LOOKING TO THE FUTURE

Servant Solutions
YOUR RETIREMENT & FINANCIAL PLANNING PARTNER

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What makes us unique compared to non-church retirement plans?

Kingdom Focused: We invest back into Kingdom servants and organizations in the form of education and support.

FREE Financial Education Resources: For all members, for every stage of life.

Lower Fees: Our Non-Profit Status means lower fees for you .

Housing Allowance in Retirement: A great tax benefit for credentialed pastors.

Let's work together to redefine retirement.

We are a ministry that is here to ***Serve Those Who Serve*** in a variety of ways. We focus on ***Improving Financial Security for Servants of the Church*** so they are freed in new ways to share the Gospel of Jesus Christ. We express this focus through the following:

- We espouse a biblically-based investment philosophy through our partners at Ronald Blue Trust.
- We support and sponsor many national, state, and local ministry organizations.
- We know clergy finances, taxes, and compensation issues.
- We are an endorsed agency of the The Church of God (Anderson,IN).
- We provide one-on-one consultations to help you prepare for retirement based on godly values and objectives.

Plans fail for lack of counsel, but with many advisers they succeed. Proverbs 15:22

PLANNING FOR A SECURE FUTURE

Financial security should be more than just a future **hope**. It should be your **expectation**. There are numerous belief systems regarding how families in America can achieve financial success in this economy. Some feel social programs might be the answer. Servant Solutions believes the American family could benefit from the following four-part plan:

1. Spend less than you earn.
2. Avoid the use of debt.
3. Maintain liquidity.
4. Set long-term goals.

These guidelines have stood the test of time, having been developed and outlined thousands of years ago in the Old and New Testaments. We cannot influence inflation or guess which way the stock market is going to run. Though there are actions we can take under current law that can reduce the amount of taxes paid, we cannot avoid paying taxes.

What we can control is our preparation to deal with these financial realities. We can trade in our thermometer mentality (reacting to the current environment) for that of a thermostat (controlling the environment). With an effective money management plan in place, we can approach the future—any future—with a sense of genuine security.

OUR FINANCIAL FUTURE

Even if you don't currently have money in the stock market, you will want to think about your investment philosophy. What beliefs and principles will guide your decision-making as you save and invest for your retirement years?

There are two distinct investment philosophies. One is rooted in a secular perspective that is shaped by worldly "myth conceptions." The other is based on biblical truths that are outlined in the Bible and proven through practical experience.

Consider the following contrasts:

SECULAR MYTH	BIBLICAL TRUTH
Spend and consume, saving can wait	Save and invest, spending can wait
Get rich quick	Financial stewardship
Time is an enemy	Time is an ally
Expect upward trends	Expect cycles
Time the market	Diversify your assets

The cycles experienced by stocks and bonds characterize every investment, from money markets to real estate. Such ups and downs would make perfect sense to King Solomon, who referred to a "day of adversity" (Eccles. 7:14) and wrote that "there is a time for everything—from mourning to dancing" (Eccles. 3:1,4). As an investor, we must be prepared for both scenarios.

FOUR COMMON INVESTMENT MISTAKES

1. THE MARKET-TIMING MYTH

Every investor knows the secret to stock market success: buy low and sell high. The trouble is nobody can consistently time investment moves to make this strategy work. There is no formula for market-timing magic.

Even so, for the investor who works with a short time horizon, the lure of what could happen under the buy-low-sell-high scenario is often irresistible. A jump in the price of a particular stock creates a "had I but known" mindset, leaving the investor drooling over the potential discovery of the next "great timing" opportunity.

In a thirty-year period, could you anticipate the nine months that would make a difference? If you missed them, your return would be no greater than that afforded by Treasury bills. Not only that, by investing in stocks you would face significantly more risk.

2. THE PAST-PERFORMANCE PITFALL

Many people pick investments simply because they have been profitable in the past—even though there is no guarantee an investment that once performed well will continue to do so.

3. THE SAFETY SLIP-UP

In the financial world, safety does not necessarily equal wisdom. Many conservative investors, fearing the downward swings of an uncertain economic market, ignore their need for a healthy rate of return and squirrel their resources away in the least-risky investment available. U.S. Treasury bills, bonds, and other guaranteed investments may provide a safe harbor—yet such conservatism offers no potential for maximizing financial rewards.

4. THE AGGRESSIVE AGENDA

On the flip side of the conservative coin is the aggressive investor who thinks that time is short, that he cannot afford to wait, and the smartest financial strategy is to pursue the highest-yielding investments he can find—regardless of the risk involved.

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FINANCIAL EDUCATION

Servant Solutions provides extensive resources to help you secure your financial future.

EDUCATION: Servant Solutions has access to dozens of free, do-it-yourself resources to answer questions about your finances. From worksheets to online tools, we have a resource that will fit you and your unique situation. Visit our website at **www.servantsolutions.org** and visit the **Learning Center** to discover what resource will work best for you.

CONSULTATIONS: Servant Solutions has a team of financial professionals who are dedicated to helping you reach your financial goals. Whether it is debt management, savings, or budgeting, we can help you put a plan together so you can achieve the goals that matter to you.

IN-DEPTH PLANNING: For our members with more complex financial situations, we offer in-depth planning with one of our on-staff financial planning professionals. If you are interested in digging deep into your finances, you can contact either of our financial professionals.

OUR FINANCIAL PROFESSIONALS

Jim O'Bold
President
jobold@servantsolutions.org

Jim O'Bold has extensive professional experience in finance both in and outside of the church. Prior to his previous role as CEO, Jim served as Director of Financial Planning at Servant Solutions. He also was in banking for 24 years and was an executive pastor at his church for eight years. Jim is a Chartered Retirement Planning Counselor who has been with Servant Solutions since 2011.

Jerry Fox serves as our Director of Financial Planning. He leads our financial planning initiatives as well as engaging with new/current members to meet their financial education needs. Jerry brings vast knowledge and personal expertise to Servant Solutions, solidified by his Certified Financial Planner designation. He sincerely enjoys helping members find fiscal peace and clarity through our Financial Roadmap process.

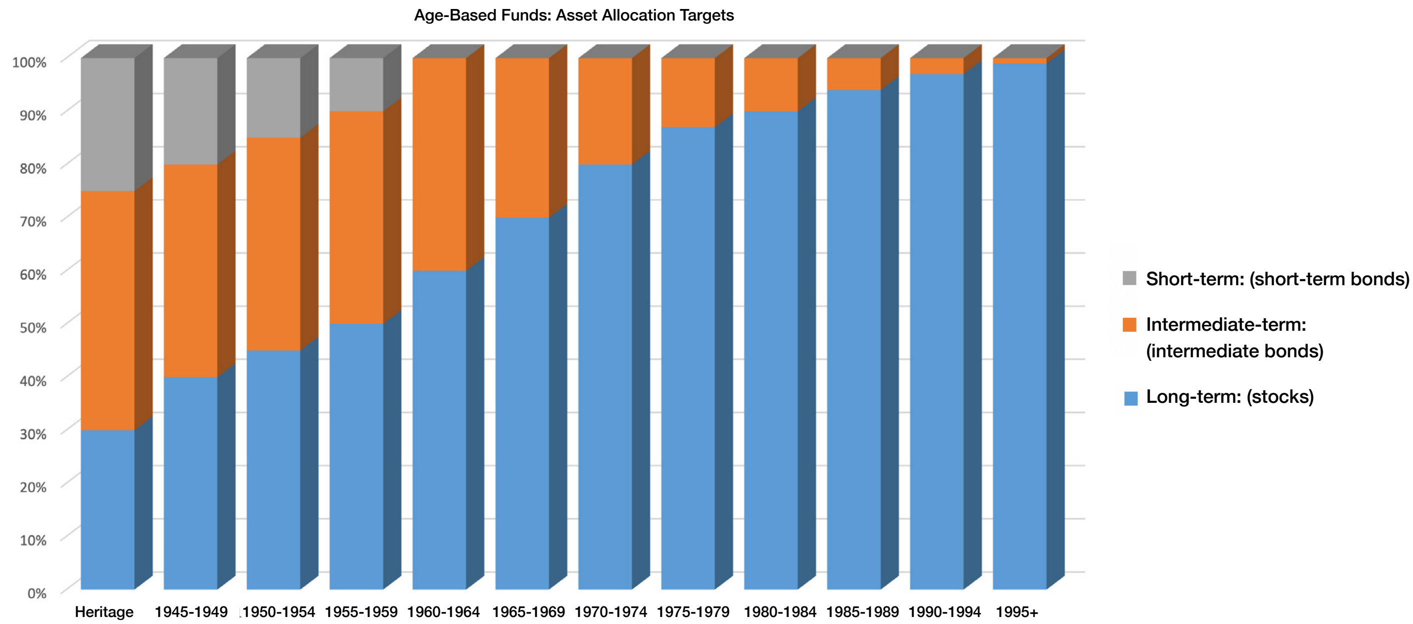
Jerry Fox, PhD, CFP®
Director of Financial Planning
jfox@servantsolutions.org

We're serious about personal financial health and stewardship! We believe you are as well. Do not put off charting a solid financial course that allows you peace of mind and the ability to be flexible in serving the Lord in the places He has called you.

Servant Solutions Retirement Plan
LifeFund Age-Based Fund Overview

Description of the LifeFund Age-Based Funds

Each age-based fund available in the Servant Solutions Retirement Plan provides a diversified portfolio. Funds are comprised of underlying investments that may contain some or all of the following asset classes: U.S. stocks, international stocks, bonds, real estate, commodities, and cash. Asset allocation takes the form of a "glidepath"; as you near retirement, the age-based fund moves money from stocks to bonds. The fund automatically becomes more conservative over time, eliminating the need for you to modify fund selections or allocations as you age.



Which fund is appropriate for you?

The age-based funds are designed to match your birth year. For example, if you were born in 1962, the 1960-1964 fund would be selected. If you were born before 1940, the Heritage fund matches your age.

How do the age-based funds work?

The age-based funds work in a similar way to a target date fund. The age-based funds are comprised of mutual funds, and younger plan participants have a higher allocation to stocks than older plan participants. Likewise, participants that are closer to retirement have a higher allocation to fixed income. Rebalancing to new asset allocation targets within each age-based fund occurs yearly.

What action is required?

If you do not make an investment election, by default, you will be invested in the fund of your birth year. The age-based funds offer a diversified portfolio for plan participants that consider themselves a delegator. If you prefer to make your own investment elections, you may change the age-based fund in which you are invested, invest in multiple age-based funds, or select your own investments and allocations at any time.

How much do the age-based funds cost?

The expense ratio for each age-based fund is .06%. Please refer to the fund fact sheet for specific fee information.

Disclosures:

1. Each age-based fund is meant as guidance based on general objectives of the participant. This is not meant to be specific investment advice.
2. All information was created exclusively by Ronald Blue & Co. for the sole use by Servant Solutions and its plan participants.

Investment Composition of the LifeFund Age-Based Portfolios

(as of April 1, 2023)

LifeFund Name (Birth Year)		Heritage (before 1945)	1945 1949	1950 1954	1955 1959	1960 1964	1965 1969	1970 1974	1975 1979	1980 1984	1985 1989	1990 1994	1995+
Time-Based Portfolio Allocations:													
	Long-term	30%	38%	44%	49%	58%	68%	78%	86%	90%	94%	97%	99%
	Intermediate-term	45%	41%	40%	40%	40%	32%	22%	14%	10%	6%	3%	1%
	Short-term	25%	21%	16%	11%	2%	0%	0%	0%	0%	0%	0%	0%
		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Fund Allocations:													
Long-term	Fidelity 500 Index Fund	9.9%	12.5%	14.5%	16.2%	19.1%	22.4%	25.7%	28.4%	29.7%	31%	32%	32.7%
	Fidelity Total Intl Index	7.5%	9.5%	11%	12.3%	14.5%	17%	19.5%	21.5%	22.5%	23.5%	24.2%	24.8%
	Fidelity Emerging Mkts Index	2.4%	3%	3.5%	3.9%	4.6%	5.4%	6.2%	6.9%	7.2%	7.5%	7.8%	7.9%
	Fidelity Large Cap Value Index	4.8%	6.1%	7.1%	7.8%	9.3%	10.9%	12.5%	13.7%	14.4%	15%	15.5%	15.8%
	Fidelity Extended Market Index	2.4%	3%	3.5%	3.9%	4.7%	5.4%	6.2%	6.9%	7.2%	7.5%	7.8%	7.9%
	Fidelity Large Cap Growth Index	3%	3.8%	4.4%	4.9%	5.8%	6.8%	7.8%	8.6%	9%	9.4%	9.7%	9.9%
Intermediate-term	Fidelity US Bond Index	13.5%	12.3%	12%	12%	12%	9.6%	6.6%	4.2%	3%	1.8%	0.9%	0.3%
	Vanguard High-Yield Corporate Adm	1.4%	1.2%	1.2%	1.2%	1.2%	1%	0.7%	0.4%	0.3%	0.2%	0.1%	0.0%
	Fidelity Intermediate Treasury Bd Index	7.6%	7%	6.8%	6.8%	6.8%	5.4%	3.7%	2.4%	1.7%	1.0%	0.5%	0.2%
	Fidelity Short-Term Treasury Bd Index	2.3%	2.1%	2%	2%	2%	1.6%	1.1%	0.7%	0.5%	0.3%	0.2%	0.0%
	Vanguard Interm-Term Investment-Grde Adm	8.5%	7.8%	7.6%	7.6%	7.6%	6.1%	4.2%	2.7%	1.9%	1.2%	0.6%	0.2%
	Vanguard Mortgage-Backed Secs Idx Adm	8.1%	7.4%	7.2%	7.2%	7.2%	5.8%	4%	2.5%	1.8%	1.1%	0.5%	0.2%
	Vanguard Shrt-Term Infl-Prot Sec Idx Adm	3.6%	3.3%	3.2%	3.2%	3.2%	2.6%	1.8%	1.1%	0.8%	0.5%	0.2%	0.1%
Short-term	Fidelity Short-Term Bond Index	25%	21%	16%	11%	2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The Servant Solutions custom age-based funds are each composed of mutual funds. Age-based funds for younger participants have greater stock market risk, while age-based funds for older participants have less exposure to stocks and a higher allocation to bonds and cash. Over time, each age-based fund reduces risk by following a glidepath, allocating more to bonds and cash and less to stocks. Age-based funds are automatically rebalanced at least quarterly. Rebalancing may occur more frequently if performance of individual funds or asset classes results in significant deviation from the age-based fund's target allocations.

SAVING FOR RETIREMENT WORKSHEET

How much will you need?

This example assumes the participant is 31 years old, and will retire in 35 years.

2. $35,000
x .75
$26,250

4. $26,250
- 15,204
$11,046

5. $11,046
x 2.81
$31,039.26

6. $31,039.26
x 11.12
$345,456.57

8. $5,000
x 7.69
$38,450

9. $345,456.57
- 38,450
$307,006.57

10. $307,006.57
x .009
$2,763.06

11. $2,763.06÷$35,000
7.89%

STEPS	SAMPLE CALCULATIONS	YOUR CALCULATIONS
1. Current annual income.	35,000.00	
2. Income needed during retirement. Depending on your retirement goals, you may need 70-100 percent of your current income. Multiply step 1 by that percentage (for example .35000*.75=75) to estimate annual retirement income in today's dollars.	$26,250.00	
3. Social Security income. Enter the benefit amount from **TABLE 1*** that most closely corresponds to your income.	$15,204.00	
4. Annual retirement income. Subtract step 3 from step 2. This is the income you will need from your personal investments in today's dollars.	$11,046.00	
5. Future retirement income. Multiply step 4 by the inflation factor from **TABLE 2*** that most closely matches the number of years until you retire.	$31,039.26	
6. Retirement goal. Multiply step 5 by 11.12. This figure assumes that you will retire at age 66 and spend 15 years in retirement (use 13.59 for 20 years, and 15.62 for 25 years). It also assumes you will earn 6 percent on your retirement portfolio with a 3 percent inflation rate.	$345,456.57	
7. Current portfolio. Enter the amount of your current retirement investments.	$5,000.00	
8. Value of current investments at retirement. Multiply step 7 by the growth factor from **TABLE 3*** that corresponds most closely to the number of years until you retire.	$38,450.00	
9. Retirement shortfall. Subtract step 8 from step 6. This is how much you need to accumulate before you retire.	$307,006.57	
10. Annual goal. Multiply step 9 by the accumulation factor from **TABLE 3** that most closely matches the number of years until you retire. This is how much you should be investing each year.	$2,763.06	
11. Percentage of annual income to save per year. Divide line 10 by line 1.	7.89%	

** Tables found on Page 11 of this booklet.*
This chart is for illustrative purposes only and does not reflect the return on any specific investment. Results depend on many factors and we do not guarantee the accuracy or applicability to your circumstances.

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Tables for use in completing the Saving for Retirement Worksheet

ANNUAL INCOME	ANNUAL BENEFIT ESTIMATE
25,000	12,888
35,000	15,204
45,000	17,520
55,000	19,824
65,000	22.128
75,000	24,432

TABLE 1

Figures show the approximate benefit for 6/15/60 birthdate retiring at 67 (6/2027). For a more accurate estimate of your Social Security benefits, go to ssa.gov/myaccount/ to create an account.

Source: SSA Online quick calculator. www.ssa.gov/OACT/quickcalc/ Full Retirement Age for individuals born between 1943-1954 is age 66.

YEARS TO RETIREMENT	INFLATION FACTOR
5	1.16
10	1.34
15	1.56
20	1.81
25	2.09
30	2.43
35	2.81
40	3.26

TABLE 2

This table assumes an annual rate of inflation of 3 percent.

YEARS TO RETIREMENT	GROWTH FACTOR	ACCUMULATION FACTOR
5	1.34	.177
10	1.79	.076
15	2.4	.043
20	3.91	.027
25	4.29	.018
30	5.74	.013
35	7.69	.009
40	10.29	.006

TABLE 3

This table assumes an annual rate of return of 6 percent.

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