

CATHOLIC RELIEF SERVICES

GIFT ANNUITY DISCLOSURE STATEMENT

Description of a Gift Annuity

A gift annuity is a simple contract between the donor(s) and Catholic Relief Services (CRS). In exchange for the donor's contribution, CRS promises to make fixed, guaranteed payments for life to one or two annuitants. The amount paid is based on the age of the annuitant(s) at the time of the gift, in accordance with the current rate schedule.

Not a Commercial Investment

The act of establishing a gift annuity with Catholic Relief Services is not, and should not be viewed as, an investment. Rather, it is a way to receive annuity payments while making a charitable donation. In this respect, CRS' gift annuity is different from a commercial annuity. However, the fact that you are making a charitable gift may provide you with tax benefits, including a current federal income tax charitable deduction if you itemize annuity payments which are partially tax free, and future estate tax savings.

Gift Annuity Rates

The gift annuity rates paid by CRS are those suggested by the American Council on Gift Annuities, a national organization of charities in existence since 1927. These rates have been calculated to provide attractive payments to the annuitant(s) and to result in a significant portion of the contribution remaining for the charity. As a charitable gift is involved, the rates are lower than those available through commercial annuities offered by other financial institutions.

Third Party Disclosure

Catholic Relief Services utilizes the fiduciary services of Wilmington Trust, a subsidiary of M&T Bank. Wilmington Trust holds gift annuity assets for CRS and processes payments and tax forms for annuitants on CRS' behalf. Under this fiduciary relationship, CRS shares personal and financial information provided by charitable gift annuity donors with Wilmington Trust as required for banking purposes and IRS reporting. To comply with federal regulations, it may be necessary for residents of some states to provide additional information to Wilmington Trust upon request.

Assets Backing Annuity

The annuity payments are a general obligation of Catholic Relief Services, and they are backed by all assets subject to existing security interests. As of September 30, 2018, our total invested funds exceeded \$200.5 million, and they are invested in stocks, bonds, money market funds and federal obligations. Our separate gift annuity reserve fund was valued at \$57.2 million and is invested in a conservative and disciplined manner that is also in accordance with the laws of the states in which we offer gift annuities. If CRS should ever fail financially, individuals entitled to receive annuity payments will qualify as general creditors of Catholic Relief Services.

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faith. action. results.

Governance

Catholic Relief Services was established in 1943, and responsibility for governing the organization is vested in a board of directors composed of 25 elected board members. Common investment funds managed by our organization are exempt from registration requirements of the federal securities laws, pursuant to the exemption for collective investment funds and similar funds maintained by charitable organizations under the Philanthropy Protection Act of 1995 (P.L. 104-62). Information in this letter is provided to you in accordance with the requirements of that Act.

Points to Remember

A contribution for a gift annuity is irrevocable. The principal you contribute cannot be returned to you. The right to annuity payments may not be assigned to any person or organization, other than Catholic Relief Services. The date of gift is determined by the type of asset used to fund the gift annuity: When funded with cash, it is the postmark date; when funded with securities through electronic transfer, it is the date the shares are received into the CRS account; when funded with stock certificates, it is the date the certificate(s) and accompanying stock power(s) are properly endorsed and mailed or delivered. The gift annuity is governed by the laws of the state in which you reside at the time the gift annuity agreement is signed.

THIS IS NOT LEGAL ADVICE. PROSPECTIVE DONORS SHOULD SEEK THE ADVICE OF A QUALIFIED ESTATE AND/OR TAX PROFESSIONAL TO DETERMINE THE CONSEQUENCES OF HIS OR HER GIFT.

Note-Alabama Residents: The payments made under a charitable gift annuity are backed by the full faith and credit of the organization and are not insured or guaranteed by an insurance company of backed in any way by the State of Alabama

Note-Arizona Residents: A charitable gift annuity is not insurance under the laws of Arizona, is not subject to regulation by the Director of Insurance and is not protected by any state guaranty fund. The State of Arizona and the Department of Insurance have not approved or disapproved of the charitable gift annuity being offered and have not determined whether any of the information provided to the donor is truthful or complete.

Note-California Residents: Annuities are subject to regulation by the state of California. Payments under such agreements, however, are not protected or otherwise guaranteed by any government agency or the California Life and Health Insurance Guarantee. California requires a segregated annuity reserve fund for charitable gift annuities issues to California donors. As this reserve fund is classified as a Trust under federal law, California residents must provide Wilmington Trust with a signed IRS Form W-9, as well as Wilmington Trusts' Funds Transfer Authorization form (FTA), to receive annuity payments.

If you have additional questions concerning Catholic Relief Services' Gift Annuity Program, please contact Planned Giving at:

Planned Giving

Catholic Relief Services
228 West Lexington Street
Baltimore MD 21201

Tel: **800-235-2772**, at prompt select option for **Planned Giving**.

You may also email us at **plannedgiving@crs.org**