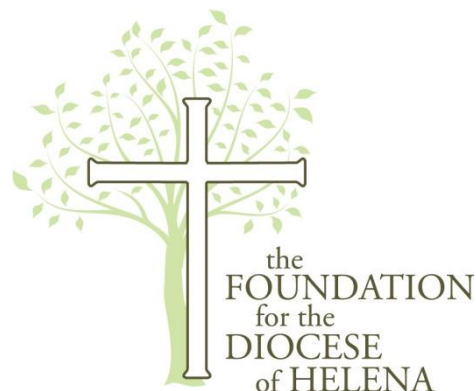


INCOME FOR LIFE!

QUESTION: How can you supplement your retirement income, get a great rate, and build the future in faith?



ANSWER: A Charitable Gift Annuity with the Foundation for the Diocese of Helena!

Here's how it works: You give cash or appreciated securities to the Foundation. Then for the rest of your life you receive fixed payments beginning immediately, with a portion of the payments tax free. After your lifetime, the remaining value of the annuity passes to the endowment designated in your annuity agreement. An added bonus is that in the year you make the gift, you qualify for significant Montana income tax savings through the Montana Endowment Tax Credit!

All of the Foundation's annuity investments adhere to the socially responsible investing (SRI) guidelines issued by the U.S. Conference of Catholic Bishops. Our investment managers receive special training on Catholic investing, and our portfolio is independently audited twice a year for compliance to the SRI guidelines.

To receive a free no obligation illustration, simply return the Charitable Gift Annuity Information Request Form below or contact Jeanne Saarinen at the Foundation.

Charitable Gift Annuity Information Request

Name: _____ Address: _____

Date of Birth: _____ Phone: _____ Email: _____

Gift amount (*select as many as you would like proposals for*):

- \$2,500 (minimum)
- \$5,000
- \$10,000
- \$25,000
- \$50,000
- Other \$ _____

Please direct questions and information requests to the Foundation for the Diocese of Helena, (406) 442-5820, fax (406) 442-5191, email jsaarinen@diocesehelena.org, or mail PO Box 1729, Helena, MT 59624.

Planned gifts such as these are an integral part of the long-term financial strategy of parishes and ministries within the Diocese of Helena, and the Foundation stands ready to help any way we can!

THE FOUNDATION FOR THE DIOCESE OF HELENA, INC.

P.O. BOX 1729 -- 515 N. EWING

HELENA, MT 59624 - 1729

WHAT IS A GIFT ANNUITY?

A gift annuity is a simple contract between you and the Foundation for the Diocese of Helena (FDH). In exchange for your irrevocable gift of cash, securities, or other assets, FDH agrees to pay one or two annuitants you name a fixed sum each year for life. The older your designated annuitants are at the time of gift and the longer payments are deferred, the greater the fixed payments FDH can agree to pay.

In most cases, part of each payment is tax-free, increasing each payment's after-tax value. If you give appreciated property you will pay capital gains tax on only part of the appreciation. In addition, if you name yourself as the first or only annuitant the capital gains tax will be spread out over many years and the first installment will not be due until you receive your first annuity payment. Payments are usually made annually, semiannually, or quarterly. The minimum amount we can accept for a deferred gift annuity is \$2,500.

After five years has passed since the date of the gift, you can rescind your rights to the annuity payments (e.g., voluntarily cancel the annuity contract). If you choose to do so, the value of the annuity at the date of early cancellation (gift plus investment performance less expenses) will be placed into the endowment fund designated as beneficiary of your annuity. FDH will contact you after five years from the date of your gift to ask if you would like to voluntarily cancel the annuity. Alternatively, the value of the annuity will be placed into the endowment fund at the death of the annuitant(s).

BENEFITS INCLUDE:

- 1) You will qualify for a federal income tax deduction. Note that deductions for gifts of long term appreciated property will be limited to 30% of your adjusted gross income. Gifts of cash, short term appreciated property, ordinary income property, and non-appreciated property will be limited to 50% of your adjusted gross income. You may, if necessary, take unused deductions of either kind over the next five years, subject to the same 30% or 50% limitation.
- 2) When you select a permanent endowment within the Foundation for the Diocese of Helena as the beneficiary of your charitable gift annuity, you qualify for the Montana Endowment Tax Credit. The tax credit is calculated at 40% of the federal income tax deduction amount, up to \$10,000 per person (if filing married, you can claim up to \$20,000 credit for both husband and wife). You can select from numerous endowments within the Foundation for the Diocese of Helena. Your local parish within the Diocese of Helena has an endowment with the Foundation, as well as several endowments supporting diocesan ministries.

Please note that the Montana Endowment Tax Credit is a "nonrefundable" tax credit, which means that it reduces your Montana tax liability. If you do not pay Montana state income taxes, you will not benefit from the Montana Endowment Tax Credit. Any unused portion of the credit cannot be carried forward to next year.

- 3) If you fund the annuity with a long term appreciated asset (one you have held for more than one year), you will incur tax on only part of the gain. If you name yourself as an annuitant, this tax will be spread out over many years and the first installment will not be due until after you receive your first payment.
- 4) The annuitants you name will receive fixed annual payments for life, backed by the general resources of FDH, starting in the year you choose.
- 5) Your estate may enjoy reduced probate costs and estate taxes.
- 6) You will provide generous support to Catholic ministries.