

# Institutional INVESTING



Free Will  
Baptist  
Board of  
Retirement

# Institutional Investing Welcome

The mission of the Free Will Baptist Board of Retirement isn't limited to employees of Free Will Baptists (FWB). We also have a ministry to the employers of those employees. That is why we have started a new program in 2017 to help serve our denomination. Institutional investing allows the Board of Retirement to partner with churches and other church organizations to help manage assets for the growth and development of their ministries. Churches and church organizations can open an investment account with Board of Retirement and select investment strategies they would prefer to grow their accounts. Once the funds are invested, then earnings will be posted monthly to the accounts. There is no restriction on the funds invested and can be moved at any point. There is no limit on the amount of funds that are deposited into the account and withdrawals from the account can be taken at any time (see Withdrawal of Funds).

These accounts over the long-term will provide a greater return on investment than the standard options available at a local bank. We have had several organizations contact us over the years looking for a place to gain a greater rate of return on their long-term project funds. Now we have a vehicle set for them to accomplish this. We are structuring these investments for timelines that are longer than one year in duration. Since the funds are invested in equities and bonds, they will be subject to changes in the markets and earnings will reflect those changes. These accounts have several investment options available to them so funds can be as aggressive or as conservative as the organization would like, with the option to change the allocation at any point.

While we are not allowed to invest individuals' funds outside of retirement accounts, we can take funds that have been invested with other church organizations like FWB Foundation and invest in our strategies with the funds they hold for individual accounts. We have partnered with the FWB Foundation to provide our investment strategies to be chosen as your investment with your revocable trust account.

The Board of Retirement has developed this program to work with churches and church organizations to provide a greater return for moneys they are holding for future long-term projects and growth that are meant for Kingdom work. This can generate a lasting impact for the ministries they belong to.





## Investment Management Philosophy

Free Will Baptist Board of Retirement uses investment management professionals with over 25 years of experience that provide a performance-driven, values-based approach to institutional investment management. From investments with some of the industry's top investment managers, Free Will Baptist Board of Retirement Institutional Investing can provide a range of solutions to help you meet your unique investment objectives. We are committed to providing a range of investment strategies—all built on a foundation of integrity and excellence.

## Social Screening Philosophy

The Board of Retirement will not invest in any company that is publicly recognized, as determined by the Board of Retirement, as being in the liquor, tobacco, gambling, pornography, the Walt Disney Co. or any company whose products, services, or activities that are publicly recognized as being incompatible with the moral and ethical posture of the Board of Retirement. Investment funds may not be able to take advantage of certain investment opportunities due to these restrictions.

## Our Investment Philosophy

The Board of Retirement uses a manager-of-managers approach to provide our investment options to our participants. This allows us to provide some of the industry's top investment managers to build out our investment strategy options. Managers build portfolios from a bottom up approach, looking at individual companies that are outperforming rather than looking at sectors and working their way down.

At the Board of Retirement, we take a disciplined approach to our investment strategies. Our philosophy is focused around basic investment principles:

- Capital markets typically provide the greatest return to long-term investors
- Active portfolio management
- Bottom up portfolio approach rather than a top-down
- Investments in domestic as well as global markets



## Investment Options

The Board of Retirement is committed to delivering the right solutions to meet your unique needs. Our investment options are intended to give you an opportunity to exercise control over the investment of your assets. There are five (5) Investment Strategies available to institutional investors and each have their own specific investment objectives. The investor maintains the flexibility to choose which Investment Strategy best fits their investment objectives and may choose one or all of the options to invest in. For additional investment strategy options, please contact the Board of Retirement at 1-877-767-7738.

### CONSERVATIVE STRATEGY

This approach is for those whose primary desire is to protect against capital risk and who understand that protecting against risk may require that some percentage of return be foregone, and protection against any one risk may to some extent preclude protection against other risks.

#### OBJECTIVES AND ALLOCATION RANGE:

- Overall Portfolio Equity Range: 5% to 35%
- The primary objective is to manage against capital risk by reducing year-to-year volatility.
- The secondary objective is capital growth, when valuation levels in the stock market are favorable and its specific strategies and pricing techniques can take advantage of market conditions.

### MODERATE STRATEGY

This approach is for those who place dual emphasis on two objectives which must be balanced against each other due to their conflicting nature.

#### OBJECTIVES AND ALLOCATION RANGE:

- Overall Portfolio Equity Range: 30% to 60%
- To manage against capital risk by reducing year-to-year volatility.
- To seek capital growth over the medium term when valuation levels in the stock market are favorable and its specific strategies and pricing techniques can take advantage of market conditions.

## DEFAULT STRATEGY

This strategy uses a multi-manager investment strategy. We diversify the managers to provide greater focus in individual areas of each managers' specialty. The investment is diversified over three different asset managers: Active Asset Allocation Manager: Manning & Napier Advisors, LLC; Core (Large Cap) Stock Manager: Dana Investment Advisors, Inc.; and Core Fixed Income Manager: Sage Advisory Service, Ltd.

### OBJECTIVES AND ALLOCATION RANGE:

- Overall Portfolio Equity Range: 35%-70%
- Proprietary bottom-up asset allocation processes driven by disciplined and time-tested stock selection strategies.
- Primary objective is the pursuit of long-term capital growth, with a goal of meeting the long-term needs of the total portfolio. Secondary objective is to preserve capital and dampen year-to-year volatility that could greatly impact the availability of funds for financial needs at the Association's discretion.

## MAXIMUM STRATEGY

The main purpose of this portfolio is to pursue growth of capital. The investment guidelines are based upon a very long-term investment horizon, and a willingness to incur significant fluctuations in value in the interim. The portfolio's strategic asset allocation is based on this long-term perspective. Although the portfolio will not be completely invested in stocks at all times, the client's prospects for the future, current financial condition, and several other factors suggest collectively that this portfolio can stand the degree of volatility associated with full stock exposure.

### OBJECTIVES AND ALLOCATION RANGE:

- Overall Portfolio Equity Range: 80% to 99%
- Achieve a high level of long-term capital growth comparable with that of the stock market.

## DISCIPLINED VALUE STRATEGY

This strategy is a value-oriented, systematic investment strategy. The approach is based on identifying attractively valued companies with competitive, sustainable dividends and stable financial health profiles. It is focused on providing favorable downside risk management in adverse markets. The portfolio is generally comprised of mid- to large-cap companies with flexible sector allocation.

### OBJECTIVES AND ALLOCATION RANGE:

- Overall Portfolio Equity Range: 95% to 100%
- The objective of this strategy is to provided competitive returns consistent with the broad equity markets while also providing a level of capital protection during sustained market downturns.
- Dividend Yield: 2.50% to 3.00% (Range)

# Withdrawal of Funds

While the purpose of Institutional Investing is a long-term strategy, funds will not be restricted for access after the first 60 days. (Funds need to remain invested for at least 60 days prior to first withdrawal). We can transfer funds within 5 business days for amounts under \$500 thousand.

## Advantages for Investors

While investments will be exposed to a certain amount of risk when invested in the market, the potential return on the investment is far greater than the rate of return with a CD (Certificate of Deposit) or a standard money market account. Investments with a longer time-horizon will benefit more by market investment and historically outperform these short-term investment options. Not only that, Free Will Baptist Board of Retirement delivers a value-based investment approach and institutional client-focused service.

## Other Information

If you have any additional questions or would like to know how to open an institutional investing account, please contact us by phone at (877) 767-7738, by email at [boardofretirement@nafwb.org](mailto:boardofretirement@nafwb.org), or on the web at [www.boardofretirement.com](http://www.boardofretirement.com)

You should consider the investment objectives, risks, charges and expenses carefully before investing. Past performance does not guarantee future results.

**FINANCIAL ADVISORS:** Neither the Board of Trustees nor the staff of the Board of Retirement are engaged in rendering financial advice, legal advice, or other financial planning services. If such advice is desired or required, the services of a competent professional should be sought.

**NON INSURED:** The investment account provided by the Board of Retirement, and administered by the Board of Retirement, is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

**SECURITIES LAWS:** The Board of Retirement or any company or account maintained to manage or hold assets of the Plan and interest in such Plan, companies or accounts (including any funds maintained by the National Association of Free Will Baptists Board of Retirement) is not subject to registration, regulation or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, Title 15 of the United States Code or state securities laws. Therefore, the Plan participants and beneficiaries will not be afforded the protections of those provisions.