

**DISCLOSURE STATEMENT OF THE
EANFPIF2021#1 POOLED INCOME FUND
OF THE ENDOW AMERICA NETWORK FOUNDATION**

I. INTRODUCTION

A. Disclosure Statement, Trust Agreement, and Donor Agreement

The purpose of this Disclosure Statement is to provide you, the prospective donor, with information about the structure and operation of the **EANFPIF2021#1 Pooled Income Fund** (the "Fund") of the **Endow America Network Foundation** ("EANF"). The underlying documents creating the Fund are the Trust Agreement for the EANF Fund ("Trust Agreement"), along with a Donor Agreement that you will be asked to sign at the time you make your gift ("Donor Agreement"). You should receive copies of these documents and review them in conjunction with this Disclosure Statement. The Fund was established under the Trust Agreement, which was created by EANF and of which EANF is currently serving as the Trustee ("Trustee"). Your gift to the Fund will be governed by the Trust Agreement and your Donor Agreement. This Disclosure Statement is designed to provide you with a description of the structure and operation of the Fund. However, we expect you -- **with the assistance of your legal and tax counsel** -- to review the Trust Agreement and Donor Agreement carefully, before making gifts to the Fund. In the case of a conflict between this Disclosure Statement and the Trust Agreement or the Donor Agreement, the latter documents shall control.

In general, the Trust Agreement will only be amended when necessary to ensure that the Fund qualifies and continues to qualify as a pooled income fund. Nonetheless, the Trust Agreement may be modified under other circumstances as set forth in Section 13 of the Trust Agreement.

B. Nature of a Pooled Income Fund

Each gift to the Fund results in the creation of two distinct interests: an income interest for your designated beneficiaries and a remainder interest irrevocably dedicated to EANF.

Based upon on your gift, your designated beneficiaries (including yourself, if you designate yourself as a beneficiary) will be assigned units representing proportionate shares of the Fund's net income, as described below. Upon the death of all your designated income beneficiaries, the principal of the Fund attributable to your gift (the remainder interest) will be transferred from the Fund to EANF.

C. Purposes of the Fund

The Fund is designed to provide long-range support for EANF and its projects, while at the same time providing a source of income for your designated beneficiaries. The Fund is a pooled income fund, a gift-giving vehicle which came into being under the Tax Reform Act of 1969. As a pooled income fund, the Fund makes available to a wide range of donors the tax advantages of deferred giving formerly available only to donors making very large gifts through individually established trusts.

The amount of income (as defined in Section III(B) below) payable to your designated beneficiaries will depend on the earnings of Fund assets. The Fund provides a convenient way for you to benefit EANF with your gift while still maintaining income for yourself or others you wish to benefit.

D. Administration of the Fund

Gifts to the Fund will be administered by the Trustee pursuant to the terms of the Trust Agreement and your Donor Agreement. Your gift to the Fund will be commingled for investment

purposes with other gifts to the Fund. The property you give to the Fund may be retained as an investment of the Fund, or it may be sold by the Trustee and the proceeds reinvested. The Trustee has complete discretion on whether to retain or sell a gifted asset, or any other asset.

E. Irrevocability of Gifts

It is very important that you understand how the Fund works, because **all gifts to the Fund are irrevocable: once made, they cannot be undone.** Under the terms of the Trust Agreement and your Donor Agreement, the only right you will have in the Fund is the right to have your share of the income paid to the persons you have designated in your Donor Agreement. Assets or other income of the Fund will not be available to you.

The designation of the income beneficiaries of your gift likewise is irrevocable (except in one very limited instance discussed in Section III(C) below). Moreover, an income beneficiary's right to income may not be sold or assigned (other than to EANF) or redeemed by you or any other person. These restrictions are necessary in order to maintain the tax status of the Fund and to permit the deductibility of your contribution to the Fund.

II. GIFTS TO THE FUND

A. Your Donor Agreement

In general, to make a gift to the Fund during your lifetime, you will need to execute a Donor Agreement identical (or substantially similar) to the one you have been given. This Donor Agreement designates who will receive the income attributable to your gift to the Fund.

It is also possible for you to make a gift to the Fund under your Will or Trust. This can be done by incorporating by reference the terms of the Trust Agreement in your Last Will ("Will") or Trust and stating terms substantially like those included in the Donor Agreement. If you wish to

make a gift to the Fund in this manner, please contact EANF for details, and we will be glad to furnish precise language to your attorney.

At the time you execute your Donor Agreement, a representative of EANF will provide you with instructions on how to transfer your property to the Fund.

B. Amount and Type of Contribution

Currently, there is no minimum for an initial gift or subsequent gift to the Fund. However, the Trustee at any time and from time to time reserves the right, in its sole and absolute discretion, to increase or decrease the minimum initial or subsequent gift required.

All gifts to the Fund will cause a current contribution to EANF. The current use contribution will provide for funding needs of EANF during the income distribution period. This current use contribution is vital to the work being done by EANF pending the maturity of the charitable remainder interest in the Fund. The current use contribution is a tax deductible contribution to EANF. The minimum required current use contribution is dependent on the donor's age, as follows:

Age under 30	At least 10% of gift to the Fund
Age 30 to 45	At least 7.5% of gift to the Fund
Age 46 to 60	At least 5% of gift to the Fund
Age over 60	At least 2.5% of gift to the Fund

Gifts of property other than cash may be made to the Fund. However, the Trustee cannot accept any tax-exempt securities or certain other types of property, which might affect the tax status of the Fund or adversely affect the interests of other beneficiaries. Marketable securities are generally acceptable. The Trustee, in its discretion, has the authority to accept any depreciable or

depletable assets or tangible personal property. If you have questions as to whether property you intend to give can be accepted into the Fund, please do not hesitate to contact EANF.

The Trustee reserves the right, in its sole and absolute discretion, to refuse to accept any gifts to the Fund, in whole or in part.

C. When Your Gift is Complete

The determination of when your gift to the Fund is complete for federal income tax purposes (permitting a charitable income tax deduction) depends on a number of factors, including your effective release of dominion and control over the transferred assets. It is also necessary for your gift to be accepted by the Trustee. If time is short, for example near the end of the year, you should obtain prior confirmation from EANF that the property you intend to transfer is acceptable.

III. THE INCOME FROM YOUR GIFT

A. Valuation of Your Gift and Assignment of Units

Each of your income beneficiaries will be entitled to receive part of the income of the Fund. The amount of that income will depend on the number of units assigned to the beneficiary upon your gift to the Fund and on the earnings of the Fund. When you make your gift to the Fund, units will be assigned to your gift by dividing the fair market value of the property you transfer on the date of the gift by the value of one unit in the Fund as of that date. Periodically, the value of a unit is re-determined by dividing the value of the total assets in the Fund by the number of outstanding units on that date. The Fund is valued on the first day of the calendar year and at least quarterly thereafter; these are called “determination dates” or “valuation dates.”

If your gift to the Fund is not made on a valuation date, the value of a unit in the Fund on the date your gift is made will be determined by taking an average of the value of one unit in the Fund on the most recent valuation date and the value of one unit on the next valuation date.

The number of units assigned to your gift to the Fund, once determined, will not change. Each unit in the Fund has the same value as every other unit. However, the value of those units will fluctuate with the value of assets held in the Fund.

B. Determination and Payment of Income

Income of the Fund shall mean net income less any deduction for Trustee or other fees or expenses of administration. Net income shall include: (1) traditional fiduciary income items such as dividends, interest, rents and royalties; (2) net realized short-term capital gain; and (3) the portion of Distributable Gain (defined below) allocated to income (and not to principal).

Because net realized short-term capital gain is a “net” of realized short-term capital gain against short-term capital loss, in general, the Trustee will only distribute net realized short-term capital gain at the close of each fiscal year, and not quarterly.

“Distributable Gain” is net realized proceeds from the sale or exchange of Fund assets treated as long-term capital gain under the Internal Revenue Code of 1986, as amended from time to time (“Code”) and regulations thereunder. Distributable Gain shall not include proceeds from the sale or exchange of a Fund asset to the extent of such asset’s fair market value when contributed by a donor or purchased by the Fund (which shall always be allocated to principal), nor does it include unrealized long-term capital gains (which shall not be distributable or set aside until realized). Pursuant to the Code, regulations thereunder, and Florida law, the Trustee may adjust between income and principal, provided the Trustee exercises its power to adjust reasonably and

impartially, according to Florida law. The Trustee's power to adjust may be exercised to the maximum extent allowable under Florida law, without regard to whether the Trustee is also a beneficiary of the Fund; provided, however, once Distributable Gain has been allocated to principal, it may not under any circumstances be re-allocated to income.

Because Distributable Gain is a "net" of realized long-term capital gain against long-term capital loss, in general, the Trustee will only distribute Distributable Gain at the close of each fiscal year, and not quarterly.

Income of the Fund will be determined on a quarterly basis. Income may be paid out quarterly to your designated beneficiaries, and in all cases, will be paid out within sixty-five (65) days after the close of the Fund's fiscal year, so that the total income attributable to your units in the Fund will be distributed to your beneficiaries each year.

Distribution of income from the Fund to any beneficiary will terminate as of the date of that beneficiary's death, or on any earlier termination pursuant to your Will, as discussed in Section III(C) below. Income for the quarter in which death occurs that is attributable to those units as to which the deceased beneficiary was beneficiary shall be prorated to the date of his or her death. Income for the quarter attributable to such units that is not paid to the estate of the deceased beneficiary pursuant to the preceding sentence shall instead be paid to the successor income beneficiary you have designated, or if there is none, to EANF.

The Trustee is entitled to receive reasonable compensation for its services as Trustee and to be reimbursed for reasonably necessary expenses of investment management and administering the Fund. **The compensation and expenses of investment management and administration will be charged to the principal and income of the Fund.**

The payment of any compensation from principal will have the effect of reducing the net assets of the Fund available to earn income for your beneficiaries.

One cannot predict the precise amount of net income the Fund will earn in any quarter. Consequently, your beneficiaries cannot depend on a precise dollar amount of income from the Fund. The amount of income earned by the Fund will depend upon the performance of all the investments of the Fund.

C. Total Return

The Fund has been created to provide “Total Return” and long-term growth of principal with an emphasis on distribution of income to beneficiaries. Assets of the Fund will be invested in a manner looking to the relative interests of the income beneficiary and the charitable remainderman.

It is anticipated that the Fund will appeal primarily to philanthropists looking for better than average income distribution. The Fund will endeavor to achieve risk-adjusted total returns that, over time, are commensurate with more aggressive than usual broad-based market averages. In general, investments will be managed prudently and diversified among asset classes, sectors and securities, taking into account the life expectancy of income beneficiaries, and preservation of principal.

The Fund may employ investment practices that would emphasize high-yielding positions, that might be more volatile as it looks to achieve reasonably consistent distributions. The secondary objective of growth-over-time should result in a larger charitable remainder, and possibly increased future income through utilization of the Fund investment provisions.

Investment in securities and other assets necessarily involves risk, which risk can be

substantial. It is expected that the value of the Fund's assets will fluctuate over time.

The Trustee may not invest the assets of the Fund in depreciable or depletable assets or in tax-exempt securities. If the Trustee were to accept or invest in tax-exempt securities, the Fund would no longer be a valid pooled income fund under Section 642 of the Code.

Keep in mind that overall investment results cannot be guaranteed. The income received by the Fund and the value of the assets held by the Fund will fluctuate based upon market and economic conditions.

D. Income Beneficiaries

The persons who are to receive the income attributable to your gift to the Fund must be specified in your Donor Agreement. In general, once you have designated the persons who are to receive income, that designation cannot be changed for any reason. There is only one exception to this rule; under your Donor Agreement, you may reserve the right to revoke by Will the income interest of any beneficiary you have designated. For example, if you designate first yourself and, after your death, your sister to receive income attributable to your gift to the Fund, you may reserve the right to revoke under your Will the income interest of your sister. This may or may not be advantageous from a gift tax standpoint, as discussed in Section V(B) below, and you should consult with your legal counsel and tax advisors to determine the implications of including such a provision.

Under the Donor Agreement, you may designate yourself or any other person to receive the income attributable to your gift for life. Alternatively, you may designate two or more persons to receive income attributable to your gift concurrently. This means that the net income attributable to your gift will be paid to both beneficiaries, in the proportions you specify, during their joint

lifetimes and to the surviving beneficiary during his or her lifetime. For example, if you designate yourself and your spouse to receive income attributable to your gift in equal shares, each of you would be entitled to one-half of the net income of the Fund attributable to your gift. If you were to die first, your spouse would then be entitled to receive during his or her lifetime all the income attributable to your gift.

If you wish, you may provide in your Donor Agreement for consecutive life interests. For example, you may provide that you will receive all the income attributable to your gift during your lifetime and that, after your death, all of the income will be paid to your son during his lifetime.

E. Remainder Interest

Upon the death of the last of your income beneficiaries specified in your Donor Agreement, the value of the units attributable to your gift to the Fund (that is, the remainder interest) will be paid by the Trustee to EANF. The remainder interest distribution to EANF is required under Code Section 642(c)(5)(E) and Treasury Regulation Section 1.642(c)-5(b)(5). Subsequently, based on Revenue Ruling 1996-38, EANF will apply 5% of the remainder interest to its general funds to fulfill its mission and 95% the designated EANF project you have chosen to support.

IV. MANAGEMENT AND FEES

EANF currently serves as Trustee to manage the investment of the Fund and to coordinate its administration in accordance with the Trust Agreement for the Fund. The Trustee is entitled to receive reasonable compensation for its services as Trustee and to be reimbursed for reasonably necessary expenses of investment management and administering the Fund. The compensation and expenses of investment management and administration will be charged to the principal and income of the Fund.

Currently, EANF charges the Fund an annual administration fee according to the following schedule paid quarterly:

<u>Pooled Income Fund Portfolio</u>	<u>Fee</u>
\$0 to \$5,000,000	0.75%
\$5,000,001 to \$10,000,000	0.70%
\$10,000,001 to \$15,000,000	0.65%
\$15,000,001 to \$20,000,000	0.60%
Over \$20,000,001	0.55%

based upon the end of quarter asset values of the Fund. **The fees are not billed on a prorated basis.** A significant percentage of these fees also represents a charitable gift portion that enables EANF to fulfill its overall charitable mission.

The payment of any compensation from principal will have the effect of reducing the net assets of the Fund available to earn income for the beneficiaries.

EANF does not pay out of its assets or income any solicitation fees. However, EANF may compensate various parties for services provided. Investments utilized by the Fund have their own internal fees and expenses. The investment manager of the Fund charges advisory fees that are in addition to EANF's fees noted above.

These fees affect the value of the Fund and reduce the assets available to earn income and therefore have the indirect effect of reducing the net income of the Fund paid to the beneficiaries. Assets of the Fund may be invested in mutual funds or in other investments from which the mutual fund companies or other institutions receive fees and reimbursement for expenses. These charges

reduce the amount of the distributions of ordinary income made from the mutual funds and hence the income distributable to the beneficiaries of the Fund.

EANF has the right to resign as Trustee upon 30 days written notice. This probably will not happen. If EANF were to resign, EANF has the right to appoint a successor Trustee. EANF, therefore, retains effective control over the management of the FUND. Neither you nor your beneficiaries will have the right to determine the investment policy of the Fund or to participate in the selection of the Trustee of the Fund.

V. TAX CONSIDERATIONS

The following is a brief outline of the federal tax considerations involved in a gift to the Fund. We believe this outline to be correct under existing law. Nevertheless, you should consult your own legal and tax advisors concerning the specific effects of your gift to the Fund under federal and applicable state tax laws.

A. Tax Status of Fund

Pursuant to Revenue Procedure 97-3 and Revenue Procedure 88-53, the Internal Revenue Service ("IRS") discontinued issuing rulings on whether a pooled income fund satisfies the requirements of Section 642(c)(5) of the Code, and whether a transfer to such a fund qualifies for the charitable deduction for income, estate, and/or gift tax purposes. Because of the existence of these Revenue Procedures, the IRS will not specifically rule on the qualification of the Fund, and, in lieu thereof, directs charities creating pooled income funds to follow the sample provisions contained in Revenue Procedure 88-53. A charity following the sample provisions contained therein assures that its Trust Agreement will meet all the requirements of a pooled income fund (provided it operates in a manner consistent with the terms and is a valid trust under local law),

and as such, the remainder interests transferred to it will be deductible for income, estate, and gift tax purposes.

Although the Trust Agreement for this Fund is not identical to the sample agreement contained in Revenue Procedure 88-53, all the terms required by that Revenue Procedure are contained herein, and EANF believes the trust will be recognized as a qualifying pooled income fund and thus be entitled to the corresponding charitable deductions.

B. Donor's Tax Consequences

1. Income Tax

You will be entitled to claim an income tax charitable deduction in the year in which your gift to the Fund is completed. The amount of the deduction will be equal to the present value of EANF's remainder interest in your gift. This ownership interest is referred to as the remainder interest.

The valuation of the remainder interest will depend on the number and age of the income beneficiaries designated in your Donor Agreement, as well as on the annual rate of return of the Fund. The rate of return of the Fund used for calculation of the remainder interest is the highest rate of return of the Fund during the three preceding calendar years. Actuarial tables published by the Treasury Department show the values of remainder interests for computing the income tax charitable deduction, given the Fund's rate of return. In general, the lower the rate of return, the greater will be the charitable deduction.

If the gift is made during the first three years of the Fund's existence, then instead of the actual return, an assumed return based on IRS tables will be used for calculating the value of remainder interests.

Under federal income tax law, certain limitations apply to the amount of the charitable deduction a taxpayer may claim in any given year. These limitations may affect the amount of your income tax charitable deduction if your adjusted gross income is small in relationship to the amount of your gift to the Fund.

Generally, you will not be taxed on a gift of appreciated property to the Fund. Transfers of appreciated property to a pooled income fund, whether held short-term (one year or less) or long-term, do not give rise to a capital gains tax. Transfers of short-term capital gain property, however, will reduce the amount of your income tax charitable deduction to the amount of your basis in the asset being given. Furthermore, there are other provisions in the Code that limit the amount of the charitable income tax deduction, including, for example, provisions relating to gifts of tangible personal property.

2. Gift Tax

If you are the sole income beneficiary of your gift to the Fund, your gift will not result in any federal gift taxes. If you name a beneficiary other than yourself to receive income from your gift to the Fund, you may create a gift subject to federal gift tax. However, your gift may be eligible for the annual gift tax exclusion amount per beneficiary (or a greater amount per beneficiary if your spouse agrees to join in the gift). Also, if you reserve the right to revoke by Will the income interest of a beneficiary, there will be no taxable gift during your lifetime, so long as the beneficiary is not entitled to receive income during your lifetime.

3. Estate Tax

Your gift to the Fund will be included in your estate for federal estate tax purposes if you are entitled to receive income payments from the Fund or if you retain the right to revoke by Will

the income interest of another beneficiary. In such circumstances, the entire value of the units of the Fund attributable to your gift, computed as of the date of your death, will be includable in your estate for federal estate purposes. However, the value of the remainder interest ultimately to be distributed to EANF, computed as of the date of your death, should qualify for an estate tax charitable deduction. Accordingly, only the value of the income interests of other beneficiaries that continue after your death should be taxable in your estate for federal purposes. Federal and state death tax exemptions and credits may be available to offset or eliminate possible estate tax liabilities.

Your estate plan documentation should provide for the payment of estate taxes on the value of the income interest that is subject to estate tax. If you fail to make such provision, the Fund is entitled to recover any taxes imposed on it from your estate.

C. Beneficiary's Income Tax

You and your beneficiaries will be subject to federal income tax on distributions received from the Fund. The Trustee will notify each beneficiary using Form K-1 of the amount and nature of income from the Fund to be included on his or her federal and state income tax returns.

D. Taxation of the Fund

The Fund itself is not taxable on net income distributed to beneficiaries. Long-term capital gains of the Fund permanently set aside for charitable purposes are not taxed under Section 642(c) of the Code. Short-term capital gains of the Fund, if any, are distributable to income beneficiaries as income and thus are not taxed to the Fund. Likewise, unrelated business taxable income, if any, are distributable to income beneficiaries as income and thus are also not taxed to the Fund.

E. Other Tax Considerations

There may be state, gift, estate, income or other taxes associated with a donor's gift to the Fund. You should consult an attorney or accountant who is familiar with the applicable state's laws concerning these types of taxes for further information.

VI. REPORTS AND MISCELLANEOUS

After the close of each calendar year, you and each of your beneficiaries receiving income will be sent by the Trustee a report on the Fund showing the valuation of units in the Fund and the number of units outstanding in your name.

**VII. INVESTMENT MANAGERS AND INDEPENDENT CONTRACTORS;
POTENTIAL CONFLICT OF INTEREST**

EANF reserves the right to employ investment managers, including investment managers previously or contemporaneously employed by a donor to the Fund, to invest and manage Fund assets. The identity of such investment managers and the terms of his or her engagement with EANF, including a schedule of fees related to such engagement, will be made available to a donor immediately upon his or her request.

In addition, EANF may, from time to time, retain independent contractors to assist EANF in the solicitation, processing and administration of gifts to the Fund. Such independent contractors may include individuals previously or contemporaneously employed by a donor to the Fund. The identity of such independent contractors and the terms of his or her engagement with EANF will be made available to a donor upon his or her request. **Please be advised that such independent contractors will be employed in conjunction with EANF's overall fund-raising activities and**

will not, under any circumstances, receive finder's fees, commissions, or other fees from EANF, as a condition for the delivery of a gift to the Fund.

Conceptually speaking, the employment of investment advisors or independent contractors, who were advisors to a donor, could constitute a conflict of interest. This disclosure is designed to enhance transparency, and make potential conflicts known to donors, so that they may inquire further if they have concerns or issues.

Please note that the expense of retaining the investment managers contemplated by this section may be in addition to, and not a part of, the administration fees charged by EANF for maintaining the Fund.

VIII. FEDERAL SECURITIES LAWS

The Fund has not been registered under any federal or state securities laws. In 1980, the Federal Securities and Exchange Commission ("SEC") published an interpretative release regarding pooled income funds (Release Number 33-6175). This release provides that the SEC will not recommend enforcement action against a public charity which establishes and maintains a pooled income fund without registering it under federal securities laws, provided that the following requirements are met: (1) the fund must qualify as a pooled income fund eligible to receive tax-deductible contributions under section 642(c)(5) of the Internal Revenue Code; (2) the charity must furnish each prospective donor a written disclosure which fully and fairly describes the operation of the fund (this document is intended to meet this requirement); and (3) any person soliciting contributions to the fund must be either a volunteer or a person who is employed in the charity's overall fund-raising activities and who is not compensated on the basis of the amount of gifts made to the fund.

These requirements were codified in the Philanthropy Protection Act of 1995, P.L. 104-62, (“PPA”). EANF believes that the Fund meets all three of these requirements and thus falls within the scope of the SEC release and the exemption available under the PPA.

IX. PRIVACY NOTICE AND POLICY

EANF recognizes the importance of protecting its donors’ personal information. EANF does not share donor information with any third party except: 1) when donor advisors ask EANF to provide their identity to charitable organizations receiving grants; 2) when required by the Internal Revenue Service or other regulatory agency of government having a right to the information under applicable law; or 3) when required by EANF for administration and processing. EANF also maintains a strict privacy policy pursuant to which non-public personal information is not shared with third parties unless required by applicable law or regulation, or required in processing transactions in the course of business. EANF’s policies, procedures and various electronic and legal safeguards protect the confidentiality of information. EANF collects non-public personal information from various sources such as from applications, account agreements or other forms or through EANF’s website; information about transactions with EANF, its affiliates or others; and information EANF may receive from attorneys, accountants and others in the normal course of fulfilling its fiduciary duties. EANF also shares information with outside vendors who assist EANF. EANF shares information only to the extent necessary to process transactions or otherwise

X. FURTHER INFORMATION

This Disclosure Statement does not attempt to explain how a gift to the Fund may fit your situation. For this, you should consult with your own legal and investment advisors.

EANF will be happy to provide any additional information concerning the structure and operation of the Fund to you or your advisors.

Information provided in this Disclosure Statement is not intended to be and should not be construed under any circumstances as legal or tax advice. Neither EANF nor the Fund provides legal or tax advice. Neither EANF nor the Fund make any warranties with regard to the information or results obtained by its use. EANF and the Fund disclaim any liability arising out of a prospective donor's use or, or reliance on, the information set forth herein.

You are advised to seek your own independent legal, accounting, tax and financial planning advice in connection with regard to your specific legal or tax situation and in regard generally to gift and financial planning matters concerning your specific situation. Neither EANF, nor its directors, officers, employees, agents, attorneys, accountants, advisors, etc., provide legal, tax or related advice to prospective donors. This communication (including any attachments or appendices) is not intended or written to be used, and cannot be used, to avoid tax-related penalties.