

## Cooperative Program

1. **SBC entities share an equal responsibility in promoting and advancing the Cooperative Program in compliance with the Business and Financial Plan Section VI, Part C (*Cooperative Program Promotion – Each Convention entity shall report on its efforts during the year in promoting Cooperative Program missions giving*). How does GuideStone 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. GuideStone is on record as stating that 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 in Southern Baptist life.

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 almost \$19.2 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.

2. **How does GuideStone Financial Resources operate within the guideline of the SBC Business and Financial Plan, Section VI, Part D (*No Financial Appeals to churches – In no case shall any Convention entity approach a church for inclusion in its church budget or appeal for financial contributions*)?**

GuideStone does not solicit or accept financial contributions from churches or the Cooperative Program to fund its operations, with the limited exception of allowing churches and individuals the opportunity to participate in the relief ministry of Mission:Dignity to care for eligible aged pastors or denominational workers and their widows in need of financial assistance.

## Ethnic Participation

3. **This past year a motion was made by Leroy Fountain asking the Executive Committee to give a progress update to ten recommendations adopted by the SBC in 2011 with respect to ethnic**

church and ethnic church leader participation in Southern Baptist life. The 2011 recommendation that specifically refers to our SBC entities is as follows:

**“The Executive Committee to request from the Southern Baptist Convention entities to submit as part of its annual ‘data call’ [as described in Bylaw 18. E [12] a descriptive report of participation of ethnic churches and church leaders in the life and ministry of the respective SBC entity.”**

**Given this context, and using previous years’ submissions 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’s ministry—such things as senior administrative staff, other professional staff, support staff, customer facing representatives, and written and spoken language resources—demonstrating progress, if any, in ethnic participation over the past eight years, 2011–2019.**

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, and are scheduled to meet again in 2020, 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 2020, non-Anglo employees accounted for 17.9 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 five African American individuals serving on its board of trustees.

## Caring Well Response

### 4. How is GuideStone making an effort to protect against sexual abuse? How does GuideStone plan to integrate aspects of Caring Well in its policies and practices?

GuideStone stands with all Southern Baptists, our sister entities and the churches against the scourge of sexual abuse visited upon the vulnerable in our churches and ministry organizations. We are fully supportive of the recommendations by SBC President J.D. Greear's Sexual Abuse Advisory Group and others interested in protecting children, youth and other vulnerable populations. GuideStone is committed as well to assisting churches and ministry organizations to develop procedures and policies that would avoid such abuse from ever occurring.

To that end:

1. GuideStone has worked closely with MinistrySafe, a leading entity that already is working with state conventions, churches and other SBC ministries to provide policies, procedures and training. MinistrySafe has trained more than 1 million staff and volunteers in more than 16,000 organizations in preventing abuse and responding to reports of abuse. GuideStone has sponsored seminars and conferences with MinistrySafe in Texas and Alabama, as well as offered a nationally available webcast in conjunction with MinistrySafe and Prestonwood Baptist Church in Plano, Texas, attended by more than 5,000 SBC church and ministry leaders.
2. Internally, GuideStone, which has robust employment policies, has reviewed all of its policies and procedures to ensure that all employees are free to work in an environment free of harassment and abuse. GuideStone contracts with an outside provider to provide a confidential hotline — available by phone, email, fax or web — to report incidents of harassment so that they may be addressed quickly. For our participants, GuideStone has made available articles and resources on our website from MinistrySafe.
3. GuideStone's alliance with Brotherhood Mutual Insurance Company also helps augment the work of the Sexual Abuse Advisory Group. GuideStone's commitment is helping churches respond well to reports of abuse, responding quickly to reports and providing appropriate care for victims, and providing resources and access to training to help churches mitigate and — we pray — eliminate the chances for an abuser to access vulnerable populations in Southern Baptist churches. Through GuideStone's alliance with Brotherhood Mutual, churches can acquire Sexual Acts Liability coverage, which extends limited counseling cost coverage for victims of sexual abuse by ministry personnel. This coverage can help churches as they seek to care well for the victims of abuse.

GuideStone offers policy and procedure reviews for churches and ministries in our Property and Casualty Program to aid them in preparing for and responding to potential issues, including how to care for victims, and will continue to support the efforts of our sister entities and the churches we are privileged to serve as together we stand to protect vulnerable populations. Southern Baptist churches and others interested in learning more about the resources available can find actionable checklists to help protect against abuse by visiting [GuideStonePropertyCasualty.org](http://GuideStonePropertyCasualty.org) or find more information about the training from MinistrySafe by visiting [MinistrySafe.com](http://MinistrySafe.com).

### GuideStone Specific

5. **What has proven to be GuideStone's most reliable metric for indicating future accomplishments or challenges for GuideStone? Why is that metric most important to watch? Please provide examples of measurable success or advancement based on the use of this metric in GuideStone's work and ministry.**

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.

6. **Please state the number of Southern Baptist churches currently participating in GuideStone's healthcare services. How does this compare to the previous years? Has there been growth in the Southern Baptist churches that participate?**

GuideStone currently has 39,964 individuals affiliated with Southern Baptist churches and ministries in our Group Plans, which has continued to grow steadily since 2013.

7. **Are GuideStone's current healthcare offerings competitive in pricing, and beneficial to churches of all sizes and all geographical locations? Please explain.**

Absolutely. First, GuideStone works with industry consultants and through trade groups to determine competitive pricing and benefit structures for our health plans nationwide. GuideStone works to meet the needs of both small and large churches. GuideStone's actuaries regularly assess pricing vs. the individual and SHOP marketplace. For large churches, we provide many of the advantages of self-funding at a fraction of the administrative cost and burden. For small churches, we provide benefits not seen in the small group market at a price we are able to achieve because of our size and our alliances with other denominations. For example, in Texas, GuideStone's pricing is better for small groups by an average of 27 percent. Our competitive pricing and benefits are further confirmed by GuideStone's employer retention rate — which regularly runs around 96 percent.

Second, GuideStone works with its vendors to bring cost saving mechanisms directly to participants. Through GuideStone's relationship with Highmark Blue Cross Blue Shield, GuideStone participants have ready access to a nationwide network of doctors and providers with discounts of 50 percent or more. Through Express Scripts, GuideStone brings participants the highest level of prescription drug and pharmacy benefits available through mail order and local pharmacies. New for 2020, GuideStone will leverage monies available from pharmaceutical companies to lower costs of specialty medications. This will bring the participant's cost to \$0 for many specialty meds and

lower GuideStone's liability as well — mitigating costs for the entire book of business.

GuideStone has also teamed with other services to bring convenience and low cost. SmartShopper® is a service that 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 at no charge in some plans the Teladoc® telemedicine service, which allows eligible participants to conveniently consult with board-certified doctors on routine, non-urgent conditions from the comfort of their own home.

Finally, in 2018, GuideStone introduced Secure Health™ 3000, a new health care plan for budget-minded consumers. In it, eligible participants still have access to the nationwide Blue Cross Blue Shield network. 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, which allows stronger affordability relative to traditional PPO plans. This new type of plan brings more options for participants to select the most affordable plan for their needs. GuideStone encourages participants to review their health coverage needs to see if GuideStone's Secure Health is the appropriate coverage choice.

8. **What is the impact of current market changes on churches regarding church healthcare services and pricing? How is GuideStone addressing these?**

The Affordable Care Act created much uncertainty in the health care marketplace. We have seen churches struggling against the negative force of rising health care costs. Additionally, increased governmental interference limits churches' and ministries' abilities to reflect their biblical convictions in their employee benefits. GuideStone responds through affordability — utilizing the strategies discussed above — and advocacy. Collaborating with other denominational benefits boards, 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 provide options for affordability.

GuideStone also seeks to advocate for churches in other ways. We provide tools and education for churches to help navigate the changing landscape. These tools include

- Compliance resources
- Internal unit that advocates for participants through difficult claims situations
- Internal consultants skilled at working with churches and ministries to develop benefit solutions

Finally, as volatility has increased in the market, churches are often faced with solutions that add risk for the employee. GuideStone has sought to provide true medical coverage with payment guarantees, no pre-existing condition exclusions, broad network availability and tax-deductible premiums. By designing products and services with these characteristics, churches can have affordable solutions that limit risk to the church and the employee. As one example, in 2018, GuideStone introduced Secure Health 3000, a new health care plan for budget-minded consumers. In it, eligible participants still have access to the nationwide Blue Cross Blue Shield network. 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, which allows stronger affordability relative to traditional PPO plans. This new type of plan brings more options for participants to select the most affordable plan for their needs. GuideStone encourages participants to review their health coverage needs to see if GuideStone’s Secure Health is the appropriate coverage choice.

9. **Please give a status report of how GuideStone’s socially screened funds are performing in comparison with non-socially screened funds across the marketplace?**

GuideStone Capital Management, LLC®, the investment adviser to the Funds, evaluates the success of each Fund solely on performance, without any consideration given to the potential impact of the firm’s faith-based investment screen. While we take very seriously our responsibility to steward investor assets in alignment with Christian principles, we also believe that performance standards should not be sacrificed due to the existence of a faith-based screen. GuideStone Funds® was able to deliver competitive performance in 2019 compared to both benchmarks and peers.

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. Excitingly, we learned in early 2019 that GuideStone Funds won the 2019 Lipper Fund Award for Best Overall Small Fund Family. This is the second time in the past eight years that we have been honored with this award.<sup>1,2</sup>

<sup>1</sup>The U.S. Lipper Fund Award for Best Overall Small Fund Family is based on a review of 29 fund families for 2019 and is based on risk-adjusted performance for the three-year period ended November 30, 2018. Group Award Methodology: For the 2019 Lipper Fund Awards from Refinitiv, a small fund family is defined as having assets of \$76.8 billion or less. In order to qualify for Lipper’s Overall Small Fund Family Group Award, a fund family will need to have at least three distinct portfolios in each of the following asset classes: equity, bond and mixed-asset. An overall Group Award will be given to the fund family with the lowest average decile ranking of its respective asset class results based on the three-year Consistent Return measure of the eligible funds per asset class and group. The Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the Lipper Fund Award. The Lipper Fund Awards, granted annually, highlight funds and fund companies that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. Additional information is available at [LipperFundAwards.com](http://LipperFundAwards.com). Lipper Fund Awards from Refinitiv, ©2019 Refinitiv.

<sup>2</sup>Our first recognition as the Best Overall Small Fund Family came in 2012 for the Best Overall Small Company Award (out of 26 eligible fund families as of November 30, 2011). Of the 182 small fund families, only 26 met the standards to be considered for the Best Overall Small Fund Family with up to \$40 billion in assets under management. At that time, fund groups with at least three equity, three bond and three mixed-asset classes were eligible for a Group Award, with the lowest average decile rank of the three years’ Consistent Return measure of the eligible funds per asset class and group determining the award winner over the three-year period ended November 30, 2011. In the case of identical results, the lower average percentile rank was determined the winner.

**10. Please provide a status report on GuideStone’s practice for marketing its socially screened funds to like-minded individuals and church members. How has this practice affected the number of enrollees/plan participants, and the dollar amount of assets under management?**

The expansion of GuideStone Funds’ presence on advisory platforms was a strategic priority for GuideStone in calendar year 2019. Through November 30, 2019, GuideStone has raised nearly \$250 million of new assets under management through its intermediary channel.

Five years ago, GuideStone began an initiative to make GuideStone Funds widely available to like-minded individuals and church members via the investment advisory platforms used by advisors, RIAs and other financial professionals. As a result of this initiative, GuideStone Funds can now be purchased on many of the nation’s largest advisory platforms. In 2019, GuideStone gained meaningful traction with multiple platform providers, including:

- Ameriprise – In August 2019, six GuideStone Funds were added to Ameriprise’s fee-based platform, further expanding the availability of GuideStone Funds to investors seeking high-quality, faith-based investment options. Through November, this new relationship has generated in excess of \$25 million in additional assets under management for GuideStone.
- Edward Jones – Ten GuideStone Funds have been available on Edward Jones’ fee-based platform since July 2018. Sales flows from Edward Jones increased materially in 2019, with more than 600 Edward Jones financial advisors actively utilizing GuideStone Funds within client portfolios. GuideStone Funds serves as Edward Jones’ primary faith-based investment option.
- Fidelity, Schwab, TD Ameritrade – Multiple GuideStone Funds have been available on these advisory platforms since 2014. GuideStone continues to grow our exposure on these platforms, which together provide the broadest accessibility of GuideStone Funds to advisors and investors.

Moreover, GuideStone continues to expand its partnership with Kingdom Advisors, a community of more than 2,500 Christian financial services professionals. This is the core market for GuideStone’s Intermediary Sales team — like-minded financial advisors that seek to provide clients with biblically wise financial advice.

GuideStone launched several marketing initiatives in 2019, including targeted email campaigns, social media postings and collateral creation. Of note, GuideStone’s Marketing department, in coordination with GuideStone Capital Management, launched a podcast on faith-based investing that is focused on the financial advisor marketplace. To date, seven episodes have been produced, with topics ranging from investment performance to advisor engagement to shareholder advocacy.

**11. Is participation in GuideStone Financial Resources growing across all segments of Southern Baptist churches, i.e., non-Anglo churches, language churches, new churches, etc.?**

Yes. As answered in Question 3, GuideStone has been growing its relationship with ethnic congregations and groups, though we do not track ethnicity in our systems.

**12. Please provide a progress report of GuideStone's investment in Southern Baptist church planters and young leaders across the SBC. How is GuideStone encouraging them to enroll in its investments and services.**

GuideStone seeks to partner with all SBC pastors — especially including young leaders and church planters — to equip them for their vocational retirement. GuideStone developed its *Compensation Planning Guide* for churches, especially new ones, to follow and implement best practices to provide benefits for pastors and ministry staff. GuideStone has embarked on partnerships with the North American Mission Board and others to provide education with the aim of improving outcomes. In 2019, GuideStone began partnering with several groups of young leaders, including many church planters, to provide intentional blog posts and other content targeting the next generation of pastors and ministry staff with the aim of improving those outcomes. Perhaps the biggest benefit GuideStone offers young leaders, as well as established leaders, is the Protection Section Benefits available to eligible staff members in GuideStone’s Church Retirement Plan. This unique benefit, not available to anyone outside of SBC church staff, provides eligible pastors with a matching benefit, disability coverage and a survivor benefit for their families should they die during service.

**13. Please state the dollar value of Southern Baptist pensioner or participant assets under management by GuideStone Financial Resources for 2015–2019 in the table below. Please include all defined contributions, defined benefits, IRA, and personal investment dollars.**

2019	2018	2017	2016	2015
\$14.6 billion	\$12.6 billion	\$13.4 billion	\$11.9 billion	\$11.4 billion

**14. Please state the number of individual Southern Baptist participants served for 2015–2019 in the table below.**

2019	2018	2017	2016	2015
172,000*	175,000	172,000	169,000	166,000

\*This number reflects a large institutional employer transitioning its recordkeeping from GuideStone, while maintaining GuideStone as an investment provider.

**15. Please provide an update, 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 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). 33 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. 91 percent of GuideStone retirement plan participants age 65 or older with a retirement account balance on December 31, 2018, still had a retirement account balance on December 31, 2019.

3. A significant number of GuideStone retirement plan participants who are inactive (presumed retired) are not actively withdrawing their retirement savings. 35 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 2019.

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

– 30 percent of actively contributing GuideStone retirement plan participants are under the age of 40.

– Annual contributions per participant have increased each year since 2010 and were 25 percent higher in 2019 than they were in 2010.

– Total number of GuideStone retirement plan participants has increased each year since 2009 and was 26 percent higher in 2019 than in 2009.

**16. Please provide the dollar value attained in Mission Dignity (MD) endowment assets held in reserve for the MD program for 2015–2019 in table below.**

Year Reporting	2019	2018	2017	2016	2015
Contributions	\$9.7 million	\$8.4 million	\$7.7 million	\$7.5 million	\$7.0 million
Minister’s Support Fund Reserves	\$20.1 million	\$19.7 million	\$23.2 million	\$22.5 million	\$24.6 million

**17. 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 the table below:**

	2019	2018	2017	2016	2015
a.	\$7.6 million	\$7.1 million	\$7.0 million	\$7.1 million	\$6.9 million
b.	1,650	1,699	1,738	1,787	1,771
c.	\$384	\$348	\$336	\$331	\$325

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

	2019	2018	2017	2016	2015
a.	\$111,000	\$131,000	\$165,000	\$215,000	\$230,000
b.	86	85	96	111	115
c.	\$108	\$128	\$143	\$161	\$167

19. 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 budget for MD might be in the next decade?

Giving continues an upward trend as more people learn of Mission:Dignity and have a desire to give toward helping retired pastors and their widows 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; however, we are aware that some have other savings or retirement income available to them through a spouse's employment or through other sources. We continue to study this data to determine what to expect over the coming years.