

National Geographic Society Charitable Gift Annuity Disclosure Statement

In accordance with the Philanthropy Protection Act of 1995, the following disclosure statement provides information concerning charitable gift annuities offered to members and friends of the National Geographic Society.

The Charitable Gift Annuity Agreement

A Charitable Gift Annuity provides a way for the donor to make an irrevocable gift to the National Geographic Society to support research, conservation, exploration and geography education. In turn, the National Geographic Society guarantees lifetime fixed income payments to the donor or another beneficiary. The beneficiaries are called annuitants. The provisions of the agreement govern the specific terms of the annuity.

A Charitable Gift Annuity is not a financial investment, but an opportunity to make a gift to the National Geographic Society while receiving annuity payments. Certain federal tax benefits may apply.

Management of the Charitable Gift Annuity Fund

The National Geographic Society Charitable Gift Annuity Fund is managed by PNC Bank in Baltimore, Maryland. The common investment funds are exempt from registration requirements of federal securities laws, pursuant to the exemption for common investment funds and similar funds maintained by charitable organizations under the Philanthropy Protection Act of 1995 (P.L. 104-62).

The annuity payments are a general obligation of the National Geographic Society and are backed by all of its unrestricted net assets. The unrestricted total net assets of the National Geographic Society as reported on the most recent audited financial statements dated December 31, 2010, were \$675,840,000. The Society also maintains a gift annuity reserve fund valued at more than \$7,300,000 that is invested in accordance with the applicable laws of the states in which it issues charitable gift annuities. All gift annuity funds are managed by PNC Bank, N.A.

Charitable Gift Annuity Payments

Charitable Gift Annuity rates and payments are based on the age of the annuitants and standard rates established by the American Council on Gift Annuities. The National Geographic Society's Charitable Gift Annuity rates will probably be less than commercial annuity rates. The difference between commercial annuity rates and the rates recommended by the American Council represents the gift component of the National Geographic Society Charitable Gift Annuity.

Charitable Gift Annuity Disclosure Statement

Annuitants must be 65 years of age before they may begin receiving payments. Payments may be made monthly, quarterly, semi-annually or annually.

A portion of each annuity payment is taxed as ordinary income and must be reported on the annuitant's federal income tax return. Each year, PNC sends the annuitants a copy of IRS Form 1099R to help them determine the reportable interest income. Some portion of the annuity may be taxable as capital gain, depending on the donor's personal financial circumstances.

Regulations of The Maryland Insurance Administration (August 14, 1995) require disclosure of the following information:

- 1) Payments made under the National Geographic Society Charitable Gift Annuity are backed by the full faith and credit of the National Geographic Society.
- 2) Payments made under the National Geographic Society Charitable Gift Annuity are not insured or otherwise guaranteed by any government entity.

The Mission of the National Geographic Society

The National Geographic Society is chartered in Washington, D.C., as a nonprofit scientific and educational organization. The National Geographic Society was granted its 501(c)(3) exemption from Federal Income Tax under the Internal Revenue Code in April, 1938.

Responsibility for governing the National Geographic Society is vested with its Board of Trustees which is composed of 22 individuals who are nominated and elected by the Board. The National Geographic Society receives and raises funds for scientific field research, exploration, and geography education.

Signature: _____

Print Name: _____

Date: _____