

GEMINI INCOME TRUST I  
DISCLOSURE STATEMENT

I. INTRODUCTION

A. Disclosure Statement

Gemini Income Trust I (GIT) is a pooled income fund established in 2021 by Charitable Gift America, a tax-exempt public charity, offering donor advised funds (DAF). The purpose of this Disclosure Statement is to provide prospective donors with information regarding the structure, features, and operation of the GIT. Additional information is found in the Charitable Gift America Pooled Income Fund Declaration of Trust (“Declaration of Trust”) and the Donor Contribution Form where donor signature is required to make a contribution (“Gift Agreement”). Copies of these documents along with this Disclosure Statement are provided to all participants.

B. Declaration of Trust and Gift Agreement

GIT was established under the Declaration of Trust, and was created by Charitable Gift America and is serving as Trustee. Contributions to GIT will be governed by the Declaration of Trust and the Gift Agreement. This Disclosure Statement is designed to provide a full and fair disclosure of the structure and operation of the GIT. However, we encourage all prospective participants to review the Declaration of Trust and Gift Agreement carefully, since they describe GIT in more detail. The Declaration of Trust may be amended at any time by Charitable Gift America, but amendments will be made only when necessary to ensure that GIT qualifies and continues to qualify as a pooled income fund under the Internal Revenue Code.

C. Charitable Gift America

Charitable Gift America (the “Charity”) was incorporated in 2011 as a nonprofit charitable organization. A Board of Directors governs the Charity. A list of the current Board members is attached hereto as Exhibit A.

The Internal Revenue Service has determined that the Charity is a tax-exempt public charity within Sections 501(c)(3) and 170(b)(1)(A)(vi) of the Internal Revenue Code. Its address is 822 Highway A1A N. Suite 310, Ponte Vedra Beach, Florida 32082. Its telephone number is (904) 395-3997.

D. Nature of a Pooled Income Fund

Each gift to GIT results in the creation of two distinct interests: an income interest for the beneficiaries that are designated by the donor, and a remainder interest. The underlying principal, irrevocably dedicated to Charitable Gift America is to be used for its general purposes or to support the charitable purposes or the public charities designated in the Gift Agreement by the donor.

On the basis of the gift, the designated beneficiaries (including the donor, if the donor is designated as a beneficiary) will be assigned units representing proportionate shares of the GIT's net income, as described below. When the income interests of all beneficiaries of the gift have ended, the principal of the GIT attributable to the donor's specific gift (the remainder interest), grants will be made to qualified charitable organizations selected by the donor or the donor's designee, through the DAF subaccount of Charitable Gift America, which the remainder interest converts.

E. Purposes of GIT

GIT is designed to provide long-range support for Charitable Gift America in the manner provided in the Gift Agreement and, at the same time, to provide a source of income for participants and designated beneficiaries. GIT 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, GIT makes available to a wide range of donors the tax advantages of deferred giving formerly available only to donors making gifts through individually established trusts.

The amount of income payable to designated beneficiaries will depend on the rate of return of the assets held in GIT, based on the investment objective of the GIT. As discussed in Section IV below, the investment objective of GIT is to seek current income as well as opportunities for long-term growth of both income and principal of GIT. It is not the purpose of GIT however, to compete with or serve the purposes of other investments, such as mutual funds or commercial annuities. Rather, GIT provides a convenient way for participants to benefit Charitable Gift America and other organizations donors may have designated in the Gift Agreement while still maintaining income for donors or other named beneficiaries the donor wishes to benefit. As such, persons whose needs or objectives are inconsistent with the purposes of the GIT, such as persons seeking only an investment return, should not make gifts to the GIT.

F. Administration of the GIT

Charitable Gift America is the Trustee of GIT. Thomas Mitchell & Associates, LLC, a third-party charitable administrator, will be the administrator (Administrator) of GIT. Gifts to GIT will be commingled for investment purposes with other gifts to GIT. The property given to GIT may be retained as an investment of GIT, or it may be sold by the Trustee and the proceeds reinvested. The Trustee has complete discretion whether to retain or sell the gifted property.

G. The Trustee

Information regarding the Trustee, Charitable Gift America, is attached hereto as Exhibit B.

H. Irrevocability of Gifts

It is very important that donors understand how GIT works, since all gifts to the GIT are irrevocable: once made, they cannot be undone. Under the terms of the Declaration of Trust and the Gift Agreement, the only right a donor will have in GIT is the right to have shares of the net income paid to the persons that have been designated in the Gift Agreement. Assets or other

income of the GIT will not be available to the donor for any purpose. The designation of the income beneficiaries of a gift is also irrevocable (except in one very limited instance discussed in Section III.C. below).

## II. GIFTS TO GIT

### A. Gift Agreement

In general, in order for donors to make a gift to the GIT during lifetime, it is necessary for donors to complete a Donor Contribution Form found in the Application Booklet. This Donor Contribution Form designates who will receive the income attributable to the gift to the GIT and for what purposes the gift is intended.

It is also possible for donors to make a gift to the GIT under a will or trust. This can be done by incorporating by reference the terms of the Declaration of Trust in the will or trust and stating terms substantially similar to those included in the Donor Contribution Form. The Trustee or Charitable Gift America can make the necessary terms available to the donors attorney. If donors should wish to make a gift to GIT in this manner, donors may contact Charitable Gift America for details on how to do so.

At the time of completing the Donor Contribution Form, the Trustee or a representative of the GIT will provide the donor with instructions on how to transfer property to the GIT.

### B. Amount and Type of Contribution

Generally, the minimum initial gift to the GIF is \$20,000. Subsequent gifts of \$5,000 or more may be made at any time during donors lifetime or under a will or trust.

Gifts of certain property other than cash may be made to the GIT. Marketable securities are generally acceptable and gifts of this type are encouraged. However, the Trustee cannot accept any tax-exempt securities or certain other types of property that might affect the tax status of the GIT or adversely affect the interests of other beneficiaries. If there are questions as to whether property intended to be give can be accepted into GIT, please do not hesitate to contact the Charitable Gift America.

### C. When a Gift is Complete

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

### III. THE INCOME FROM A GIFT

#### A. Valuation of Gift and Assignment of Units

Each of the beneficiaries will be entitled to receive part of the net income of the GIT. The amount of that income will depend in part on the number of units assigned to the beneficiary because of the gift to GIT and in part on the earnings of GIT. When a gift is made to the GIT, units will be assigned to the gift by dividing the fair market value of the property transferred on the date of the gift by the value of one unit in the GIT (\$100.00) as of that date. Periodically, the value of a unit is determined by dividing the value of the total assets in GIT by the number of outstanding units on that date. GIT is valued daily; these are called determination dates or valuation dates.

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

#### B. Determination and Payment of Income

Net income of the GIT will be paid quarterly to the designated beneficiaries. Income earned during each calendar quarter will be paid out shortly after the end of that quarter, usually within a few weeks. If less than the total net income was paid during the year, an adjusting payment will be made within 65 days after the close of each calendar year, so that the total net income earned by each unit in the GIT will be distributed to the beneficiaries each year.

Distributions of income from the GIT to any beneficiary will end with the last payment immediately preceding that beneficiary's death (or on any earlier termination pursuant to a will, as discussed in Section III.C. below). Income to which the beneficiary would have been entitled if he or she had survived to the next payment date (or if the income interest had not been terminated by revocation under will) will not be paid to that beneficiary's estate, but will instead be paid to the next designated beneficiary, or if there is none, to Charitable Gift America.

Net income distributable to the beneficiaries may include realized or unrealized gains or losses of principal or receipts in the nature of returns of principal or exchanges for principal. Such gains or receipts may be reinvested as additions to the principal of the GIT.

The Trustee is entitled to receive reasonable compensation for its services as Trustee and to be reimbursed for reasonably necessary expenses of administering the GIT. An investment advisor is also entitled to receive reasonable compensation for its services as investment advisor. Such compensation and expenses may be charged against the principal or income of the GIT or both. If taken from principal, payment of such compensation and expenses will have the indirect effect of reducing the net income of the GIT available for payment to beneficiaries, since it will reduce the amount of GIT's assets available to earn income. The GIT administrator, Thomas Mitchell and Associates, LLC (Administrator) is entitled to receive reasonable compensation for its services as the Administrator of GIT. Such administrative fees may be charged against principal or income of the GIT, which will have the same effect noted above. A current listing of these fees is attached hereto as Exhibit C. Charitable Gift America reserves the right to charge any other expenses borne, in whole or in part, to the GIT.

Although the GIT has a total return investment objective (as discussed in Section IV below), the precise amount of net income the GIT will earn in any quarter cannot be predicted. Consequently, beneficiaries cannot depend on a precise dollar amount of income from the GIT. The amount of income received by the GIT in any quarter will depend upon the performance of all of the investments of the GIT. It is the goal of the GIT to provide a steady 5% income distribution to participants while also considering the growth of the portfolio for the charitable remainder interests.

#### C. Income Beneficiaries

The persons who are to receive the income attributable to a gift to the GIT must be specified in the Gift Agreement. In general, once the donor has 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 the Gift Agreement, a donor may reserve the right to revoke by will the income interest of any beneficiary designated. For example, if a donor designates first him/herself and, after death, a brother to receive income attributable to the gift to the GIT, the donor may reserve the right to revoke under will the income interest of the brother. If this right is reserved and if the will provides that the brother's income interest is revoked, then upon the donor's death and admission to probate of the will, the Trustee will cease paying income to the brother. Reserving the right to revoke may be advantageous from a gift tax standpoint, as discussed in Section V.B. below.

Under the Gift Agreement, the donor may designate him or herself or any other person to receive the income attributable to the gift for life. Alternatively, the donor may designate two or more persons to receive income attributable to the gift concurrently. This means that the net income attributable to the gift will be paid to both beneficiaries, in the proportions specified, during their joint lifetimes and to the surviving beneficiary during his or her lifetime. For example, if donor designates him or herself and the spouse to receive income attributable to the gift in equal shares, each would be entitled to one-half of the net income of the GIT attributable to the gift. If the donor were to die first, the spouse would then be entitled to receive during his or her lifetime all of the income attributable to the gift.

If desired, a donor may provide in the Gift Agreement for consecutive life interests. For example, donor may provide that donor will receive all of the income attributable to the gift during lifetime and that, after donor's death, all of the income will be paid to a daughter during her lifetime.

#### D. Remainder Interest

After all of the designated income interests that have specified in the Gift Agreement have expired, the value of the units attributable to the gift to the GIT (the remainder interest) will be paid by the Trustee to Charitable Gift America, specifically to the DAF established in the Gift Agreement. From there grants to qualified charitable organizations as designated by the donor or donor's designee will be made. Charitable Gift America may use these funds for its general purposes, unless the donor has specified in the Gift Agreement that they be used for a specific purpose of Charitable Gift America or to provide support for a particular organization which is a public charity. If for any reason it is not possible for Charitable Gift America to use this

remainder interest for the purpose(s) specified, Charitable Gift America is required by law to use it for another charitable or exempt purpose.

In the unlikely event that Charitable Gift America is not then in existence or has lost its charitable status under federal tax laws, the Trustee will select another charitable organization to receive the remainder interest in the GIT. This provision is required by federal tax laws in order for donors to obtain an income tax charitable deduction for a gift to the GIT.

#### IV. INVESTMENT OF THE GIT

The investment objective of the GIT is set forth in an investment agreement letter, which is Exhibit D to this Disclosure Statement. In general, that investment agreement letter provides that the investment objective of the GIT is to seek total return on its investments. This means that the Trustee will attempt to balance the interests of the beneficiaries in current income and the charitable remainder interests as well. This investment objective may be changed as deemed appropriate by the Charitable Gift America.

The Trustee may invest the assets of the GIT in any type of property except tax-exempt securities or depreciable or depletable assets. However, it is anticipated that the GIT generally will be invested in grantor trust funds with Bridgeford Trust Company as Trustee of those grantor trust funds or common trust funds. Distributions from the grantor trust fund to the GIT will be determined quarterly by the Administrator of the GIT and represent the income produced by GIT. GIT's distribution rates are subject to periodic reset as determined by the Trustee, seeking growth over time with inflation. In considering potential changes in GIT's distribution rates, the Trustee will assess the GIT's long-term earnings potential and seek to balance the interests of current and future income beneficiaries and the charitable remainder interests. While GIT seeks to provide quarterly distributions to income beneficiaries growing over time with inflation and increasing amounts available for charitable purposes upon termination of beneficiaries' income interests, the GIT's overall investment results are subject to market risk and are not guaranteed by any person. Distributions to income beneficiaries may fluctuate with changes in economic conditions, may not grow over time at rates consistent with inflation and may decline. The tax character of distributed GIT income may vary. As a result, income beneficiaries cannot rely upon GIT to provide them with a particular level of after-tax income.

Donors should keep in mind that overall investment results cannot be guaranteed. The income received by the GIT and the value of the assets held by the GIT will fluctuate with market and economic conditions.

Charitable Gift America has the right to resign as Trustee of the GIT at any time, and the right to appoint a successor trustee. Charitable Gift America, therefore, retains effective, though indirect, control over the management of the GIT. Neither a donor nor donor beneficiaries will have the right to determine the investment policy of the GIT or to participate in the selection of the Trustee of the GIT. These restrictions are necessary to preserve the tax status of the GIT as a pooled income fund.

## V. TAX CONSIDERATIONS

The following is a brief outline of the federal tax considerations involved in a gift to the GIT. We believe this outline to be correct under existing law. **Nevertheless, donors should consult their own tax advisor concerning the specific effects of a gift to the GIT under federal and applicable state tax laws.**

### A. Status of GIT

Pursuant to Revenue Procedure 88-54, the Internal Revenue Service does not ordinarily issue ruling letters on the qualification of a trust as a pooled income fund under Section 642(c)(5) of the Internal Revenue Code. However, the Service published a form of trust instrument in Rev. Proc. 88-53 that meets the requirements of a pooled income fund. The Declaration of Trust generally uses language identical to that set forth in Rev. Proc. 88-53, and has been reviewed by counsel for the Charitable Gift America.

## B. Donor's Tax Consequences

### 1. Income Tax

Donors will be entitled to claim an income tax charitable deduction in the year in which a gift to the GIT is completed. The amount of the deduction will be equal to the discounted value of the Charitable Gift America's future ownership interest in the 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 of a gift, as well as on the annual rate of return of the GIT. The rate of return of the GIT used for calculation of the remainder interest is the highest rate of return of the GIT during the three preceding calendar years. Actuarial tables published by the Treasury Department are also used in valuing remainder interests for computing the income tax charitable deduction. In general, as the amount of income expected to be paid to beneficiaries increases, the amount of charitable deduction decreases.

Under federal income tax law, several limitations apply to the amount of the charitable deduction a taxpayer may claim in any given year. These limitations may affect the amount of donors income tax charitable deduction, where, for example, donor itemized deductions are subject to reduction due to the size of adjusted gross income or if adjusted gross income is small in relationship to the amount of gift to the GIT.

Generally, donors will not be taxed on a gift of appreciated property to the GIT. Transfers of appreciated property to a pooled income fund, whether held short-term or long-term, do not give rise to a capital gains tax. Transfers of short-term property, however, may result in a reduction of the amount of income tax charitable deduction to less than the fair market value of the property and may cause the GIT to pay a tax. Therefore, GIT will only accept property held long-term (more than one year).

### 2. Gift Tax

If the donor is the sole income beneficiary of a gift to the GIT, the gift will not result in any federal gift taxes. If donor names a beneficiary other than him or herself to receive income from a gift to the GIT, it may create a gift subject to federal gift tax. However, a gift may be eligible for the annual gift tax exclusion, as adjusted and determined annually for Internal Revenue Service purposes. Also, if donor reserves the right to revoke by will the income interest of a beneficiary, there will be no taxable gift, so long as the beneficiary is not entitled to receive income during donors lifetime. Finally, even if a contribution to the GIT should result in a potentially taxable gift, donor may not have to pay any tax, since under current federal law each person is entitled to a credit against federal gift and estate taxes, which allows people to make transfers of property during lifetime or at death, free from federal estate or gift taxes.

### 3. Estate Tax

A gift to the GIT will be included in the donor's estate for federal estate tax purposes if the donor is entitled to receive income payments from the GIT or if donor retains the right to revoke by will the income interest of another beneficiary. In such circumstances, the entire value of the units of the GIT attributable to the gift, computed as of the date of donor death, will be includable in the estate for federal estate tax purposes. However, the value of the remainder interest ultimately to be distributed to the Charitable Gift America, computed as of the date of donor death, will qualify for an estate tax charitable deduction. Accordingly, only the value of the income interests of other beneficiaries that continue after the donor's death will be taxable in the estate for federal purposes. As noted above, a unified federal estate and gift tax credit may be available to eliminate or offset possible estate tax liabilities.

Provision should be made in the donor's testamentary arrangements for the payment of federal and state estate and inheritance taxes on the value of any continuing income interest that is subject to such taxes. Failure to make such a provision will entitle the GIT to recover any taxes imposed on it from the donor's estate.

#### C. Beneficiary's Income Tax

The donor and donor beneficiaries will be subject to federal income tax on distributions received from the GIT. GIT income distributed to income beneficiaries will generally retain its character at the grantor trust fund level, and may include QDI, non-qualified dividend income, taxable interest income and net realized short-term capital gains.

The Trustee will notify each beneficiary of the amount of income from the GIT to be included on his or her federal and state income tax returns.

#### D. Taxation of the GIT

The GIT itself is not taxable on net income distributed to beneficiaries. Long-term capital gains of the GIT are exempt from taxation under the Internal Revenue Code. Short-term capital gains of the GIT, if any, are taxable to the GIT.

## VI. REPORTS AND MISCELLANEOUS

After making a gift to the GIT, donors will receive from Charitable Gift America a statement showing the date of the transfer of assets, the value of the assets, and the designated beneficiaries.

In addition, after the close of each calendar year, each beneficiary receiving income will be sent by Charitable Gift America a report on the GIT showing the value of the GIT, the total number of units held by the GIT, and the number of units outstanding in the donor's beneficiaries' names. Finally, after the close of each calendar year, each of beneficiaries receiving income will be sent by the Trustee a Form K-1 that details the income and related information to be reported by the beneficiary for income tax purposes.

## VII. FEDERAL SECURITIES LAWS

The GIT has been registered in all states that require registration under relevant securities and non-profit laws and in the District of Columbia. In 1980, the Federal Securities and Exchange Commission (“SEC”) published an interpretative release regarding pooled income funds. 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 with a written disclosure which fully and fairly describes the operation of the fund (this Disclosure Statement 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. Charitable Gift America believes that the GIT meets all three of these requirements and thus falls within the scope of the SEC release. Charitable Gift America also believes that the GIT is exempt from the registration requirements of the federal securities laws, pursuant to an exemption for collective investment funds such as the GIT maintained by charitable organizations under the Philanthropy Protection Act of 1995 (P.L. 104-62).

## VIII. STATE SECURITIES LAWS

While many states (including Florida) exempt qualified pooled income funds from registration under their securities laws, some states require such registration. Charitable Gift America has not registered the GIT in any states in which such registration is required but may do so in the future. This Disclosure Statement does not constitute an offer or solicitation to make contributions to the GIT.

## IX. FURTHER INFORMATION

This Disclosure Statement does not attempt to explain how a gift to the GIT may fit a donor’s particular situation. For this, as well as the risks, tax treatment, and other aspects of purchasing an interest in the GIT, donors should consult with their own legal and investment advisors. Charitable Gift America will be happy to provide any additional information concerning the structure and operation of the GIT to donors or their advisor(s).

Exhibit E, which is revised at least annually, is an integral part of the description of the GIT. If this exhibit is not attached, please contact Charitable Gift America.

EXHIBIT A

Board of Directors

Board of Directors for Charitable Gift America:

Dr. Thomas E. Dieters, President

Dr. Clarence Underwood, Jr., Vice President

Dr. Richard Dodge, Treasurer

Mr. Robert Holmes, Secretary

EXHIBIT B

TRUSTEE INFORMATION

Charitable Gift America  
822 Highway A1A N.  
Suite 310  
Ponte Vedra Beach, Florida 32082  
904-395-3997

ADMINISTRATOR OF THE GEMINI INCOME TRUST I

Thomas Mitchell & Associates, LLC  
822 Highway A1A N.  
Suite 310  
Ponte Vedra Beach, Florida 32082  
904-395-3997

EXHIBIT C

SCHEDULE OF TRUSTEE AND ADMINISTRATION FEES

Charitable Gift America.....0.0%

Thomas Mitchell & Associates, LLC.....1.0%

EXHIBIT D

INVESTMENT AGREEMENT LETTER

April 1, 2021

Charitable Gift America  
822 Highway A1A N. Suite 310  
Ponte Vedra Beach, FL 32082

Ladies and Gentlemen:

This letter will confirm our agreement that the investment objective for the Charitable Gift America Gemini Income Trust I Pooled Income Fund will be to seek current income as well as opportunities for long-term growth of both income and principal. For additional details regarding the Investment Policy of the GIT, please visit our website at [www.cgaamerica.org](http://www.cgaamerica.org).

The Charitable Gift America, as Trustees, agree that rates of return cannot be guaranteed. As such, the statement above merely indicates an investment objective for the Gemini Income Trust I. The Trustees will not be restricted to this type of investment but must ensure the safety of investments as required in Section 642(c)(5) of the Internal Revenue Code of 1986.

Please sign and return one copy of this letter.

Charitable Gift America, TRUSTEE

By: Dr. Thomas E. Dieters

Its President

EXHIBIT E  
ANNUAL REPORT OF TRUSTEE