

# Introduction

## What's a Donor Advised Fund (DAF)?

Think of a DAF as a charitable bank account. It's a **flexible, efficient, and secure** vehicle for you to support the nonprofits of your choice on the **timeline that's best for you**. DAFs **maximize how much you have to give** by accepting a wide variety of **tax-advantaged assets** and allowing you to **invest those assets** so they can grow while you decide where to give.

You can both contribute to a DAF as much and as often as you like, including transfers from existing DAFs, and make grants from your DAF to great charities as much and as often as you like. DAF contributions are irrevocable and treated in the same way as donations to any public charity.

## How does it work?

1

### Donate diverse assets

(e.g. public or private shares, cash, crypto) and receive any available tax benefits

2

Invest funds so they can grow tax free while you decide where to give

3

Get 1:1 guidance to give more effectively

4

Securely grant around the world

### 🚩 Problem

Giving can come with a lot of admin, whether that's figuring out how to donate tax-optimized assets, keeping track of your donations, vetting organizations, or navigating global regulations.

### 🔑 Solution

A tax-efficient giving account that makes it seamless to give anywhere in the world, whether you're donating \$1k or \$1m. We handle all the logistics and due diligence. You can track all your giving in one place in the FP member app.



# Your Donor Advised Fund (DAF) Explained

## More to give



### Tax-efficient giving

Fund your charitable goals with diverse assets (including public and private securities, crypto, and more), and receive an immediate tax deduction when you contribute to your DAF.



### Investment options

Choose from multiple investment options to suit your grant-making time horizon, so that your funds can grow tax-free while you give.

## Zero admin



### Simplified logistics

Let us streamline your giving by handling all the logistics. You can manage all your contributions and grants in one place with our member app, and give access to important partners, including family and external advisors.



### Unparalleled due diligence

With our rigorous due diligence<sup>↗</sup>, every grant you make is secure.

## Unique expertise



### Global and complex grants

Our team are leaders in facilitating global and complex grants, so you can give to innovative projects in 40+ countries with confidence.



### Comprehensive support

Make the most of your DAF with high-impact funding recommendations vetted by our Research team; 1:1 philanthropic advising tailored to your goals; and unique events with fellow entrepreneurs around the world.

## Want to discuss what's right for you?

We meet our members where they are on their personal giving journeys, and tailor our services to your needs.

Find out more about our global giving infrastructure on our [website](#)<sup>↗</sup> or [get in touch](#)<sup>↗</sup> to speak with a member of the team.



# US Donor Advised Fund (DAF) Details

## Account Basics and Management

Charity Registration	Founders Pledge Inc (FPI), US 501(c)(3)
Administered by	Founders Pledge
Legacy Planning	Yes, you can set up a succession plan for your DAF
Third-Party Account Access	Yes, you can give others (advisors, family, partners) access to your DAF
Minimum Amount to Open Account	\$10,000
Minimum Account Balance	No <sup>1</sup>
Admin Fees	No <sup>2</sup>
Investment Options	Yes <sup>3</sup>

## Contributions

Assets Accepted	Cash, Public Securities <sup>4</sup> , and Complex Assets (incl. Private Shares) <sup>5</sup>
Currency Accepted	USD

## Grants

Minimum Domestic Grant Amount <sup>6</sup>	\$1,000 minimum within and between Founders Pledge jurisdictions (US, UK, Germany)
Minimum International and Complex Grant Amount <sup>6</sup>	\$10,000
Minimum Recommended Funding Opp Grant Amount	\$1,000 minimum to a Founders Pledge recommended funding opportunity, regardless of jurisdiction
Processing Fees	No
Spend Down Policy	No

1. To make grants, the account balance must cover the grant amount requested. To mitigate market risk, any grant request that brings your DAF balance below 20% of its current level may take longer to process.

2. A fee of 10 basis points (0.1%) will apply to balances above \$5m for an NPT DAF opened to transfer complex assets.

3. Consult pages 4 & 5 of this pack for details, including investment descriptions, performance, and fees.

4. All marketable securities shall be sold upon receipt unless otherwise directed by Founders Pledge's CEO, COO or staff in consultation with the audit and risk committee. We will determine the disposition of securities and will make all decisions regarding the sale or retention of securities. Upon request, we may consider short term sales plans at the time of receipt, with trustee approval.

5. We accept complex assets, including private shares, through our partner NPT.

6. Grants are domestic if made within and between Founders Pledge jurisdictions (US, UK, Germany) and international if made outside.



# US Donor Advised Fund (DAF) Investment Options

Investment options at Founders Pledge, Inc. are tactically managed by UBS with a long-term view and composed of cost-effective mutual funds and exchange traded funds. Members may recommend one of four investment options based on their grantmaking goals and time horizons.

## Money Market

Expense Ratio: 18 bps\*

This fund (SEGXX) offers liquidity and preserves capital, by investing in high-quality, low-risk US government money market instruments. Please note this is the default investment option.

\*Fee waivers may be issued.

## Conservative

Expense Ratio: 9 bps

This portfolio preserves capital while offering potential for yields higher than the Money Market, ideal for members who plan to recommend grants within 2 years.

Estimated Compound Return: 4.57%

Average Drawdown: -4%

Average Time Underwater: 0.8 Years

### Underlying Securities:

iShares U.S. Treasury Bond ETF

iShares Corporate Bond ETF

iShares High Yield ETF

Invesco Emerging Markets Debt ETF

Schwab US Broad Market ETF

iShares Core MSCI EAFE ETF

2% Cash

17% Equity

81% Fixed Income

## Moderate

Expense Ratio: 9 bps

This portfolio preserves capital while offering growth, ideal for members who plan to recommend grants in the next 2-5 years.

Estimated Compound Return: 5.73%

Average Drawdown: -16%

Average Time Underwater: 2.1 Years

### Underlying Securities:

iShares U.S. Treasury Bond ETF

iShares Corporate Bond ETF

iShares High Yield ETF

Invesco Emerging Markets Debt ETF

Schwab US Broad Market ETF

Invesco Russell 1000 Equal Weight ETF

iShares Core MSCI EAFE ETF

iShares Core MSCI Emerging Markets ETF

2% Cash

48% Fixed Income

50% Equity



## Moderately Aggressive

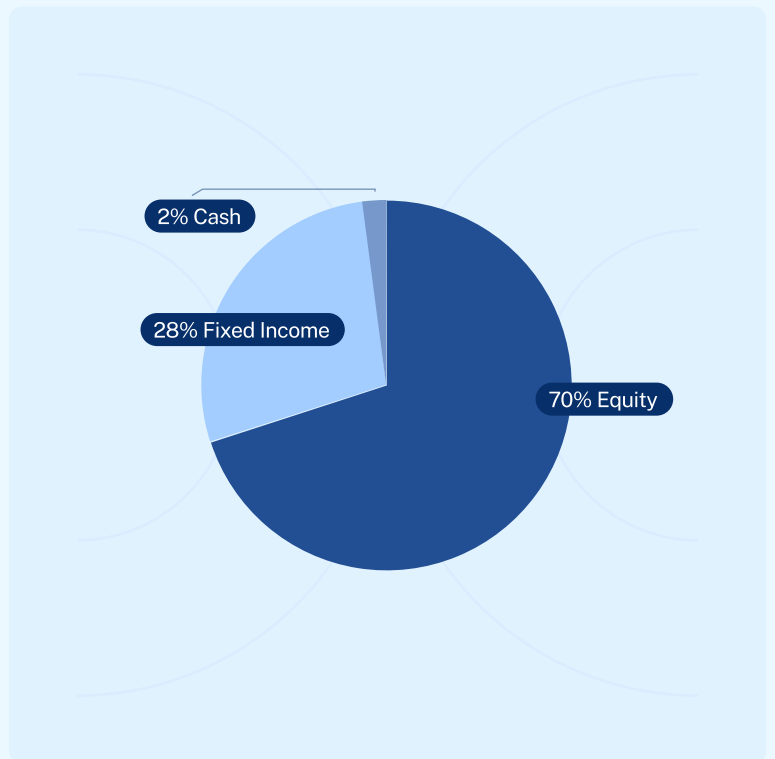
Expense Ratio: 8 bps

This portfolio seeks long-term capital growth, ideal for members who plan to start recommending grants in 5 years or more.

Estimated Compound Return: 6.30%  
Average Drawdown: -24%  
Average Time Underwater: 2.8 Years

### Underlying Securities:

iShares U.S. Treasury Bond ETF  
iShares Corporate Bond ETF  
iShares High Yield ETF  
Invesco Emerging Markets Debt ETF  
Schwab US Broad Market ETF  
Invesco Russell 1000 Equal Weight ETF  
iShares Core MSCI EAFE ETF  
iShares Core MSCI Emerging Markets ETF



## Fees

The expense ratio on each fund is based on the allocation of underlying securities and may change if there is a change to the allocation strategy. An investment advisory fee of 15 bps is applied to the Conservative, Moderate, and Moderately Aggressive portfolios. There is no advisory fee on Money Market.

Both investment advisory fee and expense ratios are assessed by UBS on a quarterly basis net of returns. Founders Pledge does not currently charge any administrative fee and covers investment operations, consulting, administration and program expenses through fundraising.

Note that the above fees, allocations, and assumptions were last updated October 31, 2023. For the latest performance report or an investment policy statement, please contact your Community Manager.

