Leveraging Philanthropy

Presented by
William L. Sutton Jr.
Executive Director
Head of Philanthropic Services, U.S.
UBS Financial Services, Inc.
UBS Philanthropic Services: a global presence

We provide you with expertise and solutions to deliver positive change

Philotropic Team
UBS commitment to philanthropy goes back many years. Our team covers over 30 dedicated experts globally and we look back at over 10 years of successful hands-on experience with our in-house foundation, engaging in over 70 countries worldwide.

Best Philanthropy Services in the World
Euromoney 2013
### Table of contents

**Section 1** Giving: What, Why & How ................................................................. 3  
**Section 2** Accelerating Philanthropy .................................................................... 10  
**Section 3** Appendices ......................................................................................... 13
Section 1

Giving: What, Why & How
Giving: The what

2011 charitable giving: $298.42 billion

2011 contributions: $298.42 billion by source of contributions
(in billions of dollars – all figures are rounded)

Individuals: $217.79 (73%)
Foundations: $41.67 (14%)
Bequests: $24.41 (8%)
Corporations: $14.55 (5%)

© 2012 Giving USA Foundation™
Giving: The what

2011 Contributions by type of charity

2011 contributions: $298.42 billion by type of recipient organization
(in billions of dollars – all figures are rounded)

- **Religion** $95.88 32%
- **Education** $38.87 13%
- **Human services** $35.39 12%
- **Health** $24.75 8%
- **Public-society benefit** $21.37 7%
- **Arts, culture, and humanities** $13.12 4%
- **International affairs** $22.68 8%
- **Environment/animals** $7.81 3%
- **Unallocated* $8.97 3%
- **To individuals $3.75 1%

Includes rounding to get to 100%

* Includes gifts to non-grantmaking foundations, deductions carried over, contributions to organizations not classified in a subsector, and other unallocated contributions

© 2012 Giving USA Foundation™
Giving: The what

Total giving: 1971-2011

Total giving: 1971–2011
(in billions of dollars)

© 2012 Giving USA Foundation™
<table>
<thead>
<tr>
<th>Giving: The what</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Women and philanthropy</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Women’s Motivations Behind Charitable Behavior</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Key Gender and Age Comparison Points</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Why High Net Worth Women Stop Giving?</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Women’s Risk Tolerance With Philanthropic Assets</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Women’s Planning Approaches to Giving</strong></td>
<td></td>
</tr>
<tr>
<td><strong>High Net Worth Women’s Confidence in charities or individuals</strong></td>
<td></td>
</tr>
</tbody>
</table>
Giving: The why

Three shared traits: The Lucky 9%

Talk About Planning
Real Conversations
Active Philanthropy

The Lucky 9%
Giving: The how

Private Foundations and Donor Advised Funds

Donor → Irrevocable gift → Giving Account → Charities

Deduction

Grants and Loans
Section 2

Accelerating Philanthropy
Accelerating philanthropy

Rethinking impact

- Align your investing with your values: Sustainable Investing
- Collaborative Philanthropy
- Loans and Community Investing
- Philanthropic Advisory Services
- Finding your Community
- Entrepreneurial Philanthropy
## Accelerating philanthropy

### Questions to consider

<table>
<thead>
<tr>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>What moves me? Where do my values, resources and passions meet?</td>
</tr>
<tr>
<td>Does my philanthropy align with what I care most about?</td>
</tr>
<tr>
<td>What legacy do I want for myself – for my family?</td>
</tr>
<tr>
<td>How do I involve, encourage and balance the next generation(s)?</td>
</tr>
<tr>
<td>How do I make a difference beyond gifts and grants?</td>
</tr>
<tr>
<td>How do I want my story to read?</td>
</tr>
</tbody>
</table>
Appendices
Good deeds have also been good investments

Sustainable Investing has outperformed the broad market since 1990

The FTSE KLD 400 Social Index (formerly KLD’s Domini 400 Social™ Index) is a float-adjusted, market capitalization-weighted common stock index of U.S. equities launched by KLD Research & Analytics in May 1990. The S&P 500 Index is a trademark of Standard & Poor’s. Standard & Poor’s 500 Index covers 500 industrial, utility, transportation and financial companies of the U.S. markets (mostly NYSE issues). It is a capitalization-weighted index calculated on a total return basis with dividends reinvested. Individuals cannot invest directly in any index. Index performance does not reflect transaction costs, fees, or reinvestment of distributions that would apply to an actual investment account. Past performance is not indicative of future results.

Sources: Frank Russell, KLD Research & Analytics
Understanding the power of trusts
Charitable remainder trusts

Generate cash flow now, leave legacy later

Irrevocable life insurance trust
• second-to-die policy

Grantor

Charitable remainder trust
• Sell stock
• No immediate lump sum cap gains tax
• Reinvest

Income Distributions

Infcome tax deduction for portion of stock’s value

Death benefit to children

Remainder to charity
Charitable lead trusts

Give now, leave assets to beneficiaries later

Grantor

Irrevocable property transfer

Charitable lead trust

Distributions to charity for life or a term of years

Remainder to beneficiaries or trust

©UBS 2012. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved. UBS Financial Services Inc. is a subsidiary of UBS AG. Member SIPC.

2719-023 WilliamSutton_Y5 Presentation Philanthropy.pdf
**Disclaimer**

Wealth management services in the United States are provided by UBS Financial Services Inc., a registered broker-dealer offering securities, trading, brokerage and related products and services.

Neither UBS Financial Services Inc., nor its employees (including its Financial Advisors), provide tax or legal advice. You should consult with your attorney and tax advisor regarding your personal circumstances. It is your responsibility to determine if and how the suggestions made in connection with the planning services should be implemented or otherwise followed. You should carefully consider all relevant factors in making your decisions and we encourage you to consult with your outside professional advisers. In particular, you should consult with your legal counsel and/or your accountant or tax professional regarding the legal or tax implications of a particular recommendation, strategy or investment, including any estate planning strategies, before you invest or implement.

The strategies discussed in this presentation are some of the most commonly known or used wealth transfer strategies, not an in-depth discussion of all strategies that may be appropriate to your needs. This summary is for informational purposes only and should not be used as the basis of an investment decision. UBS Financial Services Inc. does not provide legal or tax advice.

UBS Financial Services Inc. expressly disclaims responsibility for any use of these materials other than in accordance with this statement of purpose.

UBS Financial Services Inc., its affiliates and its employees are not in the business of providing tax or legal advice. These materials, and any tax-related statements, are not intended or written to be used and cannot be used or relied upon by any such taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer’s particular circumstances from an independent tax advisor.
Important client information

It is important that you understand the ways in which we conduct business and the applicable laws and regulations that govern us. As a firm providing wealth management services to clients, we are registered with the U.S. Securities and Exchange Commission (SEC) as an investment adviser and a broker-dealer, offering both investment advisory and brokerage services. Though there are similarities among these services, the investment advisory programs and brokerage accounts we offer are separate and distinct, differ in material ways and are governed by different laws and separate contracts.

All references to mutual funds found in this presentation refer only to funds registered in the U.S. These mutual funds are sold by prospectus only. Offshore mutual funds are only available to non-U.S. residents. Please speak with your Financial Advisor about these funds. Investors are advised to read the relevant offering documents before investing. With respect to any discussion in this presentation that may relate to fee-based advisory products (such as ACCESS or PACE), please note that such advisory products may not be available in all jurisdictions.

It is important that you carefully read the agreements and disclosures that we provide to you about the products or services we offer. While we strive to ensure the nature of our services is clear in the materials we publish, if at any time you seek clarification on the nature of your accounts or the services you receive, please speak with your Financial Advisor.

For more information, please visit our website at www.ubs.com/workingwithus

Borrowing considerations
Borrowing using securities as collateral entails risk and may not be appropriate for your needs. All loans are subject to credit approval. For a full discussion of the risks associated with borrowing using securities as collateral, you should review the Loan Disclosure Statement that will be included in your application package. Neither UBS Financial Services Inc. nor UBS Bank USA provides legal or tax advice. You should consult your legal and tax advisors regarding the legal and tax implications of borrowing using securities as collateral for a loan.