



2010

Annual Report

THE BAPTIST FOUNDATION OF ALABAMA



*Barry Bledsoe,
President
The Baptist Foundation of Alabama*

TBFA

Annual Report

It is again my great privilege to bring you greetings from the Board of Directors and staff of The Baptist Foundation of Alabama. I hope you find the information in this 2010 Annual Report to be both informational and inspirational. It is truly a great privilege to be a part of your state foundation which has been faithfully serving all Alabama Baptists since its inception in 1940.

As I mentioned in last year's Annual Report, one of our strong desires is to lead a stewardship revolution among Alabama Baptists as more and more of us view the process of estate planning through the lens of Biblical stewardship. As my wife Judy and I have come to understand, the single largest act of financial stewardship most of us will ever undertake is how we plan our estate. The result of a Kingdom building planned gift from our estate has the impact of casting a "stewardship" stone into the lake of life. The ripple effect of a properly planned gift will continue to impact the world for Christ in continuous, ever increasing circles that will reach further and further and touch more and more people until Christ returns! Collectively we have the opportunity and obligation to effectively use our earthly resources to make a Kingdom difference. What a privilege..... and responsibility!



May our Lord continue to richly bless your life as you seek to serve Him. If we can be of service to you or your church in any way, please contact us. For more information about the ministries of The Baptist Foundation of Alabama please visit our website at www.tbfa.org.

In His Service

Barry Bledsoe, President

*"Let thy mercy, O LORD,
be upon us, according
as we hope in thee".*

Psalm 33:22
(KJV)

CORE BELIEFS OF GODLY STEWARDSHIP

- God is owner of all things. He has blessed and entrusted us with select assets unique to each and every person.
- It is God's desire that we be good stewards of all the assets He has bestowed upon us.
- God-focused and strategic estate planning is, in most cases, the largest act of financial stewardship one will ever undertake.

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THE WORLD ASKS, “WHAT DOES A
MAN OWN?”; CHRIST ASKS, ‘HOW
DOES HE USE IT?’

ANDREW MURRAY (1828-1917)
S. AFRICAN MINISTER, CHURCH LEADER



MINISTRIES OF TBFA

Charitable Gift Administration

Invest and distribute permanent funds established to support Baptist causes as directed by the donors.

Charitable Gift and Estate Planning Services

The process of helping Alabama Baptists plan and execute stewardship decisions effecting their estates.

Institutional Investment Management Services

Providing academically sound institutional investment services to all Alabama Baptist churches, associations, entities and individuals.

Elder Care

Meeting the needs of the elderly Alabama Baptists who have committed to leave at least 10 percent (10%) of their gross assets to the Baptist causes of their choice and who do not have family willing to help manage their life's circumstances.

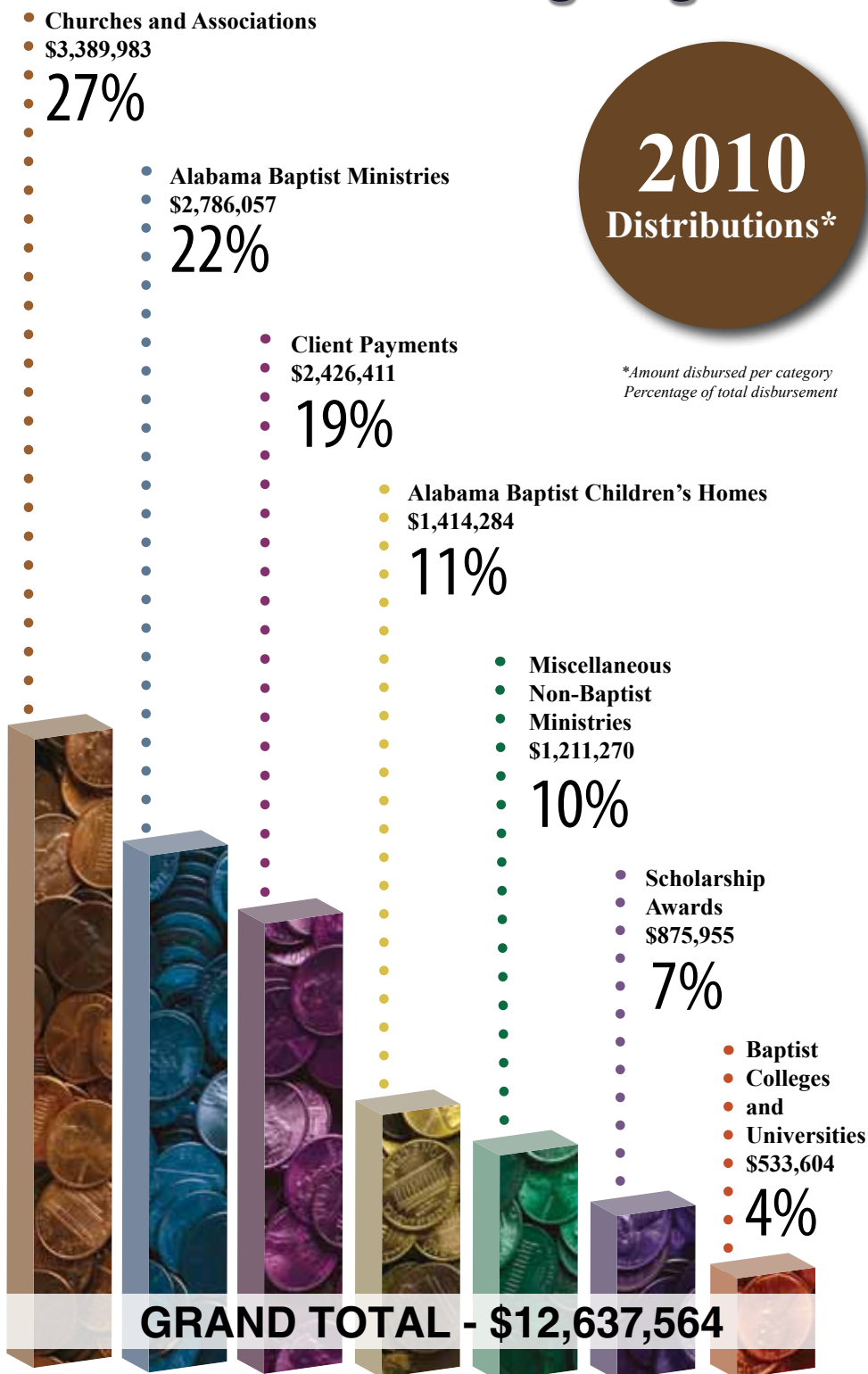
Kingdom Stewardship Alliance™

A ministry of The Baptist Foundation of Alabama and endorsed by the Alabama Baptist State Board of Missions. This ministry provides local church leadership with the tools they need to have a vibrant estate stewardship ministry.

Working Together

2010
Distributions*

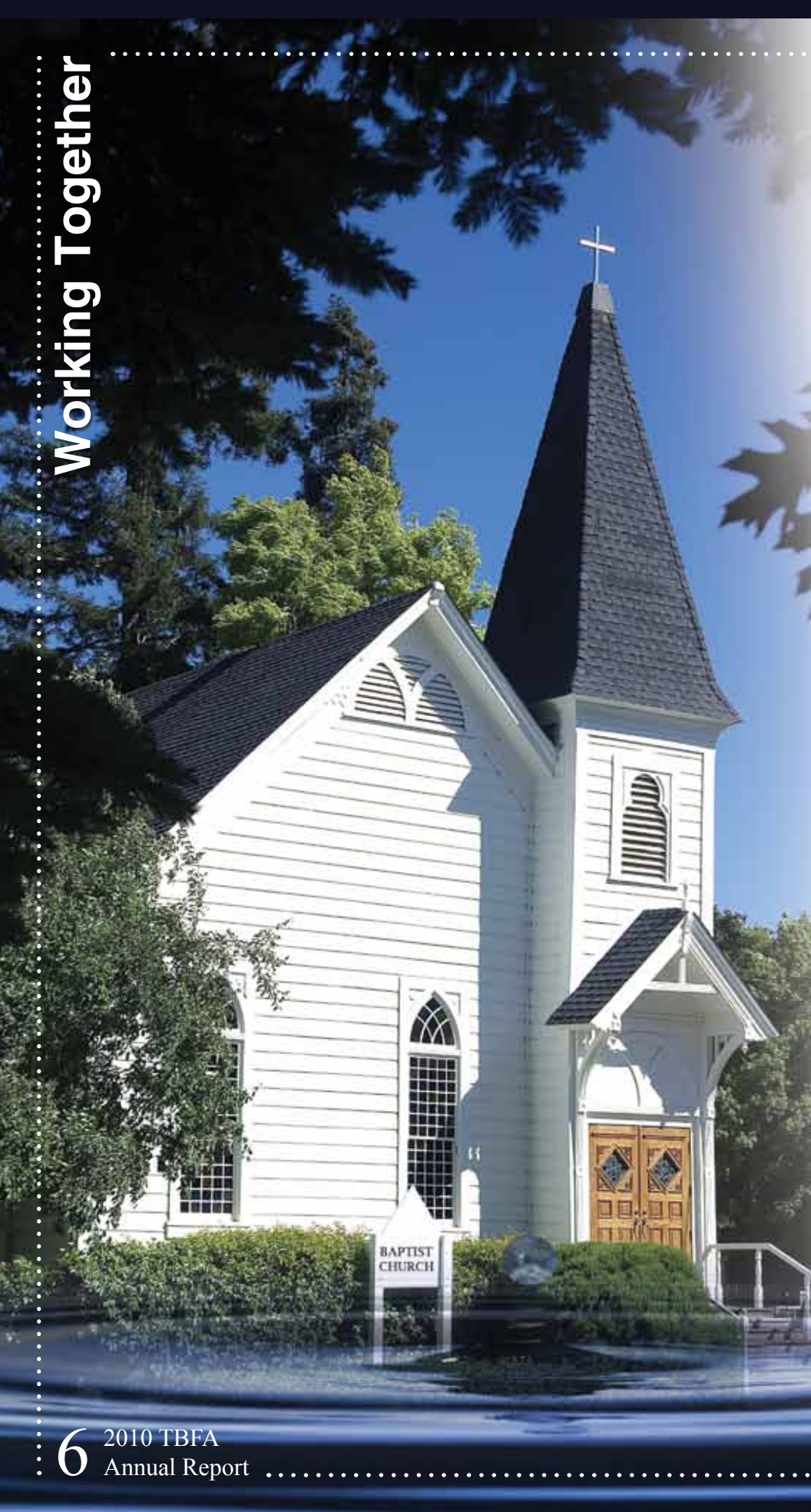
**Amount disbursed per category
Percentage of total disbursement*



make some

RIPPLES

Working Together



OFFICE OF DEVELOPMENT

The theme for this annual report is “Making Ripples.” As noted in other parts of this report, the largest act of financial stewardship most of us will undertake is how we plan our estates. Estate planning through the lens of Biblical stewardship most often results in Kingdom gifts. These gifts continue to impact the work of Christ for many years to come — creating “ripples of influence” as money is used to support Great Commission Ministries throughout Alabama and even to the uttermost parts of the world.

During 2010, we have had the opportunity to meet with individuals and couples who have served God for most of their lifetimes. Some have spent their entire life barely making ends meet while others had plenty and then some. Both say they are blessed. Both are right.

The question now turns to planning their estate in a way that cares for loved ones and honors God. What does that mean? Each is different. Each is the same. Life’s circumstances may be different but each has one God that unites them through the confession of their sins and the acceptance of His love. We want to do something to express that love after we are gone, but how? The work of Development is about helping God’s people connect with the right resource to complete a Christ honoring estate plan. We like to use the term “Kingdom Connectors.”

GOD OWNS IT ALL

I [God] did not intend my creatures to make themselves servants and slaves to the world's pleasures. They owe their first love to me. Everything else they should love and possess, as I told you, not as if they owned it, but as something lent them.

---CATHERINE OF SIENA (1347-1380)

The process seems so easy, yet seven in ten of us will die without a will. Some of us spend our adult lives giving to our church and other ministries near and dear but in the end fail to complete our journey of Christian stewardship. Is this being a good steward? We think it is not.

Thankfully, the word is spreading. The Kingdom Stewardship Alliance™ was created in 2008, as a ministry of The Baptist Foundation of Alabama, to equip local churches with the tools they need to implement a vibrant estate stewardship ministry. This ministry helps a church’s members understand why this is so important in their lives as Christians. You will read more about this ministry later in this report.

In 2010, The Foundation received almost \$10 million in new business. In the area of planned giving, more than \$16 million in future interest gifts were created through wills and trusts that will one day fund ministries from the local church to international missions. We expect this trend to continue into the 2011 year and beyond.

To all Alabama Baptists, we want to say thank you for what you are doing to fund Kingdom work.

make some
RIPPLES

TBFA INVESTMENT PROCESS

The Baptist Foundation of Alabama is responsible for managing in excess of \$200 million. We meet this responsibility by utilizing an academically sound, institutional investment process. As we make investment decisions, we are continually mindful of our obligation to be good stewards. In the current economic environment with its ever-broadening horizons, we recognize the need to carefully define The Foundation's investment process. We have five overriding principals that govern our decision making. They are:

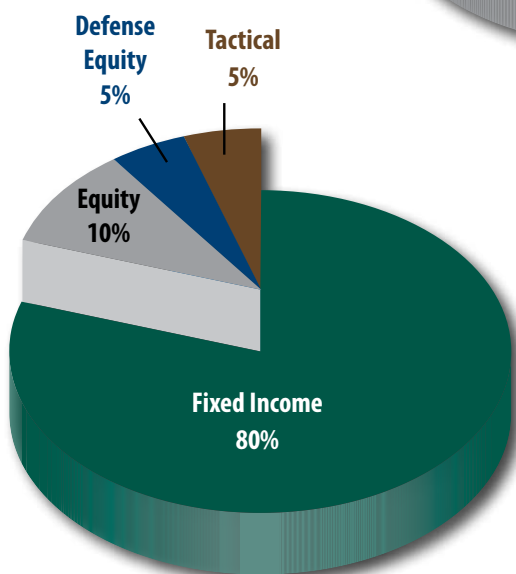
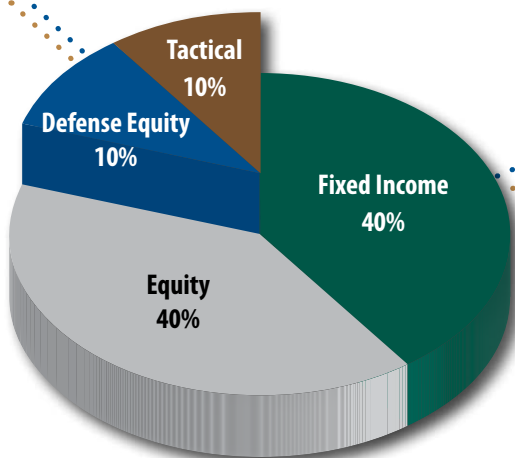
1. Asset allocation is the most important decision made in structuring any portfolio.
2. Downside protection is more important than upside participation.
3. Transparency is essential.
4. Limiting fees is integral to our process.
5. Investments are socially screened by Christian/Biblical standards.

Investment results for 2010 were quite good in spite of the continuing economic uncertainties. The stock market produced a strong double digit return while high quality bonds

Balanced Fund Target

• Asset Allocation

The Balanced Fund is a long-term investment for individuals, churches, and endowments that require annual spending and real growth.



Fixed Emphasis Fund Target

• Asset Allocation

The Fixed Emphasis Fund is designed for long-term investors whose first priority is income.

Working Together

continued to perform well. Our Stock Fund was up 14.51% for the year and our Bond Fund was up 6.92%. As we approach 2011 with its continuing economic uncertainties and growing geopolitical unrest, we have allocated our portfolios towards a protective posture.

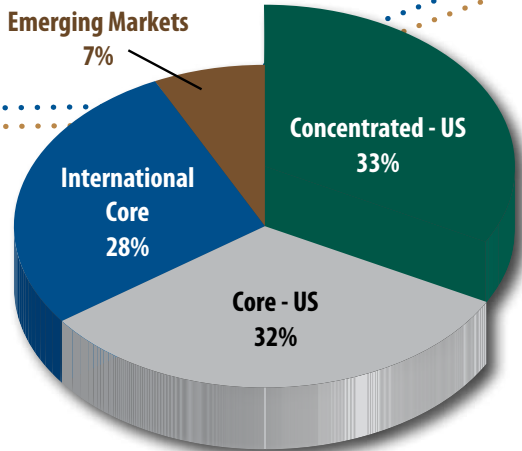
Institutional investing for individuals and organizations require portfolio customizations that match the needs of each client. The Foundation coordinates this process of portfolio allocation. This allows the client to invest in pre-structured allocations or a mix of securities built to address each specific need. Portfolio allocations span the full spectrum of risk tolerances, from simple CD's and bonds to actively traded stocks.

We have many investment options to offer Alabama Baptists. We are excited to partner with and be involved with many Baptist churches and organizations throughout Alabama. For a complete understanding of The Baptist Foundation of Alabama's investment policies, please contact Nathan McCarthy, Investment Officer at nmccarthy@tbfa.org or by telephone at 334-394-2007. Mr. McCarthy will be delighted to discuss how The Baptist Foundation of Alabama can help you and your Baptist organization with its investment needs.

Equity Fund Target

• Asset Allocation

The Equity Fund is a core-satellite portfolio designed to be fully invested in long-term only stocks from U.S. and international companies.



Bond Fund

• Allocation

The Bond Fund is invested in intermediate term Government and Corporate fixed income securities. The Bond Fund benchmark will be the Barclays Capital Intermediate Government/Credit Index.

make some
RIPPLES

BIG JAR GIVING

*What if you learned that
91% of your ability
to give is not from
cash or income?*

Perhaps you just did.

KEN'S 'BIG JAR' STORY

Ken was a well-educated man and married to his loving wife, Darlene. They loved their Lord and were active in their church. Ken loved to sing and for almost 40 years sang in the church choir. Darlene was active in ministry as well serving in several Alabama Baptist ministries. Ken was also a Gideon. Over a forty-year span, he spoke in hundreds of Alabama churches and gave out thousands of New Testaments.

Darlene went to be with the Lord in 2004. Ken's life began to change, slowly at first, but faster as the years went by. Ken knew he needed to get his estate affairs in order but was not sure how to go about it. Ken was introduced to The Baptist Foundation of Alabama. The Foundation helped Ken craft an estate plan that included the creation of a memorial endowment. At his death, the endowment would continue to fund Kingdom work long after he went to be with the Lord. We helped Ken get his legal documents completed so he knew his estate plan was in place.

Ken soon began to experience health problems and The Foundation's Elder Care Ministry was there to help Ken with his day-to-day needs. About nine months later, Ken slipped away during the night to be with his Lord and Savior. Ken left a large portion of his estate for Kingdom work with his estate assets, the Big Jar, going to support his local church and Gideons International. What a legacy!



DO YOU WANT YOUR OWN 'BIG JAR' STORY?

For information on how you can be a steward of the Big Jar, contact the Office of Development at 334-394-2001 or email tbfa@tbfa.org.

KINGDOM™

STEWARDSHIP ALLIANCE

A ministry of The Baptist Foundation of Alabama

The Kingdom Stewardship Alliance™ (KSA) is a ministry of The Baptist Foundation of Alabama and endorsed by the Alabama Baptist State Board of Missions. The purpose of KSA is to provide the local church with the tools they need to have a vibrant estate stewardship ministry. A vibrant estate stewardship ministry helps educate church members about the need to properly plan their estates and to consider how they might leave a Kingdom legacy by making a planned gift through their estate.

KSA member churches are experiencing the creation of significant future interest gifts because the message that we are to be stewards of all things, or the “Big Jar,” is being taught as part of their ongoing stewardship message. When God’s people see the possibility, many become excited about how they can have a Kingdom impact even after they are gone.

The Baptist Foundation of Alabama and the Kingdom Stewardship Alliance™ partners with Christian organizations such as PhilanthroCorp of Colorado Springs, a Christ-centered estate planning firm, to bring the tools church leaders need to learn about and share this message with their membership. One of those tools is a new Bible study, *Stewarding Your Stuff*. This is a 4-session study that shares the biblical message that we are to be stewards of everything, what that means, and how that must impact our estate planning.

The final objective of the KSA is to have as many Alabama Baptists as possible consider that how they plan their estate is an act of stewardship – and then equip them to properly plan their estate in a professional Christ honoring manner.

Stewardship of estate assets — the greatest untapped resource for funding Great Commission Ministries.

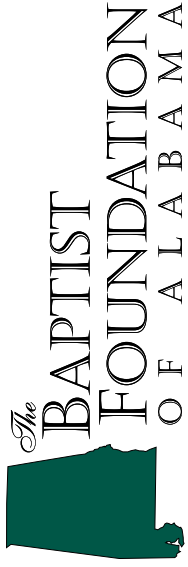
“This ministry has the missing Element to help teach the biblical mandate of being stewards of our estate.”

Rick Evans, Pastor
Dalraida Baptist Church, Montgomery, Alabama



*A higher standard.
A higher purpose.*

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2010 *Annual Report*

THE BAPTIST FOUNDATION OF ALABAMA