



DISCLOSURE STATEMENT

The Louisiana Baptist Foundation was established by the Louisiana Baptist Convention as a non-profit corporation in June 1944, for charitable and religious purposes. The Foundation encourages, receives, and manages gifts and bequests for the benefit of all Baptist institutions, entities, churches and causes supported by or cooperating with the Louisiana and Southern Baptist Conventions.

The Louisiana Baptist Foundation qualifies as a tax-exempt organization under Section 501(c) (3) of the U. S. Internal Revenue Code and comparable Louisiana law. Responsibility for governing the Foundation is vested in a 14-member Board. Twelve are elected by messengers at the annual Convention and serve a three-year term, and the other two members serve ex-officio.

Assets managed by the Foundation are organized as common funds (LBF Funds). The LBF Funds consist of the Short Term Fund and a variety of other longer-term investment funds (See page 2). The LBF Funds are commingled funds of investment securities which may be used to achieve the overall objectives and desired asset allocations of accounts including separate trusts managed by the Foundation. Foundation staff administers these funds according to the investment guidelines set forth by the Board of Trustees. The guidelines are implemented to meet the investment objectives of each fund within reasonable risk levels and to guard against investment assets contrary to Baptist faith and beliefs.

The Foundation provides an accounting of its transactions with respect to each account invested in its common funds on a quarterly basis. Investment return from each common fund is allocated on a monthly basis to participating accounts. Contributions and withdrawals to the Short Term Fund are allowed on a daily basis and the other longer-term investment funds are allowed monthly at the calculated net asset value. There are no specific charges assessed in connection with contributions or withdrawals.

Common funds managed by the Foundation are exempt from registration requirements of the federal securities laws, pursuant to the exemption for collective investment funds and similar funds maintained by charitable organizations under the Philanthropy Protection Act of 1995 (P.L. 104-62).

Morgan Stanley is the custodian of the assets managed by the Foundation. Graystone Consulting, a wholly owned subsidiary of Morgan Stanley, is the Investment Consultant.

The Foundation's administrative overhead is partially funded by the Cooperative Program of the Louisiana Baptist Convention. Additional funding is provided by fees that are shared proportionately among each of the accounts under management. Information concerning such costs is also available upon request. Professional investment managers may be retained for the funds and are compensated out of the income of the common funds. A contingent reserve (CR) assessment may be set aside to help ensure the dollar value of the Short Term Fund. The Board of Directors of the LBF will review monthly the Contingent Reserve Assessment.

Each donor is advised to consult his or her own advisors regarding the risks, tax treatment and other aspects of contributing to the Foundation.

LBF Fund Options

Short Term Fund

The Short Term Fund is designed to provide earnings and liquidity for operating cash, reserve and accumulation funds. The Fund is invested in federally insured deposit accounts, U. S. Treasury and Agency obligations as well as other short term obligations in keeping with the overall investment policies. The Short Term investments will have a maximum maturity of 5 years the duration not to exceed one year. The Fund's objective is to maximize current yields while assuming minimal risk to maintain a constant unit value.

Diversified Income Fund

The Diversified Income Fund is the Foundation's more conservative income-oriented investment vehicle. The strategies used to meet this objective contemplate investment in financial securities with the majority investment in bonds for lower volatility and some income-oriented stocks for capital gain growth. All strategies require a time horizon sufficient to withstand the normal volatility of the financial markets. The Investment Committee of the Board of Trustees determines the preferred allocation of assets among Cash, Fixed Income, Equities and Alternative Investments with the maximum and minimum range for each asset category as stated in the table below.

Asset Class	Minimum	Maximum
Cash and Fixed Income	60%	100%
Equities	0%	20%
Alternative Investments	0%	20%

Entity Directed Fund

The entity decides the allocation mix of the LBF common funds they would like to invest. The entity may use any or all of the LBF funds. The overall expense ratio would be determined based upon the percentage of each fund chosen. An Entity Directed Fund requires written approval of the entity's Investment Committee with a minimum investment of \$250,000. The entity also acknowledges all risk associated with a limited asset allocation.

Group Investment Fund

The Group Investment Fund is the Foundation's primary investment vehicle for endowment funds. The Fund's objective is to maximize the total rate of return while assuming conservative yet reasonable risk levels. The strategies used to meet this objective contemplate investment in financial securities and require a time horizon sufficient to withstand the normal volatility of the financial markets. The Investment Committee of the Board of Trustees determines the preferred allocation of assets among Cash, Fixed Income, Equities and Alternative Investments with the maximum and minimum range for each asset category as stated in the table below.

Asset Class	Minimum	Maximum
Cash and Fixed Income	15%	70%
Equities	30%	70%
Alternative Investments	0%	30%

For additional fund-specific descriptions, please email contact@LBFinfo.org.

LBF Fund Fees

Fees for the Foundation's funds may include a cost recovery fee (see Appendix A), investment management consultant fee (see Appendix B) and manager fees (see Appendix B).

Appendix A

Cost Recovery Fee Schedule

- Managed Funds*
 - Short-Term Fund: 0.25%
 - Other Funds: 0.45%

- Planned Gifts
 - Charitable Gift Annuity: Depends upon the managed fund(s) used,
Plus 0.50% is allocated to the CGA Reserve Fund **
 - Charitable Remainder Trusts: Depends upon the managed fund(s) used **
 - Other Trusts: Depends upon the managed fund(s) used; If other assets are utilized,
then a cost recovery of 0.45% is applied. **
 - Other Donor-related Accounts: Depends upon the managed fund(s) used,
Plus \$50/year for a maximum of four disbursement checks (Additional
Disbursements: \$10 per check)
 - Endowments: Depends upon the managed fund(s) used

- Other
 - Stock Gifts: \$50 per transaction
(If the funds are deposited in an LBF account of the recipient ministry, there is no fee.)
 - Durable Power of Attorney: A reasonable cost recovery may be accessed at the
discretion of the Executive Director.
 - Executor: An amount equal to 2.0% of the estate assets applies with the ability of the
Executive Director to discount such fees.
 - Expenses: Fees or expenses such as real estate taxes, mileage and other that are
directly applicable to an account are charged to that account.
 - Other Asset Management and/or Liquidation: A reasonable cost recovery may be
accessed at the discretion of the Executive Director. A maximum of 1.0% may be
assessed to real estate.
 - Non-SBC Churches and Ministries have a 1.25x fee applied to managed funds – The
Executive Director has discretion to establish accounts with non-SBC churches and
ministries.
 - Out of state managed accounts have a 0.10% payout reduction that is provided to the
corresponding Baptist Foundation in the state of such ministry.

* The Foundation's operational costs, over and above all deposits received, are assessed to the managed funds allocated internally on a monthly basis. For purposes of this section "Deposits" are defined as including, but not limited to, all Cooperative Program receipts, investment income, regular cost recovery fees, and other miscellaneous receipts received by the Foundation.

** Plus Tax Form Preparation Fee: \$50 (Charitable Gift Annuity) and \$150 (Split-Interest Trusts)

Effective Date: January 1, 2022

Appendix B

Investment Consultant and Manager Fees

Investment Consultant Management Fee: 0.11%

Manager Fees:

<u>Fund</u>	<u>Fee</u>	<u>Note</u>
Short Term Fund	0.25%	Maximum
Diversified Income Fund	0.45%	
Group Investment Fund	0.56%	

For additional pool-specific manager fees, please email contact@LBFinfo.org.

Note: Fees as of August 31, 2024