

August 26, 2015

**FPA of San Antonio &  
South Texas**  
and the  
**Planned Giving  
Council of San Antonio**  
Presents:

**Jeff Gerold, CFP, CAP**


V.P. Charitable Planning Consultant  
Fidelity Investments  
and

**Nathan Daley, J.D.**

Director - Complex Asset Group  
Fidelity Charitable

**"What Do High Net Worth Donors/Clients  
Expect You to Know About Philanthropy?"**

FIDELITY Charitable  
Make more of a difference



### Fueling Philanthropy with Complex Assets

Nathan Daley, J.D.  
Director, Complex Assets Group

Jeff Gerold CFP  
Vice President, Charitable Planning Consultant

---

---

---

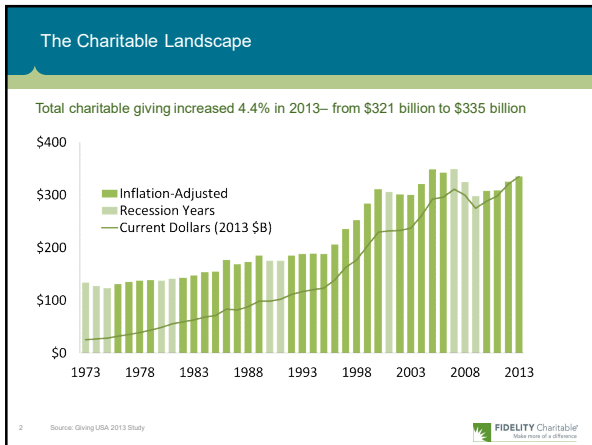
---

---

---

---

---



---

---

---

---

---

---

---

---

### Gain a Competitive Edge

Differentiate Yourself by Encouraging Charitable Conversations

More than	Yet only
<b>98%</b>	<b>14%</b>
of high-net-worth clients contribute to charity annually <sup>1</sup>	of advisors are likely to raise the topic of philanthropy with clients <sup>2</sup>

1 | 2014 U.S. Trust Study of High Net Worth Philanthropy  
2 | 2012 Bank of America Study of High Net Worth Philanthropy

FIDELITY Charitable  
Make more of a difference

---

---

---

---

---

---

---

---





### Giving Non-Publicly Traded Equity in Advance of a Business Exit/Transition<sup>12</sup>

**SITUATION:** For business owners nearing a transition point, timing is critical when considering donations to Fidelity Charitable for a Giving Account:

**STEP 1**  
Donor contributes shares of company stock to charity

**STEP 2**  
Tax-exempt charity sells stock to third-party buyer (no capital gains tax)

**STEP 3**  
Proceeds flow into the donor's Giving Account<sup>®</sup>

**THE END RESULT:**  
Fair market value<sup>11</sup> tax deduction, eliminate capital gains, and give more to charity.

10 11 As determined by a qualified independent appraisal

---

---

---

---

---

---

---

---

### Key Concerns for Donor and Charity

- ✓ Transferability
- ✓ Liquidity and Timing
- ✓ Valuation
- ✓ Risk Management

9

---

---

---

---

---

---

---

---

### Case Study: Oil and Gas Royalties

**SITUATION:** Donor is considering a sale of oil and gas interests and potentially using the after-tax proceeds for charitable gifts.

**STEP 1**  
Donor's investment manager contacts a Charitable Planning Consultant

**STEP 2**  
Tax-exempt charity evaluates the situation and performs due diligence; negotiates sale with buyer

**STEP 3**  
The proceeds, less carrying costs, flow into donor's Giving Account

11

---

---

---

---

---

---

---

---

### Case Study: Oil and Gas Royalties

SITUATION: Donor is considering a sale of oil and gas interests and potentially using the after-tax proceeds for charitable gifts.

**STEP 1**  
Donor's investment managers contact a charitable planning consultant

**STEP 2**  
Tax-exempt charity evaluates the situation and performs due diligence; negotiates sale with buyer

**STEP 3**  
The proceeds, less carrying costs, flow into donor's Giving Account

**CONSIDERATIONS**

- How marketable is the asset?
- Is the donor willing to make an irrevocable contribution?
- What are the carrying costs and risks to the charity?
- What is the valuation of the asset?

13 **FIDELITY Charitable**  
Make more of a difference

---

---

---

---

---

---

---

---

---

---

### Case Study: Oil and Gas Royalties

SITUATION: Donor is considering a sale of oil and gas interests and potentially using the after-tax proceeds for charitable gifts.

**STEP 1**  
Donor's investment managers contact a charitable planning consultant

**STEP 2**  
Tax-exempt charity evaluates situation, performs due diligence, and negotiates sale with buyer

**STEP 3**  
The proceeds, less carrying costs, flow into donor's Giving Account\*

**THE END RESULT:**  
Fair market value<sup>7</sup> tax deduction, eliminate capital gains, and give more to charity.

14 <sup>7</sup> As determined by a qualified independent appraisal. **FIDELITY Charitable**  
Make more of a difference

---

---

---

---

---

---

---

---

---

---

### Case Study: Real Estate Contribution

SITUATION: Donor is selling a condo in Palm Beach and is interested in donating to 30 charities annually. The donor's advisor suggests donating the condo to a donor-advised fund at a public charity.

**STEP 1**  
Donor's advisor contacts a Charitable Planning Consultant

**STEP 2**  
Tax-exempt charity performs due diligence and manages the sale

**STEP 3**  
The proceeds, less carrying costs, fund the Donor's Giving Account

15 **FIDELITY Charitable**  
Make more of a difference

---

---

---

---

---

---

---

---

---

---

### Case Study: Real Estate Contribution

**SITUATION:** Donor is selling a condo in Palm Beach and is interested in donating to 30 charities annually. The donor's advisor suggests donating the condo to a donor-advised fund at a public charity.

**STEP 1**  
Donor's advisor contacts a charitable planning consultant

**STEP 2**  
Tax-exempt charity performs due diligence and manages the sale

**STEP 3**  
The proceeds, less carrying costs, fund the donor's Giving Account

**CONSIDERATIONS**

- How marketable is the property?
- Is the donor willing to make an irrevocable contribution?
- What are the carrying costs and risks to the charity?
- What is the valuation of the property?

16 FIDELITY Charitable  
Make more of a difference

---

---

---

---

---

---

---

---

---

---

### Case Study: Real Estate Contribution

**SITUATION:** Donor is selling a condo in Palm Beach and is interested in donating to 30 charities annually. The donor's advisor suggests donating the condo to a donor-advised fund.

**STEP 1**  
Donor's advisor contacts a charitable planning consultant

**STEP 2**  
Tax-exempt charity performs due diligence and manages the sale

**STEP 3**  
The proceeds, less carrying costs, fund the donor's Giving Account

**THE END RESULT:**  
Fair market value<sup>†</sup> tax deduction, eliminate capital gains and support multiple charities over time.

17 <sup>†</sup> As determined by a qualified independent appraisal. FIDELITY Charitable  
Make more of a difference

---

---

---

---

---

---

---

---

---

---

### Donating Appreciated Private Equity Interests

Private Equity Investors have the opportunity to donate appreciated private equity interests, including:

- 1 Carried Interests
- 2 Distributed Portfolio Company Stock
- 3 Limited Partnership (LP) Interests

**Taxpayer benefits**

- Claim a fair market value charitable tax deduction for the contributed asset
- Potentially eliminate capital gains taxes on the appreciation

18 FIDELITY Charitable  
Make more of a difference

---

---

---

---

---

---

---

---

---

---





Nonprofit Marketplace

**34%** Growth of donor-advised funds from 2007-2013<sup>22</sup>

22 <sup>22</sup> 2013 Donor-Advised Fund Report from National Philanthropic Trust.

---

---

---

---

---

---

---

---

Nonprofit Marketplace

**\$9.66B** Grants recommended to nonprofits from DAF donors in 2014<sup>23</sup>

23 <sup>23</sup> 2014 Donor-Advised Fund Report from National Philanthropic Trust.

---

---

---

---

---

---

---

---

Growth Through Investment Options

Fidelity Charitable Has Helped Increase Charitable Dollars by Billions Through Investment Growth

**\$3.6 Billion<sup>24</sup>**  
INCREASE IN CHARITABLE DOLLARS

Donors are able to recommend how assets are allocated among several investment options—mutual fund pools or investment advisor-managed accounts—for tax-free growth. Since Fidelity Charitable's inception, investment growth has increased the amount of charitable dollars available for granting by nearly \$3.6 billion over the total amounts contributed.

24 <sup>24</sup> Fidelity Charitable, as of 12/31/2014.

---

---

---

---

---

---

---

---

## Disclosures

Information provided is general and educational in nature and should not be construed as legal or tax advice. Fidelity Charitable does not provide legal or tax advice. Content provided relates to taxation at the federal level only, and availability of certain federal income tax deductions may depend on whether you itemize deductions. Rules and regulations regarding tax deductions for charitable giving vary at the state level, and laws of a specific state or laws relevant to a particular situation may affect the applicability, accuracy, or completeness of the information provided. Charitable contributions of capital gain property held for more than one year are usually deductible at fair market value. Deductions for capital gain property held for one year or less are usually limited to cost basis. Consult an attorney or tax advisor regarding your specific legal or tax situation.

Fidelity Charitable is the brand name for the Fidelity® Charitable Gift Fund, an independent public charity with a donor-advised fund program. Various Fidelity companies provide services to Fidelity Charitable. The Fidelity Charitable name and logo and Fidelity are registered service marks of FMR LLC, used by Fidelity Charitable under license. Giving Account is a registered service mark of the Trustees of Fidelity Charitable. 70691020

25



---

---

---

---

---

---

---

---