



Charitable Gift Annuity Disclosure Statement CA / NY / NJ



WHERE *faith* & *finance* MEET

DESCRIPTION OF A GIFT ANNUITY

A gift annuity is a simple contract between the donor(s) and The Christian and Missionary Alliance (“C&MA”). In exchange for the contribution by the donor(s) the C&MA promises to make fixed payments for life to one or two annuitants. These payments are usually, but not necessarily, to the donor(s). The amount paid is based on the age of the annuitant(s), in accordance with the C&MA’s gift annuity rates.

NOT A COMMERCIAL INVESTMENT

The act of establishing a gift annuity with the C&MA 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 C&MA 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, possible capital gains avoidance, and potential future estate tax savings.

GIFT ANNUITY RATES

Generally, the gift annuity rates paid by the C&MA 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 large 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 the C&MA, and they are backed by available assets (subject to security interests). On June 30, 2025 our total invested funds (including security interests) exceeded \$234,700,000 and are invested in corporate and government bonds, equities, exchange traded funds, mutual funds, money market funds, alternative investments, certificates of deposit, and real estate. We also maintain a gift annuity reserve fund valued at more than \$4,200,000 that is invested in accordance with the laws of the states in which we offer gift annuities. Assets received by the C&MA for gift annuities are managed internally, in a conservative and disciplined manner. If the C&MA should ever fail financially, individuals entitled to receive annuities will qualify as general creditors of the C&MA.

GOVERNANCE

Responsibility for governing the C&MA, which was established in 1889, is vested in a Board of Directors, who are elected at the General Council of The Christian and Missionary Alliance. 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.

The C&MA has reserved the right to assign the gift annuity to Orchard Alliance. Orchard Alliance is a supporting organization formed for the primary purpose of supporting the activities of the C&MA, its affiliates and other publicly-supported organizations which are closely related in purpose or function to the C&MA, including administration of gift annuities.

CHARITABLE GIFT ANNUITY REINSURANCE

The C&MA reserves the right to partially or fully reinsure any annuity at its discretion. Charitable Gift Annuity Reinsurance is a financing and risk management technique that allows the C&MA to reduce uncertainty by transferring the investment and longevity risk away from the C&MA to the life insurance company on certain annuities. Through reinsurance the C&MA may purchase an asset to back the contractual life income payments owed to the donor of the Charitable Gift Annuity. This does not change the payments to the donor in any way.

FEES AND CHARGES

- An annual fee is charged to cover the reasonable costs of administering the gift annuity from year to year. This fee is deducted each year from the value of the gift annuity and does not impact your annuity payments.
- A separate fee is assessed at final distribution to the beneficiaries to cover the cost of terminating the gift annuity.
- A charge is also assessed at final distribution to help maintain sufficient reserves to meet state requirements.
- All fees and charges are subject to change.

POINTS TO REMEMBER

- A contribution for a gift annuity is irrevocable. The principal that is contributed cannot be returned to you. Upon termination of the gift annuity, the value remaining after fees will be distributed to the purpose designated in the annuity agreement.
- The right to annuity payments may not be assigned to any person or organization other than the C&MA.
- 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 C&MA. 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.
- The payments made under a charitable gift annuity are backed by the full faith and credit of the organization and are not issued or guaranteed by an insurance company

FOR MORE INFORMATION

This disclosure statement is intended to provide basic information regarding the gift annuities issued by the C&MA. If you have additional questions concerning the C&MA gift annuity program, please contact Orchard Alliance.

