Together, we make the good go further.
ADAPTIVE PHILANTHROPY

Dear Charitable Donor,

This past year has been fraught with challenges and difficult times, as the ongoing war in Ukraine and our continued emergence from the coronavirus pandemic have made global markets unpredictable and difficult to navigate. Despite continued uncertainty, each year we witness the collective generosity of our donor community grow and shift to meet challenges and invest in solutions.

This year’s report showcases the power of philanthropy and growth opportunities for it, including an interview with Darren Walker, president of the Ford Foundation. Our friends at King Baudouin Foundation United States, a partner in international granting, also provide insights on how to extend your giving beyond America’s borders to help communities around the globe.

You’ll also find a helpful breakdown of how “bunching” your donations can increase your giving power by creating the most tax-advantageous strategy for your situation. As always, we have also included our FY2022 annual financial statement.

As a society, we are presented with new challenges, big and small, every day. Our donors have been there to help as each one arises, and we will continue to support your philanthropic goals as you invest in humanity.

Sincerely,

John Brothers, President

CHARITABLE OVERVIEW

A Smarter, More Effective Way to Give

T. Rowe Price Charitable is a donor advised fund dedicated to helping you simplify your charitable giving, maximize valuable tax benefits, and increase your impact on the causes you care about most.

Supporting your favorite charities is as easy as:

1. CONTRIBUTE
   Make an irrevocable donation of cash, appreciated securities, or noncash assets and receive an immediate, current year tax deduction, up to the allowable IRS limits.

2. INVEST
   While you decide which charities to support, your contributions are invested, so they have the opportunity to grow tax free over time potentially increasing the amount you have to give.

3. GIVE
   Support your favorite charities at any time by making grant recommendations of $100 or more. We’ll handle the paperwork.
The coronavirus pandemic and racial violence, including the murder of George Floyd, brought to light many of the inequalities around work, income, and race in the United States. For the Ford Foundation and its president, Darren Walker, these inequalities threaten our democracy and serve as an opportunity for philanthropy and individual donors.

,” said Walker. “We need workers who are paid a fair living wage with benefits. Workers need to be owners and own equity in the companies they work for. We need to make sure that everyone has access to health care. And we need to put workers at the center of the future of work.”

The importance of philanthropy
According to Walker, philanthropy can play a role by funding the ideas, innovations, and institutions at the forefront of this effort, including labor policy organizations, worker rights organizations, and groups that help companies consider their social and environmental impact.

Individual donors also serve a crucial role in tackling the challenges uncovered by COVID-19, Walker says.

“Every individual donor is a philanthropist, and the role of philanthropy is to help humanity,” said Walker. “Some of the most effective philanthropy is undertaken by individual donors or by networks of donors. Donors should ensure they’re following their passion to gain clarity around what they care about and to invest with focus as deeply as they can on those issues.”

Walker praised the philanthropic response after recent violence perpetrated against Black people, including the murder of Floyd by a police officer in 2020.

Every individual donor is a philanthropist, and the role of philanthropy is to help humanity.”
–Darren Walker

Making an impact
In its giving, the Ford Foundation pivoted to unrestricted funding, where nonprofits are free to spend donated dollars any way they feel is best to fulfill their mission. Walker described it as a “major shift” that allows supported organizations to enjoy the greatest flexibility in deploying the capital the foundation allocates.

“Unrestricted funding is consistent with how a business investment works,” explains Walker. “An investor does not tell the company that the investment is limited to one area of the business. Instead, the investor trusts that the business leaders are in the best position to make the decisions about capital allocation.”

Walker believes recent developments, including the Supreme Court Dobbs ruling overturning Roe v. Wade, challenge social advances. As a result, nonprofits and individual donors need to take an active role in supporting equality.

“This is not a moment to equivocate as a donor,” said Walker. “Whatever your position, engagement through philanthropy and giving is more critical than ever.”

Walker anticipates opportunities in giving will arise in response to challenges, including new networks and organizations.

“[French political writer Alexis de] Tocqueville reminded us some 200 years ago of the uniqueness of the American experiment. Among the things he found unusual was this idea of associations and civic engagement,” said Walker. “I think we’re going to see civic engagement mobilize, and philanthropy and individual donors are going to finance much of that mobilization to bring about the kind of engagement of the citizenry in communities that ensures we are a more inclusive, participatory, and successful democracy.”
How Our Donors Are Making an Impact

**FY 2022 HIGHLIGHTS**
As of March 31, 2022

- **$535M** Assets Under Management
- **$37M** Cash
- **$8M** Investment Growth
- **$114M** Appreciated Securities

- **1,700** Active Donors
- **3,800** Donations Received
- **11,800** Charities Supported
- **31,000** # of Grants
- **10** Average # of Grants per Account
- **$500** Median Grant Amount
- **$108M** Total Granted

**Top 5 Charities**
1. Doctors Without Borders
2. American Red Cross
3. Planned Parenthood
4. St. Jude Children’s Research Hospital
5. Maryland Food Bank

- **18%** Recurring Grants
After the 2017 tax law changes increased the standard tax deduction, many taxpayers no longer benefited from itemized deductions. The good news is that a strategy called “bunching” enables you to realize tax savings from itemization once again.

Rather than make yearly charitable contributions, combine two or more years of contributions into one tax year to increase your itemized deductions for that year above the applicable standard deduction. Then, for the off years, take the standard deduction.
How bunching works

The Palmers pay $4,000 in mortgage interest and $10,000 in state and local taxes. By doubling their yearly $10,000 charitable contribution in 2022 and 2024, they exceed the $25,900 standard deduction. Thus, the Palmers increase their deductible expenses above the standard deduction by $8,100 for 2022 and a similar amount for 2024.

$40K

Standard Deduction

Charitable contribution
Mortgage interest
State and local taxes

2022
2023
2024
2025
ITEMIZE
STANDARD
ITEMIZE
STANDARD

The tax benefits of bunching

The Hanleys and the Palmers both typically donate $10,000 per year. The Hanleys take the standard deduction each year, because their combined deductions do not surpass the standard deduction. Meanwhile, the Palmers bunch their donations into one year and take the standard deduction in the following year. Over the course of four years, both families donate $40,000, but the Palmers receive $16,200 more in deductions compared with the Hanleys.

$40K

The Hanleys (Non-bunchers)
The Palmers (Bunchers)

Charitable contribution
Mortgage interest
State and local taxes

2022
2023
2024
2025
ITEMIZE
STANDARD
ITEMIZE
STANDARD

Gain a triple tax advantage with a donor-advised fund

Giving through a donor-advised fund provides a simple way to use the bunching strategy to maximize your tax savings and time your tax deductions for when they are most beneficial to you.

The tax advantages are threefold when you contribute to your donor-advised fund. You’ll benefit from:

▪ A current-year charitable tax deduction for the fair market value of the contributed asset, up to IRS limits.
▪ Avoidance of up to 23.8% capital gains tax on contributions of long-term appreciated assets, including stocks, mutual funds, business interests, private stock, real estate, and other assets.
▪ Tax-free potential growth of invested contributions to fuel future giving.

Flex your giving

Combining the bunching strategy with a donor-advised fund provides maximum flexibility to support your favorite charities. Since you receive a tax deduction in the current year, you can grant money from your fund to charities in any year. Whether you grant money annually or build up your fund to grow your giving potential, you have the flexibility to support your favorite causes conveniently through one account.

Calculate your potential tax savings.
Visit trowepricecharitable.org/resources.
After several years of a pandemic and unrest, including the war in Ukraine, many donors are unsure how to best divide their giving between the desire to give to their community versus helping meet the many needs they see worldwide.

Jean Paul Warmoes, executive director of the King Baudouin Foundation United States (KBFUS), is experienced in bridging the divide between local and international giving. The organization was spun off from the Belgium-based King Baudouin Foundation, founded in 1976 and named after Belgium’s late head of state. KBFUS, formed in 2002 in New York, helps direct giving from U.S. donors to worthy causes around the world.
After years of primarily serving nonprofits in Europe and Africa, KBFUS recently decided to expand its scope to support giving from the U.S. to anywhere globally, including Latin America and Asia. According to Warmoes, a desire to share the organization’s strengths more broadly while serving the needs of donors drove the decision to expand.

“When we launched KBFUS, we decided to focus on Europe and Africa because that’s where the parent foundation in Belgium had the expertise,” Warmoes said in a recent interview. “But we felt that ultimately we would be stronger and able to provide the same quality services, built on expertise and on-the-ground partnerships, to cover the globe.”

T. Rowe Price Charitable operates a donor-advised fund at KBFUS, letting donors support their favorite charitable causes and organizations worldwide. It also serves as one of several asset managers for the foundation’s funds.

“If donors from T. Rowe Price were interested in giving to Europe and Latin America, we feel it’s our responsibility to develop solutions to address that geographic interest,” Warmoes said. “So we’ve become a one-stop shop for global giving.”

Serving the ongoing need in Ukraine

Many donors are currently focusing their interest on giving to help those affected by the war in Ukraine, with KBFUS working to facilitate gifts to Ukrainian citizens and the refugees choosing to leave the country. To direct donor funds, KBFUS launched a Humanitarian Response Fund for Ukraine to pool and then distribute contributions to three local nonprofits working on the frontlines.

“Donors are overwhelmingly moved to support the people of Ukraine,” said Warmoes. “They realize it’s a humanitarian crisis because they see the images on TV and understand that people in Ukraine need food, shelter, and medical assistance.”

Still, donors should realize that the need in Ukraine is unlikely to end anytime soon. “The current focus is the humanitarian aspect, but eventually, we need to provide help to serve the needs on the rebuilding side.”

KBFUS calls itself a “philanthropy architect,” as it works with individuals, families, corporations, and foundations to help them support their favorite causes around the globe. Donors can contribute through one-time gifts, recurring donations through donor-advised funds, planned giving with legacy funds, and gifts of artwork to museums overseas.

KBFUS also hosts “American Friends Funds,” providing foreign nonprofits with a cost-effective solution to receive tax-deductible gifts from U.S. supporters. As a result, those organizations can bypass the effort and expense required to set up their U.S.-based charity. Organizations helped by these funds include the Nelson Mandela Foundation in South Africa, the University of Nairobi in Kenya, and the Van Gogh Museum in Amsterdam.

Balancing giving locally versus globally

With so much need worldwide, many donors are struggling to find the right balance between supporting their local communities and helping those overseas. Through KBFUS, donors can support their communities, whether that community is local or built on shared history or identity.

“Individuals have a special bond, obviously, and perhaps a personal obligation to be generous to their local communities. That makes sense because that’s where they live,” said Warmoes. “I grew up in Belgium and then 20 years ago moved to New York. So I have two communities: my native Belgium and my adopted community of New York.” He notes that donors to KBFUS also support other communities they align with personally, including the arts, women’s rights, and LGBTQ organizations.

“I think how you support your community goes back to defining that community,” said Warmoes. “A community is more than the physical space where you live right now.” Still, we need to consider needs outside our immediate circle, as what happens worldwide also affects us at home.

Related to the giving locally and globally question, the coronavirus pandemic has taught us that the needs and problems experienced in other places often impact our own communities, Warmoes explains.

“When there’s trouble in other parts of the world, it can bring repercussions to our lives,” said Warmoes. “It’s important to focus on your communities where you live and work, but also to understand that when things go wrong in the community next door, it’s likely going to have an impact on the place where you live. We are all connected in a certain way.”
## Investments in T. Rowe Price Mutual Funds

**As of March 31, 2022**

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<tr>
<td>Total</td>
<td>79,354,449</td>
<td>64,812,554</td>
<td>63,210,477</td>
<td>53,756,814</td>
<td>39,063,193</td>
<td>29,327,740</td>
<td>28,725,412</td>
<td>27,137,693</td>
<td>21,680,831</td>
<td>20,106,321</td>
<td>17,168,966</td>
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<td>12,378,729</td>
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<td>10,511,064</td>
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<td>8,634,266</td>
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<td>29,327,740</td>
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<td><strong>Changes in Net Assets</strong></td>
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<td>1,654,205</td>
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Thank you for making the good go further.

For more information about T. Rowe Price Charitable, for answers to your questions, or to open an account, please contact us using the information below.

trowepricecharitable.org

1-800 690 0438

Our service associates are available Monday through Friday, 8 a.m. to 8 p.m. ET.

questions@trowepricecharitable.org

You can expect a reply within one to two business days after your inquiry.

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