

## CRS Annuity Disclosure Statement

### **Description of a Gift Annuity**

A gift annuity is a simple contract between the donor(s) and Catholic Relief Services. In exchange for the donor's contribution, Catholic Relief Services promises to make fixed, guaranteed payments for life to one or two annuitants (usually, but not necessarily, the donor(s)). The amount paid is based on the age of the annuitant(s) at the time of the gift, in accordance with Catholic Relief Services' 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, Catholic Relief Services' 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 your deductions), annuity payments that are partially tax free, and future estate tax savings.

### **Gift Annuity Rates**

Generally, the gift annuity rates paid by Catholic Relief Services are those suggested by the American Council on Gift Annuities, which is a national organization of charities that has been in existence since 1927. These rates have been calculated so as to provide attractive payments to the donor and/or other annuitant(s) and also to result in a significant portion of the contribution remaining for the charity. Because a charitable gift is involved, the rates are lower than those available through commercial annuities offered by insurance companies and other financial institutions.

### **Assets Backing Annuity**

The annuity payments are a general obligation of Catholic Relief Services, and they are backed by all of our assets subject to existing security interests. As of September 30, 2015, our total invested funds exceeded \$230 million, and they are invested in stocks, bonds, money market funds and federal obligations. We also maintain a gift annuity reserve fund valued at more than \$54 million that is invested in accordance with the laws of the states in which we offer gift annuities. Assets received by Catholic Relief Services for gift annuities are managed by M&T Investment Advisors in a conservative and disciplined manner. If Catholic Relief Services should ever fail financially, individuals entitled to receive annuities will qualify as general creditors of Catholic Relief Services.

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## Governance

Catholic Relief Services, a District of Columbia nonprofit corporation, was established in 1943. Responsibility for governing the organization is vested in a Board of Directors composed of 25 persons, who are elected. 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 generally 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. There are no present, pending or threatened material legal proceedings, including those that are known to be contemplated by governmental authorities, administrative bodies, or other persons to which the issuer or its property is or may become a party.

## For More Information

This disclosure statement is intended to provide basic information regarding the gift annuities issued by Catholic Relief Services. **Additional financial information about CRS, including our most current audited financial statement and interim financial statement, is available on request.** If you have additional questions concerning Catholic Relief Services' Gift Annuity program, please call or write to:

### Planned Giving

Catholic Relief Services  
228 West Lexington Street  
Baltimore MD 21201

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