



Davlin Philanthropic Funds  
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## Background

### *The Challenge:*

Despite being the wealthiest nation in the world and giving away twice as much to charity as the next most charitable country, the United States still donates only 1.67% of its GDP to charity each year. This is due in part to the fact that the process of giving has not really changed much since the introduction of payroll deduction for charitable donations over sixty years ago. There has been little innovation in the charitable industry to address the central challenge of giving: persuading an individual to actually sit down and right a check. Consequently, when we sit down to sort through our mail we face tough choices between paying bills (or spending), saving for retirement, or giving to our favorite charities. As a result of this conflict, we wind up giving less than we intend.

Though there has been little innovation over the last sixty years, numerous studies have provided us with a better understanding of the psychological challenges surrounding charitable giving. What these studies highlight is the difficulty of getting people to write a discretionary check to a charity, and they suggest that most people never give as much as they intend.

The good news is that this research suggests four important opportunities to make charitable giving more appealing to people:

1. Replace the Check: Replace the act of writing a check with something simpler like automatic payroll deduction.
2. Focus on the Future: Restrictions on future events are far easier for people to accept than a limitations are today. This is why getting someone to make a pledge is much easier than getting them to write a check.
3. Focus on the Gain: People are very sensitive to losses in well being and find it much easier to forgo a gain than to take a loss. Charitable raffles are a great way to focus on the gain and overlook the cost.
4. Focus on the Nominal and not the Real Dollars: People tend to interpret gains and losses in nominal rather than real dollars. Matching contributions provide people the psychological benefit of giving \$200 even when their pre-match contribution was only \$100.
5. Incentivize Giving with Matching Funds: Studies show that incentivizing donations through a matching program results in larger individual gifts.

While some charities have refined their fundraising efforts to appeal to one or two parts of the decision making process, no one has addressed them as a whole, until now.

### ***The Solution – “Sustainable Giving”:***

The Davlin Philanthropic Fund is the first investment tool to address all elements of the psychology of decision making and make donating more appealing. The Fund is an SEC-registered, open-ended, no load mutual fund where a significant percentage of the advisory fee goes to charity. The structure addresses the psychology of giving:

1. It replaces the check by taking donations out of the advisory fee.
2. It focuses on the future, because there is no sales charge to get into the fund.
3. It focuses on the gain, because the advisory fee is hopefully only a small portion of future gains.
4. It focuses on the nominal dollars. Like all mutual funds, performance is calculated after fees are deducted, so the investor never really focuses on the size of the contribution.
5. Lastly, it incentivizes giving through a Donation Matching Programs. All donations receive matching funds.

We call this “*Sustainable Giving*”.

Structural savings plans like a 401K or a traditional mortgage are financial vehicles that appeal to the psychology of decision making and help overcome the hurdles of saving. It is the Davlin Philanthropic Fund’s goal to adapt that paradigm for the non-profit world and create the first “*structural giving plan*”. With the Davlin Philanthropic Fund, you no longer have to decide between saving for your future and giving to your favorite charities. With our Fund you can do both: the more you save for your future, the more that you give to your favorite charities.

### ***The Philanthropist:***

The term philanthropy comes from the Greek words that mean “love of humanity”. For many of us the term “Philanthropist” may conjure up the image of an older man or woman who has the time and the money to dedicate his/her life to charities. ***Time***, because traditionally it took a great deal of time to find good charities and review them. ***Money***, because it used to be that you had to have accumulated wealth before you could make a significant commitment to a charitable organization.

But times have changed. Time is no longer such an important factor. Today the Internet has enabled all of us to quickly become well informed philanthropists. *The Catalogue for Philanthropy*, *Charity Navigator*, and individual charity websites bring a wealth of information, evaluations, ratings, and indexes to our fingertips. Today, lots of tools exist to help us make well informed charitable decisions.

And now the Davlin Philanthropic Fund enables people to begin a philanthropic commitment at a much younger age, even before a person has accumulated any significant savings. With the proper tools, everyone can express their love for humanity. By incorporating the power of Structural Giving, anyone can become a “Philanthropist”

the day that they get their first job, and they can make a 40, 50, even 60 year commitment to their favorite charities.

The Davlin Philanthropic Fund allows even people of modest means to make meaningful contributions to their favorite charities. Below is an illustration of how someone who starts saving only \$500.00 per year in their twenties and never saves more than \$2,000.00 a year in their sixties can give away up to \$112,000 to their favorite charities when including matching funds and the highlighted assumptions. In addition, the illustration below provides a possible life benefit of up to \$80,000. Without the Fund, statistics tell us that individuals like this would give away very little money over their lifetime. As you can imagine, Sustainable Giving becomes an even more powerful tool in the hands of supporters of more significant means.

<b>Davlin Philanthropic Fund</b>					
Age Range	Annual Investment/ (Withdraw) During Period	Annual 7.00% Return* Hypothetical	Period Ending Value	= Input Fields	
				Total Cumulative Donations at 0.50% Rate	Total Cumulative Donations at 1.00% Rate
25	\$ 1,500		\$ 1,552.50	\$ 3.88	\$ 7.76
26 to 35	\$ 500		\$ 10,204.01	\$ 273.83	\$ 547.66
36 to 45	\$ 1,000		\$ 34,372.86	\$ 1,321.32	\$ 2,642.63
46 to 55	\$ 1,500		\$ 89,066.66	\$ 4,255.82	\$ 8,511.64
56 to 65	\$ 2,000		\$ 203,807.65	\$ 11,259.89	\$ 22,519.77
66 to 75	\$ (15,000)		\$ 186,420.15	\$ 21,063.74	\$ 42,127.48
76 to 85	\$ (20,000)		\$ 80,716.17	\$ 28,034.91	\$ 56,069.82
<b>Total Individual Donations:</b>				<b>\$ 28,034.91</b>	<b>\$ 56,069.82</b>
<b>Donation Matching Program (assuming 1:1 match):</b>				<b>\$ 28,034.91</b>	<b>\$ 56,069.82</b>
<b>Total Estimated Lifetime Donations:</b>				<b>\$ 56,069.82</b>	<b>\$ 112,139.64</b>
<b>Possible Death Benefit:</b>			<u><b>\$ 80,716.17</b></u>		

\*Annual Return after all fees.

One of our goals at the Davlin Philanthropic Fund is to remake the image of a "Philanthropist" to recognize those who make a lifelong commitment starting from their first job and ending with their death. We want to extend the responsibility of loving humanity from the few, the old, and the rich to include the many and the masses, and we want your organization to be one of the beneficiaries of this paradigm shift.

*Past performance is not indicative of future performance. Investors should consider the investment objectives, risks, charges and expenses of investing in the Fund carefully before investing. The Fund's Prospectus contains this and other information about the Fund. Prospectuses are available at [www.DavlinFunds.org](http://www.DavlinFunds.org) or by contacting used toll-free at 1-877-Davlin-8 or 1-877-328-5468. The Prospectus should be read carefully before investing.*