

The United Methodist Stewardship Foundation of Central Pennsylvania

GIFT ANNUITY DISCLOSURE

Upon the funding of the gift annuity by the annuitant, The Stewardship Foundation will be paid a fee for the processing of the gift annuity from the funds paid by the annuitant. The amount of the fee shall be determined by The Stewardship Foundation's Board of Directors. Such fee will not reduce the principal amount of the gift annuity in determining payments to the annuitant.

At maturity of the gift annuity, the remaining assets in the gift annuity's account held in The Stewardship Foundation's Gift Annuity Fund will be distributed as follows: ten percent (10%) to The Stewardship Foundation Gift Annuity Reserve Fund and the balance to the charitable beneficiary or beneficiaries designated by the annuitant. The Gift Annuity Reserve Fund may be used to fund The Stewardship Foundation Endowment Fund as may be determined by The Stewardship Foundation's Board of Directors.

The Stewardship Foundation has established the Gift Annuity Reserve Fund to provide a reserve to make gift annuity payments for those gift annuities that no longer have an account balance in The Stewardship Foundation's Gift Annuity Fund. The Gift Annuity Reserve Fund is a separate account held by The Stewardship Foundation.

11-14-08

WHAT IS A GIFT ANNUITY?

A gift annuity is an agreement under which a donor transfers cash or other property to The United Methodist Stewardship Foundation of Central Pennsylvania (The Stewardship Foundation) in return for constant payments for life. These annuity payments may be made to any one or two beneficiaries, often the donor and spouse.

At the death of the surviving annuitant, funds remaining in the annuity contract, **less the 10% fee for The Stewardship Foundation**, are paid to your designated charity **subject to any additional conditions as set forth on the attached Disclosure Statement**.

A gift annuity serves two purposes – it benefits you with fixed annuity payments and enables you to help others.

The annuity is not designed primarily as an investment, but rather as a charitable gift. Therefore, the annuity rates offered by The Stewardship Foundation are lower than those available through commercial annuities offered by insurance companies and other financial institutions.

FUNDING THE ANNUITY

Cash, mutual funds, stocks, bonds, or other property valued at \$5,000 or more may be used to fund the gift annuity. If you fund the annuity with long-term appreciated property, you can avoid capital gains tax on part of the appreciation, and the capital gains tax on the remaining part will be spread in small amounts over your life expectancy. Also, property which pays you little or no income may be used to fund a gift annuity, giving you a higher, constant payment amount.

See attached Disclosure Statement regarding additional conditions pertaining to the funding and distribution of the gift annuity.

SAFETY AND SECURITY

Assets used to fund a gift annuity with The Stewardship Foundation are deposited in our Gift Annuity Fund currently managed by a professional investment manager.

Annuity payments are mailed directly to you or the beneficiaries you have named. Direct deposit is also available. None of the annuity assets are used for other purposes until the annuity's payment obligations have been fulfilled. Funds remaining in the annuity are then paid by The Stewardship Foundation to the ministry you have designated. **See attached Disclosure Statement regarding additional conditions pertaining to the funding and distribution of the gift annuity.**

This is our way of insuring maximum financial security for you. You have the benefits of professional investment management with none of the worries. The financial statements of The Stewardship Foundation are audited by independent accountants on an annual basis.

.....COMPLETE "SAFETY AND SECURITY" SECTION AS BEFORE.....