

FRIENDS FIDUCIARY
CORPORATION

CHARITABLE GIFT ANNUITY POOL
FACT SHEET

Total Net Assets \$ mil, Dec 31, 2011	\$8.349
Unit Value, Dec 31, 2011	\$30.65
Current Holdings	
Fixed Income	47.3%
Equity	49.0%
Cash	3.3%
Number of active contracts	305
CGA Program Inception	December 2001
Gifts issued to date	419

For more information on the pool and the assets backing the charitable gift annuity contracts, please refer to FFC's CGA disclosure statement.

POOL OBJECTIVE

The Charitable Gift Annuity

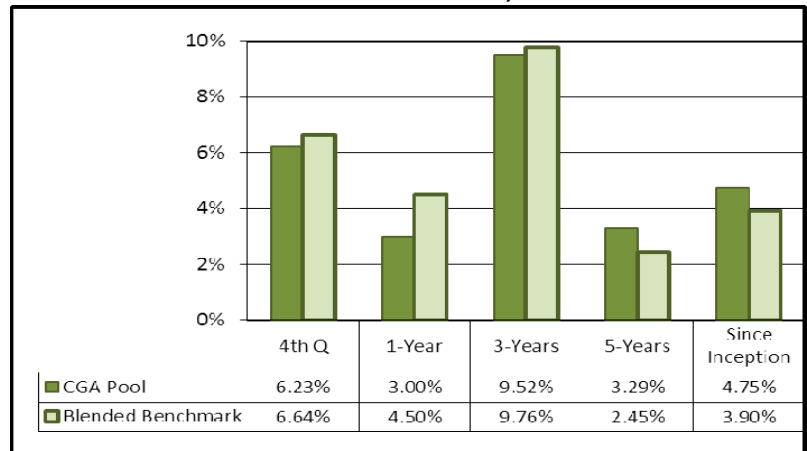
Investment Pool holds the assets of contracts issued by FFC. FFC is responsible for the stewardship of these assets; monitoring risk level; making ongoing liability payments to CGA annuitants; and preserving a remainder for the charitable beneficiary. The separate pool, which began in June 2006, is a moderately conservative asset allocation fund, consisting of a balanced mix of equities and fixed income.

Friends Fiduciary and its predecessor corporations have been serving the Religious Society of Friends since 1898. FFC is a not-for-profit Pennsylvania corporation whose purpose is to provide Friends organizations with high-quality financial services on a cost-effective basis. Our investment philosophy is grounded in the beliefs of the Religious Society of Friends, among them the testimonies of peace, simplicity, integrity and justice.

Why Friends Fiduciary?

- We currently serve over 300 Friends organizations, schools, meetings and trusts through our Financial Services.
- Over 325 donors have made a gift to establish a Charitable Gift Annuity and know that the gifts will be managed with a socially responsible investment philosophy guided by Quaker testaments and values.
- Seventy Quaker organizations are the charitable beneficiaries of our CGA pool.
- The annuity payments are backed by FFC's assets. (\$10.3 million as of 12/31/2010 audit).
- The gift annuity investment pool is invested in accordance with the laws of the states in which we offer gift annuities.

TOTAL RETURNS FOR PERIODS ENDING DECEMBER 31, 2011



Blended Benchmark: 25% S&P 500, 25% Russell 1000 Value, 50% Barclays Capital Aggregate Bond Index
CGA pool's inception was June 2006.

No predictions are made for the future and past returns are no guarantee of future results.

CGA DONOR'S FREQUENTLY ASKED QUESTIONS

WHAT IS A CHARITABLE GIFT ANNUITY?

A charitable gift annuity (CGA) is a simple irrevocable contract between the donor and a nonprofit organization (Friends Fiduciary Corporation is a 501c3). In exchange for the donor's(s) contribution, the charity 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), with maximum rates set by the American Council on Gift Annuities, a national non-profit organization of charities that has been in existence since 1927.

HOW DOES A CGA THROUGH FFC BENEFIT THE QUAKER CHARITY I CHOOSE?

Friend Fiduciary (FFC) issues the contract to you and assumes the risk and liability of making the payments to the annuitants. The donor clearly designates the Quaker organization(s) they wish to benefit as the charitable beneficiary. When the final annuitant has died, FFC will pay the remainder of the contract to the charitable beneficiary.

WHY CAN'T MY MEETING OR ORGANIZATION ISSUE THIS DIRECTLY TO ME?

Charities issuing CGA's are regulated by each state, on behalf of the donors who reside there, and complying with state regulations and administration of the gift can be burdensome. About a dozen states require special permits to issue CGA's and many others have notification and annual filings. FFC complies with state regulations and is also able to manage and invest the funds in a common investment pool, which follows our socially responsible guidelines. Investment and administrative fees are assessed on the assets of the gift annuity investment pool and not from the annual payment to the donor(s). The admin fees cover the cost of the state filings, other expenses of the program, and future payment liabilities of the Charitable Gift Annuity program.

WILL I GET A CHARITABLE DEDUCTION AND HOW ARE THE ANNUITY PAYMENTS TAXED?

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) for the amount by which the value of the gift exceeds the investment in the annuity contract. If the donor or their spouse is also the annuitant, the annuity payments received each year are partially tax-free for the duration of your life expectancy. Each year annuitants receive an IRS Form 1099 that documents the taxable portion of their payments for tax filing purposes. Additionally, if long-term appreciated securities are given to establish the CGA, a portion of the capital gain is avoided entirely, and the reportable capital gain is spread over the annuitant's actuarial life expectancy at the time of the gift. Each donor and annuitant should consult his or her own legal/tax advisor to determine how entering into a charitable gift annuity contract will affect his or her individual tax situation.

IS A CHARITABLE GIFT ANNUITY THE SAME AS A COMMERCIAL ANNUITY?

Charitable Gift Annuity rates are not comparable to the rates of commercial annuities offered by insurance companies or other financial institutions because of the substantial charitable contribution component. Therefore, the act of establishing a gift annuity with FFC 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 and others, a gift annuity issued by FFC is different from a commercial annuity. The CGA rates are calculated such that approximately half of the original gift will remain at the end of the annuitants' lives for the charitable beneficiary. If the donor wishes to increase the amount for the charitable beneficiary and increase their charitable deduction, they may choose to take a rate lower than the maximum ACGA rate for their age.

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