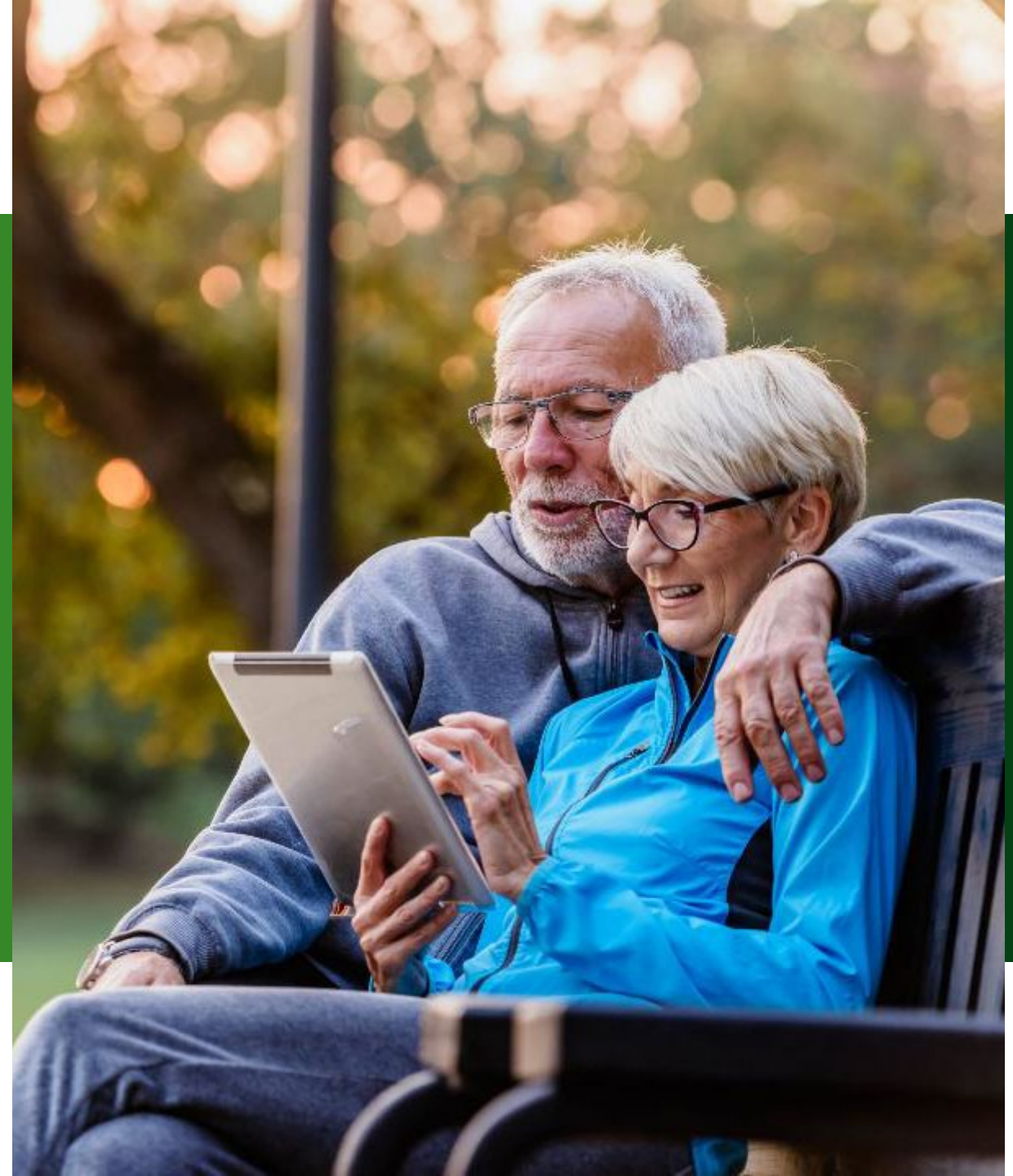


Legacy by design: Estate planning and tax-smart charitable giving



Speakers



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Agenda

- 01** Introducing Fidelity Charitable
- 02** Potential of giving in estate planning
- 03** Giving vehicles and estate tax
- 04** Case study and next steps
- 05** Panel discussion

Fidelity Charitable at a glance



A **public charity** since 1991, we've been growing the American tradition of philanthropy.

We primarily achieve this through our donor-advised fund (DAF), the **Giving Account®**.



2025 highlights

**\$118B**granted since
inception**396K**

donors

3Mgrants to 227,000
nonprofits**\$18.3B**granted
to nonprofits**Largest grantmaker in the United States**

Client expectation and advisor opportunity

Client demand

81%

of affluent households
gave in 2025

Opportunity gap

<60%

of clients have discussed charitable
planning with their advisor

Relationships at stake

70%

of heirs leave their
parents' advisor

\$18 trillion of \$124 trillion transferring through 2048
is headed to charity—those plans are being written now

Benefits of estate planning



Controlling asset distribution



Family privacy and avoiding probate



Managing estate and income taxes

Charitable giving

The benefit that works on the plan and relationship simultaneously



Tax efficiency



A values conversation



Next-gen opportunity

Most benefits focus on protecting assets, charitable planning starts a family conversation.

Common giving strategies and vehicles for estate planning

Giving while living

Outright charitable gifts

Donor-advised funds

Private foundations

Qualified charitable distributions (QCDs)

Split-interest giving

Charitable remainder trusts (CRTs)

Charitable lead trusts (CLTs)

Giving after death

Donor-advised funds

Wills/charitable bequests

Retirement account beneficiaries

Private foundations

Comparing estate giving vehicles

	Donor-advised fund (DAF) ¹	Private foundation (PF)	Split-interest trust (CRT/CLT)	Charitable bequest	Retirement account beneficiary
Tax deduction	Usually fair market value	Cost basis or fair market value, based on asset type	Calculated based on trust terms and Section 7520 rate	No lifetime income tax deduction	No lifetime income tax deduction
Organizations you can support	Most IRS-qualified public charities	IRS-qualified public charities; charitable grants to other orgs or individuals with additional complexity	IRS-qualified public charities; in some circumstances, private foundations	IRS-qualified public charities	IRS-qualified public charities, including DAF sponsors
Growth potential					
Donations of non-cash items²					
Income tax deduction limit³	60% for cash, 30% for appreciated assets ⁴	30% for cash, 20% for appreciated assets ⁵	Depends on the type of charity supported by the trust and type of trust	Not applicable during life	Not applicable during life
Tax on investment income	None	1.39% of net investment income	Depends on the nature of the trust	Not applicable	Charity generally receives proceeds income-tax-free
Donor & family control	Advisory privileges	Can serve as directors or trustees	May be able to serve as trustee; independent trustee may be needed	Not applicable	Not applicable

¹ At a 501(c)(3) charity.

² Allowed where noted but may involve complications.

³ Percentage of adjusted gross income.

⁴ Appreciated assets held over a year are generally deductible at fair market value—applies to both publicly and non-publicly traded assets.

⁵ Appreciated, publicly traded assets held for over a year are generally deductible at fair market value, while non-publicly traded assets are generally deductible only at cost basis.

Estate & gift tax laws

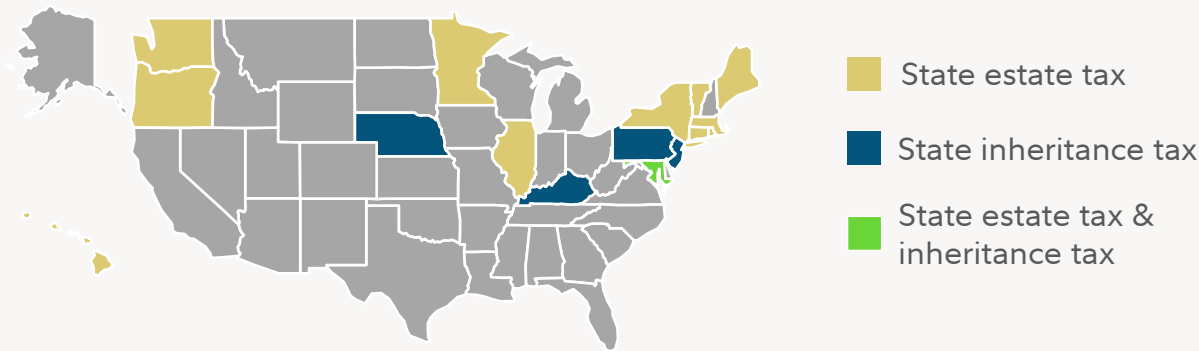
Best practices for navigating tax laws

- Coordinate beneficiary designations and estate documents
- Stay current on tax laws and state nuances
- Be strategic in choosing a vehicle
- Build plans around pre- and post-death considerations

2026 Federal tax landscape

Federal estate & tax exemption	\$15M per person
Married couple exemption	\$30M
Top estate/gift tax rate	40%
Generation-skipping tax (GST) exemption	\$15M
Annual gift tax exclusion	\$19,000 per recipient

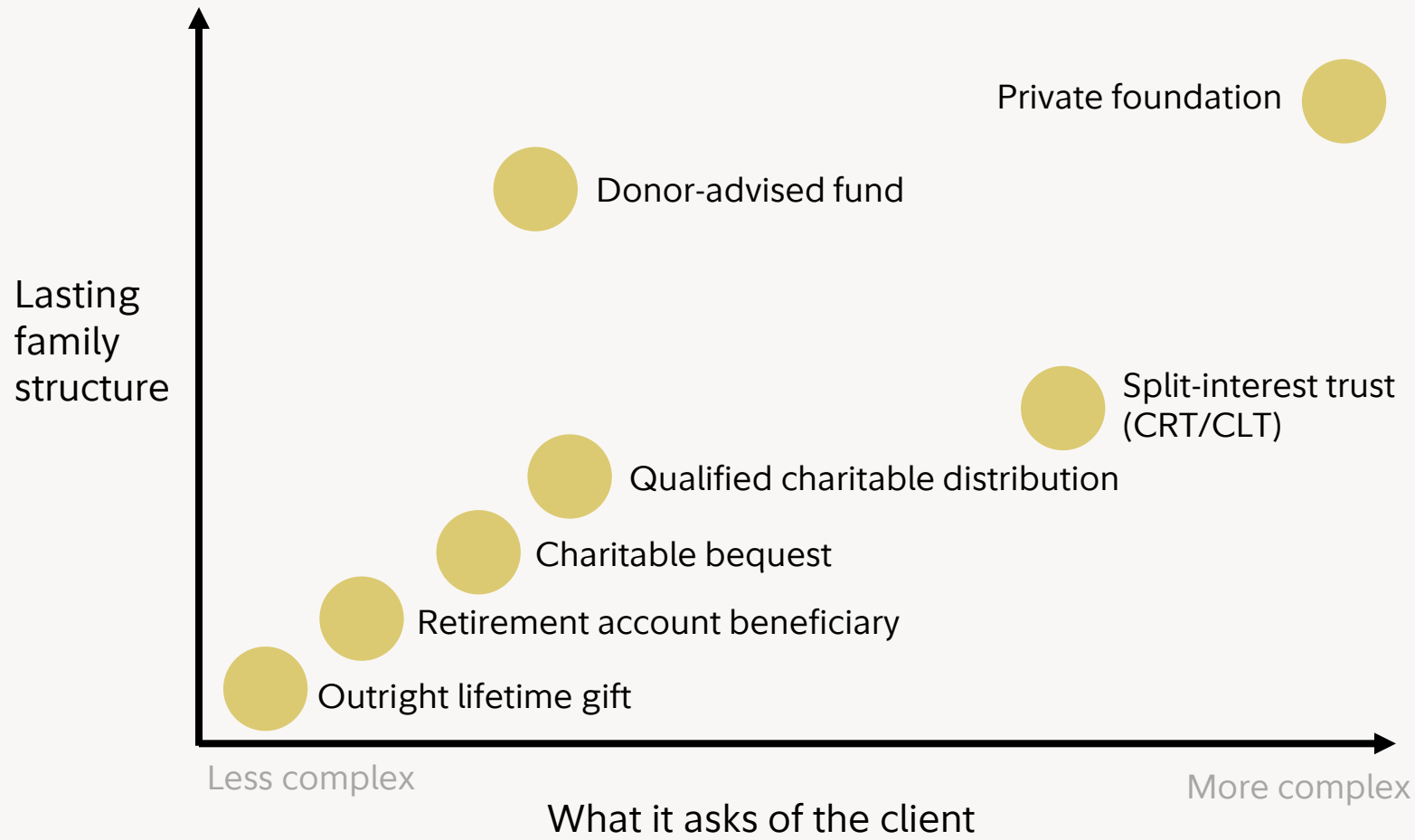
State variations



Charitable gifts made during a client's lifetime remove the assets from (and any future appreciation related to) the client's estate.

Determining the right vehicle

Navigating complexity and family engagement



Planning considerations

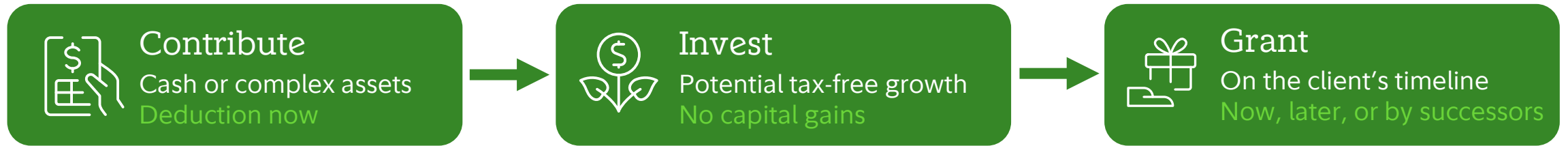
→ What it asks of the client

- Instrument or entity to create
- Recurring admin, fees, and tax filings
- Compliance rules to satisfy

↑ Lasting family structure

- Formal role for heirs
- Survives the donor
- Decisions recur over time

Leveraging the donor-advised fund



Benefits of a donor-advised fund for estate planning

Simple	Flexible	Non-cash assets
No new entities Account successorship Sponsor handles diligence & recordkeeping	Charities can change No need to amend will for new priorities	Stock, real-estate, business interests Highest deduction limit Unlocks assets for giving

Case study: Blended client solution

Retired business owner, aged 72, \$6M estate, two adult children

The estate

\$1.0M	Traditional IRA
\$800K	Low-basis appreciated stock
\$500K	Life insurance
\$3.7M	Investments & real estate

What the client wants

- Take care of their children
- Support community foundation
- Support medical research group that helped her family

The plan

Traditional IRA
→ DAF after death
Heirs never pay income tax

Life insurance
→ Split: children + DAF
One beneficiary form

QCD¹
→ \$10K/year starting now
Giving in her lifetime

Appreciated stock
→ DAF during lifetime
Deduction now, potentially
no capital gains

Residuary estate
→ DAF after bequests
Children first, then charity

Letter of intent
→ Drafted with advisor
Tells the children why

Coordinating a plan

	Discovery	Design	Drafting	Implementation	Annual review
Objective	Determine values and intent	Choose vehicle and tax modeling	Confirm gift can be accepted as written	Complete forms and align successors	Re-check forms, beneficiaries, and intent
Who to bring in	Advisor + client and family	+ Attorney, CPA	+ Charity or sponsor	+ Custodian, insurer	Advisor + client and family

Common misses when giving in estate plans



Out-of-date beneficiary forms



Assuming the will controls the DAF



Giving the wrong asset at death



Heirs only learn giving intent upon death



Next steps

- Start the conversation with clients and their families

- Review existing estate plans for giving opportunities

- Build a collaborative planning team

- Leverage our expertise

Client-ready resource

Setting the table

A hands-on guide to helping families discover their philanthropic giving model

Discover 6 family giving models:

- Feedback-informed
- Fully autonomous
- Flexible
- Unique path
- Committee based
- Unified but separate



Appendix

Donor-advised fund (DAF)

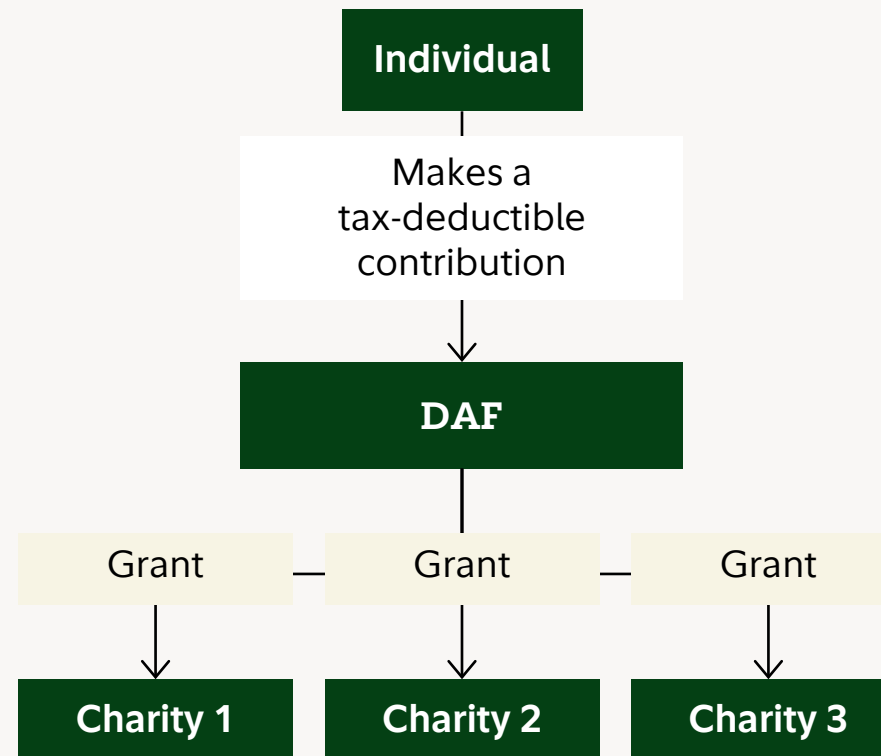
What is it?



Sponsored by a public charity, this program lets clients:

- Make an irrevocable contribution to a DAF sponsoring charity
- Take advantage of immediate tax benefits
- Recommend grants from the DAF over time

How does it work?



Who's a good candidate?

Clients who want:

- A turnkey solution
- Low-cost basis with potential tax-free growth
- Flexibility to support their favorite charities

Private foundation

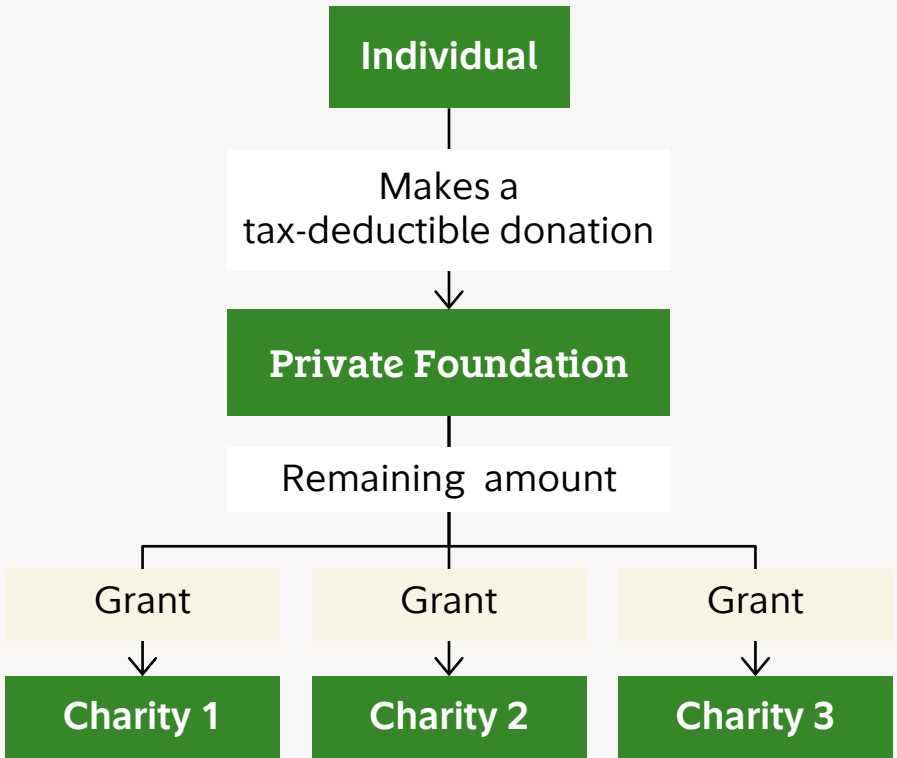
What is it?



A separate, tax-exempt nonprofit that is:

- Often started with a substantial gift
- Organized and operated exclusively for charitable purposes
- Typically managed by a board who distributes assets over time

How does it work?



Who's a good candidate?



High-net-worth clients seeking to operate an organization that actively manages:

- Investments
- Accounting
- Grantmaking
- Charitable events

Hired staff often support the operations of the foundation.

Charitable remainder trust

What is it?



An irrevocable trust that:

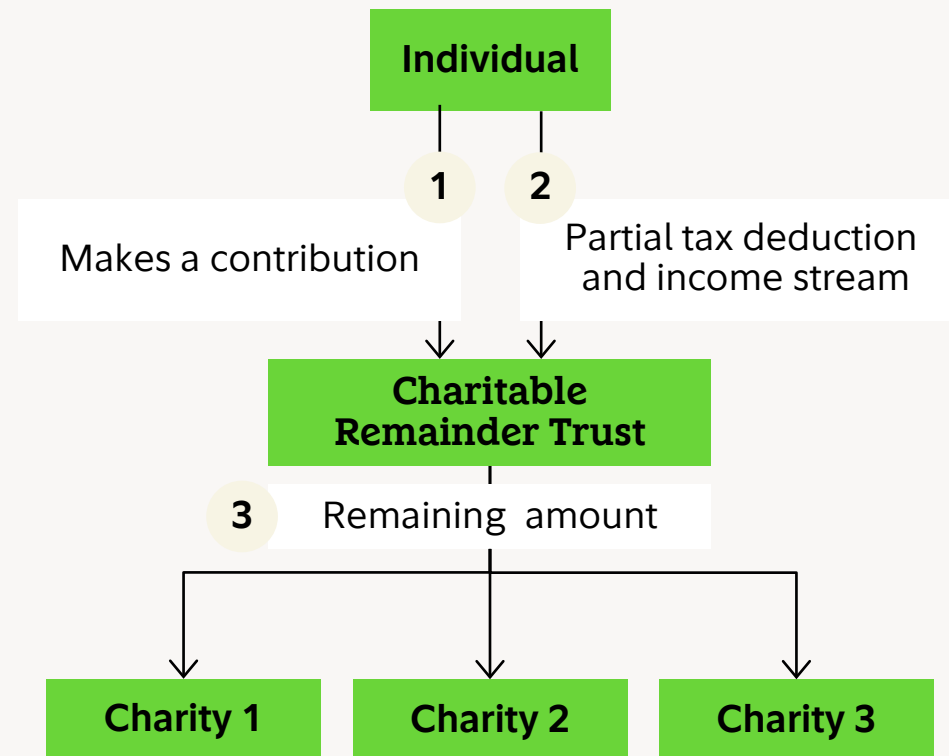
- Generates a potential income stream for clients or beneficiaries for specified period of time
- Leaves the remaining assets to designated charities

Two kinds:

Unitrust: Payments are a fixed percentage of the trust's value each year

Annuity trust: Payments are a fixed dollar amount each year

How does it work?



Who's a good candidate?

Clients who want:

- An immediate charitable deduction
- An income stream for themselves or another person
- A way to provide for heirs with the remainder going to chosen charities

Charitable lead trust

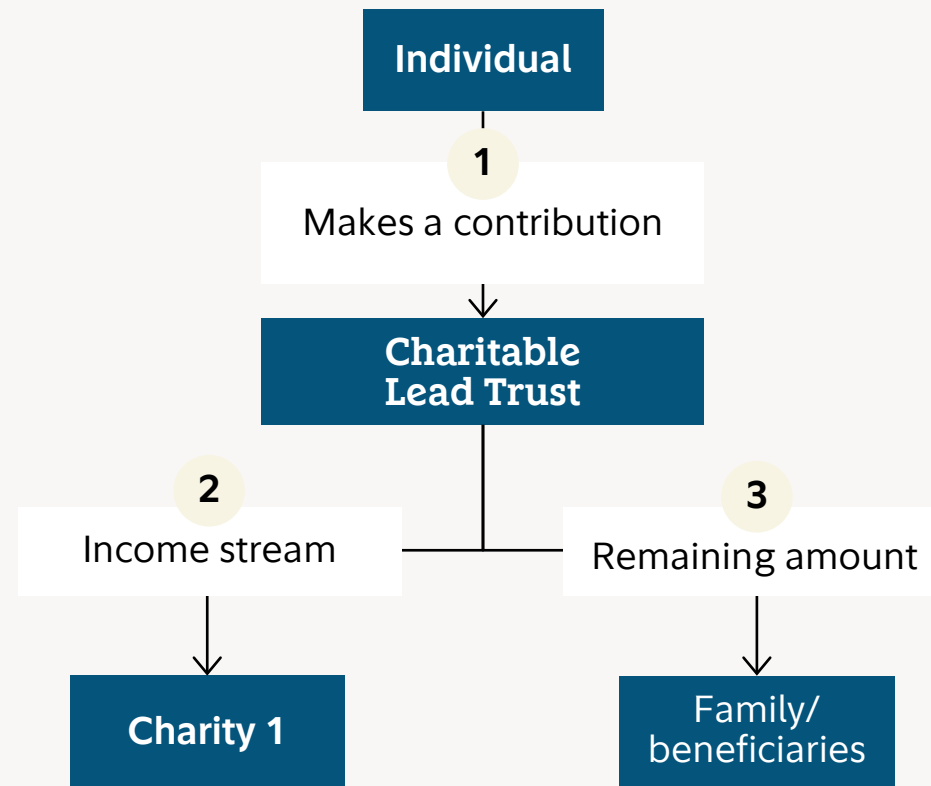
What is it?



An irrevocable trust that:

- Provides an income stream for a chosen charity (the lead beneficiary)
- Leaves remaining assets to family members or other beneficiaries

How does it work?



Who's a good candidate?

Clients who:

- Have sophisticated tax-planning needs
- Want to support charities
- Plan to transfer assets to heirs

Thank you!

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