

BAPTIST FOUNDATION OF SOUTH CAROLINA

SPENDING POLICY

(effective 10/23/2018)

Spending Policy Summary

- ◆ For most funds, annual distributions will be paid as of December 31 of each year.
- ◆ For the first 12 quarters of the account's history:
 - ◆ the distribution will be 2% of the average quarterly fair market value of the fund since inception.
- ◆ After maintaining the required 12 quarter history, the spending policy amount will be calculated as follows:
 - ◆ An average market value of the prior 16 quarters (as of December 31 of the prior year) will be calculated. (If there is less than 16 quarters of history, the calculation will be the average of the number of quarters of history available.)
 - ◆ A percentage of the 16-quarter average (spending benchmark), determined by the Board of Trustees, will be calculated and paid annually. The current spending benchmark is 4.25%.
 - ◆ The spending policy payment amount for any individual account may be reduced if deemed appropriate subject to the rules as outlined in the South Carolina Uniform Prudent Management of Institutional Funds Act.

Example: After accumulation of 16 quarters of history, account AB123 has posted the following fair market values for each of the last 16 quarters:

03/31/2017 / \$57,729.21	03/31/2019 / \$55,654.71
06/30/2017 / \$58,710.41	06/30/2019 / \$56,961.61
09/30/2017 / \$59,633.87	09/30/2019 / \$55,954.91
12/31/2017 / \$57,942.13	12/31/2019 / \$56,687.82
03/31/2018 / \$57,415.36	03/31/2020 / \$51,188.09
06/30/2018 / \$57,535.02	06/30/2020 / \$55,793.10
09/30/2018 / \$58,904.47	09/30/2020 / \$57,171.95
12/31/2018 / \$52,867.25	12/31/2020 / \$62,213.55

The average of these quarters is \$57,022.72

With a spending benchmark of 4.25%, the year's distribution will be **\$2,423.47**

NOTE: Account corpus (total contributions) is \$53,938.68

