

1.25%*
As of June 1, 2021

The *New* Short Term Fund

The Kentucky Baptist Foundation is now offering a new investment option for churches and ministries looking for a low-risk investment alternative to traditional savings or money market accounts. The goal of the Short Term Fund is to offer a stable value and an above market earnings rate while maintaining liquidity and security.

How is the Short Term Fund different from other investment options offered by KBF?

To support liquidity and to extend the investment horizon, KBF has allocated funds to serve as a Reserve Account within the Short Term Fund. All expenses and market fluctuations are posted to this account. The only transactions posted to participant accounts are the monthly earnings allocation.

What are the advantages of the Short Term Fund?

To maximize the return on cash reserves and designated funds (Reserve Fund, Building Fund, Cemetery Fund, Maintenance Fund, etc) by providing a higher earnings rate than current savings accounts, money market accounts and certificates of deposit (CD); while protecting those funds from the volatility of the market. It also allows for liquidity and access to funds when needed.

Who can start a Short Term Fund?

This investment option is open to churches, non-profit agencies, and institutions within the scope of KBF's governing documents. This investment option is not available to individuals.

What is the earnings rate and how is that determined?

The rate is determined by market conditions and is set by the Investment Committee of KBF. The current rate is reviewed monthly and is subject to change. Past performance is not a guarantee of future results. Visit our website for the current rate.

Are there any limits or penalties for withdrawals?

No. Withdrawals may be requested at any time and will be processed quickly, usually within 3 business days but no later than 30 days per terms of the account agreement.

Is there a minimum or maximum investment period?

No. Account holders will be asked to provide an estimated investment period range. However, this does not limit or restrict the investment period.

Are there any fees?

KBF receives a management fee (.25% annualized) to cover operating expenses. PNC receives an investment management fee (.20% annualized). Fees are deducted from the Reserve Account prior to the monthly earnings allocation.

Is there a minimum starting balance?

A minimum of \$5,000 is required to start a Short Term Fund account.

**Are funds covered by FDIC insurance?

KBF is not an FDIC insured bank. A diversified portfolio is maintained to lower risks and help increase the safety of participant accounts.

*Annualized Rate ** As with all investment accounts, participants in the fund could still lose their investment.



Funding the Great Commission

kybaptistfoundation.org/short-term-fund

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