

## 2020 GOALS AND ACCOMPLISHMENTS

**Relative to each of the SBC 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 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. Eligible ministers can receive matching and protection benefits that add value to their retirement accounts. GuideStone® offers an enrollment process that makes sense for the smallest churches as well as the most complex institutions, reporting statements tailored to individual participants in even the smallest of churches, and comprehensive educational programs. GuideStone's retirement plans are, without doubt, the best option for SBC churches and institutions.

To that end, throughout the year GuideStone continued its efforts to advocate for church retirement plans with regulators and legislators. GuideStone is committed to advocating on behalf of our participants and the unique needs of church retirement plans and works alongside the Church Alliance, a diverse organization of large and historic church pension boards, to advocate on behalf of our participants and churches. We joined with fellow Church Alliance members, as well as our Southern Baptist partners, in advocating in amicus briefs to the Seventh Circuit Court of Appeals in 2019, which ultimately protected the housing allowance for the foreseeable future. GuideStone remains committed to respond to any challenges to the minister's housing allowance and will continue, as appropriate, to use amicus briefs and other means available to advocate for participants in both legislative as well as judicial settings.

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

2020 marks the second year of re-enrollment for GuideStone's Secure Health™ 3000 plan. This plan offers true medical coverage that includes access to the nationwide Blue Cross Blue Shield network. Secure Health is an alternative plan with a unique benefit structure and is our lowest monthly cost plan. Primary care visits and Teladoc® consultations are available at no out-of-pocket charge. Some care — such as out-of-network service — is not covered. Before enrolling in the plan, GuideStone encourages participants to review their health coverage needs to see if GuideStone's Secure Health is the appropriate coverage choice.

GuideStone continues to see success in providing group medical coverage to churches in Micro Groups — church and ministry employers with as few as two employees — as well as offering

solutions for single-staff churches.

GuideStone remains committed to life, as evidenced by our litigation against the contraceptive mandate issued during President Obama's administration by the U.S. Department of Health and Human Services under the Affordable Care Act. A final judgment was entered in favor of GuideStone in 2018 in the litigation over the mandate that would have required certain ministries served by GuideStone to provide abortion-causing drugs and devices or face crippling fines. The judgment brings to a conclusion the case GuideStone filed against the federal government to protect its health plan and the ministries it serves.

GuideStone continues to make available life and disability 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®. In 2019, Mission:Dignity had its best fund-raising year to date, raising some \$9.7 million for relief efforts for retired pastors and, in most cases, their widows. Thanks to an endowment set up many years ago that covers administrative costs, 100 percent of gifts to Mission:Dignity go to help these good and godly servants. Almost 1,700 individuals in desperate financial need are able to receive benefits from GuideStone's Mission:Dignity ministry.

When GuideStone was founded 102 years ago, 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 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. Since 2014, the neediest Mission:Dignity recipients saw their monthly grant amount grow to \$450 for individuals and \$600 for couples. Qualified recipients 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.

During 2019, more than \$9.7 million was raised for the support of retired pastors and their widows.

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 support the ministry when they 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*, *VIP: How to Influence with Vision, Integrity, and Purpose*, *The*

*Daniel Code: Living Out Truth in a Culture That Is Losing Its Way, The Christmas Code: Daily Devotions Celebrating the Advent Season, The Believer's Code: 365 Devotions to Unlock the Blessings in God's Word, The Easter Code: A 40-Day Journey to the Cross, The Passion Code: 100 Days with Jesus and The Apostle's Code: Unlocking the Power of God's Spirit in You.* All of the 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 such as individual members of Southern Baptist churches.

Upon approval from messengers, GuideStone began making the infrastructure upgrades and 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, which 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 Investment Company Fact Book*, 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 have continued since. Our efforts to reach this new market began in the summer of 2014. It continued in 2015, 2016 and 2017 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 their values. Those efforts expanded in 2018 and 2019 as GuideStone Funds were added to more platforms where financial advisors can access them for the benefit of their clients.

GuideStone Funds was awarded the Lipper Fund Award from Refinitiv — formerly presented by Thomson Reuters — as the Best Overall Small Fund Family for 2019 on Thursday, March 7, 2019. The entire GuideStone Funds family won the Lipper Fund Award for 2019 Best Overall Small Company over three years (out of 29 eligible as of November 30, 2018). Based on risk-adjusted total return. Of the 222 small fund families, only 29 met the standards to be considered for the Best Overall Small Fund Family prestigious award — with up to \$76.8 billion in assets under

management. This marks the second time in less than a decade that GuideStone was honored with this top award.

- 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 allows 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 2020 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.**

The Trump administration has indicated that it is open to reviewing regulations affecting employee benefit providers, and in fact legislation signed at the end of 2019 favorably addressed several pressing concerns held by church pension boards surrounding eligibility. GuideStone, as part of an alliance of large and historic denominational pension boards, continues to work with legislators and regulators in regard to the changes to ensure the more than one million pastors and church and ministry workers are not ignored as these changes are considered. Additionally, GuideStone continues to monitor many cases working through the courts that could impact ministry organizations and their retirement plans. Southern Baptists can trust they have an advocate working on their behalf.

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

GuideStone's litigation against the contraceptive mandate, which would have required some ministries served by GuideStone to provide abortion-causing drugs and devices in their health plans, or risk crippling penalties, is stayed at this time. A final judgment was entered in favor of GuideStone in 2018 in the litigation over the mandate that would have required certain ministries served by GuideStone to provide abortion-causing drugs and devices or face crippling fines. The judgment brings to a conclusion the case GuideStone filed against the federal government to protect its health plan and the ministries it serves. (Churches and closely held ministries were exempted

from the mandate and its penalties all along.)

While GuideStone has made tremendous efforts to contain costs for our health care plans, we are ever-mindful of the effect of health care inflation and regulations on the cost of health care coverage. GuideStone works diligently to keep costs as low as possible for our Southern Baptist pastors and churches.

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

GuideStone, through Mission:Dignity, continues to identify eligible individuals who are not currently recipients, along with defining the scope of the need in the future. This remains the greatest opportunity GuideStone is considering for the future. GuideStone continues to seek out new pastors and their widows who are eligible for Mission:Dignity assistance. GuideStone encourages churches, pastors, associational leaders and other individuals to refer a needy Southern Baptist minister, denominational employee or pastor's widow by visiting the Mission:Dignity website, *MissionDignity.org*.

**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 2020 and beyond using social media, public relations, marketing events and sponsorships, as well as more traditional forms of advertising. In addition, GuideStone Funds has a dedicated 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. We were thankful to learn in early 2019 that GuideStone Funds won the 2019 Lipper Fund Award for Best Overall Small Fund Family. This is the second time in a decade that we have been honored with this award.

**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 allows 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.