

THE PHOENIX TRUST



PHOTO BY DAN DRY

INVEST YOUR TRUST IN CHICAGO'S ENDOWMENT THE PHOENIX TRUST

A SPECIAL INVESTMENT OPPORTUNITY FOR CHARITABLE REMAINDER TRUST DONORS

Under a private letter ruling that the University of Chicago received from the Internal Revenue Service in 2009, when you fund a charitable remainder trust (CRT) with the University of Chicago, you now have the option to request that it be invested in units that participate in the University's endowment. This option, known as the Phoenix Trust, may be of interest to qualified new and existing trust donors who seek potential long-term appreciation and the opportunity to support the University in this way.

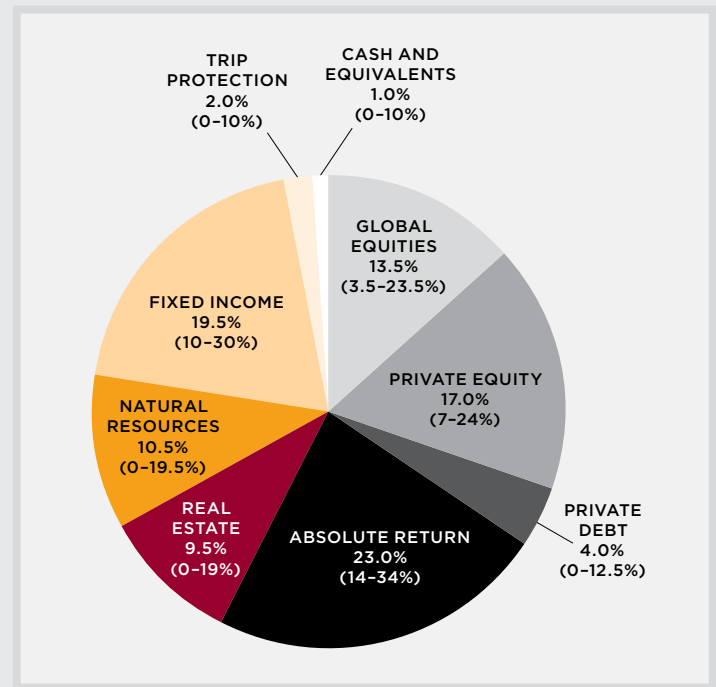
A PHOENIX TRUST OFFERS BENEFITS TO YOU AND TO THE UNIVERSITY:

- A share in the same returns as the endowment's primary investment vehicle, the Total Return Investment Pool (TRIP)
- Access to a broader diversity of alternative investments
- Demonstrated expertise and investment strategies of the Office of Investments
- For the University, increased growth potential in the endowment, the value of trust assets, and trust asset remainder values

CHICAGO'S PORTFOLIO AND PERFORMANCE

The Office of Investments manages the University of Chicago's endowment and other portfolio assets of the University, combining active internal oversight with targeted external advisers.

TRIP INVESTMENT POLICY ALLOCATION (RANGES)*



*Allocations are a target only and may vary within the ranges listed. TRIP may also invest in derivatives, which may increase the volatility of the net asset value and may result in a loss.

THE OFFICE OF GIFT PLANNING

5235 South Harper Court, Chicago, Illinois 60615

giftplanning.uchicago.edu | giftplan@uchicago.edu | 866.241.9802

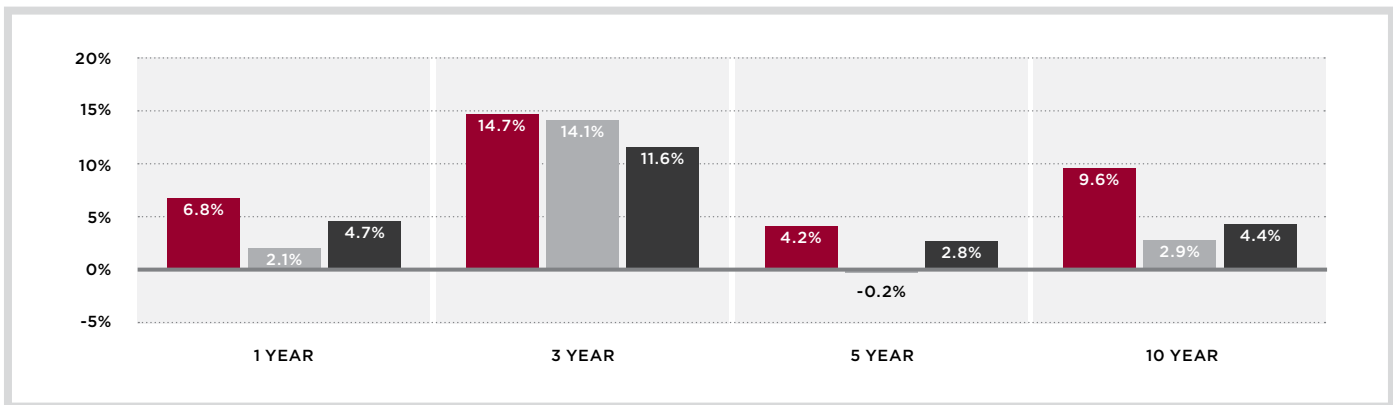


THE UNIVERSITY OF
CHICAGO

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CHICAGO'S TOTAL RETURN INVESTMENT POOL (TRIP) COMPARED TO S&P 500 AND 60/40 PORTFOLIO

Annualized Returns as of June 30, 2012



- Chicago's Total Return Investment Pool (TRIP)
- S&P 500 Index
- 60/40 Portfolio (S&P 500 and BC US Aggregate)

The returns for periods greater than one year are annualized.
Chicago's TRIP returns are net of fees.

A history of the endowment, investment philosophy and policy, and information about how the funds are managed are available at the Office of Investments website: investments.uchicago.edu.

TRIP's investment objective is to outperform the S&P 500 and the 60/40 portfolio over longer investment horizons. While annualized returns for TRIP have exceeded the S&P 500 and the 60/40 portfolio over the long term, there have been years when TRIP underperformed. Past performance is no guarantee of future results. Investment in the University's endowment involves risk and tax considerations that may make it inappropriate for some donors.

PHOENIX TRUST REQUIREMENTS

For a charitable remainder trust to be eligible, the University must serve as the CRT's trustee and be the irrevocable beneficiary of 100 percent of the trust's remainder. A minimum gift of \$100,000 is required.

HAVE QUESTIONS?

To learn more about the Phoenix Trust, contact the Office of Gift Planning at 866.241.9802 or visit giftplanning.uchicago.edu.

These materials are intended to provide general information that we hope will be helpful to you in your tax, estate, and charitable planning. It is not intended as legal advice and should not be relied upon as legal advice. Figures, calculations, and tax information are based on federal tax laws, regulations, rulings, and rates applicable at the time such information was prepared and are for illustration purposes only. Individual state laws may have an impact on the availability of gift annuities. For advice or assistance with your particular situation, you should consult an attorney or other professional adviser.

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INVEST YOUR TRUST IN CHICAGO'S ENDOWMENT

INVESTING CHARITABLE REMAINDER TRUSTS IN THE UNIVERSITY OF CHICAGO'S ENDOWMENT

HOW CAN I INVEST IN THE UNIVERSITY'S ENDOWMENT?

Under a private letter ruling that the University of Chicago received from the Internal Revenue Service in 2009, if you choose to establish a charitable remainder trust that meets the eligibility requirements, you have the option of effectively investing your trust in the University's endowment. In order for a charitable remainder trust to qualify, the University must be designated as the sole remainder beneficiary and the University must be the trustee. When you choose this investment option, the University creates a contractual obligation under which it will issue to your trust units in the endowment's primary investment vehicle, the Total Return Investment Pool (TRIP), in exchange for the assets of your trust. The units give the trust a contractual right to the total return of the endowment and to receive payments based on the spending rate that the University sets for its endowment, but no right to the underlying investment assets in the endowment.

I ALREADY HAVE A TRUST WITH THE UNIVERSITY; CAN I INVEST IT IN THE ENDOWMENT OPTION?

Generally, yes. If you already have a trust that designates the University as the sole remainder beneficiary and for which the University serves as trustee, it is possible to invest in the endowment option. Please note that there are important tax issues that may affect your decision to invest in the endowment option. Please contact the Office of Gift Planning for additional information and consult with your personal tax adviser.

I HAVE A GIFT ANNUITY WITH THE UNIVERSITY; CAN I INVEST IT IN THE ENDOWMENT OPTION?

No; gift annuities cannot be invested in the endowment option.

WHAT IS THE ADVANTAGE TO INVESTING IN THE ENDOWMENT OPTION?

The primary advantage is the potential that TRIP will outperform other investment strategies. While TRIP has outperformed other common investment strategies in the past, there is no guarantee that this will occur in the future. Please refer to the TRIP performance information on the following page.

ARE THERE ANY DISADVANTAGES TO INVESTING IN THE ENDOWMENT OPTION?

The tax treatment of payments from a trust invested in the endowment option may be less favorable than the tax treatment of payments from other investment strategies. Please contact the Office of Gift Planning for additional information and consult with your personal tax adviser.

WHERE CAN I FIND INFORMATION ON THE UNIVERSITY'S ENDOWMENT AND ITS PAYOUT?

We have provided on the following page TRIP investment returns for the past ten years. Please note that the overall investment performance for trusts invested in the endowment option will not exactly reflect the TRIP return, which is published annually for the period ending June 30.

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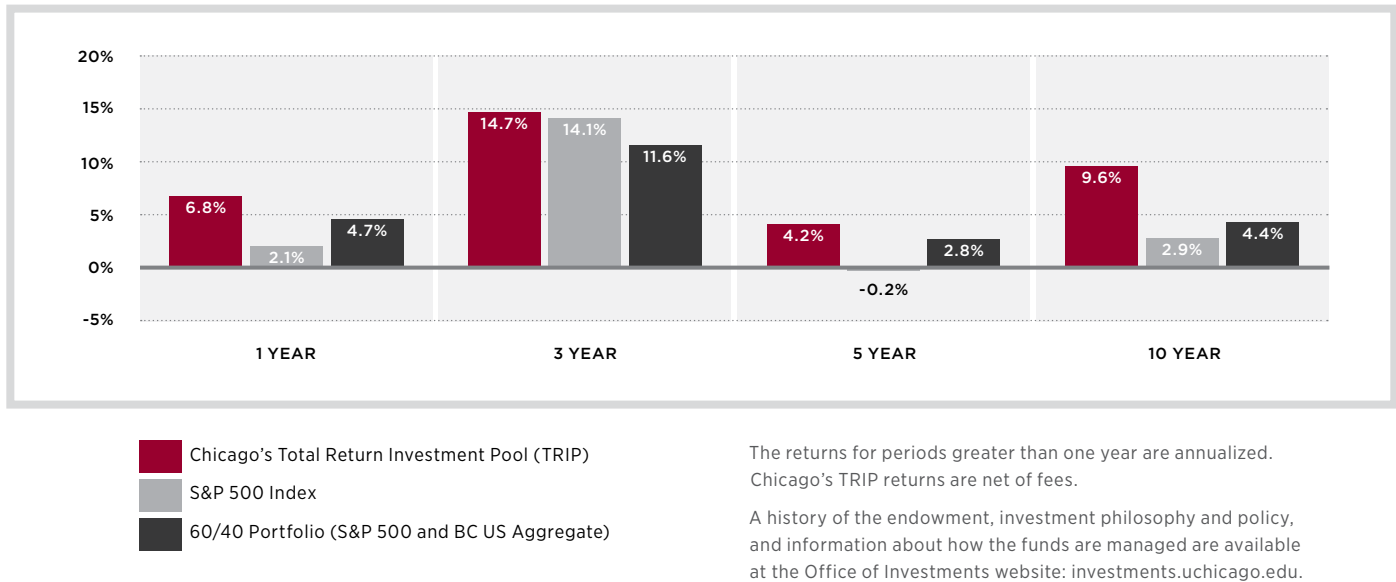


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CHICAGO'S TOTAL RETURN INVESTMENT POOL (TRIP) COMPARED TO S&P 500 AND 60/40 PORTFOLIO

Annualized Returns as of June 30, 2012



This is because (i) each trust must hold some cash to allow for regular quarterly beneficiary payments and (ii) the endowment return is based on appraisals and valuations that take many months to gather, while a trust unit is valued quarterly based on the preceding quarter-end unit value. As a result, trust returns may be higher or lower than reported returns for TRIP during any given time period.

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WHAT IS THE MINIMUM AMOUNT TO FUND A TRUST?

The minimum amount to fund a trust with the University serving as trustee is \$100,000. Gifts can be made using cash, marketable securities, or saleable real estate.

ARE THERE FEES?

Costs of managing the University's endowment are borne by the entire endowment portfolio and the net return apportioned to your trust will reflect those costs. There are no investment management fees for investing your trust in the endowment option. Your trust will be charged a trust administration fee.

STILL HAVE QUESTIONS?

Please contact the Office of Gift Planning at giftplan@uchicago.edu or 866.241.9802 or refer to the document, "Investing Charitable Remainder Trust Assets in the University of Chicago Total Return Investment Pool," available from the Office of Gift Planning.

These materials are intended to provide general information that we hope will be helpful to you in your tax, estate, and charitable planning. It is not intended as legal advice and should not be relied upon as legal advice. Figures, calculations, and tax information are based on federal tax laws, regulations, rulings, and rates applicable at the time such information was prepared and are for illustration purposes only. Individual state laws may have an impact on the availability of gift annuities. For advice or assistance with your particular situation, you should consult an attorney or other professional adviser.