

Forty4 Financial

August 2019

Forty4financial.com
frank@forty4financial.com
240-205-1358

INSIDE THIS ISSUE

1. Charitable Options
2. Focus on Impact
3. Portfolio commentary

Feeling charitable? Now is a good time to get ahead of the year-end rush

Charitable options

When it comes to charitable donations, it can be hard to choose between the many well deserving charities. How to fund the donation also requires a little thought, but is more straight forward.



- If you choose to help out several different charities with small amounts, the easiest way is to send them a check.
- If you donate larger amounts to a few chosen charities, you can increase your impact at no additional cost to you.

Most charities accept securities (stocks, mutual funds, etc.) instead of cash. If you have holdings that have increased significantly in value, you can get a tax deduction for the current market value, without paying capital gains taxes on the appreciation.

If you would like to donate a large sum of money this year, possibly from an inheritance or to offset a bonus or gains from the sale of a business, you can consider using a Donor Advised Fund. This will allow you to get a tax deduction now, while letting the funds grow tax free until you have decided which charities should receive the money. It can be a great way to create a family legacy of philanthropic giving, and a way to include younger generations in the process.

Focus on Impact

At Forty4 Financial, we strive to improve the impact our investments have on the world we live in. We have compiled a list of Donor Advised Funds (DAF) (see previous page) that do great work in supporting the communities in which we live, while helping you create a legacy.

Some DAFs give you access to sustainable investment options, so the money will be making a positive impact even before the final donation. There can be a range of investment options, from index funds to options which may not otherwise be available to retail investors.



Create a donor advised fund to have your charitable funds grow tax free for generations to come

One such option is dedicated to providing affordable housing in the Washington DC area, while paying your foundation a market rate interest rate in the meantime. Other options can include investments in farmland expanding organic farming, microfinance both in the US and in developing countries, or venture capital to start-ups that are looking to create positive social and environmental impacts.

There are many different DAFs to choose from, the best option for you will depend on what outcome you are looking for, and how you would like to manage and invest the money in the process.

Portfolio Commentary

In general, we have continued with a slight overweight to equities compared to the benchmark, although each portfolio we work with is individual to each client. We find the equity risk premium to be attractive relative to fixed income, and we prefer the upside potential in equities in the case of a positive outcome from the current tariff tensions.

We continue to favor US stocks, relative to International Equities. While the negative impacts of the trade conflict could be widespread, US companies tend to be less trade dependent than their international counterparts.

The slight overweight to Emerging Markets Equities is maintained, as the forward earnings outlook has improved lately, which is expected to continue. This is supported by the stable outlook for the US dollar.

Portfolio details as of July 31, 2019. Neither Forty4 Financial nor Advisory Services Network, LLC offer tax advice. You should always consult your own tax professional before following any of the strategies discussed above. Note that some investments within DAFs can have significant minimum investment amounts and may not be open to all investors. Contact Forty4 Financial for more information.

All information contained herein is derived from sources deemed to be reliable but cannot be guaranteed. All economic and performance data is historical and not indicative of future results. All views/opinions expressed in this newsletter are solely those of the author and do not reflect the views/opinions held by Advisory Services Network, LLC.