

# Fidelity Charitable<sup>SM</sup> Pool Selector Methodology

## Important Information Regarding the Use, Methodology and Limitations of the Fidelity Charitable<sup>SM</sup> Pool Selector

The objective of the Fidelity Charitable Pool Selector is to offer an asset allocation investment pool for a Giving Account<sup>®</sup> based on the donor's contribution and granting time horizon, the annual amount the donor plans to contribute to the Giving Account<sup>®</sup> and then grant to charities, and the donor's investment risk tolerance for the Giving Account.

The methodology used assesses the duration of a donor's anticipated contribution phase and contribution rate. Contribution rate is defined as the percentage of a donor's current balance that is contributed each calendar year to the Giving Account. Granting timeframe and amounts are other important components of the methodology. The Pool Selector asks when a donor intends to begin granting to charities, and for current donors, the Pool Selector assumes granting will continue within the next year. The methodology evaluates the percentage of money a donor intends to grant on an annual calendar basis against the duration of the intended granting. And finally, the methodology includes a risk tolerance component, which requires understanding a donor's comfort level with volatility in the Giving Account.

By using the Pool Selector, a donor represents that he or she has read and understands the information on this page. This Pool Selector is designed for educational purposes only with respect to the donor's Giving Account, and a donor should not rely on it as a basis for his or her personal investment, financial or tax planning decisions. A donor may reject or accept the recommended asset allocation pool as he or she sees fit. A donor may also wish to consult a tax or investment advisor, if applicable.

The results generated by the Pool Selector may change over time due to changes in the donor's contribution and/or granting behavior, risk tolerance level, or general market conditions, and Fidelity Charitable recommends that donors utilize the Pool Selector periodically for updated results.

Software problems can occur. As with any software program, the Pool Selector may not operate or deliver the results as intended and Fidelity Charitable is not responsible for errors in functionality. The Fidelity Charitable Pool Selector is an educational tool developed by Fidelity Charitable with assistance from Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company. All rights reserved.

## Appendix

### Factors Contributing to the Equity Allocation of the Asset Allocation Pool

Lower Equity Percentage Allocation	Higher Equity Percentage Allocation
Lower risk tolerance	Higher risk tolerance
Shorter contribution timeframe	Longer contribution timeframe
Granting more to charities from the Giving Account on an annual basis than contributing into the account	Contributing more to the Giving Account on an annual basis than granting to charities

## Examples

### Example One

Jane is interested in setting up a Giving Account with \$100,000. Jane is focused on long-term giving and would like to grow her Giving Account balance over her lifetime in the hopes of passing it on to charities

and involving her family members in charitable giving. Going forward on an annual basis, Jane hopes to make additional contributions of 50% (\$50,000) and grants of 25% (\$25,000) of her Giving Account balance, starting next year. Given her long-term time horizon, Jane is comfortable with risk and is hoping to grow her Giving Account balance.

Contribution Phase = More than 10 years

Grant Phase = More than 10 years

Contribution Rate = 50%

Grant Rate = 25%

Grant Starts = Within 1 year

Risk Tolerance = 8

Pool Output = Growth

### **Example Two**

John is a current Giving Account holder with approximately \$150,000 in his account. Although John plans to continue to contribute for the next 5 – 10 years, he is planning on granting a larger portion of his balance out to charities each year and hopes to do so for more than 10 years. John is mostly comfortable with lower risk investments.

Contribution Phase = 5 to 10 years

Grant Phase = More than 10 years

Contribution Rate = 5%

Grant Rate = 15%

Grant Starts = Within 1 year (Assumed\*)

Risk Tolerance = 3

Pool Output = Income

\*For current donors, the Pool Selector assumes granting has already started and will continue within the next year.