

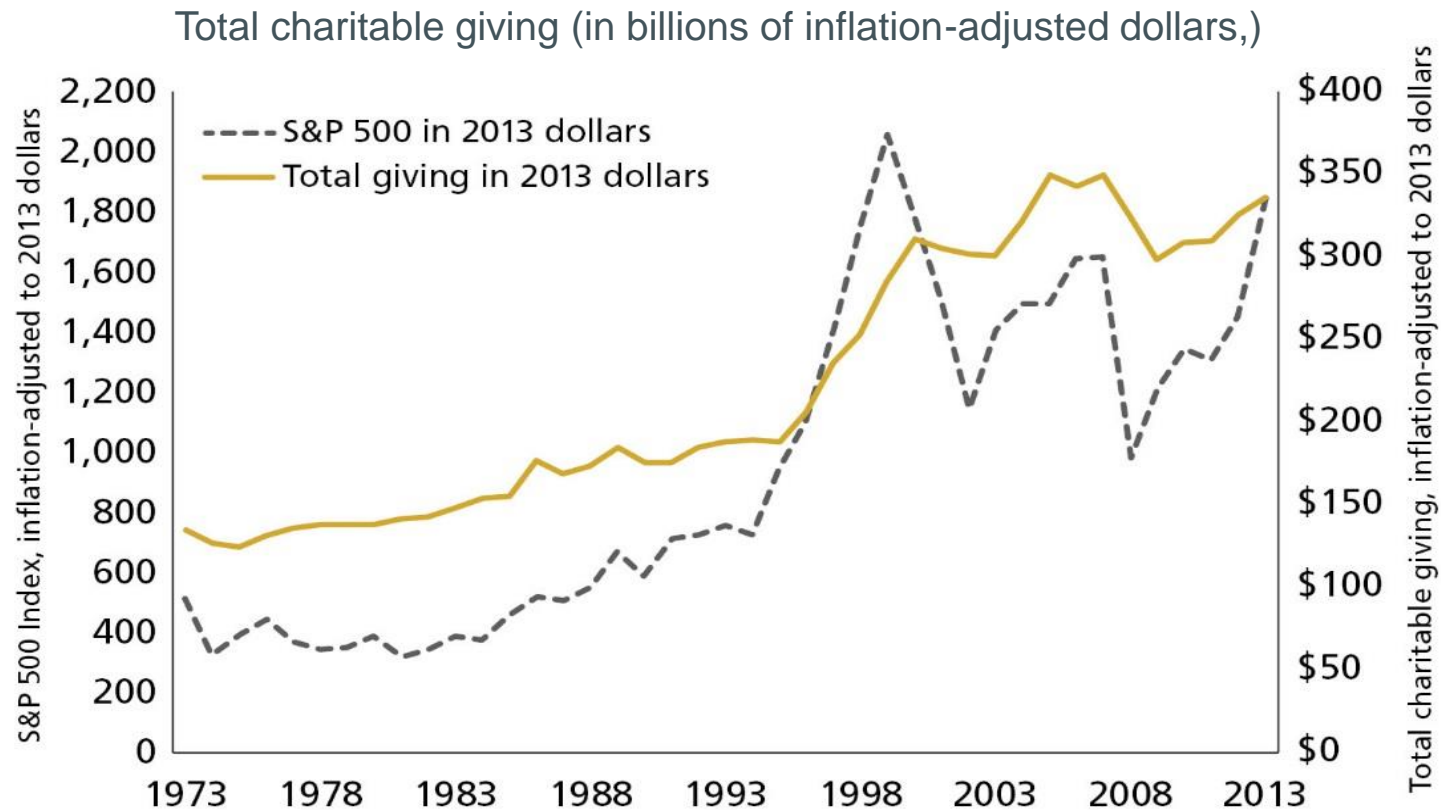


Charitable Planning

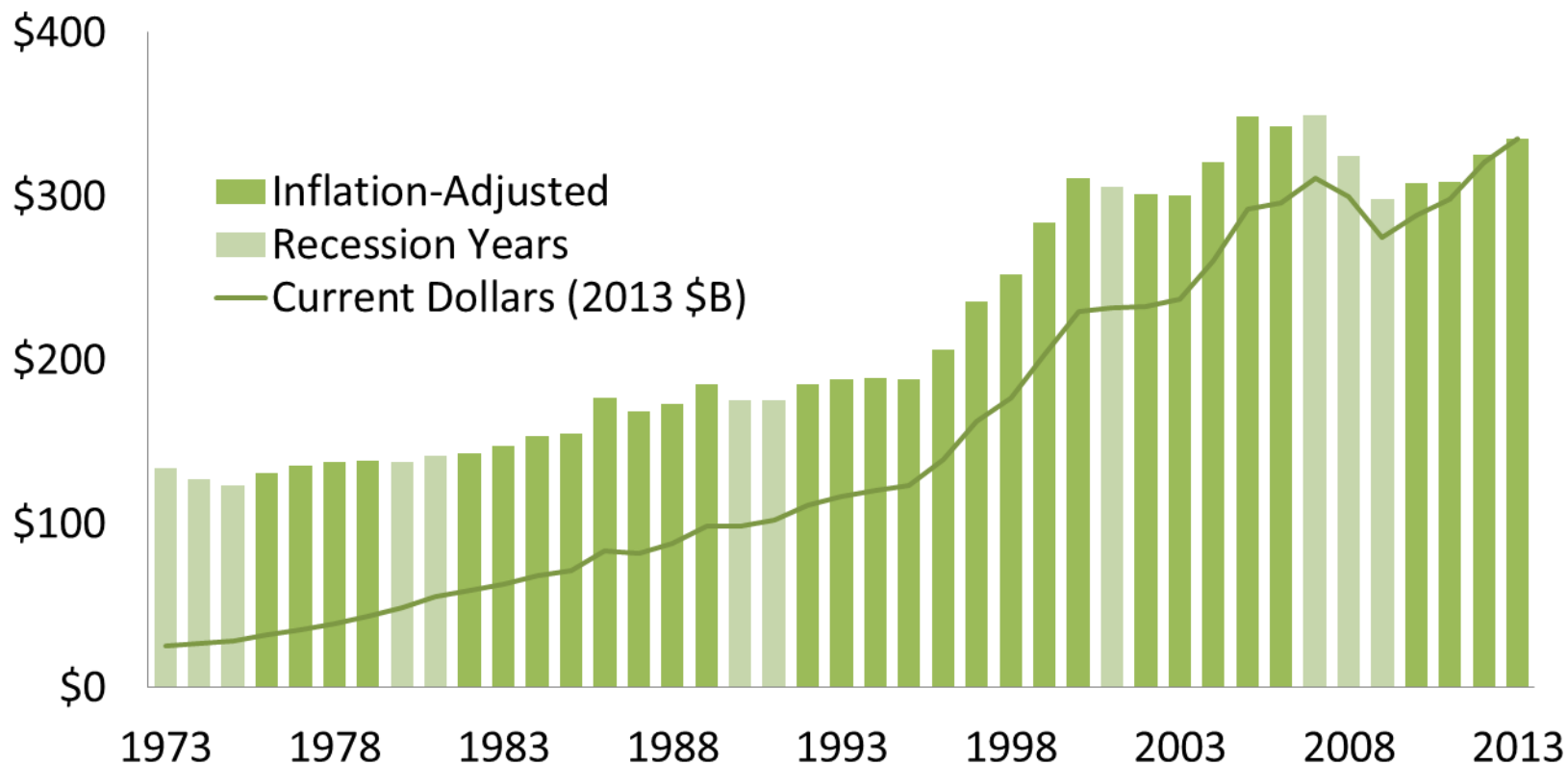
Overview, trends, and strategies
for your practice

The Charitable Landscape

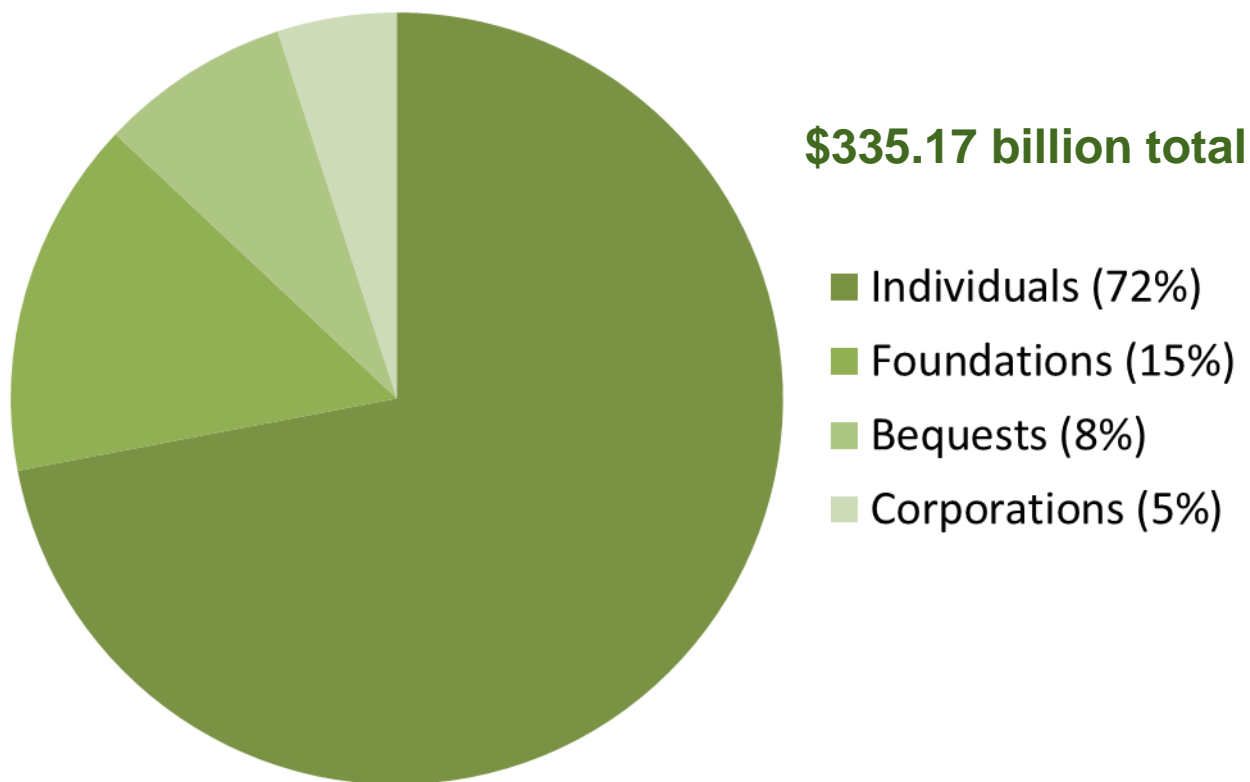
Despite market performance, charitable giving remains strong



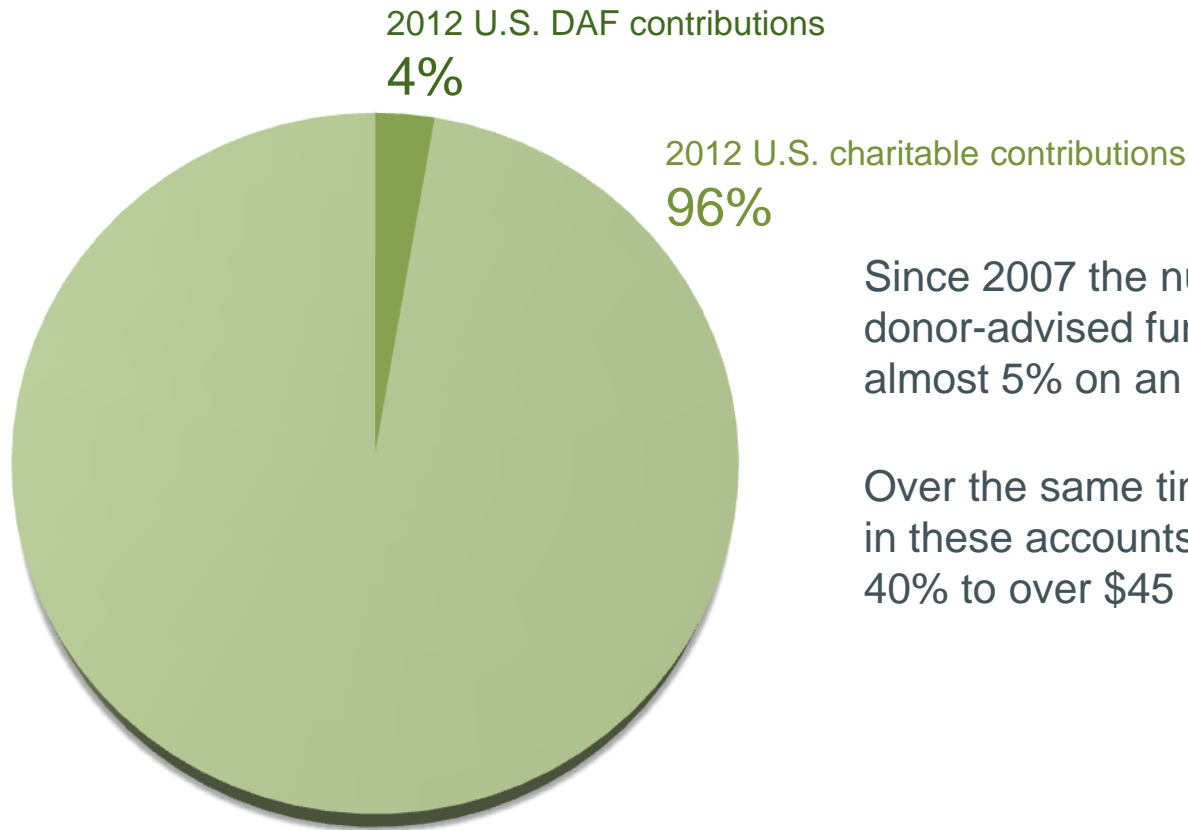
Total charitable giving increased 4.4% in 2013 over 2012 – from \$321 billion to \$335 billion



2013 Sources of Charitable Giving by percentage of total



Donor-advised funds are a fraction of total giving, but are growing¹



Since 2007 the number of individual donor-advised fund accounts has grown almost 5% on an annual basis.²

Over the same time period, the assets held in these accounts has grown more than 40% to over \$45 billion.²

Strategic giving

- More people are receiving guidance on charitable planning
- Donor-advised funds outnumber non-corporate private foundations more than 3:1¹

Asset transition

- More private foundations are considering closing their doors²
- Many individuals are using both private foundations and donor-advised funds

Contributing non-cash assets

- In 2013, contributions of complex assets accounted for 17% of Fidelity Charitable contributions, up from 11% in 2012.
- The number of wealthy donors contributing complex assets, often less affected by economic downturn, has increased³

¹ National Philanthropic Trust. 2013 Donor-Advised Fund Report

² McAllister, Brian P and Timothy R. Yoder "Closing Up Shop: How to Successfully Shut Down a Private Foundation", *Journal of Accountancy*, (July 2010).

³ "Bank of America Charitable Gift Fund Enhancements Create Greater Access to Efficient and Flexible Donor-Advised Fund Capabilities", Bank of America, (November 2009).



Donor-Advised Fund Overview

Give

Make a tax deductible
charitable contribution

Grow

Contributions are invested
and may grow tax free

Grant

Support your favorite
charities at virtually any time

Who Benefits When Donating Complex Assets to a DAF?

Donor

- May eliminate capital gains tax
- Generally entitled to fair market value tax deduction¹
- Provides immediate and ongoing support to multiple charities on his or her own timetable with one transaction

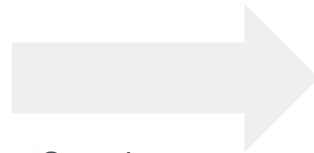
Advisor

- Demonstrates high impact giving strategy to client, a key differentiator
- Leverages experts in charitable sector to facilitate transaction
- Expands network of charitable clients through word-of-mouth referrals

Charity

- May potentially receive bigger gift from donor
- Avoids cost and work involved with diligence and oversight requirements
- Stays focused on core charitable mission

Transferring Charitable Assets to a DAF



Complement
or Collapse

With a donor-advised fund:

- Provide both local and national support
- Accomplish separate philanthropic purposes
- Build a charitable legacy for future generations
- Support charities anonymously
- Opportunity to give in perpetuity
- Potentially ease any divorce or inheritance issues
- Contribute the most tax-advantaged assets
- Keep your trusted advisor involved
- May enjoy lower costs

Charitable Investment Advisor Program Benefits

For Donors

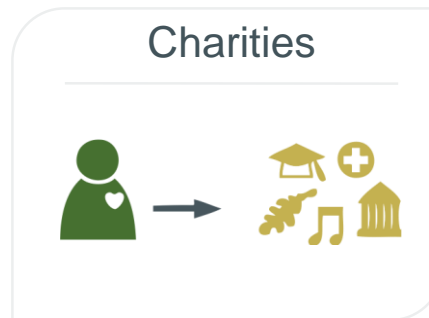
- Receive investment management for their Giving Account® from you.
- Incorporate investment management of charitable dollars within their overall financial portfolio.
- Gain a more customized asset allocation, to match their charitable giving time horizon and objectives.

For Advisors

- Integrate charitable giving into your clients' overall financial plans.
- View your clients' Giving Account alongside their investment portfolios.¹
- Leverage your investment expertise with the goal of increasing your clients' charitable giving.

Building a Charitable Legacy

Your clients can name successors to their Giving Account to ensure their charitable legacy continues to the next generation.



Incorporating Charitable Giving Into Your Practice

Charitable Planning = Competitive Advantage

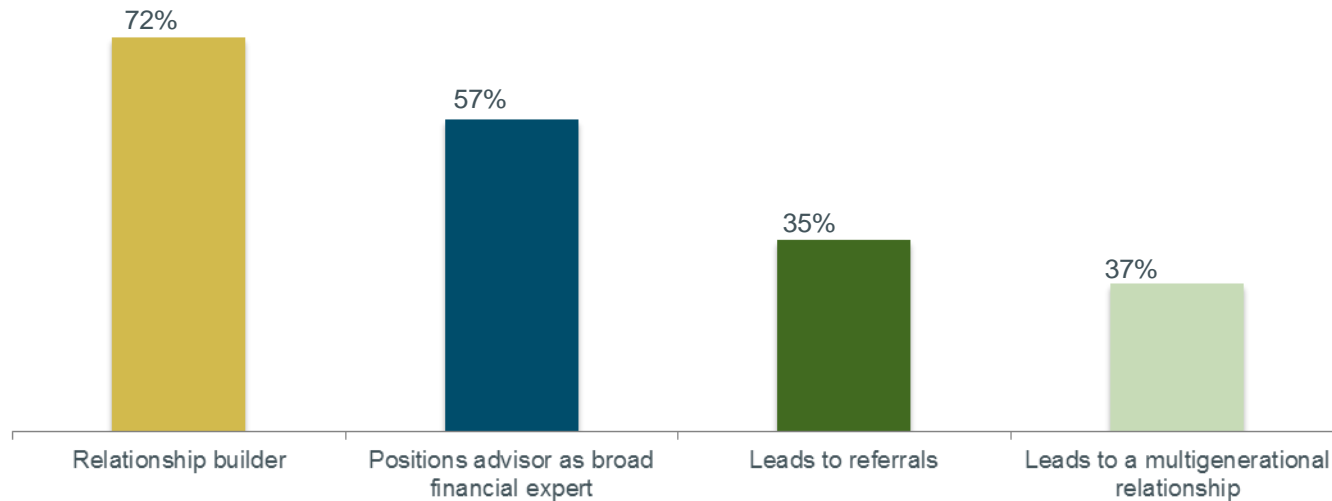
More than 95% of individuals with a net worth of \$1 million or more contribute to charities on an annual basis.¹

- Deepen client relationships
- Differentiate yourself
- Target affluent referrals
- Deliver effective tax and estate planning solutions
- Keep it simple

HNW individuals want advisors to be proactive

- 50% want their advisor to find greater tax deductions
- 29% would, when older, like help with estate planning
- 24% want to give more to charity

Biggest Benefits of Offering Charitable Planning Advice



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