

2018 Ministry Inquiries

Cooperative Program

1. **While GuideStone Financial Resources does not receive Cooperative Program dollars, please describe how GuideStone's work with SBC churches support cooperative missions and cooperative funding. Are there ways in which GuideStone can help promote and advocate for the Cooperative Program?**

The vast majority of GuideStone® employees — even those whose employment doesn't explicitly require it — choose to worship, serve and give their time, talent and treasure through and in Southern Baptist churches faithful to the Cooperative Program. Despite not receiving Cooperative Program funding, GuideStone believes the Cooperative Program is the most effective means yet devised to carry out the supernatural task God has placed before us of taking the gospel to the ends of the earth. Thus, like its sister Southern Baptist boards and entities, GuideStone maintains an unwavering commitment to the central and vital role of the Cooperative Program.

For many years, GuideStone was privileged to receive funds from the Cooperative Program, and it channeled those funds to its relief ministry known today as Mission:Dignity®. It was a cause for celebration when, beginning in 2008, GuideStone was able to forego receipt of such funds and release them back to the Executive Committee for allocation among other SBC entities. To date, GuideStone has returned more than \$15 million to SBC ministry causes.

GuideStone is committed to seek the Lord's direction in all that we do. As an entity of the Southern Baptist Convention, we are mindful to give our first and primary attention to the mission that we have received from the SBC to be stewards to ministers, missionaries and all those called of the Lord who rely on GuideStone for plans and programs that are vital to their retirement, insurance and relief needs. As is often said at GuideStone, among all SBC agencies, GuideStone is unique in its ministry assignment to serve the **messenger** of the gospel so that the messenger has the greatest possible opportunity to share the **message** of the gospel.

Ethnic Participation

2. **Given this context, and using last year's submission to this question as a model, please give a robust descriptive report of ethnic participation, including active involvement of ethnic churches and church leaders, across all levels and aspects of GuideStone ministry — such things as board of trustees composition, senior administrative staff, other professional staff, support staff, customer-facing representatives, and written and spoken language resources — demonstrating progress in ethnic participation, if any, over the past two decades (1996-2017), giving special attention to progress over the past five years (2012-2017).**

GuideStone understands the importance of making progress in ethnic participation at all levels of our work and ministry. Over the past two decades, we have served a growing number of non-English-speaking participants as well as a growing number of non-English-speaking churches and ministries, though we do not track ethnicity in our systems. Currently our call center has Spanish- and Korean-speaking specialists on staff, as well as the ability to assist callers in any language via a contracted translation service. GuideStone also employs customer-facing representatives who develop and maintain relationships with various ethnic groups through organizations including the National African American Fellowship, the Confraternidad Nacional de Iglesias Hispanas Bautistas del Sur, the Hispanic Consortium and the Council of Korean Southern Baptist Churches in America. Additionally, leaders of eight Asian-American fellowship groups met at GuideStone in 2016 to learn more about the ways GuideStone can serve their churches and ways they can partner closely with the SBC. These groups included the Japanese Fellowship, Hmong Fellowship, Vietnamese Fellowship, Filipino Fellowship, Laotian Fellowship, Chinese Fellowship, Korean Fellowship and Cambodian Fellowship.

Because Spanish and Korean churches comprise the largest percentage of our non-English-speaking participants, GuideStone also hosts microsites in these languages to assist and support churches and their employees who seek information related to employee benefits. Printed resources about various GuideStone products are available in several languages other than English, with Spanish and Korean being the primary languages, but also pieces available in Chinese and French.

GuideStone strives to reflect the ethnic diversity of the Southern Baptist Convention and recognizes the inherent strength of a diverse workplace. Recruiting efforts seek an ethnically diverse team through visits to college career fairs, the career website and other materials. At the start of 2018, non-Anglo employees accounted for 17.4 percent of GuideStone employees, up from 14.4 percent in 2011 and up from 9.8 percent in 2000. In terms of ethnic minority representation, GuideStone currently has six African-American individuals serving on its board of trustees.

Mental Health Resource

- 3. In response to a Ronnie Floyd motion, June 2013, Houston, TX, requesting the Executive Committee and SBC Entities to assist churches with mental health ministries, the Executive Committee appointed an advisory group in the fall 2013, to determine ways in which Southern Baptist entities and SBC churches can best help those who are in need of mental health assistance. The final report of this advisory group was presented to Dr. Frank S. Page, fall 2014. In the 2015 and 2016 Ministry Report(s) the following question was asked of each SBC entity:**

“Please give a progress report on what GuideStone has implemented to assist SBC churches with training and equipping people with mental health challenges and how will GuideStone continue to seek ways to work in cooperation with SBC entities and others to address the severe challenges imposed by mental illness?”

For the 2018 Ministry Report please provide the following:

If GuideStone feels that reporting on this subject is within its purview, or falls within the scope of its ministry assignment(s), or has made any progress in the area of assisting churches with training and equipping people with mental health challenges,

or has developed or identified resources to assist SBC churches in the area of mental health ministry, please provide a detailed progress report.

Our health benefits program is designed to recognize that mental health challenges exist and that employees in our health plans might need access to mental health providers. Our health plans include coverage for mental health conditions, and participants are enabled to locate a provider of their choice to meet their individual needs.

GuideStone affirms its willingness to work with other SBC entities to assist our churches in ministering to those suffering from mental health issues. One such means of support will be to continue to offer through GuideStone's health plans the products and services needed to respond to participants, and their families, who have been diagnosed with mental health issues. Some examples of benefits currently provided for covered individuals are pharmacy benefits, inpatient medical benefits, outpatient medical benefits (individual, group therapy mental health and intensive outpatient mental health), and individual or family counseling under certain circumstances.

GuideStone Specific

4. **In your opinion, what is the most reliable metric indicating future accomplishments of or challenges to GuideStone, and why is that metric the one you think is most important to watch?**

Given the vast scope of the financial, insurance and risk management services offered by GuideStone, it is virtually impossible to choose one metric that would give an adequate representation of GuideStone's progress.

GuideStone reports on an ongoing basis to its trustees, as the representatives of our SBC churches, on a variety of metrics for each line of business within GuideStone's ministry assignment. As a sample snapshot of the progress of GuideStone in any given year, sample metrics to review would include total assets, total number of participants and the number of new participants in a given calendar year. These three measures would provide a high-level and reasonably accurate representation of the annual health of GuideStone.

5. **What are the current metrics or number of SBC churches participating in GuideStone's healthcare as compared to the previous years, 2013 – 2017?**

GuideStone currently serves 37,910 individuals affiliated with Southern Baptist churches and ministries in our Group Plans, which has continued to grow steadily since 2013.

6. **Is GuideStone's healthcare offerings equally competitive in pricing, and equally beneficial overall to churches of all sizes and all geographical location? Please explain.**

Absolutely. GuideStone works with industry consultants and through trade groups to determine competitive pricing and benefit structures for our health plans nationwide. GuideStone's Group Plans can cover churches and ministries with two or more employees, offering potentially significant savings for churches over the individual marketplace. Through its relationship with Highmark BlueCross BlueShield, GuideStone participants have ready access to a nationwide network of doctors

and providers with discounts of 50 percent or more. Through Express Scripts, GuideStone is able to bring participants the highest level of prescription drug and pharmacy benefits available through mail order and local pharmacies. GuideStone has teamed with Vitals SmartShopper[®], which rewards cost-comparisons for routine, non-emergency procedures whose prices may vary significantly among similar-quality health care providers. These tools help participants reduce how much they and, in turn, how much is spent on their care, keeping claims lower. Additionally, GuideStone has made available in some plans the Teladoc[®] service, which allows eligible participants to consult with board-certified doctors for a small fee on routine, non-urgent conditions.

7. **How is GuideStone addressing the issue of being competitive in pricing within the healthcare market? What is the impact to churches of current market changes, and regulation changes orbiting around the Affordable Care Act? What are the implications for churches who wish to offer healthcare benefits to its employees? If the ACA is repealed, and/or replaced, what impact will this likely have upon churches, and what role will GuideStone have in this discussion?**

GuideStone has worked with its vendors to ensure competitive pricing for all participants in the health care plans. The Affordable Care Act created much uncertainty in the health care marketplace, especially for denominational benefit boards that offer health care coverage, since individuals covered by GuideStone and other denominational benefit boards were not allowed to qualify for premium subsidies under the legislation. This left GuideStone and other denominational benefit boards dealing with the burdens of the Act without access to the financial support provided to others as a part of the Act. The repeal of the individual mandate as part of the recently passed tax plan adds a new wrinkle in the health care marketplace. GuideStone remains committed to working with regulators and legislators so that it may continue to offer health care plans for churches that reflect their values and that are provided at competitive pricing.

8. **Please give a status report of GuideStone's socially screened fund options. How are GuideStone funds performing in comparison with non-socially screened funds, outside of GuideStone, and across the public marketplace?**

GuideStone has been successful in presenting Christian-screened funds to key advisors who make our products available to their clients. GuideStone Funds[®] are available on most platforms, from which advisors access the Funds, and flows into the Funds exceeded goals in 2016.

GuideStone Funds offer:

Alignment of Values

GuideStone Funds offer several distinctive fund features designed specifically for SBC pastors, employees and church members. First, the Christian-screening criteria employed by GuideStone Funds are designed specifically to reflect the beliefs and core values of Southern Baptists.

GuideStone Funds do not invest in any company that is publicly recognized, as determined by GuideStone Financial Resources[®], as being in the alcohol, tobacco, gambling, pornography or abortion industries or any company whose products, services or activities are publicly recognized as being incompatible with the moral and ethical posture of GuideStone Financial Resources.

Superior Product Quality and Design

Additionally, GuideStone Funds is the nation's largest Christian-screened registered mutual fund

family, which allows GuideStone to offer a wide breadth of competitively priced mutual funds. GuideStone Funds' product line provides retirement plan participants and other investors access to the global financial markets, enabling them to build well-diversified portfolios to meet their unique return objectives and risk tolerances. GuideStone Funds' investment approach provides yet another distinctive for SBC pastors, employees and church members. GuideStone Capital Management, LLC®, the adviser to the Funds and a controlled-affiliate of GuideStone Financial Resources, employs a multi-manager philosophy designed to seek greater performance while reducing the risk associated with a single manager investment structure. This multi-manager investment approach provides investors access to a well-diversified, structured Fund. GuideStone Capital Management selects and retains the services of experienced sub-advisers to make the day-to-day security level decisions within each of the Funds, thus leveraging the expertise, experience and resources of some of the world's finest investment management firms.

Outstanding Record

Finally, GuideStone Funds has developed a track record of strong performance, which has been recognized by a number of ranking services in the secular mutual fund industry. As one example, in 2017, the GuideStone Funds Defensive Market Strategies Fund-Institutional share class was named the Best Fund Over 3 Years and Best Fund Over 5 Years by Lipper within its Flexible Portfolio Funds category for the year ending December 31, 2016. This award recognized the Defensive Market Strategies Fund within its Lipper category, which is made up of 442 similar funds in the 3-year period and 335 similar funds in the 5-year period. The 2017 Lipper Fund Awards honor funds for their consistently strong risk-adjusted performance relative to their peers. The accolades were announced at an investment industry awards dinner March 23 in New York. This marked the seventh and eighth times in six years that Lipper has awarded GuideStone one of its prestigious trophies.

The Fund offers a lower-volatility option that aims to deliver equity-like returns at reduced risk when compared to the S&P 500® Index. The Fund is designed to participate in the return potential of stocks over time, but at lower risk levels than a traditional stock portfolio.

In 2015, GuideStone Funds was honored by Lipper for the Extended-Duration Bond Fund, which was recognized as the Best Fund Over 3 Years and the Best Fund Over 5 Years in the Corporate Debt A-Rated Funds category. The Fund won the same accolades in 2014, ranking it No. 1 out of 50. In 2013, Lipper bestowed an award on the MyDestination 2025 Fund — the 2013 Lipper Fund Award for Best Fund Over 3 Years (Mixed-Asset Target 2025 Funds), ranking that Fund No. 1 out of 92. Significantly, GuideStone Funds received the 2012 Lipper Fund Award for Best Overall Small Fund Group for the 3-year period ending November 30, 2011. GuideStone Funds became the first-ever Christian-screened fund family to win the prestigious Lipper trophy for Best Overall Small Fund Group in the U.S., ranking No. 1 out of 182 eligible companies with up to \$40 billion in assets.

Lipper, Inc., a Reuters Company, is a nationally recognized organization that compares the performance of mutual funds having similar investment objectives. The comparison is made across registered mutual funds, ranking the funds with similar objectives according to total returns. These investment returns are calculated after operating expenses have been deducted from each fund, but the rankings do not take sales charges into account. Lipper rankings are subject to change monthly, and past rankings are no guarantee of future results.

9. **Please provide a status report on GuideStone’s practice to market its socially screened funds to a broader market of like-minded individuals, and church members. How has this practice affected the number of enrollees/participants, and the dollar amount of assets under management? Is there a “next” step in growing the number of enrollees/participants in GuideStone investment options?**

GuideStone’s efforts to inform Southern Baptists about the availability of the GuideStone investment program for like-minded investors continues. While incremental growth continues in the direct market, GuideStone continues to see significant growth in the advisor channel, with assets under management from that channel alone exceeding \$200 million. Platforms are the supermarkets from which advisors access mutual funds and other investments for their clients’ benefit. GuideStone is continuing its marketing efforts to the advisor audience.

10. **What programs, initiatives, measures or steps does GuideStone Financial Resources use to encourage SBC churches to participate in retirement planning for their pastors and staff? Is participation in GuideStone Financial Resources growing across all segments of SBC churches, i.e., non-Anglo churches, language churches, new churches and etc?**

GuideStone seeks to honor the Lord by being a lifelong partner with our participants in enhancing their financial security. Along with state-of-the-art technology solutions that allow prospects to enroll online or participants to access their retirement accounts 24/7, GuideStone also offers high-touch solutions to meet the needs of our diverse participant group. Because of several avenues of contact with new church starts, we enrolled 435 new churches in the retirement plan last year. Overall, contributions in the Church Retirement Plan for Southern Baptist Churches increased by 4 percent.

GuideStone’s relationship managers that serve both church and institutional clients held 569 group meetings across the country and assisted participants in 7,552 individual appointments. Along with on-site visits, there were numerous webinars for individual clients, and GuideStone made available many broad-based webinars focused on various target groups, such as budgeting for younger investors and retirement distributions and Social Security issues for our older investors. Also, GuideStone personnel attended 40 state convention annual meetings and served the needs of those attending these meetings.

GuideStone supports the diverse ethnic makeup of the Southern Baptist Convention. In 2017, GuideStone had a relationship manager focused on African-American churches. Last year he led workshops at six different large conferences that focus on the work of our African-American churches. Currently, our call center has customer solutions specialists on staff who speak Spanish and Korean and also can serve callers in any language through a contracted translation service. Last year more than 2,000 people received account help in a language other than English. A Spanish-speaking GuideStone employee attended 10 different regional Hispanic meetings attended by more than 2,600 Hispanic pastors and church leaders. Another GuideStone employee attended 10 different conferences focusing on the work of our Asian pastors. This allowed him to connect with almost 2,000 Asian pastors and church leaders.

11. **Please provide a progress report of GuideStone's investment in SBC church planters and other similar groups of young leaders within the SBC, encouraging them to enroll in GuideStone Financial Resources investments and services.**

GuideStone receives prospect information many different ways on church planters and young church leaders. Most often our lead source comes from leaders at the state conventions who focus on helping new churches get off to a healthy start. Also, GuideStone manned a retirement information booth and provided financial support to the Baptist 21 and For the Church meetings as a way to encourage those connected with these organizations to save for retirement through GuideStone. Our Mission/Church Assistance Fund continues to help small churches and mission churches who have annual receipts of less than \$75,000 by providing retirement contributions of \$50 per month up to a lifetime maximum of \$3,000. This assistance helps those with limited resources begin saving for retirement. Also, GuideStone has worked with the North American Mission Board to set up retirement accounts for church starters who work through NAMB.

12. **Please state the dollar value of SBC pensioner or participant assets under management by GuideStone Financial Resources for 2017, 2016, 2015, 2014, and 2013 in table below. Note: Include all defined contribution, defined benefit, IRA and personal investment dollars.**

2017	2016	2015	2014	2013
\$13.4 billion	\$11.9 billion	\$11.4 billion	\$11.8 billion	\$11.5 billion

13. **Please state the number of individual SBC participants served in 2017, 2016, 2015, 2014 and 2013 in table below. Note: Include all defined contribution, defined benefit, IRA and personal investment dollars.**

2017	2016	2015	2014	2013
172,000	169,000	166,000	164,000	160,000

14. **Please give a new status report, including the rate and the volume at which Baby Boomers are moving into retirement, and the impact it has upon GuideStone's bottom line in terms of growth in dollars under management, competitiveness in the marketplace, stability of dollars "earmarked" for funding Baby Boomers in retirement, and overall performance of GuideStone funds.**

The size of the Baby Boomer generation cannot be denied.

* 1 in 6 GuideStone retirement plan participants is currently age 65 or older.

* 1 in 4 GuideStone retirement plan participants is between the ages of 55 and 64.

However, this has less of an impact to GuideStone than one would perhaps anticipate for three reasons:

1. A large number of GuideStone retirement plan participants work past what is considered a normal retirement age (65). 36 percent of GuideStone retirement plan participants are still actively

contributing to their retirement account.

2. GuideStone has been able to retain and continue to serve a vast majority of its participants age 65 and older. 93 percent of GuideStone retirement plan participants age 65 or older with a retirement account balance on December 31, 2016, still had a retirement account balance on December 31, 2017.

3. A majority of GuideStone retirement plan participants who are inactive (presumed retired) are not actively withdrawing their retirement savings. 56 percent of inactive GuideStone retirement plan participants age 65 or older with a retirement account balance did not withdraw any money from their retirement account in 2017.

Additionally, GuideStone has been successful at growing the number of younger participants who are increasing their retirement contributions each year.

* 1 in 3 actively contributing GuideStone retirement plan participants is under the age of 40.

* Annual contributions per participant have increased each year since 2010 and were 21 percent higher in 2017 than they were in 2010.

* Total number of GuideStone retirement plan participants has increased each year since 2009 and was 20 percent higher in 2017 than in 2009.

15. **In the 2017 Ministry Report GuideStone made mention of its plans to conduct an extensive survey, early in 2017, to better quantify the extent of financial preparedness among Baby Boomers and younger generations currently employed by SBC churches. Please provide findings from this survey.**

This study was completed with the help of LifeWay Research. GuideStone is researching the results and is not yet in a position to release the findings, but will do so at a later date.

16. **Do the number of GuideStone plan participants now entering retirement outnumber the incoming and new participants? What impact does this have upon GuideStone and its plan participants?**

Please see the answer to No. 14 above for a detailed explanation.

17. **What dollar value was attained in MD endowment, or assets held in reserve, for the MD program for 2017, 2016, 2015, 2014 and 2013 in table below for both Contributions and Minister's Support Fund Reserves?**

	2017	2016	2015	2014	2013
Contributions	\$7.7 million	\$7.5 million	\$7.0 million	\$7.5 million	\$6.5 million
Ministers Support Fund Reserves	\$23.2 million	\$22.5 million	\$24.6 million	\$24.6 million	\$24.7 million

18. **Please state a) the total payout to all MD beneficiaries combined, b) the number of such beneficiaries, and c) the average paid per month to each such beneficiary in in the table below.**

	2017	2016	2015	2014	2013
Total payout to all Mission:Dignity beneficiaries	\$7.0 million	\$7.1 million	\$6.9 million	\$6.4 million	\$6.2 million
Number of beneficiaries	1,738	1,787	1,771	1,867	1,879
Average paid per month	\$336	\$331	\$325	\$290	\$275

19. **Please state a) the total payout to all gift annuities beneficiaries combined, b) the number of such beneficiaries, and c) the average paid per month to each such beneficiary in the table below.**

	2017	2016	2015	2014	2013
Total payout to all gift annuities beneficiaries combined	\$165,000	\$215,000	\$230,000	\$230,000	\$230,000
Number of beneficiaries	96	111	115	122	135
Average paid per month	\$143	\$161	\$167	\$157	\$142

20. **Please give some explanation of how Mission Dignity is endowed and funded each year. Does GuideStone foresee a rise in the number of Mission Dignity benefit recipients as Baby Boomers enter retirement? If so, can GuideStone project what the yearly MD expectations and costs might be?**

Mission:Dignity continues to receive most of its annual funding through the direct gifts of individuals, groups and churches across the SBC. All gifts for the Mission:Dignity annual fund are used, in their entirety, to provide assistance grants to retired ministers, workers or their widows in critical financial need. Donors have the opportunity to establish endowed funds with the principal held in trust and the earnings distributed to Mission:Dignity grant recipients. Certain gifts designated for the Retired Ministers' Support Fund are placed into the permanent endowment, where they generate earnings that cover operating costs of the program as well as provide an additional stream of revenue for Mission:Dignity.

Revenue opportunities continue an upward trend as more people learn of Mission:Dignity and have a desire to give toward helping retirees in need. We fully anticipate a positive giving trajectory well into the future.

Looking ahead, preliminary data indicate an expanding base of potential Mission:Dignity recipients based on retirement account balances of Baby Boomers in our plans. We continue to study this data to determine what to expect over the coming years.