U.S. Legacy Income Trusts®

Tax-advantaged income for life | Legacy of charitable giving

U.S. Legacy Income Trusts®

Questions and Answers

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U.S. Legacy Income Trusts, c/o Ren, 8888 Keystone Crossing, Suite 1200, Indianapolis, IN 46240

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U.S. Legacy Income Trusts®
Questions and Answers

These questions and answers are provided for the convenience of prospective Donors to the currently offered U.S. Legacy Income Trusts (Trusts) and their advisors. This document does not contain a complete description of the Trusts, and is subject to and qualified in its entirety by reference to the Trusts' current Information Statements, which contain a detailed description of the Trusts and the risks and special considerations applicable to contributions thereto. The Trusts' current Information Statements are available at **www.uslegacyincometrusts.org.** Except as noted, these questions and answers may not apply to contributions to the earlier U.S. Legacy Income Trusts whose offerings have been discontinued.

Overview

1. What are the U.S. Legacy Income Trusts?

The currently offered U.S. Legacy Income Trusts (Trusts) are pooled income funds introduced in 2025 by U.S. Charitable Gift Trust® (Gift Trust), a tax-exempt public charity offering donor-advised funds. The Trusts and Gift Trust are sponsored by Eaton Vance Management (Eaton Vance). The Trusts are successors to the five U.S. Legacy Income Trusts established by the Gift Trust in 2019 (Original Trusts) and the five replacement U.S. Legacy Income Trusts established by the Gift Trust in 2022 (2022 Trusts). The Original Trusts and 2022 Trusts are no longer offered and do not accept donor contributions.

Eaton Vance Trust Company (Trustee), a Maine trust company affiliated with Eaton Vance, is trustee and investment adviser of the Trusts and the common trust fund in which the Trusts invest, and trustee of the Gift Trust. Eaton Vance Distributors, Inc. (EVD), a broker-dealer affiliated with Eaton Vance, is placement agent for the Trusts and the Gift Trust. Eaton Vance, the Trustee and the Placement Agent are indirect, wholly owned subsidiaries of Morgan Stanley. Ren (Administrator), a charitable gift services administrator not affiliated with Eaton Vance or Morgan Stanley, is the administrator of the Trusts and the Gift Trust.

2. What is a pooled income fund?

Under Section 642(c)(5) of the Internal Revenue Code of 1986, as amended (Code), a pooled income fund is a trust maintained by a qualified public charity to which donors transfer qualifying property for investment on a commingled basis with property transferred by other donors. Each donor to a pooled income fund designates one or more individual income beneficiaries to receive an income interest for life based on the returns of the trust, and irrevocably commits the remainder interest upon the death of the donor's last-surviving individual income beneficiary to or for the use of the sponsoring charity.

3. What are the potential benefits of contributing to a Trust?

Each Trust generally provides persons transferring cash and/or acceptable securities (Donors) to fund unit participation accounts in the Trust (Trust Accounts) with the opportunity to:

- Achieve non-recognition of capital gains on contributions of appreciated assets
  - Enables Donors to reduce portfolio concentration risk without a tax event
- Receive a charitable income tax deduction based on the charitable remainder portion of the contributed asset value
  - Allowable deduction varies with the age and number of a Donor's individual income beneficiaries and the assumed annual rate of Trust returns. See calculator available at uscharitablegifttrust.org/uslitcalculator
- Provide monthly distributions of tax-advantaged income for life to up to ten individual income beneficiaries designated by the Donor
  - For the Trusts' current distribution rates, see uslegacyincometrusts.org
  - Distributions are expected to be taxed primarily as qualified dividend income (QDI), at maximum federal rates currently of 23.8% versus 40.8% for taxable interest income (indicated rates include the federal tax on net investment income)
  - Trusts seek to increase distributions over time with inflation
- Following the death of a Trust Account's last-surviving individual income beneficiary, make grants to qualified charitable organizations selected by the Donor or the Donor's designee (Donor Advisor) through the Donor-advised fund sub-account of the Gift Trust (Charitable Account) into which the Trust Account converts

4. What are some potential applications of Trust contributions?

- Owners of low-basis stocks or other appreciated securities seeking to reduce portfolio concentration risk
- Retirees seeking income and protection against longevity risk
- Individuals seeking to utilize their federal lifetime gift and estate tax exemptions
- Charities seeking to enhance their planned-giving fundraising

Donors to the Trusts should be motivated by charitable intent. As charitable giving vehicles, the Trusts should not be treated as, and are not designed to compete with, investments made for private gain. An intention to benefit the Gift Trust and one or more qualified charitable organizations eligible for support by the Gift Trust should be a significant part of the decision to contribute to a Trust.

5. How many Trusts are being offered, and how do they differ?

There are five currently offered Trusts: U.S. Legacy Income Trust I.3 (Trust I.3), U.S. Legacy Income Trust II.3 (Trust II.3), U.S. Legacy Income Trust III.3 (Trust III.3), U.S. Legacy Income Trust IV.3 (Trust IV.3) and U.S. Legacy Income Trust V.3 (Trust V.3). The Trusts differ from one another by minimum initial contribution amount, annual fees and expenses, and applicable service arrangements. Each Trust follows the same investment strategy, investing through Legacy Income Common Trust Fund (Common Trust), a common trust fund in which each Trust (and each of the Original Trusts and 2022 Trusts) participates.

Trusts I.3, II.3 and III.3 make ongoing service fee payments to registered broker-dealers, registered investment advisors or other acceptable entities (Servicing Agents) providing Donors and/or income beneficiaries with advice regarding their philanthropic and estate-planning goals and strategies, assistance with administrative matters relating to Trust Accounts and/or related services. Trusts IV.3 and V.3 are designed for use by self-directed Donors and do not make service fee payments.

Fees and Expenses

6. Are Trust contributions subject to any commissions or other subscription costs?

No. Contributions to a Trust are not subject to any commissions or other subscription costs.

7. What ongoing fees and expenses apply to positions in Trust Accounts?

The Trusts are subject to ongoing fees and estimated other expenses as indicated in the table below.

	U.S. Legacy Income Trust I.3	U.S. Legacy Income Trust II.3	U.S. Legacy Income Trust III.3	U.S. Legacy Income Trust IV.3	U.S. Legacy Income Trust V.3
Minimum Initial Contribution	$20,000	$250,000	$1,000,000	$20,000	$250,000
Annual Fees and Expenses:					
Advisory Fee	0.55%	0.55%	0.55%	0.55%	0.55%
Trustee Fee	0.10%	0.10%	0.10%	0.10%	0.10%
Administrative Fee	0.31%	0.10%	0.10%	0.31%	0.10%
Servicing Fee	0.75%	0.50%	0.25%	0.00%	0.00%
Miscellaneous Expenses	0.05%	0.05%	0.05%	0.05%	0.05%
Total Annual Fees and Expenses	1.76%	1.30%	1.05%	1.01%	0.80%

Trust fees and estimated other expenses shown above are stated as a percentage of the Trust's average daily net assets. The Trusts' minimum initial contribution amounts may be waived for Donors who are employees of Eaton Vance, Morgan Stanley or their affiliates, members of their immediate families or as the Trustee otherwise determines appropriate to facilitate the efficient administration of the Trusts.

The Trustee receives the advisory and trustee fees indicated above for serving as the investment adviser and trustee of the Trusts. The Trustee does not charge a fee for its services to the Common Trust and pays the Common Trust's customary expenses. EVD receives the servicing fees paid by Trusts I, II and III, which EVD passes through in full to the Servicing Agents designated by Donors. The Administrator receives the administrative fees indicated above for serving as administrator of the Trusts.

Compensation to Servicing Agents

8. Do the Trusts compensate Servicing Agents?

Trusts I.3, II.3 and III.3 pay ongoing servicing fees at annual rates of 0.75%, 0.50% and 0.25%, respectively, of Trust Account average daily net assets, which EVD passes through in full to the Servicing Agents designated by Donors. Servicing Agents may include broker-dealers, registered investment advisors or other entities acceptable to the Trustee. Payments to Servicing Agents are made quarterly in arrears.

Trusts IV.3 and V.3 are designed for use by self-directed Donors and do not pay servicing fees.

Comparison to Other Pooled Income Funds and Other Charitable Planned-Giving Instruments

9. What potential advantages do the Trusts offer versus other pooled income funds?

Since first introduced in the 1970s, most pooled income funds have followed a strategy of investing primarily in fixed income securities or a blend of fixed income and stocks. By contrast, the Trusts invest in the Common Trust's proprietary equity income strategy. Potential advantages of the Trusts' investment approach over the strategies commonly employed by other pooled income funds may include:

- The opportunity to realize higher total return, providing greater lifetime distributions to Trust income beneficiaries and more assets for charitable purposes upon termination of Trust income interests
- Anticipated higher and more consistent distributions to income beneficiaries
- The opportunity to increase distributions over time with inflation
- More favorable income tax treatment of distributions to income beneficiaries

Distributions to the Trusts' income beneficiaries are expected to consist primarily of QDI, which is subject to individual federal income tax at rates currently up to 23.8%, compared to maximum rates of 40.8% for taxable interest income (in each case, stated maximum rates include the 3.8% federal net investment income tax applicable to high-income individual taxpayers).

Other potential advantages of the Trusts over other pooled income funds may include:

- Lower ongoing fees and expenses
- A higher number of permissible income beneficiaries
- More charitable giving options and the ability to support charities that do not offer pooled income funds
- Higher charitable income tax deductions for Trust Donors. See comparative calculator available at **uscharitablegifttrust.org/uslitcalculator**
- For a Donor designating someone else as an income beneficiary, lower valuation of the designated income interest for federal gift tax purposes

Like contributions to other pooled income funds that have not yet completed their third tax year, the charitable income tax deduction available to Donors in respect of Trust contributions is based in part on a default return assumption calculated as specified in the Treasury regulations (4.0% for contributions in 2025). Deductions allowed on contributions to a pooled income fund that has at least three tax years of operating history are based on the fund's highest yearly return to income beneficiaries for the preceding three tax years, as determined pursuant to applicable Treasury regulations. If the highest yearly return as so determined exceeds 4.0%, a current Trust contribution would qualify for a higher charitable deduction than an equivalent contribution to the compared aged pooled income fund.

Because the value of a Trust account's income interests for federal gift tax purposes is calculated based on the difference between the fair market value of the property contributed and the Donor's allowable charitable income tax deduction, a Donor who designates one or more other individuals as income beneficiaries may be subject to less federal gift tax, or utilize less of his or her annual gift tax exclusion and/or lifetime gift and estate tax exemption, than a comparable contribution to an aged pooled income fund.

10. What other types of charitable planned-giving instruments may provide features and benefits similar to the Trusts?

In addition to pooled income funds, there are three types of charitable planned-giving instruments offering features and benefits broadly similar to the Trusts: charitable remainder trusts (CRUTs), charitable remainder annuity trusts (CRATs) and charitable gift annuities (CGAs). Each of these instruments offers Donors the ability: (i) to irrevocably contribute property to or for the use of a specified charity; (ii) to designate one or more income beneficiaries to receive income distributions for life (or, for CRUTs and CRATs, alternatively for a fixed term of up to 20 years); and (iii) to receive a charitable income tax deduction in the year of contribution based on the present value of the charitable remainder interest as determined in accordance with applicable Treasury regulations and related tax authorities.

While similar in certain respects, the Trusts differ from CRUTs, CRATs and CGAs in the tax treatment of Donor contributions and distributions paid to income beneficiaries, allowable limits on distributions paid to income beneficiaries, how income distributions are determined, legal and administrative costs to establish and maintain positions, and other factors.

11. What are charitable remainder unitrusts and what potential advantages do the Trusts offer versus CRUTs?

Charitable remainder unitrusts are tax-exempt trusts paying distributions to one or more designated income beneficiaries for life or a fixed term of up to 20 years, with the remainder interest irrevocably committed for payment to one or more qualified charities. Distributions to income beneficiaries generally may not be less than 5%, nor more than 50%, annually of the CRUT's net asset value as determined each year. A CRUT's organizational documents may provide for the trust to pay out each year the lesser of the designated unitrust percentage or the amount of the trust's net income for the year, with or without makeup provisions. At funding, the present value of the charitable remainder interest must equal at least 10% of trust net assets, which limits allowable distribution rates and participation opportunities for younger lifetime income beneficiaries.

Donors contributing unencumbered appreciated property to a CRUT are not subject to capital gains recognition. The charitable income tax deduction allowable to Donors on CRUT contributions is based primarily on the designated unitrust percentage (lower percentages give rise to higher allowable deductions), with the specified timing and frequency of each year's income distributions and the monthly interest rate under Section 7520 of the Code applicable at contribution as secondary considerations. CRUT distributions are taxable to income beneficiaries based on a tiering system: first as ordinary income to the extent of the CRUT's current-year and undistributed prior-year ordinary income, then successively as QDI, short-term capital gains, long-term capital gains and other income (including nontaxable income), each to the extent of the CRUT's current-year and undistributed prior-year earnings of like character, then finally as return of principal to the extent distributions exceed the CRUT's total current-year and undistributed prior-year income and gains.

Potential advantages of the Trusts over CRUTs may include:

- Higher charitable income tax deductions for Donors. See comparative calculator available at uscharitablegifttrust.org/uslitcalculator
- Higher current Trust distribution rates than allowable for lifetime income CRUTs with younger income beneficiaries
- Greater participation opportunities for younger income beneficiaries than allowable for lifetime income CRUTs
- Opportunity for Trusts to provide distributions that do not fluctuate from year to year with changes in annual net asset values
- More favorable anticipated tax treatment of Trust distributions versus CRUT distributions sourced from taxable interest income
- For a Donor designating someone else as an income beneficiary, lower valuation of the designated income interest for federal gift tax purposes
- Lower costs to establish and maintain the Trusts; less administrative complexity for Donors and income beneficiaries

12. What are charitable remainder annuity trusts and what potential advantages do the Trusts offer versus CRATs?

Charitable remainder annuity trusts are tax-exempt trusts paying fixed-dollar distributions at least annually to one or more designated income beneficiaries for life or a fixed term of up to 20 years, with the remainder interest irrevocably committed for payment to one or more qualified charities. Distributions to income beneficiaries may not be less than 5%, nor more than 50%, annually of the CRAT's initial net asset value. At funding, the present value of the charitable remainder interest must equal at least 10% of trust net assets, which limits allowable distribution rates and participation opportunities for younger lifetime income beneficiaries. CRATs are also generally subject to the requirement that, at funding, the probability of the CRAT exhausting its assets by the end of the trust term does not exceed 5%, based on a specified calculation methodology, further limiting allowable CRAT distribution rates and participation opportunities for younger life income beneficiaries. This "probability of exhaustion" test does not apply to CRATs whose organizational documents provide for early termination of the trust (and the immediate transfer of all trust net assets to the designated charitable beneficiaries) before the payment of any distribution that would cause the value of the trust corpus, when multiplied by a specified discount factor, to be less than 10% of the CRAT's net asset value at funding.

Donors contributing unencumbered appreciated property to a CRAT are not subject to capital gains recognition. The charitable income tax deduction allowable to Donors on CRAT contributions is based primarily on the CRAT's designated annuity rate (higher deductions for lower annuity rates) and the monthly interest rate under Section 7520 of the Code applicable at contribution (higher deductions for higher Section 7520 rates), with the specified timing and frequency of each year's income distributions as secondary considerations. CRAT distributions are taxable to income beneficiaries based on a tiering system: first as ordinary income to the extent of the CRAT's current-year and undistributed prior-year ordinary income, then successively as QDI, short-term capital gains, long-term capital gains and other income (including nontaxable income), each to the extent of the CRAT's current-year and undistributed prior-year earnings of like character, then finally as return of principal to the extent distributions exceed the CRAT's total current-year and undistributed prior-year income and gains.

Potential advantages of the Trusts over CRATs may include:

- Higher charitable income tax deductions for Donors. See comparative calculator available at **uscharitablegifttrust.org/uslitcalculator**
- Higher current Trust distribution rates than allowable for lifetime income CRATs with non-elderly income beneficiaries
- Greater participation opportunities for non-elderly income beneficiaries than allowable for lifetime income CRATs
- Opportunity for Trust distributions to increase over time with inflation
- More favorable anticipated tax treatment of Trust distributions versus CRAT distributions sourced from taxable interest income
- For a Donor designating someone else as an income beneficiary, lower valuation of the designated income interest for federal gift tax purposes
- Lower costs to establish and maintain the Trusts; less administrative complexity for Donors and income beneficiaries

13. What are charitable gift annuities and what potential advantages do the Trusts offer versus CGAs?

Charitable gift annuities are fixed-rate annuity contracts entered into between a sponsoring charity and a Donor, with the charity promising to pay a fixed amount at least annually for the life of one or two income beneficiaries designated by the Donor in exchange for a contribution to the charity. Distributions are general obligations of the sponsoring charity subject to its claims-paying ability. Distribution rates vary based on the age at funding and number of designated income beneficiaries, with higher rates paid on CGAs with older income beneficiaries. Most charities offer rates suggested by the American Council on Gift Annuities (ACGA). Payments to income beneficiaries may be deferred for a period of years determined by the Donor.

Donors contributing unencumbered appreciated property to a CGA for which the Donor is an income beneficiary are subject to capital gain recognition over the actuarial life expectancy of the Donor; if the Donor is not an income beneficiary, capital gain is recognized upon contribution. The charitable income tax deduction allowable to Donors on CGA contributions is based primarily on the CGA annuity rate (higher deductions for lower annuity rates) and the monthly interest rate under Section 7520 of the Code applicable at contribution (higher deductions for higher Section 7520 rates), with the specified timing and frequency of each year's income distributions as secondary considerations. CGA distributions funded from cash contributions are, over the actuarial life expectancy at contribution of the recipient, treated partially as tax-free return of principal and partially as ordinary income. For CGAs funded from contributions of appreciated property, all or a portion of the otherwise tax-free component of distributions paid to the Donor is recharacterized as capital gain. Distributions to CGA income beneficiaries who outlive their life expectancy at contribution are thereafter all taxable as ordinary income.

Potential advantages of the Trusts over CGAs may include:

- Higher charitable income tax deductions for Trust Donors. See comparative calculator available at **uscharitablegifttrust.org/uslitcalculator**
- Higher current Trust distribution rates than paid on CGAs with non-elderly income beneficiaries (based on ACGA-suggested rates)
- Opportunity for Trust distributions to increase over time with inflation
- More favorable anticipated tax treatment of Trust distributions versus distributions from CGAs funded with appreciated assets
- For a Donor designating someone else as an income beneficiary, lower valuation of the designated income interest for federal gift tax purposes
- No requirement for Trust Donors to be income beneficiaries to avoid gain recognition on contributions of appreciated assets
- Maximum of ten permissible income beneficiaries for each Trust account versus two per CGA contract
- More Trust charitable giving options; ability to support charities that do not offer CGAs

14. How do the Trusts compare with the Original Trusts and 2022 Trusts?

Like the Original Trusts and 2022 Trusts, the Trusts are pooled income funds of the Gift Trust that each pursues its investment objective by investing exclusively in Legacy Income Common Trust Fund. The annual fees and estimated other expenses of the Trusts are in each case substantially the same (stated as a percentage of average daily net assets) as the annual fees and estimated other expenses of the corresponding Original Trust and 2022 Trust. Each of the Trusts also follows the same distribution policies as the corresponding Original Trust and 2022 Trust. The principal difference between the Trusts and the Original Trusts and 2022 Trusts is that the Original Trusts and 2022 Trusts are no longer offered and do not accept new Donor contributions.

15. The Trusts' offering materials describe the Trusts as "next-generation charitable planned-giving instruments." What does that refer to?

In Eaton Vance's view, the Trusts represent a significant advance in charitable planned giving, offering meaningful potential advantages over other planned-giving instruments for Donors, income beneficiaries and charitable beneficiaries alike.

Donors' Contributions to the Trusts

16. What steps are required to make a Trust contribution?

Eligible Donors may contribute to a Trust by following the instructions in the Trusts' Applications, which may be found at uslegacyincometrusts.org. Note that separate Applications are used for contributions to the Trusts designed for advised Donors (Trusts I.3, II.3 and III.3) and the Trusts designed for self-directed Donors (Trusts IV.3 and V.3).

17. Who is eligible to contribute to a Trust?

Donors to the Trusts may include individuals of any age, as well as U.S. trusts, estates, corporations and other U.S. legal entities. If accepted by the Trustee, contributions to a single Trust Account may be made by multiple Donors, such as spouses who each contribute securities they own in their individual names.

18. What types of property are acceptable for contribution to a Trust?

The Trusts accept contributions of cash and publicly traded securities that have been held by the Donor for more than one year, including stocks, bonds (other than federally tax-exempt bonds) and shares of mutual funds, exchange-traded funds (ETFs) and closed-end funds (other than funds holding federally tax-exempt bonds). Subject to Trustee approval, the Trusts may accept contributions of publicly traded securities subject to restrictions. Notwithstanding the foregoing, all contributions must be liquid in nature, and the Trusts reserve the right to decline any contribution that the Trustee determines, in its sole discretion, may take an extended period of time to liquidate.

The Trusts will not accept contributions of debt-encumbered, depreciable or depletable property, employee stock options or certain other types of property that might affect the tax status of the Trust or adversely affect the interests of other Trust beneficiaries. All transferred property must be free and clear of any liens, encumbrances or other adverse claims. The Trusts do not accept contributions of privately-held securities or cryptocurrency.

19. Can the Trusts accept contributions of securities that may not be compatible with the Common Trust's investment program?

Because contributed securities are normally sold as soon as practicable after the securities are received in good order and the Donor's completed Application (or Additional Contribution Form) is processed, the primary consideration in determining whether a security is acceptable for contribution is normally its liquidity, rather than compatibility with the Trusts' investment objective or other investment considerations.

20. What is the minimum acceptable contribution amount?

The minimum contribution required to open a new Trust Account is $20,000 for Trusts I.3 and IV.3, $250,000 for Trusts II.3 and V.3, and $1,000,000 for Trust III.3. Additional contributions to existing Trust Accounts must be at least $5,000 for each of the Trusts.

21. What happens if a Donor subscribes to one Trust, but would qualify for another Trust with lower fees and expenses?

If the Application submitted on behalf of a Donor indicates that the Donor intends to make an initial contribution to one Trust, but the value of the Donor's contribution would satisfy the minimum initial contribution requirement of a different Trust offered under the same Information Statement that is subject to lower fees and expenses, the Administrator generally intends to notify the Donor of his or her contribution's eligibility for acceptance to the lower-fee Trust. For this purpose, Trusts I.3, II.3 and III.3 (for advised Donors) are treated as separate from Trusts IV.3 and V.3 (for self-directed Donors).

Each Donor has ultimate responsibility for determining to which Trust (among those for which the Donor's contribution is eligible for acceptance) each of his or her contributions is made.

22. Can a Donor designate different income beneficiaries or a different allocation of distributions for subsequent contributions to an existing Trust Account?

No. Once a Trust Account is established, any additional contributions to that account are subject to the same designation of income beneficiaries and the same allocation of distributions among such beneficiaries as established upon initial funding of the Trust Account. Donors making additional Trust contributions for which they seek to designate different income beneficiaries or a different allocation of distributions among income beneficiaries must establish a new Trust Account.

23. Do special considerations apply to prospective Donors who are members of the board of directors, officers or other employees (or related persons of any of these) of an issuer of securities or related instruments considered for contribution to a Trust?

Yes. Prospective Donors of this description should be aware of the matters discussed under "Contributions to the Trusts – Issuer Compliance Considerations for Directors, Officers, Other Employees and Related Persons" in the Trusts' Information Statements.

24. Do special considerations apply to prospective Donors who are Statutory Insiders (as defined in the Trusts' Information Statements) or 5% shareholders of an issuer of securities considered for contribution to a Trust?

Yes. Prospective Donors of this description should be aware of the matters discussed under "Contributions to the Trusts – Securities Laws Considerations for Statutory Insiders and 5% Shareholders" in the Trusts' Information Statements.

25. How are contributed securities valued for purposes of determining the number of units issued in respect of a Donor's contribution?

The Trust Accounts of Donors contributing acceptable securities will be credited with units of participation in the Trust reflecting the net proceeds (gross proceeds less brokerage commissions and any other fees) received from the sale of such securities by the Administrator, as determined by the Trustee in its sole discretion.

Donors face the risk that the net proceeds received from the sale of the securities they contribute may be materially less than the value of the securities at time of contribution. While the Administrator will endeavor to sell contributed securities as soon as practicable after the securities are received in good order and the Donor's completed Application is processed, neither the timeliness of any sale transaction nor the amount of net proceeds received can be guaranteed. The initial value of a Donor's Trust Account may be higher or lower than the value of the Donor's contributed securities for purposes of calculating the Donor's federal income tax deduction.

26. How is the number of units issued in respect of a Donor's contribution to a Trust determined?

A Donor's Trust Account is issued that number of units as is equal to the amount of contributed cash divided by the Trust's net asset value (NAV) per unit on the date the contribution is deemed effective and/or the amount of net proceeds received from the sale of the Donor's contributed securities divided by the Trust's NAV per unit on the date the sale proceeds are used to acquire Trusts units. The number of units assigned to a Trust Account, once determined, will be fixed until the death of the Trust Account's last-surviving individual income beneficiary, subject to adjustment only if the Donor makes a subsequent contribution.

27. Will Donors be provided with an acknowledgement of their contributions to a Trust?

Yes. At the time of each contribution's acceptance, the Administrator will provide the Donor with a written acknowledgement of the contribution, in accordance with applicable Treasury regulations. The acknowledgement will include the date of contribution, the amount of any cash contributed and, in the case of contributed securities, a description of the securities contributed. The acknowledgment will include a provisional calculation, prepared by the Administrator, of the charitable remainder portion of the Donor's contribution for purposes of determining the Donor's federal income tax deduction. Each Donor is responsible for reviewing and confirming the calculation with his or her own tax advisors.

28. Are contributions to a Trust revocable?

No. Each contribution, once accepted by the Trustee, represents an irrevocable commitment to the applicable Trust. Contributions are not refundable and are subject to the exclusive legal control of the Trust, the Trustee and the Gift Trust's Board of Directors.

Tax Consequences of Contributing Appreciated Property

29. Do Donors who contribute appreciated property recognize capital gains?

No. Under current federal income tax law, Donors do not recognize capital gains (and therefore do not owe capital gains taxes) on transfers to a Trust of appreciated property that meets the Trusts' qualification for acceptance.

Charitable Income Tax Deductions for Contributions to a Trust

30. Are Donors eligible to receive an itemized federal income tax deduction for contributions to a Trust?

Yes. Donors are eligible to receive an itemized federal income tax deduction for the charitable remainder portion of their contributions to a Trust. The amount of a Donor's allowable itemized federal income tax deduction equals the fair market value (FMV) of the contributed property at the time of contribution, less the present value at such time of the lifetime income interests of the Donor's Trust Account income beneficiaries.

The present value of the lifetime income interests is based on the FMV of the Donor's contributed property, the age (as of the nearest birthday) of the Trust Account's individual income beneficiaries at the time of contribution, the number of the Trust Account's individual income beneficiaries and an assumed annual rate of return for the Trust based on a methodology prescribed in the Treasury regulations. For contributions to a Trust completed in 2025, the assumed rate of return is 4.0%.

31. How can a Donor determine the amount of his or her charitable income tax deduction?

The Trusts' website includes a calculator (available at **uscharitablegifttrust.org/uslitcalculator**) that prospective Donors can use to determine the amount of their charitable income tax deduction, expressed as a percentage of the contributed property value.

In general, the younger and greater the number of individual income beneficiaries designated by a Donor, the smaller the Donor's charitable income tax deduction. See the Charitable Income Tax Deduction Table included on the Trusts' website or Appendix I of the Trusts' Information Statements for sample calculations of Donors' charitable income tax deductions as a percentage of the contribution value.

32. How does the fact that the Trusts are new enter into the determination of a Donor's charitable income tax deduction

In determining the allowable federal income tax deduction for contributions to a pooled income fund that has not completed its third tax year, the Treasury regulations specify that the annual rate of return used in determining the present value of income beneficiaries' lifetime income interests is the highest annual average of the monthly rate under Section 7520 of the Code for the three years preceding the calendar year in which the contribution to the Trust is made (rounded to the nearest 2/10ths of one percent), less one percentage point (4.0% for contributions to a Trust in 2025). The monthly rate under Code Section 7520 is sometimes referred to as the Applicable Federal Rate, or AFR. For contributions to a pooled income fund that has completed its third tax year, the Treasury regulations specify that the annual rate of return used in determining the present value of income beneficiaries' lifetime income interests is the fund's highest yearly return to income beneficiaries for the three tax years preceding the year of contribution, as determined pursuant to such regulations.

In comparing the allowable charitable income tax deduction for a 2025 contribution to a Trust versus an equivalent contribution (i.e., same contribution amount and same number and ages of income beneficiaries) to a pooled income fund with at least three tax years of operating history, a Trust contribution will provide a higher charitable deduction if the highest yearly return to income beneficiaries of the compared pooled income fund for the preceding three tax years (as determined pursuant to the applicable Treasury regulations) was more than 4.0%.

33. For a Trust Account with multiple Donors, how is the allowed charitable income tax deduction allocated among them?

If a Trust Account has multiple Donors, each Donor's federal income tax deduction is determined separately based on the FMV of the property he or she contributes to the Trust (unless the Donors are married and file a joint federal income tax return, in which case the Donors' federal income tax deduction is determined based on the property contributed to the Trust by the Donors individually and/or jointly).

34. For a Trust contribution at or near year-end, how is the timing of the Donor's charitable income tax deduction determined?

In determining the timing of a Donor's federal income tax deduction, contributions to a Trust are deemed effective on the date accepted by the Trust in good order. Generally, a physical contribution (i.e., a check or stock certificate with a properly executed stock power) is deemed effective when postmarked by the U.S. Postal Service. Contributions transmitted via a private carrier (e.g., FedEx or UPS) are deemed effective when received by the Trust. The Trustee has the ultimate authority to determine when a Trust contribution is deemed effective for tax purposes.

35. How is the fair market value of publicly traded securities and mutual fund shares contributed to a Trust determined?

The FMV of publicly traded securities contributed to a Trust is the mean of the high and low trading prices as reported on the date the contribution is deemed effective. For contributions of mutual fund shares, FMV is the closing net asset value of the shares on the date the contribution is deemed effective.

36. How is the fair market value of restricted stock and other non-publicly traded securities contributed to a Trust determined?

Valuations of non-publicly traded securities (included restricted stock) contributed to a Trust may need to be determined by an independent appraisal. See the discussion under "Tax Consequences – Charitable Income Tax Deductions" in the Trusts' Information Statements for more information.

37. What limitations apply to an individual Donor's ability to deduct contributions to a Trust in the year of contribution?

The federal income tax deduction available to Donors who are individual taxpayers in the tax year of a Trust contribution is generally limited to not more than 60% of the Donor's "contribution base" (essentially, federal adjusted gross income, hereafter referred to as AGI) for cash contributions, not more than 50% of AGI for contributions of appreciated securities or other capital gain property for which the Donor elects to base the charitable deduction on the FMV of the property less the amount of the property's appreciation from cost or other tax basis, and not more than 30% of AGI for contributions of appreciated securities or other capital gain property for which the Donor elects to base the charitable deduction on the FMV of the contributed property (rather than FMV less the amount of appreciation). If a Donor contributes both cash and capital gain property (including securities) to qualified public charities in the same year, the Donor first determines the allowable deduction for cash contributions based on the 60% of AGI limit. If the deductible amount of the Donor's cash contributions is less than 60% of AGI, the Donor then determines the allowable deduction for his or her capital gain property contributions by applying the 60% of AGI limit to the combined amount of the Donor's cash and capital gain property contributions and the applicable percentage (30% or 50%) of AGI limit to the Donor's contributions of capital gain property, and taking the lower value. Subject to a future change in law, on January 1, 2026, the allowable federal income tax deduction for charitable gifts of cash by individual tax payers to qualified public charities will decrease to 50% of the taxpayer's AGI.

Gifts to qualified public charities not deductible in the year of contribution may be carried forward and deducted in the five-year period after the year of contribution. Contributions that a Donor carries forward are subject to the same annual deduction limits as apply to new contributions. Carryforward amounts are deductible only after deducting allowable current-year contributions of the same type, with the oldest carryforwards applied first.

Donors who elect the standard federal income tax deduction, rather than itemizing their federal income tax deductions, are generally not entitled to deduct their Trust contributions for federal income tax purposes.

38. Can Donors deduct a portion of their Trust contributions for state and local income tax purposes?

In determining the amount of income taxes payable, 32 states and the District of Columbia permit individual resident taxpayers to deduct or receive a tax credit for qualified gifts to charity. Iowa, Maryland, and New York also permit qualified gifts to charity to be deducted for local income tax purposes where they apply. In certain cases, available state and local income tax deductions or credits for qualified charitable gifts are available only to taxpayers who itemize their federal income tax deductions. State and local jurisdictions that permit deductions or credits for qualified charitable gifts generally follow the same or similar limitations on the amount of qualified charitable gifts to public charities that may be deducted or for which a credit is received in the tax year of contribution as the federal deduction limitations (60% of the taxpayer's AGI for cash gifts; 50% of the taxpayer's AGI for gifts of appreciated capital gain property for which the charitable deduction is based on FMV less the amount of appreciation; and 30% of the taxpayer's AGI for other gifts of appreciated capital gain property) and the same or similar carryforward provisions. California applies a 50% of AGI limit, instead of the 60% of AGI federal limit, on permissible charitable deductions in the year of contribution for cash gifts. Certain state and local jurisdictions also cap the amount of permissible charitable deductions or credits, phase out the associated tax benefits, in whole or in part, at higher taxpayer income levels and/or otherwise restrict allowable charitable tax benefits.

For more information on the state and local tax treatment of charitable contributions, see **uscharitablegifttrust.org/tax-treatment-of-charitable-contributions.php.** To calculate the potential reduction in your income taxes (federal, state and local, as apply) that may be available if you contribute cash or appreciated securities to a Trust, see **https://funds.eatonvance.com/charitable-tax-benefit-calculator.php.**

Gift, Estate and Generation-Skipping Transfer Tax Consequences of Making Trust Contributions

39. Are Donors subject to gift, estate or generation-skipping transfer (GST) taxes on the charitable remainder portion of Trust contributions?

No. The charitable remainder portion of contributions to a Trust qualifies for the unlimited deduction from federal gift and estate tax for qualified gifts to charity. The federal GST tax is not applicable to gifts to charity. Accordingly, Donors are not subject to federal gift, estate or GST tax on the charitable remainder portion of Trust contributions.

40. Are Donors subject to gift, estate or GST taxes on the income interest portion of Trust contributions?

Possibly. Depending on the Donor's relationship to the designated income beneficiaries, Donors may be subject to federal gift or estate tax on the income interest portion of contributions to a Trust; naming certain individuals as income beneficiaries may also have GST tax implications for the Donor or income beneficiaries (see discussion below).

41. What if the Donor is a Trust Account's sole income beneficiary?

A contribution to a Trust Account for which the Donor is the sole income beneficiary will not result in any federal gift or GST tax obligations at the time of contribution, but must be reported by the Donor on a federal gift tax return. When the Donor dies, the value of the Donor's Trust Account as of the Donor's date of death will be included in the Donor's estate for federal estate tax purposes; however, the Donor's estate will be able to claim an offsetting charitable deduction for the entire amount included, with the result that the Donor's estate will not be subject to federal estate tax on the value of the Trust Account.

42. What if a Donor names his or her spouse as an income beneficiary?

When a Donor designates his or her spouse as an initial income beneficiary, the designation is treated as a completed gift of a terminable interest that qualifies for the gift tax marital deduction only if the Donor makes a qualified terminable interest property (QTIP) election on a federal gift tax return. If the Donor's spouse is the Trust Account's last-surviving individual income beneficiary and a QTIP election has been made, the value of the Trust Account at the time of the spouse's death will be includible in the spouse's estate for estate tax purposes, and an estate tax charitable deduction will be available for the remainder interest passing to the Gift Trust.

When a Donor designates his or her spouse as a future income beneficiary, it is not clear that a QTIP election can be made at the time of the designation. If the Donor reserves the right to revoke the spouse's future income interest by provision of will, however, the present value of the spouse's future income interest as of the date of the Donor's death (assuming that the spouse survives the Donor) will qualify for the estate tax marital deduction if a QTIP election for the spouse's future income interest is made on the Donor's estate tax return.

43. What if a Donor names another individual as an income beneficiary?

When a Donor names an individual other than himself or herself or the Donor's spouse as an initial income beneficiary, that designation is treated as a completed gift to the income beneficiary for federal gift tax purposes at the time of the Donor's Trust contribution. If the recipient is the Trust Account's sole initial income beneficiary, the value of the Donor's gift to the income beneficiary for federal gift tax purposes equals the FMV of the Donor's Trust Account contribution less the amount of the Donor's charitable income tax deduction, as measured before applying the year-of-contribution limitations on deductibility described above. The Donor will be subject to gift tax at the 40% federal gift tax rate to the extent that (i) the Donor's total gifts to the income beneficiary in that calendar year exceed the federal annual gift tax exclusion amount (in 2025, $19,000 per recipient (or $38,000 per recipient if the Donor's spouse agrees to join in the gift)) and (ii) the cumulative lifetime amount of the Donor's gifts to individuals not covered by the annual gift tax exclusion, the gift tax marital deduction or other permitted exceptions from gift tax exceeds the federal lifetime gift tax exemption amount (in 2025, $13,990,000 for an individual and $27,980,000 for a married couple). Annual gift tax exclusion and lifetime gift and estate tax exemption amounts are indexed for inflation. Subject to a future change in law, the lifetime gift and estate tax exemption amount will revert to 2017 levels ($5,490,000 for individual taxpayers and $10,980,000 for a married couple), adjusted for inflation, on January 1, 2026.

When a Donor names an individual other than himself or herself or the Donor's spouse as a future income beneficiary, the gift, estate and GST tax treatment of the beneficiary's income interest will vary based on whether the Donor retains the right, exercisable by will, to revoke the income interest. If the beneficiary's income interest is irrevocable, the present value of the future income interest at the time of contribution is treated as a completed gift, exposing the Donor to potential gift tax liability in the year of contribution on the same basis as completed gifts of initial income interests. If the recipient is the Trust Account's sole future income beneficiary, the value of the Donor's gift to the future income beneficiary for federal gift tax purposes will equal the present value at contribution of the Trust Account's aggregate income interests (equal to the FMV of the Donor's Trust Account contribution less the amount of the Donor's federal income tax deduction, as measured before applying the year-of-contribution deductibility limits described above) less the present value at contribution of the Trust Account's aggregate income interests as computed without regard to the income interest of the future income beneficiary.

If a Donor retains the right, exercisable by will, to revoke the income interest of a future income beneficiary whose interest takes effect at or after the Donor's death, the transfer is, for gift, estate and GST tax purposes, incomplete until the Donor dies. If the income beneficiary survives the Donor and the income interest is not revoked by will, the value of the beneficiary's income interest at the time of the Donor's death will be includible in the Donor's estate for estate tax purposes and may generate estate tax (or have GST tax consequences as discussed below) for the Donor's estate. Amounts included in a Donor's taxable estate are subject to tax at the federal estate tax rate (currently 40%) to the extent that the value of the estate, reduced by permitted deductions and increased by the cumulative lifetime amount of the Donor's prior taxable gifts, exceeds the applicable federal lifetime gift and estate tax exemption amount

44. When does GST tax potentially come into effect?

If a Donor designates as an income beneficiary a grandchild or another individual treated as being two or more generations removed from the Donor (sometimes known as a "skip person") for purposes of the federal GST tax, distributions from the Trust to the beneficiary may be subject to GST tax if the Donor has not allocated GST exemption to the beneficiary's income interest on a gift or estate tax return. The GST exemption amount in 2025 is $13,990,000 for an individual and $27,980,000 for a married couple. The GST exemption amount is indexed annually for inflation. Subject to a future change in law, the GST exemption amount will revert to 2017 levels ($5,490,000 for individual taxpayers and $10,980,000 for a married couple), adjusted for inflation, on January 1, 2026. Where applicable, the federal GST tax is levied in addition to gift or estate taxes that apply, and is not a substitute for them. The rules governing the federal GST tax are complex. **Donors who are considering naming a skip person as an income beneficiary should consult their own tax advisors regarding the associated GST tax consequences.**

45. Do states impose gift, estate, GST or similar taxes?

Yes, in some cases. A number of states impose estate, GST and/or inheritance taxes. In addition, Connecticut imposes a gift tax on resident taxpayers' gifts to individuals in excess of permitted exemptions and exclusions.

All Donors should consult their own tax advisors regarding potential federal, state, local or non-U.S. gift, estate, GST, inheritance and other tax consequences of their contributions to a Trust.

Distributions to Income Beneficiaries

46. What are the Trusts' current distribution rates?

The current annualized distribution rate for each of the Trusts may be found on the Trusts' website at uslegacyincometrusts.org.

47. When are Trust income distributions paid?

Distributions to income beneficiaries are normally accrued on a daily basis and paid monthly, shortly after each month-end. Distributions accrued each day vary among a Trust's income beneficiaries based on the number of Trust units in their respective Trust Accounts and, for Trust Accounts with multiple income beneficiaries, the current allocation of distributions among the Trust Account's income beneficiaries. Whenever a Donor contributes to a Trust, the associated income beneficiaries will begin participating in the Trust's daily distribution accruals once the Trust Account is credited with units of participation for the amount contributed, the timing of which is based on when the Donor's completed Application is processed and the final settlement of any sales of securities contributed. The distribution paid to a Trust Account's income beneficiaries following each month-end will reflect the amount of the Trust Account's accrued daily distributions for such month. Any net income earned by a Trust during a given year that remains undistributed at year-end will be distributed by the Trust within 65 days thereafter.

48. How is the amount of a Trust's income distributions determined?

Each Trust distributes the entire amount of its financial accounting net income to income beneficiaries on an annual basis. Trust net income is normally accrued and allocated among Trust Accounts and income beneficiaries on a daily basis, reflecting the number of Trust units attributable to each and the Trustee's projection of the Trust's annual net income. Basing the Trusts' daily dividend accruals and monthly distributions on projections of annual net income, rather than the net income earned on a particular day or over a particular month, enables the Trusts to minimize month-to-month fluctuations in distribution rates. Variations among the Trusts in their distribution rates reflect differences in the amount of Trust expenses.

49. How does the Trustee manage the Trusts' income distributions?

The Trustee manages the Trusts' annual net income and the amount of monthly distributions by varying the Common Trust's exposure to dividend-paying stocks and the receipt of dividend income.

50. Since equity returns are generally more volatile than fixed income returns, how is the Common Trust's investment in equity securities compatible with paying consistent distributions to income beneficiaries?

While prices of equity securities are normally more volatile than the prices of most fixed income securities, the stock dividends that are the source of the Trusts' distribution are not subject to market fluctuations: unless a company changes its dividend, the amount of income received by its stockholders is unaffected by movements in the company's stock price. For the same reason, the amount of distributions paid to the Trusts' income beneficiaries should generally not be affected by changes in the prices of stocks held in the Common Trust's portfolio unless the dividends paid on portfolio stocks also change.

51. How and why are the Trusts' distribution rates reset?

The Trusts' distribution rates are subject to review by the Trustee at least once annually, seeking growth over time with inflation. In considering potential changes in the Trusts' distribution rates, the Trustee assesses the Trusts' long-term earnings potential and seeks to balance the interests of current and future income beneficiaries and the charitable remainder interests.

52. What tax treatment applies to Trust income that is distributed to income beneficiaries?

Trust income distributed to income beneficiaries generally retains its character at the Trust level, and may include QDI, non-qualified dividend income, taxable interest income and net realized short-term capital gains. The Trustee anticipates that Trust distributions to income beneficiaries will consist primarily of QDI.

QDI received by an individual taxpayer is generally subject to federal income tax at the rates applicable to long-term capital gains. In order for income received by Trust income beneficiaries to be QDI, the Common Trust must meet specified holding period and other requirements with respect to dividends received. For more information, see the discussion under "Tax Consequences – Treatment of Distributions to Income Beneficiaries" in the Trusts' Information Statements.

Distributions to income beneficiaries in excess of a Trust's distributable net income for federal income tax purposes are not subject to federal income tax. Annual distributions to income beneficiaries may include, in addition to QDI, amounts taxable as non-qualified dividends, taxable interest and net realized short-term capital gains, as well as nontaxable distributions. With limited exceptions, QDI is treated the same as non-qualified dividends and taxable interest income for state and local tax purposes. For more information on the state and local income tax treatment of QDI, see the discussion under footnote 6 of the Eaton Vance Investment Tax Calculator, available at **funds.eatonvance.com/investment-tax-calculator.php.**

53. Are the amounts of Trust distributions or their tax treatment guaranteed?

No. While the Trusts seek to provide tax-advantaged monthly distributions to income beneficiaries growing over time with inflation and increasing amounts available for charitable purposes upon termination of beneficiaries' income interests, the Trusts' overall investment results are subject to market risk and are not guaranteed by any person. Distributions to income beneficiaries may fluctuate with changes in economic conditions, may not grow over time at rates consistent with inflation and may decline. The tax character of distributed Trust income may vary. As a result, income beneficiaries cannot rely upon a Trust to provide them with a particular level of after-tax income.

54. What limitations apply to the income beneficiaries a Donor may designate?

Each Trust Account is limited to not more than ten individual income beneficiaries, which may include the Donor, the Donor's spouse and other family members, as well as non-family members. Each individual income beneficiary must be a natural person living at the time of the Trust Account's initial funding.

A Donor may also designate the Gift Trust as an income beneficiary of his or her Trust Account. If a Donor designates the Gift Trust as an income beneficiary, the Donor or successor Donor Advisor may direct the disposition of the attributable Gift Trust assets among qualified charitable organizations by following the instructions in the Application.

55. How does a Donor designate the allocation of Trust Account distributions among his or her income beneficiaries?

For a Trust Account with multiple income beneficiaries, the Donor designates the manner of allocation in his or her Application. Among individual income beneficiaries, Donors may elect to allocate income distributions either concurrently (two or more income beneficiaries share in distributions at the same time), consecutively (upon the death of one income beneficiary, a new income beneficiary takes his or her place) or a combination (income is first allocated concurrently, then reallocated after the death of one or more initial income beneficiaries to include one or more new income beneficiaries). The Gift Trust's percentage participation in a Trust Account's income distributions, if any, will remain the same throughout the term of the Trust Account.

56. Can the designation of a Trust Account's income beneficiaries or the allocation of distributions among income beneficiaries be changed later?

Once established at initial funding, the designation of a Trust Account's income beneficiaries and the allocation of distributions cannot be changed, subject to one exception. The Application includes an election whereby a Donor can retain the power, exercisable solely by will, to revoke the income interests of one or more future income beneficiaries whose income interests would otherwise become effective at or after the Donor's death. Reserving the right to revoke future income interests may have important gift, estate and GST tax implications for a Donor. See "Tax Considerations – Gift, Estate and Generation-Skipping Transfer Taxes" in the Trusts' Information Statements.

57. Can Trust distributions paid to an income beneficiary be deposited directly into his or her bank or brokerage account?

Yes. Each individual income beneficiary may direct the Administrator to deposit distributions directly into his or her bank or brokerage account. In the absence of wire instructions for an income beneficiary's bank or brokerage account, the Administrator will, unless otherwise instructed, provide distributions to an income beneficiary in the form of a check delivered via the U.S. Postal Service to the income beneficiary's mailing address.

58. What happens when an income beneficiary dies?

Trust distributions to an individual income beneficiary end with the last monthly payment preceding the income beneficiary's death. Distributions to which the income beneficiary would have been entitled if he or she had survived to the next payment date will not be paid to the income beneficiary's estate. Following an income beneficiary's death, his or her share of the Trust Account's income distributions will be reallocated among the Trust Account's surviving individual income beneficiaries (if any) as specified by the Donor upon initial funding. Upon the death of the Trust Account's last-surviving individual income beneficiary, the Trust Account will convert into a Charitable Account of one of the Gift Trust's Donor-advised funds (Donor-Advised Funds).

The Trusts' Investment Program

59. What is the Trusts' investment objective?

The Trusts are managed toward an investment objective of total return, seeking:

- To realize long-term returns that equal or exceed global equity market returns
- To provide income beneficiaries with tax-advantaged monthly distributions growing over time with inflation
- To increase amounts available for charitable purposes upon termination of Trust Account income interests

60. How do the Trusts invest?

Each Trust pursues its investment objective by investing exclusively in the Common Trust, a common trust fund established, maintained and managed by the Trustee as an investment vehicle solely for use by the Trusts, the Original Trusts, the 2022 Trusts and such other pooled income funds of the Gift Trust and other qualified charitable organizations that the Trust determines to accept. The Common Trust is not available to other investors.

61. What is the Common Trust's investment strategy?

The Common Trust invests in a proprietary actively managed equity income strategy directed and managed by the Trustee. Investments normally include both U.S. and non-U.S. dividend-paying stocks. In selecting investments for the Common Trust's portfolio, the Trustee considers, among other factors, a company's earnings and cash flows, the strength of its business franchises, estimates of net asset value, dividend prospects and the anticipated timing and federal income tax treatment of dividend distributions. The factors the Trustee considers and investment methods used may change over time.

The Common Trust may, at times, invest a significant portion of its assets in securities of issuers in a single industry, sector of the economy, country or geographic region if stocks of companies in that industry, sector, country or region meet the Common Trust's investment criteria. The Common Trust normally invests primarily in common stocks that the Trustee believes, at the time of purchase, pay dividends that are eligible for treatment as QDI for federal income tax purposes. As an element of its investment strategy, the Common Trust engages in dividend-capture investing, seeking to generate incremental total return and QDI.

62. What is dividend-capture investing and why is it used in managing the Common Trust?

In dividend-capture investing, the Common Trust buys a dividend-paying stock prior to its ex-dividend date, holds the stock for more than 60 days to qualify for QDI treatment and then sells the stock on or after the ex-dividend date. Based on the results of academic research, in-house empirical studies and the performance of Eaton Vance's dedicated equity harvest strategy, the Trustee believes that a well-executed dividend-capture investing program can be additive to investment returns. By utilizing dividend-capture investing, the Common Trust may also receive more QDI over a given period of time than a buy-and-hold strategy investing in the same or similar securities.

63. Who are the portfolio managers of the Common Trust and the Trusts?

Derek DiGregorio, Charles Gaffney, and Douglas Rogers.

Charles Gaffney is a managing director of Morgan Stanley Investment Management (MSIM) and a Vice President of the Trustee. He serves as a portfolio manager on the Eaton Vance Core Growth team. He is responsible for buy and sell decisions, portfolio construction and risk management for a number of Eaton Vance U.S. core equity strategies. He is a member of the Eaton Vance Equity Strategy Committee. He joined Eaton Vance in 2003 and has 29 years of investment experience.

Derek DiGregorio is an executive director of MSIM and a Vice President of the Trustee. He serves as a portfolio manager on the Eaton Vance Specialty Solutions team on a number of Eaton Vance global and domestic equity income portfolios, with particular experience in dividend investing, equity portfolio tax management and equity portfolio strategy implementation. He began his career in the investment management industry in 2006 with Eaton Vance and has 19 years of investment experience.

Douglas Rogers is an managing director of MSIM and a Vice President of the Trustee. He serves as a portfolio manager on the Eaton Vance Core Growth team. He is responsible for buy and sell decisions, portfolio construction and risk management for Eaton Vance growth equity strategies. In addition, he covers the capital markets, consumer finance, diversified financial services, and internet software and services industries. He joined Eaton Vance in 2001 and has 26 years of investment experience.

64. Are the Common Trust or the Trusts subject to tax on their investment income and gains?

As a common trust fund, the Common Trust is not subject to federal income tax.

The Trusts are each subject to federal income tax on their proportionate share of the income and gains of the Common Trust, net of allowable deductions. As pooled income funds, the Trusts may deduct from taxable income and gains the amount of their distributions to income beneficiaries, net realized long-term gains set aside permanently for charitable purposes and certain categories of Trust expenses. The Trusts are subject to tax on the amount of their undistributed net short-term capital gains, if any. Because the Trusts generally allocate net short-term capital gains to distributable income, the Trustee does not expect the Trusts to ordinarily incur tax on net short-term capital gains. The Trustee anticipates that the Trusts will normally have sufficient deductions on an annual basis to avoid entity-level tax.

Valuation of Net Assets

65. When and how do the Common Trust and the Trusts value their net assets?

The Common Trust and each Trust value their net assets once each business day, as of the close of market trading on the New York Stock Exchange, which is generally 4:00 PM eastern time. The NAV of each Trust consists of the Trust's attributable share of the net assets of the Common Trust, plus or minus the value of any directly held assets or liabilities. The value of a Trust unit is obtained by dividing the Trust's NAV by the number of units of the Trust that are then outstanding. The value of a Trust Account equals the number of Trust units attributable to such Trust Account multiplied by the Trust's NAV per unit.

The Trusts' website available at **uslegacyincometrusts.org** includes daily updated information for each Trust showing the current NAV per unit, as well as the Trust's annualized current income distribution per unit and annualized current distribution rate, expressed as a percentage of both the Trust's current and initial NAV per unit.

Charitable Accounts

66. When is the Charitable Account associated with a Trust Account established?

Upon the death of a Trust Account's last-surviving individual income beneficiary, the Trust Account will convert into a Charitable Account of one of the Gift Trust's Donor-Advised Funds. At that time, the Administrator will redeem the Trust Account's units for cash and deposit the proceeds to fund the successor Charitable Account. The Administrator will endeavor to effect such transfers as soon as practicable after receiving notice of the last-surviving income beneficiary's death. If a Donor already has a Donor-Advised Fund sub-account with the Gift Trust, the Donor may designate that as the successor Charitable Account or may designate a separate Donor-Advised Fund sub-account with the Gift Trust as the successor Charitable Account.

67. What gifting options are available for Charitable Accounts?

Each Donor, or successor Donor Advisor designated by the Donor, may select among the following options for the distribution of the associated Charitable Account's assets:

- The immediate distribution of all Charitable Account assets to support one or more (but no more than ten) qualified charitable organizations specified by the Donor or successor Donor Advisor
- The establishment of an endowment providing annual distributions to support one or more (but no more than ten) qualified charitable organizations specified by the Donor or successor Donor Advisor
- The distribution of the Charitable Account's assets to support one or more qualified charitable organizations as then selected and on a timeframe as then determined by the Donor Advisor
- The distribution of the Charitable Account's assets to the Gift Trust's general fund to support one or more qualified charitable organizations as then determined by the Gift Trust's Board of Directors. The Donor or successor Donor Advisor may request that (i) the Charitable Account's assets be used to support one or more categories of permitted charitable purposes (e.g., medical research or education) from which the Gift Trust's Board of Directors will choose specific qualified charitable organizations or (ii) the Gift Trust's Board of Directors choose the charitable purpose and specific qualified charitable organizations.

For the first, second and fourth of the above options, the selection of the qualified charitable organizations (or the Gift Trust's general fund) to be supported and the manner of support may be either irrevocable (i.e., once made, cannot be changed later by the Donor or successor Donor Advisor) or revocable (i.e., can be changed at any time prior to disbursement from the Charitable Account).

68. Which of the Gift Trust's Donor-Advised Funds are Charitable Accounts invested in?

Unless a Donor or successor Donor Advisor otherwise requests, each new Charitable Account will be established as a sub- account of Growth & Income Fund, a Donor-Advised Fund of the Gift Trust seeking total return by investing primarily in income-producing equity securities and investment-grade obligations.

69. What are the eligibility requirements to serve as a successor Donor Advisor?

A Donor may designate as successor Donor Advisor one or more of his or her spouse, children, other descendants, heirs or representatives, to be assigned the rights of Donor Advisor to the Charitable Account upon the Donor's death, incapacity, other disqualification or earlier assignment by the Donor. When succeeding by death or incapacity, the successor Donor Advisor must provide written notification and sufficient proof, which may include a certified death certificate, to the Administrator of the Donor's (or other predecessor Donor Advisor's) death or incapacity to succeed to the rights of Donor Advisor to the Charitable Account. Successor Donor Advisors must be of legal age and competent to serve. Successor Donor Advisors may, in turn, name successors to serve effective upon their own death, incapacity, other disqualification or earlier assignment. If a Charitable Account has two or more Donor Advisors at the same time, their rights as Donor Advisors will be exercisable individually (i.e., each Donor Advisor has individual authority).

70. What restrictions apply to grants from Charitable Accounts?

All grants from Charitable Accounts are subject to the Gift Trust's determination that the grant recipient is a qualified charitable organization and that the grant otherwise meets all applicable legal requirements. Grants may be made only to U.S. charitable organizations that are tax-exempt under Code Section 501(c)(3) and that are either public charities or private operating foundations under Code Section 170(b)(1)(A).

Grants may not be made from a Charitable Account to any (i) private non-operating foundation, (ii) non-functionally integrated Type III supporting organization or (iii) Type I, Type II or Type III functionally integrated supporting organization if a Donor or Donor Advisor of the Charitable Account (or any related parties) directly or indirectly controls any supported organization of the supporting organization.

Grants from a Donor's Charitable Account may not be used in whole or in part to provide, directly or indirectly, any "more than incidental benefit" to the Charitable Account's Donors, Donor Advisors, any family members of the Donors or Donor Advisors, or certain entities related to such persons (Disqualified Persons). Likewise, a Donor's Charitable Account and grants from the Charitable Account may not be used in whole or in part to carry out, directly or indirectly, any "excess benefit transaction" with any Disqualified Persons of the Charitable Account. The Charitable Accounts are also subject to other legal restrictions.

71. Are Donors allowed an additional charitable income tax deduction upon the conversion of Trust Accounts into Charitable Accounts or upon making grants to qualified charitable organizations through a Charitable Account?

No. Neither the conversion of a Trust Account to a Charitable Account nor the subsequent granting of gifts to other qualified charitable organizations through the Charitable Account will entitle the Donor, the Donor Advisor or any other party to claim a charitable deduction.

Trust Information and Reports

72. What information about the Trusts is publicly available?

The Gift Trust maintains a free public website, accessible at **uslegacyincometrusts.org**, where current information about the Trusts may be obtained, including the Trusts' current Information Statements and Applications and the current Gifting Booklet and Applications of the Donor-Advised Funds. The Gift Trust's website shows, for each Trust, the current daily NAV per unit, annualized current income distribution per unit, annualized current distribution rate, expressed as a percentage of both the Trust's current and initial NAV per unit and the Common Trust's most recent annual report containing audited financial statements.

73. What information is provided to Donors following their Trust contributions?

For each contribution to a Trust, the Administrator will provide the Donor with a written acknowledgement of the contribution, in accordance with applicable Treasury regulations. The acknowledgement will include the date of contribution, the amount of any cash contributed and, in the case of contributed securities, a description of the securities contributed. The acknowledgment will include a provisional calculation, prepared by the Administrator, of the charitable remainder portion of the Donor's contribution for purposes of determining the Donor's federal income tax deduction. Each Donor is responsible for reviewing and confirming the calculation with his or her own tax advisors.

74. What information is provided to Trust Account income beneficiaries?

On quarterly basis, the Administrator prepares a statement for each current individual income beneficiary showing the ending balance of the Trust Account position of which he or she is the current income beneficiary and the amount of income distributions paid to the income beneficiary during the quarter. Notification of availability and a link to the statement are normally sent electronically to the income beneficiary's email address; upon request, a copy of the statement will also be sent by mail to the income beneficiary's address of record.

After the end of each calendar year, each income beneficiary receiving Trust income distributions during the year will be delivered a report containing a Schedule K-1 to IRS Form 1041 that indicates the income beneficiary's share for such year of the Trust's taxable income or loss and other tax items (including the Trust's allocated share of the taxable income or loss and other tax items of the Common Trust) for use in the preparation of the income beneficiary's personal income tax returns

Disclosures

All Trust activities and the participation of Donors and income beneficiaries in the Trusts are subject to the requirements of state and federal law, the terms and conditions of the Trusts' Declarations of Trust, the Trusts' current Information Statements and the completed Applications and any Additional Contribution Forms submitted by each Donor. The Gift Trust's Board of Directors reserves the right to modify the Trusts' program at any time, subject to the provisions of the Trust's Declarations of Trusts and state and federal law.

Any contribution to a Trust, once accepted by the Trustee, represents an irrevocable commitment. Contributions cannot be rescinded or changed, and are subject to the exclusive legal control of the Trust, the Trustee and the Gift Trust Board of Directors.

Donors to the Trusts should be motivated by charitable intent. As charitable giving vehicles, the Trusts should not be treated as, and are not designed to compete with, investments made for private gain. An intention to benefit the Gift Trust and one or more qualified charitable organizations eligible for support by the Gift Trust should be a significant part of the decision to contribute to a Trust.

The tax consequences of contributing to a Trust will vary based on individual circumstances. Prospective Donors should consult their own tax advisors. Nothing in this document or the Trusts' Information Statements should be construed as tax advice.

Distributions to income beneficiaries are not guaranteed by any party, and are subject to investment risk. In considering potential changes in annual distribution rates, the Trustee will assess the Trusts' long-term earnings potential and seek to balance the interests of current and future income beneficiaries and the charitable remainder interests.

Neither the Trusts nor the Gift Trust has been registered under federal securities laws, pursuant to available exemptions.

Neither the Trusts nor the Gift Trust is guaranteed or insured by the United States or any of its agencies or instrumentalities. Contributions are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of, or guaranteed by, any depository institution.

Eaton Vance Distributors, Inc. (Placement Agent) is a paid solicitor of the Trusts and the Gift Trust, receiving compensation as described in the Trusts' Information Statement and the gifting booklet of the Gift Trust's donor-advised funds.

Tax-advantaged income for life | Legacy of charitable giving

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