

Peabody Essex Museum Legacy Income Trusts

Custom Series of the U.S. Legacy Income Trusts®

The Peabody Essex Museum Legacy Income Trusts (Peabody Essex Museum Series) are custom series of the U.S. Legacy Income Trusts® (Trusts) established to offer planned-giving opportunities to persons seeking to support the mission and programs of Peabody Essex Museum, Inc. (Peabody Essex Museum) over the long term, while advancing personal financial objectives that may include lifetime income, longevity risk protection, portfolio diversification and generational wealth transfer. The Trusts¹ are pooled income funds established by U.S. Charitable Gift Trust® (Gift Trust), a tax-exempt public charity offering donor-advised funds. Eaton Vance Trust Company serves as investment adviser and Eaton Vance Distributors, Inc. serves as placement agent of the Trusts.

Features

The Peabody Essex Museum Series provides Donors contributing cash and/or acceptable securities with the opportunity to:

- **Avoid recognition of capital gains** on contributions of appreciated assets
- **Receive a federal income tax deduction** based on the charitable remainder portion of the contribution value
 - Allowable deduction varies with the age and number of individual income beneficiaries and the assumed rate of Trust returns (1.6% for contributions in 2022)
- **Provide monthly distributions of tax-advantaged income for life** to up to two individual income beneficiaries designated by the Donor
 - Anticipated distribution rate as of January 3, 2022 for Trust IV.2 is 6.00% and for Trust V.2 is 6.25%. *For current distribution rates, see uslegacyincometrusts.org*
 - Trust distributions expected to be taxed primarily as qualified dividend income currently taxed at maximum federal rate of 23.8% versus 40.8% for taxable interest income (indicated rates include the federal tax on net investment income)
- **Distribute a percentage of the monthly income payments to the Peabody Essex Museum**, by designating the Gift Trust as an income beneficiary of your unit participation account in the Trust (Trust Account) and irrevocably directing the Gift Trust to distribute the income payments it receives to the Peabody Essex Museum
- **Support the Peabody Essex Museum's missions and programs** by donating the Trust Account's remaining assets to the Gift Trust and, thereafter, to Peabody Essex Museum, following the death of the Trust Account's last-surviving individual income beneficiary

Applications

- Owners of low-basis stocks and other appreciated securities
- Retirees seeking income and longevity protection
- Individuals seeking to utilize recently increased federal lifetime gift and estate tax exemptions

Forms of contributions

- Cash
- Publicly-traded securities held more than one year
- No debt-encumbered property, tax-exempt securities or shares of funds holding tax-exempt securities

Minimum Initial Contribution/Annual Fees and Expenses

Trust	Minimum Initial Contribution	Annual Fees and Expenses
U.S. Legacy Income Trust IV.2	\$20,000	1.05%
U.S. Legacy Income Trust V.2	\$250,000	0.80%

Annual fees and estimated other expenses indicated above are as a percentage of the Trust's average daily net assets. The Gift Trust offers three additional Trusts (Trusts I.2, II.2, III.2), which are designed for advised Donors and include ongoing compensation to servicing agents for providing advice and assistance to Donors and income beneficiaries.

All transferred property must be free and clear of any liens, encumbrances or other adverse claims. For additional information on acceptable contributions of securities, please see the Peabody Essex Museum Series Information Statement.

¹The "Trusts" comprise the U.S. Legacy Income Trusts established in 2022 as part of the U.S. Legacy Income Trust program of the Gift Trust, which the Gift Trust established in 2019.

Investment overview

- Proprietary actively managed equity income strategy, normally investing in both U.S. and non-U.S. stocks
- 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 income interests
- Engage in dividend-capture trading
 - Seeking to generate higher total return and qualified dividend income
 - Academic research, in-house empirical studies and investment experience support Eaton Vance's belief that a well-executed dividend-capture trading program can be additive to investment returns

Comparing Planned Giving Vehicles

	PEM Legacy Income Trusts	Charitable Remainder Unitrusts	Charitable Remainder Annuity Trusts	Charitable Gift Annuities
Accept contributions of cash or securities	✓	✓	✓	✓
Itemized federal deduction for charitable amount of contribution	✓	✓	✓	✓
No minimum required age limitation	✓			
Amount of charitable deduction based on default return assumption (1.6% in 2022)	✓			
Avoid capital gains on contributions of appreciated assets	✓	✓	✓	✓
Distributions expected to be taxed primarily as qualified dividend income	✓			
Distributions are generally paid for life of income beneficiaries	✓	✓	✓	✓
Pass-through tax treatment of distributions	✓	✓	✓	

To learn more about the Peabody Essex Museum Series, please refer to the current Peabody Essex Museum Series Information Statement.

Important Information and Disclosures

The Trusts are pooled income funds described in Section 642(c)(5) of the Internal Revenue Code.

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 Statement and the completed Donor Contribution Form submitted by each Donor. The Board of Directors of the Gift Trust (Board of Directors) reserves the right to modify the Trusts' program at any time, subject to the provisions of the Trusts' Declarations of Trust and state and federal law.

The Peabody Essex Museum Series are offered in conjunction with Peabody Essex Museum, and differ from other custom series and the Trusts' general offering principally by the irrevocable commitment of each associated Trust Account's charitable remainder interest to Peabody Essex Museum. Certain other terms and conditions of the Peabody Essex Museum offering may vary from those of other custom series and the Trusts' general offering, including the commitment to Peabody Essex Museum of any income interests allocated by Peabody Essex Museum Series Donors to the Gift Trust.

Any contribution to a Trust, once accepted by Eaton Vance Trust Company, trustee of the Trusts (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 Board of Directors. 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 for charitable contributions.

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 Peabody Essex Museum should be a significant part of the decision to contribute to a Trust through the Peabody Essex Museum Series.

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 presentation 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 Gift Trust, receiving compensation as described in the Peabody Essex Museum Series Information Statement and the gifting booklet of the Gift Trust's donor-advised funds.

Prior to March 1, 2021, Eaton Vance, the Trustee and the Placement Agent were wholly-owned subsidiaries of Eaton Vance Corp. (EVC). On March 1, 2021, Morgan Stanley acquired EVC and, as a result, Eaton Vance, the Trustee and the Placement Agent became indirect, wholly-owned subsidiaries of Morgan Stanley.