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Mackenzie  Charitable Giving Fund



**Your Legacy**

*"It takes a noble man to plant a seed for a tree that will  
some day give shade to people he may never meet."*

*David Trueblood*



# *Your legacy*


During our lifetime, we often measure our success by our tangible accomplishments. We own homes, vacation properties, stocks, bonds and other valuable assets. Sometimes, we measure our success by our achievements in the workplace. While these are important, they're only a small part of the impact we have on our communities.

*How will you be remembered after you are gone?*

*What impact will you have on this world?*

*What legacy will you leave to your community?*





Our generation is responsible for the well-being of the generation that follows. Our role is to nurture our children so that they can make our world a better place. We can influence the lives of those closest to us, but how can we have an impact on our communities and the world at large?

Every year, many of us send a donation to support our favourite charities. But these annual gifts are merely a start. In Canada, there are many ways to support our favourite charities. Here are some of the things you can do to begin building your legacy.

- **Beneficiary designation donation** – leave a donation to your favourite charity in your Will
- **Life insurance donation** – name a charity as the beneficiary of a new or existing insurance policy
- **Registered retirement savings plan donation** – name a charity as the beneficiary of your pension plan, RRSP or RRIF
- **Donor-advised fund** – a simple, flexible and tax-efficient way for you to support charities today and build a lasting legacy for tomorrow

*There are many ways to be charitable. Talk to your financial advisor about the tax benefits of giving and making philanthropy part of your financial plan today!*

# Building your legacy with the Mackenzie Charitable Giving Fund

At Mackenzie, we understand the true spirit of philanthropy. Together with our employees Mackenzie has donated millions of dollars to support charities across Canada. We are proud to be the first mutual fund company in Canada to launch a donor-advised fund.

## Did you know?

*Donor-advised funds have been around for years and are among the fastest-growing giving vehicles in the United States today. A donor-advised fund is a simple, cost-effective charitable vehicle that combines immediate tax benefits with the ability to support your favourite charities now and in the future without the administrative responsibilities and expenses of setting up your own private foundation.*



# Managing your giving is easy and convenient with the Mackenzie Charitable Giving Fund

## 5 Easy Steps

- 1 The initial gift** – Decide on how much you'd like to donate. The initial gift to your fund must be at least \$25,000.
- 2 Make the donation** – Your financial advisor can help you decide how to donate to your fund. Your donation may be in cash, stocks, bonds, mutual funds or insurance.
- 3 Name your fund** – Decide what you'd like to call your fund. Every time a grant is sent to a charity, your fund's name will be cited as the source of the gift (unless you choose to grant anonymously or otherwise). e.g. "The Evans Family Charitable Giving Fund".
- 4 Make your recommendations** – Select which "Eligible Mackenzie Funds" you want the fund to invest in and which "Eligible Charities" you wish to receive grants.
- 5 Name your successors** – You can choose individuals to succeed you as successor. For example, you may choose to name children or other family members in order to establish a multigenerational tradition of philanthropy.

Around the beginning of each calendar year, the **Strategic Charitable Giving Foundation** will advise you of the amount that your Fund has available to Grant to charities. Currently, the Foundation expects that the Annual Grant Amount for an Account will be approximately 3-5% of the value that Account at the previous year-end. This percentage may be changed at any time.

### Strategic Charitable Giving Foundation

The Foundation is a non-profit charitable corporation registered as a public foundation with the Canada Revenue Agency and with the Quebec Ministry of Revenue. The objective of the Foundation is to receive and maintain charitable giving funds and to apply all or part of the principal and income from those funds to "Eligible Charities". The Foundation is governed by a Board of Directors and the majority of the Board is independent of Mackenzie and its affiliates.

*Strategic*  
**CHARITABLE GIVING**  
*Foundation*



## Building your legacy

### The benefits of the Mackenzie Charitable Giving Fund

#### Impact

The Mackenzie Charitable Giving Fund allows you to shape and define your legacy. Whatever your interest, whatever your passion, you can make a difference. Sometimes, a well-placed gift of a few hundred dollars can make all the difference to a charity in the delivery of its programs and services. You don't have to be wealthy to take action.

#### Continuity

The Mackenzie Charitable Giving Fund provides you with a legacy of giving. By involving your children in your fund, you are passing on your most essential values – the importance of giving back to your community and helping those less fortunate.

#### Flexibility

The Mackenzie Charitable Giving Fund gives you the flexibility that you need to:

- Support charities close to home and across the country
- Use a variety of different assets – stocks, bonds, mutual funds, cash – to support your charitable giving
- Involve your family in your philanthropic decision-making, now and in the future

#### Service

Mackenzie is committed to giving you, the donor, the service you need to achieve all of your philanthropic objectives. Your fund is professionally managed and administered.

#### Trust

Trust is at the core of the Mackenzie name. We are committed to earning and keeping your trust by holding ourselves to the highest standards of professional practice.

*“To give away money is an easy matter and in any man’s power. But to decide to whom to give it, and how large, and when, and for what purpose and how, is neither in every man’s power nor an easy matter.”*

Aristotle



# Charitable Giving Fund

## The practical advantages

### Smart giving, the tax benefits of the Mackenzie Charitable Giving Fund

#### Maximizing your tax credits

#### Eliminate your capital gains tax by donating your appreciated securities

- Use your tax credits against income up to 75% or up to 100% of net income in the year of death and the year immediately preceding death. This allows for some powerful estate and gift planning opportunities.
- The disposition of property in Canada often gives rise to a taxable capital gain. But there is some excellent news when it comes to donating securities. In Canada, gifts of these securities (publicly-listed stocks, bonds, mutual funds do not give rise to a taxable capital gain (this does not apply to gifts made to a private foundation). As a result, it may be more advantageous for you to donate appreciated securities rather than cash.

#### Using the tax credit from your donation to Mackenzie Charitable Giving Fund

Tax credit calculation example: Kate Evans has an annual income of \$95,000. She donates \$50,000 to the Mackenzie Charitable Giving Fund.

Donation	\$50,000
Tax credits (Federal & Provincial)	\$22,500 (\$50,000 x 45%)* – Assumes a 45% tax bracket
Total cost of gift	\$27,500 (\$50,000 – \$22,500)

Assumes a combined Federal and Provincial credit rate of 45% as an example.

*The tax credit can be used to reduce Kate's taxes in the year of the donation by \$22,500*

*Corporations can claim a tax deduction (not a tax credit). The value of the deduction depends on the corporation's effective tax rate. In some cases, making a donation through a corporation can be more effective than making it personally.*

## Tax-efficient donations

Kate Evans holds Mackenzie Cundill Value Fund with a fair market value of \$100,000 and wants to make a \$100,000 donation to her favourite charity.

	Donate cash	Donate mutual fund
Market value	\$ 100,000	\$ 100,000
ACB	(40,000)	(40,000)
Capital gain	60,000	60,000
Taxable gain (50% vs. 0%)	30,000	0
Tax on capital gain (at 45%) (A)	(13,500)	(0)
Tax benefit of gift (at 45%) (B)	45,000	45,000
Net tax benefit (A+B)	31,500	45,000
Net savings from donating mutual fund		\$13,500



# Why the Mackenzie Charitable Giving Fund? Your legacy to your community

## The Evans Family Charitable Giving Fund

Emma and Robert Evans passed away recently and to keep their legacy alive, their children, John and Kate Evans established the **Evans Family Charitable Giving Fund**. John and Kate use their Giving Account to support Emma and Robert's favourite charities each year. The tradition of giving can continue into the next generation. Their heirs can donate to the fund and give to charities for years to come. The Mackenzie Charitable Giving Fund also allows you to appoint successor(s) to continue your gift-giving legacy.

*The Mackenzie Charitable Giving Fund is designed to help you give – in your own way!*

**Simplicity** – consolidates all your charitable giving in one account

**Cost effective** – receive many of the benefits of a private foundation without the administrative responsibilities and up-front costs

**Tax advantage** – provides an immediate tax receipt for your donation; avoid capital gains taxes on gifts of appreciated securities

**Long-term growth** – gives your donations growth opportunities, which means your favourite charities get more over time

**Support the charities you want** – when you want – lets you decide the charities that will benefit from your gift, and time the grants to support your favourite charities when they need it most

**Remain anonymous or be acknowledged** – allows you to either give anonymously, be recognized by your name or be acknowledged in the name of the giving fund (for example: The Kate Evans Charitable Fund)

**Create a charitable legacy** – lets your successors carry on your charitable giving goals

# Start today – Develop a strategic giving plan with the Mackenzie Charitable Giving Fund

*Where can I make a difference?*

*How do I want to do it?*

*What is the most effective and efficient way to do so?*

## Step 1 Identify your values and concerns

### Your values

Your values are something that you hold in high esteem. What values are closest to your heart?

Consider the following list:

Access	Community	Compassion	Creativity	Democracy
Dignity	Diversity	Equality	Excellence	Family
Freedom	Generosity	Healing	Innovation	Integrity
Justice	Knowledge	Leadership	Opportunity	Peace
Respect	Responsibility	Service	Stability	

Now, write down your top three values and record them here:

Top three values:

1.  2.  3.

### Your concerns

Which of these issues concern you most?

Animals	Racism	Arts & culture	Children/child care	Cultural heritage
Disability rights	Domestic violence	Drug and alcohol abuse	Education	Faith-based services
Health	Homeless	Literacy	Poverty relief	Seniors
Sports and recreation	Women's rights	Youth development		

What are your three greatest concerns?

Top three concerns:

1.  2.  3.

## Step 2 **Develop a giving plan**

Based on your values and concerns, think about how this translates into an effective giving plan. For instance, your three most important values might be Creativity, Opportunity and Equality and your three greatest concerns are Arts & Culture, Education and Children.

## Step 3 **Research your favourite charities**

There are many resources that provide excellent information on the charitable sector:

**Canada Revenue Agency – [www.cra-arc.gc.ca/tax/charities/menu-e.html](http://www.cra-arc.gc.ca/tax/charities/menu-e.html)**

The CRA website is an excellent way to learn about charities and the rules governing charitable donations.

**Charity Village – [www.charityvillage.com](http://www.charityvillage.com)**

Charity Village is the leading online source of information, news, services and resources for the Canadian non-profit community.

**Imagine Canada – [www.imagine.ca](http://www.imagine.ca)**

Imagine Canada conducts and funds research on issues facing the charitable and non-profit sector and on corporate citizenship.

## Step 4 **Make sure the charity is accountable**

As a donor, you have the right to know what your gift has achieved. Unfortunately, some gifts, including large ones, are made without exercising due diligence of the recipient charity or the intended purpose of the donation.

You should be prepared to ask any charity several questions, either directly or through an advisor. By doing so, you will have the peace of mind of knowing that your gift is well spent.

### **Strategy**

What are the charity's long-term plans?

### **Accountability**

Are audited financial statements available to the public?

### **Impact**

Does the charity allow the donor to designate the gift to a particular area or activity?

### **Privacy**

Does the charity have a donor privacy policy?

### **Recognition**

How does the charity recognize gifts?

### **Service**

Does the donor continue to receive excellent service after they have made a gift?

## Step 5 **Time to Grant**

Now that you've done some research and created a cohesive plan, you're ready to grant.

# Opening a Mackenzie Charitable Giving Fund account is easy

**Simply complete the application forms  
(available online or from your  
financial advisor)**

- Make an irrevocable contribution of at least \$25,000 in the form of: cash (cheque or wire order); securities (publicly-traded stocks, bonds or mutual funds) or insurance

**Once you've made your donation,  
it's time to personalize your charitable  
giving account by naming your fund**

- You can set up this account as an individual (or entity) or with another person (a joint account holder) e.g. "The Kate Evans Fund" or "The Evans Family Fund"
- Recommend an investment (you can choose from seven Mackenzie mutual funds)
- Name your successor and/or make standing grant recommendations



Mackenzie  Charitable Giving Fund

Create and leave a legacy with the Mackenzie Charitable Giving Fund. Call your financial advisor today for more information or visit us at [mackenziefinancial.com/giving](https://mackenziefinancial.com/giving)

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