

## Using a Donor-Advised Fund Program

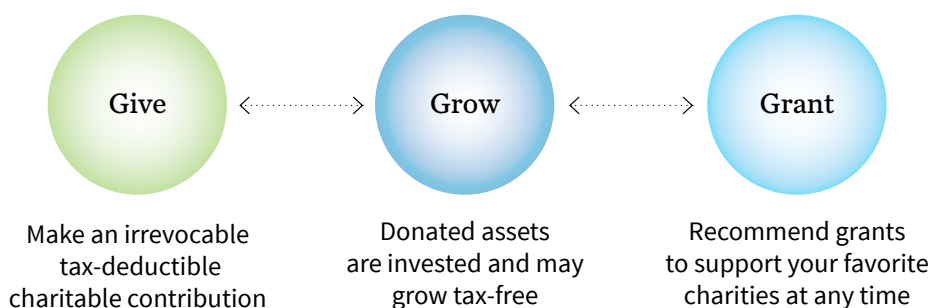
When you give, you want your donations to do the most they can—for your charities and for you. Through a strategic relationship with Fidelity Charitable<sup>®\*</sup>, William Blair now offers investment management for donor-advised funds. This charitable vehicle provides a simplified approach that allows you to maximize your charitable donations and tax benefits—an approach that can transform the way you give.

By establishing a donor-advised fund, you can take advantage of a solution that:

- Enables you to support multiple charities with a single donation
- Allows you to take an immediate tax deduction for your contributions, including long-term appreciated securities
- Separates the timing of your tax deduction from the timing of your grant recommendations—thus removing the need to rush the decision of which charities to support
- Allows assets dedicated to philanthropy to be custodied at William Blair and managed by your financial advisor
- Makes it possible for you to contribute certain assets beyond cash equivalents or publicly traded securities—such as privately held C-corp or S-corp shares<sup>2</sup> (other charities may not be able to accept this type of donation)
- Provides an organized way to manage your charitable giving, simplifying your tax preparation
- Offers online access to manage all aspects of charitable giving, including researching charities and reviewing donor-advised fund activity and history
- Can be a valuable estate planning tool to support your legacy goals
- Allows for collaboration with your William Blair advisory team about investment decisions and charitable planning

### EXHIBIT 1

#### A Dynamic Approach to Charitable Giving<sup>2</sup>



<sup>2</sup> Such contributions are subject to enhanced due diligence requirements.

### Establishing a Personal or Family Donor-Advised Fund<sup>1</sup>

Learn more about how a donor-advised fund can help simplify your giving by contacting your William Blair financial advisor.

<sup>1</sup> A donor-advised fund is a charitable giving vehicle administered by a public charity created to manage charitable donations on behalf of organizations, families, or individuals.

July 2024

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# Using a Donor-Advised Fund Program

## Understanding the differences among charitable giving approaches

A donor-advised fund program is only one of several ways you can support your favorite charities. Below, you'll find a quick comparison of three popular ways to give.

	<b>“Checkbook” Giving</b>	<b>Donor-Advised Fund (DAF)</b>	<b>Private Foundation</b>
<b>Entry Point / Start-Up Costs</b>	<ul style="list-style-type: none"> <li>No start-up costs</li> </ul>	<ul style="list-style-type: none"> <li>Certain DAFs do not require any start-up costs, with entry points starting at \$5,000 for some programs. However, William Blair's DAF program requires a minimum initial contribution of \$100,000</li> </ul>	<ul style="list-style-type: none"> <li>Typically \$1 million or more</li> <li>Requires legal set-up and ongoing maintenance cost</li> </ul>
<b>Assets Accepted</b>	<ul style="list-style-type: none"> <li>Mostly cash and cash equivalents</li> <li>Some charities may not be able to accept publicly traded or private securities</li> </ul>	<ul style="list-style-type: none"> <li>Cash equivalents</li> <li>Publicly traded securities</li> <li>Certain restricted, control, or lock-up stock</li> <li>Certain complex assets, such as privately held C-corp and S-corp shares and interest in limited partnerships</li> <li>Real estate</li> </ul>	<ul style="list-style-type: none"> <li>Cash equivalents</li> <li>Publicly traded securities</li> <li>Certain restricted, control, or lock-up stock</li> <li>Certain complex assets, such as privately held C-corp and S-corp shares and interest in limited partnerships</li> <li>Real estate</li> <li>Tangible personal property</li> </ul>
<b>Tax Deduction Limitations</b>	<ul style="list-style-type: none"> <li>Cash: 60% of AGI</li> <li>Publicly traded securities: 30% of AGI</li> <li>Other appreciated assets: 30% of AGI (Assumes all donations are made to a public charity)</li> </ul>	<ul style="list-style-type: none"> <li>Cash: 60% of AGI</li> <li>Publicly traded securities: 30% of AGI</li> <li>Other appreciated assets: 30% of AGI</li> </ul>	<ul style="list-style-type: none"> <li>Cash: 60% of AGI<sup>3</sup></li> <li>Publicly traded securities: 20% of AGI</li> <li>Other appreciated assets: 20% of AGI</li> </ul>
<b>Granting</b>	<ul style="list-style-type: none"> <li>You control the timing, amount, and grant recipients</li> </ul>	<ul style="list-style-type: none"> <li>You recommend grants to IRS-qualified public charities, subject to review and approval</li> </ul>	<ul style="list-style-type: none"> <li>You have control over grant-making subject to compliance with private foundation rules and regulations</li> </ul>
<b>Recordkeeping</b>	<ul style="list-style-type: none"> <li>Donating individual carries the tax-reporting and record-keeping burden</li> <li>New laws require a record for every charitable gift made, regardless of the amount</li> </ul>	<ul style="list-style-type: none"> <li>This type of charitable giving program simplifies and consolidates record-keeping and tax reporting</li> <li>Some offer online account management</li> </ul>	<ul style="list-style-type: none"> <li>Private foundations must follow IRS reporting and compliance regulations. All transactions (including contributions and grants) must be recorded and tracked</li> </ul>
<b>Investment Options</b>	<ul style="list-style-type: none"> <li>You determine how best to invest personal assets that you hope to use for charitable purposes</li> <li>Generally, the sale of invested assets triggers tax liability</li> </ul>	<ul style="list-style-type: none"> <li>You recommend the DAF's investments based on available programs—donated assets are managed professionally</li> <li>Any growth of the invested charitable dollars is tax free</li> </ul>	<ul style="list-style-type: none"> <li>You have control over investment management decisions subject to private foundation rules and regulations</li> </ul>
<b>Privacy</b>	<ul style="list-style-type: none"> <li>Direct cash gifts can often be anonymous, but written checks cannot</li> </ul>	<ul style="list-style-type: none"> <li>You choose whether you want to be acknowledged on grants or remain anonymous</li> </ul>	<ul style="list-style-type: none"> <li>Annual tax filings of IRS Form 990-PF is a public record of assets, contributors, and grants</li> </ul>