purchase Price) of \$600,000. The Life Income Funds will be jointly obligated by contract to contribute the Contribution Amount remaining after payment of the Grantor Purchase Price to the specific pooled income funds designated by the Petersons. The Contribution Amount reflects the difference between the expected fair market value and the Grantor Purchase Price less the applicable fees and expenses more fully described in “*Fees and Expenses*” below and any standard closing costs associated with the transfer of real property. Pursuant to the terms of the Real Property Contribution

Agreement, the Life Income Funds designated by the Petersons on the Donor Contribution Form will retain the Contribution Amount and issue pooled income fund Units to the Petersons' Donor Account for the benefit of the Petersons' designated income beneficiaries, as more fully described below in *Step 3 – Contribution and Unit Issuance*.

Step 2 – Third-party Purchaser:



To fund the Grantor Purchase Price and the Contribution Amount, it is generally expected that the Life Income Funds will choose to list and market the property, seeking an independent third-party purchaser (the "Buyer") for the benefit of the Life Income Funds. Prior to executing a Purchase and Sale Agreement with the Buyer, the Life Income Funds shall provide notice of exercise of its option pursuant to the Real Property Contribution Agreement. Thereafter, the Life Income Funds will execute the Purchase and Sale Agreement with the Buyer. Pursuant to the Purchase and Sale Agreement, the Life Income Funds will direct that title to the property be transferred from the Petersons directly to the Buyer. At closing the Petersons will receive proceeds equal to the Grantor Purchase Price (designated by the Petersons as \$600,000) and the designated Life Income Fund(s) will be allocated the contributed value of the remaining proceeds, i.e. the Contribution Amount.

Step 3 – Contribution and Unit Issuance:



Upon completion of the option exercise and the transfer of the property, the selected Life Income Funds will have received their allocated Contribution Amount (approximately \$150,000, assuming a \$750,000 sale price) and Units in such Life Income Fund(s) will have been issued to the Petersons' Donor Account on behalf of the income beneficiaries. After the pooled income fund Units have been issued, the income beneficiaries designated by the Petersons will receive variable income distributions for the remainder of their lives.

Charitable Remainder Interest: Upon the death of the last income beneficiary the charitable remainder interest in the Life Income Funds will be liquidated by the Trustee and the proceeds contributed to the Philanthropy Fund. Those proceeds will be utilized by the Philanthropy Fund to make grants in accordance with the Charitable Portfolio recommended by the Petersons (subject, in all cases, to final review by the Philanthropy Fund and approval by its Board) or, if no Charitable Portfolio has been recommended by the Petersons, to those nonprofit organizations that are part of the Philanthropy Fund's Index.

Winston & Strawn LLP, special tax counsel to the Philanthropy Fund and the Investment Manager ("Special Tax Counsel"), has rendered its opinion that, for purposes of calculating the donor's charitable deduction, the bargain sale transaction should be characterized for federal income tax purposes as a contribution by the donor to the Life Income Funds (a contribution to a pooled income fund). A summary of this opinion is set forth below under "*Summary of Opinion of Special Tax Counsel*". The charitable deduction should be equal to the value of the remainder interest of the contribution, as determined by Treasury Regulation § 1.642(c)-6. Using an amount equal to the Contribution Amount following the exercise of the option to acquire the real estate as the contribution value to the Life Income Funds, the present value of the remainder interest of such contribution (computed in accordance with specified IRS rules, as described in detail below) should be the amount of the charitable deduction the donor is entitled to claim subject to certain limitations under the Code. See "*Material Federal Tax Consequences for Contributions to the Life Income Funds*".

Contributions of Other Assets

The Board or its designated agents will determine if contributions of other types of assets are acceptable. Contributions of marketable securities, such as shares of mutual funds and stocks traded on a U.S.-based exchange are eligible for contribution to the Life Income Funds. However, the Life Income Funds cannot accept any tax-exempt securities or shares of mutual funds that hold tax-exempt securities. Furthermore, the Life Income Funds may not accept depreciable or depletable property, property owned by the donor for less than one year, or certain other property which might impact the tax status of the Life Income Funds or adversely impact other beneficiaries of the Life Income Funds. Contributions of appreciated securities to the Life Income Funds may provide donors with certain tax benefits as outlined in more detail under “*Material Federal Tax Consequences for Contributions to the Life Income Funds*”.

The minimum allocable securities contribution to a given pooled income fund of the Life Income Funds is \$20,000. The contribution of appreciated securities to the Life Income Funds is treated similarly to the contribution of real estate discussed above, except that in the case of securities there is no reason to use the real property structure outlined above because there are no title-related liability considerations. As was the case with contributions of real estate, it is generally expected that the Life Income Funds will arrange for a sale of the marketable securities to third-party purchasers. However, the Life Income Funds has complete discretion whether to pursue a third-party sale of the donated securities and any such sale would be solely for its own benefit. Donors must be aware of the risk that the value of a contribution of securities may vary from the time the contribution of securities is made to the Life Income Funds’ Reconciliation Account until the time the Donor Account(s) is created in the designated Life Income Funds.

CONFIRMATION AND RECEIPT

Each contribution of cash or cash proceeds (from the sale of real estate and/or securities) to the Life Income Funds is considered a securities transaction under federal and state securities laws. Such transactions will be registered or qualified as required under applicable securities laws, or offered and sold in reliance upon applicable exemptions. The securities transactions described herein will occur on an ongoing basis and there is, at present, neither a limit on (i) the number of securities transactions in which the Life Income Funds may engage in nor (ii) the aggregate amount of Units that may be issued by the Life Income Funds. All transactions will be effected through broker/dealers registered under applicable laws. As noted previously, in the event that an interested donor does not have a Donor Financial Advisor, WSI, the dealer manager for the offering, will assign a registered representative to assist the donor and WSI will serve as the Donor Financial Advisor for the transaction. WSI has been engaged by the Philanthropy Fund, the Trustee and the Investment Manager to act as the dealer manager and a direct distributor of the Life Income Funds. As dealer manager, WSI will market the Life Income Funds to third-party broker/dealers that will be engaged to solicit contributions of assets from donors. All persons who engage in solicitation efforts shall be registered as required under applicable securities laws. WSI is affiliated with the Investment Manager and Welton Street Real Estate LLC and all three have contracted with the Philanthropy Fund to provide services to the Life Income Funds.

Once a contribution has been made, the Trustee provides a written confirmation to the donor and the broker of record. The confirmation acknowledges the amount of the contribution, the number and price of Units from the selected pooled income funds (as determined by the Trustee

after payment of upfront fees and expenses), and the name of the designated income beneficiaries. The value of the pooled income fund Units will be determined based upon the closing price on the day the contribution is made. For real estate and other contributed assets, the contribution will occur after the Life Income Funds have allocated the Contribution Amount to the appropriate Life Income Fund(s). Additionally, the Trustee will send to each beneficiary (to the extent the beneficiary is not the donor) a “Beneficiary’s Request For Income Distribution Form”. The Beneficiary’s Request For Income Distribution requires detail on the beneficiary (in accordance with bank regulatory requirements) and the desired method by which the beneficiary wishes to receive his or her quarterly income distributions. This form will need to be completed by each such beneficiary before the Trustee distributes any income to such beneficiary. Prior to receiving a completed form from the beneficiary the Trustee will hold all distributions in escrow, and will work with WSI and the Donor Financial Advisor to obtain a completed form. The Beneficiary’s Request For Income Distribution Form is also available online at www.lifeincomefund.org.

The donor will be able to access his or her Donor Account online through the Life Income Funds’ website (www.lifeincomefund.org). Additionally, the donor may utilize the Life Income Funds’ website to make recommendations to the Philanthropy Fund in connection with a Charitable Portfolio, which is one of the giving options previously discussed (a donor will be provided instructions within the written confirmation provided by the Trustee). The information contained within the confirmation regarding the Contribution Amount, the pooled income fund Units issued and the designated beneficiaries will be viewable by the donor through its online access to the Donor Account. A donor’s and an income beneficiary’s contact information may also be updated if and when necessary by completing and mailing to the Trustee the Account Change Form available online.

The existence and timing of a tax deduction for federal income tax purposes resulting from a donor’s contribution to the Life Income Funds depends on a number of factors (see “*Material Federal Tax Consequences for Contributions to the Life Income Funds*” and “*Income Tax Charitable Deduction*”). If timing is an issue, a donor should obtain prior confirmation from the Trustee that the contribution will be acceptable. For real estate, the donor should take into consideration the potential timing for the Life Income Funds to list and find a buyer for the property. For tradable securities (stocks) it will take three days for the sale of the securities to settle, plus two days for the settlement of the Unit issuance (i.e. 5-day settlement). Given the process of re-registering mutual fund shares (in the name of the Trustee on behalf of the Life Income Funds) prior to liquidating such shares, a contribution of mutual fund shares may take up to 7-10 days for settlement of the Unit issuance. The donor should also consult his or her tax advisor and Donor Financial Advisor when planning a contribution to the Life Income Funds. Once a contribution has been accepted it is irrevocable and will not be refundable. However, in the case of the contribution of real estate pursuant to a Real Property Contribution Agreement, the option may be revoked by the donor until such time as the option is exercised by the Life Income Funds.

ROLE OF A DONOR FINANCIAL ADVISOR

The role of a Donor Financial Advisor, as the broker of record, is to assist the donor with the contribution process and the selection of appropriate pooled income fund investment alternatives based upon suitability and investment needs. In addition to advice regarding selection of the

most appropriate pooled income fund or funds, the Donor Financial Advisor provides ongoing support for the donor and the designated income beneficiaries. The Donor Financial Advisor will provide administrative assistance to ensure quarterly distributions are received promptly by beneficiaries. The Donor Financial Advisor may also provide advice regarding the donor's philanthropic and estate planning strategies and goals, and offers other services typically provided by a Donor Financial Advisor.

SUITABILITY

In recommending the Life Income Funds to a donor, the Donor Financial Advisor should have reasonable grounds for believing that the recommendation is suitable for such donor upon the basis of the facts, if any, disclosed by such donor as to his or her other security holdings and as to his or her financial situation and needs. Prior to the execution of a transaction recommended to a donor, a Donor Financial Advisor shall make reasonable efforts to obtain information concerning:

- the donor's financial status;
- the donor's risk tolerance;
- the donor's tax status;
- the donor's short-term and long-term investment and income objectives/needs; and
- such other information used or considered to be reasonable by such Donor Financial Advisor in making recommendations to the donor.

It is important that Donor Financial Advisors make every effort to familiarize themselves with each donor's financial situation, trading experience, and ability to meet the risks involved with such products and to make every effort to make donors aware of the pertinent information regarding the product (including the fees and expenses applicable to each series of pooled income funds). Donor Financial Advisors must follow specific guidelines, set forth within FINRA's rules and regulations, for qualifying the donors and for supervising the donor record thereafter (see "*Risk Factors*").

COMPLETING THE DONOR CONTRIBUTION FORM

For any type of charitable contribution, the donor must first complete and submit the Donor Contribution Form. The Donor Contribution Form is available upon request and via the Life Income Funds' website (www.lifeincomefund.org). Donors may complete the Donor Contribution Form and deliver it to the Trustee by mail and may precede the mailed form with a faxed copy (see "*Contact Information*"). The Donor Contribution Form will provide the Trustee with the following information:

Donor Information: The name, address, date of birth and social security number for the donor as well as additional information requested by the Trustee in order to meet its regulatory, anti-money laundering and Patriot Act requirements.

Designation of Income Beneficiaries: The name, address, date of birth and social security number of each of the donor's designated beneficiaries; the type of beneficiary (consecutive or concurrent); and any additional relevant information as required. See "*Donor and Income Beneficiary Eligibility*" for more details. The Trustee will also

require beneficiaries to complete the Beneficiary's Request For Income Distribution Form after the contribution has been completed.

Allocation to Pooled Income Funds: There are two series of pooled income funds and each series has different pricing. In consultation with his or her Donor Financial Advisor, the donor will select a series (Series A or Series C) to which he or she will contribute (contributions must be to one series of trusts or the other, but may not be to both). Once the donor has selected the series, he or she has the ability to make contributions across the different pooled income funds within such series. The Donor Contribution Form will provide the Trustee with the donor's desired allocation of his or her contributions to the appropriate pooled income funds. The minimum contribution a Donor Account may have in any individual pooled income fund is \$20,000. Each pooled income fund is a separate trust operating under the Philanthropy Fund's tax-exempt status. The allocation of contributions between pooled income funds is permanent once made and cannot be modified after the irrevocable contribution of cash or securities or the exercise of the option.

After the submission of the Donor Contribution Form and the acceptance of a contribution, the Trustee provides the donor with a written confirmation that contains a summary of this information. The donor will also retain the ability to modify certain additional aspects of the Donor Account, such as his or her contact information. However, for a given contribution certain designations are irrevocable and may not be modified, including the designation of the income beneficiaries and the selection of the specific pooled income funds. For additional contributions made after the original contribution, the donor will need to repeat this process and select the desired pooled income fund(s) and designate income beneficiaries in respect of such contribution.

DONOR AND INCOME BENEFICIARY ELIGIBILITY

The Life Income Funds accept contributions from individuals, companies, trusts, estates and charities. However, each designated income beneficiary must be a living natural person at the time of the donor's contribution. The donor must designate one or more individuals as the income beneficiaries on the Donor Contribution Form at the time of the contribution. Such income beneficiaries may be designated as either consecutive or concurrent beneficiaries, but not a combination thereof. In addition, depending on whether the donor names concurrent or consecutive beneficiaries, the number of beneficiaries will be limited. For all donor contributions that are subject to consecutive income interests (i.e., at the death of the first beneficiary, the second beneficiary begins to receive all the income), the donor is limited to two income beneficiaries (each of which must be a living natural person at the time of contribution). For all concurrent designations, the donor has the ability to name up to four income beneficiaries (all of which must be a living natural person at the time of contribution) and the donor must identify a proportionate income allocation for each beneficiary on the Donor Contribution Form.

The Donor Contribution Form provides the donor with three income beneficiary designation options. The donor may simply designate a sole beneficiary as either himself (or herself) or another person who would be the recipient of 100 percent (100%) of the beneficial income interest. As an alternative, the donor may designate two consecutive income beneficiaries (of which the donor may be one). This could be the donor and one other individual or two

consecutive individuals (for example a man's wife and then his daughter). If the donor designates consecutive income beneficiaries, he or she will need to identify which beneficiary receives 100% of the income first and which will receive 100% upon the first beneficiary's death. Lastly, the donor has the ability to identify multiple (up to four) concurrent income beneficiaries (of which the donor may be one). Under this last scenario the donor would need to specify the proportionate share of the beneficial income interests for each beneficiary, which proportionate shares will be reallocated following the death of each concurrent beneficiary based on the then-existing proportionate share of each surviving concurrent beneficiary.

Once a donor has designated the income beneficiaries and the contribution is completed, such designation cannot be changed for any reason. However, a donor may reserve the right (when completing the Donor Contribution Form) to revoke by will the beneficial income interests of a consecutive beneficiary upon the death of the donor. For example, if the donor had designated himself and his daughter as consecutive income beneficiaries, upon the death of the donor and revocation of the daughter's beneficial interest pursuant to the donor's will, the donor's daughter will no longer have a right to receive income and the principal value of the contribution will revert to the Philanthropy Fund at such time. The donor may make a designation to reserve the right for such revocation on his or her Donor Contribution Form. Reserving this right may be advantageous for gift tax purposes as discussed under the heading entitled "*General Tax Consequences*" below.

The right of the donor or the designated income beneficiaries to receive income may not be pledged, sold, assigned or redeemed by the donor or any income beneficiary.

PHILANTHROPY FUND OF AMERICA'S CHARITABLE PORTFOLIO OPTIONS

As discussed previously, the Philanthropy Fund identifies and supports through grant-making, effective, deserving, and financially-efficient nonprofit organizations. Through the use of quantitative and qualitative analysis, the Philanthropy Fund has developed an Index of national and regional nonprofit organizations worthy of its grants. Within its Index, the Philanthropy Fund has identified nonprofit organizations across numerous fields of interest, including medical research, environmental conservation, poverty and homelessness. All contributions to the Philanthropy Fund are utilized by the Philanthropy Fund to make grants to the nonprofit organizations listed in the Index (subject to the review and approval of the Board or its designated agents).

The Philanthropy Fund is the beneficiary of the charitable remainder interest for all contributions to the Life Income Funds. The proceeds from the charitable remainder interests are utilized to make grants across the Index unless the donor recommends a grant of those funds through the creation or selection of a Charitable Portfolio. While the designation of the income beneficiaries and the selection of the specific pooled income funds are irrevocable, the donor has the ability to modify or update personal information and to make certain recommendations regarding the utilization of the charitable remainder interest by the Philanthropy Fund.

As described above, a donor will have the opportunity to create a Charitable Portfolio. The Philanthropy Fund website provides assistance in this process in several ways, including: (i) a questionnaire to assist the donor in determining the donor's targeted field(s) of interest or charitable causes; (ii) pre-built cause-related portfolios of giving offered by the Philanthropy Fund; and (iii) a contribution wizard that allows donors to identify and make a recommendation

for the Philanthropy Fund's eventual grant-making to his or her selected fields of interest (including sub-fields such as cancer research within the medical research field of interest). Prior to the death of the last income beneficiary, the donor or an additional person designated by the donor may modify the Charitable Portfolio. To the extent the donor wishes to recommend that a portion of the charitable remainder of his or her contribution to the Life Income Funds is granted to a nonprofit organization that is not on the Philanthropy Fund's index, the Philanthropy Fund allows each donor to make up to five such recommendations which shall not be binding on the Philanthropy Fund. All such recommended nonprofit organizations must be reviewed by the Philanthropy Fund and approved by its Board before receiving any grants. Lastly, given the Philanthropy Fund's continuing efforts to identify worthy nonprofit organizations through the use of annual updates to the Index, the final nonprofit organizations within the donor's Charitable Portfolio may vary between the date a designation is completed and the death of the last income beneficiary. To the extent a donor does not make any recommendations for the use of the charitable remainder, the Philanthropy Fund's Board will have the sole right to determine how those dollars will be granted across the nonprofit organizations in the Index.

MATERIAL FEDERAL TAX CONSEQUENCES FOR CONTRIBUTIONS TO LIFE INCOME FUNDS

Consult Tax Advisor: The following summary of certain federal tax matters is based upon current provisions of the Code, Treasury Regulations promulgated thereunder, and judicial or ruling authorities, all of which are subject to change or new interpretation, which change or interpretation may be retroactive in application. While Winston & Strawn LLP, as Special Tax Counsel has rendered its opinion with respect to certain federal tax matters, an opinion of counsel is not binding on the IRS or the courts. No ruling on any of the issues discussed above will be sought from the IRS. Moreover, due to the inherently factual nature of the issues presented, prospective donors should be aware that the IRS may disagree with the federal tax conclusions described below.

The legal opinion of Special Tax Counsel was written on the understanding that it may be used in promoting, marketing and recommending the transactions discussed herein. Such legal opinion was not written, and is not intended, to be used by any person, and cannot be used by any person, for purposes of avoiding penalties under the Code. Each prospective donor should consult an independent tax advisor as to the tax consequences of contributing to the Life Income Funds based on the donor's particular circumstances. The discussion herein does not address the tax treatment of any person whose principal purpose for engaging in the transactions discussed herein is the avoidance or evasion of taxes.

The discussion below is limited to certain federal income and transfer tax consequences of contributions of assets to the Life Income Funds. It does not purport to address all federal tax consequences that may be material to a particular donor or to address the impact of state or local tax laws. Also, the following discussion does not address the tax treatment of contributions directly to the Philanthropy Fund. Each prospective donor should consult with his or her own tax advisor with respect to the tax treatment and the calculation of any allowable deduction for a charitable contribution.

Income Tax Charitable Deduction: Generally a donor is eligible to claim an itemized federal income tax deduction for a charitable contribution to the Philanthropy Fund's Life Income Funds

on the date that the contribution is completed. A contribution by check, however, is effective when postmarked by the U.S. Postal Service. Donors who contribute assets via overnight carrier other than the U.S. Postal Service will be entitled to claim a deduction in the year the assets are received by the Life Income Funds. All other contributions are effective when received in good order by the Trustee of the Life Income Funds.

The amount of a donor's deduction is equal to the present value of the Philanthropy Fund's remainder interest in the donor's contribution to the selected Life Income Funds as calculated under the Treasury Regulations §1.642(c)-6. The valuation of the remainder interest depends on the fair market value of the contribution, the age of the named income beneficiaries and the selected Life Income Fund's rate of return. Actuarial tables published by the IRS are used to determine a factor for the value of the charitable remainder interest. This factor is multiplied by the value of the contribution in order to determine the amount of the charitable income tax deduction. The longer income is expected to be paid to an income beneficiary, the lower the charitable contribution deduction.

The rate of return for a Life Income Fund utilized in the tax deduction calculation is equal to the average annualized three year rate of return for the Life Income Fund. To the extent the Life Income Fund does not have three years of history, the rate of return to be used in the discounted value determination is the interest rate that is one percent less than the highest annual average of the monthly Code Section 7520 rates for the three calendar years immediately preceding the calendar year in which the transfer to the Life Income Fund is made. Please note that a Life Income Fund's historical rate of return does not in any way project future actual returns, but instead is only used to calculate income tax deductions for contributions. The Trustee provides information to assist the donor and the donor's tax advisor with the income tax deduction for each contribution to the Life Income Funds.

Under federal income tax law, certain limitations apply to the amount of the charitable deduction a taxpayer may claim in any given year. In general, the deduction for an individual donor's aggregate charitable contributions of cash (or of non-appreciated property) within a single tax year is limited to fifty percent of the donor's adjusted gross income (computed without regard to the charitable deduction and any net operating loss carry-back). If an individual donor's charitable contributions exceed the applicable limitations, any excess contributions can be carried forward and deducted over the following five years. Additional limitations are placed on contributions of capital gain property, which should include most contributions of real estate or appreciated securities. For such contributions, generally the charitable contribution deduction is limited to thirty percent of the donor's adjusted gross income, unless the donor elects to claim the donor's basis in the contributed property (rather than the property's fair market value) as the amount of the charitable contribution. Where the taxpayer has so elected, the fifty percent limitation applies.

As previously discussed, each real estate contribution is structured as a Real Property Contribution Agreement entered into between the donor and the Life Income Funds. Under the terms of the Real Property Contribution Agreement, the Life Income Funds will have the right to acquire the real estate from the donor. After the Real Property Contribution Agreement has been executed, it is generally expected that the Life Income Funds or their agents will pursue, for its own benefit, a third-party purchaser for the real estate. It is essential for federal income tax purposes that the donor not have pre-arranged a third-party purchase of the real estate, or participate meaningfully in the negotiations for the sale of the real estate by the Life Income

Funds. It is also important that any third-party sale arranged by the Life Income Funds will be at its discretion and solely for the benefit of the Life Income Funds. In no sense will the Life Income Funds be acting as an agent of, or otherwise on behalf of, the donor with respect to a sale of real estate. If the donor were to engage in such activities or if the Life Income Funds were deemed to be acting as an agent of the donor, the IRS may contend that a subsequent sale of the real estate by the Life Income Funds should be attributed to the donor (followed by an assignment of the income from that sale by the donor to the Life Income Funds). If that contention by the IRS was successful, the donor would be subject to tax on the full amount of gain on the sale of the property.

In any situation where the Life Income Funds identify a third-party purchaser for the real estate, the Life Income Funds will exercise their option to acquire the real estate prior to entering into a Purchase and Sale Agreement with the third-party purchaser. The Contribution Amount deposited with the Life Income Funds following the sale consists of the gross sale proceeds less the Grantor Purchase Price payable by the Life Income Funds to the donor under the terms of the Real Property Contribution Agreement less applicable fees and expenses. The Real Property Contribution Agreement (and applicable tax law) also requires the Life Income Funds to allocate the Contribution Amount from the sale of the real estate to the appropriate pooled income fund or funds and to distribute the appropriate number of Units in the pre-designated Life Income Funds.

At the time the Real Property Contribution Agreement is entered into, the donor is not entitled to claim any charitable contribution deduction with respect to the transaction. For federal income tax purposes, entering into a Real Property Contribution Agreement is treated similar to a pledge by a donor to make a future contribution to the Philanthropy Fund. However, Special Tax Counsel has rendered its opinion that, for federal income tax purposes, the Real Property Contribution Agreement should be characterized as a charitable contribution of the donor's real estate to the Life Income Funds at the time the real estate is transferred to the Life Income Funds or, at the direction of the Life Income Funds, to a third-party purchaser. This opinion assumes that a donor's particular facts and circumstances do not indicate that he or she pre-arranged a sale of the real estate to a third-party or otherwise participated meaningfully in the negotiations for a sale of the real estate by the Life Income Funds. This opinion also assumes that (i) the Philanthropy Fund has been recognized by the IRS as a tax-exempt organization under Code Section 501(c)(3) and classified by the IRS as a public charity described in Code Section 509(a)(1), (ii) the activities of the Philanthropy Fund (including those contemplated in this Gifting Disclosure Statement, the Real Property Contribution Agreement and any Purchase and Sale Agreement) are consistent with the Philanthropy Fund's status as a tax-exempt organization under Code Section 501(c)(3) properly classified as a public charity described in Code Section 509(a)(1), and (iii) each of the Life Income Funds is organized as a pooled income fund pursuant to Code Section 642(c)(5). See "*Federal Income Tax Classification of the Philanthropy Fund and the Life Income Funds.*"

Following the Life Income Funds' exercise of the option to acquire the donor's real estate, the donor will transfer the real estate to the Life Income Funds or, at the direction of the Life Income Funds, to a third-party purchaser pursuant to a Purchase and Sale Agreement entered into by the Life Income Funds. The Life Income Funds will pay to the donor the Grantor Purchase Price specified in the Real Property Contribution Agreement. Under the terms of the Real Property Contribution Agreement and as designated in the Donor Contribution Form, the Contribution

Amount will be allocated to the appropriate Life Income Fund(s) and the Life Income Fund(s) will deliver the appropriate Units in the pre-designated Life Income Fund(s) to the donor.

Upon the transfer of the real estate to the Life Income Funds or a third-party purchaser, the donor should be considered as transferring the real estate partly as a bargain sale of the real estate by the donor to the extent the donor has specified a Grantor Purchase Price and the remainder as a contribution to the Life Income Funds. Donors should limit the amount claimed as a charitable contribution to the amount of the charitable deduction calculated by reference to the IRS rules applicable to contributions to pooled income funds such as the Life Income Funds as discussed above.

In order for a donor to be entitled to claim a charitable contribution with respect to the transfer of real estate to the Life Income Funds, the donor must receive written substantiation from the Life Income Funds of the contribution. Following the donor's transfer of the real estate, the Life Income Funds will provide to the donor written substantiation acknowledging receipt of the charitable contribution together with a disclosure statement informing the donor that the amount of the contribution that is deductible by the donor is limited to the present value of the Philanthropy Fund's remainder interest in the deposit of the Contribution Amount to the specified Life Income Funds. The Life Income Funds will also provide to the donor the amount of the present value of the Philanthropy Fund's remainder interest calculated in accordance with the applicable tax regulations.

An additional requirement of the federal income tax laws that the donor will need to satisfy in order to claim a charitable contribution deduction is that the donor obtain an appraisal supporting the valuation of the real estate and file a Form 8283 with their tax return that includes a signature from an appraiser and the Philanthropy Fund and which contains the fair market value of the contribution. Welton Street Real Estate LLC shall provide assistance regarding the appraisal process. In addition, the Life Income Funds is available to assist the donor in identifying a third-party appraiser who has experience with these types of transactions.

With respect to the portion of the bargain sale of the real estate that is not treated as a charitable contribution, the donor will realize taxable gain that is computed by allocating a portion of the donor's adjusted basis in the transferred real estate to the sale portion of the transaction. This allocation of adjusted basis is based upon the ratio of the Grantor Purchase Price to the total fair market value of the real estate. The character of the gain realized by the donor as a result of the bargain sale will be capital gain so long as the real estate is a capital asset in the hands of the donor.

While the Life Income Funds may accept a donation of real estate that has liens associated with mortgage debt, the fair market value and the Grantor Purchase Price must always significantly exceed the cumulative value of any and all outstanding mortgages. In general, the transfer of real estate subject to mortgage debt requires the Grantor Purchase Price be greater than the debt obligation and will be treated to that extent in the same manner as a bargain sale of the property described in the preceding paragraph with the overall result that taxable gain may be recognized by the donor and the allowable charitable contribution deduction will be reduced. A donor should consult his or her own tax advisor for the specifics of his or her tax situation.

For contributions of appreciated real estate or securities to the Life Income Funds, a donor generally should not realize a capital gain on the contribution of such property if the property is held as a long-term capital asset. However, to avoid adverse tax consequences, the Life Income

Funds will not accept contributions of appreciated real estate or securities which have been held less than one year by the donor. Additionally, a donor should consult with his or her tax advisor to assure that all of the other requirements for avoidance of capital gains on such a contribution are met (including no pre-arranged sale).

The foregoing summary of certain federal income tax matters is based upon current provisions of the Code, Treasury Regulations promulgated thereunder, and judicial or ruling authorities, all of which are subject to change or new interpretation, which change or interpretation may be retroactive in application. While Special Tax Counsel has rendered its opinion with respect to certain federal tax matters, an opinion of counsel is not binding on the IRS or the courts. No ruling on any of the issues discussed above will be sought from the IRS. Moreover, due to the inherently factual nature of the issues presented, prospective donors should be aware that the IRS may disagree with the federal tax conclusions described above.

Each prospective donor should consult with his or her own tax advisor with respect to the tax treatment of the Real Property Contribution Agreement and the calculation of any allowable deduction for a charitable contribution upon the transfer of real estate to the Life Income Funds or a third-party purchaser.

Gift Tax: If the donor is the sole income beneficiary of the contribution to the Life Income Funds, the contribution will not result in any gift tax. To the extent the donor names one or more income beneficiaries, other than the donor, to receive income from the Donor Account concurrently, the contribution may be a gift subject to gift tax. However, the contribution may be eligible for the annual gift tax exclusion of \$12,000 per beneficiary or \$24,000 per beneficiary if the donor's spouse agrees to join in the gift (these amounts are indexed for inflation). Additionally, if the donor is the first of two consecutive beneficiaries and reserves the right to revoke the beneficial income interest of a second beneficiary, there will be no taxable gift at the time of the contribution (however, the transfer of the beneficial interest upon death of the donor may result in the value of the beneficial interest being included in the donor's estate for tax purposes).

In addition, if the donor's spouse is an initial income beneficiary and is a citizen of the United States, the donor may elect on his or her tax return to treat the spouse's interest as a qualified terminable interest and thus qualify the interest for the unlimited gift tax marital deduction. If the donor's spouse is not a citizen of the United States, the value of his or her income interest may qualify for the annual exclusion for gifts to non-citizen spouses. Finally, even if the contribution to the Life Income Funds should result in a potentially taxable gift, the donor may not have to pay any current tax, since under present federal law each person is entitled to make lifetime transfers of up to \$1,000,000 free from gift tax. However, any credit the donor uses against gift tax in one year reduces the amount of credit he or she is able to use against gift tax in subsequent years.

Estate Tax: If the donor is either the sole income beneficiary or the first of consecutive beneficiaries of the contribution to the Life Income Funds, the entire value of the Units attributable to the contribution, generally computed as of the date of the donor's death, will be included in his or her estate for federal estate tax purposes. If there is no successor non-charitable income beneficiary, the donor's estate will be able to claim an offsetting charitable deduction equal to the entire amount included in the estate.

If the donor has named a successor to receive the income from the Donor Account, after the donor's death, who survives the donor and has not had his or her right to receive income revoked through a will, the donor's estate may claim a charitable deduction for federal estate tax purposes only for the value of the charitable remainder interest. As a result, the value of the successor beneficiary's future income interest (based on the successor beneficiary's age at the time of the donor's death) may be included in the donor's estate for federal estate tax purposes.

If the donor's spouse is the successor beneficiary and he or she is a United States citizen, the legal representative of the donor's estate may elect to qualify the income interest for the unlimited federal estate tax marital deduction, thereby eliminating federal estate tax liability. If the successor beneficiary is not the donor's spouse or if the donor's spouse is not a United States citizen, no deduction will be available for the value of that income interest. The applicable exclusion amount that the donor's estate is entitled to use may be available to eliminate or reduce this possible estate tax liability. Under current federal law, each person is entitled to make transfers of up to \$2,000,000 at death, free from federal estate tax. However, that amount is reduced to the extent the federal gift tax exemption is used during life.

Generation-Skipping Transfers: If an income beneficiary designated by the donor is a "skip person" (i.e., a beneficiary two or more generations removed from the donor) for the purpose of the federal tax on generation-skipping transfers, the creation of that interest may be subject to the skip person tax. In general, skip persons include: (i) grandchildren or more remote descendants of the donor or the donor's spouse; (ii) grandnieces and grandnephews or more remote descendants of the donor's brothers and sisters and the brothers and sisters of the donor's spouse; (iii) grandchildren or more remote descendants of the donor's first cousins and the first cousins of the donor's spouse; and (iv) persons unrelated to the donor who are more than 37.5 years younger than the donor. The donor's spouse is not a skip person, no matter what the donor's age difference. If the donor has made a transfer to a skip person, that transfer may be eligible to be sheltered from tax by the allocation to the transfer of a portion of the donor's generation skipping transfer tax exemption.

Federal Income Tax Classification of the Philanthropy Fund and the Life Income Funds: The Philanthropy Fund has been determined by the IRS to be exempt from federal income tax under Section 501(c)(3) of the Code, and a public charity described in Section 509(a)(1) of the Code, pursuant to an IRS letter dated August 8, 2007. As previously mentioned, for purposes of rendering its opinion regarding the treatment of a real property transfer to the Life Income Funds as a charitable contribution, Special Tax Counsel expressly assumes that such classification of the Philanthropy Fund was correct and that the activities of the Philanthropy Fund (including those contemplated by this Gifting Disclosure Statement, the Real Property Contribution Agreement and any Purchase and Sale Agreement) are consistent with the continuation of such status. Separate counsel to the Philanthropy Fund was responsible for the preparation and filing of the application for tax-exempt status on behalf of the Philanthropy Fund. Special Tax Counsel did not independently review or verify the accuracy or thoroughness of such application and expresses no opinion with respect thereto. Moreover, changes in the facts or circumstances relevant to the Philanthropy Fund subsequent to the filing of its application for tax-exempt status, or changes in the IRS interpretation of the applicable tax law, could cause the Philanthropy Fund to no longer qualify as a tax-exempt organization described in Code Section 501(c)(3). Any such loss of tax-exempt status could be retroactively effective to the date of incorporation of the Philanthropy Fund.

The opinion of Special Tax Counsel with regard to the treatment of transfers of real estate to the Life Income Funds as charitable contributions also assumes that the Life Income Funds have been properly organized as “pooled income funds” within the meaning of Section 642 of the Code. Such classification depends, in part, upon the classification of the Philanthropy Fund as a tax-exempt organization described in Section 501(c)(3) of the Code and a public charity under Code Section 509(a)(1), as discussed in the preceding paragraph. Special Tax Counsel has not independently reviewed or verified the status of the Life Income Funds as pooled income funds and expresses no opinion with respect thereto.

If the Philanthropy Fund is not properly classified as a tax-exempt organization under Section 501(c)(3) of the Code, or if the Life Income Funds fail to qualify as pooled income funds under Section 642 of the Code, donors would be materially adversely affected as a result of the recognition of gain on the transfer of real property (or other appreciated assets) and the loss of any deduction for a charitable contribution with respect thereto. **Potential donors are strongly advised to consult with independent tax advisors with respect to the classification of the Philanthropy Fund as a tax-exempt organization and the status of the Life Income Funds as pooled income funds.**

Taxation of the Life Income Funds: The Life Income Funds are not taxed on net income distributed to beneficiaries. In addition, the Life Income Funds receive a deduction for long-term capital gains set aside for charitable purposes. Short-term capital gains, if any, of a pooled income fund may be taxable to the pooled income fund and it is the intent of the Life Income Funds to distribute all short-term gains. Each Life Income Fund will retain all long-term capital gains and will not distribute them to the income beneficiaries.

Tax on Income Distributed by a Pooled Income Fund: Income paid out by a pooled income fund is taxable to income beneficiaries. Such income consists of dividend and interest income earned, and in certain circumstances, net short-term capital gains. Income will vary depending upon investment performance and yield. Long-term capital gains, if any, will remain in each pooled income fund, and potentially result in the growth of principal which will ultimately go the Philanthropy Fund as the charitable remainder beneficiary.

The Trustee will seek to notify each income beneficiary of the amount of income from the Life Income Funds to be included on his or her federal tax return for the previous year by March 31 of each year. This amount may vary slightly from the actual income received. Each beneficiary should consult his or her own tax advisor with respect to the taxability of the distributions by the state in which he or she resides. **Donors should consult their tax advisor to review their personal situation and tax law applicable at the time of a contribution.**

PAYMENT OF GIFT, ESTATE AND OTHER TRANSFER TAXES

Because there is a possibility that the value of a beneficial income interest will be subject to federal or state gift, estate, inheritance and/or generation-skipping transfer taxes, the Donor Contribution Form includes a provision whereby the donor agrees to provide for the payment of the taxes so incurred, if any, out of other assets in the donor’s estate, so that no portion of the principal of the contribution needs to be applied toward the payment of such taxes. This is a mandatory IRS provision for the contribution to qualify for a federal tax deduction.

FEES AND EXPENSES OF THE FUNDS

The Life Income Funds consist of two series of pooled income funds (the “Series A Trusts” and the “Series C Trusts”). Each of the Series A Trusts and the Series C Trusts are available through various broker/dealers. While the investment objectives of the Series A Trusts and the Series C Trusts are the same, an investment in one series of pooled income funds does not constitute an investment in the other series of pooled income funds nor in a combined portfolio of both series of pooled income funds.

Each series of trusts has four pooled income funds with identical investment strategies, but each series has its own sales charge and expense structure, allowing you to choose the series that best fits your situation. When choosing a series of trusts, please consult your Donor Financial Advisor and consider the following factors:

- expected duration of income distributions;
- how much a donor is contributing and whether he or she qualifies for any reduction of the sales charge and related expenses; and
- the total expense associated with Units of each series.

Each donor’s financial considerations and objectives are different. A donor should consult his or her Donor Financial Advisor to help decide which series of pooled income funds best suits a donor’s financial objectives. If a donor fails to indicate his or her selection of one of the series of pooled income funds on a submitted Donor Contribution Form, the Trustee will hold such Donor Contribution Form as incomplete and not process the contribution until the selection has been provided to the Trustee in writing.

Fees paid by Donors

Certain fees and expenses will be assessed on the contributions made by donors to the Life Income Funds. These fees and expenses vary based on the type of asset contributed to the Life Income Funds and the series of pooled income fund to which the donor elects to contribute. The following is a summary of the fees to be paid by the donors:

Sales Charge: WSI is acting as the dealer manager for the offering of the Units in each series of Life Income Funds and receives a fee (the “Sales Charge”) for selling such securities and establishing selling group management services. The Trustee will pay WSI the Sales Charge from the proceeds of donor contributions made to the Life Income Funds prior to the issuance of Units to the donor in such Life Income Funds. The Sales Charge for each series of pooled income funds is described in greater detail below under “*Summary of Upfront Sales Fees*” and will serve to reduce both the amount contributed by the donor to the Life Income Funds and the number of Units such donor receives in the Life Income Funds. WSI will distribute a portion of each Sales Charge to the selling broker/dealer(s) that procured the contribution to the Life Income Funds.

Fees Applicable to Contributions of Real Property: Welton Street Real Estate LLC (“WSRE”) provides the Philanthropy Fund and the Life Income Funds with real estate due diligence services in connection with the review and acceptance of potential contributions of real property. WSRE also manages the disposition process of such assets for the Life Income Funds and interacts with real estate brokers to assure appropriate execution. For these services WSRE receives a real estate services fee of 1.00% of the Contribution Amount which fee will serve to

reduce both the amount contributed by the donor to the Life Income Funds and the number of Units such donor receives in the Life Income Funds. The fee is designed to facilitate the orderly disposition of real property and is compensation for due diligence efforts and expenses, including environmental studies, a title review for contributed real property and other additional real property-related analysis and disposition management. Additionally, the donor is responsible for the payment of certain other standard fees and expenses associated with a disposition of real property.

Fees Applicable to Contributions of Securities: To the extent the Life Income Funds accept contributions of other assets, including securities, the amounts contributed to the Life Income Funds will be reduced by the payment of the additional fees and expenses associated with the disposition of such assets. These will include any selling commission on securities or other fees incurred with respect to the particular type of assets contributed and will be deducted from the proceeds of the disposition of such assets and will serve to reduce both the amount contributed by the donor to the Life Income Funds and the number of Units such donor receives in the Life Income Funds.

Ongoing Fees Paid by the Life Income Funds

The Philanthropy Fund and the Life Income Funds will enter into contracts with service providers to ensure that each of the Life Income Funds has appropriate support services, including, without limitation, asset management and standard trust, transfer agent and custody services. Each of the following services requires the payment of annualized fees as a percentage of the value of each pooled income fund's assets:

Trust Administration and Asset Management Fee: Each Life Income Fund is subject to an annual trust administration and asset management fee (the "Administration and Asset Management Fee") of 1.050%. The Asset Management and Trust Administration Fee is paid by the Life Income Funds and is designed to compensate the Trustee and the Investment Manager for the provision of asset management and standard trust, transfer agent and custody services to each of the Life Income Funds. The Asset Management and Trust Administration Fee, for each series of pooled income funds, are described in greater detail below under "*Summary of Ongoing Fees*".

Marketing and Servicing Fee: WSI also provides ongoing servicing of the Donor Account, including assistance with reporting, management and compliance for each Donor Account and continued marketing assistance. For these services the Trustee will pay WSI an annual marketing/servicing fee (the "Marketing and Servicing Fee"). WSI will distribute a portion of each of the Marketing and Servicing Fee to the selling broker/dealer(s) that is providing ongoing marketing and servicing assistance for the Donor Accounts. The Marketing and Servicing Fee for each series of pooled income funds is described in greater detail below under "*Summary of Ongoing Fees*".

Each of the ongoing fees to be paid by the Life Income Funds will be paid quarterly from the principal in such pooled income funds. The accrual of each ongoing fee will be reflected in the daily pricing of the Units, which will serve to indirectly impact the potential net income available to be paid to each donor's income beneficiaries. In addition, the assets of the Life Income Funds are either invested in third-party open-end and closed-end mutual funds or managed by a sub-advisor through a separate account arrangement. Such fund companies or sub-advisors receive fees and the reimbursement of expenses and such charges will reduce the amount of income

available to be distributed to the Life Income Funds and each donor's income beneficiaries. As such, the cumulative fees may vary between pooled income funds. The Investment Manager seeks to obtain fee reductions, when available, based upon a certain level of net assets invested with or managed by a sub-advisor. Additionally, the Investment Manager, in accordance with the Investment Management Agreement, will pay (from the fees it receives under the Investment Management Agreement) for certain accounting and servicing costs associated with the establishment and operations of the Life Income Funds.

Summary of Upfront Sales Fees

The following upfront fees are paid from the proceeds of a donor's contribution prior to the issuance of pooled income fund Units.

Series A Trusts

	For contributions between			
	\$0 - \$499,000	\$500,000 - \$749,999	\$750,000 - \$999,999	\$1 million and above
Breakpoints				
Sales Charge*:	5.00%	4.50%	4.00%	3.50%

Series C Trusts

	For contributions between			
	\$0 - \$499,000	\$500,000 - \$749,999	\$750,000 - \$999,999	\$1 million and above
Breakpoints				
Sales Charge*:	2.50%	2.00%	1.50%	1.00%

* It is anticipated that 80% of the sales charge for each contribution will be paid to the selling broker/dealer.

Summary of Ongoing Fees

The Trustee will pay these fees from the principal value of the Life Income Funds and not from the distributed income of the underlying investments.

	<u>Series A Trusts</u>	<u>Series C Trusts</u>
Asset Management and Trust Administration Fee:	1.050%	1.050%
Marketing and Servicing Fee:	0.375%*	0.625%**
Total	1.425%	1.675%

* Marketing and Servicing Fees on each contribution to the Series A Trusts are charged for 5 years and then discontinued. It is anticipated that a portion of the Marketing & Servicing Fees will be paid to the selling broker/dealer (up to 0.25%).

** Marketing and Servicing Fees on each contribution to the Series C Trusts are charged for 7 years and then discontinued. It is anticipated that a portion of the Marketing & Servicing Fees will be paid to the selling broker/dealer (up to 0.50%).

SUMMARY OF MAXIMUM CUMULATIVE SALES & SERVICING FEES FOR EACH SERIES OF TRUSTS

Series A Trusts

Maximum Sales Charge :	5.00% (for contributions below \$499,999)
Marketing and Servicing Fee (ongoing fee paid by the Life Income Funds):	0.375% annual fee paid for five (5) years from the date Units are issued with respect to a specific contribution
Maximum Cumulative Sales and Servicing Fees:	6.875%

Series C Trusts

Maximum Sales Charge :	2.50% (for contributions below \$499,999)
Marketing and Servicing Fee (ongoing fee paid by the Life Income Funds):	0.625% annual fee paid for five (7) years from the date Units are issued with respect to a specific contribution
Maximum Cumulative Sales and Servicing Fees:	6.875%

SECURITIES REGULATION

Units in the Life Income Funds are considered securities under federal and state securities laws. The Units have not been registered under the Securities Act of 1933, as amended (“1933 Act”), the Securities Exchange Act of 1934, as amended (the “1934 Act”) or the Investment Company Act of 1940, as amended (“1940 Act”), and are being offered and sold in reliance on an exemption from registration under the 1933 Act, the 1934 Act and the 1940 Act provided by the Philanthropy Protection Act of 1995 (the “Philanthropy Act”), which amended the federal securities laws to provide nonprofit organizations with an exemption from registration under those acts.

The Units are issued pursuant to a claim of exemption from registration or qualification under state securities laws based upon exemptions available for nonprofit organizations under applicable state securities laws or the Philanthropy Act.

RISK FACTORS

General Risks. As charitable vehicles, the Life Income Funds should not be treated as, and are not designed to compete with, an investment made for private gain. A charitable intention to benefit the Philanthropy Fund should be a significant part of a donor’s decision to make a contribution to the Philanthropy Fund and its Life Income Funds.

A contribution by a donor to the Life Income Funds involves a high degree of risk, including the risk that there may not be sufficient net income available for distributions to the named income beneficiary or beneficiaries. The Life Income Funds are pooled income funds that invest in one or more mutual funds or hold separate accounts with one or more sub-advisors. The investment funds selected by the Life Income Funds invest in and actively trade securities and other financial instruments using strategies and investment techniques with significant risk characteristics. All investments made by these mutual funds risk the loss of capital donated to such Life Income Funds. No guarantee or representation is made that these mutual funds will be successful or achieve their targeted returns, and investment results may vary substantially over time. The suitability of a donor’s contribution to the Life Income Funds and choice of pooled income fund allocations should take into consideration the donor’s long-term income and financial objectives and the understanding that a contribution to the Life Income Funds is irrevocable.

All securities investments risk the loss of capital. The Investment Manager believes that the Life Income Funds’ investment program and research techniques moderate this risk through a careful selection of mutual funds and sub-advisors. No guarantee or representation is made that the Life Income Funds’ objectives will be successful, however, and investment results may vary substantially over time. Additionally, to the extent the Life Income Funds’ investments produce very little income for distribution the donor will have no access to the principal value of their contribution as it has been irrevocably gifted to the Philanthropy Fund.

All activities of the Life Income Funds and the terms of donor participation in such pooled income funds are subject to the terms and conditions of the Life Income Funds’ Trust Agreements, this Gifting Disclosure Statement and the Donor Contribution Form that donors must complete. The Board reserves the right to modify the program at any time, subject to the provisions of the Trust Agreements. The terms of the Trust Agreements for each of the Life Income Funds are outlined below in “Terms of Declaration of Trusts”.

Operating History. The Philanthropy Fund, the Life Income Funds and the Investment Manager are each newly formed entities with no operating history and no performance track record. The Life Income Funds' investment program should be evaluated on the basis that there can be no assurance that the Investment Manager's assessment of the short-term or long-term prospects of an investment will prove accurate or that the Life Income Funds will achieve the objective of generating sufficient net income to enable distributions to be made to the named income beneficiary or beneficiaries.

Investing Judgment. The success of the investment strategies employed by the Life Income Funds is subject to the judgment and skills of the principals of the Investment Manager. There can be no assurance that the investment decisions or actions of these principals will be correct. Incorrect decisions or poor judgment may result in the Life Income Funds being unable to generate sufficient net income to enable distributions to be made to the named income beneficiary or beneficiaries.

Competition. The Life Income Funds will compete with a large number of firms that will be investing in the same mutual funds. Many of these firms have substantially greater financial resources than those available to the Life Income Funds. These greater resources may be a particularly important competitive advantage given the amount of due diligence required by multi-strategy investing.

Risk of Litigation. The Life Income Funds and the Philanthropy Fund may be subject to litigation from time to time. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses. The Philanthropy Fund or the Life Income Funds could be named as a defendant in a lawsuit or regulatory action. The outcome of such proceedings may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Litigation may consume substantial amounts of the time and attention of the Investment Manager, often to an extent disproportionate to the amounts at stake in the litigation. There may be judgments rendered against the Philanthropy Fund or the Life Income Funds.

Conflicts and Due Diligence. WSRE is an affiliate of the Investment Manager and WSI and conducts due diligence on the assets contributed to the Philanthropy Fund. The due diligence investigation undertaken by WSRE on such proposed contributions cannot be considered an independent review and, therefore, may not be as meaningful as a review conducted by an unaffiliated entity.

Disposition Delays. There may be delays in the acceptance of certain contributions of assets, particularly real estate assets, by the Life Income Funds. As a result, donors may suffer delays in the timing of charitable contribution deductions and in the creation of Donor Account(s) otherwise expected to produce cash distributions to designated income beneficiaries. The Life Income Funds will hold the option on the real estate assets until such time as the Life Income Funds decides that a sale or other disposition is appropriate based on the sale parameters described in the Real Property Contribution Agreement (subject to the donor's revocability). The Life Income Funds may exercise its discretion as to whether and when to sell real estate, and we will have no obligation to exercise the option and sell real estate at any particular time or price, subject, however, to any parameters described within the Real Property Contribution Agreement. There is no way to predict the various market conditions affecting real estate or other types of assets. Such market conditions may cause uncertainty which could affect the

disposition of such assets, and therefore the timing of any tax deduction for the donor and income distributions for the beneficiaries.

Risks Relating to Pooled Income Funds. Donors should understand the basic constraints of a pooled income fund and should take the following into consideration when making the decision to contribute:

- Donors should have a charitable intent. The designation of the particular Life Income Funds that should retain the Contribution Amount may not be altered by a donor and the Board has ultimate control over all assets and the charitable remainder interest (including all long-term capital gains) owned by the Philanthropy Fund. In addition, once a contribution has been accepted it is irrevocable and will not be refundable; provided, however, in the case of the contribution of real estate pursuant to a Real Property Contribution Agreement, the option may be revoked by the donor until such time as the option is exercised by the Life Income Funds. Furthermore, in the event of a contribution of securities, the value of such contribution may vary from the time such securities are transferred to the designated Life Income Funds.
- Each of the Series A Trusts and Series C Trusts has separate and distinct fee and expense structures. Each donor must choose between the Series A Trusts and the Series C Trusts depending on his or her personal situations and may not make a contribution to both. A donor should consult with his or her Donor Financial Advisor when determining whether to contribute to the Series A Trusts or the Series C Trusts.
- Tax benefits depend upon the donor's individual circumstances and donors should consult their tax advisors to review their personal situations and benefits.
- The Life Income Funds are not regulated by the IRS, and they are not guaranteed or insured by the United States or any of its agencies or instrumentalities. Contributions are not insured by the FDIC and are not deposits or other obligations of, or guaranteed by, any depository institution.
- The Philanthropy Fund and the Life Income Funds have not been registered under federal securities laws, pursuant to exemptions for nonprofit organizations.
- Future potential regulatory constraints could place significant constraints on the Life Income Funds or the Philanthropy Fund that might cause a change in (or in the worst case a cessation of) operations.

The amount ultimately available to the Philanthropy Fund for grants may be more or less than donor contributions to the Life Income Funds. While annual giving is encouraged, the Life Income Funds should be viewed as a long-term philanthropic program and all contributions are irrevocable.

Beneficiaries of a pooled income fund (including donors who are designated as income beneficiaries) only receive investment returns in the form of quarterly income payments, the amount of which will fluctuate.

The amount of net income available for distributions to the income beneficiaries of the Donor Account is dependent on the performance of each Life Income Fund, and on a number of market factors including, but not limited to, the following:

- Capital market conditions;
- Fluctuations in interest rates, real estate transfer taxes and other servicing expenses; and
- Adverse changes in local, national, or international economic conditions.

The number of Units issued in each Life Income Fund is impacted by a number of market conditions including:

- Private market value of approved and sold real estate.
- Market value of contributed securities.

Tax Risks: The donor may incur taxes if there is a change in relevant facts or a change in tax law associated with the treatment of the Philanthropy Fund as a tax-exempt organization or with contributions to pooled income funds or contributions to charities including:

- Structural, legal and regulatory changes that may occur in the real estate or securities industries, for charitable entities, in the tax law or in the investment management business at large;
- Changes in judicial or IRS interpretation and application of current tax law to contributions of appreciated assets to charities; or
- Changes in relevant facts from those set forth in the Philanthropy Fund’s application for tax-exempt status or in the IRS interpretation thereof.

RISKS RELATING TO WELTON STREET ADVISORS, WELTON STREET REAL ESTATE AND WELTON STREET INVESTMENTS

Reliance on Welton Street Advisors, Welton Street Real Estate and Welton Street Investments and their Principals. The success of the Life Income Funds depends, in large part, upon the skill and expertise of the Investment Manager, Welton Street Real Estate LLC and Welton Street Investments LLC (collectively, the “Welton Street Entities”) and their respective principals. Subjective decisions made by the Welton Street Entities may cause the Life Income Funds to incur losses or miss profit opportunities on which it could otherwise have capitalized. Additionally, the loss of the services of principals of the Welton Street Entities could have a material adverse effect upon the assets of the Life Income Funds.

Decision-Making Authority. Donors have no authority to make decisions or to exercise business discretion on behalf of the Philanthropy Fund or the Life Income Funds. Donors do not make decisions with respect to the management, disposition or other realization of any investment made by the Life Income Funds, or other decisions regarding the business and affairs of the Philanthropy Fund or the Life Income Funds. The authority for all such decisions rests with the Welton Street Entities and the Board, respectively (which have delegated certain authority and duties over investment decisions and real estate decisions to Welton Street Advisors and Welton Street Real Estate, respectively).

Other Activities of the Welton Street Entities. The Welton Street Entities are required to devote such time as may be reasonably required to further the business affairs and activities of the Philanthropy Fund and the Life Income Funds. The Welton Street Entities, their affiliates and

any of their respective partners, directors, members, officers and employees are not precluded from engaging directly or indirectly in any other business or other activity, including, but not limited to, exercising investment advisory and management responsibility and buying, selling or otherwise dealing with securities for their own accounts, for the accounts of family members, for the accounts of other funds and for the accounts of individual and institutional clients. For example, Welton Street Advisors and its affiliates are permitted to perform, among other things, investment advisory and management services for accounts other than the Philanthropy Fund and the Life Income Funds and in that connection to give advice and take action in the performance of their duties to those accounts which may differ from the timing and nature of action taken with respect to the Philanthropy Fund or the Life Income Funds. Welton Street Advisors does not have an obligation to purchase or sell for the Life Income Funds any investment which Welton Street Advisors or its affiliates may purchase or sell, or recommend for purchase or sale any investment, for its or their own accounts, or for the account of any other fund. Neither the Philanthropy Fund, the Life Income Fund, nor the donors will have any rights of first refusal, co-investment or other rights in respect of the investments of other accounts or in any fees, profits or other income earned or otherwise derived therefrom. No donor, by reason of being a donor, has any right to participate in any manner in any profits or income earned or derived by or accruing to the Welton Street Entities, any of their affiliates or their respective partners, directors, members, officers or employees arising from the conduct of any business other than the business of the Life Income Funds and the Philanthropy Fund or from any transaction in securities effected by Welton Street Advisors, any of its affiliates or their respective partners, directors, members, officers or employees for any account other than that of the Life Income Funds and the Philanthropy Fund.

SUMMARY OF OPINION OF SPECIAL TAX COUNSEL

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) EACH THE OPINION AND ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS GIFTING DISCLOSURE STATEMENT ARE NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY PERSON FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION AND THE OPINION ARE WRITTEN TO SUPPORT THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) YOU SHOULD SEEK ADVICE BASED UPON YOUR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following summarizes the opinion of special tax counsel to Welton Street Advisors LLC and Welton Street Real Estate LLC regarding certain federal tax consequences of the contribution of real property to the Philanthropy Fund or the Life Income Funds (the "Opinion"). The conclusions from the Opinion summarized herein are based upon the facts as described in the Opinion and the assumptions contained therein. No assurance can be given that a change in such facts or assumptions will not significantly affect the analysis contained in the Opinion and render inapplicable or incorrect the statements and conclusions expressed herein. The Opinion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), regulations promulgated under the Code ("Regulations"), court decisions and administrative rules, practices and

interpretations of law of the U.S. Internal Revenue Service (the “IRS”) as in effect on the date of this Gifting Disclosure Statement. No assurance can be given that future legislative or administrative changes or court decisions will not significantly modify the law and render inapplicable or incorrect the statements and conclusions expressed herein. Any such changes may or may not be retroactive. The Opinion and this summary do not purport to deal with all aspects of federal taxation that may affect donors, particularly in light of their individual circumstances. Donors should seek Advice from an independent tax advisor based on the potential donor’s particular situation.

Charitable Contribution of Real Property to Philanthropy Fund. Taxpayers are generally entitled to a charitable contribution deduction upon the transfer of money or other property to a public charity. However, the contribution of an option to acquire property will not give rise to a charitable contribution deduction until such option is exercised. Although there are no authorities directly on point, and therefore, the following conclusions are not free from doubt, special tax counsel is of the opinion that for federal tax purposes, the Real Property Contribution Agreement should be characterized as a charitable contribution of real property to the Philanthropy Fund for which a deduction is allowed on the date title to the donor’s real property is transferred to, or at the direction of, the Philanthropy Fund. If the Real Property Contribution Agreement requires the Philanthropy Fund to pay to donor a Grantor Purchase Price, the exercise of the option pursuant to the terms of the Real Property Contribution Agreement should be treated as a “bargain sale” transaction. In such instances, the transaction is treated in part as a sale or exchange of property (which may result in the recognition of gain or loss by the donor) and in part as a charitable contribution. The amount of the charitable contribution should be equal to the excess of the fair market value of the donor’s real property over the Grantor Purchase Price.

Charitable Contribution of Real Property to Life Income Funds. The Real Property Contribution Agreement should also be characterized as a charitable contribution of real property to the Life Income Funds for which a deduction is allowed on the date title to the donor’s real property is transferred to, or at the direction of, the Life Income Funds. If the Real Property Contribution Agreement requires the Life Income Funds to pay to the donor a Grantor Purchase Price, the exercise of the option pursuant to the terms of the Real Property Contribution Agreement should be treated as a “bargain sale” transaction, and the amount of the donor’s charitable contribution should be equal to the excess of the fair market value of the donor’s real property over the Grantor Purchase Price. For any charitable contribution of real property pursuant to a Real Property Contribution Agreement to the Life Income Funds, the amount of the donor’s charitable contribution deduction should be determined using the pooled income fund rules.

Assignment of Income. Under certain circumstances, where a donor has contributed appreciated property to a charity and the charity subsequently sells such property, the courts and the IRS have found that the donor, rather than the charity, should be viewed as the seller of the contributed property. If so treated, the gain on the sale of the property would be attributed to the donor. The mere expectation or intention that the charity may transfer the property should not give rise to gain for the donee. Instead, gain on the sale of property should only be attributed to the donee if, at the time the property is contributed to the charity, the donee has prearranged a sale of the property to a third-party or the charity is otherwise legally obligated to sell the property. Special tax counsel to the advisors has concluded that, based on certain assumptions

and representations in the Real Property Contribution Agreement, the donor should not be required to recognize gain attributable to a sale of such donor's real property pursuant to a Purchase and Sale Agreement entered into by Philanthropy Fund or the Life Income Funds.

Transfer Taxes. A federal gift tax applies to any completed transfer of property for insufficient consideration, regardless of donative intent. A transfer is complete when the donor has irrevocably surrendered dominion and control over the transferred property. Under the terms of the Real Property Contribution Agreement, the donor retains the right to cancel the Real Property Contribution Agreement, thus, the donor should not make a completed taxable gift upon granting the option pursuant to the terms of a Real Property Contribution Agreement to Philanthropy Fund or the Life Income Funds.

Where the difference between the fair market value of the property transferred and the consideration received will benefit charity, such difference will ordinarily qualify for a gift tax charitable deduction that would eliminate any gift tax consequences. Upon the lapse of the donor's right of cancellation following the exercise of the option, the donor will be obligated by the terms of the Real Property Contribution Agreement to complete the transfer of the real property with no interest retained by the donor, so that for gift tax purposes the value of the transfer should be offset by a gift tax charitable deduction and by the value of either (a) any Grantor Purchase Price received by the donor from Philanthropy Fund or the Life Income Funds or (b) the donor's own retained interest in the Life Income Funds (resulting in a potentially taxable gift only to the extent of any third-party interest in the Life Income Funds).

CONFLICTS OF INTEREST

There may exist conflicts of interest between certain of the service providers, including WSI, the Investment Manager, WSRE, the Life Income Funds and the Philanthropy Fund, as certain directors, officers and volunteers of the Philanthropy Fund and the Life Income Funds may be involved in the business activities of such service providers. While conflicts may exist for certain members of the Board, the majority of the Board is independent. Additionally, all service agreements are: (i) subject to review and termination by the independent members of the Board upon written notice; (ii) subject to a full performance review at least annually; (iii) subject to the terms of the Trust Agreements; and (iv) subject to the By-Laws of the Philanthropy Fund, including its conflicts of interest policy. Additionally, the directors, officers and employees of the Philanthropy Fund and the Life Income Funds must allocate their time between the charitable business and managing other business activities in which they may be involved.

Any potential conflict of interest which could result in a direct or indirect financial or personal benefit to a director, officer or staff member must be disclosed in good faith to the Board or a committee of the Board authorizing a contract or other transaction. The interested individual may participate in the information-gathering stage of the Board's, or committee's discussion but must retire from the room in which the Board or committee is meeting and will not participate in the final deliberation or decision regarding the contract or other transaction. The interested individual may not vote on the contract or other transaction.

Common or interested directors may be counted in determining the presence of a quorum at the meeting of the Board or of a committee which authorizes the contract or other transaction.

The minutes of the meeting of the Board or committee will reflect (a) that the conflict of interest was disclosed, (b) that the interested director, officer or staff member was not present during the

final discussion or vote of the Board or committee and (c) that the interested individual abstained from voting.

All questions as to whether a conflict of interest exists are resolved by a vote of the Board in which the interested individual may not vote.

A conflict of interest disclosure statement is furnished annually to the Board by each director, officer and staff member. The disclosure statements are reviewed annually by the Board or by a committee of the Board. In addition, each director, officer and staff member must report promptly any potential conflict of interest as and when it arises.

In determining whether to approve a contract or other transaction involving a conflict of interest, disinterested directors will take into account the restrictions regarding excess benefit transactions under Section 4958 of the Code.

REPORTING

All donors and the Donor Financial Advisors receive confirmations for each contribution to the Life Income Funds. In addition, after the close of each calendar quarter, all current income beneficiaries receive statements showing the current value of the proportional income interests in the Units of the Life Income Funds. They also receive a federal income tax Form 1041 and Schedule K-1 no later than March 31 of each year advising how much income from each pooled income fund must be reported on federal income tax returns.

FINANCIAL STATEMENTS

The pooled income funds of the Life Income Funds were established in 2008 and have not completed a fiscal year of operation. Upon the completion of the fiscal year 2008 and annually thereafter, the Life Income Funds will produce audited financial statements for each of the pooled income funds.

BOARD OF DIRECTORS

The Board maintains ultimate control over all aspects of the operation of each pooled income fund. A majority of the Board of Directors are unaffiliated with the Investment Manager. Donors do not have voting rights or the right to participate in the selection of the Directors. The current members of the Board of Directors are as follows:

Andrew Ballou, Director of Institutional Equity Sales for RBC Capital Markets since 2002. Prior to joining RBC Capital Markets, Mr. Ballou spent ten years in equity research at Merrill Lynch, CIBC World Markets, Credit Suisse First Boston and Red Coat Capital.

Brad East, Senior Vice President of Investments with Moors and Cabot, Inc., a private investment banking and brokerage firm. Mr. East serves on the Executive Council of the Boys and Girls Clubs of Metropolitan Phoenix where he has held numerous executive and committee chair positions.

William R. Fuhs, Chief Operating and Financial Officer of Welton Street Holdings LLC. Prior to joining Welton Street Mr. Fuhs spent approximately four years as a Director in charge of finance and product development for Dividend Capital and eleven years

working for Merrill Lynch & Co. in multiple positions within its Investment Banking Division.

James O. Lunney, Founder of the Wealth Strategies Group and has over twenty-five years of investment management experience. Mr. Lunney has served as a member of the Finance Committee to the Archdiocese of the Denver Board of Directors and on the Finance Committees of Immaculate Heart of Mary Catholic Church and the Queen Peace Catholic Church.

Drew Marrocco, Partner at Sonnenschein Nath & Rosenthal LLP, focusing on government contracts and litigation.

Dave Martin, Managing Director of Moran and Company's Denver office and has over twenty years of real estate and capital markets experience. Mr. Martin's years of experience includes time working with Lincoln Property Company, Nomura Asset Capital Corp and approximately eleven years with Metropolitan Life Insurance Company's Real Estate Investments Department.

Mark Quam, President and Chief Executive Officer of Welton Street Holdings LLC and has approximately fifteen years of real estate and capital markets experience. Prior to founding Welton Street, founded both Dividend Capital Trust (now DCT Industrial Trust Inc. on the NYSE) and Dividend Capital Securities LLC (a FINRA member broker/dealer).

The Board appoints and oversees the performance of all service providers of the Philanthropy Fund and the Life Income Funds. This includes the trust services and asset management agreements, as well as the real estate due diligence services. As noted previously under "Conflicts of Interest", certain Board members may have relationships with certain of the service providers; however, all such conflicts are subject to the conflicts policy as outlined previously and only the independent members of the Board approve contracts where such conflicts may exist.

Directors have limited liability and may be indemnified from assets of the Philanthropy Fund and the Life Income Funds. Neither the Directors nor the officers of the Philanthropy Fund are compensated for their efforts and there are no separate officers or employees of the trusts. All operational services for the management of the Life Income Funds are provided by the third-party service providers outlined in this Gifting Disclosure Statement. Additionally, the Board has appointed certain officers of the Philanthropy Fund to take action on behalf of the trusts. The Philanthropy Fund maintains insurance policies to protect the trusts, the Board and the officers.

The Board will take all actions necessary to preserve the charitable status of the Philanthropy Fund under federal income tax law. The Directors serve on the Board until death, resignation or termination by vote of the other Board members and election of a successor. Under Code Section 642(c)(5) and as outlined below under the "*Terms of The Declarations of Trust*", the Directors and the officers of the Philanthropy Fund are not allowed to be a donor or a beneficiary of the trusts.

TERMS OF THE DECLARATIONS OF TRUST

The following represents a summary of the operative terms and provisions contained in the Trust Agreements.

Section I

Gift of Remainder Interest

Each donor transferring assets to the Life Income Funds shall contribute an irrevocable remainder interest in such assets to the Philanthropy Fund. This remainder interest will be transferred to the Philanthropy Fund upon the death of the last living holder of a life income interest as discussed below.

Section II

Life Income Interests

Each donor transferring assets to the Life Income Funds shall retain for himself or herself an income interest in the assets transferred, or create an income interest in such assets for the life of one or more named beneficiaries, provided that each income beneficiary must be a living person at the time of the transfer of assets to the Life Income Funds by the donor. If more than one beneficiary of the income interest is named, such beneficiaries may enjoy their shares concurrently or consecutively. The Philanthropy Fund may also be designated as one of the beneficiaries of the income interest. The donor need not retain or create a life interest in all of the income from the assets transferred to the Life Income Funds and any income not payable to an income beneficiary shall be contributed to, and within the taxable year of the Life Income Funds in which it is received, paid to the Philanthropy Fund. The donor may retain the power exercisable only by will to revoke or terminate the income interest of any income beneficiary.

Section III

Commingling of Assets

The assets transferred to the Life Income Funds by each donor shall be commingled with, and invested or reinvested with, other assets transferred to the Life Income Funds by other donors satisfying the requirements of this instrument and of section 642(c)(5) of the Code or corresponding provision of any subsequent federal tax law. The Life Income Funds shall not include assets transferred under arrangements other than those specified in this instrument and satisfying the said provisions of the Code.

All or any portion of the assets of the Life Income Funds may, however, be invested or reinvested jointly with other assets not a part of the Fund that are held by, or for the use of, the Philanthropy Fund. When joint investment or reinvestment occurs, detailed accounting records shall be maintained by the Trustee specifically identifying the portion of the jointly invested assets owned by the Life Income Funds and the income earned by, and attributable to such portion.

Section IV

Prohibition Against Certain Assets

The assets transferred to the Life Income Funds by any donor shall not include any securities whose income is exempt from taxation under subtitle A of the Code or the corresponding provisions of any subsequent federal tax law. The Trustee of the Life Income Funds shall not accept such securities and shall not hold as part of the Life Income Funds' assets such securities or mutual funds or other investment instruments that hold such securities.

The assets transferred directly to the Life Income Funds by any donor shall also not include any depreciable or depletable assets.

Section V

Maintenance by the Philanthropy Fund

The Philanthropy Fund shall always maintain the Life Income Funds or exercise control, directly or indirectly, over the Life Income Funds. The Philanthropy Fund shall always have the power to remove any Trustee or Trustees and to designate a new Trustee or Trustees.

Section VI

Prohibition Against Donor or Beneficiary Serving as Trustee

The Life Income Funds shall not have as a Trustee a donor to the Life Income Funds or a beneficiary (other than the Philanthropy Fund) of an income interest in any property transferred to the Life Income Funds. No donor or beneficiary (other than the Philanthropy Fund) shall have, directly or indirectly, general responsibilities with respect to the Life Income Funds that are ordinarily exercised by a Trustee.

Section VII

Income of Beneficiaries

The taxable year of the Life Income Funds shall be the calendar year. The Trustee shall pay income to each beneficiary entitled thereto in any taxable year of the Life Income Funds in the amount determined by the rate of return earned by the Life Income Funds for the year with respect to the beneficiary's income interest. Payments must be made at least once in the year in which the income is earned. Until the Trustee determines that payments shall be made more or less frequently or at other times, the Trustee shall make income payments to the beneficiary or beneficiaries entitled to them in four quarterly payments on approximately March 31, June 30, September 30, and December 31 of each year. An adjusting payment, if necessary, will be made during the taxable year or within the first 65 days following its close to bring the total payment to the actual income to which the beneficiary or beneficiaries are entitled for that year.

On each transfer of assets by a donor to the Life Income Funds, there shall be assigned to the beneficiary or beneficiaries of the income interest retained or created in the assets the number of units of participation equal to the number obtained by dividing the fair market value of the assets transferred by the fair market value of a unit in the Life Income Funds immediately before the transfer. The fair market value of a unit in the Life Income Funds immediately before the transfer shall be determined by dividing the fair market value of all assets in the Life Income Funds at that time by the number of Life Income Funds units then outstanding. The initial fair

market value of a unit in the Life Income Funds shall be the fair market value of the assets transferred to the Life Income Funds divided by the number of units assigned to the beneficiaries of the income interest in that property. All units in the Life Income Funds shall always have equal value.

If a transfer of property to the Fund by a donor occurs on other than a determination date, the number of units of participation assigned to the beneficiary or beneficiaries of the income interest in the property shall be determined by using the average fair market value of the property in the Fund immediately before the transfer, which shall be deemed to be the average of the fair market values of the property in the Fund on the determination dates immediately preceding and succeeding the date of transfer. For the purpose of determining the average fair market value, the property transferred by the donor and any other property transferred to the Fund between the preceding and succeeding dates, or on such succeeding date, shall be excluded. The fair market value of a unit in the Fund immediately before the transfer shall be determined by dividing the average fair market value of the property in the Fund at that time by the number of units then in the Fund. Units of participation assigned with respect to property transferred on other than a determination date shall be deemed to be assigned as of the date of the transfer.

A transfer of assets to the Fund by a donor shall in most cases only occur on a “determination date.” A “determination date” means each day within a taxable year of the Fund on which a valuation is made of the property in the Fund. Until the Trustee determines that the assets of the Life Income Funds shall be valued more or less frequently, the assets of the Life Income Funds shall be valued on a daily basis upon each business day after the close of regular trading on the New York Stock Exchange (NYSE), on each day the NYSE is open for trading. With respect to all assets received by the Life Income Funds on dates that fall on a Saturday, Sunday or an NYSE holiday, the valuation shall be made on the next succeeding day which is not a Saturday, Sunday or an NYSE holiday.

The amount of income allocated to each unit of participation in the Life Income Funds shall be determined by dividing the income of the Life Income Funds for the taxable year by the outstanding number of units in the Life Income Funds at the end of the year, except that income shall be allocated to units outstanding during only part of the year by taking into consideration the period of time the units are outstanding during the year.

For purposes of this instrument, the term “income” has the same meaning as it does under section 643(b) of the Code or the corresponding provision of any subsequent federal tax law and the regulations thereunder. Notwithstanding any provision of state or local law, (i) income shall not include long-term capital gains, (ii) the Trustee shall not have the power to satisfy the right to income of any income beneficiary of the Life Income Funds by the payment of either an amount equal to a fixed percentage of the fair market value of the Fund’s assets (whether determined annually or averaged on a multiple year basis) or any amount that takes into account unrealized appreciation in the value of the Fund’s assets, and (iii) the Trustee shall not distribute proceeds from the sale or exchange of the Fund’s assets as income within the meaning of Treasury Regulation section 1.642(c)-5(a)(5)(i) or the corresponding provision of any future Treasury Regulation. When a corporate fiduciary is serving as a Trustee and when the Board of Directors of the Philanthropy Fund has approved third-party agents to perform services for the management of the Life Income Funds and its assets, the Trustee may charge such portion or all

of their compensation to the principal of the Life Income Funds as the Board of Directors of the Philanthropy Fund determines is fair and reasonable.

The income interest of any beneficiary of the Life Income Funds shall terminate with the last regular payment of income that was made before the death of the beneficiary. The Trustee of the Life Income Funds shall not be required to prorate any income payment to the date of the beneficiary's death.

Section VIII

Termination of Life Income Interest

Upon the termination of the income interest of the designated beneficiary (or, in the case of successive income interests, the survivor of the designated beneficiaries) entitled to receive income pursuant to the terms of a transfer to the Life Income Funds, the Trustee shall sever from the Life Income Funds an amount equal to the value of the remainder interest in the assets upon which the income interest is based. The value of the remainder interest for severance purposes shall be its value as of the date on which the last regular payment was made before the death of the beneficiary. The amount so severed from the Life Income Funds shall be paid to the Philanthropy Fund. If at the time of severance of the remainder interest the Philanthropy Fund has ceased to exist or is not classified as a public charity (i.e., an organization described in clauses (i) through (vi) of section 170(b)(1)(A) of the Code), the amount severed shall be paid to an organization selected by the Trustee that is a public charity.

Section IX

Prohibited Activities

The income of the Life Income Funds for each taxable year shall be distributed at such time and in such manner as not to subject the Life Income Funds to tax under section 4942 of the Code. Except for making the required payments to the life income beneficiaries, the Trustee shall not engage in any act of self-dealing as defined in section 4941(d) and shall not make any taxable expenditure as defined in section 4945(d) of the Code. The Trustee shall not make any investments that jeopardize the charitable purpose of the Life Income Funds within the meaning of section 4944 of the Code or retain any excess business holdings within the meaning of section 4943 of the Code.

Section X

Incorporation by Reference

The provisions of this document may be, and are intended to be, incorporated by reference in any will, trust, or other instrument by means of which assets are transferred to the Life Income Funds. Any assets transferred to the Life Income Funds whereby an income interest is retained or created for the life of one or more named beneficiaries, where this document is not incorporated by reference, shall become a part of the Life Income Funds and shall be held and managed under the terms and conditions of this document, unless the instrument of transfer is inconsistent with such terms and conditions, in which case the Trustee shall not accept the assets.

Section XI
Governing Law

The operation of the Life Income Funds shall be governed by the laws of the State of Delaware. However, the Trustee is prohibited from exercising any power or discretion granted under said laws that would be inconsistent with the qualification of the Life Income Funds under section 642(c)(5) of the Code and the corresponding regulations.

Section XII
Oversight and Administration by the Philanthropy Fund of America

The Board of Directors of the Philanthropy Fund shall maintain and control the Life Income Funds in accordance with Section 642(c)(5)(E) of the Code. Additionally, the Philanthropy Fund's maintenance of the Life Income Funds shall be carried out by its Board of Directors in accordance with the By-Laws and Policies of the Philanthropy Fund, including its conflict of interest and privacy policies. The obligations of the Philanthropy Fund with respect to the maintenance of the Life Income Funds shall include, but shall not be limited to, authority and discretion:

- (a) to retain, purchase and invest in any assets (except assets described in Section IV or assets retained, purchased or invested in violation of Section IX), including without limitation any shares, participations or other interests in a common trust fund or a mutual fund, including separate accounts managed by professional third-party money managers, even to the extent of investing all or substantially all of the Life Income Funds' assets in one or more of such mutual funds;
- (b) to vote, to give proxies with or without power of substitution and to exercise other rights of a holder of securities;
- (c) to determine what constitutes income and principal and the charges to be made against each in a manner consistent with the Code except as otherwise provided herein;
- (d) to make contracts and covenants, to sell, exchange, pledge, grant or accept options with respect to any assets, to determine the terms and manner of doing so and to execute and deliver all appropriate instruments connected therewith;
- (e) to employ agents, managers, custodians, investment counsel and attorneys, and to pay reasonable expenses incurred and reasonable compensation for services rendered, in addition to that of the Trustee, including but not limited to solicitation expenses, investment management fees and brokerage commissions, custodian fees, servicing and operating fees, insurance expenses, auditor and legal fees, sub-account maintenance costs, donor and beneficiary communications, and all other proper charges and disbursements by the Trustee which may be paid to service providers, provided, however, that in determining whether such amounts are reasonable, to the extent any conflict exists with one or more Directors of the Philanthropy Fund all such amounts shall be subject to disclosure to the Board of Directors of the Philanthropy Fund and the conflicts procedures set forth in the By-Laws of the Philanthropy Fund;

- (f) to pay, resist, compromise or submit to arbitration any claim or matter in dispute;
- (g) to hold assets in the name of a nominee or in any other form not indicating any fiduciary relationship;
- (h) to keep the whole or any part of the assets of the Life Income Funds in any jurisdiction; and
- (i) to make a distribution upon termination of an income interest in cash or in kind or in both at current values to the Philanthropy Fund.

The Board of Directors of the Philanthropy Fund may adopt such procedures as it deems desirable for the conduct of the Philanthropy Fund's affairs. All powers, authorities and discretions of the Board of Directors of the Philanthropy Fund may be exercised by a majority (subject to conflicts procedures) of the Board of Directors in office from time to time, and such exercise by such majority may be expressed either by a vote at a meeting or in writing without a meeting. The Board of Directors of the Philanthropy Fund may authorize any one or more of the Board of Directors or another person to execute any document or documents on its behalf. No bond or other security shall be required of any member of Board of Directors of the Philanthropy Fund. The Board of Directors of the Philanthropy Fund may, by an appropriate written instrument, delegate all or any part of its powers for such period and subject to such conditions as the Board of Directors sees fit. Without limiting the generality of the foregoing sentence, the Board of Directors of the Philanthropy Fund may delegate all or any part of their responsibilities with respect to the management of the assets of the Life Income Funds to an investment manager; provided, however, that no such investment manager shall make any investment prohibited under Sections IV or IX.

The Board of Directors of the Philanthropy Fund shall be obligated to exercise reasonable care and diligence in carrying out its duties under the provisions of this instrument. The Board of Directors of the Philanthropy Fund shall incur no liability for any action taken or not taken by any officer, agent or employee of the Life Income Funds or agent to whom investment or administrative authority has been delegated, or for any loss or damage resulting therefrom, except as may be caused by the Board of Directors' bad faith or gross negligence in performance of its duties under this instrument. No Director shall be liable for the acts or omissions of any predecessor or of a custodian, advisor, agent, depository or legal counsel selected with reasonable care.

Section XIII

Transferability of Income Interests

Except as provided in the following sentence, the interest of any beneficiary in the Life Income Funds shall be free from interference or control of any creditor or spouse of the beneficiary and shall not be subject to attachment or susceptible of anticipation or alienation or assignment. At any time and from time to time an income beneficiary may irrevocably give any portion or all of his income interest in the Life Income Funds to the Philanthropy Fund, provided that the Philanthropy Fund is a public charity (an organization described in clauses (i) through (vi) of section 170(b)(1)(A) of the Code) at the time of such gift. If at the time of such gift there is no living beneficiary named to succeed to such income interest after the death of the beneficiary making such gift, the beneficiary making such gift may direct that the portion of the units assigned to such beneficiary's interest in the Life Income Funds equal to the portion of his

income interest so given to the Philanthropy Fund shall be severed from the Life Income Funds and transferred to the Philanthropy Fund in the same manner as if the beneficiary had died on the date of the gift. In the event that the beneficiary gives all of his income interest to the Philanthropy Fund and there is no living beneficiary named to succeed to such income interest, the units attributable to the income interest shall be severed from the Life Income Funds and transferred to the Philanthropy Fund in the same manner as if the beneficiary had died on the date of gift.

Section XIV

Accounting

The Trustee shall render an annual accounting of its administration of the Life Income Funds to the Board of Directors of the Philanthropy Fund. The assent of the Board of Directors of the Philanthropy Fund to the Life Income Funds accounting shall, as to all matters and transactions stated therein or shown thereby, conclusively bind all beneficiaries then or thereafter interested in the remainder interests hereunder. If the Board of Directors of the Philanthropy Fund fails to object to any accounting in writing within 60 days after receipt thereof, such accounting shall be deemed approved.

Section XV

Power of Amendment

The Life Income Funds is irrevocable. However, the Philanthropy Fund shall have the power, acting alone, to amend this document and the associated instruments of transfer in any manner required for the sole purpose of ensuring that the Fund qualifies and continues to qualify as a pooled income fund within the meaning of section 642(c)(5) of the Code.

PRIVACY POLICY

Our Commitment to Donors

When an individual becomes a donor to the Philanthropy Fund of America or the Life Income Funds of America (“PFA”, “LIFA” or “we” or “us”), a donor entrusts us with personal and financial information. We recognize the importance of this information and hold ourselves to the highest standards in its safekeeping and use.

This means, most importantly, that we do not sell donor information — whether it is personal information or the fact that he or she is a donor of ours — to anyone.

Instead, we use the donor’s information primarily to provide services, complete transactions that a donor requests or to make the donor aware of the charitable giving opportunities we provide.

If the laws, rules or regulations of any applicable jurisdiction require privacy-related measures that exceed those provided for in this Privacy Policy (the “Policy”), we will follow such laws, rules or regulations.

The Information We Collect About a Donor

In the course of our relationship with a donor, we may collect personal information about he or she that is relevant and appropriate under the circumstances. The donor typically provides personal information when he or she completes donor applications and forms, when the donor communicates with us via electronic or other means, and when a donor enters into transactions with us and/or our affiliates or service providers. This “personal information” includes (1) information which relates to the donor and (2) nonpublic personal information about him or her, which may include:

- Name and address
- Social Security number or taxpayer identification number
- Income, Assets or Financial Condition
- Financial Goals
- Capital Contributions or Donations
- Source of funds
- Other information about your prior investment history

Also, when you visit our website, we may gather information about your computer and operating systems, discussed further below in “Our Website Practices.”

How We Utilize Personal Information

We use personal information for a variety of purposes which allow us to provide a high level of service that donor expects and deserves from us. Such uses include delivery of services; verification of relevant financial information needed to complete transactions; resolution of disputes; prevention of fraud; and the management of risk.

How We Handle Personal Information

As emphasized above, we do not sell information about current or former donors or their accounts to third parties. Nor do we share such information, except when necessary to complete transactions at the donor's request. Here are the details:

- To complete certain transactions or changes that donor directs, we may be required to provide identifying information to companies, individuals, or groups that are not affiliated with us (e.g., custodians, banks, accountants and lawyers).
- In certain instances, we may contract with nonaffiliated companies to perform services for us. Where necessary, we will disclose information we have about the donor to these third parties. In those situations, we provide the third-party with only the information necessary to carry out its assigned responsibilities (such as completing tax returns) and only for that purpose.
- We may disclose information about a donor to government entities, in response to subpoenas or orders or otherwise to comply with applicable laws or regulations.
- Finally, we will release information about a donor if he or she directs us to do so, if we are compelled by law to do so, or in other legally limited circumstances (e.g., to protect a donor from fraud).

How We Safeguard Personal Information

We restrict access to information about a donor to those of our employees or agents who need to know the information to provide products or services to such donor. We maintain strict physical, electronic, and procedural safeguards to protect personal information.

Information obtained through employment with us must be used for the proper performance of each employee's duties. Sensitive information must only be discussed within PFA, LIFA and their service providers on a "need to know" basis, and must never be discussed outside of these relationships. Upon volunteering for PFA or LIFA or being hired by one of our service providers, volunteers and employees are required to sign a declaration or agreement undertaking to protect the confidentiality of donor information.

Our Website Practices

We may use "cookies" to allow us to gather information about users of our website, including visitors, clients and donors. Cookies are small pieces of data containing a unique identification number that is sent to your browser from a web server, and is stored on your hard drive. The unique ID number identifies your browser to our computers whenever you use our website services. Cookies allow us to customize your experience on our website so that it meets your interests and needs, but they do not allow us to access personally identifiable information that you have not already given to us.

Cookies are part of the technology implemented by your browser. You may adjust your internet browser so that it accepts or rejects all cookies, or to notify you when a cookie is added. To find out more about cookies, or to accept or disable cookies, please visit the website of your browser provider. Cookies allow you to take full advantage of some of our most important features, and we recommend that you leave them turned on. For example, if you reject cookies and are using a password-protected feature of our site, you may be repeatedly asked to re-enter your password.

If you utilize our website for transactions, we will store your e-mail address in a cookie. We may also save your credit card number or other financial information in a secure location at your request.

Policy Towards Children

We do not provide services to children, and we encourage all parents to supervise their children's use of the internet. In compliance with the Children's Online Privacy Protection Act of 1998 ("COPPA"), we will never knowingly request personally identifiable information from anyone under the age of 13 without prior verifiable parental consent.

Governing Law

This Policy and any disputes relating thereto will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to its conflict of law provisions or a donor's actual state or country of residence. Any dispute relating to this Policy shall be resolved solely in the state or federal courts located in Delaware. If for any reason a court of competent jurisdiction finds any provision or portion of the Policy unenforceable, the remainder of the Policy will continue in full force and effect.

How Can A Donor Limit The Sharing Of Certain Types Of Personal Information

We respect your privacy and offer you choices as to whether we share with other related parties or third-party service providers personal information that was collected to determine your eligibility for products and services you request ("eligibility information"). Please note that, even if you direct us not to share eligibility information ("opt-out"), we may still share personal information, including eligibility information, with those organizations in circumstances excluded from the opt-out under applicable law, such as (i) to process transactions, (ii) to comply with other regulations, guidelines and sanctions programs administered by U.S. government agencies, including but not limited to the U.S. Securities and Exchange Commission and the Office of Foreign Assets Control, or (iii) to service your account.

We may also share certain other types of personal information with service providers — such as your name, address, telephone number, e-mail address and account number(s), and information about your transactions and experiences.

If you wish to opt-out of sharing and to limit marketing offers, you may do so by directing your request to PFA/LIFA Compliance via one of the following methods:

- Mailing us at:
Philanthropy Fund of America
9780 Mount Pyramid Court, Suite 401
Englewood, Colorado 80112
- Calling us at: 866-797-GIVE (4483)
- Faxing us at: 866-644-5392

We'll Keep You Informed

If required by applicable law, we will notify the donors of our Policy annually. We reserve the right to modify this Policy at any time, but rest assured that if we do change it at any time, we will make it available to the donors.

CONTACT INFORMATION

Nonprofit

Philanthropy Fund of America
9780 Mount Pyramid Court, Suite 401
Englewood, Colorado 80112
Telephone: 866-797-GIVE (4483)

Trustee

New York Private Bank & Trust, FSB
200 Bellevue Parkway, Suite 150
Wilmington, Delaware 19809

Investment Manager

Welton Street Advisors LLC
9780 Mount Pyramid Court, Suite 400
Englewood, Colorado 80112
Telephone: 303-953-3841

Dealer Manager

Welton Street Investments LLC
9780 Mount Pyramid Court, Suite 400
Englewood, Colorado 80112
Telephone: 888-569-1031