EXPLORING DONOR ADVISED FUNDS

A popular charitable giving solution that may provide an immediate tax benefit and serve as an alternative to a private foundation.

RAYMOND JAMES *Charitable*

Giving, simplified.

You're ready to invest in the people and communities around you and uplift those who need it most. Consider the benefits of an uncomplicated, tax-savvy way to do it: a donor advised fund.

Giving creates positive change in people, institutions and communities. It sustains a multitude of worthwhile organizations. It launches innovative new programs and services. Plus, it makes us feel good and want to celebrate.

When you have a lot to give, it can be tricky figuring out the best approach to maximize your effort. That's where a donor advised fund (DAF) with the Raymond James Charitable Endowment Fund (Raymond James Charitable) can be helpful.

Easy to set up and maintain, a Raymond James Charitable DAF offers many benefits, including the potential to avoid capital gains tax on gifts of appreciated assets, eligibility for an immediate federal income tax deduction equal to the fair market value of most gifted assets[1] and no minimum annual distribution requirement.[2]

Raymond James Charitable simplifies giving by making grants to charitable organizations on your behalf, and seeks to increase the value of your original gift through prudent investing. This approach can potentially provide you with even more funds to support the charities you care about.

And what could be more personal? You can even put your family name on your DAF account and pass it down for generations, providing an opportunity to create a legacy of giving for years to come.

Raymond James Charitable can support your philanthropic goals while simplifying your giving and addressing tax and personal objectives.

Give Smarter

When you give to your favorite charities through Raymond James Charitable:

> Eligibility for an immediate federal income tax deduction, with flexibility to make charitable grants later

> Potential avoidance of capital gains tax on gifts of qualified appreciated assets

> The ability to help remove assets from your taxable estate

> Potential for your gift to grow tax-free

> Many of the benefits of a private foundation but with less work

> Consolidated giving efforts, with the opportunity to build a charitable legacy for generations to come

[1]A federal income tax deduction is available only to donors who itemize their deductions for income tax purposes and is subject to certain limitations and substantiation requirements. Tax consequences and benefits also depend on a donor's individual circumstances. Donors should consult their own attorneys or tax advisors.

[2]Current law does not impose an annual minimum distribution requirement on DAFs. The law is subject to change.

IMPORTANT DETAILS ABOUT YOUR RAYMOND JAMES CHARITABLE DAF ACCOUNT

CONTRIBUTIONS

To establish a Raymond James Charitable DAF account, you can contribute as little as $10,000 in cash, marketable securities or mutual fund shares. Subsequent contributions can be made in amounts of $500 or more.

Raymond James Charitable can also assist companies and small businesses with their charitable giving. The minimum contribution for companies is the same as it is for individuals. A Raymond James Charitable DAF lets individuals or businesses outsource the administrative responsibilities, leaving more time and resources to focus on grant making and addressing the individual's or company's strategic goals.

Whether individuals or corporations make them, all gifts to Raymond James Charitable are irrevocable and are subject to Raymond James Charitable's program terms and applicable legal requirements, so it's important for you to consider your long-range needs before choosing to give.

Before you make your initial gift, you will be asked to complete and sign a DAF account application. You will also be asked to name your account. You can honor a cherished family member – "Margaret Smith Memorial Fund" – or you can highlight your personal charitable goals – "Smith Family Foundation for the Performing Arts" – or keep your account anonymous – "Smiles Fund."

Name your account in honor of someone
or to highlight personal charitable goals.

RAYMOND JAMES CHARITABLE HAS A UNIQUE INVESTMENT APPROACH

Unlike many DAF programs that limit investments to proprietary funds, our program offers access to a broad range of funds, informed by the expertise of the Raymond James Mutual Fund Research team, giving you greater choice and flexibility in how your charitable assets are invested. There are two types of selection options depending on the contribution level. Assets contributed to a Raymond James Charitable DAF are invested tax-free.

LIBERTY OBJECTIVE OPTION: FOR ACCOUNT BALANCES OF ANY SIZE

You may recommend that your donation be invested in one of these seven investment objectives:

MONEY MARKET OBJECTIVE (100% Money Market) – Seeks the preservation of capital and the production of income exclusively through investment in a money market fund investing in the highest quality, very short-term debt instruments.

INCOME OBJECTIVE (10% Growth / 90% Income) – Seeks income and capital preservation primarily through the use of a mutual fund portfolio consisting of exposure to U.S. government and global corporate bonds.

INCOME WITH GROWTH OBJECTIVE (30% Growth / 70% Income) – Seeks income and provides a growth component through the use of a mutual fund portfolio consisting of exposure to U.S. government and global corporate bonds and a modest exposure to diversified common stocks.

BALANCED OBJECTIVE (50% Growth / 50% Income) – Seeks to provide a balanced allocation through the use of a mutual fund portfolio – providing both growth and income.

GROWTH WITH INCOME OBJECTIVE (70% Growth / 30% Income) – Seeks long-term growth of capital primarily by investing in a diversified mutual fund portfolio consisting of equity exposure and income through the use of U.S. government and global corporate bonds.

GROWTH OBJECTIVE (90% Growth / 10% Income) – Seeks long-term growth of capital primarily by investing in a diversified mutual fund portfolio consisting of equity exposure across the market capitalization and growth spectrums, including prudent exposure to international markets.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) BALANCED OBJECTIVE (62% Growth / 38% Income) – Seeks long-term capital appreciation with strong growth potential through investments with best-in-class environmental, social and governance practices.

To view the Liberty Objective funds and past performance, visit raymondjamescharitable.org.

Raymond James Charitable's Trustees may change both the specific funds utilized and the asset allocation. All investment recommendations are subject to the review and approval of Raymond James Charitable.

You could lose money by investing in the Money Market fund. Although the fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time. The fund will not impose a fee upon the sale of shares, nor temporarily suspend the ability to sell shares if the fund's weekly liquid assets fall below 30% of its total assets because of market conditions or other factors. Interest rate increases can cause the price of a money market security to decrease. A decline in the credit quality of an issuer or a provider of credit support or a maturity-shortening structure for a security can cause the price of a money market security to decrease.

Please consider the investment objectives, risks, charges and expenses of an investment company carefully before recommending a Liberty investment objective. This and other important information is contained in the fund prospectuses, which can be obtained from your investment professional and should be read carefully before recommending a Liberty investment objective.

INVESTMENT ADVISOR PROGRAM (IAP) OPTION: FOR ACCOUNT BALANCES OF $500,000 OR MORE

The Investment Advisor Program (IAP) allows you to nominate your Raymond James financial advisor to manage the assets held in your DAF account.

Choosing appropriate investment options is only part of the process. Raymond James Charitable's trustees must also continually monitor the investments as part of their fiduciary responsibility. Their objective is to manage investments in accordance with fiduciary principles and long-term strategy.

Any income or appreciation achieved will be reinvested. So, to the extent your DAF account balance grows, additional funds will be available for the charities you recommend.

When establishing a fund, you will be asked to advise in four areas:

How the money is invested within the options offered by Raymond James Charitable

Which charities will ultimately receive grants from the DAF

How much will be given to each charity

Who will make these decisions instead of or as a successor to you[3]

[3]All charitable grant and investment recommendations are subject to the review and approval of Raymond James Charitable.

CHOOSING THE CHARITIES AND CAUSES YOU WANT TO SUPPORT

While people support different charities, the one common denominator among donors is a generous spirit. You want to make a difference. And now you can watch your giving work harder and smarter for you for years to come.

You may recommend grants to any combination of more than 1.5 million U.S. organizations that qualify as 501(c)(3) charities under the Internal Revenue Code.

The timetable is up to you. Grants can be made at any time – whenever it makes the most sense as a part of your giving strategy, whether that's today or 10 years from now. Unlike private foundations, which are generally required to distribute at least 5% of their assets annually for charitable purposes, DAFs are not subject to a minimum annual distribution requirement under current law.

You will have plenty of time to consider your choices, and our team will verify the tax status of the organizations you recommend, helping confirm that recommended recipients are IRS-qualified charities. And because you have plenty of time to think about your choices, you won't be hurried into making snap decisions at year-end to meet tax deduction deadlines.

Although your charitable contributions are generally tax deductible for federal tax purposes, every individual's tax situation is unique. Before donating to Raymond James Charitable, you should consult your attorney or accountant with questions about your personal tax and legal circumstances.

MAKING GRANTS TO FULFILL YOUR CHARITABLE WISHES

Once you've chosen your charities and you're ready to give, our team will review your recommendations and make grants from your account in amounts of $100 or more to as many qualified charities as you wish. We will send a letter with the grant check to the charity, recognizing that you recommended the grant, or, if you wish, you can remain anonymous.

Your choices of charities may include:

ELEMENTARY SCHOOLS

COLLEGES

MEDICAL RESEARCH

MUSEUMS

HOSPITALS

NATURE PRESERVES

RELIGIOUS ORGANIZATIONS

HOMELESS & ABUSE SHELTERS

COMMUNITY CENTERS

FINE ARTS

YOUTH CAMPS

ANIMAL RESCUE

… plus many other worthy organizations

Among the **largest areas of interest** for grants made from Raymond James Charitable donor advised funds are **faith-based organizations, education programs** and **schools**, and **social services**.

A WIDE RANGE OF BENEFITS, FROM REDUCING TAXES TO LEAVING A LEGACY

IMMEDIATE TAX DEDUCTION, FLEXIBLE GIVING

One of the most appealing benefits of a DAF is that you are generally eligible for a federal income tax deduction at the time of contribution, subject to applicable tax rules, for the amount you've donated.

Then, you can recommend that Raymond James Charitable make grants to your favorite charities at any time in the future – next week, next year or 10 years from now. You avoid the pressure of having to make hasty year-end grant decisions because of an income tax deadline, and you can spread your giving over time. Recurring grants can be arranged, putting your charitable giving on a schedule for us to administer. And because Raymond James Charitable is a public charity, you may be able to take a larger tax deduction within a given year than you would for a donation to a private foundation.

THE FUND ENABLES YOU TO

> Create a legacy of giving in your family name

> See the benefits in your lifetime and designate a successor donor advisor

> Name eligible charities to receive grants beyond your lifetime

NO CAPITAL GAINS TAX

If you contribute long-term appreciated securities to your DAF, you'll ordinarily avoid capital gains tax on the appreciation and generally become eligible for an immediate federal income tax deduction for the fair market value of your gift. This is particularly useful for shares bought at a very low price (or other basis) that have appreciated greatly over the years.

REDUCED ESTATE TAXES

Assets donated to a DAF during your lifetime are removed from your taxable estate. To gain additional estate-planning benefits, you may leave a bequest to your DAF in your will or trust or name your DAF as the beneficiary of an IRA, annuity contract, life insurance policy or other types of accounts. Of course, you should always consult your attorney or tax advisor for in-depth guidance on these strategies.

POTENTIAL TAX-FREE GROWTH

Your gifts have the potential to grow. Depending on the investment objectives you select and the number of grants you make, the assets in your DAF may be invested for potential growth, which may increase the funds available for charitable giving over time, even more than the value of your original gift.

CREATING A TRADITION OF GIVING

You can't live forever, but your passion for helping others can. A Raymond James Charitable DAF enables you to create a legacy of giving in your family name, see the benefits in your lifetime and designate a successor donor advisor – your children, grandchildren or other important people in your life – to recommend grants after your death. Alternatively, you may recommend specific charities to receive grants with a customized distribution plan beyond your lifetime.

THE PLEASURE OF GIVING WITHOUT THE BURDEN

Raymond James Charitable provides all the administration and reporting services you need for your giving program, including the documentation you need to calculate and support income tax deductions.

> Raymond James Charitable will keep you apprised of account activity with status reports each quarter and an end-of-year contribution summary statement for easier year-end tax preparation.

GAIN THE ADVANTAGES OF A PRIVATE FOUNDATION WITHOUT THE EXPENSE

DAFs are easy to set up, require no startup fees and protect giving dollars from being taxed. Plus, Raymond James Charitable does all the recordkeeping so you can focus on what's important: carrying on your legacy.

PRIVATE FOUNDATION	RAYMOND JAMES CHARITABLE DAF
Legal and accounting fees to establish	No startup costs
Foundation needs to manage assets, maintain records and prepare tax returns	All administrative, investment and recordkeeping services are provided by Raymond James Charitable
Current year federal tax benefit limited to 30% of adjusted gross income (AGI) for cash gifts and 20% of AGI for gifts of long-term capital gain property	Current year federal tax benefit limited to 60% of AGI for cash gifts and ordinarily 30% of AGI for gifts of long-term capital gain property*
With the exception of gifts of qualified appreciated stock, the deduction for gifts of long-term capital gain property is limited to the donor's tax basis	A fair market value deduction is generally available for gifts of long-term capital gain property
Excise tax of 1.39% of net investment income annually	No excise tax on net investment income
5% of foundation assets must generally be distributed annually to avoid excise taxes	No annual distribution requirement under current law*
Foundation must verify tax status of all charities	Raymond James Charitable verifies the tax status of all charities

*Comparisons are general in nature. DAFs and private foundations have different legal, tax and operational considerations that may affect suitability.

FREQUENTLY ASKED QUESTIONS

Q. Are there certain requirements to set up and maintain my DAF account?

Yes. A $10,000 minimum contribution is required to open a DAF, and the minimum additional contribution into your DAF (after its initial setup) is $500. There are administrative fees on all DAFs and investment management fees on DAFs with active management. There are no annual requirements to contribute into or grant out of your DAF. The minimum amount to grant to charity out of your DAF is $100. Grants generally take one to 10 business days to process, as each charity is reviewed for approval according to IRS requirements for DAF distributions.

Q. Can I make changes to the investment selection at a later date?

Yes. You have the ability to recommend changes to your investment strategy at any time.

Q. If I put money into my DAF, may I take it back later?

No. All contributions to a DAF are irrevocable gifts.

Please note, this information is general and educational in nature. It is not intended to be, and should not be construed as, legal or tax advice. For complete information consult a tax attorney.

Q. Can I recommend that my DAF make grants to any charity of my choice?

Generally, yes. You can recommend a grant to any US-based charitable organization qualified under Section 501(c)(3) of the Internal Revenue Code that is classified as either a public charity (other than a disqualified supporting organization) or a private operating foundation, provided that a grant to the organization would otherwise satisfy applicable legal requirements. We will verify the recommended charity's tax status for you.

Q. Are there any limitations or requirements for grant recommendations that I request to charity?

Yes. All grant recommendations are subject to review and approval by Raymond James Charitable in accordance with applicable laws and its program policies, both of which are subject to change. In particular, all grants recommended out of a DAF must be for charitable purposes and satisfy other IRS rules. For this reason, grants from a DAF cannot be used for certain purposes.

- We cannot make grants that provide or are associated with a personal benefit (tickets, table, auctions, etc.).
- We cannot make grants that are being used to pay for things that are only partially deductible (e.g., bifurcated grants).
  - *Grants out of a DAF cannot pay for things that would be only partially deductible if a donor made the contribution directly (rather than through a DAF). Dues or membership fees, buying tickets to a benefit or purchasing goods at a charitable auction are only partially deductible. Grants from a DAF for these purposes are prohibited, unless any/all benefits are waived. This is the case even if you pay personally for the non-deductible benefits.*
- We cannot make grants that satisfy a legally binding pledge.
  - *This is because, for the IRS, a pledge has the appearance of a personal debt, an agreement between you and the charity. Grants made out of your DAF are technically viewed as a grant from RJ Charitable (not you) to the charity. If the charity receives a check from RJ Charitable, they may not apply it to your pledge and in the future could claim that they are owed payments from your personal estate.*
- We cannot make grants that benefit a specific individual(s)/account number(s).
  - *This is because DAF grants generally must be used to fund charities that support the general public and DAF program sponsors must have documented and formalized programs for selecting and granting to individuals. For example, a grant cannot be used to pay tuition for a specific student that you name (even if that student is not related to you) because Raymond James Charitable does not have a program that evaluated and selected that student as deserving of a scholarship. You can, however, make a grant request from your DAF to a charity that has its own scholarship program.*
- We cannot make grants to private non-operating foundations.
  - *This is because donations to this type of organization have different tax treatment under the law.*
  - *While a DAF cannot pay into a private foundation, the reverse is acceptable. You can move funds from a private foundation to a DAF.*
- We cannot make grants that are being used for lobbying, political contributions or political campaigns.

Getting started is easy.

To establish a Raymond James Charitable DAF account, work with your Raymond James financial advisor, or visit raymondjamescharitable.org/getting-started to see how you can apply directly.

RAYMOND JAMES® *Charitable*

RAYMOND JAMES CHARITABLE

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