

**Waterhouse**

Wealth of Experience

Private Giving Foundation

OCTOBER 2010



*A simple, effective way
to support the causes that matter to you*

Meet the Filinskis

Even though most of us associate the idea of a “charitable foundation” with names like Rockefeller, you don’t have to be a millionaire to set up one.

The Private Giving Foundation (PGF), allows individuals, families, or corporations to easily establish such a fund for a minimum of only \$10,000 in cash or securities. The minimum entry point was set very low in order to make the concept of a foundation accessible to many.

Unlike a traditional foundation, these accounts can be set up in minutes; there is no need to create a separate legal structure or a board of directors. As well as receiving a charitable tax receipt for the market value of your donation, you avoid paying capital gains tax by donating securities directly to the PGF. Otherwise, selling securities would result in 50% of the capital gain being taxed as income.

But aside from the substantial tax advantages, the PGF also has a number of intangible attractions for donors - including the opportunity to leave lasting legacies for their children and their favorite causes.

Eight years ago, Randy and Jan Filinski of Pickering, Ontario, left their full-time jobs at IBM and as a teacher, respectively - while still in their early 50s. In 2006, working with their TD Waterhouse Investment Advisor, Alasdair Patton, they were introduced to the PGF as part of their overall estate plan. Their son and daughter, then in university, “were always involved in the discussions,” says Jan.

The Filinskis settled on four charities: the universities they and their children attended, and two health-related organizations. They can change these choices at any time, and they appreciate that flexibility. But the ability to develop sustained relationships with their chosen charities appealed strongly to them.



Randy and Jan Filinski enjoy the beautiful old city of Dubrovnik while cruising in the Adriatic Sea.

Randy, for instance, coaches a Special Olympics basketball team. Because the Filinskis donate to the University of Toronto, the school’s athletic department invited Randy to bring his players to see a campus game.

A foundation also helps build family relationships, and it’s a tangible link between generations. As Jan points out, “When something happens to us, then our children, who are named as successors, will get to decide how to allocate the funds, and the legacy continues in the family name.”

For the Filinskis, contributing regularly to their PGF account is just one aspect of a family focus on community service, which also includes giving time to their favorite causes.

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Canada: One of the most charitable countries based on World Giving Index

Just how generous are Canadians with their time and money? The first-ever World Giving Index, published by the U.K.'s Charities Aid Foundation (CAF), used the Gallup polling agency to survey people in 153 countries covering 95 percent of the world's population. CAF used three criteria to determine which countries give the most. People were scored on whether they had given financially to charity, volunteered time or helped a stranger. They were also given a "well-being" score based on the level of happiness they expressed. "In an international report, it is important to recognize both giving of time as well as money, since a simple measure of financial donations would, on the whole, make the wealthiest nations appear most charitable," said Dr. John Low, chief executive of the foundation.

Canada ranked third in this "global generosity" survey, in which the key overall finding was that being happy was a greater motivating factor than being rich for people to give their time and money to charity. The United States ranked fifth in generosity, according to this survey, and Canadians where surpassed only by Australians and New Zealanders.

Our country has every reason to be proud of its citizens' record for both charitable impulses and the esteem in which it holds volunteerism. It is a testament to the Canadian mindset and its very highly developed collective social conscience.



World Giving Index	Country	World Giving Index % Score
1	Australia	57%
1	New Zealand	57%
3	Ireland	56%
3	Canada	56%
5	Switzerland	55%
5	USA	55%
7	Netherlands	54%
8	United Kingdom	53%
8	Sri Lanka	53%
10	Austria	52%

Source: CAF September 2010

Thank you Lisa and welcome Doris



Lisa Driscoll

Thank you to our board members, who volunteer their time to provide governance and fiduciary oversight to the PGF. Special thanks to Lisa Driscoll who is retiring from the PGF Board after 2 years of service.



Photo: ©Kosta Constantakis

Doris Chan

A warm welcome to Doris Chan, VP and Senior Portfolio Manager, TD Waterhouse Private Investment Counsel.

Doris provides investment management solutions and services to private clients, corporations, charities and trusts. She has over 25 years of investment management experience.



Year-end tax tips from Rob Murray, CA, CFP, TEP, Senior Manager with TD Waterhouse's High Net Worth Planning team



Photo: ©Kosta Constantakis

Rob regularly recommends charitable giving strategies in the advice that he gives to TD Waterhouse clients. If you have appreciated securities, and you are interested in making a donation, Rob recommends that it is always better for you to donate the appreciated stock instead of cash. You will receive a charitable tax receipt for the market value, which gives a combined federal/provincial tax credit of approximately 45 percent depending on the province. You may be hesitant to donate stock even if there is a gain, as you feel that there is still more upside potential. In those instances, Rob suggests you donate the stock, eliminate the capital gains and buy it back immediately. The new adjusted cost base (ACB) would be “stepped up” and that would reduce your capital gains and associated taxation when you sell the investment in the future.

If you have significant gains but are not necessarily comfortable donating such a large position to charity, planning can be done to determine how much to donate, assuming the balance is sold with a result being zero tax to pay. This can be a great solution for clients with large capital gains in a very concentrated position.

Whatever strategy you employ, the best advice is to start the planning early. Don't wait until the end of December to do your tax planning for 2010.

PGF adds new investment fund to portfolio

The board of directors of the Private Giving Foundation has the fiduciary responsibility to ensure that the funds are managed prudently. To date, the sole investment for the PGF has been the TD Balanced Income Fund. Investments held within the foundation are governed by the provincial trustee acts and must adhere to certain guidelines. As the PGF has grown to \$100 million, a decision has been made to expand the investment options to also include the TD Monthly Income Fund. Effective in or around November 2010, new donations received by the PGF will be invested in the new fund. Information on both funds can be found at www.tdwaterhouse.ca/privategiving.

Meet the Filinskis *Continued from page 1*

Foundations like the PGF help families share such beliefs. They create an opportunity to unite the family and identify the mission and the values that are important to them. “If volunteering – giving back – if that’s part of what you grew up with, you tend to just keep doing it,” says Randy. “Everyone in the world should have at least two hours a week that they volunteer.”

Imagine how much richer all our community organizations could be if more people shared the attitude and commitment toward volunteerism and charitable giving that Randy and his family embody!



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PGF celebrates its sixth year anniversary surpassing \$100 million in endowment funds

In October 2004, TD Waterhouse introduced the Private Giving Foundation, the first donor-advised fund program to be launched by a Canadian financial institution. While others have since entered the market, the PGF remains unique in its simplicity and low minimum donation of \$10,000.

With the December 31st deadline approaching to make charitable donations that may be claimed in the 2010 calendar year, you may feel overwhelmed by the number of charitable appeals and heart-wrenching problems depicted in the media.

In reality, you can't and aren't expected to help every cause you come across. Some of the most effective donors, those with the greatest impact, develop a philanthropic plan and devote their money and energy to a few specific causes that are important to them. Consequently, the selected charities benefit from having a steady and engaged donor and the donor benefits from a greater sense of involvement and satisfaction.

It is not unlike developing a financial or investment plan. You need to understand your goals and objectives and research your options to determine what is right for you.

Please do not hesitate to contact us if we can help with the development of a philanthropic plan.

Building an endowment of \$100 million in six years is a tremendous accomplishment and would not have happened without significant support from many. To our donors, thank you for your generosity in establishing a legacy of giving. To our board of directors, thank you for your time and expertise in providing fiduciary oversight for the foundation, and to our advisors, our sincere thanks

for incorporating philanthropic planning into the advice you provide for your clients with regard to their overall financial and estate plans.

Jo-Anne

\$100
million in
endowment
FUNDS



Photo: ©Greg Pacek

We welcome your questions and comments.

Please direct them to joanne.ryan@td.com or call 1-866-866-5166.

Jo-Anne Ryan

Vice President, Philanthropic Advisory Services, TD Waterhouse Canada Inc. & Executive Director, Private Giving Foundation

www.tdwaterhouse.ca/privategiving

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