



AMERICAN BAPTIST FOUNDATION INVESTMENT & ENDOWMENT FUND PLAN

The Endowment Fund (“Fund”) of the American Baptist Foundation (“Foundation”) is hereby established and shall operate pursuant to the following plan (“Plan”):

1. Purpose.

The American Baptist Foundation is the supporting planned giving organization of American Baptist Home Mission Societies, International Ministries and the Multi-Region Corporation of the American Baptist Churches. As such it is asked from time to time to hold funds in perpetuity or for investment purposes and pay income to various American Baptist and other charitable organizations which satisfy the conditions of Section 501(c)(3) of the Internal Revenue Code of 1986 or corresponding provisions of subsequent laws (hereinafter called “501(c)(3) Organizations”). The purpose of the Fund is to accept and manage permanent and investment funds and to make distributions as defined in Section 5 to the various charities which participants indicate.

2. Management.

- A. The Board of Directors of the Foundation (“Board”) shall manage the affairs of the Fund. The Board shall have full authority to prescribe the terms and provisions of the Fund and of participation therein, to delegate duties with respect to the operation and administration of the Fund, and to provide for the management and supervision of all investments of the Fund.
- B. The Board shall have full power and authority, on behalf of the Fund, to enter into such contracts, incur such obligations, and do all such other acts and things, as may be deemed by the Board to be necessary or appropriate in connection with the operation or administration of the Fund.
- C. The Investment Committee (“Committee”), a subcommittee of the Finance Committee of the Foundation Board, shall assume such powers and duties as are set forth in the Plan with respect to the operation and administration of the Fund.
- D. The Committee shall have the exclusive right to interpret the provisions of the Plan and to determine any questions arising under or in connection with the administration of the Plan, to prescribe forms and procedures with respect to participation, deposits, withdrawals, accounts, distributions, valuations and all other matters, and, in general, subject to the control of the Board to make provisions and give instructions from time to time with respect to any and all



matters concerning the operation and administration of the Fund.

3. Types of Accounts.

There shall be two types of accounts; endowment gifts and investments. The Committee will adopt a procedure for the acceptance or rejection of gifts and investments. Such a policy may include gifts or investments other than cash and readily marketable securities with the intent that there will be a timely liquidation of such property. Acceptance of gifts other than cash or marketable securities will be discussed with the Chair of the Finance Committee and Treasurer prior to acceptance.

- A. Endowment gifts from either individuals or organizations are irrevocable gifts owned by the Foundation and administered under the following guidelines.
 - i. Gifts will be accepted from individuals or organizations only if all distributions are to be paid to 501(c)(3) organizations. At least 50% of all annual distributions must be to American Baptist affiliated organizations. At least 20% of all annual distributions must be to Members of the Foundation.
 - ii. There is no minimum amount for unrestricted gifts or gifts to existing accounts. Should an individual or organization wish to have an account named after an individual or organization or have an account that pays income to other than Members of the Foundation, the minimal gift will be \$10,000.
 - iii. Income distributions from undesignated gifts to the Fund shall be divided according to the formula agreed to by the Members of the Foundation and shall be the formula used to divide undesignated planned gifts to the Foundation.
 - iv. Corpus distributions may be made from the Fund from gift accounts only if the Foundation has agreed to the conditions of such corpus distributions.
- B. Investment of funds owned by churches or affiliated or related agencies, conventions, boards, societies, institutions and administrative units of the American Baptist Churches in the USA may be made in the Fund subject to the following guidelines.
 - i. Investments will be accepted only if all income and principal distributions are to be paid to 501(c)(3) organizations. At least 50% of all income and corpus distributions must be made to American Baptist affiliated organizations.
 - ii. All funds invested are subject to principal increases and decreases and there



- are no guarantees of return. The investment horizon should be long term.
- iii. There is a minimum of \$10,000 for initial investments. All accounts will be separated in name only and investments will not be segregated.
 - iv. Funds may be withdrawn from accounts with proper notice. Said withdrawal may only occur at the end of a month following at least five business days' notice.

4. Valuation.

- A. The valuation dates of the Fund shall be the last business day of each calendar month.
- B. Each account shall be stated in units with the number of units assigned to each addition to an account being in the same proportion to the total number of units as the value of the addition is to the total value of the Fund at the time of the addition. On the initial entry date of the Fund and thereafter, the net asset value of each unit will be determined as of each such entry or valuation date based on the fair market value of the assets and the amount of all liabilities of the Fund as of such date as determined in a manner prescribed by the Committee.
- C. Interest is paid on additions for the portion of the month between the date of the addition and the end of the month when units are purchased. Interest is paid at the rate earned in the Foundation's money market account. Units shall be assigned at the end of the month in which the addition is received.

5. Distributions.

- A. From time to time the Board, upon recommendation from the Committee, shall adopt a payout rate. The Board, according to its accepted policy, will entertain requests for payouts other than the adopted rate.
- B. The beneficiary of each gift or investment will receive a payment for each calendar quarter of the Fund of a dollar amount per unit equal to one-quarter of the payout rate times the "Average Value" (as hereinafter defined) of the unit. For this purpose, the Average Value of a unit will be the average of the quarter-end values of one unit for the period of 20 quarters ending on June 30 preceding the then current fiscal year of the Fund. With respect to each quarter, any excess or deficit of (i) the dividends, interest and other income of the Fund plus the net realized capital gains of the fund over (ii) the expenses of the Fund as determined under Section 6 and all quarterly payments will be deemed to have been distributed pro rata, raising or reducing the unit value. All unrealized appreciation or depreciation in the Fund will be reflected in the unit value of the Fund.
- C. Until such time as the Fund has been in existence a sufficient length of time so that the provisions of Section 5.B may be carried out, the quarterly distribution per unit shall be one-quarter of the payout rate times the average of the unit values at the end of all preceding quarters.



D. The Committee may accept additions which it chooses not to or is unable to liquidate immediately. Such additions shall not be assigned units and shall not participate in distributions until they are liquidated.

E. The Committee may adopt such procedures as it deems necessary or appropriate for the administration of Section 5. Such procedures may include, without limitation, provisions for adjustments in case of error, and such adjustments may be made by adjusting subsequent distributions or making supplementary distributions or requiring repayments by participants to the Fund, either with or without adjustments of units, all as determined by the Committee in its sole discretion.

6. Expenses.

A. The expenses of operating and administering the Fund shall include, without limitation, (i) the fees and charges of investment managers and custodian banks and (ii) all charges of the Foundation. The Committee shall review the administrative and operating charges on an annual basis and shall make changes in them as necessary.

B. The expenses incurred and accrued by the Fund will be paid from the income of the Fund on a monthly basis.

7. Investment Oversight.

A. The Committee shall have general supervision and control of the Fund's investment policy which may change from time to time. The current investment guidelines and allocation targets are contained in Appendix A of the Plan.

B. In consultation with the Chair of the Finance Committee, the Committee may form subcommittees as it deems appropriate. Subcommittees may be formed to address special projects for a limited period of time or may become standing subcommittees for a particular purpose.

8. Investment Advisers.

A. Investments of the Fund, subject to the general supervision and control of investment policy by the Committee, may be managed by one or more investment advisers selected by the Committee.

B. Each investment adviser will be either a trust company or bank authorized to exercise trust powers, or an investment adviser registered under the Investment Advisers Act of 1940. In the case of resignation or removal of an investment adviser by the Committee a successor may be appointed.



9. Custodians.

- A. The Committee may appoint a custodian or custodians to hold in custody the assets of the Fund. Each custodian will be a trust company, bank, or brokerage firm authorized to exercise custodial powers.
- B. If a custodian is appointed, then all securities in registered form will be registered in the name of a custodial bank or its nominee.
- C. The functions of the custodian may include keeping accounts, making distributions, and performing such other functions relating to the administration of the Fund as the Committee shall determine unless such administrative functions are performed by the Foundation. The custodian will not have responsibility with respect to the making of investments by the Fund or with respect to compliance with investment policies unless so directed by the Committee, and then only to the extent specifically so directed.

10. Reports.

The Committee will make provisions, by arrangement with the Foundation or custodian bank or banks and the investment adviser or advisers or otherwise, for the maintenance of accounts and records with respect to the Fund and the transactions thereof. A quarterly report of the activities of the Fund will be made to the Board. On behalf of the Board the Committee shall cause an annual audit of the Fund to be made by independent certified public accountants.

11. Fiscal Year.

The fiscal year of the Fund shall be the calendar year.

12. General Limitations.

- A. No member of the Board, Committee, or employee of the Foundation shall be personally liable by virtue of any contract or other instrument executed by the person in such capacity nor for any mistake of judgment made in good faith. In the absence of fraud or willful misconduct, no member of the Board, Committee or employee of the Foundation shall incur any liability whatsoever for anything done or omitted to be done by the person or by a duly authorized agent in connection with the Fund, and each participant in the Fund shall agree as a condition of any addition that the assets of the Fund may be applied to save harmless each member of the Board, Committee and employee of the Foundation against any cost or expense (including any sum paid in settlement of a claim) arising out of any act or omission to act as such member of the Board, Committee or employee of the Foundation except in the case of fraud or



willful misconduct. Any sum so paid from the Fund shall be deemed an administrative expense of the Fund.

- B. The Committee may make provision by general or specific authorization for postponement of any valuation date and suspension of deposits and withdrawals if deemed advisable.

13. Amendment or Termination.

- A. The Plan may be amended by the Board at any time.
- B. The Fund may be terminated at any time by the Board. In the event of termination, it shall be the responsibility of the Board to disburse the assets in the Fund to the best of its ability to the charitable organizations which are receiving payments from the Fund in proportion to the number of units determining the payments to each organization or to another American Baptist 501(c)(3) organization which agrees to carry out the terms of the gifts to the Fund.

Executive Director

Date



APPENDIX A

Investment Policy

1. The Committee may direct the investment adviser(s) of the Fund to follow such guidelines relating to values-based criteria for Investing adopted by the Board. To reflect the moral and ethical values of the Fund and the ministries and organizations that it serves, it is the desire of the Fund that direct ownership of securities, to the best of its ability, exclude any securities with material revenues from: Alcohol, Gambling, Tobacco, or Weapons Production. Generally, the minimum materiality test shall be from zero to no more than 10% of a corporation's revenues shall be derived from these products or services.

If the Committee deems prudent to the purpose of the Fund, the Fund may be exempted from the values-based criteria or subject to additional guidelines.

2. The Fund will ordinarily be invested principally in a diversified portfolio of marketable common stocks and other marketable equity-type Investments including convertible bonds or debentures and convertible preferred stocks. The Fund may also hold cash, short-term obligations, and U.S. government, corporate or other marketable bonds or debentures.
3. Any of the investments above may be achieved through commingled vehicles like mutual funds or exchange traded funds (ETFs). In such cases, the Investment Adviser shall use reasonable efforts to select investments that most closely meet the policy objectives and guidelines of the IPS. For example, the Adviser may consider investments in socially screened vehicles that exclude certain companies that engage in prohibited activities or, select investments in strategies that, by nature, do not typically invest in such companies.

Mutual funds, ETFs, or other pooled funds, will be governed by their prospectus or declaration of trust.

4. Excepting U.S. Government obligations and bank certificates of deposit. investments in securities of any one issuer will not at the time of the investment exceed 5% of the net assets of the Fund and the Fund will not:
 - a. Purchase more than 5% of the outstanding voting securities of any one issuer, or invest for the purpose of exercising control or management;
 - b. Sell securities short, purchase warrants or options, buy securities on margin, borrow money (other than to meet temporary cash requirements arising from unanticipated circumstances) or pledge assets of the Fund;
 - c. Make loans, other than through the purchase of debt securities;
 - d. Purchase real estate, commodities, or commodity contracts;
 - e. Invest more than 10%, at the time of investment, of the net assets of the Fund in securities of issuers having at the time a record of less than three years' operations, including the record of any predecessors;



- f. Invest more than 25%, at the time of the investment, of the net assets of the Fund in securities of issuers engaged in any one industry;
- g. Invest in securities that are not freely salable under the Securities Act of 1933

5. Portfolio Allocations. The fund is currently comprised of four distinct portfolio allocation choices: the Blended, Environmental, Social and Governance (ESG), Fixed and Stock Portfolios. Allocation targets and minimum/maximum ranges for each portfolio are as follows:

BLENDED Portfolio

Asset Class	Sub-Asset Class	Target	Range
Equity (Total)		70%	55%-85%
	U.S.	54%	40%-70%
	Non-U.S.	16%	10%-30%
Fixed Income (Total)		30%	15%-45%
	Investment Grade	25%	15%-40%
	Below Investment Grade	5%	0%-15%
Cash	Cash & Equivalents	0%	0%-20%

ESG Portfolio

Asset Class	Sub-Asset Class	Target	Range
Equity (Total)		70%	55%-85%
	U.S.	54%	40%-70%
	Non-U.S.	16%	10%-30%
Fixed Income (Total)		30%	15%-45%
	Investment Grade	25%	15%-40%
	Below Investment Grade	5%	0%-15%
Cash	Cash & Equivalents	0%	0%-20%

FIXED Portfolio

Asset Class	Sub-Asset Class	Target	Range
Fixed Income (Total)		100%	70%-100%
	Investment Grade	80%	60%-100%
	Below Investment Grade	20%	0%-40%
Cash	Cash & Equivalents	0%	0%-30%

STOCK Portfolio

Asset Class	Sub-Asset Class	Target	Range
Equity (Total)		100%	70%-100%
	U.S.	75%	55%-90%
	Non-U.S.	25%	10%-40%



Cash	Cash & Equivalents	0%	0%-15%
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Benchmarks consisting of externally defined indices will be used to evaluate the performance and objective of each Portfolio.

6. The Committee shall examine the asset allocation quarterly with attention paid to the percentage restrictions mentioned in Appendix Sections 3, 4 and 5. The Committee may from time to time impose restrictions and adopt additional guidelines for the investment adviser to follow in investing the assets of the Fund.
7. The Committee may suggest a list of suitable managers, mutual funds, or ETFs to be utilized to satisfy the intent of the investment restrictions and asset allocations in Appendix Sections 1 through 5, determination of said intent being the sole responsibility of the Committee. Unless authorized by the committee, each investment must have been in existence not less than ten (10) years or be in a fund family which has been in existence not less than ten (10) years and each selected mutual fund must have a record of investment results commensurate with its investment objectives.
8. The Fund shall not purchase the securities of, loan (through the purchase of debt securities or otherwise) to, or in any way invest in, nor purchase any security or other property or borrow money or other property from, any American Baptist Churches/USA related organization.
9. If in the course of operation of the Fund there should occur any departure from the policies set forth herein, the Committee will recommend corrective actions to the Finance Committee of the Board for consideration. Significant corrective actions will be forwarded to the Board for final approval and implementation

Executive Director

Date