

## American Baptist Foundation (ABF) Investment and Endowment Services Frequently Asked Questions (F.A.Q.)

This FAQ booklet was developed as a resource to address commonly asked questions. While you prayerfully consider your long-term ministry needs and objectives, ABF is here to offer a helping hand.

**American Baptist Foundation (ABF)** accepts, invests, and administers financial assets for the exclusive benefit of our American Baptist partners in ministry and mission. We offer a flexible and professionally managed platform that is responsive to the unique needs of our ministry partners.

Thank you to our partners, *American Baptist Regions (Multi-Region Corporation)*, *American Baptist Home Mission Societies (ABHMS)*, and *American Baptist International Ministries (IM)*. *American Baptist Foundation (ABF)* encourages the support of these ministries.



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# FREQUENTLY ASKED QUESTIONS

INVESTMENT & ENDOWMENT SERVICES



Connecting People Who Care  
to Ministries That Matter

## Investing with American Baptist Foundation (ABF)

### Does ABF offer investments for non-American Baptist (AB) organizations?

As a supporting organization, ABF works *only* with American Baptist (AB) and related organizations, including AB churches, regions, camps, and national organizations.

## Investment Oversight

### Who oversees ABF's investments?

ABF's investments are overseen by the Investment Sub-Committee (ISC), under the direction of the Finance Committee of the ABF Board of Directors. The ISC partners with professional advisors and custodians to deliver premium investment options.

## Social Responsibility

### Does ABF follow ethical investment guidelines that protect the integrity of my investment?

All of ABF's investments on this platform adhere to the Socially Responsible Investing (SRI) guidelines established by ABC/USA and exclude investments with any significant exposure to gambling, alcohol, tobacco, and firearms.

## Opening an Account

### How do I open an account?

A completed endowment application and relevant disclosure documents, are needed to open an account.

### How do I contribute to my account?

You may contribute to your account by arranging a wire transaction or by sending a check made payable to American Baptist Foundation to the ABF office. Be sure to place your account number and/or ministry name on your check.

### Can I open more than one endowment or investment account?

Yes. A ministry may open multiple accounts.

## Account Fees

### What are ABF's Account fees?

ABF's record keeping and administrative fees total 0.62% or 62 basis points. We DO NOT charge Front-End, Back-End, or Transaction Fees. ABF does charge Investment management fees which are a flat 0.83%. ABF Account Total Fees are 1.45%

*Note: As with any other market-based investments, investment management fees are associated with the underlying investment; however, these are not ABF fees.*

### Is there a fee to open or withdraw from an account?

No, ABF does not charge any account opening or withdrawal fees.

### Is there a minimum investment needed to open an account?

Yes. \$10,000 is the minimum investment required to open an account. If your ministry does not have the required minimum investment, please contact the ABF office to see if alternative arrangements can be made.

## Investment Choices

### What are ABF's Investment Choices?

ABF believes simpler is better. There are three investment choices available through our platform:

- Fixed Portfolio - 100% fixed income. Objective - principal stability.
- Blended Portfolio - 60%/40% (stocks/bond). Objective - balanced growth.
- Stock Portfolio - 100% equities. Objective - aggressive growth.

Investment partners can choose any combination of the three to meet their objectives. For updated performance history, please contact the ABF office.

### Can we change our investment choice(s) in the future?

Yes. Investment choices may be changed monthly, once valuations are completed.

### What interest rate does ABF pay?

ABF investments do not pay a fixed rate of interest. Investment values, even for our more conservative investments, may fluctuate. Notwithstanding, the Fixed Portfolio historically has realized a much higher long-term average rate of return than traditional Certificate of Deposits (CDs) and money market accounts. Our equity investments are invested with the goal of meeting or exceeding their benchmarks.

### Since there are no fixed interest rates, what does ABF pay out?

ABF calculates a five percent, twenty (20) quarter rolling average calculation that may be used as an endowment or investment spending policy. This protocol as adopted by ABF, is contained in the Uniform Prudent Investment of Institutional Funds Act ("UPMIFA"). While retaining investment opportunities, this calculation has historically provided long-term investors with a consistent and effective withdrawal strategy.

*Note: This calculation is just a guide, investment partners are allowed to withdraw as much as they desire, to the extent that they need or are permitted per their internal guidelines.*

## Account Servicing

### How often do we receive statements?

Generally account statements are provided on a quarterly basis. Paperless, monthly and ad-hoc (custom) statements are available upon request.

### Can I view my account(s) on-line?

Yes. Online account access is available to view your account transaction history and balance. All accounts are updated monthly, and statements are available upon request.

### How long does it take to withdraw funds from my account?

For partial withdrawals, once a written request is received from an authorized person, a check will go out within 2-5 business days. For full withdrawals, disbursements are distributed after final valuations have been completed.

### Can I change the payout percentage of our endowment in the future?

Yes. Investment partners have complete control over their payout options.

## Account Protection

### How does ABF protect my account?

ABF will only work with an authorized person on your endowment account. Authorized persons are named at the time of establishing your endowment. Disbursements are never made to individuals, only the institution or ministries listed on the account(s).

### What should we do if the financial officers/signatures on our account(s) change?

Changes to authorized signatures must be communicated to the ABF office in writing.

### Are my investments with ABF FDIC insured?

Accounts held at ABF are not deposit accounts held by a bank, and therefore, are not guaranteed or insured by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency. ABF's investment advisors and custodians are members of the Securities Investor Protection Corporation (SIPC). Per the U.S. Securities and Exchange Commission (SEC), SIPC provides limited protection for ABF's pooled investments.

## Other Questions

### If I have questions that are not answered in this FAQ booklet, how do I contact ABF?

ABF representatives are available by phone (610-768-2035) or email (abfadmin@abc-usa.org) Monday – Friday, from 8:30a.m. to 4:00p.m.(ET).

