

For each of GuideStone’s convention assigned ministry assignments, please describe GuideStone’s accomplishments in the past year that create “value added” to Southern Baptists.

- I. *Assist churches, denominational entities, and other evangelical ministry organizations by making available retirement plan programs for their ministers and employees.*

GuideStone Financial Resources takes seriously its charge by the Southern Baptist Convention to provide retirement programs for the ministers and employees of Southern Baptist and other evangelical churches and ministries. Our retirement plans are designed with the needs of SBC pastors and church workers front and center. From an enrollment process that makes sense for the smallest churches, as well as the most complex institutions, to reporting statements tailored to individual participants in even the smallest of churches, to comprehensive educational programs, GuideStone’s retirement plans are, without doubt, the best option for SBC churches and institutions.

To that end, in 2015, GuideStone continued its efforts to advocate for church retirement plans with regulators and legislators, leading to the ultimate passage of important church plan clarification legislation in Washington — part of the Protecting Americans from Tax Hikes (PATH) Act of 2015. This helps codify many of the principles GuideStone and other historic denominational pension boards have sought to carry out in their plans.

- II. *Assist churches, denominational entities, other evangelical ministry organizations, and like-minded individuals by making available life and health coverage and risk management programs.*

With the advent of the federal health care law formally known as the Patient Protection and Affordable Care Act, it is more important than ever to have GuideStone offering life and health coverage for SBC churches and ministries.

In 2014 GuideStone offered revised guidelines for enrollment in its medical Personal Plans, making it easier for SBC churches to add new staff members to their Personal Plans. Churches and ministries eligible to offer GuideStone’s medical Personal Plans are now able to add new employees and their families to the Personal Plans within 60 days of employment or a HIPAA special enrollment event. Further, covered individuals may continue to add dependents to the health plan due to such events. To aid “microgroups” — those groups with two to four lives, a landing page was created that allows prospects to self-educate about GuideStone’s plan offerings and to obtain illustrative rates.

GuideStone continues to make available life coverage to pastors and other employees of Southern Baptist churches and ministries, through the employer, to aid in the financial preparedness of pastors and their families.

III. *Assist churches and denominational entities through relief to Southern Baptist ministers and Southern Baptist denominational employees.*

At the very heart of GuideStone is the relief ministry, Mission:Dignity. When GuideStone was founded in 1918, its visionary first leader, William Lunsford, promised the messengers of the Southern Baptist Convention that this ministry would be there to serve them. “Give yourself wholeheartedly to the work. We’ll stand back of you,” he said. “If you fall in the work, we’ll care for you; if you die, we will not allow your family to suffer. If you grow old in the work, we’ll comfort you in your declining years.”

Through nearly a century of change, expansion and growth, GuideStone has chosen to remain true to its founding and provide relief for Southern Baptist ministers and denominational employees.

Through the unmerited favor of the Lord, GuideStone in 2015 once again paid out close to \$7 million for Mission:Dignity relief efforts. Every penny given to Mission:Dignity goes to help a retired pastor, pastor’s widow or denominational employee in need. Costs for staff salaries, fundraising expenses, mailings and supplies are all provided for by endowments established for the purpose of covering those expenses. More than 1,700 individuals in desperate financial need are able to receive benefits from GuideStone’s Mission:Dignity ministry.

In 2014, GuideStone was able to provide exciting news: The neediest Mission:Dignity recipients saw their monthly grant amount grow to \$450 for individuals and \$600 for couples. Qualified individuals receiving the largest payouts must have at least 25 years of salaried Southern Baptist ministerial service and must meet guidelines for income and assets. Eligible recipients with at least 10 years of full-time, salaried Southern Baptist service can receive \$225 per month, if single, and couples can receive \$300.

GuideStone receives no Cooperative Program funding for Mission:Dignity, and no GuideStone Funds underwrite the ministry. All proceeds come from the gifts of individuals, groups and churches across the SBC. Additionally, individuals and churches who purchase *The Joshua Code: 52 Scripture Verses Every Believer Should Know*, *The Jesus Code: 52 Scripture Questions Every Believer Should Answer*, *The James Code: 52 Scripture Principles for Putting Your Faith into Action* and *VIP: How to Influence with Vision, Integrity and Purpose* support the ministry. All four books are authored by GuideStone President O.S. Hawkins; all author royalties and proceeds benefit Mission:Dignity.

IV. *Assist churches, denominational entities, other evangelical ministry organizations, and like-minded investors by making available a personal investment program to their ministers and employees and their spouses, and to like-minded investors.*

For many years, GuideStone has provided personal (non-retirement) investing opportunities to Southern Baptist pastors, staff members and employees of Southern Baptist-related entities.

Among the most significant moments in GuideStone’s history was the decision by messengers at the 2013 Southern Baptist Convention to expand GuideStone’s ministry assignment to allow

GuideStone to make available its award-winning investment program to like-minded individuals.

Upon approval from messengers, GuideStone began making the infrastructure upgrades and began taking the legal steps necessary to undergird this project in preparation for making the Funds available directly to like-minded participants in May 2014. Later in 2014, various GuideStone Funds became available for purchase on commercial platforms that could be accessed by professional financial advisors. This development allows interested individuals to work with their long-time, trusted financial advisors to access GuideStone Funds. According to the 2014 *Mutual Fund Factbook*, produced by the Investment Company Institute, from among the number of Americans who purchase mutual funds outside of a workplace retirement plan, more than 80 percent choose to invest at least part of their money through a trusted financial advisor.

GuideStone's efforts to inform Southern Baptists about the availability of the GuideStone investment program for like-minded investors has begun. From the beginning, our approach has been one of "crawl, walk and then run." Our efforts to reach this new market began in the summer of 2014. It continued in 2015 with various appearances in the financial media in New York, appearing in outlets including *The Wall Street Journal*, CNBC and Bloomberg Radio, as well as events, including the industry-leading Morningstar Investment Conference in Chicago, and other avenues.

Southern Baptists — whether in the pulpit or the pew — now have access to award-winning investments that reflect the values of Southern Baptists.

- V. *Assist churches and denominational entities by making available institutional investment services through cooperative agreements with state Baptist foundations (or state Baptist conventions where no foundation exists). Assist other evangelical ministry organizations by making available institutional investment services.*

GuideStone remains committed to working cooperatively with interested state Baptist foundations or with state Baptist conventions where no foundation exists. As evidence, GuideStone continues to offer institutional investing solutions through an Institutional share class with lower expense ratios. An additional institutional investment service was added in 2014 in the form of outsourced CIO. This will allow GuideStone to come alongside state Baptist foundations, churches and other ministry organizations and use GuideStone's investment expertise to help them fulfill their fiduciary and investment responsibilities.

Based on GuideStone's convention assigned ministry assignments, what opportunities or challenges do you see on the horizon from 2016 and beyond that would necessitate changes, or new directions, in how you are accomplishing each Ministry Assignment?

- I. *Assist churches, denominational entities, and other evangelical ministry organizations by making available retirement plan programs for their ministers and employees.*

In 2015 GuideStone continued its role as an advocate on behalf of Southern Baptist ministries, as it did in 2014 by filing an amicus brief in support of a religious hospital system, in *Overall v. Ascension Health, et al.*, pending before the United States Court of Appeals for the Sixth Circuit in Cincinnati. At issue in this proceeding is the question of whether only a church may offer employee benefits exempt from ERISA as a church plan. The issue is important to GuideStone and Southern Baptists because our denominational polity encourages many ministry organizations to conduct ministry activities through parachurch organizations, like radio ministries, universities, hospitals and similar ministry organizations. Preserving the flexibility for ministry organizations to offer employee benefits under a church plan is important both in terms of cost savings to the ministries and sound stewardship principles.

- II. *Assist churches, denominational entities, other evangelical ministry organizations, and like-minded individuals by making available life and health coverage and risk management programs.*

In 2013, GuideStone won a preliminary injunction, prohibiting the government from enforcing penalties in its controversial contraceptive mandate called for under the Affordable Care Act. The government appealed that preliminary injunction to the U.S. Court of Appeals for the Tenth Circuit in Denver in 2014. The Tenth Circuit ruled in favor of the government's appeal; however, GuideStone responded by appealing to the U.S. Supreme Court. The Tenth Circuit kept the injunction in place, pending the outcome of the appeal. On March 23, 2016, GuideStone is scheduled to make its arguments to the Supreme Court, with a decision expected by the end of June 2016.

- III. *Assist churches and denominational entities through relief to Southern Baptist ministers and Southern Baptist denominational employees.*

Identifying currently eligible individuals who are not currently recipients along with defining the scope of the need in the future remains the greatest opportunity GuideStone is considering for the future. To that end, in 2016, GuideStone is undertaking a survey to see if it is possible to determine the size of the population that might need Mission:Dignity's support and service, as well as to gauge any potential fundraising that needs to be considered in advance.

- IV. *Assist churches, denominational entities, other evangelical ministry organizations, and like-minded investors by making available a personal investment program to their ministers and employees and their spouses, and to like-minded investors.*

Sales and marketing efforts will continue in 2016 and beyond using social media, public relations,

marketing events and sponsorships, as well as more traditional forms of advertising. In addition, GuideStone Funds has expanded its sales team to work with advisors in making the GuideStone Funds available to advisor clients. GuideStone once again will offer presence at industry trade shows frequented by financial advisors who may be interested in GuideStone's products and services.

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