Georgia Baptist Foundation, Inc.

Disclosures for Administration of Endowment and Other Institutional Funds

Introduction and Purpose

Georgia Baptist Foundation, Inc. (the "Foundation") is a religious, Not-for-profit Corporation, which was chartered in 1941 to serve as the independent trust agency of the Georgia Baptist Mission Board. The philosophy of the Georgia Baptist Foundation is to preserve, protect and enhance the corpus while providing a sustainable flow of funds to support the agencies, institutions and causes of the Georgia and Southern Baptist Conventions.

The Foundation is recognized as an organization exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code (the "Code") and classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to Federal income tax.

The purpose of this disclosure statement is to provide guidance for, expectation of and limitation on all parties bearing investment responsibilities with the Foundation.

Delegation of Responsibilities

The administration of endowment and other institutional funds ("Fund") is managed in compliance with all applicable fiduciary, prudence and due diligence requirements that experienced investment professionals would utilize and with all relevant laws, rules and regulations issued by local, state and federal entities that apply to the Foundation. The Foundation will adhere to the requirements of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

Board of Trustees

The Board of Trustees bears the overall fiduciary responsibility for the Foundation. It is the responsibility of the Board to approve and amend as appropriate all policies related to the administration of endowment and other institutional funds including: The Investment Policy, The Income Spending Policy and The Cost Recovery Fee Schedule.

Trustee Standard of Conduct

a) Subject to the intent of a Trustor expressed in a gift instrument or any express written agreement, the Foundation in managing and investing the Fund, shall consider the charitable purposes of the trust beneficiaries and the purposes of the trust agreement.

(b) In addition to complying with the duty of loyalty, each person responsible for the managing and investing of the Fund shall manage and invest such Fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, considering the purposes, terms, distribution requirements, and other circumstances of the Fund.

(c) In managing and investing the Fund, the Foundation:

(1) May incur only costs that are appropriate and reasonable in relation to the assets, the purposes of the beneficiary and the trust, and the skills reasonably available to the Foundation; and

(2) Shall make a reasonable effort to verify facts relevant to the management and investment of such Fund.

(d) The Foundation may pool two or more trusts for purposes of management and investment.

(e) Except as otherwise provided by a trust agreement, the following rules apply:

(1) In managing and investing the Fund, the following factors, if relevant, shall be considered:

(A) General economic conditions;
(B) The possible effect of inflation or deflation;
(C) The expected tax consequences, if any, of investment decisions or strategies;
(D) The role that each investment or course of action plays within the overall investment portfolio of the Fund;
(E) The expected total return from income and the appreciation of investments;
(F) Other resources of the beneficiary agencies, institutions and causes;
(G) The needs of the Foundation and the Fund to make distributions and to preserve capital; and
(H) An asset's special relationship or special value, if any, to the beneficiary agencies, institutions and causes or to the donor;

(2) Management and investment decisions about an individual asset shall not be made in isolation but rather in the context of the Fund's portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the Fund and to the institution;

(3) The Foundation may invest in any kind of property or type of investment consistent with its Investment Policy;

(4) The Foundation shall reasonably manage the risk of concentrated holdings of assets by diversifying the investments of the Fund.

Investment Managers

Subject to any specific limitation set forth in a trust agreement or in law, the Foundation may delegate to an external agent the management and investment of a fund to the extent that the Foundation could prudently delegate under the circumstances. The Foundation shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, in:

(1) Selecting an agent;

(2) Establishing the scope and terms of the delegation, consistent with the Foundation’s objectives.

(3) Periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the scope and terms of the delegation.

Investment Policy

The Fund is actively managed by professional investment advisors within the guidelines imposed by the Foundation’s Investment Policy (attached).

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Income Spending Policy – Ministry Trust Fund

Distributions to Fund beneficiaries are managed through the Foundation's Investment and Spending Policy (attached).

Fees

The Foundation must charge an administrative fee to cover some of its costs. The fee is in accordance with the regularly published Cost Recovery Fee schedule (attached) in effect from time to time, and may be deducted from the income and/or principal of property.

Risk

Most assets will be invested in units of a common investment pool. The pools adhere to the Investment Policy (attached) and are actively managed by professional investment advisers within the guidelines imposed by the Foundation. The pools are unitized in a manner similar to mutual funds. The unit price of a pooled investment will vary and will reflect changes in the value of the underlying stocks and bonds. Redemptions of investments in the common investment pools will be made at the market value of pool units at the time of redemption. This may be higher or lower than the original investment cost resulting in a realized gain or loss on the participation in the pool.

There are no guarantees of positive quarter to quarter returns. As an example, the year 2008 showed a **22% loss** in the Ministry Trust Fund. Except as other wise indicated, **the common investment pools are long-term investments and are not appropriate for an investment period of less than five years**.

Acknowledgement

I (we) represent the party/ies to the subject trust agreement, and have read and understand the above information along with the referenced attachments.

Signature____Date_______________

Name_____________________________Title______________________________

Signature____Date_______________

Name_____________________________Title______________________________

Signature____Date_______________

Name_____________________________Title______________________________