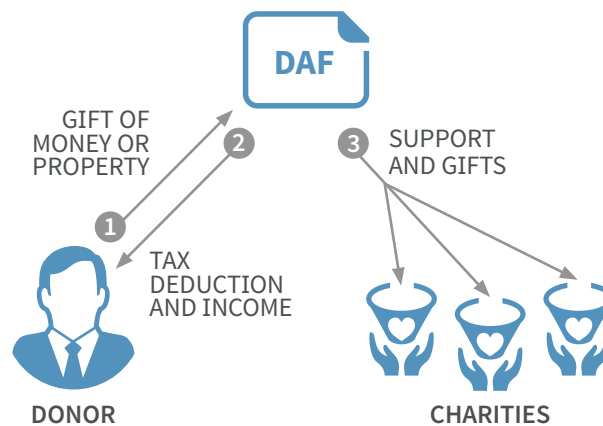


## Creating a legacy of giving

DAFs are a popular choice for philanthropically minded investors, enabling them to make significant charitable gifts over a long period of time. Unlike private foundations, there are no startup costs, no tax on the fund's investment income, no individual payout requirement and the fund provides all recordkeeping services while offering even greater tax advantages than a private foundation.

### THE ANATOMY OF A DONOR-ADVISED FUND

Technically, a DAF is a tax-qualified public charity, meaning your contributions to the fund trigger immediate and full tax deductions. As the donor to the fund, you then have the right to advise the DAF on how your contributions will be distributed to other charities.



As the donor, you can continue to make ongoing, nonbinding recommendations to the DAF as to how, when and where grants from the fund should be made. Additionally, you can provide advice to the DAF regarding how contributions should be invested. For example, you might suggest that, upon death, grants be made to charities named in your will or other legal instrument, such as a revocable living trust. Or, you may designate a surviving family member to recommend fund distributions. Keep in mind, the fund is not obligated to follow your suggestions – hence the name “donor-advised fund.” As a practical matter, though, the DAF will generally follow a donor’s wishes.

### BENEFITS OF A DONOR-ADVISED FUND

Enjoy giving without the hassle of timing, tax concerns, expenses and recordkeeping

Receive an immediate tax deduction

No capital gains or estate taxes

Your gifts have the potential to grow

The benefits of a private foundation with less hassle

Control over investment selections

### NEXT STEPS

A DAF can help you turn your philanthropic vision into a reality. To get started, first consider:

- What philanthropic goals do you have for your lifetime and your legacy?
- Do you have organizations in mind you’d like to support?
- Have a conversation with your family and beneficiaries about your vision for your comprehensive estate and your legacy.

Your financial advisor can help you determine if a DAF is the right vehicle for addressing your charitable goals.

# Giving, simplified

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## DONOR ADVISED FUNDS OFFER FLEXIBILITY, SIMPLICITY AND INCENTIVES

Compassionate and driven, Rob has made philanthropy an important part of his adult life. After losing his father to a rare form of cancer 10 years ago, he became an active fundraiser and board member for an organization that conducts cutting-edge cancer research. More recently, he has taken on a greater role in his community, serving on boards for his local theater and Humane Society. Rob enjoys seeing how his favored organizations create positive change throughout the community – with his help. And now he’s ready to take it a step further by formalizing his philanthropic endeavors in a way that benefits his causes as well as the tax-efficiency of his charitable giving.

Knowing his passion for philanthropy, Rob’s financial advisor, Michelle, suggested he establish a donor-advised fund (DAF). The DAF would offer him significant flexibility to choose when to give and who to benefit, while requiring less money, time, legal assistance and administration than a private foundation. Even better, his contributions to the fund would get him an immediate tax deduction, and be invested so that they could continue to grow until distributed as grants to preferred charities. Rob was thrilled to find a vehicle that would let him support each of the causes and organizations he cared about most, while feeling confident he was doing so in a savvy way.

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This is a hypothetical illustration and is not intended to reflect any actual outcome.