



National
Philanthropic
Trust

Your partner in giving



2012

ANNUAL REPORT



In 2012, National Philanthropic Trust celebrated its fifteenth year. In that time, NPT has been dedicated to its mission of increasing philanthropy in society—a mission only made possible by a partnership with our generous donors.

NPT's grant history and financial information in this year's annual report is a reflection of that treasured partnership. Our donors are active philanthropists and NPT is committed to helping them support causes and organizations that are important to them.

During the past 12 months, NPT has grown in nearly every way. We now manage an unprecedented \$1.23 billion in assets; our staff has increased to accommodate growing grant recommendations; and we established a new affiliate—NPT Charitable Asset Trust.

NPT's name recognition has grown too. This past year, NPT was featured in almost every major newspaper and trade publication. We also produced a video series on donor-advised funds that has been viewed by thousands of people. In addition to the role our donors have played in NPT's success, I wish to acknowledge our Board of Trustees and staff, who guide and manage NPT's work—all leading to this extraordinary growth.

As we look ahead to the next 15 years, we continue to thank our donors—for trusting us, for inspiring us and for making the world a better place through their philanthropy. It is a privilege to serve them and to be their partner in giving.

Warm Regards,

A handwritten signature in black ink that reads "Eileen R. Heisman". The signature is fluid and cursive.

Eileen R. Heisman
President & CEO

BOARD OF TRUSTEES

Jeffrey R. Lauterbach
Chair

Robert Eichfeld
Gennaro J. Fulvio
Eileen R. Heisman
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Cecilia Mendez Hodes
Helen H. Miller
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Wayne R. Walker

SENIOR MANAGEMENT

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President and CEO

Thomas J. Grace
Chief Operating Officer

Margaret A. Bandera
Vice President and Treasurer

Andrew W. Hastings
Vice President
Business Development

Diane L. Fitzgerald
Assistant Vice President
Donor Services

Andrea Rush
Assistant Vice President
Grantmaking Services

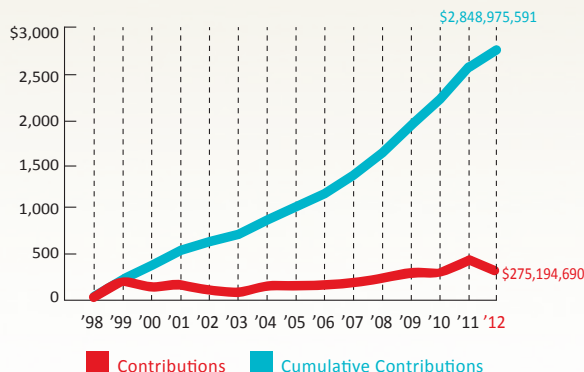
Kip Schaefer
Assistant Vice President
Institutional Business Development

Photos on the cover depict a variety of philanthropic initiatives in 2012 that were made possible by organizations receiving grant support from NPT donor-advised funds. From right to left: helping to preserve North American Indian culture and tradition in South Dakota (The Crazy Horse Memorial), assisting wildfire victims in Colorado (American Red Cross Society), providing pet therapy for hospitalized children in Pennsylvania (Ronald McDonald House), assisting with the development and delivery of community water systems in India (Water for People), supplying classroom materials in Zambia (Save the Children) and facilitating dental health care initiatives in Cambodia (One Degree Forward).

CONTRIBUTIONS

In 2012, NPT received over \$275 million in donor contributions. Most of these were traditional contributions (e.g. checks, stocks or fixed income investments) but many were complex and unusual assets. We accepted real estate, foreign securities, bequests from wills and payouts from trusts—all as contributions to donor-advised funds. Our expertise in converting illiquid gifts into philanthropic assets continues to benefit both our donors and the charitable organizations to which they recommend grants.

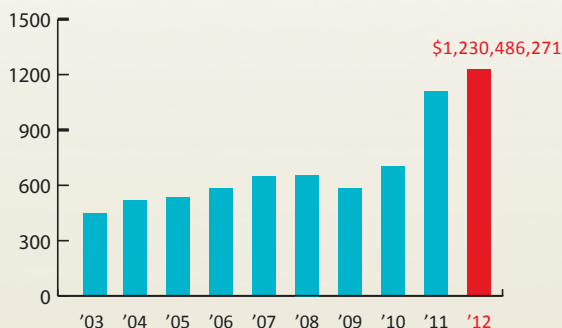
CUMULATIVE CONTRIBUTIONS (\$ BILLIONS)



INVESTMENTS

NPT maintains a broad and flexible investment platform, with best-in-class options. We allow donors to customize their investment allocations to meet their philanthropic and financial objectives. Donors can choose among a number of investments, including low-fee exchange-traded funds, low-risk money market funds, actively-managed mutual funds and separately-managed accounts. Some of the country's best investment firms manage NPT's investment portfolios. Discretionary investments are available to donors with accounts over \$10 million. With NPT's approval, these donors may invest in individual equities, bonds, alternative funds, commodities and other complementary, structured strategies. NPT's investment committee carefully monitors the performance of our investments and adjusts investment options accordingly.

ASSETS UNDER MANAGEMENT (\$ MILLIONS)

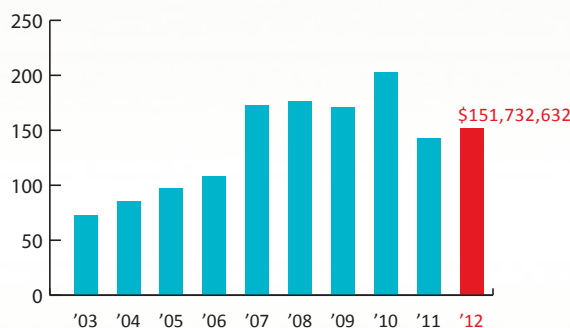


GRANTMAKING

NPT's grantmaking staff guides and manages the donor experience—from answering questions about different charities to executing specialized grants. Our staff's expertise and flexibility helps create multi-year, anonymous, matching or memorial grants. In addition, we can help secure naming rights to buildings or programs, endow chairs at universities or colleges, and coordinate grant contests with charitable award prizes.

In 2012, we made nearly 11,000 grants totaling almost \$152 million. NPT is among the few donor-advised programs that does its own due diligence, allowing us to make direct grants to approved charities outside the United States. NPT's donor services team processes grants weekly to ensure timely delivery of our donor's charitable grant requests. In the event of critical needs, we can accelerate the process to provide vital support as quickly as possible.

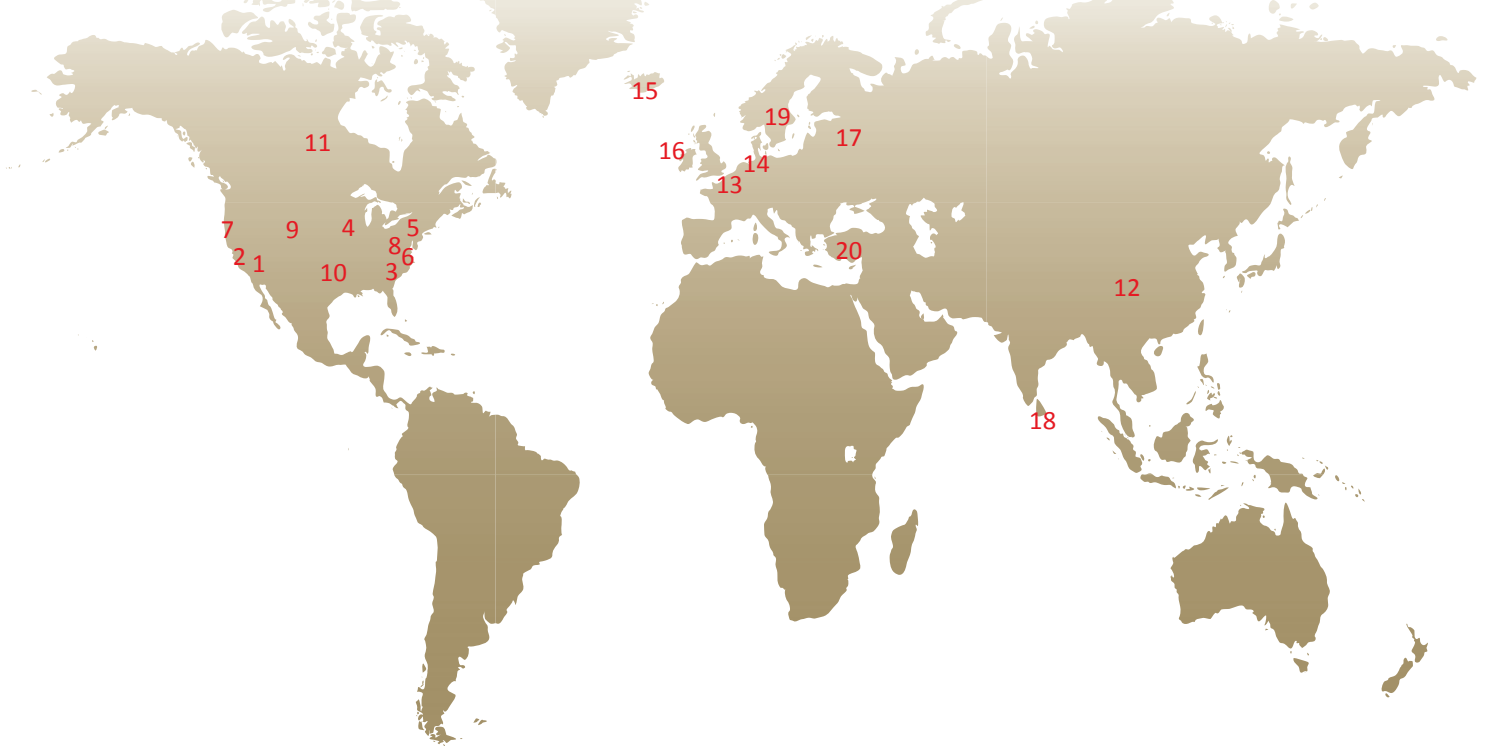
GRANTS BY YEAR (\$ MILLIONS)



PARTNERS

In 2012, NPT launched its first affiliate, NPT Charitable Asset Trust (NPT CAT). NPT CAT is a public charity in the trust form. This specialized structure offers tax advantages to donors who gift certain types of assets—particularly those in the illiquid form. Over the past several years, we've seen a marked increase in the number of donors who want to contribute illiquid assets to their donor-advised funds. NPT CAT was created partly in response to this growing trend. We are proud to offer this new option to new and existing donors. You can learn more about NPT CAT and view case studies on its website at www.nptcat.org.

GIVING: AT HOME AND AROUND THE WORLD



NATIONAL GRANTS

- 1. Arizona:** Job training and counseling services help people overcome the barriers to unemployment.
- 2. California:** Professional artists visit local classrooms to inspire creativity in students.
- 3. Georgia:** The AIDS Memorial Quilt raises awareness and support for those affected by HIV and AIDS.
- 4. Illinois:** Chicagoans enjoy more green space in and around the city from protection and preservation efforts.
- 5. New York:** Financial assistance programs provide support, comfort and care to under and uninsured breast cancer patients.
- 6. North Carolina:** A pediatric asthma program serves children in underserved rural areas.
- 7. Oregon:** A substantial donation increases funding for a service-learning program at a state university.
- 8. Pennsylvania:** Alex's Lemonade Stand raises awareness about and supports research for childhood cancer.
- 9. South Dakota:** Volunteers protect and preserve the culture, traditions and living heritage of North American Indians.
- 10. Texas:** Job training and counseling services help people overcome the barriers to unemployment.

INTERNATIONAL GRANTS

- 11. Canada:** Archeologists work to verify the existence of ancient pictographs.
- 12. China:** Volunteers build new schools in rural areas.
- 13. France:** Yves Saint Laurent's foundation conserves fashion history, organizes fashion and art exhibits and supports cultural projects.
- 14. Germany:** Therapeutic playground equipment enhances the lives of mentally disabled children.
- 15. Iceland:** The Icelandic Committee for UNICEF receives funding to carry out its work.
- 16. Ireland:** A charity develops and distributes nutritional paste to combat malnutrition.
- 17. Russia:** A nongovernmental organization develops a device to monitor water quality in Moscow.
- 18. Sri Lanka:** A grant improves agricultural water management and environmental health.
- 19. Sweden:** Researchers study the interrelationship between economics and social services.
- 20. Turkey:** Students at a university receive a new award for excellence in the field of electromagnetics and electrodynamics.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT JUNE 30, 2012 & 2011

	2012	2011
Assets		
Cash and cash equivalents	\$ 212,070,388	\$ 232,048,302
Investments	1,020,623,953	877,777,011
Receivables		
Receivables for investments redeemed	314,505	675,133
Contributions and donations receivable, net	2,645,097	4,170,531
Other receivables	1,242,081	1,158,885
Prepaid expenses	82,201	43,834
Equipment, net	77,981	75,226
Total assets	\$ 1,237,056,206	\$ 1,115,948,922
Liabilities and net assets		
Liabilities		
Accounts payable and accrued expenses	\$ 795,124	\$ 730,295
Asset management fees payable	123,308	191,521
Long-term debt	766,455	803,914
Grants payable	16,707,535	15,361,529
Total liabilities	18,392,422	17,087,259
Net assets		
Total unrestricted net assets	1,218,663,784	1,098,861,663
Total liabilities and net assets	\$ 1,237,056,206	\$ 1,115,948,922

CONSOLIDATED STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2012 & 2011

	2012	2011
Support, revenue and gains		
Contributions	\$ 275,194,690	\$ 461,892,619
Dividend and interest income	23,534,014	16,603,002
Net realized and unrealized (losses) gains on investments	(20,139,059)	96,912,858
Administrative and maintenance fees	390,499	342,875
Other income	20,734	122,163
Total support, revenue and gains	279,000,878	575,873,517
Expenses		
Grants to charitable organizations	151,723,623	142,954,636
Program services	1,270,014	1,262,776
Fundraising	715,888	730,569
General and administrative	5,489,232	5,324,754
Total expenses	159,198,757	150,272,735
Change in net assets	119,802,121	425,600,782
Unrestricted net assets, beginning	1,098,861,663	673,260,881
Unrestricted net assets, ending	\$ 1,218,663,784	\$ 1,098,861,663

National Philanthropic Trust (NPT) is a public charity dedicated to providing philanthropic expertise to donors, foundations and financial institutions, enabling them to realize their philanthropic aspirations through the use of donor-advised funds and supporting organizations. Founded in 1996, NPT is one of the top 25 grantmakers in the United States with over \$1 billion in assets under management. Since its inception, NPT has raised over \$2.8 billion in charitable assets, and made over 65,000 grants to U.S. and international charities totaling \$1.6 billion. NPT is led by a national board of trustees and a team of professionals with extensive philanthropic experience. For more information, visit www.nptrust.org.



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