



THE UNIVERSITY *of* NORTH CAROLINA
GREENSBORO

Gift Annuity Disclosure Statement

Description of a Gift Annuity

A gift annuity is a simple contract between the donor(s) and The UNCG Excellence Foundation, Inc. The sole purpose of this non-profit corporation is to support The University of North Carolina at Greensboro, and it is the primary legal entity through which donor gifts are received. In exchange for the donor's(s') contribution, The UNCG Excellence Foundation, Inc. promises to make fixed payments for life to one or two annuitants (usually, but not necessarily, the donor(s)). The amount paid is based on the age(s) of the annuitant(s), in accordance with The UNCG Excellence Foundation, Inc.'s rate schedule.

Not a Commercial Investment

The act of establishing a gift annuity with The UNCG Excellence Foundation, Inc. is not, and should not be viewed as, an investment. Rather, it is a way to arrange for annuity payments while making a charitable donation. In this respect, a gift annuity issued by The UNCG Excellence Foundation, Inc. is different from a commercial annuity. While both types of annuities make payments that are usually partially tax-free, the charitable donation aspect of establishing a gift annuity may result in additional tax benefits that are not available when purchasing a commercial annuity. These tax benefits may include a current federal income tax charitable deduction and possible future estate tax savings.

Gift Annuity Rates

Generally, the gift annuity rates paid by The UNCG Excellence Foundation, Inc. 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. The charitable gift annuity rates offered are periodically recommended by the American Council on Gift Annuities, are reviewed and approved by The UNCG Excellence Foundation, Inc.'s Board of Directors, and are based on calculations that consider the age of the Donor and Annuitant, the prevailing economic conditions, and the expectation that a minimum of fifty percent of the value of the amount gifted in exchange for the annuity will remain at the end of the term of the annuity agreement for the benefit of the university.

Assets Backing Annuity

The UNCG Excellence Foundation, Inc. was incorporated on November 17, 1966, and is governed by a Board of Directors. As of fiscal year ending June 30, 2014, the total assets of The UNCG Excellence Foundation, Inc., net of liabilities, were valued at \$103,248,635.00. These assets are typically managed for total return by The University of North Carolina at Greensboro Investment Fund, Inc., utilizing a mixture of stocks, bonds, mutual funds, real estate, and money market funds. Assets contributed in exchange for gift annuities are invested in a separately managed gift annuity reserve fund during the term of each gift annuity agreement. As of the fiscal year ending June 30, 2014, the total assets of the gift annuity reserve fund were valued at over \$14,083,091.00.

Points to Remember

- A contribution for a gift annuity is irrevocable.
- The right to annuity payments may not be assigned to any person or organization, other than The University of North Carolina at Greensboro.
- 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 University of North Carolina at Greensboro. If you have certificates, it is the date they are properly endorsed and mailed or delivered.
- The gift annuity is governed by applicable state laws.

Additional information about The UNCG Excellence Foundation, Inc. and its charitable gift annuity program, as well as the matters disclosed herein, may be obtained by contacting:

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Visit our website at <http://giftplanning.uncg.edu>.

This publication is for educational and illustrative purposes only, and is not intended to be legal advice suited for your particular fact situation. Please consult your legal or financial advisor for further guidance.