

Cidel's Donor Advised Fund

cidel.com

By Megan Duncan, Assistant Vice President

With the end of the year approaching, now is the time to consider your charitable giving strategies to take advantage of charitable deductions for 2021, and beyond. Many Canadians are increasing their charitable giving initiatives as a way to give back to causes that are close to their heart, and to create a legacy of philanthropic giving for generations to come.

In Canada, the popularity of donor advised funds has grown exponentially in recent years. In fact, the number of newly set up donor advised funds grew by 35% between 2016 and 2018¹. This rapid growth is expected to continue for the years ahead and Cidel is at the forefront with a leading and flexible solution for our clients.

What is a Donor Advised Fund?

Cidel's Donor Advised Fund (DAF) is a flexible charitable vehicle registered with the Canada Revenue Agency (CRA) that allows you to grow your charitable assets and support charities without the administrative responsibilities and costs of establishing your own private foundation. It is a planned approach to wealth transfer and functions as part of your philanthropic legacy.

Features & Benefits of Cidel's Donor Advised Fund

- **Tax-effective and deductible contribution** - enables the donor to make a lump sum charitable contribution and receive a contribution receipt for that year while simultaneously planning for contributions in the years to come.
- **Tax-free growth** - allows assets to grow tax free and compound over time, further growing the asset base available for eventual donations.
- **Donor may choose name and designates the charitable recipients** - you may name the DAF as you please and, of course, choose the intended recipients and when the support will be granted, allowing you flexibility to support multiple causes.

- **Save time and costs** - utilizing a DAF offers many of the same benefits as a private foundation without the time, operating costs and complexity of a private foundation. This means more of your capital can go directly towards your charitable objectives.
- **Investment strategy** - each donor within the DAF has their own separate investment portfolio and donation strategy. Clients are able to take advantage of Cidel Asset Management's investment expertise and proprietary strategies to ensure the investment strategy is customized to your specific objectives.
- **Simplify reporting and record keeping** - clients are provided with quarterly reporting and online account access, and Cidel administers annual tax reporting for the DAF and facilitates getting the donations in the hands of the charitable recipients.

At Cidel, we strive to provide our clients with a wide range of wealth solutions that suit every individual's and family's needs. We believe it is important to take a holistic view of your wealth plan and objectives to effectively tie together the various pieces of your financial roadmap. For more information on how Cidel can assist you with your philanthropic planning, please contact your Wealth Consultant.

¹<https://www.theglobeandmail.com/investing/globe-advisor/advisor-news/article-why-donor-advised-funds-are-surg-ing-in-popularity/>

*Cidel is an operating name of Cidel Asset Management Inc.

This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The information contained in this document has been compiled by Cidel Asset Management Inc. from sources believed to be reliable, but no representations or warranty, express or implied, are made by Cidel Asset Management Inc. as to its accuracy, completeness or correctness. The opinions expressed are as of the date of this publication and may change without notice and are provided in good faith, but without legal responsibility. Cidel Asset Management Inc., carrying on business as Cidel ("Cidel" is a registered trademark) is registered as a portfolio manager, investment fund manager and exempt market dealer in Ontario. Cidel is also registered as a portfolio manager and exempt market dealer in the provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island and Saskatchewan. In Quebec, Cidel is registered as a portfolio manager, investment fund manager and exempt market dealer. This document may not be reproduced, distributed or published by any recipient hereof for any purpose.