Leveraging the Power of Three for Positive Philanthropic Outcomes, Breckinridge Supports Community Foundations, Donor-Investors, and Financial Advisors

Donor-advised fund vehicles allow investors to be stewards of the process for funding charitable initiatives.

Investors can consider investment options for their donor advised funds that align with their values or mission-driven intentions.

Community foundations, investment advisors, and asset managers can help investors pursue their goals for their donor-advised funds.

Investors considering a donor-advised fund can take steps intended to enhance the value of their investing and philanthropic activities. Prior to establishing a formal grant plan, philanthropic investors working with charitable foundations, financial advisors, and asset managers can explore investment approaches and develop gifting schedules that are customized to the investor's circumstances, including planning current year tax benefits.

Investors who make material charitable donations through donor-advised funds also can amplify the impact of their wealth in ways that align with their values. Donor-advised funds allow them to be stewards of the investing, granting, and funding processes.

Charitable community foundations, financial advisors and asset managers with sustainable investing capabilities can work together to help meet grantors' goals. Defining giving priorities and selecting investment strategies to fund donor-advised philanthropy takes time and consideration.

Breckinridge CAPITAL ADVISORS

When choosing investments, sustainable approaches can support personal principles from the inception of a donor-advised fund vehicle, potentially complimenting the impact of future donations during an asset accumulation phase.

Working with investment advisors who have asset allocation expertise and access sustainable investing strategies that employ environmental, social and governance (ESG) approaches can enable prospective donors to combine their pursuit of positive impact and stewardship of their assets in anticipation of endowing philanthropic efforts at charitable community foundations.

Breckinridge integrates ESG analysis in our investment process. We work with community foundations and financial advisors throughout the U.S. with an interest in more fully aligning investing and charitable-giving objectives.

In collaborative working relationship, we address:

- Managing endowed asset pools and foundation-sponsored traditional, sustainable, and mission-aligned or themed funds.
- Amplifying foundations' philanthropic giving programs to future and existing donors by facilitating relationships with the professional advisory community and their clients.
- Working with a growing group of more than 30 community foundations in a variety of investment management and sustainable investing capacities.

Separate accounts invested with an ESG approach can align values with intentions

Advisors, foundations, and philanthropic investors choose separate accounts with sustainable investment approaches for donor-advised funds in pursuit of several objectives.

A MEASURE OF TRANSPARENCY:

Because each investor owns the securities in a separate account, rather than shares of a mutual fund, there is an added level of transparency.

AN ABILITY TO CUSTOMIZE:

Separate accounts offer a higher degree of individual customization than mutual funds, allowing alignment with planned grant schedules and liquidity needs, for example.

A FOCUS ON CAPITAL PRESERVATION:

Over the long term, based on historical performance, high-quality short- and intermediate-term bonds[1] and stocks with high dividend yields[2] tend to be less volatile than other bond and equity securities, respectively.

A CONSISTENCY IN STEWARDSHIP OF ASSETS:

Integrating ESG analysis into security research and selection allows investors to begin aligning their investments and their values from the donor-advised fund's inception through grant making.

Breckinridge helps community foundations and financial advisors leverage the power of three.

Breckinridge assists with educational sessions for foundations and local financial advisors that explore investment management issues related to donor-advised funds.

Breckinridge shares its perspective and experience to benefit foundations, advisors, and donors. Our extensive library of articles and videos addresses a range of sustainable investing issues.

Breckinridge offers insights gained during a decade of integrating ESG in management of sustainable and traditional investment strategies.

Breckinridge CAPITAL ADVISORS

ESG investment approaches often hold securities that align with sustainability standards or values, and mission-based guidelines that may be important to the grantor. Assets can be allocated in a manner consistent with the grantor's philanthropic goals.

In addition, we work with the growing financial advisor community that is serving client goals to invest with impact by:

- Partnering with a national network of nearly 350 firms and major investment platforms.
- Participating in selected wirehouse and brokerage investment programs, providing access to our sustainable and traditional investment strategies.
- Helping financial advisors implement strategies consistent with investors' philanthropic goals while supporting and sustaining the advisor-client relationship.

How Breckinridge helps advisors align philanthropic goals with sustainable investment strategies:

- Manages endowed assets and operating capital that aligns with a foundation's mission.
- Assists with educational events and materials that inform advisors and investors.
- Helps advisors customize solutions for traditional, sustainable, and mission-driven investors.
- Provides investment products to help meet liquidity needs of a giving program.
- Incorporates ESG metrics into research, allowing foundations to focus on philanthropic goals.
- Specializes in separate account fixed income and high quality dividend equity management that integrates ESG analysis.
- Focus on corporate and municipal bond and equity issuers with investment grade credit ratings.
- Proprietary ESG frameworks and a track record of more than 10-years.
- Registered Benefit Corporation and B-Corp.

By leveraging the power of three—charitable foundations, financial advisors, and investment managers—philanthropic investors may add greater dimension to a gifting plan, can deepen and strengthen long-term relationships, and can enhance donor's experience and impact.

We welcome the opportunity to work with you to target effective solutions that meet community needs and investors' charitable goals.

About Breckinridge

Breckinridge Capital Advisors is a Boston-based, independently owned asset manager working to provide the highest caliber of investment management. Reflecting our commitment to ESG and sustainability, Breckinridge is a Massachusetts Benefit Corporation and a certified B Corp.[3] We believe these designations help us in our goals to create positive, long-term impact for our clients, employees and the communities in which we live, work and invest.

Securities issued by companies with investment grade credit ratings that are directly owned by the client in a separate account can help to provide payment of reliable income and principal, independent of market conditions.

Breckinridge manages sustainable and traditional fixed income strategies with multiple duration targets, including customized investment solutions that align with investor preferences. In addition, the firm offers sustainable and traditional equity dividend investing approaches.

Contact **Ariana Polk, Relationship Manager,** at apolk@breckinridge.com or 617-443-1120, to learn how we can help you convene a substantive learning event.

BCAI-07192023-xvkr3lrp (Rev 7/31/2023)

FOR INVESTMENT PROFESSIONAL AND INSTITUTIONAL USE.

FOOTNOTES:

1. "Stocks vs. Bonds: Know the Difference," Kat Tretina, Forbes, March 2023. "Bonds aren't completely risk-free; there is the possibility of the issuer defaulting on its bonds or inflation reducing the value of the bond. But compared to stocks, there's less volatility."
2. Dividend policy and stock price volatility in the U.S. equity capital Market, Kyle A. Profilet, Longwood University, 2013. "As expected, results suggest that the higher the firm's dividend yield, the lower its stock price volatility."
3. In order to achieve B Corp certification, a company must complete the B Impact Assessment and Disclosure Questionnaire and then receive verified by an analyst from B Lab Global. B Corps must be recertified every three years and pay an annual fee. *https://www.bcorporation.net/en-us/certification/*