



INTRODUCING

**The Alternatives
Foundation (*formerly
Texas Alternatives
Foundation*)**

**ENTRUSTED TO TRANSFORM
EDUCATIONAL GIFTING WITH
ALTERNATIVE ASSETS**



Turning Alternative Assets Into Philanthropic Impact



The Alternatives Foundation brings together leaders across Texas to turn alternative assets into philanthropic capital in support of transformative education, arts, scholarship, and research at universities throughout the Lone Star State.

Aiming To Raise \$1 Billion To Impact Texas Universities

Education in the United States is at a pivotal moment.

Texas is home to a thriving higher education ecosystem, with world-class public and private universities fueling innovation, economic growth, and leadership across the state.

Texas institutions are producing top-tier graduates in energy, technology, law, business, and healthcare—sectors that are driving the Texas economy.

To build on this momentum, Texas universities must continue investing in and delivering transformative education. Philanthropic support is key to expanding access, advancing research, and enabling the next generation of Texas leaders to thrive.

The Alternatives Foundation offers a powerful new way to support these universities. As more wealth shifts to private capital, we've created an opportunity to make a lasting impact on education throughout Texas.



A New Way to Maximize the Value of Illiquid Assets

For philanthropists and business leaders who want to make a meaningful impact, The Alternatives Foundation provides a way to contribute illiquid assets—such as stakes in limited and general partnerships and privately held businesses—in support of higher education and research.

We are working with donors to build a billion-dollar philanthropic pipeline of closely held shares in Texas's most valuable ventures, partnerships, and other illiquid assets. As assets exit, the cash generated follows the donor's intent to support academic programs, student success initiatives, and capital projects across Texas universities.

By contributing illiquid assets through The Alternatives Foundation, donors join a strong network of Texas-based and Texas-spirited investors, founders, owners, and operators who are committed to strengthening higher education in our state.

[Maximize the value to you and impact of your gift.](#)

The Alternatives Foundation's board and advisers have the expertise, resources, and patience to maximize the value of donors' illiquid assets. This specialized knowledge allows the foundation to offer comprehensive solutions to manage these assets effectively, from valuation to the most strategic exit opportunities, ensuring maximum impact.

The Alternatives Foundation combines expertise in sourcing and managing illiquid assets to optimize the value of donations while keeping fees to a minimum.

U.S. Wealth

By 2025, total alternative investments under management are projected to reach **\$17.2 trillion**—a four-fold increase since 2010.

For high-net-worth individuals, **alternative assets represent the majority of their wealth**, yet university development officers focus primarily on cash gifts. Current research suggests cash represents 9% of total high net worth assets in 2023.

Gifts of illiquid assets are the most underutilized category of charitable asset. Yet they provide the most advantages from a tax perspective.

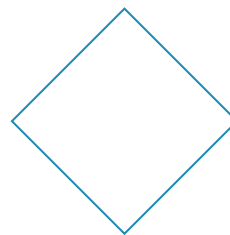
U.S. Wealth



Entrepreneurial Philanthropy

It is estimated that there are 1.7 million individual businesses structured as C-corps. When an owner is ready to exit, unlocking the wealth within these closely held shares presents a powerful way to build a tax-smart charitable legacy while advancing education.

The Purpose-built Solution



The Alternatives Foundation (TAF) is the nation's only 501(c)(3) specializing exclusively in partnering with educational institutions to enable them to benefit from the wealth created and held in alternative investments. TAF is a catalyst for positive change, bringing together national leaders to turn alternative assets into philanthropic capital in support of transformative education, arts, scholarship, and research.

Focus

Focused on illiquid assets such as Venture Capital, Private Equity, and Closely-held business interests and purpose built to optimize the value of the donation for the school

Strategic

Sharing industry knowledge and expertise of the team and advisors to educate school development teams and donors

Relationships

Vast network of entrepreneurs, private equity, venture fund managers, family offices and private investors

Unmatched Expertise

Board and Advisory Board are comprised of PE investors, PE fund managers, wealth managers, private equity attorneys, taxation attorneys, CPAs, and valuation experts

De-Risking the School

No reputational risks

No timing risks

No compliance risks

No donor leakage risks

How This Works

When a donor wants to contribute their limited partnership interest or other closely held business interest for a philanthropic purpose, the donor transfers their interest to The Alternatives Foundation. Our finance committee stewards that gift until the most advantageous time to liquidate.

This process allows donors to eliminate capital gains tax liability on the portion they contribute while also receiving a charitable contribution deduction for the fair market value of the interest they donated, subject to tax regulations (consult a tax professional for details).

When the limited partnership interests are liquidated, the proceeds are granted in precise alignment with the donor's intent.

Representatives from TAF & the University meet with the Donor



Donor obtains an appraisal, completes paperwork and transfers the asset to TAF



TAF's finance committee stewards the asset to optimize liquidation value
University leadership continues nurturing the donor relationship



When the asset is liquidated, the proceeds are granted based on Donor's intent as noted in the MOU

From Fundamentals to Certification

At The Alternatives Foundation, we want to empower development officers and trusted advisors to understand the alternative asset space.

We created a curriculum to do just that.

Certified Charitable Noncash Assets Specialist

Foundations

Terminology in Alternative Assets

- Learn and comprehend key terms associated with alternative investments, including capital calls, carried interest, and liquidity events.
- Understand the specific language and terminology used in venture capital and private equity sectors.

Foundations

Strategic Philanthropy with Alternative Assets

- Understand Alternative Investments
- Explore Types of Alternative Assets
- Analyze the Role of Alternative Assets in Modern Portfolios
- Understand Private Equity and Venture Capital
- Assess the Use of Alternative Assets in Philanthropy
- Develop Strategic Engagement Techniques

Advanced

Engaging Donors and Managing Gifts of Alternative Assets

- Identify Potential Donors
- Build and Maintain Relationships
- Understand Donor Motivations
- Navigate Legal and Ethical Considerations of Accepting and Managing Alternative Assets

Our Journey To Success Together

Education

We provide a multi-course certification program for Development Officers and University Leaders

*Provide explainer videos to distribute digitally through university channels to create awareness with donors and stakeholders

Relationship Building

Together, we develop network of "Ambassadors" specific to the university

*Co-host quarterly invitation-only events for potential donors to connect with college leadership and prominent alumni

Stewardship

Donor contributes interest to TAF, avoids capital gains & claims fair market value tax deduction

Assets are held by TAF and **fees are deferred** until liquidation

Upon liquidation, proceeds are granted in alignment with the donor's intent in MOU

Strategic Planning

*Participate in strategy meetings with university leadership to identify potential donors

TAF is the Right Solution

The Alternatives Foundation simplifies the process of donating complex gifts, making it easier for donors to maximize their philanthropic impact.

We understand investors and entrepreneurs because we are investors and entrepreneurs.

Donors can trust us to appreciate the effort they've put into building their businesses and to steward their gifts responsibly.

Our streamlined process ensures quick due diligence and onboarding to minimize donor frustration. We also offer some of **the lowest fees in the sector**, with **fees deferred until liquidation**, ensuring that more money ultimately reaches educational institutions.



Example

To illustrate the benefits of donating long-term held and appreciated private equity fund interests, consider the case of Sherry, an investor.

She recently retired and now wants to dedicate her time and money to supporting her favorite charities. While meeting with her advisor she learned she might be able to donate her limited partnership interests in two private equity funds, both of which have recently completed the investment stage and will soon realize and distribute gains.



Working with her advisor, Sherry identifies an interest held more than one year with a fair market value of \$1 million and adjusted cost basis of \$250,000. Assuming a 20% federal capital gains tax rate based on Sherry's retirement income level, if she sold her interest, she would realize appreciation or capital gains of \$750,000 and owe an estimated \$150,000 in federal capital gains taxes ($\$750,000 \times 20\% = \$150,000$).

In this scenario, as shown in Option 1, after paying the federal capital gains taxes, Sherry's estimated net cash available for charitable giving is \$850,000.

In Option 2, Sherry decides to donate the interest to The Alternatives Foundation. This unique fund is advised by a committee of private equity experts and is willing to accept this type of asset and hold it until termination. With proper approvals from the private equity fund's general partners, Sherry's advisor coordinates the transfer of ownership to the charitable fund. In this scenario, Sherry may be able to eliminate capital gains taxes (\$150,000) while potentially taking an income tax deduction based on the fair market value of her interest (\$1,000,000), assuming she itemizes her deductions.

The Most Tax Efficient Way to Give

Scenario: Sherry is considering making a donation to her university. She has an LP interest appraised at \$1 million. She could sell the interest and donate the proceeds or, if possible, she could donate the interest without liquidating first and avoid the capital gains tax.

Option 1: Sell the interest & then donate the after-tax proceeds

Long-term capital gains taxes paid:
\$150,000

$\$1\text{M} - \$250\text{k} = \$750\text{k}$
 $\$750\text{k} \times 20\% = \150k

Charitable contribution & tax-deduction:
\$850,000
FMV - Capital gains tax

Net Tax Savings: \$164,500

Option 2: Contribute the interest via TAF

Long-term capital gains taxes paid:
\$0

Charitable contribution & tax-deduction:
\$1,000,000

Income Tax Avoidance (based on 37% tax rate) \$370,000
Long Term Capital Gains Tax Avoidance: \$150,000

Donating the illiquid asset (Option 2) provides an **additional \$205,500 in tax savings** and unlocks an **additional \$150,000 philanthropic impact**

**The example does not take into account any state or local taxes or the Medicare net investment income surtax. The tax savings shown is the tax deduction, multiplied by the donor's income tax rate (37% in this example), minus the long-term capital gains taxes paid. It also does not illustrate the increased philanthropic impact if the asset increases in value while held in the fund. For simplicity, the example also does not account for selling the illiquid asset at a discounted value.*

Leadership



Rudy Garza
Managing General
Partner
G-51 Capital



Philip Sanger
Co-Founder
TEXO Ventures



Kerry Hall
Retired Banking
Executive & Community
Volunteer



Scott Holstead
Managing Director
J.P. Morgan Securities'
Global Wealth Mgt



Brent Iverson
Distinguished
Teaching Professor
University of Texas at
Austin



Jarett Rodriguez
CEO
The Alternatives
Foundation



Joe Milam
Founder
AngelSpan



Jeff Nash
President & COO
Cumby Group



John Rippel
Chief Investment Officer
Alliance Residential
Company

Advisors



Dick Benkendorf
Managing Partner
Technology Impact Partners



Locke Braly
President
Integral Properties Inc.



Christy Cardenas
Managing Partner
Grit Ventures



Gus Cardenas
Past President / CEO
Austin Healthcare Council



Melford Carter
Principal,
Private Equity GCM
Grosvenor



Quan Cosby
VP Risk Management
Marsh & McLennan



Art DelVesco
Founder
DelVesco Family Investments GP, LLC



Sonia Desai
Partner - Forensics & Valuation Services
Weaver



Raleigh Dewan
Founder & CEO
SteadySpoon



Jason Downie
CoFounder & Managing Partner
Tailwater Capital



Stephen Dyer
Partner,
Section Chair - Private Clients
Baker Botts



Alan D. Feld
Partner
Akin Gump Strauss Hauer & Feld



Lynne Fowler
Founder
Astera Group



Jeffrey Hamilton
Partner
The Blum Firm, P.C.



Mike Harder
Retired Naman,
Howell, Smith & Lee, PLLC



Craig Hester
Principal
Luther King Capital Management



Wayne Hollingsworth
Member
Armbrust & Brown



Gregg Honigblum
Managing Director
Westlake Securities



Mitch Jacobson
Exec Director
Austin Technology Incubator



Steve Knebel
Partner
Maxwell Locke & Ritter



Richard Leshin
Partner
Welder Leshin Lorenz Buchanan Hawn LLP



Matt Lyons
Member
Wilson Sonsini Goodrich & Rosati



Emily Macey
Counsel
Hunton Andrews Kurth



Hall Martin
Founder & CEO
TEN Capital Network

Advisors

					
Greg Matthews Founder & Principal HealthQuant	Will Matthews VP Commercial Banking Truist	Jim McBride Founding Partner Blue Sage Capital	Bill McLellan Community Activist & Entrepreneur	Mark Metcalfe EVP Commercial Banking Susser Bank	Eric Moreland Owner Eric Moreland Group - Moreland Properties
					
Seth Morton President Healthcare Velocity Center	Rick Otis Retired Mass Mutual	Damon Rawie Managing Director Advantage Capital	Gabriel Reyna Managing Partner Bandera Capital	Daron Roberts Co-Founder AMASS	Maile Roberts-Loring Founder Salt Lick Cellars
					
Michael Rogala Private Client Advisor, Sr. VP Bank of America Private Bank	Meredith Sanger Senior Vice President & COO Sanger Investments	David Sawyer Chief Operating Officer & Managing Partner Legacy Knight	Peter Strople Founder Friends of Peter	Sam L. Susser Chairman & CEO Susser Bank	
					
Jimmy Treybig Founder & CEO Tandem Computers	Paul Walker Partner Zone Read Ventures	Lucas Walters Managing Director Bridgepoint Consulting	Darrell Windham Managing Partner Dickinson Wright PLLC	Pete Winstead (in memoriam) Founder Winstead PC	
					
		Greg Yokum Executive Director Texas Capital Bank	Candice Young Senior Associate JP Morgan Private Bank		

Join Us!



Gifts to public charities have greater tax benefits than gifts made to private foundations. Whereas many public charities lack the resources to properly manage complex illiquid financial assets, such as limited partnership interests, The Alternatives Foundation brings together the expertise to steward such gifts.

Gifts of illiquid assets require special attention but can be excellent sources of philanthropic capital. We stand ready to work with you to maximize the impact of your gift.

Join us in turning alternative assets into philanthropic impact in support of transformative education, scholarship, research, and the arts for the betterment of our state.

**For more information:
Contact Jarett Rodriguez at 512-402-2777 or
JTR@TheAlternativesFoundation.org
www.TheAlternativesFoundation.org**



The Alternatives Foundation is a catalyst for positive change, bringing together leaders exhibiting the Texas spirit to turn alternative assets into philanthropic capital in support of transformative education, arts, scholarship, and research. Learn more at www.TheAlternativesFoundation.org