

PHILANTHROPIC

Lives

J.P.Morgan

Excerpted from J.P. Morgan's *Philanthropic Lives*, June 2015. Not for broad distribution.

It's a great age of exploration

“What are others doing?” These days, that's one of the most common questions that philanthropists consider.

In search of an answer, we spoke with 31 of today's most prominent and inspiring philanthropists, ranging in age from 30 to 80. While each of their journeys is unique, they have all dedicated substantial financial resources and personal time to helping neighbors, communities and countries around the world.

Through their stories, you'll see the tremendous variety of approaches to philanthropy. They show the interesting and complex environment in which new models and innovations from recent decades are being field tested and disseminated. In fact, philanthropists often deploy a number of methods, all at the same time.

Hearing from peers will hopefully help you develop your own philanthropic mission and provide an opportunity to learn from their successes and mistakes so that you can make your efforts as effective as possible.

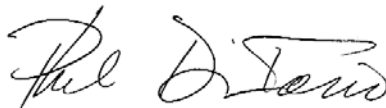
In many respects, we are in a great age of exploration in philanthropy with many ways to be effective:

- At the juncture of business and philanthropy, we find many models for corporate social responsibility, venture philanthropy, impact measurements and socially responsible investing—to name just a few approaches.
- We see traditional philanthropy continuing to accomplish great things and being reinvigorated by a new generation. There also is traditional philanthropy with a twist: For example, some philanthropists are setting a mission—then creating ways for others to join their causes.

- Across the globe, philanthropists are finding different ways to engage recipients that identify and shape responses to community needs.
- Private-public partnerships are helping bring answers to scale. Philanthropists are creating, funding and testing programs to identify models that work—and that governments can then adopt for society at large.

These 31 philanthropic lives showcase a diverse range of causes: from empowering the poor in Mexico through vocational education, to new approaches out of Scandinavia for tackling climate change, to developing a vibrant social sector in China and beyond.

We hope you will find these philanthropists' stories inspiring, and that their work can help you refine your own strategy for your personal philanthropic endeavors. We look forward to working with you as you develop your own approach to changing the world for the better.



Phil Di Iorio

Chief Executive Officer
J.P. Morgan Private Bank



Diane Whitty

Global Head, The Philanthropy Centre
J.P. Morgan Private Bank



BERNARD SABRIER

Children Action
SINGAPORE

- Mr. Sabrier took control of Unigestion, a privately owned investment manager (1976), and is now Group chairman and chief executive officer of the firm's Singapore operations. Unigestion has \$18 billion in assets under management
- He took control of Banca della Svizzera Italiana (1988), which he later sold (1991)
- He established Children Action (1994)
- He sold the banking arm of Unigestion to Republic National Bank (1996), where he served as a director until Republic National Bank was sold to HSBC (1999)

It is about

what we can do for others

Bernard Sabrier was initially reluctant to accept donations from friends to support the surgical missions and psychosocial projects he was running via his private Swiss foundation, Children Action.

It is easy to see why his friends were keen to help. Children Action's work includes flying leading surgeons and medical experts into Vietnam, Cameroon and Myanmar to operate on children who would not otherwise be treated for conditions such as orthopaedic and urological malformations, burn injuries and heart defects.

It is also plain to see why they would trust Mr. Sabrier to handle their donations. Currently chair of a specialist investment group in Geneva, London, Montreal, New York, Paris, Toronto, Zurich and Singapore, Mr. Sabrier has long been highly regarded in international financial circles, mainly due to his role in closing not one, but two international banking deals in the late 1980s and 1990s.

Still, deploying other people's money for philanthropic purposes was not what Mr. Sabrier had planned when he set up Children Action in 1994. "If you deploy your own money alongside other people's, you have a fiduciary duty to run it like a corporation," he notes.

He soon realized that having other financial stakeholders could benefit his private foundation's efforts by eliminating the temptation to cut administrative corners as a way to direct more resources to charitable projects. He promised his donors that 100% of their contributions would benefit programs and projects on the ground, while he alone would fund the foundation's administrative costs and some specific projects.

Net result: Mr. Sabrier's philanthropic work has since attracted the support of many others—donors, surgeons, doctors and physiotherapists, academics and international celebrities.

In 2012, a dozen French and African actors, comedians and singers—led by film star Catherine Deneuve—raised \$8 million for the foundation and its work. In 2013, those funds notably supported 38 medical experts who worked with Children Action to conduct 17 surgical missions to Vietnam and Cameroon. They donated 320 days of their time and provided \$150,000 worth of medical equipment.

The cause is compelling. Children Action has a simple mission: to provide practical and direct help to children around the world, with the philosophy that "the first human right is the right to a childhood." The ways in which Mr. Sabrier interprets that mission vary, but he generally focuses the foundation's work in two principal areas: surgical interventions and psychosocial support.





© Mike Tauber/Blend Images/Corbis

▲ A GOOD CHILDHOOD—Bernard Sabrier’s foundation provides practical and direct assistance to help make this possible for children around the world.

HANDS ON

Also compelling is the thoughtful way Mr. Sabrier goes about supplying this pragmatic aid. He pays close attention to Children Action’s structure and practices—using a traffic-light system of financial, technical and ethical feasibility to assess each project.

“Good philanthropy is about efficiency, humility and responding to need,” says Mr. Sabrier.

“The actual practice requires focus, which is difficult to achieve and do well.” His goal, he says, is to be “ethical, compliant and with the right competencies.”

With surgical missions, each life-changing decision goes before an ethics committee composed of leading academics and practitioners. The foundation takes responsibility for liaising with in-country hospitals and for organizing

flights, accommodations and visas for the medical teams. The surgeons donate their time, expertise and equipment.

More than 45,000 medical consultations and 11,000 operations have been completed in Vietnam since 1996. A week-long mission allows operations on 12 to 25 children, with each surgery costing \$250 to \$1,700.

The way he has structured his organization creates “huge leverage,” says Mr. Sabrier, who identifies himself as the money man on the foundation’s board; the other board members are principally leading medical practitioners. “First, we found the medical professionals, and they found others.”

Mr. Sabrier applies a competency-based approach to all of Children Action’s efforts—even those that fall outside of Children Action’s core mission.

For example, he hired SGS Consulting Ltd., a global firm, to set the specifications for homes Children Action built for families who were victims of the tsunami in Sri Lanka. This attention to professional standards meant 374 homes could be built without wasting any material.

“We are a very small foundation, so we have to be very focused,” says Mr. Sabrier.

In fact, the foundation’s project expenditure was \$3 million in 2014, split across 13 projects in eight different countries: Argentina, Cameroon, Myanmar, Peru, Romania, Sri Lanka, Switzerland and Vietnam. However—with all the volunteered services—that \$3 million had the impact of about \$9 million, says Mr. Sabrier.

FOCUSING ON OTHERS’ NEEDS

Monitoring the results of Children Action’s work, says Mr. Sabrier, is relatively easy in the surgical field. It’s more complex in the field of psychiatry. Since 1996, Children Action, in partnership with the University Hospitals of Geneva, has spent more than \$13.7 million on an extensive teenage suicide prevention program.

Last year, there were no reported teen fatalities in Geneva for the first time in 16 years. However, Mr. Sabrier observes that it is hard to judge how much this is due to the work of the foundation.

“For every project, we try to understand what are the markers of success,” says Mr. Sabrier. But he also cautions other philanthropists not to become too obsessed with targets and measurable results.

“We are a very small foundation, so we have to be very focused.”

“Sometimes it feels like you are putting water into a sponge: You can see the money going in, but you can’t see anything coming out,” he says.

In these circumstances, he advises not to be overly judgmental or lose resolve, but instead to be pragmatic.

“We all have dreams in philanthropy, but this is not about our dreams. It is about something much simpler: It is about what we can do for others.”

Key notes

- Successful philanthropy requires good governance and the right competencies. The goal is to ensure the best possible outcomes for beneficiaries and donors, and that those outcomes are delivered efficiently
- Private philanthropists should respond to needs on the ground and should avoid trying to impose solutions
- Responding to need requires humility and pragmatism in order to recognize what can be achieved in the field, using the resources that are available

IMPORTANT INFORMATION

This material is intended for your personal use and should not be circulated to any other person without our permission: any use, distribution or duplication by anyone other than the recipient is prohibited.

JPMorgan Chase & Co., its affiliates and employees do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only. You should consult your own tax, legal and accounting advisors before engaging in any financial transactions. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with JPMorgan Chase & Co. of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties. Each recipient of this presentation, and each agent thereof, may disclose to any person, without limitation, the U.S. income and franchise tax treatment and tax structure of the transactions described herein and may disclose all materials of any kind (including opinions or other tax analyses) provided to each recipient insofar as the materials relate to a U.S. income or franchise tax strategy provided to such recipient by JPMorgan Chase & Co. and its subsidiaries.

In the United Kingdom, this material is approved by J.P. Morgan International Bank Limited (JPMIB) with the registered office located at 25 Bank Street, Canary Wharf, London E14 5JP, registered in England No. 03838766 and is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. In addition, this material may be distributed by: JPMCB Paris branch, which is regulated by the French banking authorities Autorité de Contrôle Prudentiel et de Résolution and Autorité des Marchés Financiers; J.P. Morgan (Suisse) SA, regulated by the Swiss Financial Market Supervisory Authority; JPMCB Dubai branch, regulated by the Dubai Financial Services Authority; and JPMCB Bahrain branch, licensed as a conventional wholesale bank by the Central Bank of Bahrain (for professional clients only). In Hong Kong, this material is distributed by JPMCB Hong Kong branch except to recipients having an account at JPMCB Singapore branch and where this material relates to a collective investment scheme (other than private funds such as private

equity and hedge funds), in which case it is distributed by J.P. Morgan Securities (Asia Pacific) Limited (JPMSAPL). Both JPMCB Hong Kong branch and JPMSAPL are regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission of Hong Kong. In Singapore, this material is distributed by JPMCB Singapore branch except to recipients having an account at JPMCB Singapore branch and where this material relates to a collective investment scheme (other than private funds such as a private equity and hedge funds), in which case it is distributed by J.P. Morgan (S.E.A.) Limited (JPMSEAL). Both JPMCB Singapore branch and JPMSEAL are regulated by the Monetary Authority of Singapore. Dealing and advisory services and discretionary investment management services are provided to you by JPMCB Hong Kong/Singapore branch (as notified to you). Banking and custody services are provided to you by JPMIB. The contents of this document have not been reviewed by any regulatory authority in Hong Kong, Singapore or any other jurisdictions. You are advised to exercise caution in relation to this document. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

With respect to countries in Latin America, the distribution of this material may be restricted in certain jurisdictions. Receipt of this material does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it would be unlawful to make such offer or solicitation. To the extent this content makes reference to a fund, the fund may not be publicly offered in any Latin American country, without previous registration of such fund's securities in GWM Compliance with the laws of the corresponding jurisdiction.

In Brazil, this material is only allowed to be distributed to Brazilian residents who solicited the material or who are J.P. Morgan Private Bank clients in any other jurisdictions where this material is allowed to be distributed. The fund has not been and will not be registered under Brazilian regulation, and Banco J.P. Morgan S.A. is not allowed to distribute it. Public offering of any security, including the shares of the fund, without previous registration at the Brazilian Securities and Exchange Commission—CVM is completely prohibited.

We believe the information contained in this material to be reliable but do not warrant its accuracy or completeness. Opinions, estimates, and investment strategies and views expressed in this document constitute our judgment based on current market conditions and are subject to change without notice. This material should not be regarded as research or a J.P. Morgan research report. Opinions expressed herein may differ from the opinions expressed by other areas of J.P. Morgan, including research. The investment strategies and views stated here may differ from those expressed for other purposes or in other contexts by other J.P. Morgan market strategists.

References in this report to “J.P. Morgan” are to JPMorgan Chase & Co., its subsidiaries and affiliates worldwide. “J.P. Morgan Private Bank” is the marketing name for the private banking business conducted by J.P. Morgan. This document is for information purposes only. Unauthorized distribution of any part of the material contained in this document, including the duplication of content, is not permitted without the prior written consent of J.P. Morgan. J.P. Morgan will not take any responsibility or be liable for any misuse or unauthorized distribution of the material contained in this document.

If you have any questions or no longer wish to receive these communications or any other marketing materials, please contact your usual J.P. Morgan representative.

Additional information is available upon request.

