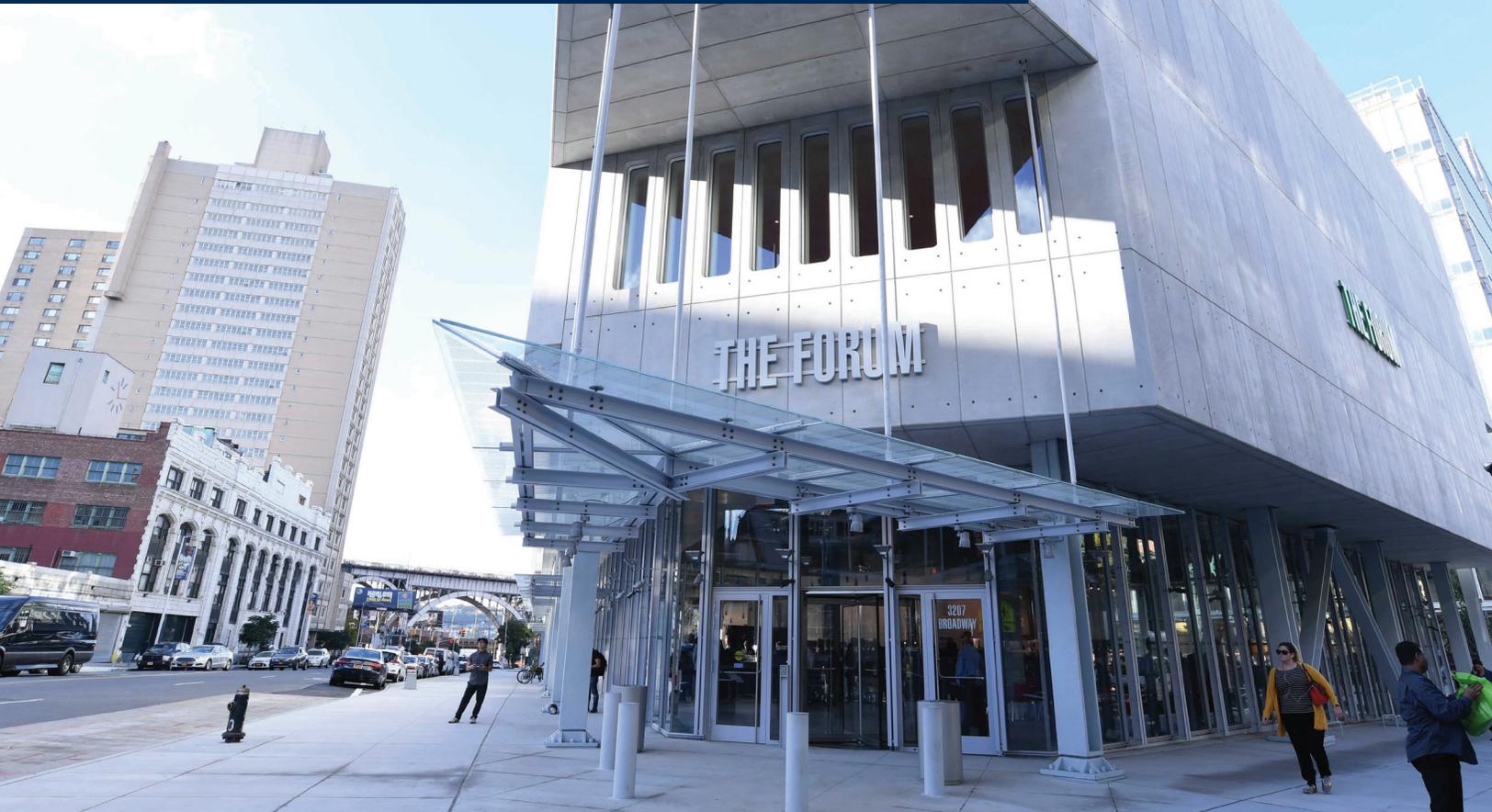


Charitable Remainder Unitrust

Make a Gift & Receive Payments for Life



Would you like to derive a great benefit from your investments, but you hesitate to make changes because the capital gains tax would reduce your portfolio? Consider making a generous contribution to support the next generation through a charitable remainder unitrust. Charitable remainder unitrusts allow you to improve your investment returns without triggering capital gains tax while making a significant contribution to Columbia University.

Because a charitable remainder unitrust is tax-exempt, you can give appreciated assets to your trust without paying capital gains tax. Your trust will pay no capital gains tax upfront when it sells and reinvests those assets, which means it can put the full appreciated value of your investments to work producing income for you.

Then, at the end of your lifetime, your charitable remainder unitrust will distribute the remainder of your trust to Columbia. Your generous gift to Columbia results in an income tax charitable deduction now for a portion of your gift to your trust.

Summary of FINANCIAL BENEFITS:

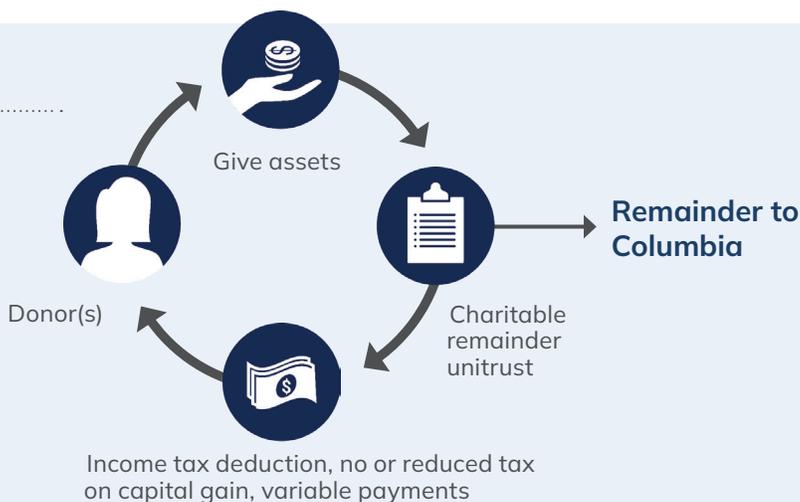
- Lifetime stream of payments — variable amounts based on its current value
- Charitable federal income tax deduction for a portion of the gift
- Avoidance of capital gains taxes on the transfer of long-term appreciated property
- Possible estate tax benefits

EXAMPLE:

Barb is 76 years old, and her husband Bob is 75. The investments in their portfolio have appreciated substantially over the years, even though the dividends are disappointing. However, they have been reluctant to make investment changes because of potential capital gains tax liability.

One of their stocks, now worth \$500,000, pays \$10,000 per year in dividends, which was a generous return when they purchased the stock for \$50,000 years ago. They know that if they sell this stock they will have a \$450,000 profit on the sale and will have to pay a capital gains tax of \$67,500, perhaps more.

Instead of selling, Barb and Bob establish a charitable remainder unitrust and transfer their stock directly into it. The charitable remainder unitrust can sell the stock with no capital gains tax and will pay them 5% of the trust's market value each for as long as either of them lives and then distribute whatever is left to Columbia. (Instead of payments for life, they could choose payments for a term of years up to 20 years.)



Benefits:

- In the first year, Bob and Barb will receive \$25,000 (5% of \$500,000) in income from their charitable remainder unitrust, two-and-a-half times what they had been earning. If the trust's investments do well, the amount of income they receive will increase each year.
- They will avoid the capital gains tax that they would have paid if they had sold the stock.
- They will receive a federal income tax charitable deduction this year for the value of their contribution of the remainder to Columbia. The exact amount of their deduction will depend upon the timing and other details of their contribution.

Notes:

- The payout percentage is negotiated at the time the charitable remainder unitrust is created and does not change, but the amount of the payments will change each year with the value of the trust's assets.
- You may name one or more individuals to receive income from your trust.
- You can make additional contributions to your trust at any time.

Your circumstances are unique. We encourage you to consult with your own advisors about whether a charitable remainder unitrust would work for you. Thank you for your continued commitment to Columbia.

This information does not constitute legal or financial advice and should not be relied upon as a substitute for professional advice.

NEXT STEPS

To start a conversation,
please contact:

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