2013 Annual Report
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

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**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
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.

- U.S. Small/Mid Cap - 34%
- International Core - 26%
- U.S. Large Cap - 25%
- Emerging Markets - 12%
- Cash - 3%

#### 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.

- Equity - 39%
- Fixed Income - 23%
- Low Correlation - 23%
- Real Assets - 15%

#### 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.

- Corporates - 53%
- Agencies (Treasuries) - 28%
- Government (Treasuries) - 15%
- Cash and Others - 4%

#### 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.

- Corporates - 49%
- Governments (Treasuries) - 32%
- Agencies - 16%
- Cash and Others - 3%

Past performance is no guarantee of future return. Actual performance may vary slightly based on cash flow and time periods.
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>
</tr>
<tr>
<td>Bequests receivable</td>
<td>13,155</td>
<td></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>
</tbody>
</table>

$ 236,165,366 222,665,588

### 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>
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</table>

180,785,113 170,212,565

Net assets

<table>
<thead>
<tr>
<th></th>
<th>2013*</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>24,207,464</td>
<td>22,832,465</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>6,605,812</td>
<td>5,680,706</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>24,566,977</td>
<td>23,939,852</td>
</tr>
</tbody>
</table>

55,380,253 52,453,023

$ 236,165,366 222,665,588

### 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
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!
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(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  
Diane Kennedy - Mobile
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

The Baptist Foundation of Alabama
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J. Rodney Bledsoe  
Chief Development Officer
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