

# Institutional INVESTING



**Richland Ave**  
FINANCIAL

A FREE WILL BAPTIST MINISTRY



## Institutional Investing Welcome

Every church and church organization has a vision to do more for the Kingdom of God. In order to be ready for those future opportunities, you must start preparing today. Imagine how effective our organizations would be if, when an opportunity arose, our focus was only on whether it was the right opportunity for us to take rather than, realizing it would be a great opportunity but having no way to pursue it because of financial positioning.

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*Richland Ave Financial's goal is that every church and church organization in our denomination is prepared for their next ministry opportunity as they do the work of their current ministry.*

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Our **Institutional Investing** program allows Richland Ave Financial to partner with churches and other church organizations to help manage their assets to provide a greater return for moneys they are holding for future long-term projects and growth that are meant for Kingdom work.

Imagine a church organization that is currently setting funds aside into a savings account, earning around 2% annually. These funds are working, but they are set up for short-term gain and sacrificing the long-term advantage of investing the funds, especially when the funds put into this account have a long time horizon, i.e., five years or more before they will be drawn out and put to use. The average annualized return of the stock market has been around 12% over the history of the stock market dating back to 1923 through the current year. By using the tools that are available to us, we can do more and more with the funds that have been set aside with the power of compounding interest. 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.

We want our churches and organizations to be in the best financial position possible and to take advantage of the opportunities the Lord presents to them in the future, but that means preparing today.

# How It Works

Free Will Baptist churches and church organizations can open an investment account with Richland Ave Financial and select investment strategies they would prefer to grow their accounts. There is no limit on the amount of money that can be deposited into the account and withdrawals from the account can be taken at any time (see Withdrawal of Funds). Once the funds are invested, then earnings/losses are reflected daily on the accounts. There is no restriction on the funds invested and money can be transferred to a different investment strategy at any point.

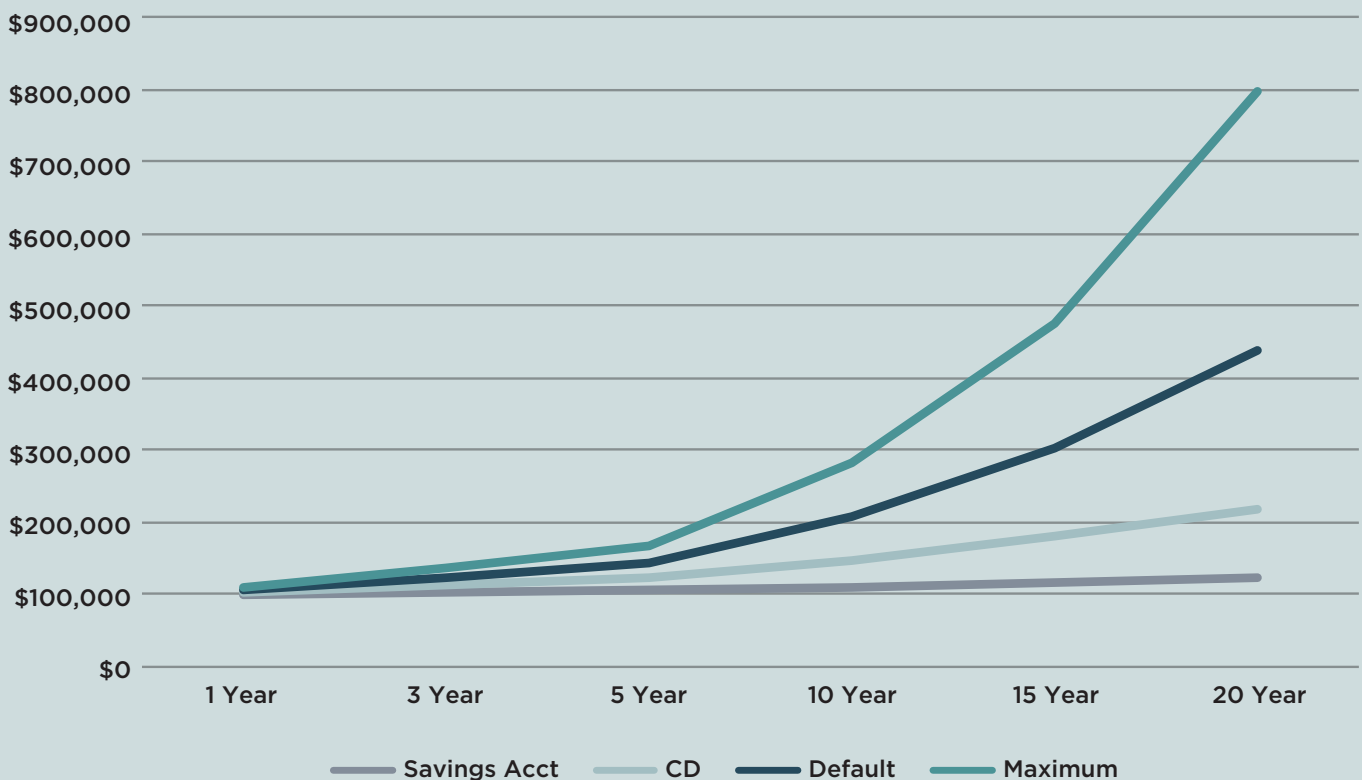
## Institutional Investing Can Benefit Your Church or Ministry

- Launch a new church
- Construct a new building
- Start a Christian school
- Fund a Pastor's equity allowance
- Build reserves for future ministry opportunities
- Emergency fund
- Support a missionary family
- And much more!



## INVESTMENT GROWTH COMPARISON

### STANDARD BANK OPTIONS VS. DEFAULT/MAXIMUM STRATEGIES



*The illustration above is based on current performance (as of 12/31/2023) of the Default and Maximum strategy vs. standard savings account (1%) and Certificate of Deposit (4%) of an initial \$100,000 deposit. It is presented for illustration purposes only and does not guarantee future performance.*



# INVESTMENT OPTIONS COMPARISON

## INVESTMENT OPTIONS

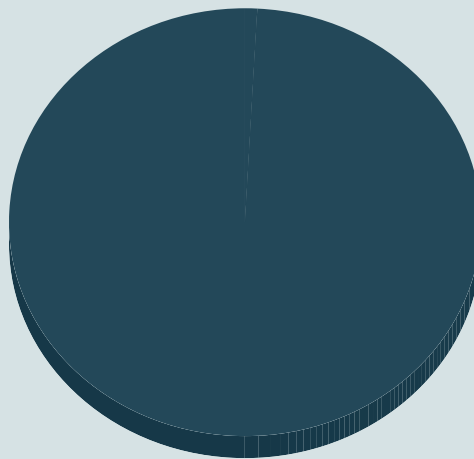
Richland Ave Financial provides a range of solutions to help you meet your unique investment objectives. Our plan is intended to give you control over the investment of the assets in your account. Each Investment Option is unique and has its own specific investment goals, objectives, and time horizon and is made up of many individual stocks, bonds, and other investments. You can decide which Investment Option(s) you want to invest in or create your own custom portfolio from any of the preset plans or seven asset classes.

## OUR INVESTMENT PHILOSOPHY

Richland Ave Financial uses investment management professionals that provide a performance-driven, values-based approach to investment management. This allows us to provide some of the industry's top investment managers to build out our investment options. At Richland Ave Financial, we take a disciplined approach to our investment strategies. 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. All of our Investment Options are actively managed.

## PRESET

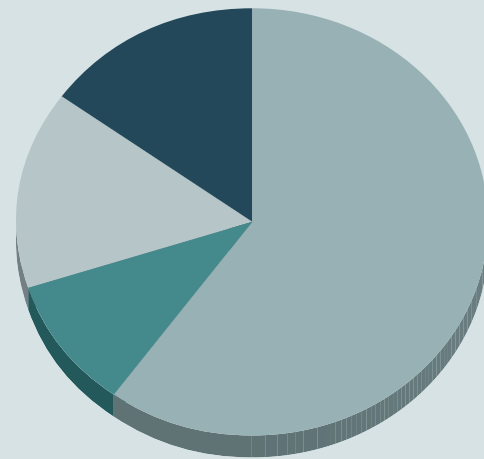
### SET RATE FUND



#### TIME HORIZON 0 TO 3 YEARS

- Protection of capital
- Managed to earn a set rate of return
- Seeks to remove volatility
- A mixture of equities and fixed income adjusted to meet a board-directed rate of return
- 3% current annualized rate of return

### MODERATE STRATEGY



|                         |     |
|-------------------------|-----|
| All Cap Growth          | 10% |
| Large Cap Growth        | 15% |
| Large Cap Value         | 15% |
| Short Term Fixed Income | 60% |

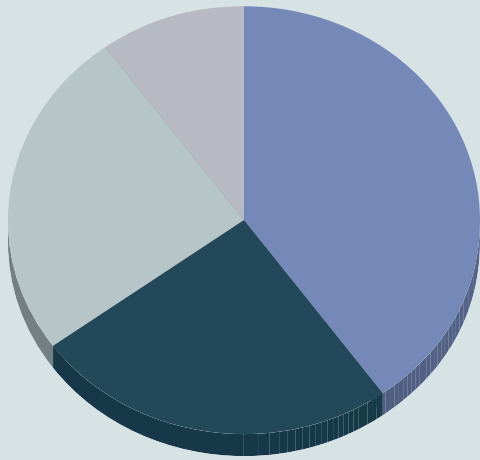
#### TIME HORIZON 3 TO 10 YEARS

- Seeks strong current income
- Seeks modest capital appreciation
- Seeks low to moderate price volatility levels
- 40% invested in stocks

# Asset Allocation and Investment Goals/Objectives

## PLANS

### DEFAULT STRATEGY



Large Cap Growth **25%**

Large Cap Value **25%**

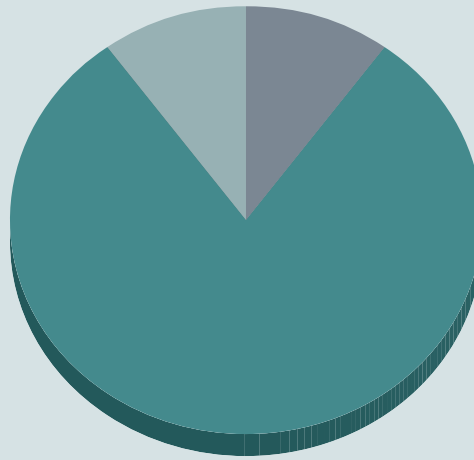
SMID Cap **10%**

Intermediate Fixed Income **40%**

#### TIME HORIZON 3 TO 10 YEARS

- Seeks moderate level current income
- Seeks above average capital appreciation
- Seeks moderate price volatility levels
- 60% invested in stocks

### MAXIMUM STRATEGY



All Cap Growth **80%**

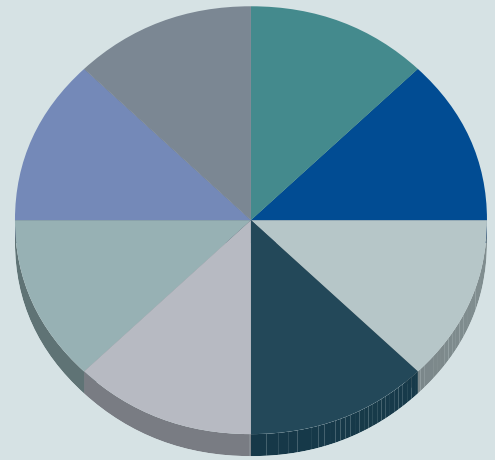
Real Estate (REITs) **10%**

Short Term Fixed Income **10%**

#### TIME HORIZON 15+ YEARS

- Seeks maximum long-term growth of capital
- Long term investment horizon
- Accepts high price volatility levels
- 90% invested in stocks

### CUSTOM ALLOCATION



#### TIME HORIZON 15+ YEARS

Personalize your allocation with these options:

- Any of our Preset Plans
- All Cap Growth
- Large Cap Growth
- Large Cap Value
- SMID Cap
- Real Estate (REITs)
- Intermediate Fixed Income
- Short Term Fixed Income

The Custom Allocation plan is highly customizable. You can create your own custom portfolio from any of the seven asset classes or, if you would like, you can invest in a mixture of any of the Preset Plan options and asset classes. (Definitions of each asset class is on the following page)

# DESCRIPTIONS OF ASSET CLASSES

## ALL CAP GROWTH

- Invests in leading companies that are participating in major disruptions in the economy. These disruptions are induced by new technological solutions and innovations.
- All size companies—large, medium, and small—believed to have superior growth characteristics will be considered for investment. Focus on companies with fundamentally strong revenue growth and earnings growth. Emphasis on capital appreciation.

## LARGE CAP GROWTH

- Appropriate for investors seeking exposure to high quality, profitable and disruptive large size companies with the potential to grow at above market rates for the long term.
- A diversified portfolio that emphasizes active controls to mitigate single stock risk.
- Focuses attention on the best companies to own in each sector without trying to time broader market movements. Emphasis on capital appreciation.

## LARGE CAP VALUE

- Focused on buying large size, undervalued companies with unrecognized long-term growth prospects.
- Large-value stocks are often mature and stable companies that typically pay regular dividends.
- Seeks long-term repositioning and value from companies that have sizeable potential for better earnings than market has priced into the stock. Emphasis on both income and capital appreciation.

## SMID CAP

- The term “SMID caps” is a contraction of “small and mid-caps,” i.e., publicly traded companies with small and medium-sized capitalizations. Capitalization is calculated by multiplying the number of tradable shares of a company by the stock-market value of each of them.
- Small-cap is a publicly traded company usually under \$2 billion in capitalization, and mid-cap is between \$2 billion and around \$13 billion.
- SMID caps are generally less covered by analysts, less liquid, and potentially more volatile in the short and medium term than large caps. However, as they are less mature, SMID caps tend to offer more attractive earnings growth potential. Also, as their stock price depends mainly on their own growth potential or on the likelihood that they will be targeted for a takeover, SMID caps can be better shielded from macroeconomic risks provided they are not too exposed to the global market, that is, that their revenue is not generated abroad. For all these reasons, SMID caps offer attractive advantages in terms of diversification for equity portfolios.

## REAL ESTATE (REITS)

- A Real Estate Investment Trust (REIT) is a company that owns, operates, or finances income-producing properties including apartment buildings, cell towers, data centers, hotels, medical facilities, offices, retail centers, and warehouses.
- Most REITs are publicly traded like stocks, which makes them highly liquid (unlike physical real estate investments).
- REITs provide asset class diversification, an increasing income stream to help offset rising inflation, and long-term growth potential in underlying property values.
- Emphasis on income and capital appreciation.

## INTERMEDIATE FIXED INCOME

- Fixed Income strategy that seeks strong risk-adjusted returns while focusing on safety of principal and liquidity over an intermediate investment horizon.
- The strategy will invest in a broad range of investment-grade fixed-income securities and is managed through a top-down or broad economic investment approach.
- The investment team works within established constraints to maintain broad diversification with highly liquid bonds that pass strict credit and structural analysis.
- Designed to provide an income advantage while managing overall portfolio risk exposures.

## SHORT TERM FIXED INCOME

- The strategy is designed to provide attractive levels of income consistent with capital preservation while limiting maturities to a maximum of seven years. Key elements of the strategy include:
- An actively managed blend of U.S. Treasury, Agency, and investment grade corporate bonds.
- Active risk management with a focus on minimizing interest rate risk and credit risk.
- Portfolio duration ranges from 2-3 years and is adjusted as needed to optimize risk/reward. Exposure to specific sectors is capped to prevent sector-specific portfolio risk.



For a complete listing of all our  
Investment Plan Options,  
scan the QR code or visit  
[RichlandAveFinancial.com](http://RichlandAveFinancial.com).



## Investment Management Philosophy

Richland Ave Financial 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, Richland Ave Financial 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

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

## Our Investment Philosophy

Richland Ave Financial 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 Richland Ave Financial, 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



# 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). Funds can be requested by contacting our office at 1-877.767.7738. A withdrawal form will be sent to you. Once the completed withdrawal form is received, processing time is approximately 10 business days.

## 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, Richland Ave Financial 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 [richlandavefinancial@nafwb.org](mailto:richlandavefinancial@nafwb.org), or on the web at [richlandavefinancial.com](http://richlandavefinancial.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 Richland Ave Financial 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 Richland Ave Financial, and administered by Richland Ave Financial, is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

**SECURITIES LAWS:** Richland Ave Financial 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 Richland Ave Financial) 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.



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