

## CHARITABLE DONATION ACCOUNTS

Help Fund Charitable Giving in Your Community  
with Potential to Increase Investment Income

### INVEST IN NON-703-TYPE INVESTMENTS AS APPROVED BY THE NCUA

Federal credit unions (and state charters with approval) have the potential to increase charitable giving and investment income by investing in higher yielding investments which are permissible with a Charitable Donation Account (CDA). Investments offering the potential for higher rates of return also involve a higher degree of risk.

CDA accounts must distribute 51% of their total return to qualified 501(c)(3) charities, which can allow the credit union to retain up to 49% of the investment income. This has the potential to increase investment income and your Return on Assets. The CDA's value can't exceed 5% of the credit union's Net Worth.

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703 Investment	CDA-Permissible Investment	
\$5M @ 2.0% = \$100,000 to Charity	\$5M @ 4.0%* = \$200,000	51% (\$102,000) to Charity
		49% (\$98,000) to Credit Union

Calculations are for illustrative purposes only and do not reflect performance of any specific investment. It does not include the deduction of fees. There is no guarantee that the rates of return shown above can actually be achieved. Further, should the CDA-Permissible investment account experience a -4% rate of return (compared the +4% as illustrated above) the value of the account would drop to \$4.8 million from initial \$5 million investment.

### MULTI-ASSET SOLUTIONS TEAM

Madison Investments' Multi-Asset Solutions Team will develop a customized asset allocation given your risk tolerance, with an objective of generating additional investment income beyond your NCUA 703-permissible investments, to help increase your charitable giving.



## WHY MADISON INVESTMENTS

As a registered investment advisor and fiduciary under the Investment Advisers Act of 1940, our sole focus is meeting the unique needs of our clients. With approximately \$16 billion in client assets under management, our firm has been managing individual security portfolios for 45 years.

Our credit union investment management team has decades of experience managing investments for financial institutions. Madison charges an asset-based fee with complete cost transparency.

Madison may act as a subadvisor on CDA accounts through CUNA Mutual Group's Executive Benefit Services.

For more information about  
Madison's Credit Union  
Investment Management  
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Gross assets under management, as of 03/31/2020. Any performance data shown represents past performance.

Past performance is no guarantee of future results.

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