Thank 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

“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
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

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

### Liabilities and Net Assets

<table>
<thead>
<tr>
<th></th>
<th>2013*</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$403,280</td>
<td>351,701</td>
</tr>
<tr>
<td>Liabilities associated with charitable remainder trusts and gift annuities</td>
<td>58,572</td>
<td>61,134</td>
</tr>
<tr>
<td>Investments held for others</td>
<td>180,323,261</td>
<td>169,799,730</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>180,785,113</strong></td>
<td><strong>170,212,565</strong></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td><strong>55,380,253</strong></td>
<td><strong>52,453,023</strong></td>
</tr>
</tbody>
</table>

### Investment Managers

<table>
<thead>
<tr>
<th>MANAGER</th>
<th>ASSET CLASS</th>
<th>HEADQUARTERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ceres Partners</td>
<td>Farmland</td>
<td>South Bend, IN</td>
</tr>
<tr>
<td>Courage Capital Management</td>
<td>Special Situation Hedge Fund</td>
<td>Nashville, TN</td>
</tr>
<tr>
<td>Dimensional Fund Advisors</td>
<td>US Core/Intl/Emerging Core Equity</td>
<td>Austin, TX</td>
</tr>
<tr>
<td>International Farming Corporation</td>
<td>Farmland</td>
<td>Kinston, NC</td>
</tr>
<tr>
<td>Private Advisors</td>
<td>Long/Short Equity Hedge Fund</td>
<td>Richmond, VA</td>
</tr>
<tr>
<td>Reinhart Partners</td>
<td>Fixed Income</td>
<td>Mequon, WI</td>
</tr>
<tr>
<td>Resource Management Service</td>
<td>Timberland</td>
<td>Birmingham, AL</td>
</tr>
<tr>
<td>SSI Investment Management</td>
<td>Convertible Bonds</td>
<td>Beverly Hills, CA</td>
</tr>
<tr>
<td>Stonebridge Advisors</td>
<td>Preferred Equities</td>
<td>Wilton, CT</td>
</tr>
<tr>
<td>Weaver Barksdale &amp; Associates</td>
<td>Fixed Income</td>
<td>Nashville, TN</td>
</tr>
</tbody>
</table>
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!
Board of Directors
(as of date of printing)

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Chairman
Phyllis Boone - Birmingham
William T. Coplin - Demopolis
Morrell Dodd - Birmingham
Clifford L. Eubanks - Troy
Tommy Gaither, Eufaula
Rick Gibson - Tuscaloosa
Bill Harper - Montgomery
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Spencer Knight - Prattville
Forrest S. Latta - Mobile
Michael Lytle - Birmingham
Vicki Martin - Dothan
Reyn Norman - Montgomery
Doyle Powell - Montgomery
Stephen G. Rutledge - Montgomery
Lawson Swearingen - Fairhope
Janet Teer - Northport
Scott White - Mobile

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Staff Members

Barry Bledsoe - President
Jennifer H. Ogburn - Chief Financial Officer
John E. Ashworth - Chief Administrative Officer
J. Rodney Bledsoe - Chief Development Officer
William M. McCrary - Vice President, Church Relations
George B. King - Vice President, Client Services
J. Thomas Randall - Vice President, Ministry
Paula K. Smith - Vice President, Trust Operations
Donna E. England - Assistant Vice President, Trust Operations
Nathan R. McCarthy - Investment Officer
Joseph N. Hocutt, II - Development Officer
Sarah Snell - Client Services Officer
Marie Norrell - Executive Administrative Assistant
Robbie Willis - Ministry Administrative Assistant
Stephanie Coston - Client Services Administrative Assistant
Constance Westover - Development Administrative Assistant

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scoston@tbfa.org
cwestover@tbfa.org

Serving Alabama Baptists Since 1940