



Australian
**Philanthropic
Services**

Simple. Strategic. Rewarding.



APS Foundation

Give and grow.

Welcome

Establishing my family foundation in 2007 made a big difference to my experience of philanthropy. The structure helped my family to more thoughtfully plan our giving, and I've relished the opportunities to engage with the organisations we've assisted and to see first-hand how our donations have impacted the community.

I couldn't understand why more people like me weren't engaging in structured philanthropy when my experience was so rewarding. I conducted some research to find out, and discovered that there were many underlying barriers. I decided to help remove those barriers, and to make philanthropy a more mainstream and easier choice for Australians.

Australian Philanthropic Services (APS), the independent not-for-profit organisation I founded in 2012, does just that. We provide a professional, friendly and accessible service to inspire and support hundreds of individuals and families to make more considered decisions about their charitable giving.

My aspiration is that one day private and public ancillary funds will be as well-known as self-managed super funds, and philanthropic giving will form a standard part of all financial planning conversations. I am honoured to sit on the APS Board with Timothy Fairfax AC, David Gonski AC, Belinda Hutchinson AM, Gail Kelly, Dan Phillips, Jan Swinhoe, Michael Traill AM, and David Ward as we help guide the organisation towards this goal.

I invite you to consider how the APS Foundation can support you and your family's philanthropic ambitions. Talk to us and let's help get you giving.



Chris Cuffe AO
Chairman,
Australian Philanthropic Services
Chairman and Investment
Manager, APS Foundation

A handwritten signature in black ink that reads "Chris Cuffe". The signature is fluid and cursive, with the first name being more prominent.

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Forewords

APS was founded to provide support to people to establish and administer private ancillary funds (PAFs). Early on in the business we saw a growing number of clients who wanted to enjoy the benefits of planned philanthropy, but at a lower entry point.

In 2012 we launched the APS Foundation, a wholly owned subsidiary of APS, to meet this need. It is a communal philanthropic structure called a public ancillary fund, comprised of giving funds (also known as sub-funds). The funds are pooled and invested together, with investment returns accruing to the funds so they grow over time¹. Fund holders receive an immediate tax deduction on their donation and recommend to the APS Foundation trustee where their grants should be directed each year.

The APS Foundation has been an exciting addition to the suite of services we offer at APS. It operates nationally, now includes over 170 giving funds and last financial year donated \$4.6 million to charities.

Rachael Rofe, manager of the APS Foundation, and our team of giving advisers would welcome the opportunity to discuss how the APS Foundation could help you to support your charities of choice.

Thank you for taking the time to learn more about what we do.



One of the privileges of my work across the philanthropic sector for the last 15 years has been the opportunity to meet with and guide so many wonderful people interested in giving to the community through charity.

I've found that many people use their APS Foundation giving fund to introduce philanthropy to their children, while others have a cause near to their heart and use their fund to support that in an ongoing way. Our clients particularly appreciate that we take care of all their giving fund's compliance and investment responsibilities.

Giving funds can be established with a donation of at least \$50,000, with a minimum 4% of the balance to be granted to charity every year. Many giving fund grants are likely to be relatively modest initially, but every giving journey is important and every donation can have an impact.



Antonia Ruffell
Chief Executive Officer,
Australian Philanthropic Services
Director, APS Foundation



David Ward
Technical Director,
Australian Philanthropic Services
Director, APS Foundation

¹ Please note that investments can rise and fall in value.

About the APS Foundation

We help individuals and families to invest and donate their money to causes they care about.

- Philanthropic capital managed by APS Chair Chris Cuffe AO and specialist fund managers
- Receive full tax deduction now, recommend grants to your choice of charities later
- Competitive management fees as we're not-for-profit

How it works

GIVE

Make a donation to the APS Foundation, receive an immediate tax deduction, which can be spread over five years.



GROW

Giving funds are pooled and professionally invested. Investment returns are tax free and applied to your giving fund monthly.



GRANT

Recommend grants from your giving fund to one or more of thousands of eligible charities.



More than
170
giving funds

20,000+
eligible charities

Why choose the APS Foundation?



Experienced

APS Foundation has 170+ giving funds*, totalling almost \$70 million. We are governed by the APS Foundation Board and are a wholly owned subsidiary of Australian Philanthropic Services.



Community

Join our community of individuals and families sharing their grantmaking stories to help support and inspire each other's giving. We'll boost your charity know-how with complimentary APS events, useful content on charities, philanthropic trends and effective giving.



Competitive

As a not-for-profit we charge a modest management fee, so more money can be given to charity. A selection of leading specialist fund managers also donates their services to the Foundation pro bono, keeping our fees down.



Accessible

Our online facility provides complete transparency. You can view your giving fund balance, investment income, donations and grants all in one place, whenever you like.



Getting started is easy and fast

To get up and running, just complete one short form at <https://bit.ly/establish-my-giving-fund>, and make your donation to the APS Foundation. If you have more questions, please get in touch with us on 02 9779 6300 or foundation@australianphilanthropicservices.com.au

Structure your philanthropy and connect to something bigger than yourself.

The act of giving brings with it a host of additional rewards. Structured philanthropy through the APS Foundation has provided many of our clients with a context to have insightful conversations with their family about charity, social awareness and generosity. It has allowed giving fund holders to meet and be inspired by passionate not-for-profit leaders transforming their communities. And it has introduced philanthropists to each other, forging friendships and partnerships through a shared interest in giving back.

Creating a legacy

Giving whilst living offers you the tangible and rewarding benefit of experiencing the effect of your giving. There are intangible advantages too, including using your giving fund to share your philanthropic vision and encourage your loved ones to make a positive difference in the world.

You can set up a giving fund during your lifetime, and bequest a share of your estate to it to ensure your giving legacy for generations to come.

Supporting charities

You can recommend grants from your giving fund to one or more of 20,000+ eligible charities. One of the most satisfying aspects of structured giving is taking the time to gain a deeper understanding of the organisations and causes you choose to support. It takes time to consider the issues important to you and the impact you want to have. Rather than having to make a quick decision, a giving fund allows an immediate tax deduction while the choice of charity can be made later.



Eales Endowment

John, and his wife Lara, were some of the first APS clients to establish a giving fund within the APS Foundation.

“Lara and I have found the fund to be a practical option, and a tangible way to organise our charitable giving. It gave us a meaningful place for our giving to come together, and the money is locked away for the causes that are important to us. We can grow it over time, so in the long-term it becomes self-sustainable. For example, I donate various director’s and speaking fees into the giving fund.”

John Eales

Grantmaking service

We can help you to reflect on and develop your philanthropic goals and provide suggestions for organisations to support who work in your areas of interest. Our grantmaking specialists also work with families and foundations on more complex giving projects for a modest additional fee and can conduct sector research, perform due diligence, manage funding rounds and arrange site visits and field trips. Contact us to learn more about how our grantmaking services could help you.

Join the APS community

The APS community numbers over 400 individuals and families across Australia. You too will receive complimentary invitations to APS events throughout the year, providing opportunities to learn more about charity and the philanthropic sector and meet other giving fund holders.

We regularly share useful content of interest on philanthropic trends, effective giving, succession planning and stories from our giving fund holders on the impact of their grantmaking.



Protter Family Gift

Establishing a giving fund in the APS Foundation was a natural progression in Deborah Protter and her family's philanthropic journey as long-term supporters of charity.

“ Having the giving fund has helped us to cement our 20-year commitment to The Hunger Project, and provides us with a way to give direction to our giving as a family. Our daughter, now 22, has also now become involved in choosing charities to support. Having this vehicle provided us with a way to have that conversation and talk about what's important to us as a family. ”

Deborah Protter

Grow

Giving funds are pooled and professionally invested. Investment income is tax free and applied to your giving fund monthly.

Structure and governance

The APS Foundation is a public ancillary fund. The trustee for the fund is Australian Philanthropic Services Foundation Pty Limited, a wholly owned subsidiary of APS Limited. The directors of the trustee are Chris Cuffe AO, David Ward and Antonia Ruffell.

A giving fund is administered as a sub-fund of the APS Foundation.

Hassle-free administration

One of the great benefits of a giving fund is that the trustee handles all administration, accounting and investment activities, including arranging an annual independent audit. The trustee also ensures compliance with all tax, governance and legal requirements. All you are required to do is to make recommendations about the charities that you would like to support from your giving fund.

Portability

The APS Foundation allows, within the Australian Taxation Office guidelines, for the flexibility to transfer your giving fund balance to another ancillary fund, such as your own private ancillary fund should you decide to establish one in the future.

Strong and steady

Over the course of six years, the APS Foundation has become the fastest growing public ancillary fund in Australia, now just over \$69 million in pooled giving funds. The Foundation experienced growth of 93% in FY18.



APS Foundation balance over time



“ We take care of compliance and administration, so you can focus on giving. ”

Rachael Rofe
Manager, APS Foundation

Investment objective and strategy

The trustee of the APS Foundation has control over all aspects of the investment objective, strategy and investments held in the Foundation. All monies in the APS Foundation are managed as a single investment portfolio.

The trustee's investment decisions take into account the need to grant a minimum of 4% per annum to eligible charities, plus considerations such as inflation, risk, liquidity, transaction costs and the benefits of diversification.

The investments of the APS Foundation are overseen by all trustee directors. Chris Cuffe AO has day-to-day responsibility for managing the investments, including engaging the services of external specialist fund managers, the majority of whom support the Foundation pro bono.

Chris is an investment industry veteran, with many years of experience in building successful wealth management practices, most notably at Colonial First State. Chris was inducted in to the Australian Fund Manager's RBS Hall of Fame in 2007. Read Chris's full biography at www.australianphilanthropicservices.com.au/chris-cuffe

The investment objective for the APS Foundation is to achieve a return after fees at least equal to CPI inflation +4% per annum, measured over rolling seven-year periods.

The broad investment ranges for APS Foundation are:

- 25% – 75%** Growth-oriented investments (e.g. shares and/or property)
- 25% – 75%** Income-oriented investments (e.g. cash and/or fixed interest securities)

The full investment strategy for the APS Foundation is available upon request.

Investment performance

The performance (after fees) of the APS Foundation for various periods ended 30 June 2018 was as follows:

	One year	Three years	Since inception
APS Foundation	10.0%	9.5% pa	12.5% pa
Australian inflation (ABS All Groups CPI index)	1.90%	1.7% pa	2.0% pa

The performance of the APS Foundation is calculated on a time-weighted basis from monthly valuations. Before that time APS Foundation held cash on deposit. The 'since inception' date used is 1 July 2012. Figures greater than one year are expressed as annual compound returns.

To request a full copy of the latest investments report, please email foundation@australianphilanthropicservices.com.au.



“ We are delighted to have the opportunity to use our investment management skills and experience to help benefit the community through the APS Foundation. ”

Tim Carleton and Matt Parker
Co-founders,
Auscap Asset Management

Grant

Recommend grants from your giving fund to one or more of thousands of eligible charities.

Making grants

Each year you will be asked to recommend to the trustee which eligible organisations a minimum of 4% of your giving fund should be granted to. You can only give to Deductible Gift Recipient (DGR) Item 1 charities, and to Government entities that have a purpose that is 'charitable', like public hospitals and museums. We will always confirm that your recommended charity is eligible to receive a grant. There are over 20,000 eligible organisations that you can recommend to receive a donation from your giving fund.

The minimum donation is \$1,000 per charity. As an example, if your giving fund balance was \$60,000 at 30 June, you would need to recommend at least \$2,400 of grants (being 4% of \$60,000) to a maximum of two charities before the following financial year end.

Estate planning

A giving fund can continue on past your lifetime. You can nominate a successor to take over grant nominations after your death, or you can leave a statement of wishes with the trustee to continue your granting program as an annuity-style legacy into the future.

You can also use your will to direct additional money to your giving fund. It is important that the clause in your will is worded carefully to help avoid unintended tax implications. Please contact us if you would like more information.

In FY18, the
APS Foundation
giving funds
granted

\$4.6
million
to charity.

Is a giving fund right for me?

A giving fund in the APS Foundation may be appropriate for individuals, families and companies who:

- are happy to leave the administration, investment and statutory aspects of running a foundation to the trustee and focus solely on grantmaking
- can make a minimum donation of \$50,000 to open their giving fund and maintain this balance
- would like a tax deduction for donations, and
- would like to provide sustainable, long-term support for DGR charities.

What is the minimum amount I need to donate to establish a giving fund?

A giving fund with the APS Foundation can be established with a minimum donation of \$50,000. A minimum amount of \$1,000 is required for any additional donations. Family members or any person or entity can donate into your giving fund. You can contribute to your giving fund as often or infrequently as you like. Donations are irrevocable.

Can I claim a tax deduction on my donation?

As the APS Foundation is a DGR, individuals can claim a tax deduction on donations made to their giving fund. Deductions can be claimed in full immediately, or spread over a period of up to five years.

If the balance of your giving fund drops below \$50,000, the trustee will contact you to discuss granting all the funds away to a DGR Item 1 charity or contributing extra funds to keep the balance of the giving fund over \$50,000.

Can anyone donate to my giving fund?

There is no restriction about who can donate to your giving fund, so friends and family can also make tax deductible donations to it.

Who can I make grants to?

You can make grant recommendations to any of the thousands of eligible DGR Item 1 charities and government entities with a charitable purpose. The APS Foundation is required to grant at least 4% of its assets each financial year. As such, each giving fund is asked to do the same.

What are the fees involved?

APS manages all aspects of the APS Foundation (including administration, compliance, internal investment management, and facilitating the yearly audit). It charges a single, all-inclusive fee of 1% per annum, excluding GST, on the amount held in each giving fund. This fee is calculated and paid on a monthly basis. As the APS Foundation can claim back 75% of GST paid, the final cost on giving funds is 1.025%.

The investments of the APS Foundation are managed directly by APS with the support of external specialist fund managers on a pro bono basis, where possible. Where a pro bono arrangement cannot be secured, APS may still choose to use them where they believe the investment will produce an attractive post fees return for the APS Foundation. Fees charged by external fund managers will be in addition to the 1% APS Foundation fee. The aggregate of any such fees will be disclosed in APS Foundation's six-monthly investment reporting. We will advise you in advance should we ever need to alter these fees.

How can I monitor my giving fund?

Once you have established a giving fund you will be given online access to help you monitor the giving fund's activities. Your online account includes the monthly balance of your giving fund, a list of your donations and grants, a six-monthly investment report, annual audited accounts and various other useful reference materials.

Can I name my giving fund?

Yes, you can choose the name of your giving fund. Your giving fund will be acknowledged when a grant is paid at your recommendation, or you can choose to remain anonymous. Giving funds cannot include the word 'Foundation' or 'Trust', but the words 'Bequest', 'Gift', or 'Endowment' are all acceptable.

Supporters

The APS Foundation is extremely grateful for the support we receive from the finance and wealth management community. This has not only helped provide good investment performance, but also very low fees. The following leading investment professionals and service providers assist with the management of the Foundation, and kindly provide us with their investment services pro bono. We sincerely thank them for their generous support.



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in /Australian-Philanthropic Services

This publication is intended as a guide only. For details of the APS service and private and public fund regulations please contact APS on 02 9779 6300 or foundation@australianphilanthropicservices.com.au

Australian Philanthropic Services Foundation (ABN 38 981 887 768) (APS Foundation) is a public ancillary fund with Deductible Gift Recipient Item 2 status and is a registered charity with the Australian Charities and Not-for-profits Commission.

Australian Philanthropic Services Foundation Pty Limited (ACN 158 036 349) is the trustee of the APS Foundation and is a wholly owned subsidiary of Australian Philanthropic Services Limited (ACN 155 905 829) (APS).

APS is a not-for-profit company registered with the Australian Charities and Not-for-profits Commission.



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