



MESSAGES

2004
ANNUAL REPORT
M.J. MURDOCK
CHARITABLE
TRUST

OUR BENEFACTOR

While still in the spring of his life, Jack Murdock displayed swelling buds of scientific curiosity and a philanthropic heart. These opened more fully later in life and continue to mature in our activities here at the Trust.

In his autobiography, written in 1934, when only 16 years old, Jack set several goals for himself. He wrote, "After leaving high school and establishing a business of my own, I intend to go further into the study of radio phenomena. I would like to learn all there is to know about radio if it is possible. I shall probably carry on many experiments in this field, and also, possibly some other branches of science ... I have at present several ideas for inventions, which if put into use would be of great benefit to the people of the world."

Jack did indeed establish a business, out of which was born the oscilloscope that gave Tektronix its start and eventual success. Through Tektronix, and with the help of those he gathered around himself, he introduced a high tech emphasis in our region that has grown remarkably, all based ultimately on solid scientific research. In this sense, the science buds in his youth burst into full bloom and produced a high yield of tech fruit still being harvested today.

His youthful statement of doing things to benefit others, the philanthropy buds, also came into bloom, yielding fruit before his death. He established his own foun-

dation, the Millicent Foundation, which was his personal vehicle of giving in the region. Simply by opening a box of hand-written records on a shelf in our offices we see his heart for others — a wide variety of organizations he believed worthy of his support, and a guide to our philanthropy today.

As Jack's youth was replaced by adulthood and his career interests took root, so did his interests in humankind expand beyond that of radios and science. This was evident in a speech he gave to the Portland Chamber of Commerce in 1966, thirty-two years after his autobiography was penned. There he reflected on the importance of work, play, the pursuit of knowledge, and the human need for creative expression. He believed that these activities, and certainly others as well, lead to healthier, happier, and more productive people, more able to solve society's problems and make significant contributions to our world.

So it is that both Jack's wide ranging interests and his practice of philanthropy live on today in the form of the charitable Trust established from his estate in 1975. Since then, thousands of grants worth hundreds of millions of dollars have been invested in the work, play, education, and creativity of people in the region. Surely he would have enjoyed seeing the harvest of his dreams.

FROM THE EXECUTIVE DIRECTOR

A new annual report, covering a new year, gives us opportunity to introduce new staff, announce a new enrichment initiative, and highlight a new group of grantees, the ultimate beneficiaries of most everything we do here at Trust headquarters in America's Vancouver.

Two new staff on board bring fresh views and new vigor to our operations, and it is my pleasure to present them to you. First, meet Chimene Welch who joined us during the third quarter of 2004 as Assistant Controller. She came to bolster our finance staff with her formal training in finance and subsequent work in settings where she gained just the right sheaf of experiences to bear some of the burdens borne by others, freeing up some to pursue more intensive work on the investment side. It has been Trust practice since inception to create and implement our investment strategies without relying on outside consultants. The burdens on our staff of education, oversight, and management have increased as the investment environment has become more complicated and we seek to grow our endowment to provide expanded and better service to our constituency. That being the case, the relief Chimene brings to the finance and investment side of our operations is truly timely and appreciated.

Next, meet Dave Coleman, who is assuming the role Program Director for Christian Leadership effective April 1, 2005. The title itself is harbinger for a new initiative at the Trust, that of seeking to attract young potential Christian leaders to consider lives of ministry and of providing ongoing leadership training at all levels for those who have committed their lives to service in Christian organizations. Dave is well qualified to lead this effort, having spent all of his professional life with Youth for Christ, working through its ranks, experiencing the challenges of this sector, and in recent years providing the training the Trust intends to build upon and make available to the many Christian organizations we desire to better serve.

Turn to the back of this annual report and you will see both of these people in person, as well as all the veterans whom they are joining. You can always find even more about us at www.murdock-trust.org.

There's a good chance the cover of this annual report has caused a raised eyebrow. Perhaps less puzzling, last year you saw a Western hat, the year before that a piece of glass artwork, and the year before that a Pendleton blanket. Each of these images was used, not only on annual reports, but also on a series of *Messages* books that attempted to capture the essence of the states of Montana, Washington, and Oregon. This year, in paying tribute to our grantee friends in Alaska, the fourth book in the series, *Messages from Alaska*, sports the same cover as this annual report with an image that says something of the uniqueness and essence of this state. It is a basket fashioned by an artist in Alaska using fish skins and gut. It reminds us that in this great frontier state one of its many natural resources, fish, may be sought for survival or for aesthetic pleasure. And somewhere between survival and pleasure, like a great valley between snow-capped mountains, lies all that makes Alaska the special place we have come to know and appreciate.

The creativity and ingenuity of the Alaskan artist and the quality and beauty of that produced are also statements of the value we place on our grantees and their missions, be they in Alaska or wherever they reside. These are the people who take the resources in their communities and with creativity and sweat shape them into tools and vessels with which people are served and needs are met and life is more richly experienced and enjoyed.

For now, it is time to take a peek into the basket and discover our new grantees, those who strive to make our region a better place of work, play, education, and creativity. So join with us, as we turn the pages, and enjoy the rich and unique essence of each...



Neal O. Thorpe
Executive Director and Trustee

ARTS & CULTURE 12 Grants / \$1,451,900

Endeavors in the performing and visual arts which enrich the cultural environment of the region. Educational outreach efforts are especially valued.

	IN DOLLARS
Arts Council of Pendleton, Inc. <i>Pendleton, Oregon • Education Technology and Theater Equipment To expand programs</i>	36,000
BodyVox <i>Portland, Oregon • Establish Development Program To support expanded educational programs and performances</i>	150,000
Center for Religious Humanism <i>Seattle, Washington • Establish Development Program To advance religion and the arts</i>	95,000
Columbia Dance Ensemble <i>Vancouver, Washington • Facility Renovations To provide dance school and studio to youth and adults</i>	125,000
Liberty Restoration, Inc. <i>Astoria, Oregon • Historic Theater Renovation To improve safety and environment</i>	350,000
Lincoln Theatre Center Foundation <i>Mount Vernon, Washington • Lighting and Capital Improvements To enhance the theater experience</i>	150,000
Oregon Center for the Photographic Arts, Inc. <i>Portland, Oregon • New Library and Resource Center For public education</i>	24,000
Oregon Coast Council of the Arts <i>Newport, Oregon • Theater Improvements For community participation in performing and visual arts programs</i>	37,700
Regional Arts & Culture Council <i>Portland, Oregon • Workplace Fundraising Initiative To increase individual philanthropy</i>	25,200
River City School of Arts and Crafts <i>Ithaco, Washington • Purchase Building To accommodate community youth programs</i>	84,000
Round-Up Hall of Fame Association <i>Pendleton, Oregon • New Museum Building To educate visitors about the history of rodeo and the Pendleton Round-Up</i>	150,000
Umpqua Discovery Center Treasure Chest, Inc. <i>Reedsport, Oregon • New Exhibit To educate visitors about local natural history</i>	225,000

EDUCATION 20 Grants / \$4,057,200

Projects and programs primarily educational in purpose offered in both formal and informal settings. Emphasis is placed on program enhancement or expansion and new approaches consistent with the institution's mission and resources.

	IN DOLLARS
Alaska Public Telecommunications, Inc. <i>Anchorage, Alaska • Equipment Purchase and Studio Remodel For KSKA Radio and Alaska Public Radio Network</i>	86,000
Arbor School of Arts & Sciences <i>Tualatin, Oregon • Teacher Apprenticeship Program Facility To support elementary school science education</i>	150,000
Catholic Broadcasting Northwest, Inc. <i>Portland, Oregon • Radio Tower Construction For better Portland FM signal</i>	63,000
Children's Museum of Tacoma <i>Tacoma, Washington • Facility Renovation and New Exhibits To expand service to children and their families</i>	250,000
Concordia University <i>Portland, Oregon • Renovation and Equipping of a Skills Laboratory For a new baccalaureate nursing program</i>	115,000
Eastern Washington University Foundation <i>Cheney, Washington • Acquisition of Laboratory Equipment For new software engineering technology program</i>	222,500
Eugene Bible College <i>Eugene, Oregon • Construction of Student Life Center To support academic and non-academic student activities</i>	250,000
Foundation for Teaching Economics <i>Davis, California • Pacific Northwest Educational Workshops To enable teachers to apply economic principles to environmental issues</i>	75,000
Heritage Foundation <i>Washington, D.C. • Research and Outreach Program To address educational reform</i>	300,000
Institute for Humane Studies, Inc. <i>Arlington, Virginia • Pacific Northwest Program To advance the principles of liberty through undergraduate education</i>	60,000
International Wildlife Film Festival <i>Missoula, Montana • Audio Visual Equipment Acquisition To preserve film collection for educational purposes</i>	77,700
Leadership Institute <i>Arlington, Virginia • Expand Youth Leadership Schools To enable college students to experience practical politics</i>	300,000

EDUCATION (Continued)

	IN DOLLARS
Oregon Museum of Science and Industry <i>Portland, Oregon • Tech Hall Exhibits For hands-on education about technology development</i>	33,000
Oregon Public Broadcasting <i>Portland, Oregon • Acquisition of Programming and Information Processing Equipment To produce and edit television and radio material</i>	720,000
Port Townsend Aero Museum <i>Chimacum, Washington • New Museum Hangar For display, youth education, and restoration of historical aircraft</i>	200,000
Self Enhancement, Inc. <i>Portland, Oregon • Education Consultant To assess program effectiveness</i>	75,000
University of Puget Sound <i>Tacoma, Washington • New Science Building Addition For undergraduate education and research</i>	800,000
Walla Walla College <i>College Place, Washington • Physics Equipment Acquisition For an advanced modern physics laboratory</i>	35,000
Washington Policy Center <i>Seattle, Washington • Develop State Reference Guide "Agenda 2005" For policymakers and media</i>	45,000
World Kite Museum and Hall of Fame <i>Long Beach, Washington • Building Purchase To expand education programs</i>	200,000

HEALTH & HUMAN SERVICES 72 Grants / \$11,059,500

A diversity of projects and programs designed to enhance the quality of life in the region. Efforts to preventively meet the physical, spiritual, social, and psychological needs of people, with an emphasis on youth.

	IN DOLLARS
Aglow International <i>Edmonds, Washington • New Staff and Website Upgrade For women's fellowship and service ministry</i>	114,000
Albertina Kerr Centers <i>Portland, Oregon • New Telephony Architecture To more efficiently serve troubled and disabled children</i>	125,000
Alzheimer's Disease Resource Agency of Alaska, Inc. <i>Anchorage, Alaska • Purchase Service Center To serve victims of dementia and their families throughout Alaska</i>	200,000
American Indian Business Leaders <i>Missoula, Montana • New Staff To support business education among Native American students</i>	161,000
Amerson Music Industries, Inc. <i>Granada Hills, California • Media Production For expanded outreach to the unchurched</i>	80,000
Archdiocese of Anchorage <i>Anchorage, Alaska • Construction of Girdwood Community Center To serve four rural communities</i>	200,000
Arctic Slope Native Association, Ltd. <i>Barrow, Alaska • Hospital Radiology Equipment To serve North Slope residents</i>	200,000
Big Brothers and Sisters of Gallatin County <i>Bozeman, Montana • Expand Development Staff For youth mentoring programs</i>	104,500
Big Horn County Memorial Hospital and Health Care Foundation <i>Hardin, Montana • Renovation of Diagnostic Imaging Department To serve rural patients</i>	60,000
Blue Mountain Healthcare Foundation <i>John Day, Oregon • New X-Ray Equipment For rural hospital patients</i>	190,000
Boy Scouts of America, Grand Columbia Council <i>Yakima, Washington • Camp Fife Dining Hall Construction To increase camp capacity</i>	100,000
Christian International Scholarship Foundation <i>Lake Forest, Illinois • Expand Pacific Northwest Development Staff To support leaders in emerging countries</i>	156,000
Church Initiative, Inc. <i>Wake Forest, North Carolina • Program Development To support children of divorce</i>	16,000
Cistercian (Trappist) Abbey of Our Lady of Guadalupe <i>Lafayette, Oregon • Renovate Facilities To enhance retreat environment</i>	200,000
Climate Trust <i>Portland, Oregon • Staff Expansion For market-based greenhouse gas mitigation program</i>	152,000
Columbia Community Mental Health <i>St. Helens, Oregon • New Service Center For expanded patient services</i>	200,000
Community Building Partners, Inc. <i>Post Falls, Idaho • Historic Church Renovation For a cultural and community center</i>	150,000

HEALTH & HUMAN SERVICES (Continued)

	IN DOLLARS
Community Health Center <i>Medford, Oregon</i> • <i>Health Information Technology Expansion</i> <i>For efficient handling of low-income patient records</i>	93,000
Compass Center, A Lutheran Organization <i>Seattle, Washington</i> • <i>Transitional Housing and Service Center</i> <i>To offer multiple services to homeless men and women</i>	231,000
Covenant House Alaska <i>Anchorage, Alaska</i> • <i>Job Training Equipment and Building Upgrades</i> <i>For homeless and runaway youth</i>	100,000
Cowlitz Family Health Center <i>Longview, Washington</i> • <i>Clinic Renovation</i> <i>For dental care in Pacific County</i>	40,000
Crisis Pregnancy Center of Clallam County <i>Port Angeles, Washington</i> • <i>Abstinence Education Expansion</i> <i>For middle and high school youth</i>	36,000
Ducks Unlimited <i>Vancouver, Washington</i> • <i>New Research Staff</i> <i>To enhance the scientific capacity of coastal wetland restoration projects</i>	125,000
Eugene Pregnancy Support Center, Inc. <i>Eugene, Oregon</i> • <i>New "Stop and Think" Education Staff</i> <i>To expand middle and high school sexual abstinence program</i>	66,000
Family Centered Services of Alaska, Inc. <i>Fairbanks, Alaska</i> • <i>Mental Health Service Center Purchase and Expansion</i> <i>For children with serious illness</i>	200,000
Ferry County Public Hospital District #1 <i>Republic, Washington</i> • <i>Emergency Department CT Scanner</i> <i>For rural hospital patients</i>	130,000
Food Alliance <i>Portland, Oregon</i> • <i>New Business Development Manager</i> <i>To increase marketplace opportunities for Northwest farmers and ranchers</i>	176,000
Friends of Gladish <i>Pullman, Washington</i> • <i>Community Center Improvements</i> <i>For better access and expanded use</i>	200,000
Girl Scouts - Totem Council <i>Seattle, Washington</i> • <i>Camp Lyle McLeod Facilities Construction</i> <i>To expand camp capacity</i>	100,000
Harney County Health District dba Harney District Hospital <i>Burns, Oregon</i> • <i>Hospital Information System</i> <i>For patient safety and security</i>	166,000
Homer Hockey Association <i>Homer, Alaska</i> • <i>New Ice Rink</i> <i>For regional recreation and community use</i>	125,000
Iliuliuk Family and Health Services, Inc. <i>Unalaska, Alaska</i> • <i>Clinic Renovation</i> <i>To add exam rooms and dental operatory for island residents and fishermen</i>	60,000
International Justice Mission <i>Washington, D.C.</i> • <i>Establish Pacific Northwest Volunteer Program</i> <i>To engage the American church in the work of justice</i>	80,000
Luis Palau Evangelistic Association <i>Portland, Oregon</i> • <i>Multi-Media Program Expansion</i> <i>To promote youth evangelism</i>	500,000
Marie Mills Center, Inc. <i>Tillamook, Oregon</i> • <i>Purchase and Install Elevator</i> <i>For disabled adult residents</i>	23,300
Marion-Polk Food Share, Inc. <i>Salem, Oregon</i> • <i>Facility Renovation</i> <i>To increase food distribution in the mid-Willamette Valley</i>	250,000
Medical Teams International, Inc./Northwest Medical Teams <i>Portland, Oregon</i> • <i>Purchase and Renovation of New Headquarters</i> <i>For local and international needs</i>	500,000
Mountainview Medical Center <i>White Sulphur Springs, Montana</i> • <i>Hospital Renovation</i> <i>To better serve rural patients</i>	50,000
Nature Conservancy Oregon <i>Portland, Oregon</i> • <i>Northeast Oregon Land Acquisition</i> <i>For the Zumwalt Prairie project</i>	450,000
Old Church Society, Inc. <i>Portland, Oregon</i> • <i>Capital Improvements</i> <i>To provide access for people with disabilities</i>	50,000
ONE/Northwest <i>Seattle, Washington</i> • <i>Staff and Program Expansion</i> <i>To provide technology services to conservation and environmental organizations</i>	175,000
Parents Action Council of Douglas County, Inc. <i>Roseburg, Oregon</i> • <i>New Regional Food Distribution Center</i> <i>To better serve the county citizens</i>	250,000
Peacemaker Ministries <i>Billings, Montana</i> • <i>Director of Ministry Relations Position</i> <i>For conciliation service to churches</i>	268,000
Port City Development Center <i>Portland, Oregon</i> • <i>Renovate and Expand Facility</i> <i>To increase and enhance services to disabled adults</i>	250,000
Portland Fellowship <i>Portland, Oregon</i> • <i>Purchase Ministry House</i> <i>To provide counseling services</i>	212,000
Presbytery of the Inland Northwest <i>Spokane, Washington</i> • <i>Camp Spalding Meeting Room Renovation</i> <i>To expand ministry to youth and families</i>	100,000
Providence Health Care Foundation <i>Centralia, Washington</i> • <i>Acquisition of Equipment</i> <i>For patient monitoring and diagnosis</i>	144,000

HEALTH & HUMAN SERVICES (Continued)

	IN DOLLARS
Public Hospital District #2, Skagit County, WA dba Island Hospital <i>Anacortes, Washington</i> • <i>New Rehabilitation Equipment For cardiopulmonary patients</i>	32,000
Public Hospital District No. 1-A of Whitman County dba Pullman Memorial Hospital <i>Pullman, Washington</i> • <i>New Hospital To serve four counties in Washington and Idaho</i>	200,000
RiverBend Youth Center, Inc. <i>Oregon City, Oregon</i> • <i>Remodel Residential Facility For emotionally disturbed girls</i>	100,000
Ronald McDonald House Charities of Montana, Inc. <i>Billings, Montana</i> • <i>New Missoula Facility To serve sick children and their families</i>	300,000
Save Sitka's See House, Inc. <i>Sitka, Alaska</i> • <i>Historic Building Restoration To provide meeting space for community organizations</i>	100,000
Seldovia Village Tribe <i>Seldovia, Alaska</i> • <i>Sub-Regional Community Health Center Construction For low-income patients</i>	150,000
Siskiyou Community Health Center, Inc. <i>Grants Pass, Oregon</i> • <i>New Clinic Construction For low-income patients in the Illinois Valley</i>	100,000
SOAR International Ministries, Inc. <i>Kenai, Alaska</i> • <i>Aircraft Hangar Upgrade and New Equipment For aviation mission</i>	140,000
Southern Oregon Goodwill Industries <i>Medford, Oregon</i> • <i>New Truck Acquisition To serve expanded programs in Douglas County</i>	46,000
Star of Hope Activity Center <i>Coos Bay, Oregon</i> • <i>New Vocational Contract Specialist To seek employment opportunities for disabled adults</i>	97,000
Step Forward Activities, Inc. <i>Baker City, Oregon</i> • <i>Purchase Ink Jet Re-Manufacturing Equipment To support employment of disabled adults</i>	75,000
Tacoma-Pierce County Blood Bank <i>Tacoma, Washington</i> • <i>New Bloodmobile and Equipment To serve Pierce County and Federal Way</i>	50,000
Tualatin Valley Workshop, Inc. <i>Hillsboro, Oregon</i> • <i>Renovation of ACCESS Facility To enhance day services to disabled adults</i>	40,000
United Indian Missions, Inc. <i>Tucson, Arizona</i> • <i>Aircraft Fleet Upgrades To increase flight safety and service to missionaries</i>	61,600
Vancouver National Historic Reserve Trust <i>Vancouver, Washington</i> • <i>Red Cross Building Renovation To expand public use</i>	127,000
Victory Ministries <i>Palmer, Alaska</i> • <i>Indoor Arena Construction To support year-round equestrian programs</i>	175,000
Voice for Christ Ministries <i>Nenana, Alaska</i> • <i>New Radio Station To reach the greater Anchorage audience</i>	75,600
Willamette Valley Development Officers <i>Portland, Oregon</i> • <i>New Executive Director To expand training programs for the non-profit community</i>	63,000
Young Life <i>Colorado Springs, Colorado</i> • <i>Montana Program Expansion To share the Christian message with young people</i>	375,000
Young Men's Christian Association of Boise <i>Boise, Idaho</i> • <i>Caldwell Family Center Construction To establish community programs</i>	250,000
Young Men's Christian Association of Columbia-Willamette <i>Portland, Oregon</i> • <i>New Christian Ministry Position To establish training and programs</i>	144,000
Young Men's Christian Association of Greater Seattle <i>Seattle, Washington</i> • <i>Auburn Family Center Construction To expand community programs</i>	100,000
Young Men's Christian Association of Idaho Falls, Inc. <i>Idaho Falls, Idaho</i> • <i>Purchase and Renovate Indoor Sports Arena To expand community programs</i>	250,000
Youth Dynamics <i>Burlington, Washington</i> • <i>Establish Regional Leadership Model To advance Christian outreach in Eastern and Northwest Washington</i>	262,500
Youth for Christ U.S.A., Inc./Tacoma Area <i>Tacoma, Washington</i> • <i>Restructure Tacoma Chapter To expand programs within local communities</i>	187,000

GENERAL SCIENTIFIC RESEARCH 15 Grants / \$4,630,250

Public universities or private colleges and independent research institutes submit institutional priority requests for scientific research, often interdisciplinary, and often requiring sophisticated instrumentation.

	IN DOLLARS
Central Washington University Foundation <i>Ellensburg, Washington</i> • <i>Multi-Disciplinary Science Honors Research Program</i> To support undergraduate student research	225,000
Evergreen State College <i>Olympia, Washington</i> • <i>Acquisition of Microscopy Instrumentation</i> For faculty and undergraduate student research	195,000
Montana State University <i>Bozeman, Montana</i> • <i>Acquisition of Biology Research Equipment</i> For a laser microdissection and functional genomics facility	291,750
Montana State University <i>Bozeman, Montana</i> • <i>Purchase of Engineering Research Equipment</i> For studies of devices utilizing terahertz electromagnetic radiation	207,000
Oregon Health & Science University Foundation <i>Portland, Oregon</i> • <i>Murdock Undergraduate Collaborative Research Program</i> To engage college students in basic medical research	194,000
Oregon Health & Science University Foundation <i>Portland, Oregon</i> • <i>Purchase High Frequency Ultrasound Equipment</i> For studies of fetal heart structure and function	182,500
Pacific Northwest Research Institute <i>Seattle, Washington</i> • <i>Acquisition of Biomedical Research Equipment</i> For support of research on diabetes	67,500
Seattle University <i>Seattle, Washington</i> • <i>Research Initiation Support</i> For new faculty in science	131,000
University of Alaska-Fairbanks <i>Fairbanks, Alaska</i> • <i>Acquisition of Mass Spectrometer</i> For research in environmental and geochemical studies	290,000
University of Montana Foundation <i>Missoula, Montana</i> • <i>Purchase Nuclear Magnetic Resonance Instrumentation</i> For research in the biomedical sciences	518,500
University of Oregon Foundation <i>Eugene, Oregon</i> • <i>Acquisition of Two Ultrafast Lasers</i> For studies of quantum control of atoms, molecules, and solid materials	510,500
University of Washington <i>Seattle, Washington</i> • <i>Acquisition of Engineering Research Equipment</i> For studies of complex phenomena in three dimensions	445,000
University of Washington <i>Seattle, Washington</i> • <i>Purchase Medical Research Equipment</i> To study the properties and activities of proteins	442,000
Virginia Mason Medical Center <i>Seattle, Washington</i> • <i>Acquisition of Medical Research Equipment</i> For studies of human genetics and immune systems	432,000
Washington State University Foundation <i>Pullman, Washington</i> • <i>Purchase X-ray Diffraction Equipment</i> For structural studies of proteins and other macromolecules	498,500

MURDOCK COLLEGE RESEARCH PROGRAM FOR LIFE SCIENCES 8 Grants / \$304,900

This program is designed to support research initiation in the life sciences at private, predominantly undergraduate colleges and universities in the Pacific Northwest. Normally awards are for two years, with one renewal possible.

	IN DOLLARS
Carroll College <i>Helena, Montana</i> • <i>Quantitative Analytical Research by Students May Explain the Extreme Diversity of Sibling Species of the Black Fly, "Simulium arcticum," in Montana</i>	24,000
Gonzaga University, Corporation of <i>Spokane, Washington</i> • <i>The Phenotypic and Genetic Effects of Chromosome Non-Disjunction in Yeast</i>	36,500
Lewis & Clark College <i>Portland, Oregon</i> • <i>A Phylogenetic Framework for Studying the Evolution of the Toxic Enzyme Sphingomyelinase D in Venom of "Loxosceles" and "Sicarius" Spiders</i>	47,000
Pacific Lutheran University, Inc. <i>Tacoma, Washington</i> • <i>Role of Tachykinins in Modulating Luteinizing Hormone Secretion in the Female Rat</i>	35,000
University of Puget Sound <i>Tacoma, Washington</i> • <i>Activation of a Novel CACTA-Like Transposon in Different Ecotypes of Varying Ploidy in "Arabidopsis thaliana"</i>	42,500
University of Puget Sound <i>Tacoma, Washington</i> • <i>Identifying Downstream Effectors of Rheb-Mediated Growth</i>	25,000
Willamette University <i>Salem, Oregon</i> • <i>Signal Transduction During Early Development of Amphibian, "Xenopus laevis"</i>	33,000
Willamette University <i>Salem, Oregon</i> • <i>Satellite Tracking of Caspian Tern Migration and the Importance of Winter Foraging Ecology to Population Regulation</i>	61,900

EXCEPTIONAL OPPORTUNITY GRANTS PROGRAM 1 Grant / \$50,000

A program offered to regional research universities. The vice president (provost) for research may authorize submission of a proposal for a project that has special merit because of unusual circumstances, with a maximum of \$50,000.

	IN DOLLARS
Oregon Health & Science University Foundation <i>Portland, Oregon</i> • <i>Creation of a Genomic Resource for Studies of Human Brain Aging</i>	50,000

PARTNERS IN SCIENCE PROGRAM 16 Grants / \$224,000

The program supports collaborative scientific research by high school science teachers with researchers in the Pacific Northwest. A regional and a national conference is provided each year. Each grant provides \$14,000 for two summers of research.

	IN DOLLARS
Boise State University <i>Boise, Idaho</i> • <i>Boise High School</i> <i>Determination of the Receptor Utilized by Oncostatin M to Promote Metastatic Characteristics in Human Breast Cancer Cells</i>	14,000
Gonzaga University, Corporation of <i>Spokane, Washington</i> • <i>Project CDA, Coeur d'Alene</i> <i>The Effects of Heavy Metal Pollution on the Distribution of Two Species of Aquatic Pulmonate Snails</i>	14,000
Lewis & Clark College <i>Portland, Oregon</i> • <i>Cleveland High School</i> <i>Genetic Analysis of Genes Necessary for Lysosome Assembly in "Caenorhabditis elegans"</i>	14,000
Lewis & Clark College <i>Portland, Oregon</i> • <i>Milwaukie High School</i> <i>Acquisition and Modeling of Light Curves for Short-Period Eclipsing Binary Star Systems</i>	14,000
Montana Tech of the University of Montana <i>Butte, Montana</i> • <i>Butte High School</i> <i>Mining for Microbes: Looking for Microbial Life in an Acid Mine Waste River System</i>	14,000
Oregon Health & Science University <i>Portland, Oregon</i> • <i>POIC/Rosemary Anderson High School</i> <i>Characterization of Ovary-Selective Genes: Critical Regulators of Ovarian Function</i>	14,000
Oregon Health & Science University <i>Portland, Oregon</i> • <i>Liberty High School</i> <i>Correlation Between Behavioral Inhibition and Dominance Status in Young Rhesus Macaques</i>	14,000
Oregon State University <i>Corvallis, Oregon</i> • <i>Dallas High School</i> <i>Finding New Genes for Resolving Pine Phylogeny</i>	14,000
Portland State University <i>Portland, Oregon</i> • <i>Estacada High School</i> <i>Survey of Arthropods in Old-Growth Forest Canopy Soil Pads and Ground-Level Soil</i>	14,000
Portland State University <i>Portland, Oregon</i> • <i>Liberty High School</i> <i>Polymer Thin Films as Etch Resists</i>	14,000
Portland State University <i>Portland, Oregon</i> • <i>Westview High School</i> <i>Distribution and Prevalence of Hantavirus in Mice Throughout Oregon's Pristine High Elevation Forests</i>	14,000
Portland State University <i>Portland, Oregon</i> • <i>Cleveland High School</i> <i>Effect of Supra-Glacial Debris on the Melting of Ice on Eliot Glacier, Mt. Hood</i>	14,000
Portland State University <i>Portland, Oregon</i> • <i>Southridge High School</i> <i>Selection "In Vitro" of Catalytic RNA Molecules at High Pressures</i>	14,000
Southern Oregon University <i>Ashland, Oregon</i> • <i>North Medford High School</i> <i>Foraging Behavior of Insectivorous Birds Inhabiting Mediterranean-Climate Woodlands: Australia and North America</i>	14,000
University of Idaho <i>Moscow, Idaho</i> • <i>Filer High School</i> <i>Conservation Genetics of Pacific Lamprey in the Pacific Northwest</i>	14,000
University of Washington <i>Seattle, Washington</i> • <i>Ingelmoor High School</i> <i>Testing the Adaptive Significance of Behavioral Temperature Regulation in Fruitflies</i>	14,000

PARTNERS IN SCIENCE PROGRAM – SUPPLEMENTAL 19 Grants / \$108,800

A supplemental program for high school teachers who have completed two summers of research in the Partners in Science Program. Awards of up to \$6,000 are made to the teachers' high schools to implement research ideas in their classrooms.

	IN DOLLARS
Butte High School <i>Butte, Montana • Student Data Acquisition and Interpretation in Scientific Research</i>	6,000
Cascade High School <i>Cascade, Idaho • Molecular Analysis of Bacteria to Determine Sources and Relationships in Idaho Streams</i>	6,000
Charlo High School <i>Charlo, Montana • Bioacoustics: The Physics and Biology of Sound</i>	6,000
Community Christian Academy <i>Lacey, Washington • Automated Data Collection and Analysis in the Science Laboratory Setting</i>	6,000
Corbett High School <i>Corbett, Oregon • Thinking SMALL: The Student Motion Analysis Learning Laboratory</i>	6,000
East Valley High School <i>Spokane, Washington • Environmental Monitoring of the Spokane River</i>	6,000
Faith Ministries, Inc., DBA Logos School <i>Moscow, Idaho • An Introduction to Transformation PCR, Gel Electrophoresis, and Forensics</i>	6,000
Fort Vancouver High School <i>Vancouver, Washington • Developing Research and Inquiry Skills Through Forensic Science</i>	5,200
Grants Pass High School <i>Grants Pass, Oregon • Development and Implementation of Strategies to Allow Quantitative Data Gathering</i>	6,000
Heritage High School <i>Vancouver, Washington • Using Technology-Based Inquiries to Explore and Better Understand the Interconnections of Earth and Space Systems</i>	6,000
Issaquah High School <i>Issaquah, Washington • Biotechnology Research in the Science Classroom</i>	6,000
Liberty High School <i>Renton, Washington • Exploring Electricity and Electronics in the Construction and Use of Cosmic Ray Detectors</i>	6,000
Lynden High School <i>Lynden, Washington • Characterization of Expressed Sequence Tags Generated from cDNA Clones</i>	6,000
North Eugene High School <i>Eugene, Oregon • Studies of the Changing Brightness of Variable Stars</i>	6,000
North Medford High School <i>Medford, Oregon • Discovery of Near Earth Asteroids Using Digital Astro-Photography and Computer Aided Analysis</i>	6,000
Orting High School <i>Orting, Washington • Research-Based Regional Geologic History: Exploring Earth's Processes</i>	6,000
Scappoose High School <i>Scappoose, Oregon • Concepts in Microbiology Using Research-Based Investigations</i>	5,700
South Salem High School <i>Salem, Oregon • Application of Biotechnology Techniques and Methods in the High School Classroom</i>	1,900
Sunset High School <i>Portland, Oregon • The Use of Instrumentation for Accurate Measurements in Student Investigations</i>	6,000

TRUST MATCHING GIFTS 1 Grant / \$109,445

Promoting and encouraging charitable giving, the Trust matches gifts made to eligible organizations by Trust employees and Trustees.

2004 SUMMARY OF GRANTS PROGRAM

Total Grants / Arts & Culture (12)	\$1,751,900
Total Grants / Education (20)	\$4,057,200
Total Grants / Health and Human Services (72)	\$11,059,500
Total Grants / Scientific Research (59)	\$5,317,950
Trust Matching Gifts (1 Grant Equivalent)	\$109,445
Grant Total (164 grants)	\$21,995,995

TRUSTEES



Lynwood W. Swanson
Trustee

John W. Castles
Trustee

Neal O. Thorpe
Trustee and Executive
Director

STAFF



John B. Van Zytveld
Senior Program Director



Terry L. Stokesbary
Program Director



Christopher (Kit) J. Gillem
Program Director



Janice W. Kennedy
Program Director



Bart A. Hadder
Program Director



Dave Coleman
Program Director



James R. Martin
Chief Investment and
Financial Officer



Julie D. Cieloha
Controller and Financial Analyst



Jennifer Larson
Investment and Finance
Specialist



Chimene Welch
Assistant Controller



Marian E. Haro
Administrative Assistant



Marybeth Stewart Goon
Senior Program Assistant



Kathy J. Kidwell
Grants Program Assistant



Colleen D. Allbee
Grants Manager and Computer
Specialist



Sheila J. Flannigan
Grants Program Assistant and
Events Coordinator



Mary Hill
Program Assistant for Christian
Leadership



Kathy L. Freitas
Receptionist

FROM THE CHIEF INVESTMENT AND FINANCIAL OFFICER

As can be seen by the graph below, Trust assets have grown from \$91 million at inception in 1975 to \$641 million in 2004. This accomplishment is due to the courage the Trustees had in employing a new and bold strategic asset allocation over the last fifteen years.

In 2004 our assets increased by approximately \$100 million (net of grants paid and operating costs aggregating \$31 million), with a good share of the increase coming from our private equity investments. While not as robust as 2003, the markets in 2004 continued to provide very strong relative returns, which with the skill of our investment managers we were able to capture. With a mandate of "best ideas," our managers performed well in every area. In global equities, diversification across the market capitaliza-

tion spectrum and global mandates continued to give managers the freedom to think "outside the box." In the capital preservation asset class, our investment in long-bonds did exceptionally well in a rising interest rate environment.

As can be seen by the graph below, since 1975 the Trust has provided approximately \$428 million in "venture capital" through grantmaking in an effort to address some critical needs in the Pacific Northwest. In a previous annual report, the Trust's first Executive Director, Sam Smith, quoted F. Emerson Andrews, the first President of the Foundation Center, who said "Money by itself does not make discoveries, push forward the frontiers of knowledge or improve society. Money must be germinated into greatness by people."

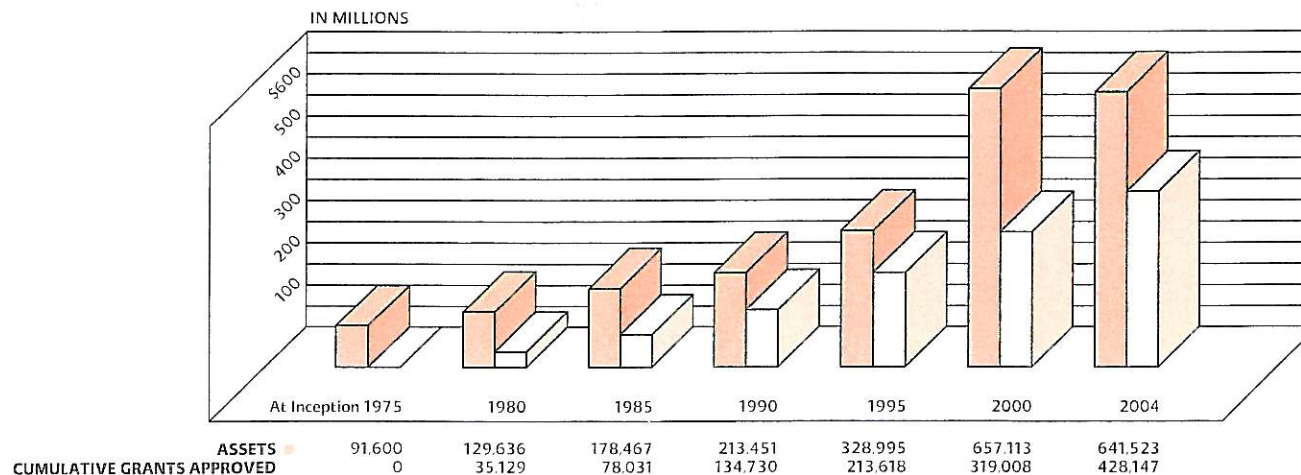
This quote is worth saying again as the Trust endeavors to provide organizations the seeds for germination.

While no changes were made to our strategic asset allocation, Trustees and Staff continue to re-examine the Trust's long-term investment strategy in order to continually improve the probability of achieving investment returns necessary to help promote new and better means of serving the public good.

James R. Martin

James R. Martin
Chief Investment and
Financial Officer

ASSETS/CUMULATIVE GRANTS APPROVED



INVESTMENT MANAGERS BY ASSET CLASS

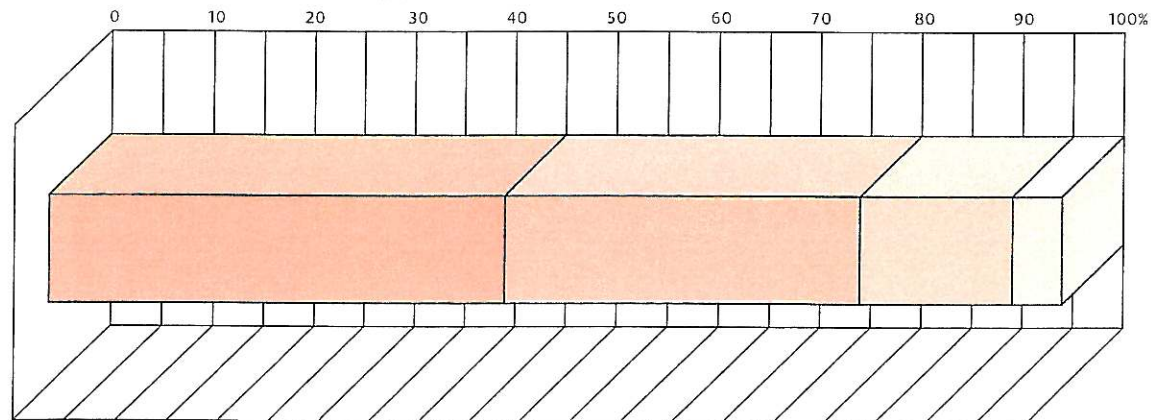
GLOBAL EQUITIES Brandes Investment Partners; Capital Guardian Trust Company; Capital International, Inc.; Chartwell Investment Partners; Chinook Capital Management; Gardner Lewis Asset Management; Marvin & Palmer Associates, Inc.; Nicholas Applegate Capital Management; Oaktree Capital Management, LLC; Pinnacle Associates Ltd.; Primecap Management Company; The TCW Group, Inc.; W.P. Stewart & Co., Ltd.; Zevenbergen Capital Investment LLC.

ALTERNATIVE ASSETS Abbott Capital Management, LLC; ABRY Partners, LLC; Acorn Investors, Inc.; AXA Private Equity; Coller Capital, Inc.; Endeavor Capital; First Reserve Corporation; Keyhaven Capital Partners, Ltd.; Knightsbridge Advisers Incorporated; Medical Innovation Partners; Oaktree Capital Management, LLC; Resource Capital Funds; Sequoia Capital; Spur Capital Partners, LLC; Technology Partners; The TCW Group, Inc.

CAPITAL PRESERVATION Common Sense Investment Management, LLC; Hoisington Investment Management Company; Metropolitan West Asset Management, LLC; Oaktree Capital Management, LLC; Pacific Alternative Asset Management Company.

REAL ESTATE VEF Advisors, LLC; Blackrock Realty Advisors, Inc.

STRATEGIC ASSET ALLOCATION



■ **GLOBAL EQUITIES** Diversified Style Disciplines; Domestic & Global Mandates; Long/Short; Specialized Equity Portfolios (45%)

■ **ALTERNATIVE INVESTMENTS** Venture Capital; Buyouts; Special Situations; Distressed Securities; Energy & Natural Resources; International Private Equity; Mezzanine (35%)

■ **CAPITAL PRESERVATION** Alternative Cash; Long US Treasuries; Hedge Funds; Mezzanine (15%)

■ **REAL ESTATE** Value-Added (5%)

GENERAL PURPOSE GRANT APPLICATION GUIDELINES

These guidelines apply to all requests other than scientific research or formal Trust programs. To make an application to the Trust for financial support, the following FOUR steps should be taken *in the following order*:

1. Determine your organization's eligibility to apply for Trust support.
2. Determine the match of your project or program with Trust interest and limitations.
3. Submit a Letter of Inquiry.
4. Submit a completed formal application.

This document will lead you *through Step 3*. Step 4 can only be taken if the project you proposed in Step 3 is determined by the Trust to be eligible for a formal application.

STEP I: IS YOUR ORGANIZATION ELIGIBLE TO APPLY FOR A GRANT?

Applications for grants are considered from organizations which have been ruled to be tax-exempt under Section 501(c)(3) of the Internal Revenue Code and which are not private foundations as defined in Section 509(a) of the Code. Charitable organizations applying for support must have in hand such IRS documentation of status. If tax exempt as a government entity, the Trust will provide a generic letter to use in certifying such status. This will be made available for those reaching Step 4.

Priority is given to applications for the support of projects and programs conducted by qualified organizations within five states of the Pacific Northwest: Alaska, Idaho, Montana, Oregon, and Washington. Of major interest are organizations and projects which are not primarily or normally financed by tax funds.

STEP II: IS THE PROJECT FOR WHICH YOU SEEK SUPPORT WITHIN TRUST INTERESTS?

While the Trust supports a wide variety of projects and programs in the region, there are limitations in Trust interest. Some brief guidelines follow to assist you in determining if your project is clearly out of the question or perhaps only of marginal interest.

The Following Kinds of Applications ARE NOT Considered:

1. For the benefit of specific individuals.
2. By individuals acting on behalf of, but without the authority of, qualified tax-exempt organizations.
3. For grants to conduit organizations; i.e., to tax-exempt organizations for passing funds on to organizations not tax-exempt in their own right.
4. For propagandizing or for influencing legislation and elections.
5. By institutions which in policy or practice unfairly discriminate against race, ethnic origin, sex, creed, or religion.
6. By sectarian or religious organizations whose principal activity is for the benefit of their own members or adherents.
7. For loans, debt retirement, or operational deficits.
8. For grants to organizations which are organized and operated outside any state or territory of the United States.

The Following Kinds of Applications USUALLY ARE NOT Considered:

1. For normal ongoing operations or their extension.
2. For contributions to general fund drives or annual charitable appeals.
3. For continuation of programs previously financed from other external sources.

4. For emergency funding, such as in filling gaps between grants or for crash programs.
5. For granting of funds to an organization for distribution to ultimate beneficiaries of its own choosing.
6. For endowment.

A recommended way to test the fit of your project with Trust interests is to review lists of recently awarded grants. These may be found on our website (murdock-trust.org) or in our annual reports.

STEP III: SUBMIT A LETTER OF INQUIRY

If your organization and project appear to pass these first two steps, the only way to find out for sure whether your anticipated request is appropriate is to submit a Letter of Inquiry to the Trust. This letter should carefully address all items outlined below.

In order to avoid unnecessary work, both for a potential applicant and for the Trust, it is important to determine as early as possible the degree to which a proposed project coincides with areas of Trust interest. To determine this, it is essential to submit a Letter of Inquiry before submitting a formal application to the Trust. This letter, *no longer than two pages*, should minimally address the following:

What To Address

1. A brief background on your organization, including an abbreviated mission statement, a history of its existence, the size of staff and board, the constituency and geographic region served, and the type of service provided.
2. A description of the project for which support is being requested. Include a discussion of how the decision was reached to mount the project, the factors that contribute to the need or oppor-

GENERAL PURPOSE GRANT APPLICATION GUIDELINES (Continued)

tunity for the project, the importance of the project for your organization and your constituency, and the level and nature of commitment of staff and board to the project.

3. A proposed budget for the total cost of the project and for the amount you intend to request from the Trust. If possible, identify the budget items for which you would be requesting Trust support. Indicate potential or real sources of support for the project in addition to the Trust.
4. A discussion as to why you are approaching the Trust for the project. Indicate any past history with the Trust or any contacts you have made with Trust staff or others leading to your decision to approach the Trust. Add anything else you believe would help the Trust understand your situation and request.

The Trust will provide a written response to your Letter of Inquiry indicating if Step 4 is appropriate for you. If so, you will receive instructions on how to proceed. After completing Step 4 and submitting a completed formal application, the Trust requires an additional 6-9 months to process, evaluate, and make a decision on your request.

Timing Considerations

A Letter of Inquiry may be submitted to the Trust at any time. Once the Trust has it in hand, it will be reviewed and you can expect a response within about three weeks. The response is likely to be one of three types.

1. What you propose is eligible for formal consideration by the Trust.
2. What you propose is eligible, but some advice is provided to help in the development of a formal request.

3. What you propose is not eligible for formal consideration by the Trust.

A positive response will include instructions to follow in submitting a formal request to the Trust.

STEP IV: SUBMIT A COMPLETED FORMAL APPLICATION

You will be given instructions on how to download the application form from our website, with a provided password, and complete the proposal on electronic application forms. Following directions, hard copies of the completed application form should be submitted to the Trust.

There are no specific deadlines for receipt of formal applications for general purposes. Applications may be submitted at any time when sufficient information is available for the applicant to thoughtfully address the questions outlined in the application form. In general, a proposal should be submitted early enough to allow staff sufficient time to thoroughly study the proposal and, if appropriate, conduct a site visit to meet with the principals of the project.

The thorough nature of the review process and considerations of fairness to all applicants precludes responding to crisis situations.

The Review Process

Letters of Inquiry are reviewed to determine if a proposed project sufficiently fits Trust interests and guidelines to warrant submission of a full proposal. A positive response to the Letter of Inquiry will include directions for application completion. Completed formal application forms are reviewed initially to determine whether all required materials have been submitted. Each proposal is assigned to a Program Director who will take the lead in preparing the request for submission to the Board of Trustees for action. The Program Director may request additional

information, an interview with the applicant, or a visit to the applicant's organization. The full proposal, including staff summary and analysis, is made available to the Trustees for their consideration and decision.

The applicant is notified promptly when a decision has been reached. While some level of merit is evident in nearly every proposal received by the Trust, only a fraction of the requests reviewed can result in awards. When an application has been declined, it will not be carried over for future consideration. Under normal circumstances, resubmission of a proposal that was declined is not encouraged.

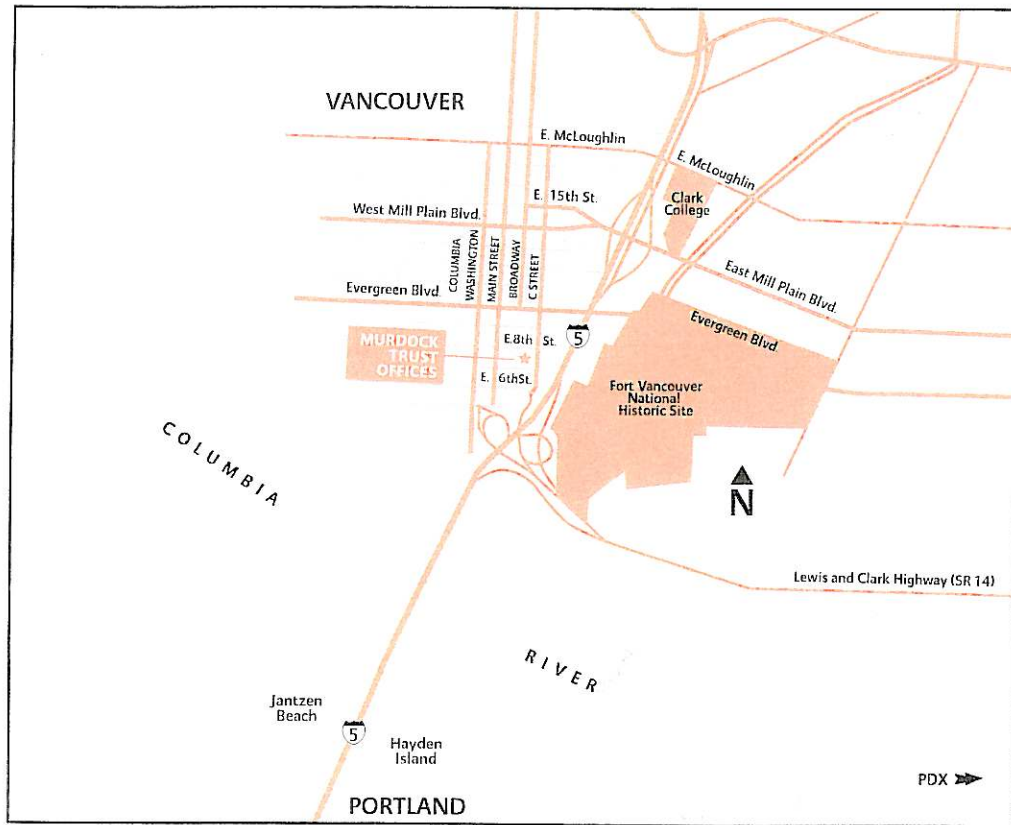
Each proposal becomes the property of the Trust and will not be returned. It will be treated as a privileged communication with the understanding, however, that it may be peer reviewed.

All Letters of Inquiry and completed formal applications should be mailed in hard copy to:

John Van Zytveld, Ph.D.
Senior Program Director
M. J. Murdock Charitable Trust
P.O. Box 1618
Vancouver, WA 98668

For More Help

If your questions have not been answered by this document or you need some additional information, please call us at 360-694-8415.



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 M.J. Murdock Charitable Trust
 P.O. Box 1618
 Vancouver, Washington 98668

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 M.J. Murdock Executive Plaza
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