



IT'S YOUR LEGACY. EXPLORE IT.

CHARITABLE GIFT ANNUITY

DISCLOSURE STATEMENT

Thank you for considering a charitable gift annuity with the Cal Poly Corporation. This statement discloses basic information on gift annuities issued by the Cal Poly Corporation. We would be pleased to answer any questions that you may have or provide you with additional information.

WHAT IS A CHARITABLE GIFT ANNUITY?

A gift annuity is an irrevocable contract between you, as the donor, and the Cal Poly Corporation. As stated in the sample gift annuity agreement that has been provided to you, in exchange for your contribution, the Cal Poly Corporation will make guaranteed payments (for the amount indicated) to the named annuitant or annuitants for life.

The right to receive annuity payments cannot be assigned to any person or entity (other than the Cal Poly Corporation).

The date of the gift (for purposes of determining your charitable contribution deduction) is the date when you actually transfer assets to the Cal Poly Corporation. For example, if you are contributing cash, it is the date that you mail or deliver a check. If you will be funding the annuity through an electronic transfer of securities, it is the date that the securities are placed into the Cal Poly Corporation's account. If you are transferring stock certificates, the date of the gift is the date that the certificates are properly endorsed and mailed or hand delivery date to the Cal Poly Corporation.

WHAT ASSURANCE DO YOU HAVE ABOUT THE ANNUITY PAYMENTS?

The annuity payments are a general obligation of the Cal Poly Corporation and they are backed by all of its assets (subject to existing security interests). At June 30, 2016, the Cal Poly Corporation's total asset equaled \$152,248,007. These assets are invested in such items as stocks, bonds, money market funds, and federal obligations. Included in these assets is a gift annuity reserve fund valued at \$1,167,171 that is invested in accordance with the laws of the State of California. The California Insurance Guarantee Association does not insure or guarantee payments of gift annuities. If the Cal Poly Corporation should ever fail financially, persons entitled to receive annuities will qualify as general creditors of the Cal Poly Corporation.

CAL POLY
Office of Gift Planning

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HOW ARE THE ANNUITY RATES DETERMINED?

The gift annuity rates used by the Cal Poly Corporation to determine the amount payable to annuitants are recommended by the American Council on Gift Annuities. The American Council on Gift Annuities is a national organization of charities that was created in 1927. These rates have been determined so as to provide substantial payments to annuitants and also to result in a significant portion of the contribution remaining for the issuing 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.

WHAT IS DIFFERENT ABOUT A CHARITABLE GIFT ANNUITY?

Establishing a gift annuity with the Cal Poly Corporation is not and should not be regarded as an investment. Instead, it is a way to receive payments while also making a charitable contribution. As a result, a gift annuity is different than purchasing a commercial annuity.

WHAT ROLE DOES THE CAL POLY CORPORATION SERVE?

The Cal Poly Corporation was established in 1940. Responsibility for governing the organization is vested in a Board of Directors comprised of 13 persons, who are either appointed by the University President or elected by current Board membership. The Cal Poly Corporation has been designated by the University as an official recipient of University donations.

Common investment funds managed by the Cal Poly Corporation 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 Cal Poly Corporation urges you to seek the advice of a competent tax professional before entering into a gift annuity agreement.

FOR MORE INFORMATION

This disclosure statement is intended to provide basic information regarding the gift annuities issued by the Cal Poly Corporation. If you have additional questions concerning the Cal Poly Corporation's gift annuity program, please call or write the Office of Gift Planning.

