

# Donor-Advised Funds

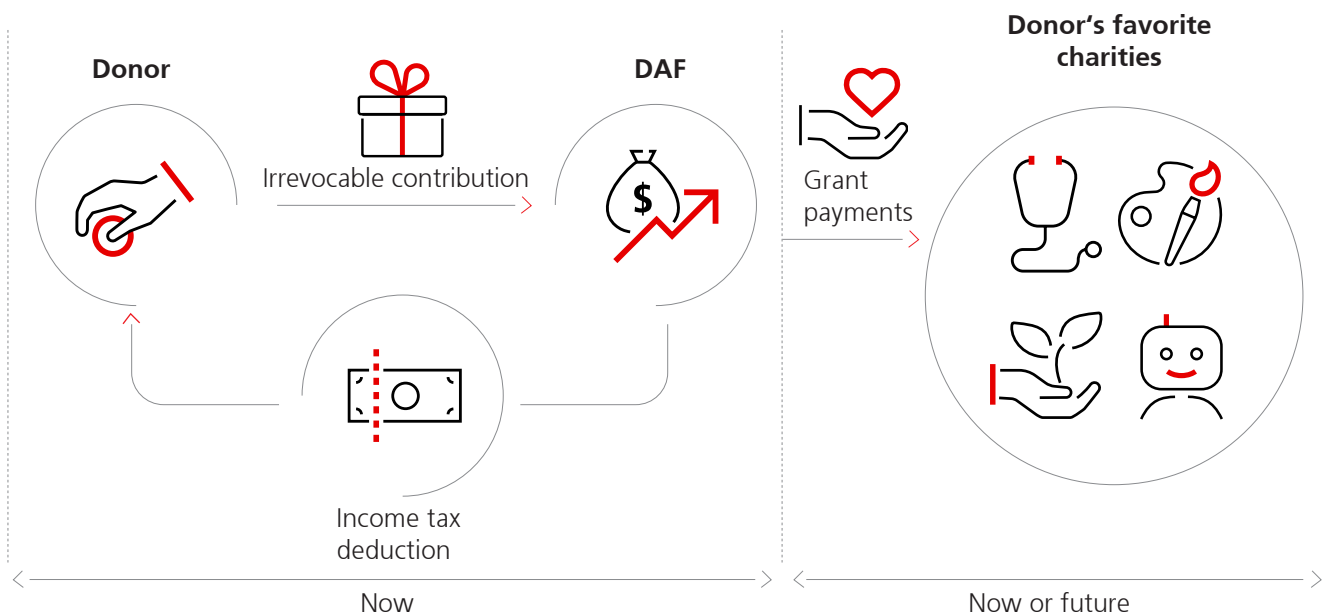
Modern philanthropy made simple

A Donor-Advised Fund (“DAF”) can provide you with a cost-effective and flexible way to donate to your favorite charities and help you address your philanthropic goals, including creating a lasting legacy that can involve your family members.

## What is a DAF?

- A DAF is a charitable investment account controlled and maintained by a sponsoring charitable organization into which you make contributions at any time. UBS works with several DAF-sponsoring organizations discussed on page 2.
- Since the organization sponsoring the DAF is a 501(c)(3) public charity, you receive an immediate tax deduction for your contributions.
- Your contributions are irrevocable charitable donations to the DAF that are intended to fund your future charitable gifts.<sup>1</sup>
- You can recommend to the DAF-sponsoring organization how your DAF is invested (subject to certain investment limitations) so that your DAF assets can potentially grow and enable you to grant more to charity.<sup>2</sup>
- At any time, you can recommend to the DAF-sponsoring organization to make grants from your DAF account to the charities you want to support.<sup>3</sup>

## Donate now and decide later which charities you will support



## Why have a DAF?

- **Easy to create and use:** A DAF is a simple alternative or complement to creating a private foundation. You simply select the sponsoring organization you wish to work with, open and fund your DAF and the DAF-sponsoring organization takes care of the rest.
- **Access your DAF 24/7:** Using your DAF online portal, you can check your DAF account balance, download statements, create a list of favorite charities, recommend grants or research thousands of charities online.
- **Determine how you would like to be recognized:** You can name the DAF after your family, a company, in memory of someone, for a specific cause, etc. In addition, you can determine, grant by grant, whether you want recognition for the gift or would prefer to remain anonymous.
- **Income tax deduction:** You as the donor will generally receive the maximum allowable tax deduction on your contributions for the tax year in which they are donated to the DAF (tax deductions are up to 60% of your AGI for cash donations and up to 30% of your AGI for donations of appreciated securities, with an ability to carry forward any excess tax deduction for up to five years.)
- **Capital gains tax savings:** You can choose to donate appreciated assets instead of cash and will not pay capital gains tax on those assets or on any future appreciation of the gifted assets.
- **Donate now, decide later:** You can lock in your tax deduction the year you make the gift, even if you do not know the final recipient of your gift since your DAF gives you the flexibility to decide when and how much to give to a specific charity.
- **Tax-free asset growth:** Assets donated to a DAF are an irrevocable gift to a charity, and therefore grow tax-free. The assets can be invested with the objective of potentially increasing the charitable grants you can make in the future.
- **Tax-deduction planning:** If you normally do not itemize on your tax return and therefore do not get a tax benefit for charitable contributions, a DAF enables you to “bunch” a few years of charitable gifts up front to get a tax deduction by itemizing in that one year you make the gift to the DAF.
- **Minimal administration:** The DAF-sponsoring organization provides you with tax documentation and processes grants to recommended charities.
- **Connect your philanthropy with your heirs:** You can name your heirs as successor advisors on the DAF to allow future generations to recommend grants.
- **Continue your legacy of giving beyond your lifetime:** You can leave instructions for your DAF to be distributed to specific charities of your choosing at your death. You can also name your DAF in your will or as beneficiary of your IRA, retirement plan, charitable remainder trust or life insurance policy.

## How can UBS help you with a DAF?

UBS offers DAF services with four national sponsoring organizations:

Fidelity Charitable  
Impact Assets  
National Philanthropic Trust  
Renaissance Charitable

Your UBS Financial Advisor can help you identify which DAF-sponsoring organization available through UBS is best for you by looking at various factors such as:

- **Account minimums:** You can establish a single DAF account, where you can work with your UBS Financial Advisor to recommend a specific investment strategy with as little as \$20,000 (some DAF-sponsoring organizations available at UBS have larger minimums). Or you can choose from pre-selected UBS managed portfolios with as little as \$10,000. Regardless, you get statements directly from your DAF-sponsoring organization.
- **Contribution types:** A DAF can accept gifts of cash, stocks, bonds, mutual funds, real estate, collectibles, privately held or restricted stock and even crypto currency.<sup>4</sup>
- **Liquidation of accepted investments:** DAF-sponsoring organizations may require immediate liquidation of donated assets while others will allow the DAF account to hold them for a period of time.

- **Investment options:** Each DAF-sponsoring organization has a list of approved investment options. Your UBS Financial Advisor can help recommend a portfolio that reflects your philanthropic investment objectives and comfort level with risk.
- **Charitable administrative fee:** Each DAF-sponsoring organization charges the DAF account a quarterly fee for the administration of your DAF and these fees vary depending on the amount of assets in your DAF. The charitable administrative fee is in addition to the asset management fee charged to the DAF account for investments.

If you have a particular DAF-sponsoring organization you want to work with other than the four mentioned above, such as a community foundation, politically aligned or faith based DAF, UBS may still be able to help with your philanthropic needs. Your preferred DAF-sponsoring organization may be willing to establish your DAF with your UBS Financial Advisor.



Contact your UBS Financial Advisor to learn more about Donor-Advised Funds, Private Foundations and to learn more about the philanthropic impact UBS is making around in the world. Visit us at [ubs.com/philanthropy](https://ubs.com/philanthropy) for more information.

<sup>1</sup> Tax deductions vary depending on the type of asset that is donated, please consult a tax advisor.

<sup>2</sup> The value of the donor-advised fund could decrease if the investments in the account do not appreciate greater than the annual fees charged to the account. **Past performance of investments are not guarantees of future results.**

<sup>3</sup> Grants may only be made to 501(c)(3) organizations and must be reviewed and approved by the DAF-sponsoring organization.

<sup>4</sup> Illiquid assets may take longer to transfer and involve additional cost. Some DAF-sponsoring organizations may not take all types of contributions and when illiquid assets are accepted, they are generally expected to be either sold immediately or diversified over time.

#### Important information about brokerage and advisory services

As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that you understand the ways in which we conduct business, and that you carefully read the agreements and disclosures that we provide to you about the products or services we offer. For more information, please review the client relationship summary provided at [ubs.com/relationshipsummary](https://ubs.com/relationshipsummary), or ask your UBS Financial Advisor for a copy.

#### No tax or legal advice

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