

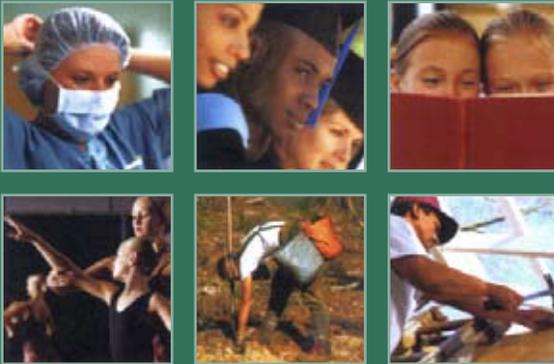


Waterhouse

Wealth of Experience

Private Giving Foundation

SPRING 2008



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

Message from Executive Director, Jo-Anne Ryan

When the capital gains tax was eliminated on in kind donations of publicly listed securities to registered Canadian charities in 2006, this move was loudly applauded both by the charitable sector and by donors. Since then, there has been a significant increase in donations of appreciated securities. According to Statistics Canada, donations reported by tax filers in 2006 amounted to \$8.5 billion, an increase of 8.3 % from the previous year. Many believe that the added incentive to donate securities with zero capital gains tax is largely responsible for this increase in giving.

So far in 2008, we have seen a more cautious approach to donating securities. As a result of significant price pullbacks and high level of volatility in the stock market, some donors have decided to put their charitable donations on hold. These donors are trying to “time the market” and thereby maximize the value of their tax receipts. The problem with this approach is that market timing is extremely difficult. Even so-called investment experts admit that it is almost impossible to do.

We all wish that we could predict where the “bottom” of the market downturn will be. But given that such a prediction is “not in the cards”, it’s best to think of your personal giving strategy as part of a long term plan which should include contingencies for market volatility. In “An Investor Approach to Charitable Giving”, TD Economics suggests that donors develop a charitable giving plan just as they would develop a long term investment strategy. This means avoiding market timing in favor of “dollar cost averaging”- i.e. spreading stock donations over a period of time in an organized and disciplined manner. And, since charities identify their number one problem as difficulty in obtaining long-term stable funding, such an approach would benefit not only donors but also many worthy causes. Establishing a donor-advised fund with the Private Giving Foundation (PGF) is a way to ensure that causes that you care about receive much needed long-term, sustainable funding. This allows organizations to effectively plan in advance and maximize their impact in the community.

Thanks to the generosity of our donors, the PGF has disbursed over \$5.5 million to charities across Canada since its launch in October 2004.

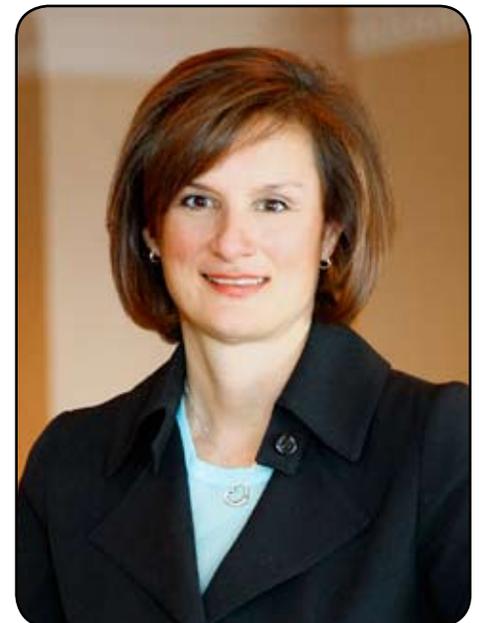


Photo: ©Greg Pacek

Jo-Anne Ryan

Jo-Anne Ryan

Vice President, Philanthropic Advisory Services,
TD Waterhouse Canada Inc.
& Executive Director, Private Giving Foundation
www.tdwaterhouse.ca/privategiving



The PGF Directors Charity Fund

When TD Waterhouse launched the PGF in 2004, TD Bank Financial Group generously donated \$250,000 to the Directors Charity Fund. The monies in this fund are directed by PGF's Board of Directors to their selected charities.



SOS

Photo: H. Atkins

The Board of Directors of the PGF established the following mission statement for this fund:

The mission of the Directors Charity Fund is to support organizations that offer innovative programs to guide vulnerable, young people to a brighter future. The Board will select grant recipients from registered charitable organizations across Canada to assist children and youth at risk worldwide.



SOS

Photo: B. Neeleman

The Board has selected two reputable Canadian charities that align well with the mission statement. They are the Children's Aid Foundation (CAF) and SOS Children's Villages Canada (SOS).

The Children's Aid Foundation (www.cafdn.org) is a national charity dedicated to improving the lives of abused, neglected and high-risk children and youth in communities across Canada. It raises funds to implement programs that give these children and youth the skills and support they need to reach their full potential.



SOS

Photo: R. Magagula

SOS Children's Villages (www.soschildrensvillages.ca) is an independent, non-governmental social development organization. Its activities focus on neglected and abandoned children and orphans, as well as disadvantaged families in 132 countries and territories. By donating to SOS in Canada, funds may be allocated to any SOS village in the world.



Photo: Children's Aid Foundation

If you would like to allocate some of your annual grants in accordance with the Directors Charity Fund, we would be pleased to work with you to customize your gift to your preferred jurisdiction and choice of program that supports children and youth at risk across Canada and globally.



Photo: Children's Aid Foundation



Jo-Anne Ryan, Executive Director interviews PGF donors Abdul and Almas Allibhai

Meet Abdul and Almas Allibhai, clients of the TD Waterhouse Private Client Group in Vancouver. Abdul immigrated to Canada in 1979 and received the Canadian C.A. designation in 1980. His C.A. practice consists of a diversified segment of clients, small to medium sized private companies, and tax planning. His wife, Almas is a federal government employee presently on a leave of absence from the Department of Foreign Affairs. They are passionate about philanthropy.

Jo-Anne: I know that you were one of the first to open a PGF account once TD Waterhouse launched the program in 2004 and that you have been regularly adding to it. What motivated you to do this?

Abdul & Almas: Before the launch of this program, the cost of setting up a foundation was enormous. Large capital was required and professional fees were also very high. The PGF addressed these shortcomings and hence made it very attractive for us. It is our strong belief that if one has the good fortune and is privileged in all senses, that you should share your wealth, your knowledge and your time to try and improve the quality of life of the underprivileged and less fortunate in the world.

Jo-Anne: The tax rules are now very favorable related to charitable giving, especially with the elimination of

capital gains for donations of publicly listed securities. How important are the tax savings to you?

Abdul & Almas: The tax savings are very important, as whatever we can save, allows us to recycle back into the charitable community.



Abdul and Almas Allibhai

Jo-Anne: What types of charities do you like to support?

Abdul & Almas: We have been supporting several charities for many years and as much as we would like to support more, we have decided to concentrate on some that are close to our hearts such as International Development, Health Research, and the Arts.

One charity in particular we are both very passionate about, is the Aga Khan Foundation Canada (AKFC). AKFC is a non-profit international agency

that supports social development programs in Asia and Africa. One of the Foundation's initiatives to raise funds is the annual fund raising event which is known as the World Partnership Walk (WPW). The Walk attracts tens of thousands of Canadians across the country united in a common effort to alleviate global poverty.

We have been volunteers for this event for the last 12 years. This is the largest annual event dedicated to increasing awareness and raising funds to fight global poverty.

Jo-Anne: How do you decide if a charity is worthy of your support?

Abdul & Almas: We actually explore the information provided by the charities either on their website or from the literature they provide such as their mandate, mission statement, future goals, ongoing projects and accomplishments, as well as their operation costs.

Jo-Anne: Who introduced the PGF to you?

Abdul: Jim Yee, the Private Banking Manager. I have been a very satisfied private banking client at this centre for 10 years and I am so delighted with the service and product offering. I also have referred several of my clients to the centre and specifically to the Private Giving Foundation.



You Ask Us

Q. *What happens if I don't get around to choosing my charities in a given year?*

A. There is no disbursement to charities required in the year that you make a donation to the PGF. On December 31st, we value your PGF account and redeem 5% which must be distributed to charities recommended by you in the subsequent year. This may be paid out as early as April or as late as December depending on when you provide us with instructions. We will attempt to contact you directly or through your TD Waterhouse advisor in order to receive your instructions. If by December of the following year, you have not provided us with instructions, then the 5% will be disbursed at the discretion of the Board of Directors and will be distributed in accordance with its mission as outlined on page 2 of this issue. Please note that we make every effort to contact you to ensure that your disbursements are directed to charities that are important to you.

Q. *Can I provide standing instructions to disburse funds to the same charities each year?*

A. Yes, you may set up your disbursements to be paid to the same charities each year on a recurring basis. In that case you are not required to provide us with annual disbursement instructions. If you set up your charity payouts on a recurring basis, your selected charities will receive funds on April 1st. If you have selected the "recurring" option and want to make changes, please ensure that you notify us by March 1st of a given year.

Q. *Who should I be contacting with questions on my PGF account?*

A. There is a name and phone number on your quarterly statements. For clients with Discount Brokerage accounts, there is a toll free number on your statements.

Q. *In doing my due diligence on the PGF, I would like to know who the Board of Directors are and see the audited financial statements.*

A. Backgrounds of the five members of the Board of Directors and audited financial statements may be viewed at www.tdwaterhouse.ca/privategiving. Grant Thornton LLP just completed the annual audit of PGF's financial statements.

Q. *I am interested in donating a stock to the Private Giving Foundation that is very thinly traded. What is the Foundation's policy related to disposing of the security?*

A. Many clients have donated thinly traded securities and are concerned about the process that we use to liquidate the security. For that reason, the Foundation has retained TD Asset Management Inc. (TDAM) to manage the liquidation process. TDAM is one of Canada's largest investment managers with over C\$177 billion in assets as at April 30, 2008. If the stock is thinly traded, they will liquidate it very carefully and prudently over time.

We welcome your questions and comments. Please direct them to joanne.ryan@td.com (416-308-6735 or 1-866-866-5166).

TD Waterhouse Canada Inc is a subsidiary of The Toronto-Dominion Bank. TD Waterhouse Canada Inc. - Member CIPF.
TD Waterhouse is a trade-mark of The Toronto-Dominion Bank, used under license.

The information contained in this newsletter is for information purposes only. The information has been drawn from sources believed to be reliable, but is not guaranteed to be accurate or complete. The information does not provide financial, legal, tax or investment advice. TD Waterhouse Canada Inc., The Toronto-Dominion Bank and its affiliates and related entities are not liable for any errors or omissions in the information or for any loss or damage suffered.