

# Reaching Alabama

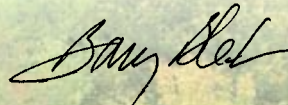
**T**hank you, Alabama Baptists, for allowing The Baptist Foundation of Alabama to serve alongside of you for the last 74 years! It is a wonderful Christ-honoring responsibility and a great privilege for our staff to assist you in your Kingdom work. Alabama Baptists continue to demonstrate their generosity as more and more people view their estate planning through the lens of Biblical stewardship. As you may have heard me say before, the act of estate planning is, for most of us, the single largest act of financial stewardship we will undertake. If you feel led to join a growing number of Alabama Baptists interested in leaving a portion of their estate to Christ-honoring causes, please know we stand ready to assist you however we can.

The past year was a banner year for The Baptist Foundation of Alabama in many respects. Some of the highlights include:

- We distributed almost \$12 million to Kingdom causes supported by generous and faithful Alabama Baptists.
- We had two outstanding new employees join our staff. Both men will prove to be great additions to our team.
  - Joey Hocutt, an attorney from Tuscaloosa, is now our Development Officer for north Alabama.
  - John Ashworth has come aboard as our Chief Administrative Officer.
- We are aware of more than \$75 million in new planned gifts put in place this past year through estate stewardship by faithful Alabama Baptists.

As we enter our 75th year of service, please call on us if we can be of assistance to you or your church.

May our Lord richly bless you as you serve Him and His people.



Barry Bledsoe, President  
The Baptist Foundation of Alabama

## CORE BELIEFS

We believe:

God is owner of **ALL** things.

It is God's desire that we be good stewards of all He has entrusted to us: time, talent and treasure.

God-focused, strategic estate planning is the largest act of financial stewardship most of us will ever undertake.



*"Now to Him who is able to keep you from stumbling, and to present you faultless before the presence of His glory with exceeding joy, to God our Savior, who alone is wise, be glory and majesty, dominion and power, both now and forever, Amen."*

*Jude 24 & 25*

**Big Jar Giving**

<http://vimeo.com/47122965>

**TBFA Investment Process**

<http://vimeo.com/55141002>

**PhilanthroCorp**

<http://vimeo.com/59238858>



# Board of Directors

(as of date of printing)

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Morrell Dodd - Birmingham  
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Tommy Gaither, Eufaula  
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Bill Harper - Montgomery  
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Doyle Powell - Montgomery  
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Scott White - Mobile

The Baptist Foundation of Alabama  
P.O. Box 241227  
Montgomery, AL 36124-1227  
Phone: (334) 394-2000  
Fax: (334) 394-2039  
www.tbfa.org | tbfa@tbfa.org



# Staff Members

Barry Bledsoe	President	bbledsoe@tbfa.org
Jennifer H. Ogburn	Chief Financial Officer	jogburn@tbfa.org
John E. Ashworth	Chief Administrative Officer	jashworth@tbfa.org
J. Rodney Bledsoe	Chief Development Officer	rbledsoe@tbfa.org
William M. McCrary	Vice President, Church Relations	bmccrary@tbfa.org
George B. King	Vice President, Client Services	gking@tbfa.org
J. Thomas Randall	Vice President, Ministry	trandall@tbfa.org
Paula K. Smith	Vice President, Trust Operations	psmith@tbfa.org
Donna E. England	Assistant Vice President, Trust Operations	dengland@tbfa.org
Nathan R. McCarthy	Investment Officer	nmccarthy@tbfa.org
Joseph N. Hocutt, II	Development Officer	jhocutt@tbfa.org
Sarah Snell	Client Services Officer	ssnell@tbfa.org
Marie Norrell	Executive Administrative Assistant	mnorrell@tbfa.org
Robbie Willis	Ministry Administrative Assistant	rwillis@tbfa.org
Stephanie Coston	Client Services Administrative Assistant	scoston@tbfa.org
Constance Westover	Development Administrative Assistant	cwestover@tbfa.org



# 2013

## Annual Report

# The Baptist Foundation of Alabama Investment Process

*Past performance is no guarantee of future return. Actual performance may vary slightly based on cash flow and time periods.*

The Baptist Foundation of Alabama was established in 1940. Today The Foundation is responsible for overseeing the management of more than \$200 million in assets.

The Foundation has worked hard to build and maintain an academically sound institutional investment process as it manages these funds for a variety of Christian causes.

One of our main objectives is to achieve the desired investment return of various accounts while incurring the least amount of risk possible. Investments are screened to avoid companies that are involved with alcohol, tobacco, gambling, pornography and abortion related goods and services. The Foundation reviews the risk (or loss of capital) associated with each asset class as it implements various portfolio allocations. Our investment process is founded upon three core principles:

- Asset allocation (or how the investments are mixed) is the most crucial decision in structuring any investment portfolio
- Downside protection is important in every portfolio
- Be transparent in all areas of investing, this includes management and associated fees

With these core principles and the assistance from an institutional consultant, The Foundation utilizes multiple professional money managers to structure investment portfolios available to clients. This investment process makes The Foundation as academically sound as any secular institution or endowment providing similar services.

In a world where investment advice is abundant, it is easy to let emotions drive investment decisions. At The Foundation it is essential to our ministry that we operate with a proven investment process built on our core beliefs as Christians. We strive to be as academically sound and professional as anyone in the secular market. In the end, The Foundation understands that the money it manages has a higher calling, it is God's money, given by God's people for God's purposes.

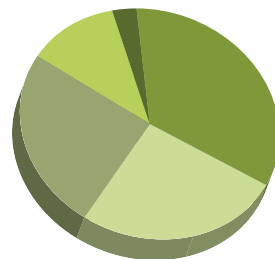
## COLLECTIVE INVESTMENT FUNDS AND PERFORMANCE AS OF 12/31/2013

### Equity Fund

2013 Return: 23.63%

Last 3 Years Annualized Return: 11.03%

A diversified portfolio of stocks invested in long-only U.S. and international companies. This fund is managed for total return.

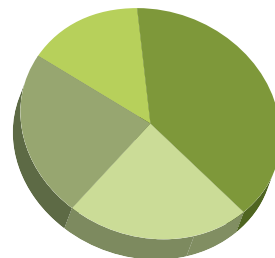
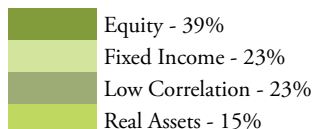


### Balanced Fund

2013 Return: 11.09%

Last 3 Years Annualized Return: 7.02%

A diversified portfolio of stocks, bonds and alternative investments suited for long-term investors such as individuals, churches and endowments requiring annual spending, but seek real growth over time.

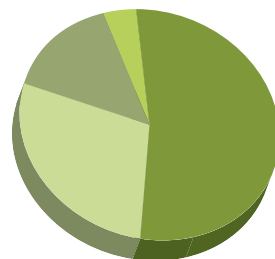
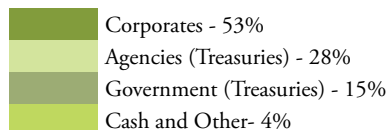


### Income Fund

2013 Return: 2.12%

Last 3 Years Annualized Return: 2.37%

A diversified portfolio of bonds invested to earn income while combating risk to principal. This fund is an alternative to traditional money market funds and short term CDs.

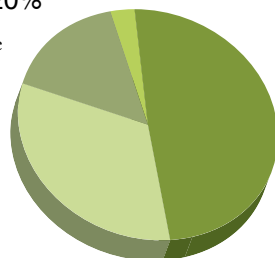
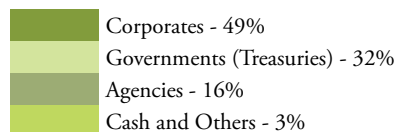


### Bond Fund

2013 Return: -0.22%

Last 3 Years Annualized Return: 3.20%

A diversified portfolio of government and corporate bonds invested in intermediate maturities. This fund focuses on income and return of principal.



# Statements of Financial Position

## December 31, 2013\* and 2012

\*At the time of printing the annual report, audited statements were not available for 2013. When completed, audited copies of the financial statements are available upon request.

### Assets

	<b>2013*</b>	<b>2012</b>
Cash and cash equivalents	\$ 610,369	883,922
Accounts receivable	33,714	32,276
Bequests receivable		13,155
Investments	52,906,448	49,626,693
Investments held in charitable remainder trusts and gift annuities	171,356	158,888
Investments held for others	180,323,261	169,799,730
Property and equipment, net	2,120,218	2,150,924
	<u>\$ 236,165,366</u>	<u>222,665,588</u>

### Liabilities and Net Assets

Accounts payable and accrued expenses	\$ 403,280	351,701
Liabilities associated with charitable remainder trusts and gift annuities	58,572	61,134
Investments held for others	180,323,261	169,799,730
	<u>180,785,113</u>	<u>170,212,565</u>
Net assets		
Unrestricted	24,207,464	22,832,465
Temporarily restricted	6,605,812	5,680,706
Permanently restricted	24,566,977	23,939,852
	<u>55,380,253</u>	<u>52,453,023</u>
	<u>\$ 236,165,366</u>	<u>222,665,588</u>

## Investment Managers

### MANAGER

Ceres Partners  
 Courage Capital Management  
 Dimensional Fund Advisors  
 International Farming Corporation  
 Private Advisors  
 Reinhart Partners  
 Resource Management Service  
 SSI Investment Management  
 Stonebridge Advisors  
 Weaver Barksdale & Associates

### ASSET CLASS

Farmland  
 Special Situation Hedge Fund  
 US Core/Intl/Emerging Core Equity  
 Farmland  
 Long/Short Equity Hedge Fund  
 Fixed Income  
 Timberland  
 Convertible Bonds  
 Preferred Equities  
 Fixed Income

### HEADQUARTERS

South Bend, IN  
 Nashville, TN  
 Austin, TX  
 Kinston, NC  
 Richmond, VA  
 Mequon, WI  
 Birmingham, AL  
 Beverly Hills, CA  
 Wilton, CT  
 Nashville, TN

# Financial Distributions Chart

## In 2013,

The Baptist Foundation of Alabama distributed almost \$12,000,000 to more than 700 charitable causes and beneficiaries including those shown here. Through the generous gifts and bequests made by faithful Alabama Baptists,

## The Baptist Foundation of Alabama

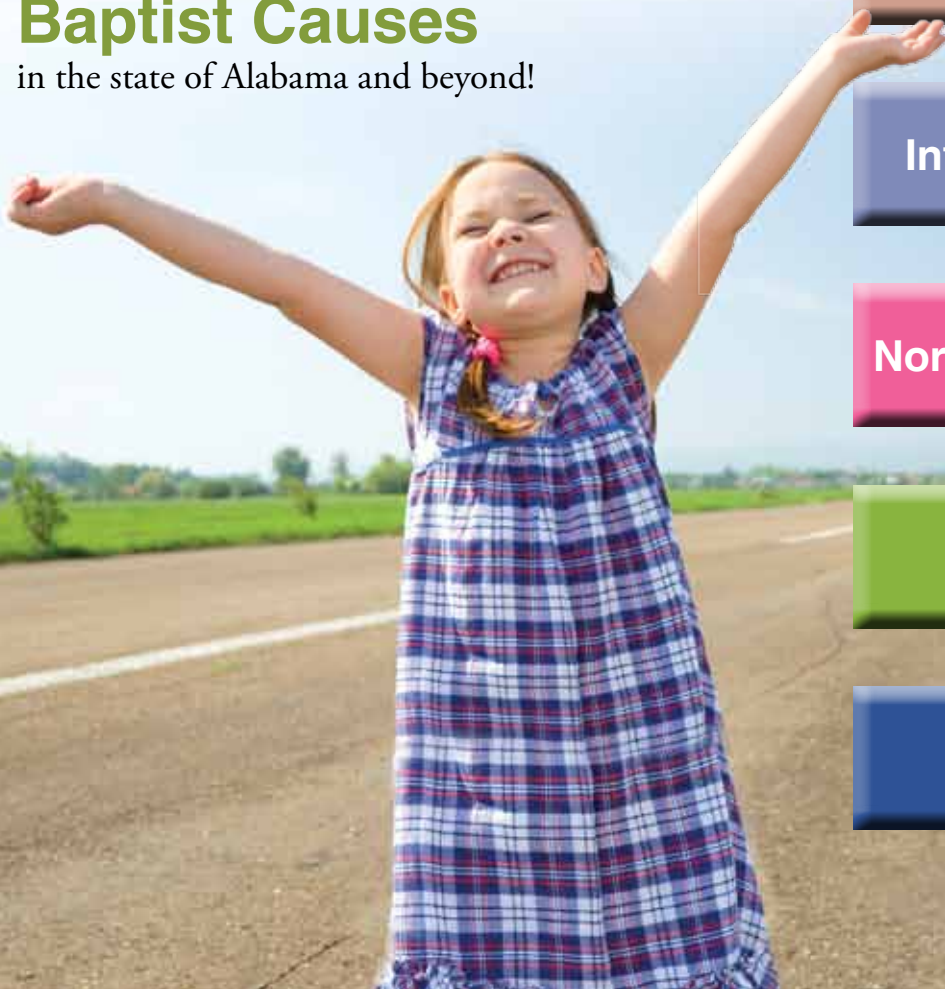
reached across Alabama and made an impact on Baptist churches, students, ministries and children for today and for tomorrow!

## Supported

by the involvement of several churches, The Foundation was blessed to have been able to reach more individuals seeking Christian Estate Stewardship Plans and giving opportunities to

## Baptist Causes

in the state of Alabama and beyond!



Cooperative Program

Entities of the Alabama Baptist State Convention

Local Churches

Baptist Associations

Scholarship Funds

International Missions

North American Missions

Individuals

Cemetery Funds