



Australian
Philanthropic
Services

APS Foundation Give and grow



About the APS Foundation

Our public ancillary fund, the APS Foundation, is a communal philanthropic structure in which you can establish a named giving fund (also known as a sub-fund). You receive an immediate tax deduction for the cash that you donate to your giving fund, with the flexibility to distribute the funds to charity over time.

While you think about which charities to support from your fund, the Foundation's giving funds are pooled and invested by us. Returns are tax-free and accrue to your fund monthly, offering a style of giving that allows you to both give and grow money for charity.

- Philanthropic capital managed by Chris Cuffe AO, experienced investment professional David Wright, and specialist investment managers
- Receive a full tax deduction now, recommend gifts to eligible organisations later
- Cost-effective management fees as we're not-for-profit
- Unparalleled monthly reporting and visibility via our online portal



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.



Gift

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

Who we serve

We support a range of individuals, families and companies who want to enjoy the benefits of structured philanthropy. Giving funds can be established with a donation of at least \$40,000, with a minimum 3% of the balance to be gifted to charity every year. Whether you start with a modest or significantly-sized contribution, every giving journey is important and every donation can have a meaningful impact on the community.

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 like-minded people to each other, forging friendships and partnerships through a shared interest in giving.



John Eales
Eales Endowment

“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 will work with you to understand your needs and help you to give in a way that achieves your goals.

Why choose the APS Foundation?



Experienced

The APS Foundation is the fastest-growing public ancillary fund in Australia. The Foundation comprises more than 480 giving funds, totalling over \$263 million. Last financial year, we supported our giving fund holders to make \$16.8 million in gifts to charity.



Cost-effective

As a not-for-profit we charge a modest fee, so more of your money can be given to charity. Leading investment managers also donate their services to the APS Foundation, enabling us to keep our fees low. Over the last year, the value of these donated investment services was in excess of \$1 million.



Connected

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



High-performing

The investment objective is to achieve a return after fees at least equal to CPI inflation +4% per annum, measured over rolling seven-year periods. The General Portfolio has returned 9.4% for the year ended 30 June 2023 and 10.1% pa since inception. The Focused Portfolio returned 7.4% pa for its first partial-year investment period from October 2022 to 30 June 2023.



Transparent

Our client portal provides complete visibility on your fund's activity and investment returns. It is a simple, secure and convenient online destination for you to manage your giving and access up-to-date information about your fund.



Fast

Getting started is easy and takes just 24 hours. **Complete one short form** and make your donation to the APS Foundation to get up and running.



Specialist

We have the philanthropic knowledge, tools and resources to help you make informed giving decisions and to assist you in identifying organisations having the greatest impact on the causes you want to support.



Ward Family Fund

Creative sourcing for philanthropic leverage

The Ward Family Foundation Fund giving fund was established in 2016 by Kevin Ward and two of his children, Julie and Stephen, with the support of their siblings, Donna, Colleen and Caroline.

During the first COVID-19 lockdown, Stephen negotiated some innovative sourcing deals to ensure the family's philanthropic funds were leveraged for greatest impact, specifically to assist children experiencing educational disadvantage in the radical shift to an online learning environment.

"We were concerned about how many students were out there without digital access to laptops and internet connectivity," said Stephen. "We landed on the concept of providing 100 laptops to the Public Education Foundation and 200 for the Story Factory, but we negotiated the purchase of them in an innovative way, through WorkVentures. They're a certified social enterprise that inspires social inclusion through technology.

We had about \$650,000 in our giving fund and we'd already fulfilled our required giving when the pandemic hit – but here we were thinking about donating another \$120,000 through this initiative.

We sat down and had a family discussion about it and thought, well, it's at times like this that philanthropy is really needed. We're not going to see anything like this again in our lifetimes.

We've been led by the Public Education Foundation and WorkVentures on evaluating the impact of the programs. From our end, there are no onerous acquittals necessary – we don't expect deep analytics on how the kids used the laptops. Certainly, the anecdotal feedback from kids involved in the programs has been encouraging."



Stephen Ward
Ward Family Fund

"We're really pleased to have played a part in supporting three top organisations to deliver critical infrastructure to young people experiencing educational disadvantage during such a difficult time."

Meakin Charitable Fund

Supporting lifesaving maternal healthcare

“I created an APS Foundation giving fund as my husband and I wanted to make supporting charities a priority. The first thing we did was to ask our financial adviser to research the options, and his advice was that APS provided a quality service. The fund was easy to set up, the return on the investment is excellent and making donations is easy to do,” shared Dr Lee Meakin, a General Practitioner in Ballarat, Victoria.

While volunteering in Africa, Dr Meakin met Australian-trained obstetrician and gynaecologist, Dr Andrew Browning AM. Working in Tanzania in incredibly basic hospital conditions, Dr Browning would operate with a camping head torch to provide light when the electricity failed, and carry medicines with him under lock and key.

For Dr Meakin, the plight of many of the African women she met was more shocking than the rudimentary hospital facilities. Due to a lack of primary obstetric healthcare, approximately 205,000 women a year die from birth-related injuries in sub-Saharan Africa. Dr Browning’s work is relieving the high incidence of death and extreme injury in pregnancy and childbirth, providing dignity, safety and hope to hundreds of underprivileged women.

Inspired by Dr Browning’s good work, Dr Meakin arranged for a donation to be paid from her giving fund to the Barbara May Foundation, the charity founded to honour the memory of Dr Browning’s grandmother.

“It was a straightforward decision for me to decide to support the Barbara May Foundation,” said Dr Meakin. “I saw with my own eyes that the organisation was well-run, and I could see the impact that my donation could have in the lives of these women and their families.”



Dr Lee Meakin
Meakin Charitable Fund

“Our giving fund enables us to evaluate which causes we want to support and to give this support in a measured and committed way.”



Investment objective & strategy

The trustee of the APS Foundation has control over all aspects of the investment objective, strategy and investments held in the Foundation. The trustee's investment decisions take into account the need to gift a minimum of 3% per annum (until 2026, when it will revert to 4% per annum) to eligible charities, plus considerations such as inflation, risk, liquidity, transaction costs and the benefits of diversification. 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 the 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 returns are applied to giving fund balances monthly, which giving fund holders can keep track of via our online portal. The APS Foundation portfolio managers also prepare a detailed investment performance report for giving fund holders every six months.



Investment management

The APS Foundation offers two investment portfolios:

- the General Portfolio; and
- the Focused Portfolio.

The investments of the APS Foundation are overseen by all trustee directors. Chris Cuffe AO and David Wright have day-to-day responsibility for managing the investments, including engaging hand-selected external specialist investment managers, many of whom support the Foundation on either a pro bono or low bono basis. This ensures we can receive leading investment management services, maintain our modest fee and in turn maximise funds for the community.

Chris Cuffe is an investment industry veteran, with many years of experience in building successful wealth management practices, most notably at Colonial First State. Chris is the founder and Chairman of Australian Philanthropic Services and was inducted into the Australian Fund Manager's RBS Hall of Fame in 2007.

David Wright is the co-founder and CEO of Zenith Partners, a leading provider of independent investment research and portfolio construction advice. With deep investment industry experience acquired over an extensive career, David is also Head of the Investment Committee of the ASX-listed Hearts and Minds Investments Limited and an independent member of the Qantas Superannuation Investment Committee.



Chris Cuffe AO
General Portfolio Manager

"I believe genuine long-term investing will ultimately provide superior results compared to those with a short-term focus"



David Wright
Focused Portfolio Manager

"Responsible investment (RI) factors and associated issues are dynamic. Best practice dictates that continual research and monitoring are a prerequisite to adequately manage RI issues over time"

The General Portfolio

Established in 2012, the General Portfolio is managed by Chris Cuffe with the support of the Investment Committee and is well-diversified across the full investment spectrum.

General Portfolio management

"The key defining features of the investment management of APS Foundation's General Portfolio are:

- a genuine commitment to investing for the long-term; and
- holding a well-diversified portfolio across many different asset classes, including alternative investments, with the freedom to invest in securities for what I regard as the best risk adjusted returns rather than more standard portfolio models. I can drive returns by thinking outside the square.

I believe a genuine long-term investing approach will ensure a giving fund's dollars go further. And I can do this with confidence because of the scale of the General Portfolio and its profile of having relatively predictable and strong net funds inflow. In particular, this allows me to hold a material amount in relatively illiquid investments which pay a "premium" to other more liquid investments."

Chris Cuffe is supported by a hand-chosen team with a shared vision to support the community. "I choose the underlying investment managers very carefully. I particularly look for active managers who are not afraid of short-term volatility – again, reinforcing my focus on seeking out superior long-term performance. And many of the managers I use do so on a pro bono basis because of their community-minded attitude, driving investment returns further."

Performance

The performance (after fees) of the General Portfolio for various periods ended 30 June 2023 was as follows:

	Six months	One year	Three years	Seven years	Since inception
APS Foundation General Portfolio	5.6% pa	9.4% pa	8.2% pa	7.8% pa	10.1% pa
Target return (being CPI + 4% pa after fees over rolling 7 year periods)	N/A	N/A	N/A	6.7% pa	6.6% pa
Australian shares (S&P/ASX300 Accumulation Index)	4.4% pa	14.4% pa	11.1% pa	8.9% pa	9.7% pa
International Shares - currency unhedged (MSCI World ex-AUS Unhedged AUD Total Return)	17.5% pa	22.6% pa	13.5% pa	12.5% pa	14.9% pa
Australian Cash (Bloomberg AusBond Bank Bills Index)	1.7% pa	2.9% pa	1.0% pa	1.3% pa	1.8% pa

The 'since inception' date used is 1 July 2012. Figures greater than one year are expressed as annual compound returns.

The Focused Portfolio

Established in June 2022, the Focused Portfolio is managed by David Wright. It is diversified across investment funds and individually managed accounts with a responsible investing objective, or in funds that generate a positive, measurable social and environmental impact alongside a financial return.

Focused Portfolio management

The Focused Portfolio construction is based predominantly on the Responsible Investment Framework and Fund Classification system and Fund rating and assessment process designed by investment research and investment consultancy, Zenith Investment Partners. Zenith generously provides APS Foundation with access to their research and framework on a pro bono basis.

The portfolio comprises investments that hold Zenith Investment Partners':

- Highly Recommended or Recommended investment ratings; and
- Top three RI categorisation of either Integrated, Thematic or Impact.

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

Performance

The portfolio was fully invested since October 2022, producing a positive return of 7.4% pa for the partial year October 2022 to 30 June 2023. The performance (after fees) of the APS Foundation Focused Portfolio and relevant indices for various periods ended 30 June 2023 was as follows:

	Six months	One year	Three years	Seven years	Since inception
APS Foundation Focused Portfolio	6.7% pa	7.6% pa	N/A	N/A	N/A
Target return (being CPI + 4% pa after fees over rolling 7 year periods)	N/A	N/A	N/A	7.0% pa	6.6% pa
Australian shares (S&P/ASX300 Accumulation Index)	4.4% pa	14.4% pa	11.1% pa	8.9% pa	9.7% pa
International Shares - currency unhedged (MSCI World ex-AUS Unhedged AUD Total Return)	17.5% pa	22.6% pa	13.5% pa	12.5% pa	14.9% pa
Australian Cash (Bloomberg AusBond Bank Bills Index)	1.7% pa	2.9% pa	1.0% pa	1.3% pa	1.8% pa

The 'since inception' date used is 1 July 2022. Figures greater than one year are expressed as annual compound returns.

Estate planning

A giving fund can continue on past your lifetime. You can nominate a successor to continue your philanthropic work and make gift recommendations from your fund after your death, or you can leave a statement of wishes with the trustee to continue your gifting program 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.



Partnering with advisers

Our services have been designed to complement, not replace, the support you already receive from your accountant, lawyer or wealth adviser.

We are the trusted partner to scores of professional advisers across Australia, and work with them to set up and administer their clients' charitable giving.

Structure & governance

The trustee of the APS Foundation, Australian Philanthropic Services Foundation Pty Ltd (APS Foundation Ltd), is a wholly owned subsidiary of Australian Philanthropic Services Limited (APS). The board of APS, with a majority of independent directors, appoint the directors of APS Foundation Pty Ltd. The board of directors of APS Foundation Pty Ltd comprises David Ward (Chair), Chris Cuffe and Judith Fiander and the company secretaries are Rachael Rofe and Frances Deegan.

The board of APS Foundation Pty Ltd has appointed Chris Cuffe to manage the General Portfolio and David Wright to manage the Focused Portfolio. Given the size of the General Portfolio, the board of APS Foundation Pty Ltd established a formal Investment Committee to provide further professional oversight. In addition to the Trustee, the committee provides an additional layer of investment governance to ensure appropriate decision-making regarding the management of the General Portfolio.

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. You simply need 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.



Rachael Rofe

Head of the APS Foundation

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

Making gifts

The APS Foundation is required to give at least 3% of its 30 June balance to eligible organisations each following financial year (until July 2026, when this will revert to 4%). We achieve this target by asking each of our giving funds to recommend gifts totalling 3% of their fund's balance as at the previous 30 June.

You can recommend a gift to any one of the 25,000 eligible organisations with Deductible Gift Recipient (DGR) Item 1 status. This includes thousands of charities and government 'charity-like' entities like public hospitals and art galleries.

The minimum gift size is \$1,000 per charity.

As an example, if your giving fund balance was \$70,000 at 30 June, you would need to gift at least \$2,100 (being 3% of \$70,000) to a maximum of two eligible organisations before the following financial year end.



In the 2022 – 2023 financial year, giving funds in the APS Foundation gifted \$16.8 million to charity.

FAQs

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 giving
- can make a minimum donation of \$40,000 to open their giving fund and maintain this balance
- would like a tax deduction for donations
- would like to provide sustainable, long-term support for DGR Item 1 organisations.

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 \$40,000. Additional donations to your fund of \$1,000 or more can be made at any time. All donations are irrevocable.

Can anyone donate to my giving fund?

Anyone can donate to your giving fund, so friends, family and entities including companies and trusts can also make tax deductible donations to it.

Who can I make gifts to?

Gifts can be paid from your fund to any of the 25,000+ eligible DGR Item 1 organisations including charities and government entities with a charitable purpose. The APS Foundation is required to gift at least 3% of its assets each financial year. As such, each giving fund is asked to do the same.

Can I claim a tax deduction on my donation?

As the APS Foundation has DGR Item 2 status, donations into your giving fund are tax deductible. 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 \$40,000, we will contact you to discuss replenishing the fund with an additional donation, or gifting the remaining fund balance.

When can I recommend a gift?

Whenever you like. We aim to pay approved gifts within 14 days of receiving your recommendation.

Can my giving fund be invested in both the General and Focused Portfolios?

A giving fund must be invested in either the General or Focused Portfolio. You can have multiple giving funds, each invested in different portfolios.

FAQs continued...

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 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 investment managers on a pro bono basis, where possible. Fees charged by external fund managers, where charged (most are rebated), are additional to the APS Foundation fee. These fees will be disclosed in the APS Foundation's six-monthly investment reporting.

Can I name my giving fund?

Yes, you can choose the name of your giving fund. Your giving fund will be acknowledged when a gift 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.

How can I monitor my giving fund?

Your giving fund balance is updated monthly to reflect investment returns, gifting and donation activity. You can view the balance via your APS Foundation portal. The portal is the single, simple, secure online destination for you to conveniently manage your giving and access information about your giving fund.

- View your fund's balance
- Browse a complete record of your fund's gifting, donation and investment return activity since inception
- Top up your fund and make gift recommendations with a single click
- View documents arising from your fund's activity, and Foundation-wide information including investment reports and giving tools
- See the latest news from the APS community, and more.

APS Foundation 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.



Australian Philanthropic Services

Australian Philanthropic Services (APS) makes structured giving simple, so you can focus on supporting the causes that matter to you. We offer fulfilling ways for you to manage your charitable giving over time using tax-efficient structures called ancillary funds.

- **Tax-effective**
Receive a tax-deduction on your donation now, choose charities to support later
- **Rewarding**
Provide enduring revenue to charities you care about
- **Strategic**
Invest your charitable funds over the long-term
- **Inspiring**
Create a legacy that lasts beyond your lifetime

Led by Chief Executive Officer Judith Fiander, APS is guided by our founder and chair, Chris Cuffe AO and other board members David Gonski AC, Belinda Hutchinson AC, Gail Kelly, John McMurdo, Dan Phillips, Jan Swinhoe, Michael Traill AM, and David Ward.

Our 800+ clients donated \$162 million to charity last year and have committed over \$2.14 billion to charity held in structures we support.

We are the leading independent, not-for-profit philanthropic services organisation in Australia.



Our friendly team is ready to help.
Contact us on 02 9779 6312 or
foundation@australianphilanthropicservices.com.au



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 DGR 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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