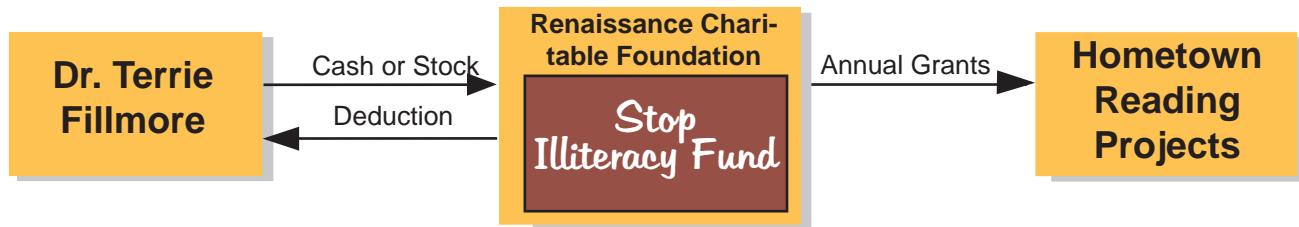


# Case Strategy: *Restricted Fund Fights Illiteracy*

FILLMORE



An avid reader and lifelong resident of Gotham, Dr. Terrie Fillmore is disturbed over the illiteracy of Gotham residents. Dr. Fillmore mentioned her concerns to Jack Kent, her financial advisor, after their annual portfolio review meeting.

Upon learning that Terrie was committed to creating a long-term solution, Jack recommended creating the **Stop Illiteracy Fund** with the Renaissance Charitable Foundation (Renaissance). In order to create the fund, Terrie will give \$25,000 each year to Renaissance, which will use the money to pay life insurance premiums on a \$1 million life insurance policy on Terrie's life. When Terrie dies, the life insurance proceeds will be paid to the **Stop Illiteracy Fund**. This fund will make payments each year in her name to programs that fight illiteracy in Gotham.

Jack explains that, in making her annual gifts, Dr. Fillmore has the option of giving either cash or stock that is subsequently sold by Renaissance. Either way, Dr. Fillmore will receive an income tax charitable deduction for each gift.

Dr. Fillmore is thrilled with the idea. Her advisor showed her how to avoid capital gain on an appreciated asset, reduce her income taxes and fight illiteracy in her hometown.

**Dr. Fillmore  
Annual Gifts**  
\$25,000

**Dr. Fillmore  
Annual Tax  
Deduction**  
\$25,000

**Endowed Gifts  
(Every Year  
In Perpetuity)**  
\$50,000 +/-

**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. This is not an offer of insurance. 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.

6100 W. 96th Street • Suite 105 • Indianapolis, IN 46278 • Ph: 866.803.0389 • Fax: 877.222.1829 • [www.rcgf.org](http://www.rcgf.org)