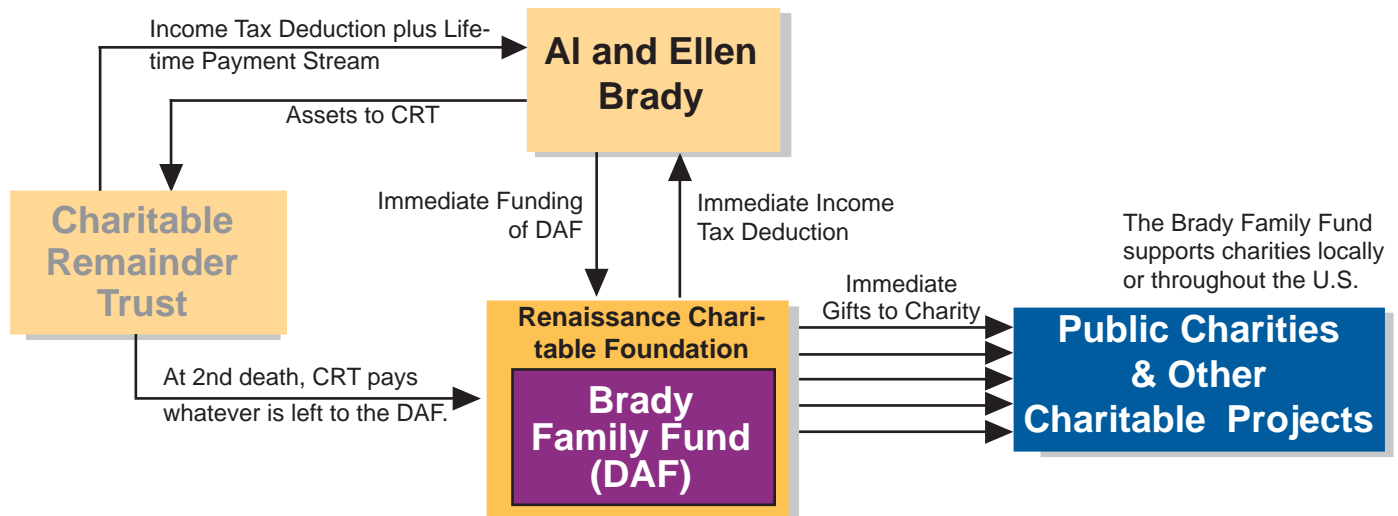


Case Strategy: *Donor Advised Fund Lets Couple See Charitable Benefits During Lifetime*

BRADY



Several years ago, Al and Ellen Brady used a charitable remainder trust to defer capital gain taxes, create an income tax deduction, increase their lifetime spendable cash flow and make a large, future gift to charity. Now, the Bradys are ready to sell another \$500,000 block of stock that has a \$75,000 basis. While they would like to avoid the \$85,000 capital gain tax on a sale and want an additional income tax deduction, they don't need more cash flow from their CRT. A separate concern is that although the Bradys enjoy the financial benefits of their CRT, they want to test how the charities will spend their money.

Their financial advisor, Steve Curtiss, suggests giving the stock to a Donor Advised Fund at Renaissance Charitable Foundation. Curtiss informs the Bradys that a Donor Advised Fund will let them have their name on the fund and make recommendations as to which charities they would like to benefit. Unlike most gifts to a typical charity, the Bradys' Donor Advised Fund can make grants to different charities from year to year.

Curtiss further explains that by transferring the stock to a Donor Advised Fund, they will receive an immediate \$500,000 income tax deduction, which would reduce their tax burden by \$165,000. After the transfer, the stock will be sold with the proceeds re-invested in a balanced portfolio designed to produce an average return of 6%. The Bradys anticipate making annual grant recommendations totaling \$25,000.

Al and Ellen plan to use their new Donor Advised Fund to become more involved with several charitable organizations in their community. In future years, they may include their children in the grant recommendation process by allowing them to make recommendations for a portion of the annual distributions to charities. They also decide to designate Renaissance Charitable Foundation as the charitable beneficiary of their charitable remainder trust.

This is one of many examples of how a Donor Advised Fund can help achieve your goals. Call Renaissance Charitable Foundation, 866-803-0389 today to learn more or visit our web site at www.rcgf.org.

Assumptions:

- Marginal income tax rate of 33%.
- Marginal capital gain tax rate of 20%.
- Deduction may be limited. Consult a tax advisor.

For more details about this strategy or any other charitable trust case, please call Renaissance at 866.803.0389.

Renaissance
Charitable Foundation

This example is hypothetical and for educational use only. The situations, tax rates or return numbers do not represent any actual clients or investments. There is no assurance that the rates depicted can or will be achieved. Actual results will vary. Please consult with legal and tax counsel about the suitability of this plan before proceeding.

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