

# Empower your philanthropy to do more

Introducing the J.P. Morgan Charitable Giving Fund. Support the causes that matter to you most.

## EXPANDING YOUR PHILANTHROPY'S REACH

The true mission of philanthropy is to help others.

The J.P. Morgan Charitable Giving Fund is a donor-advised fund, offered in conjunction with National Philanthropic Trust (NPT), that may provide more flexibility, enhanced options and fewer restrictions than other vehicles designed for giving.

It provides you with the opportunity for an immediate tax deduction, gives you time to thoughtfully select charitable organizations to support, and simplifies your grantmaking.

## MAKING A DIFFERENCE THROUGH A DONOR-ADVISED FUND

A donor-advised fund is a charitable giving vehicle that is easily established, simple to use, cost-effective and tax-efficient.

You can:

- Establish an enduring philanthropic legacy
- Receive immediate tax deductions
- Avoid capital gains on contributions of appreciated assets
- Invest donated assets so they continue to grow tax-free

## HOW A DONOR-ADVISED FUND WORKS

Donor-advised funds, such as the J.P. Morgan Charitable Giving Fund, offer the maximum charitable tax benefit and the lowest startup/operating costs of all charitable giving vehicles.



### DONORS CONTRIBUTE

Donors make an irrevocable contribution and can take an immediate tax deduction



### GROWTH POTENTIAL

Donor's charitable assets may grow tax-free<sup>1</sup>



### CHARITIES BENEFIT

Donor recommends grants to qualified charities

## ADVANTAGES

SIMPLIFY	CONSOLIDATE	CUSTOMIZE	MAXIMIZE	DECIDE
There are no startup costs, excise taxes or tax filings	NPT handles all recordkeeping and administration	Donors name their accounts and appoint advisors and successors	Get the maximum charitable tax deductions available	Remain anonymous or receive recognition for grants

To learn more, visit [jpmorgan.com/cgf](http://jpmorgan.com/cgf).

J.P. Morgan and its affiliates and employees do not provide tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any financial transactions. Please read the important information beginning on page 4.

INVESTMENT PRODUCTS: • NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

“People are giving charitably to invest in their communities—locally, regionally, nationally, globally—in their family legacy and in the future.”

—Eileen Heisman, President and Chief Executive Officer, National Philanthropic Trust

Learn more about the special features available with the J.P. Morgan Charitable Giving Fund.

## EXPAND YOUR OPTIONS

You have the flexibility to:

- Donate Illiquid assets—including privately held stock, real estate, alternatives, structured notes and derivatives<sup>2</sup>
- Advise on the timing and rate at which the donated securities are liquidated, particularly with less liquid, complex assets (e.g., privately held stock)

## ENHANCE YOUR GIFT

You have the opportunity to grow and customize your investments:

- Liquid assets in your Fund are invested in the J.P. Morgan platform and allocated according to your recommendation until grants are made<sup>3</sup>
- Choose from over 40 investment options based on your timeframe and approach to giving
- Customized portfolios, including alternatives, are available for Funds with liquid assets of \$2 million or more

## MAKE AN IMPACT AT HOME OR ABROAD

You may give to charitable causes of your choice locally or globally:

- Grants from Charitable Giving Fund accounts have been made in 189 cities and 72 countries<sup>4</sup>
- Grants can be structured with specialized features, including targeted support, multi-year grants, and matching or challenge grants
- Your dollars may go further because J.P. Morgan can convert your international grants into local currency<sup>5</sup>

## EMPOWER YOUR PHILANTHROPY

Create a legacy of philanthropy, and expand your and your family’s reach:

- Give family members the opportunity to advise on the DAF account, and help them get involved
- Receive guidance on giving at J.P. Morgan, including advice, learning opportunities and peer-to-peer networking
- Access National Philanthropic Trust’s resources to identify and make grants to charitable organizations globally<sup>6</sup>

## MONITOR, GRANT, REALLOCATE

By logging on to your J.P. Morgan Online<sup>SM</sup> account and clicking on the link to your Charitable Giving Fund:

- Quickly make grant recommendations (the minimum grant is \$250)
- See your balances, contributions and those grants that have been paid
- Recommend investment reallocations
- Donors may open a Charitable Giving Fund account with an initial gift of \$25,000 or more in cash or eligible securities. Additional contributions may be made at any time thereafter in amounts of \$5,000 or more

# Fee Schedule

## ANNUAL CHARITABLE ADMINISTRATION FEE

Each Charitable Giving Fund Account is subject to an annual charitable administrative fee, paid to NPT for administering the account. The administrative fee covers such operating expenses as processing contributions, grantmaking, recordkeeping, quarterly statements, audit, tax filings, and the handling of other legal and fiscal responsibilities. The administrative fee rate is calculated based on a tiered, blended fee schedule, and is charged monthly, in arrears, based on the average ending daily balance of the account for the given period. Accounts with a balance of less than \$25,000 will be charged a minimum administrative fee of \$200 per year.

ACCOUNT BALANCE	FEE
First \$250,000	0.80%
Next \$250,000	0.65%
Next \$500,000	0.35%
Next \$9 million	0.20%
Next \$15 million	0.15%
Next \$25 million	0.10%
Next \$25 million	0.075%
Balance over \$75 million	0.05%

## INVESTMENT FEES AND EXPENSES

Please find below a list of fees and expenses associated with the J.P. Morgan Charitable Giving Fund. Note that donors will only be charged the respective fee depending on the investment option chosen.

- A Portfolio Advisory Fee is assessed on assets in a CGF account that is invested in a managed portfolio solution. The Portfolio Advisory Fee is 0.20% (20 basis points) and is paid quarterly to J.P. Morgan. A Client Service Investment Fee will be assessed on assets invested in the a-la carte menu of investment options, including J.P. Morgan mutual funds and third-party exchange-traded funds (ETFs). The Client Service Investment Fee is 0.05% (5 basis points), and is paid quarterly to J.P. Morgan.
- The individual solutions in which Charitable Giving Fund assets are invested will charge an annual expense ratio. Additional liquidation and applicable product fees may also apply.

Clients will be charged either the 0.20% if they invest in a managed portfolio solution (Options 1 or 2, or a managed portfolio for Option 4 of the investments), or 0.05% if they select Option 3 for the investments. For information about our investment options, please contact your J.P. Morgan Representative.

## ILLIQUID GIFT AND SPECIALIZED GRANTMAKING PROCESSING FEES

If you donate illiquid assets or wish to make a specialized grant, additional fees may apply. These potential fees are fully discussed with donors before these gifts are accepted or before action is taken to process the grants.

- **Illiquid assets**—To handle the IRS requirements, due diligence and inherent complexities in processing gifts of illiquid assets (such as real estate, restricted stock, stock in privately held companies or partnerships), additional fees apply. The charge is based on the costs incurred, including legal fees. Please request the *Illiquid Asset Contribution Guidelines* solution sheet for additional information.
- **International grants**—Grants to charities based overseas require additional due diligence to determine the charity's eligibility to receive a grant. As a result, NPT charges an additional fee for grants made to foreign and non-501(c)(3) charities. Please request the *Charitable Giving Fund Reference Guide* for additional information.
- **Grant agreements**—For donors who wish to make a grant that requires specific terms, NPT can draft and execute a grant agreement with the charity based on your intent. Examples of particular terms or conditions that can be incorporated into the grant include matching and challenge grant provisions, naming rights and reporting requirements. Please request the *Charitable Giving Fund Reference Guide* for additional information.

Please read the important information below.

<sup>1</sup> As with any donor-advised fund, there is the opportunity for the investments to fluctuate in market value.

<sup>2</sup> National Philanthropic Trust, the administrator of the J.P. Morgan Charitable Giving Fund, has the right to decide whether to accept an asset. All decisions and any additional fees are fully discussed with donors before these gifts are accepted and action is taken to process them. Additional fees may be incurred due to illiquid assets' potential complexities, legal fees and Internal Revenue Code requirements. For example, it is the responsibility of donors to determine the fair market value of securities gifts.

<sup>3</sup> If the donor does not indicate a preferred allocation, his or her entire account will be allocated to a J.P. Morgan money market fund. Please request the *Investment Options* solution sheet for more information on the investment options. Restrictions may be imposed on investment allocations that would entail significant risk. As with all donor-advised funds, the charity responsible for the funds—in this case National Philanthropic Trust—has the ultimate legal authority over how the funds are invested. However, National Philanthropic Trust is committed to taking all donor recommendations under advisement.

<sup>4</sup> These figures represent all the international grants, including those from Charitable Giving Fund accounts, that were made by National Philanthropic Trust to qualified charities between 2001 and December 2017.

<sup>5</sup> Decisions about grants to qualified foreign charities are made on a case-by-case basis. Additional fees apply.

<sup>6</sup> National Philanthropic Trust, a public charity, is legally responsible for ensuring these proposed grants and grantees are qualified to receive the funds. It also should be noted that grants from donor-advised funds can be made only to charitable organizations that are tax exempt under Internal Revenue Code (IRC) Section 501(c)(3) and that are public charities under IRC Section 509(a). Among other restrictions, proposed grants cannot be made to private non-operating foundations, and may not provide a benefit to the donor (membership dues, tuition, tickets or other goods or services), any specific individual or support a political campaign or lobbying activity.

<sup>7</sup> Please see J.P. Morgan Advisory Fee for additional details.

J.P. Morgan and its affiliates and employees do not provide tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any financial transactions. Such advice should be obtained from your independent advisors. Prior to making a donation to the Fund you should contact your tax or legal advisor. Specific tax information contained within these materials is believed to be accurate and correct, but in all cases should be discussed with your tax or legal advisors.

Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with JPMorgan Chase & Co. of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

The J.P. Morgan Charitable Giving Fund (the "Fund") is offered under an agreement between J.P. Morgan and National Philanthropic Trust ("NPT"), a public charity incorporated in Pennsylvania.

For additional processing and technology information, please contact your J.P. Morgan team. This document is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Specifically, this is not an offer or solicitation to purchase any investment solution discussed herein. All investments will be made by NPT through J.P. Morgan Securities LLC and will remain the property of NPT. Under the terms of the Fund, the policies of NPT and applicable law, the account assets are the property of NPT, and NPT has the final approval over asset allocation and grant recommendations.

Other restrictions may exist. For a more complete understanding, please review the *Charitable Giving Fund Reference Guide*, which governs this program, as well as the terms and conditions which govern your J.P. Morgan accounts.

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J.P. Morgan Fund prospectuses. Third-party exchange-traded fund prospectuses can be obtained through each third party's internet site, or you may contact your J.P. Morgan advisor for assistance. Return and share price will fluctuate, and redemption value may be more or less than original cost. While money market funds seek to maintain a stable NAV of \$1.00 per share, it is possible to lose money in these funds.

Federal tax law makes it the responsibility of the donor to determine the value of a gift. J.P. Morgan and NPT will make reasonable efforts to process contributions in a timely manner, but will not be held liable for contributions not being recognized on a particular or certain date. For additional processing and technology information, please contact your J.P. Morgan representative.

#### **IMPORTANT INFORMATION ABOUT YOUR INVESTMENTS AND POTENTIAL CONFLICTS OF INTEREST**

Conflicts of interest will arise whenever JPMorgan Chase Bank, N.A. or any of its affiliates (together, "J.P. Morgan") have an actual or perceived economic or other incentive in its management of our clients' portfolios to act in a way that benefits J.P. Morgan. Conflicts will result, for example (to the extent the following activities are permitted in your account): (1) when J.P. Morgan invests in an investment product, such as a mutual fund, structured product, separately managed account or hedge fund issued or managed by JPMorgan Chase Bank, N.A. or an affiliate, such as J.P. Morgan Investment Management Inc.; (2) when a J.P. Morgan entity obtains services, including trade execution and trade clearing, from an affiliate; (3) when J.P. Morgan receives payment as a result of purchasing an investment product for a client's account; or (4) when J.P. Morgan receives payment for providing services (including shareholder servicing, recordkeeping or custody) with respect to investment products purchased for a client's portfolio. Other conflicts will result because of relationships that J.P. Morgan has with other clients or when J.P. Morgan acts for its own account.

Investment strategies are selected from both J.P. Morgan and third-party asset managers and are subject to a review process by our manager research teams. From this pool of strategies, our portfolio construction teams select those strategies we believe fit our asset allocation goals and forward-looking views in order to meet the portfolio's investment objective.

As a general matter, we prefer J.P. Morgan managed strategies. We expect the proportion of J.P. Morgan managed strategies will be high (in fact, up to 100 percent) in strategies such as, for example, cash and high-quality fixed income, subject to applicable law and any account-specific considerations.

While our internally managed strategies generally align well with our forward-looking views, and we are familiar with the investment processes as well as the risk and compliance philosophy of the firm, it is important to note that J.P. Morgan receives more overall fees when internally managed strategies are included. We offer the option of choosing to exclude J.P. Morgan managed strategies (other than cash and liquidity products) in certain portfolios.

## IMPORTANT INFORMATION

### Purpose of This Material

This material is for information purposes only, and may inform you of certain products and services offered by J.P. Morgan's wealth management businesses, part of JPMorgan Chase & Co. ("JPM"). **Please read this Important Information in its entirety.**

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Any views, strategies or products discussed in this material may not be appropriate for all individuals and are subject to risks. **Investors may get back less than they invested, and past performance is not a reliable indicator of future results.** Asset allocation does not guarantee a profit or protect against loss. Nothing in this material should be relied upon in isolation for the purpose of making an investment decision. You are urged to consider carefully whether the services, products, asset classes (e.g., equities, fixed income, alternative investments, commodities, etc.) or strategies discussed are suitable to your needs. You must also consider the objectives, risks, charges, and expenses associated with an investment service, product or strategy prior to making an investment decision. For this and more complete information, including discussion of your goals/situation, contact your J.P. Morgan representative.

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