

## **Gift Annuity Disclosure Statement**

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

A gift annuity is a simple contract between you, the donor(s), and The Congregation of the Passion, Holy Cross Province (hereinafter "The Passionists"). In exchange for your contribution, The Passionists promise to make fixed, guaranteed payments for life to one or two annuitants (either you, or persons you name). The amount paid is based on the age(s) of the annuitant(s), in accordance with The Passionists' rate schedule.

### **Not a Commercial Investment**

The act of establishing a gift annuity with The Passionists 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, a gift annuity issued by The Passionists 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 which are partially tax-free, and future estate tax savings.

### **Gift Annuity Rates**

Generally, the gift annuity rates paid by The Passionists 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 to provide attractive annuity payments to you (or to those you name to receive the payments), and also to result in a significant portion of the contribution remaining for the good works of The Passionists. 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 The Passionists, and they are backed by all of the organization's assets (subject to security interests). As of December 31, 2019, The Passionists' total invested funds exceeded \$34,817,000, which is invested primarily in mutual funds, exchange-traded U.S. Treasury bond funds, and money market funds. Included in The Passionists' total invested funds is a gift annuity reserve fund valued at more than \$1,844,000 that is invested in accordance with applicable state laws. Assets received by The Passionists for gift annuities are managed by Charles Schwab & Co., Inc., founded in 1971, in a conservative and disciplined manner. If The Passionists should ever fail financially, the annuitants will qualify as general creditors of The Passionists.

Responsibility for governing The Passionists, which was established in 1906, is vested in a Board of Directors comprised of five persons, who are elected by the vowed members of the Province. Common investment funds managed by The Passionists 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 The Passionists.
- The gift date is the date when you actually transfer assets. In the case of cash, it is the date you mail or deliver a check. In the case of an electronic transfer of securities, it is the date they are received into the account of The Passionists. If you have stock certificates issued in your name, properly endorsed to The Passionists, the gift date is the date they are mailed or delivered.
- The gift annuity is governed by applicable state laws. State guaranty associations do not guarantee or insure charitable gift annuities.

### **For More Information**

This disclosure statement is intended to provide you with basic information regarding the gift annuities issued by The Passionists. If you have additional questions concerning The Passionist gift annuity program, please contact Angela Kwasinski, Director of Donor Relations, at:

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