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Investment Policy Statement

Georgia Baptist Foundation, Inc. was incorporated in 1941 to support the ministries and churches of the Georgia Baptist Mission Board with the objective of advancing the gospel of Jesus Christ by serving as the trust agency for the Georgia Baptist Mission Board. The Foundation manages endowments, charitable funds, designated accounts, and planned gifts through prudent, dependable, and competitive fiduciary services consistent with the highest ideals of Christian stewardship.Introduction and Purpose

General Management

Scope

This document establishes the investment policy for the Foundation's common investment funds and is designed to assist in effectively supervising, monitoring, and evaluating the investment of the assets under management. The Board of Trustees arrived at this investment policy through careful study of a range of investment strategies in relation to the current and projected distribution requirements of the beneficiaries and shareholders. This investment policy was chosen as the most appropriate policy for achieving the financial objectives of the funds. The Board of Trustees is free to deviate from this investment policy when it concludes that it is prudent and in the interest of the Foundation and the organizations it supports. The Board of Trustees may amend the Investment Policy Statement at any time. In addition to the investment policy defined herein, the management of the common investment funds is in compliance with all applicable laws.

Purpose

The purpose of this policy is to outline the Foundation's philosophy and worldview that will guide the investment management of the common investment funds and is set forth by the Board of Trustees to:

1. Define and assign the responsibilities of all parties.
2. Establish a clear understanding of the Foundation's general investment objectives and principles.
3. Establish guidelines for investment consultants and managers.

Delegation of Authority

The Board of Trustees is the fiduciary and is responsible for directing and monitoring the management of the common investment funds. The specific responsibilities of the Board of Trustees relating to the management of the common investment fund assets include:

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1. Establishing an Investment Policy Statement to oversee the management of the common investment funds, including the creation and review of the investment objectives, permitted investments, asset allocations, and risk/reward profile for the funds;
2. Selecting and terminating the relationship with qualified investment professionals to manage the funds, including Investment Consultant(s), Investment Manager(s), and Custodian(s);
3. Establishing the Income Spending Policy of the funds, if applicable.

As such, the Board of Trustees is authorized to delegate certain responsibilities, including but not limited to those of the Investment Consultant, Investment Manager, Custodian, Proxy Voting Service, and Investment Committee.

INVESTMENT CONSULTANT

The Investment Consultant's role is to provide guidance to the Investment Committee and the Board of Trustees on matters pertaining to the investment of fund assets including investment policy development, asset allocation, investment manager selection and oversight, monitoring fund performance, spending policy distributions, and compliance with the Investment Policy Statement. The Consultant, in carrying out the investment policy defined in this document, has the responsibility to recommend appropriate investments in the specific asset classes mandated by this investment policy, in accordance with the terms of an investment management agreement between the Foundation and the Consultant. The Consultant acknowledges its fiduciary status as non-discretionary Investment Consultant. The Consultant acknowledges that it is a co-fiduciary with the Foundation with respect to determining asset allocation of the portfolio and selection of the Investment Managers. The Consultant shall not act as co-fiduciary of any managers retained or obtained by the Foundation that do not meet the Consultant's compliance requirements.

INVESTMENT MANAGER

The Investment Managers have the discretion to buy, sell, or hold specific securities used to meet fund objectives and may vote proxies on behalf of the Foundation. The Managers should report to the Investment Consultant any major changes to outlook, strategy, or any qualitative change to the organization personnel, ownership, philosophy, etc.

CUSTODIAN

The Custodian is responsible for the safekeeping of the funds, and these duties include maintaining separate accounts, providing daily values (whenever possible), collecting dividends and interest, settling all transactions, and providing at least monthly statements.

PROXY VOTING SERVICE

The Proxy Voting Service is responsible for voting the proxies of the equity shares owned by the funds in such a way that supports the business interest of the corporation and aligns with Biblical values. The proxy service will use the proxy voting guidelines selected by the Foundation. The proxy service shall provide a summary report of the proxies voted annually.

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INVESTMENT COMMITTEE

The Board of Trustees shall appoint an Investment Committee to act on its behalf between the regularly scheduled meetings of the Board of Trustees.

UPMIFA

The Board of Trustees and Investment Committee are responsible for managing the investment process in a prudent manner with regard to preserving principal while providing reasonable returns and is consistent with the principles articulated in the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") which was enacted in the state of Georgia July 1, 2008. In this regard, the Board of Trustees and Investment Committee will consider, if relevant, the following factors in managing the funds:

1. general economic conditions;
2. the possible effect of inflation or deflation;
3. the expected tax consequences, if any, of investment decisions or strategies;
4. the role that each investment or course of action plays within the overall investment portfolio of the funds;
5. the expected total return from income and the appreciation of investments;
6. other resources of the institution;
7. the needs of the institution and the funds to make distributions and preserve capital;
8. an asset's special relationship or special value, if any, to the charitable purpose of the institution.

In addition, each person responsible for managing and investing fund assets shall comply with the duty of loyalty imposed by law and manage and invest in good faith and with the care an ordinary prudent person in a like position would exercise under similar circumstances.

The Ministry Fund

Investment Objective

The foremost objective is to ensure that The Ministry Fund (TMF) is managed in a manner that is consistent with the Foundation's and Organization's stated beliefs and values. The Ministry Fund (TMF) investments are actively screened by the Investment Manager and monitored by the Investment Consultant. A list of the portfolios' active social screens including prohibited investments will be maintained in Appendix B.

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The investment objective for TMF is to provide sufficient cash flow from interest, dividends, and realized or unrealized capital gains to meet the Income Spending Policy payout set by the Investment Committee, and to generate enough additional growth of principal to maintain the purchasing power of the income dollar. The specific performance goal for TMF is a portfolio that has a high probability of achieving an average return of 7.5% over a full market cycle.

The Board of Trustees adopted a long-term investment horizon for the fund such that the probability and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

Asset Allocation

The asset allocation within TMF is driven by the investment objective stated above. Specific equity, fixed income, and alternative investment disciplines that are used in the asset mix, along with the percentage of the portfolio allocated to each, are listed in Appendix A. Such allocations are subject to change upon the recommendation of the Investment Consultant and approval of the Board of Trustees or Investment Committee.

It will be the responsibility of the Investment Consultant to monitor the balance quarterly and notify the CEO or Director of Investments of the Foundation if at any time portfolio allocations deviate from the policy target allocation ranges listed in Appendix A. It is recognized that market action may cause an imbalance in the interim period. Such fluctuations are normal and acceptable.

Income Distribution

The Ministry Fund shall distribute income based on the attached The Ministry Fund Income Spending Policy. The Income Spending Policy payout shall be calculated and distributed as a dividend for each share of the fund. The Investment Committee of the Board of Trustees will review the dividend annually with the intent of increasing the dividend each year unless the resulting dollar amount is more than 5% or less than 4% of the applicable market value of the fund. The staff of the Foundation will review the dividend on a quarterly basis to determine if the dividend remains in the 4%-5% corridor. In times of significant market volatility, the Foundation staff may adjust the dividend on a monthly basis so that it returns to the corridor.

Risk Tolerance and Volatility

The primary measurement of risk will be the standard deviation of average returns. Consistent with the desire for adequate diversification, the investment policy is based on the assumption that the volatility (standard deviation) of the combined equity investment will be similar to that of the market opportunity available to institutional investors with similar return objectives. The volatility of fixed income portfolios may be greater than the market during periods when the portfolio duration exceeds that of the market

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and/or when alternative income strategies are utilized in the portfolio. The portfolio's risk objective is to maximize returns when adjusting for risk level and should not take inappropriate risks beyond what is necessary to generate the return objective.

Failure to achieve the goal in times of excessive market volatility is not a failure of the strategy, but will trigger an in-depth review and discussion with the Investment Consultant

regarding the asset allocation and Investment Managers to ensure that all are performing to expectations and to articulate a forward-looking plan for improvement.

All assets contributed to the Foundation shall be disposed of as soon as practical should they not conform to the established guidelines. In extraordinary circumstances, per Investment Committee approval, assets contributed to the Foundation may not be allocated according to Appendix A and will be dealt with on a case-by-case basis.

Investment Guidelines

Public Equity Manager Guidelines

1. Cash equivalent holdings in excess of withdrawal needs (approximately 5%) should be avoided. However, managers may increase cash assets in the portfolio if, in their professional judgment, market conditions so warrant. The manager shall inform the Investment Consultant of this decision.

2. Equity Holdings - Diversification and Quality Criteria

    a. The market value of any one company holding shall not exceed 10% of the total market value of equities held in the portfolio of a specific manager.

    b. Each manager's portfolio is expected to be appropriately diversified by industry given the manager's specific asset class and style.

    c. Securities which are broadly classified as institutional quality issues - regardless of whether or not they are listed on a recognized stock exchange - are eligible for inclusion in the portfolio.

    d. Convertible issues are suitable for use as investment vehicles if the average quality rating conforms to the intent of these guidelines.

3. Equity Holdings - Turnover

    If performance results meet objectives, the rate of turnover will not be a factor in manager evaluation.

4. Equity Holdings - Universe

    The following security categories are permissible equity investments:

a. Common stocks;

b. Securities convertible into common stock;

c. Common stocks of foreign companies, if listed on a major U.S. securities exchange;

d. Equity securities of foreign companies listed on any U.S. or foreign securities exchange (applies only to foreign equity managers);

e. ADRs, EDRs, and GDRs;

f. ETFs;

g. REITs.

h. Preferred stocks.

5. The following are not permitted unless approved in writing by the Foundation except as permitted for the alternative managers.

a. Short sales;

b. Put and Call Options;

c. Margin purchases, or borrowing or lending money;

d. Letter stock, private placement, or direct placements;

e. Commodities or futures of any type;

f. Real estate or mortgages, except to the extent directed by the Board of Trustees;

g. Common stock of foreign companies, except as permitted in Para. 4.e (applies only to domestic equity managers).

6. Securities of the Investment Consultant, Investment Manager, the Custodian, their parent, or subsidiaries are not permitted unless approved in writing by the Foundation.

7. Performance measurement will include the following:

a. Each equity manager will be measured against an appropriate index as well;

b. Each equity manager will be ranked against a universe of managers using the same investment style;

c. A list of appropriate equity manager benchmarks will be maintained in the Appendix C.

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Traditional Fixed Income Manager Guidelines

1. Fixed Income Holdings - Bond Diversification and Quality Criteria

   a. Marketable issues are desired so that the portfolio can be actively managed;

   b. Bonds with maturities of one year or more should be of an original issue size in excess of $50 million;

   c. Bond holdings are expected to be well diversified across the permitted universe;

   d. Quality: 90% of the overall traditional fixed income portfolio will be Bank Investment Grade; the remaining 10% must have a Moody's or S&P Global Ratings credit rating no lower than B1 or B-;

   e. The average duration of the portfolio should be +/-25% of the duration of the benchmark.

2. Fixed Income Holdings - Turnover

   a. Bonds may be actively managed;

   b. Active management is meant to include altering the average coupon yields, shifting maturity schedules, "swapping," and such other prudent strategies which enhance the income or quality of the portfolio or decrease the risk.

3. Fixed Income Holdings - Bond Investment Universe

   The following security categories are generally permissible investments for the fixed income portion of the portfolio:

   a. Debt securities issued or guaranteed by the United States Government or its agencies (including U.S. Government Agency mortgage-backed securities and Small Business Administration securities);

   b. Corporate bonds, debentures, and other forms of corporate debt obligations, including equipment trust certificates;

   c. Indexed notes;

   d. Yankee Bonds;

   e. Debt securities issued by foreign governments provided they meet the quality criteria of Para. 1;

   f. U.S. Municipalities;

   g. AAA - rated Asset Backed Securities are permitted with a maximum duration of 3 years

   Student Loans backed securities including Sallie Mae bonds are not permitted.

4. Cash Equivalent Holdings Diversification

Excluding debt obligations of the U.S. Government or its agencies, or the Custodian short-term reserve fund or money market fund, no single issue may exceed 10% of the market value of the total account.

5. Cash Equivalent Holdings - Universe

   The following short-term investment vehicles are acceptable:

   a. All obligations issued or guaranteed by the U.S. Government or its agencies;

   b. Commercial paper rated A1 by Standard & Poor's and P1 by Moody's;

   c. Certificates of Deposit - only of banks or savings and loan institutions with listed deposits in excess of $500 mm (excluding the custodian bank) in the United States in terms of total assets;

   d. Custodian bank short term reserve funds which meet the diversification and quality criteria set forth by the Controller of the Currency;

   e. No-load money market mutual funds;

   f. Euro-dollar CD's;

   g. Bankers Acceptances.

6. Securities of the Investment Consultant, Investment Manager, the Custodian, their parent, or subsidiaries are not permitted unless approved in writing by the Foundation (excluding short term reserve funds and money market funds).

7. Performance measurement will include the following:

   a. Each fixed income manager will be measured against an appropriate index as well;

   b. Each fixed income manager will be ranked against a universe of managers using the same investment style;

   c. A list of the appropriate fixed income manager benchmarks will be maintained in Appendix C.

Alternative Manager Guidelines

The investment objective of the alternative manager is to produce returns comparable to or exceeding those of the public markets over a full market cycle targeting substantially less volatility (standard deviation) than traditional public investments. The alternative allocation is expected to include private equity, private real estate, and private debt investments made through commitments to limited partnership funds

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dedicated to those asset classes.

1. Private Equity investments may include funds pursuing Venture Capital, Growth Equity, Buyout, or Special Situations sub-strategies.

    a. Venture Capital investments are characterized by non-control investments in early-stage businesses, including pre-revenue businesses.

    b. Growth Equity investments are characterized by either control or non-control investments in emerging but established businesses requiring institutional capital to pursue growth-related acquisitions and expansion opportunities.

    c. Buyout investments are characterized by control investments in established, more mature businesses which may require operational improvements, acquisitions or expansion capital.

    d. Special Situations investments are opportunistic investments resulting from specific, idiosyncratic developments in the market which may include distressed investments.

2. Real estate investments may include funds pursuing Core and/or Value Add real estate sub-strategies.

    a. Core real estate investments are characterized by stable, well-leased properties in major metropolitan markets and are expected to produce consistent returns primarily through current yield.

    b. Value Add real estate may consist of properties in primary or secondary metropolitan areas requiring some improvement or repositioning to drive rent increases; Value Add real estate is expected to provide a combination of current income and capital appreciation.

3. Private Debt investments consist of directly originated or syndicated senior loans to middle market companies and are backed by the borrower's cash flows and potentially by their hard assets. Private Debt returns are primarily through current income at a premium to traditional fixed income credit yields. Due to the private nature of alternative investments, the Foundation may be limited in its ability to administer the screening guidelines listed in Appendix B for assets placed with alternative managers.

The Investment Policy Statement is subject to modification at the discretion of the Board of Trustees of the Georgia Baptist Foundation. This Investment Policy Statement was adopted by the Board of Trustees of the Georgia Baptist Foundation at its regularly scheduled meeting held on **February 6, 2025.**

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