

FAMILY WEALTHREPORT

iShares Launches Philanthropic ETFs

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National Philanthropic Trust, the charity and grant maker, and iShares, the exchange traded funds business run by Barclays Global Investors, have released a series of donor advised funds.

The fund will use ETFs via the iShares Charitable Giving Programme, the partnership between BGI and NPT that was announced in September.

“The really distinguishing feature of these funds is that they are the lowest cost investment vehicle for donors. For families they are an alternative to setting up a foundation. If setting up a foundation is like creating a bank, making a donor advised ETF is more like opening a bank account,” said Andrew Hastings vice president, external affairs at National Philanthropic Trust, speaking to WealthBriefing.

While less costly for a family than setting up its own foundation, the creators of the funds claim they carry many of the same advantages, such as being able to name the fund, name successors and beneficiaries -as well as the terms of succession -and exert choice over what causes benefit from their donations and also timescale.

Donor advice funds also offer an immediate and maximum tax deduction to benefactors who can chose from over 25 ETFs through the iShares scheme.