WESLEYAN IMPACT PARTNERS

IGNITING IMAGINATION

OFFERING CIRCULAR

2023

WESLEYAN IMPACT PARTNERS

Dear Wesleyan Impact Partner Investor,

Thank you for considering an investment in Wesleyan Impact Partners Impact Notes.

This Offering Circular provides specific information for prospective investors to consider in evaluating an investment in Wesleyan Impact Partners Impact Notes. It details the anticipated returns and potential risks associated with the investment.

Wesleyan Impact Partners is a nonprofit corporation. All revenues generated by our investment and lending activities are reinvested to support the mission and purpose of the church.

Wesleyan Impact Partners Impact Notes are variable and fixed-rate notes that pay a rate of interest as detailed in your application.

Please contact us with any questions. We would be glad to help complete your application.

If you have any questions, please feel free to call or email Sara Beltran or Randi Forrest with any questions at 800-862-8633 or by email:

- Sara Beltran: sbeltran@wesleyanimpactpartners.org
- Randi Forrest: rforrest@wesleyanimpactpartners.org

Gratefully,

Lisa G. Greenwood

Rev. Lisa Greenwood
President & CEO, Wesleyan Impact Partners

Wesleyan Impact Partners

11709 Boulder Lane, Suite 220
Austin, Texas 78726
800-862-8633

INTEREST RATE SHEET

DATED March 1, 2024

May 15, 2023 OFFERING CIRCULAR

$100,000,000 OF UNSECURED NOTES

Type of Note	**Interest Rate**	**Minimum Investment Amount**
Flexible Investment Notes	1.50%	$100.00
One Year Term Notes	4.40%	$100.00
Two Year Term Notes	4.20%	$100.00
Three Year Term Notes	4.00%	$100.00
Four Year Term Notes	3.90%	$100.00
Five Year Term Notes	3.80%	$100.00
Individual Retirement Account Notes	3.40%	$100.00

Interest rates currently offered on new issuances of Notes are as set forth on the accompanying Interest Rate Sheet, which may be amended from time to time by the President of The Fund. Current interest rates may also be obtained by calling The Fund at 800-862-8633, emailing The Fund at Invest@wesleyanimpactpartners.org.

or visiting The Fund's website at Invest@wesleyanimpactpartners.org If economic conditions in the market should warrant, the interest rate(s) offered on Flexible Investment Notes and Individual Retirement Account Notes may be increased or decreased after thirty (30) days' prior written notice to noteholders by The Fund. Unless the noteholder re-invests in a Term Note at maturity, interest rates for Term Notes are fixed for the life of the Term Note, once issued.

Notes are offered pursuant to an Offering Circular, which contains essential information about the issuer (The United Methodist Development Fund). Persons are advised to read the Offering Circular carefully prior to making any decision to purchase these securities.

THESE SECURITIES MAY EITHER BE REGISTERED OR EXEMPT FROM REGISTRATION IN THE VARIOUS STATES OR JURISDICTIONS IN WHICH THEY ARE OFFERED OR SOLD BY THE ISSUER. THE OFFERING CIRCULAR HAS BEEN FILED WITH THE SECURITIES ADMINISTRATORS IN SUCH STATES OR JURISDICTIONS THAT REQUIRE IT FOR REGISTRATION OR EXEMPTION.

THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(4) OF THE SECURITIES ACT OF 1933, AS AMENDED. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT DETERMINED THE ACCURACY, ADEQUACY, TRUTHFULNESS, OR COMPLETENESS OF THE OFFERING CIRCULAR AND HAVE NOT PASSED UPON THE MERIT OR VALUE OF THESE SECURITIES, OR APPROVED, DISAPPROVED OR ENDORSED THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURE, MERITS, AND RISKS INVOLVED.

NOTES OF THE FUND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC), SECURITIES INVESTOR PROTECTION CORPORATION (SIPC) OR ANY OTHER STATE OR FEDERALLY REGULATED INSTITUTION. THE NOTES ARE ALSO NOT CERTIFICATES OF DEPOSIT OR DEPOSIT ACCOUNTS WITH A BANK, SAVINGS AND LOAN ASSOCIATION, CREDIT UNION OR OTHER FINANCIAL INSTITUTION REGULATED BY FEDERAL OR STATE AUTHORITIES. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE NOTES IS DEPENDENT UPON THE FUND'S FINANCIAL CONDITION, WHICH IS IN TURN DEPENDENT UPON REPAYMENT OF PRINCIPAL AND PAYMENT OF INTEREST BY BORROWERS. A PURCHASE OF THE NOTES IS

SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE ENTIRE PRINCIPAL AMOUNT INVESTED. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW THE FUND'S FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE NOTES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY, THE UNITED METHODIST CHURCH, OR BY ANY CHURCH, CONFERENCE, INSTITUTION OR AGENCY AFFILIATED WITH THE UNITED METHODIST CHURCH.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THE OFFERING CIRCULAR, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED ON AS HAVING BEEN MADE BY THE FUND OR ANY OF ITS AFFILIATES, EMPLOYEES OR AGENTS.

INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF NOTES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS.

Special Notice – Notes are Un-Certificated

The Notes will be issued in book-entry form as un-certificated securities to be held and recorded in the book-entry-only system maintained by The Fund. After purchase of any Note, the purchaser will not receive a physical Note but will receive a confirmation acknowledging purchase of the Note. The Note will be registered in book-entry form by The Fund.

Wesleyan Impact Partners
11709 Boulder Lane, Suite 220
Austin, Texas 78726
800-862-8633

SUPPLEMENT TO OFFERING CIRCULAR DATED MAY 15, 2023

The following information supplements and updates the Offering Circular of Wesleyan Impact Partners ("The Fund") dated May 15, 2023 ("Offering Circular"), relating to the offer and sale of up to $100,000,000 in aggregate principal amount of unsecured debt securities. This supplement should be read in conjunction with the more detailed information about The Fund and its offering, including the risk factors set forth in the Offering Circular. This supplement is qualified in its entirety by reference to the Offering Circular (including any amendments or supplements to it), except to the extent that the information in this supplement supersedes or amends information set forth in the Offering Circular. Please keep this supplement with your Offering Circular for future reference.

Vice President and Treasurer Transition

The Fund has appointed a new Vice President of Lending, Chris Miller. The Fund's former Senior Vice President and Treasurer, David McCaskill, retired effective December 31, 2023.

As Vice President of Lending, Chris Miller will oversee all lending functions for Wesleyan Impact Partners and its partner organization, the Texas Methodist Foundation. Miller will work directly with churches, church agencies, and nonprofit ministries to deepen relationships and build new ones.

This Addendum replaces the description of the background of J. David McCaskill found on page 42 of the Offering Circular:

Chris Miller is Vice President of Lending responsible for the lending activities of the Issuer. A native of Austin, Texas, Miller has nearly twenty years of banking and commercial lending experience supporting the business growth strategies of owner-operated businesses and commercial real-estate developers. He most recently served as Market Area Executive at Simmons Bank managing a team of Commercial Lenders and Support Staff with a loan portfolio similarly sized to WI and TMF. Prior to Simmons, Miller served as Senior Vice President of Commercial Banking at Southside Bank. After being formally trained at Sterling Bank as a Credit Analyst, Miller has underwritten and managed hundreds of loan transactions with loan sizes up to $40 million including real estate construction, acquisition, and rehabilitation, (Including Faith Based Borrowers). Miller has also worked directly with nonprofit and owner-operator borrowers with loan relationship sizes up to $20 million.

Miller graduated from Baylor University with a Bachelor's of Business Administration double majoring in Finance and Marketing. To further his banking education, Miller received a post graduate degree from the Graduate School of Banking at LSU. This program included a focus on Asset Liability Management, Liquidity Management, Credit Underwriting, and Regulatory Compliance.

Miller has been involved in the community through many nonprofits and educational partners. Miller was a 6-year board member, Treasurer, and President of the Austin Sunshine Camps and related entity Young Men's Business League. In addition, Miller has served as a two-term board member of the Graduate School of Banking at LSU representing the Texas Banker's Association, a member of the Baylor Business School Young Alumni Advisory Committee, and Treasurer of Zilker351 (a non-profit focuses on the Vision Plan for Zilker Park in Austin, TX).

Offering Circular Supplement dated January 16, 2024

Wesleyan Impact Partners

11709 Boulder Lane, Suite 220
Austin, Texas 78726
800-862-8633

Offering Circular

Wesleyan Impact Partners is a national nonprofit fueled by impact investors, borrowers, and philanthropists that invests in ministries and innovative leaders courageously doing God's work in the world – partnering in a Spirit-led movement to bring about human flourishing grounded in love, generosity and belonging.

Over the course of its 50 plus-year history, Wesleyan Impact Partners has made loans throughout the United States and its territories, empowering churches and their related entities to pursue their God-sized dreams. The work is made possible by those individuals, donors, and institutions who invest in Wesleyan Impact Partners.

Wesleyan Impact Partners (the "**Issuer**"), is offering up to $100,000,000 in unsecured notes only to investors who certify in their Application to Purchase a Note that they are, before receiving this Offering Circular, one of the following: (i) entities within a Wesleyan or Methodist Church connectional system; (ii) entities which trace their origin to the Wesleyan Episcopal movement of the 18th century; (iii) persons who are members of, contributors to, or participants in a church with roots in the Wesleyan Episcopal movement, their connectional units or any programs, activities or organizations constituting a part of or sharing a programmatic relationship with such church, or the family members of, or entities controlled by, any such members, contributors or participants; and (iv) successors in interest to any of the foregoing ("**Eligible Investors**"). The Issuer may determine in its discretion that a potential investor is not an Eligible Investor and reserves the right to refuse to offer or sell any Note to any person or entity.

This offering consists of three types of notes: (i) Flexible Investment Notes; (ii) Term Notes; and (iii) Individual Retirement Account Notes (collectively, "Notes"). Flexible Investment Notes may be redeemed by the certificate holder, in whole or in part, at any time upon at least fifteen (15) days' prior written notice to the Issuer. Term Notes have a fixed duration of one, two, three, four or five years, depending on the term selected by the investor. Notes purchased by Individual Retirement Accounts (IRAs) may be redeemed, in whole or part, at any time upon at least thirty (30) days' prior written notice from the IRA custodian to the Issuer. The minimum investment amount is $100 for all Notes. Please see "Description of the Notes" beginning on page 31.

Interest rates currently offered on new issuances of Notes are as set forth on the accompanying Interest Rate Sheet, which may be amended from time to time by the President of the Issuer. Current interest rates may also be obtained by calling the Issuer at 800-862-8633, emailing the Issuer at info@wesleyimpactpartners.org or visiting the Issuer's website at www.wesleyanimpactpartners.org. If economic conditions in the market should warrant, the interest rate(s) payable on Flexible Investment Notes and IRA Notes may be increased or decreased after thirty (30) days' prior written notice to noteholders by Issuer. Unless the noteholder re-invests in a Term Certificate at maturity, interest rates for Term Certificate are fixed for the life of the Term Certificate, once issued.

Interest begins to accrue upon Issuer's receipt of funds from an investor and the issuance of the Notes by the Issuer. Payment may be made by check, ACH payment, or wire transfer, in U.S. funds. Applications are accepted via U.S. mail to the Issuer.

The expenses of this offering, which the Issuer expects to be less than 0.15% of the total offering amount, are paid from the Issuer's operating capital. This offering is not underwritten and no commissions are paid for the sale of the Notes. As a result, the Issuer receives 100% of the proceeds from this offering.

THIS OFFERING IS SUBJECT TO CERTAIN RISKS WHICH ARE DESCRIBED BEGINNING AT PAGE 4.

This Offering Circular contains essential information about the Issuer and the Notes. Persons are advised to read this Offering Circular carefully prior to making any decision to purchase these securities. Please see "State Specific Information" beginning on page v for information particular to certain states of residence.

This date of this Offering Circular is **May 15, 2023**.

Except as to residents of certain states, if a holder of a maturing Term Note purchased prior to January 1, 2017 or after May 15, 2019 does not present it for payment (if certificated) or give the Issuer written instructions to pay or redeem it, that Term Note will automatically be renewed or "rolled over" into a like Term Note at the prevailing interest rate paid on the same Term Note as that being rolled over. The rate of interest that the Issuer pays on the Term Note issued as a result of the roll-over may be less than the rate of interest paid on the maturing Term Note. See "State Specific Information" beginning on page v for information regarding the treatment of Term Notes at maturity for residents of certain states.

Except as to residents of certain states, for any Term Note purchased between January 1, 2017 and May 15, 2019, if the Issuer does not receive written instructions from a noteholder to redeem the Term Note at maturity, the Issuer will automatically convert the Term Note into a Flexible Investment Note (unless the Term Note is redeemed early or a new Term Note is purchased by the noteholder). See "State Specific Information" beginning on page v for information regarding the treatment of Term Notes at maturity for residents of certain states.

There is no right to early redemption of a Term Note by the noteholder. The Issuer retains the right to reject any request for early redemption. For Notes that are redeemed prior to their maturity, the Issuer will generally pay the principal in five (5) equal annual installments (except as to residents of certain states), and will charge an early redemption penalty. See "Early Redemption Penalty" on page 33, the Risk Factor entitled "Restrictions on Early Redemptions" on page 5, and the Risk Factor entitled "Early Redemption Penalty" on page 5 for information regarding restrictions and penalties regarding an early redemption. See "State Specific Information" beginning on page v for information regarding the Issuer's waiver of its right to repay principal on an installment basis for investors in certain states.

THESE SECURITIES MAY EITHER BE REGISTERED OR EXEMPT FROM REGISTRATION IN THE VARIOUS STATES OR JURISDICTIONS IN WHICH THEY ARE OFFERED OR SOLD BY THE ISSUER. THIS OFFERING CIRCULAR HAS BEEN FILED WITH THE SECURITIES ADMINISTRATORS IN SUCH STATES OR JURISDICTIONS THAT REQUIRE IT FOR REGISTRATION OR EXEMPTION.

THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(4) OF THE SECURITIES ACT OF 1933, AS AMENDED. NEITHER THIS OFFERING CIRCULAR NOR A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT DETERMINED THE ACCURACY, ADEQUACY, TRUTHFULNESS, OR COMPLETENESS OF THIS DOCUMENT AND HAVE NOT PASSED UPON THE MERIT OR VALUE OF THESE SECURITIES, OR APPROVED, DISAPPROVED OR ENDORSED THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURE, MERITS, AND RISKS INVOLVED. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

NOTES OF THE ISSUER ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC), SECURITIES INVESTOR PROTECTION CORPORATION (SIPC), OR ANY OTHER STATE OR FEDERALLY REGULATED INSTITUTION. THE NOTES ARE ALSO NOT CERTIFICATES OF DEPOSIT OR DEPOSIT ACCOUNTS WITH A BANK, SAVINGS AND LOAN ASSOCIATION, CREDIT UNION OR OTHER FINANCIAL INSTITUTION REGULATED BY FEDERAL OR STATE AUTHORITIES. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE NOTES IS DEPENDENT UPON THE ISSUER'S FINANCIAL CONDITION, WHICH IS IN TURN DEPENDENT UPON REPAYMENT OF PRINCIPAL AND PAYMENT OF INTEREST BY BORROWERS. A PURCHASE OF THE NOTES IS SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE ENTIRE PRINCIPAL AMOUNT INVESTED. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW THE ISSUER'S FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE NOTES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY, THE UNITED METHODIST CHURCH, OR BY ANY CHURCH, CONFERENCE, INSTITUTION OR AGENCY AFFILIATED WITH THE UNITED METHODIST CHURCH.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS OFFERING CIRCULAR, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED ON AS HAVING BEEN MADE BY THE ISSUER OR ANY OF ITS AFFILIATES, EMPLOYEES OR AGENTS.

INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF NOTES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS.

Special Notice – Notes are Un-Certificated

The Notes will be issued in book-entry form as un-certificated securities to be held and recorded in the book-entry-only system maintained by the Issuer. After purchase of any Note, the purchaser will not receive a physical Note but will receive a confirmation acknowledging purchase of the Note. The Note will be registered in book-entry form by the Issuer.

TABLE OF CONTENTS

APPENDIX LIST:

STATE SPECIFIC INFORMATION

The Issuer is or may be qualified to offer and sell its securities in all of the following states. Certain features state law, however, require certain special disclosures, give residents certain legal rights with regard to investments, and/or limit the features of the Notes that the Issuer can offer in the state. You should read the applicable section carefully if you live in one of the states listed below. Note that some states have relevant disclosures in one or both of the multistate disclosures on this page in addition to a state-specific disclosure below. If you are not a resident of any of these states, you may proceed to the "Summary" Section of the Offering Circular, which begins on page 1.

RESIDENTS OF ALABAMA, ARKANSAS, CALIFORNIA, GEORGIA, IDAHO, MICHIGAN, MISSOURI, OKLAHOMA, PENNSYLVANIA, VERMONT, WASHINGTON AND WISCONSIN: If you redeem your Term Note prior to the stated maturity date, the Issuer will not repay the principal in five (5) equal annual installments as provided in this Offering Circular. Instead, if the Issuer, in its discretion, approves of a request for early redemption, the Issuer will repay the principal amount on the Note in one lump sum payment, less the applicable early redemption penalty, as described under "Early Redemption Penalty" on page 33.

If you demand repayment on a Flexible Investment Note, or your Term Note reaches maturity, and you elect not to re-invest, the Issuer will not repay the principal in five (5) equal annual installments as provided in this Offering Circular. Instead, the Issuer will repay the principal amount on the Note in one lump sum payment.

RESIDENTS OF ARKANSAS, CALIFORNIA, GEORGIA, KENTUCKY, LOUISIANA, OHIO, OREGON, AND SOUTH CAROLINA: Your Term Note will not be automatically renewed at maturity. You will be paid at the maturity of the Term Note the full principal and accrued interest balance of the Note upon presentation for repayment, if a physical Term Note was issued, or if the Term Note is uncertificated, on written instructions to repay the investment. Alternatively, you may exchange such maturing or matured Term Note for a new Term Note then offered by the Issuer by tendering the outstanding Term Note, if a physical Term Note was issued, or written instructions if one has not, and a new signed "Application To Purchase A Note" to the Issuer (see Appendix B). Until the physical Note or written instructions and new Application (as applicable) are received by the Issuer, the matured Note will become an account payable of the Issuer, earning interest at the rate then offered by the Issuer on Flexible Investment Notes, until such time as the matured Note is presented for repayment or a new Application has been received. The Issuer will continue to attempt to contact you after the maturity of a Note and assist you in completing the necessary steps either to purchase a new Note or obtain repayment of the matured Note. If the Issuer is unable to reach you, the matured Note will be handled in accordance with applicable law, including the rules of escheat.

ALABAMA RESIDENTS: THE NOTES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 37(H) (SEE SECTION 8-6-10, CODE OF ALABAMA, 1975) OR OTHER APPLICABLE SECTION OF THE ALABAMA SECURITIES ACT.

CALIFORNIA RESIDENTS: THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION OF THE STATE OF CALIFORNIA DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF THESE SECURITIES.

FLORIDA RESIDENTS: The Notes have not been registered in the State of Florida. The Notes will be sold pursuant to the eleemosynary exemption in Florida Statutes Section 517.051(9).

INDIANA RESIDENTS: These are speculative securities. The Indiana Securities Division has not in any way passed upon the merits or qualifications of, or recommended or given approval to the securities hereby offered, or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

KENTUCKY RESIDENTS: These securities are issued pursuant to a claim of exemption from registration under section Kentucky Revised Statutes Section 292.400(9) or other applicable section of the Kentucky Securities Act.

LOUISIANA RESIDENTS: These securities, with the exception of the Flexible Investment Notes (which are not offered to Louisiana residents), have been registered with the Securities Commissioner of the State of Louisiana. The Securities Commissioner, by accepting registration, does not in any way endorse or recommend the purchase of any of these securities.

MICHIGAN RESIDENTS: These securities are offered pursuant to a registration order issued by the State of Michigan. The State of Michigan does not recommend or endorse the purchase of any securities, nor does it pass upon the truth, merits, or completeness of this Offering Circular or any other information filed with the State. Any representation to the contrary is a criminal offense.

MISSOURI RESIDENTS: In making an investment decision, investors must rely on their own examination of the person or entity creating the securities and the terms of the offering, including the merits and risks involved. The Missouri Securities Division has not in any way passed upon the merits or qualifications of the securities hereby offered, or passed upon the accuracy or determined the adequacy of this document. These securities have not been registered under the Missouri Securities Act under the exemption provided by Section 409.2-201(7)(B) or other applicable section of the Revised Statues of Missouri. No approval has been given to the issuer, these securities, or the offer or sale thereof to any Missouri residents. Any representation to the contrary is a criminal offense.

NORTH CAROLINA RESIDENTS: In making an investment decision, investors must rely on their own examination of the person or entity creating the securities and the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

OREGON RESIDENTS: At any time upon written notice and, if applicable, the return of your outstanding Flexible Investment Notes to the Issuer, you may redeem your Flexible Investment Notes or may convert them into the Issuer's Term Notes.

PENNSYLVANIA RESIDENTS: These securities have not been approved or disapproved by the Pennsylvania Department of Banking and Securities, nor has the Department passed upon the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offense.

It is the position of the Pennsylvania Department of Banking and Securities that indemnification in connection with violations of the securities laws is against public policy and void.

IF YOU PURCHASE NOTES FROM WESLEYAN IMPACT PARTNERS, YOU HAVE THE RIGHT TO WITHDRAW FROM THE PURCHASE BY ELECTING, WITHIN TWO (2) BUSINESS DAYS AFTER WESLEYAN IMPACT PARTNERS HAS ACCEPTED YOUR APPLICATION TO PURCHASE NOTES, TO WITHDRAW YOUR PURCHASE AND RECEIVE A FULL REFUND, WITHOUT INCURRING ANY LIABILITY TO WESLEYAN IMPACT PARTNERS OR ANY OTHER PERSON. TO ACCOMPLISH THIS WITHDRAWAL, A LETTER SHOULD BE SENT TO THE ISSUER INDICATING YOUR INTENTION TO WITHDRAW. SUCH LETTER SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED SECOND (2ND) BUSINESS DAY. IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME WHEN IT WAS MAILED. SHOULD YOU MAKE THIS REQUEST ORALLY, YOU SHOULD ASK FOR WRITTEN CONFIRMATION THAT YOUR REQUEST HAS BEEN RECEIVED. LETTERS ARE TO BE FORWARDED TO THE ISSUER AT 11709 BOULDER LANE, SUITE 220, AUSTIN, TX 78726.

The Issuer has filed certain documents, including a Registration Statement, with respect to the Notes offered by this Offering Circular, in the office of the Pennsylvania Department of Banking and Securities. The Registration Statement includes certain exhibits only summarized or alluded to in this Offering Circular. Any person who wishes to obtain these additional documents may do so by requesting such information from the Pennsylvania Department of Banking and Securities, Market Square Plaza, 17 North 2nd Street, Suite 1300, Harrisburg, PA 17101; Telephone 717-787-8059 (Office hours: 8:30 a.m. to 5:00 p.m., Monday through Friday). This Offering Circular does not contain all of the information that has been filed with states other than Pennsylvania, but that information is made a part hereof and may be inspected in the offices of the regulatory bodies of those states. Except as indicated herein, this Offering Circular is effective as of the date on its front cover.

<u>SOUTH CAROLINA RESIDENTS</u>: These securities have not been registered with the Securities and Exchange Commission, being exempt securities under Paragraph (4), Section 3(a) of the Securities Act of 1933, as amended, and have not been registered under the Securities Law of South Carolina, being exempt under Section 35-1-201(7) or other applicable sections of that law. Flexible Investment Notes and IRA Notes are not offered to South Carolina residents pursuant to this Offering Circular.

If you were a resident of the State of South Carolina when you purchased a Term Note, you may declare an “event of default” on your Term Note only if one of the following occurs:

- The Issuer does not pay principal or interest on the Term Note for a period of sixty (60) days from the date of lawful demand by you, other than by clerical error or administrative oversight, provided that you do not waive the default and the Issuer does not lawfully contest the payment; or
- A South Carolina resident who owns a Term Note of the “same issue” as your Term Note (i.e., the same type, term and offering) has rightfully declared an event of default as to his or her Term Note.

To declare an event of default, you must submit a written declaration to the Issuer. The rightful declaration of an event of default as to any one Term Note of an issue constitutes an event of default on the entire issue in South Carolina. Upon a rightful declaration of an event of default on a Term Note:

- The principal and interest on your Term Note becomes immediately due and payable;
- If you request in writing, the Issuer will send you a list of names and addresses of all investors in the State of South Carolina who own a Term Note of the same issue as your Term Note; and
- The owners of 25% or more of the total principal amount of Term Notes of the same issue outstanding in the State of South Carolina can declare the entire issue in the State of South Carolina due and payable.

<u>SOUTH DAKOTA RESIDENTS</u>: These securities are offered pursuant to a claim of exemption from registration under SDCL 47-31B-201(7)(B) or other applicable section of the South Dakota Uniform Securities Act. Neither the South Dakota Division of Insurance – Securities Regulation nor the United States Securities and Exchange Commission has passed upon the value of these securities, made any recommendations as to their purchase, approved or disapproved the offering, or passed upon the adequacy or accuracy of this offering circular. Any representation to the contrary is unlawful.

<u>TENNESSEE RESIDENTS</u>: In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

These securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended, and the applicable state securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they may be required to assume the financial risk of this investment for an indefinite period of time.

WASHINGTON RESIDENTS: Your Term Note will not be automatically renewed at maturity. Unless the Issuer receives a written instruction from you to exchange the maturing Term Note for a new Term Note or Flexible Investment Note, along with new signed "Application To Purchase A Note" to the Issuer (see Appendix B), you will be paid at the maturity of the Term Note the full principal and accrued interest balance of the Note. If the Issuer does not receive written instructions from you regarding the maturing Term Note and is unable to reach you to repay the principal and accrued interest, the Note will be handled in accordance with applicable law, including the rules of escheat.

SUMMARY

About the Issuer

Wesleyan Impact Partners is a non-profit corporation that operates exclusively for religious purposes, and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (including rulings, guidance and interpretations thereunder, the "**Code**"). The Issuer's principal office is located at 11709 Boulder Lane, Suite 220, Austin, Texas 78726.

Under the Issuer's Bylaws and certain contracts described later in this Offering Circular, the Issuer's operations, and some aspects of its governance, are generally managed and administered by the Texas Methodist Foundation ("**TMF**"), subject to the authority of the Issuer's board of directors (the "**Board**"). For more information regarding the Issuer's relationship with TMF, see "Relationship with the Texas Methodist Foundation" beginning on page 16.

About the Notes

The Notes are unsecured general debt obligations of the Issuer of a priority equal to that of any Notes issued at any time and other unsecured general debt obligations of the Issuer. The Notes are transferable only to Eligible Investors and upon written notice to the Issuer. The Issuer has the right to redeem the Notes at any time. See "DESCRIPTION OF THE NOTES" beginning on page 31.

The Notes are not insured by the Federal Deposit Insurance Corporation (FDIC), the Securities Investor Protection Corporation (SIPC), or any other state or federally regulated institution or private insurance company. The Notes are also not certificates of deposit or deposit accounts with a bank, savings and loan association, credit union or other financial institution regulated by federal or state authorities.

Under the circumstances described below, the Issuer's liquid assets may not be sufficient, in the ordinary course, to pay the interest and principal that will become due on the Notes as they mature.

Key Risks to Investors in Wesleyan Impact Partners' Notes

The following is a summary of some of the important risks to the Issuer that investors should consider before investing in the Notes. For a full description of these and other risk factors, see "RISK FACTORS" beginning on page 4.

1. <u>Concentration of Borrowers and Investors</u>

The Issuer faces risks associated with the concentration of its loan portfolio in a single borrower, which comprised 22.3% of the Issuer's net assets without donor restrictions as of December 31, 2022. The greater proportion of the Issuer's loan portfolio comprised by a small number of borrowers, the more exposed the Issuer is to the risk that those large borrowers are unable to repay their loan obligations due to conditions specific to the borrowers or the geographic regions in which they are located. Similarly, 36% of the Notes as of December 31, 2022 were held by two significant investors, which exposes the Issuer to the risk that such large noteholders request redemption of their Notes or elect not to reinvest their Term Notes at maturity, which would negatively impact the Issuer's capitalization.

2. <u>Borrower Demand for Loans</u>

The United Methodist Church is experiencing a significant amount of disaffiliations. Although the Issuer's governance documents permit it to continue its lending activities to Church Organizations which share common origins with the Wesleyan Episcopal movement of the 18th century, not all disaffiliated churches remain borrowers. Regardless of the cause, a reduction in borrower demand for loans poses a risk to the Issuer's ability to place loans and thereby earn interest income, which could have a negative impact on the Issuer's ability to repay noteholders.

3. Risk of Reduced Demand for Notes and Rising Interest Rates

The Issuer borrows money from noteholders (via the issuance of the Notes) at one rate of interest and attempts to lend the same funds to church borrowers at a higher rate, thereby generating sufficient income to pay maturing Notes.

In 2022, the Issuer raised approximately $3,080,000 from the sale of Notes, and it lent approximately $12,452,000 to borrowers. During such periods in which the Issuer places more funds in loans than it is able to raise from the sale of Notes, the reduced demand for Notes may be a reflection of the broader interest rate environment, inflationary or other economic concerns, uncertainty involving disaffiliations from The United Methodist Church, or other factors. Regardless of the cause, if a substantial number of holders of Flexible Investment Notes and IRA Notes (which totaled a combined principal amount of approximately $9,623,000 at December 31, 2022) demand repayment of their Notes, and a substantial number of holders of Term Notes (holding approximately $23,931,000 of Notes maturing in 2023) demand repayment of their Notes at maturity, and in each case do not reinvest in the Notes in order to earn a higher rate of return elsewhere, the Issuer's ability to repay noteholders could be compromised. Meanwhile, offering higher interest rates on Notes has risks of its own, especially if the weighted average interest rate received from the Issuer's portfolio of loans receivable (which are generally of longer durations) is slower to increase. During periods in which the Issuers raises more money than it lends, the reduced demand for mortgage loans may reflect a more general decline in Wesleyan/Methodist Church membership. Should this occur and the Issuer is unable to lend its funds from the sale of Notes (and thereby earn interest, from which it will repay noteholders), it may have an adverse effect on the Issuer's financial position, results of operations and ability to repay noteholders.

4. Inability of Borrowers to Repay Mortgage Loans

The Issuer depends on churches making timely payment of their mortgage obligations to the Issuer. Those loan payments are the primary source of funds for the Issuer's payment of its obligations to noteholders. Churches most often rely on their receipt of contributions from church members to repay their mortgage loans. If a significant number of church borrowers should experience declines in church attendance, they may not receive sufficient contributions to make full scheduled payments of their mortgage debt.

5. The Issuer's Lending Practices; Single Purpose Buildings Secure Loans

The Issuer's lending standards and its policies regarding the legal documentation of loans, particularly construction loans, are different than, and in some cases, less stringent than, those of commercial lenders. Moreover, the Issuer's policies with regard to delinquencies are also less stringent than those of commercial lenders. As a result, the Issuer may experience a greater incidence of impaired, delinquent or defaulted loans than a commercial lender would experience.

If a borrower should default, the Issuer may have greater difficulty than a commercial bank would have in recovering the full amount of its loan; the mortgaged properties that secure the Issuer's loans often include church buildings that are single-purpose buildings, which have a limited market.

If the Issuer should experience a significant number of delinquencies or defaults, it may not be able to recover the full amount of the outstanding mortgage debt due it. The repayment to the Issuer of outstanding mortgage debt is material to the Issuer's ability to discharge its obligations to noteholders.

Activities of the Issuer

The Issuer engages in three primary activities. First, it sells Notes to Eligible Investors. Second, from the funds raised by the sale of its Notes, and from funds that it administers as custodian on behalf of the General Board of Global Ministries of The United Methodist Church ("**Global Ministries**"), the Issuer lends money to churches, annual conferences, councils, general boards, agencies, and units forming the organizational structure of The United Methodist Church and any other denominational bodies tracing their origins to the Wesleyan Episcopal movement of the 18th century, to enable them to purchase, build, expand, or renovate and improve churches, parsonages, or mission buildings, and for other purposes closely related to the religious purposes of the local churches. Third, the Issuer supports the development of innovative leaders who deepen the work of local churches and engage those outside of the local church model in new expressions of faith and spiritual formation. For more information regarding the Issuer's activities, see "HISTORY AND OPERATIONS" beginning on page 15.

In connection with the Issuer's lending program, the Issuer provides financial consultation, at no charge, to applicant borrowers. This consultation includes understanding and facilitating the mission and ministry of the organization and analyzing the financial condition of a borrowing religious entity, including its ability to service debt, a discussion of construction alternatives that may be available, an evaluation of the entity's financial strengths and weaknesses, and other items that may affect the financial condition of the entity and its ability to engage in and expand its religious activities.

Use of Proceeds

The offering of the Issuer's Notes is intended to raise funds to be used for the general fulfillment of the Issuer's religious and charitable purposes, including making loans to Church Organizations. Sales proceeds are temporarily invested pending their deployment, and some of the proceeds may be used to pay the Issuer's maturing investment obligations. For more information, see "USE OF PROCEEDS" beginning on page 17.

Key Financial Data

The following summary reflects important financial data as of December 31, 2022:

Cash, Cash Equivalents & Investments (Combined)	$	18,131,770
Total Loans Receivable	$	100,162,186[1]
Amount of Unsecured Loans Receivable	$	-
Unsecured Loans Receivable as a Percentage of Total Loans Receivable		-%
Loan Delinquencies as a Percentage of Total Loans Receivable[2]		-%
Total Assets	$	115,777,576
Total Notes Payable	$	77,873,242
Amount of Notes Redeemed During the Fiscal Year	$	12,925,406
Other Long-Term Debt	$	-
Net Assets	$	35,452,837
Increase in Net Assets	$	351,674

This Key Financial Data is derived from and should be read in conjunction with our audited financial statements and related notes as of December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021, and 2020, together with the independent auditors' report dated March 22, 2023, attached to this Offering Circular as Appendix A (the "**Audited Financial Statements**").

[1] Total Loans Receivable reflects the gross aggregate principal amount of loans outstanding, and is not reflective of the loan loss allowance of $3,250,000. This sum includes $2,156,994 in loans that the Issuer manages for Global Ministries. Please see "The Issuer as Administrator for Global Ministries Loan Fund" on page 12 of this Offering Circular.

[2] Loan Delinquencies include loans on which payments of principal or interest are delinquent for 90 days (or more), whether in default or not.

RISK FACTORS

The Notes are Unsecured Debt Obligations

The Notes are unsecured debt obligations of the Issuer. The payment of interest and the repayment of principal on the Notes is solely dependent upon the financial condition and operations of the Issuer. Noteholders do not have an equity interest in the Issuer and have no right on matters brought before the Board. As unsecured general obligations, the Notes are of equal rank with the Issuer's other Notes and any other unsecured general obligations of the Issuer now outstanding or issued or incurred in the future.

No Sinking Fund or Trust Indenture

The Issuer has not established any sinking fund or trust indenture to provide for the repayment of the Notes. Accordingly, no trustee monitors the Issuer's affairs on noteholders' behalf, no agreement provides for joint action by noteholders in the event the Issuer defaults on the Notes, and noteholders do not have the other protections a trust indenture would provide. The absence of a sinking fund and a trust indenture may adversely affect the Issuer's ability to make payments under the Notes.

The Notes Are Not Insured

The Notes are not insured by the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC), or any other state or federally regulated institution or private insurance company. The Notes are also not certificates of deposit or deposit accounts with a bank, savings and loan association, credit union or other financial institution regulated by federal or state authorities. A purchase of the Notes is subject to investment risks, including possible loss of the entire principal amount invested.

Possible Structural Changes Within The United Methodist Church

The United Methodist Church whose churches and related entities have been historically the majority of the borrowers has experienced a number of church disaffiliations from that denomination. Though the Issuer is able to receive investments from and enter into loans which share common origins with the Wesleyan Episcopal movement of the 18th century, not all disaffiliating church members may remain as investors nor disaffiliated churches remain borrowers. These events may have adverse impacts on the client churches' ability to repay loans and the Issuer's activities, financial condition, and cash flows.

Concentration of Borrowers

The Issuer's lending limit to any one borrower is twenty-five percent (25%) of the Issuer's net assets without donor restrictions at the time of the loan's approval, or approximately $8,858,000 as of December 31, 2022. The lending limit is an aggregate amount and includes all debt to a borrowing entity of the Issuer, including funded and unfunded loans. Standard guidelines for the lending limit may be modified by the Board from time to time, which means that this limit may be increased. The greater the amount lent by the Issuer to a single borrower, the greater the risk that member contributions alone will not be sufficient to repay the loan. Furthermore, the greater the amount lent by the Issuer to a single borrower, the greater the pressure on the Issuer's net reserves in the event of a default by such borrower. As of December 31, 2022, the two largest single borrowers represented, respectively, 8.1% and 5.3% of total loans receivable, not including loan loss allowance, and 22.3% and 14.6% of the Issuer's net assets without donor restrictions. No other borrower comprises more than 4.9% of the Issuer's total loans receivable.

Concentration of Noteholders

At December 31, 2022, there were 2,717 holders of the Issuer's approximately $77,873,000 in outstanding Notes. Those obligations ranged in principal amount from approximately $100 to approximately $759,000, not including a Flexible Investment Note in the approximate amount of $18,581,000 held by Global Ministries, and Flexible Investment and Term Notes totaling approximately $9,805,000 held by TMF. If the noteholders holding a substantial portion of the Notes payable balances were to seek redemption of their Flexible Investment Notes, not reinvest in their Term Notes at maturity, or if they were permitted, under extreme circumstances and in the Issuer's sole discretion, to redeem their Term Notes early, those Note proceeds would not be available to the Issuer.

No Staggered Maturities

If a substantial portion of the Issuer's repayment obligations under the Notes were to come due in a limited period of time, the Issuer's ability to repay Notes that come due during any given period could be adversely impacted. The Issuer is not obligated to limit the amount of debt that may mature in any given year or period.

Restrictions on Early Redemptions

There is no right to early redemption of a Term Note. The Issuer retains the right to reject any request for early redemption and to charge an early redemption penalty for requests that it approves. Except as to residents of certain states, the Issuer may repay the principal amount of a Term Note redeemed prior to its maturity in five (5) equal annual installments, together with interest payable annually at the rate being offered on the Issuer's Flexible Investment Note. Consequently, noteholders may experience a delay in their receipt of the full principal amount of a Term Note redeemed early. The earlier repayment of Notes for redeeming noteholders who reside in those states where the Issuer does not repay principal in installments, and consequent later payment of Notes for noteholders who reside in all of the remaining states, may increase the risk that the Issuer will not be able to meet its obligation to repay the Notes on a timely basis to noteholders who live in such other states. See "DESCRIPTION OF THE NOTES" beginning on page 31 and "State Specific Information" beginning on page v for more information.

Early Redemption Penalty

If the holder of a Term Note redeems the Note prior to its maturity, the Issuer, subject to its right to pay the principal in five (5) equal annual installments (except as to residents of certain states), will repay the principal amount of the Term Note, together with interest payable annually at the rate being offered on the Issuer's Flexible Investment Notes during the remainder of the payout, and charge an early redemption penalty. See "DESCRIPTION OF THE NOTES" beginning on page 31, the prior Risk Factor, "Restrictions on Early Redemptions," as well as "State Specific Information" beginning on page v for information regarding penalties and restrictions regarding early redemption and the repayment of principal in five (5) equal annual installments.

Automatic Roll Over of Notes

Except as to residents of certain states, if a holder of a maturing Term Note purchased prior to January 1, 2017 or after May 15, 2019 does not present it for payment (if certificated) or give the Issuer written instructions to pay or redeem it, that Note will automatically be renewed or "rolled over" into a like Term Note at the prevailing interest rate paid on the same kind of Term Note as that being rolled over, which interest rate may be lower than the interest rate offered on the expiring Note.

Except as to residents of certain states, for any Term Note purchased between January 1, 2017 and May 15, 2019, if the Issuer does not receive written instructions from a noteholder to redeem the Term

Note at maturity, the Issuer will automatically convert the Term Note into a Flexible Investment Note (unless the Term Note is redeemed early or a new Term Note is purchased by the noteholder). See "DESCRIPTION OF THE NOTES" beginning on page 31 "State Specific Information" beginning on page v for information regarding the treatment of Term Notes at maturity for residents of certain states.

Under U.S. federal income tax law, the above automatic roll over of Notes could be considered or deemed an exchange of the existing instrument for the new instrument and deemed taxable gain or loss may be realized if the exchange is considered a "significant modification" of the terms of the obligations under the existing debt instrument. Potential noteholders should consult their own tax advisors for their specific circumstances, not only for federal income tax purposes but also for compliance with applicable state, local or foreign tax laws.

Redemption of Notes by the Issuer

The Issuer shall have the right to repurchase any of its Notes at any time upon three (3) months' prior written notice by payment of the principal amount of the Note together with accrued unpaid interest plus a premium equal to one and one-half percent (1.5%) of the principal sum of the Note.

Risk of Reduced Demand for Notes

In 2022, the Issuer raised approximately $3,080,000 from the sale of Notes, and it lent approximately $12,452,000 to borrowers. During such periods in which the Issuer places more funds in loans than it is able to raise from the sale of Notes, the reduced demand for Notes may be a reflection of the broader interest rate environment and a lack of demand for the Notes. Should this continue, and if general interest rates continue to increase so that a substantial number of noteholders do not reinvest in the Notes in order to earn a higher rate of return elsewhere, the Issuer's ability to repay noteholders could be compromised.

Risk of Reduced Demand for Loans

Church disaffiliations from the United Methodist Church denominations may result in a decrease in demand for notes or the financial strength of borrowing churches. During periods in which the Issuer raises more money than it lends, the reduced demand for loans may reflect a more general decline in Wesleyan/Methodist Church membership. Significant difficulty by the Issuer in originating loans would risk reducing its interest income, which could have a negative impact on the Issuer's ability to repay noteholders.

Risk of Uncertainty in Interest Rate Market

As a mortgage lender and an issuer of debt securities, the Issuer is subject to risk associated with mismatches between the interest rates payable on and the term to maturity of, on the one hand, the Notes issued to noteholders and, on the other hand, the loans the Issuer makes to borrowers. The nature of many of the Issuer's mortgage loan terms can result in longer durations of its loans than its Notes, which have comparatively shorter durations. Similarly, the changes in interest rates attributable to loans and Notes may differ in magnitude. The Issuer's ability to manage interest rate risk could have a material impact on its net income and financial position, especially in the current rising interest rate environment.

Sources of Funds to Pay Principal and Interest May be Constrained

The Issuer's primary sources of cash are loan repayments, interest earned on those loans, income from other investments or proceeds from their sale (see Note 5 to the Audited Financial Statements for additional information regarding the Issuer's investments), and the continued sale of new Notes. The amount of cash generated by the Issuer could be reduced below the amount needed to pay interest and principal on the Notes in the ordinary course if the Issuer: (i) experiences significant delinquencies or defaults, or resets the repayment terms on its mortgage loans in such a manner that significantly reduces its cash flow; (ii) fails to find borrowers for its funds; (iii) fails to continue the sale of its Notes; (iv) experiences a major increase in the demand for repayment of Flexible Investment Notes or Individual Retirement Account Notes; and/or (v) experiences a major decline in the roll over rate of maturing Term Notes.

Concentration of Credit Risks

Financial instruments that potentially subject the Issuer to concentration of credit risks consist principally of cash and cash equivalents, investments, loans receivable and debt securities. Included in these risks are deposits held in excess of federal deposit insurance limits and a significant portion of the investment portfolio invested in accounts, securities and certificates of deposit with four financial institutions. For more detailed information, see "Concentration of Credit Risk" in Note 4 to the Audited Financial Statements.

No Underwriting

The Issuer is offering the Notes directly and without a firm underwriting commitment. No assurance can be given as to the principal amount of the Notes that will be sold and whether the proceeds will be sufficient to accomplish the purposes of the offering.

The Issuer May Sell Additional Debt Securities

In addition to the Notes offered by this Offering Circular, the Issuer may issue additional debt securities or promissory notes in the future, which debt securities or promissory notes may be equal in right of payment to the Notes, which could adversely impact the Issuer's ability to repay the Notes upon maturity or at all. The total amount of $100,000,000 in Notes to be sold in this offering is not a limitation on the amount of Notes that the Issuer may sell in this and other offerings that the Issuer may conduct at any time. The Issuer anticipates that it will continue to sell additional Notes as part of a continuous offering process. The Notes do not limit the total indebtedness that the Issuer may incur. Accordingly, the Issuer's ability to pay amounts due under the Notes may be impaired by its future indebtedness obligations.

The Issuer May Have Debt Senior to the Notes

The Issuer may pledge a portion of its loans or other assets as collateral for debt obligations that the Issuer issues or incurs, which would rank senior in right of repayment to the Notes ("Senior Secured Indebtedness"). It is the Issuer's policy, however, that the amount of Senior Secured Indebtedness may not exceed an amount equal to ten percent (10%) of the Issuer's tangible assets. During the year ended December 31, 2020, the Issuer obtained a $10,000,000 revolving line of credit from Frost Bank. The line of credit is secured by substantially all of the Issuer's assets, including investments and loans receivable. As of December 31, 2022 there was no outstanding balance on the line of credit, and the Issuer had no outstanding Senior Secured Indebtedness, but the Issuer may draw on its line of credit from time to time.

Difficulty in Obtaining or Maintaining a Line of Credit

As of December 31, 2022, the Issuer had a line of credit with Frost Bank with a total credit line limit of up to $10,000,000, under which there was no outstanding balance. A line of credit is a helpful resource for cash flow and liquidity purposes. In the event that we cannot maintain a line of credit or meet the conditions for a draw on our line of credit, our liquidity could be negatively affected and this could have a material adverse effect on our ability to repay our Notes. No assurance can be given that new investments in our Notes, loan sales, loan participation sales, loan payoffs, or other efforts will generate sufficient funds to fund our lending operations. See "Financial and Operational Activities – Line of Credit" on page 21.

The Issuer May Securitize a Portion of its Loan Portfolio

It is the policy of the Issuer that it may securitize up to ten percent (10%) of its loan portfolio, if all of the following conditions are met: (i) the loans are securitized and sold on a non-recourse basis predominately to entities not affiliated with the Issuer; (ii) the proceeds from the sale of the securitized loans will be used to make additional loans to churches and other entities within Wesleyan/Methodist Church connectional systems; and (iii) the securitization will not hinder the ability of the Issuer to make payments under the Notes when due. As of the date of this Offering Circular, the Issuer has not securitized any portion of its loan portfolio and, further, has not in at least the last 25 years of its history, securitized any portion of its loan portfolio.

Dependence Upon TMF

Pursuant to the Employee Sharing Agreement and Administrative Services Agreement, TMF causes its employees to conduct the day-to-day business of the Issuer. In addition, under the Bylaws of the Issuer, TMF nominates five (5) of the Issuer's directors, and certain matters may be approved only by a majority of the five (5) TMF nominees. Therefore, the Issuer is dependent on TMF for the management and administration of its business and affairs. For more information, see "Relationship with the Texas Methodist Foundation" beginning on page 16.

Competition with Other Institutions

Other institutions may offer notes or other securities with a higher rate of return and/or notes or other securities that provide greater security and less risk than the Notes. Also, in many instances, the Issuer competes with commercial lenders with respect to loans to churches, which may lead to the Issuer lending to less credit worthy borrowers or at lower interest rates than it otherwise would.

Policies and Procedures May Change

The Issuer reserves the right to change its policies and procedures. At various points in this Offering Circular, the Issuer describes or otherwise refers to its policies, such as its loan guidelines. These descriptions and references are intended to help investors understand the Issuer's current operations. If the Issuer changes its policies or procedures, including its loan guidelines, there may be an adverse impact on its ability to repay the Notes. The Issuer does not require investor consent to change its policies or procedures.

Investment Portfolio Risks

The Issuer's liquid assets are subject to various market risks, which may result in losses if market values of investments decline. The Issuer's investment portfolio is primarily invested in Wespath Investment Management's Fixed Income Fund, Short Term Investment Fund, and Multiple Asset Fund, whose investment risks are described in general below. The securities-specific risks that follow may arise from those and other investments made directly or indirectly by the Issuer.

1. <u>Wespath Investment Management Short Term Investment Fund–I Series</u>.

The Short Term Investment Fund–I Series (STIF-I) offered by Wespath Investment Management holds cash and cash equivalents in the form of units of a daily cash sweep account. STIF-I investments carry some degree of risk that will affect STIF-I's investment performance and the price of its units. As a result, loss of money is a risk of investing in STIF-I. STIF-I is subject to the following principal investment risks through its exposure to its sweep account: market risk, investment style risk, security-specific risk, credit risk, interest rate risk, liquidity risk and prepayment risk.

2. Wespath Investment Management Fixed Income Fund–I Series.

The Fixed Income Fund–I Series (FIF-I) offered by Wespath Investment Management seeks to earn current income while preserving capital by investing in a broad mix of fixed income instruments. FIF-I investments carry some degree of risk that will affect their value, FIF-I's investment performance and the price of its units. As a result, loss of money is a risk of investing in FIF-I. FIF-I is subject to the following principal investment risks: market risk, investment style risk, security-specific risk, credit risk, country risk, currency risk, derivatives risk, interest rate risk, liquidity risk and prepayment risk.

3. Wespath Investment Management Multiple Asset Fund–I Series.

The Multiple Asset Fund–I Series (MAF-I) offered by Wespath Investment Management seeks to attain current income and capital appreciation by investing in a broad mix of different types of investments. The MAF-I is a fund of funds allocated primarily among four other I-Series Funds (including the U.S. Equity Fund–I Series, International Equity Fund–I Series, the Inflation Protection Fund–I Series, and the FIF-I described above) in accordance with specified allocation targets. MAF-I investments carry some degree of risk that will affect MAF-I's investment performance and the price of its units. As a result, loss of money is a risk of investing in MAF-I. MAF-I is subject to the following principal investment risks: market risk, investment style risk, security-specific risk, credit risk, country risk, currency risk, derivatives risk, interest rate risk, liquidity risk and prepayment risk.

4. Market Risk.

General economic conditions may affect the Issuer's activities. Interest rates and general levels of economic activity may affect the value and number of investments made by the Issuer or considered for prospective investment.

5. Fixed Income Securities Risk.

The Issuer may invest in bonds or other fixed income securities, including without limitation, commercial paper and bank debt. The Issuer will, therefore, be subject to credit, liquidity and interest rate risks and may also be subject to price volatility due to factors, such as interest rate sensitivity, duration, market perception of the creditworthiness of the issuer, general market liquidity, and issuer-level liquidity. It is likely that a major economic event, such as a recession or reduction of liquidity in the market could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic event could adversely affect the ability of issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities. Changes in interest rates may cause a decline in the market value of an investment. With bonds and other fixed income securities, a rise in interest rates typically causes a fall in values, while a fall in interest rates typically causes a rise in values. The risk of bonds can vary significantly depending upon factors such as the issuer and maturity. For example, the issuer of a security or the counterparty to a contract may default or otherwise become unable to honor a financial obligation. The bonds of some companies may be riskier than the stocks of others.

6. Money Market Risk.

Although a money market fund is designed to be a relatively low-risk investment, it is not free of risk. Despite the short maturities and high credit quality of a money market fund's investments, increases in interest rates and deteriorations in the credit quality of the instruments the money market fund has purchased may reduce the money market fund's yield and can cause the price of a money market security to decrease. In addition, a money market fund is subject to the risk that the value of an investment may be eroded over time by inflation.

Loan Repayment Dependent on Contributions to Borrowers

The Issuer's loans are made primarily to affiliated churches and related religious organizations, including local churches, whose ability to repay the loans depend primarily upon contributions that they receive from their members. Due to the disruption to church services and the economic downturn stemming from the coronavirus outbreak, combined with aging congregations, and an expected rise in unemployment, members may not be able to meet their existing contribution pledges.

Loan Delinquencies

The Issuer considers a loan to be "delinquent" for purposes of this Offering Circular when payments of principal or interest are ninety (90) days or more past due, whether the borrower is in default or not. The Issuer believes that its policies with regard to delinquencies are less stringent than those of commercial lenders due to the Issuer sharing, in part, the missional purpose of the denomination entities which make up its borrowers. The Issuer may be willing to accept partial, deferred, interest only or late payments. Tolerance of delinquencies by the Issuer could lead to a greater delinquency rate than would be tolerated by a commercial lender. At December 31, 2022, the issuer had no delinquent loans.

Loan Policies Less Stringent for Borrowers than the Commercial Standard

As a church extension fund driven by its religious mission, the Issuer's relationship with its borrowers and its loan policies, including with respect to underwriting criteria and documentation requirements, are fundamentally different from those of normal commercial lenders. In view of that relationship, moreover, the Issuer commonly makes exceptions to its lending policies, at its discretion, when a particular borrower's circumstances warrant such deviation. The Issuer may be more inclined to accommodate partial, deferred or late payments, or to modify existing loans in situations where a typical commercial lender may not. For example, the Issuer may waive the requirement of an environmental study, appraisal, title insurance policy (in lieu of a title search), or an updated survey. See "LENDING ACTIVITIES" beginning on page 22 for more information.

Low Interest Rate on Notes Not an Indicator of Risk

The Issuer focuses on church lending and as a result the interest rates paid on the Notes may be disproportionately low compared to the potential for loss. The Issuer anticipates that investors will invest in the Notes for the primary purpose of supporting the Issuer's and its borrowers' mission as non-profit, charitable organizations. Interest rates offered for the Notes may not be as high as those offered by other financial institutions operating on a for-profit basis for similar investments. As a result, the risk of investment and potential risk of loss in the Notes may be greater than implied by their relatively low interest rate. Generally, the loans financed by the Issuer do not or cannot meet conventional lending standards. The Issuer's ability to make payments on the Notes is dependent upon the economic success of its lending activities.

Loans Secured by Single-Purpose Buildings

Mortgages held by the Issuer to secure loans to its borrowers most often are mortgages that are recorded against properties that contain "single-purpose" buildings. Single purpose buildings have a restricted resale market. Accordingly, if the Issuer were to foreclose on a mortgage secured by such a property, it may not be able to realize sufficient proceeds from the foreclosure sale to pay off the borrower's loan to the Issuer.

Security for First Mortgage Loans; the Issuer May Not Obtain Appraisals for Secured Properties

The Issuer secures most, but not all, of its loans with a first mortgage on real estate. The Issuer may not require the borrowing church to obtain independent appraisals of such secured properties.

Accordingly, the loan amount could exceed the value of the property securing it. See "Loan Policies" beginning on page 22.

Loans Secured by Equipment

The Issuer may make equipment loans to borrowers and secure those loans by perfecting a security interest in the equipment that is being purchased together with other secured interests. The equipment that secures those loans includes, but is not limited to, computers, copiers, vehicles, pianos, and organs, and will normally have a limited life expectancy. Accordingly, if the Issuer were to have to seize the equipment to pay a loan deficiency, the market value of the equipment may not be sufficient to pay off the borrower's loan to the Issuer.

Construction Loans

Borrowers often use the Issuer's loans to construct new facilities or renovate existing facilities. Approximately 10.5% of the dollars the Issuer disbursed in loans during 2022 were to finance construction projects, which are riskier than loans made to finance existing properties. If any of the unique risks associated with construction and renovation are realized, including but not limited to costs associated with environmental and other regulations, the effects of economic slowdowns or service interruptions and/or legal challenges due to environmental or operational or other mishaps, they could adversely affect a borrower's ability to repay its loan by increasing construction costs or delaying or preventing completion of the project, and their failure to repay their loan could adversely affect the Issuer's ability to make payments under the Notes.

Loans for Working Capital

The Issuer may make loans to churches to provide working capital to those borrowers. The loans will be secured by an interest in real estate, pledged funds (including in the form of Notes), or both. In the event of a default, repayment to the Issuer will depend on the adequacy of the security and the costs to liquidate the security interest.

Loans Secured by an Obligation Due to the Borrower

The Issuer may lend money to a borrower and take an assignment of a note payable to the borrower as additional collateral to secure the repayment of the loan. The value of the note is only as good as the underlying debtor's ability to pay it. If the debtor is unable to pay the note, the Issuer's ability to recover the debt due it by the borrower will not be greater than any other unsecured creditor and will depend on the value of the collateral taken to secure the note. As of December 31, 2022, the Issuer had no such loans.

Unsecured Loans

The Issuer may make short-term unsecured loans available to some borrowers. That means that the borrower will not provide any collateral to secure the debt due the Issuer. In such cases, the Issuer will be dependent entirely on the financial ability of the borrower to repay the loan. The Issuer will not have any greater right to payment than any other unsecured creditor. In addition, there may be secured creditors, which the Issuer would be behind in priority of repayment in a bankruptcy or default of the borrower. Please see page 25 for additional information regarding the making of unsecured loans. As of December 31, 2022, the Issuer had no such loans.

Loans Subject to Bankruptcy Risk

The Issuer's remedies as a creditor upon default by any of the borrowers will be subject to various laws, regulations and legal principles that provide protections to borrowers. The Issuer's legal and contractual remedies, including those specified in loan agreements and collateral documents, typically require judicial actions, which are often subject to discretion and delay. Under existing laws (including, without limitation, the U.S. Bankruptcy Code), the remedies specified by loan agreements and collateral documents may not be readily available or may be limited. A court may refuse to order the specific performance of the covenants contained in the loan agreements and collateral documents. In addition, the laws of a particular jurisdiction may change or make it impractical or impossible to enforce specific covenants in the loan agreements and collateral documents.

Collateral May Be Impaired

The various security interests established under the Issuer's mortgages and deeds of trust may be subject to other claims and interests. Examples of these claims and interests are statutory liens; rights arising in favor of the United States or any agency thereof; constructive trusts or equitable liens imposed or conferred by any state or federal court; and bankruptcy or receivership laws affecting amounts earned by the borrower after institution of bankruptcy or receivership proceedings by or against the borrower.

Limited Environmental Audits

There is potential environmental-related risk associated with the loans the Issuer makes. The Issuer may, but does not typically conduct an environmental audit to a long-standing church entity absent other indications of potential environmental risk before approving a loan. If environmental contamination is found on or near property securing a loan, the Issuer's security for the loan could be impaired. In addition, changes in environmental regulations could require the borrower to incur substantial unexpected expenses to comply with such regulations, which could impair both the value of the collateral and the borrower's ability to repay the Issuer.

Borrowers May Prepay Borrowed Funds

A borrower may decide to prepay its borrowed funds. There is no prepayment penalty for borrowers who prepay their loans. If borrowers choose to prepay their loans, the Issuer may not receive the interest payments it would have received if such loans were repaid as originally anticipated, which may impair the Issuer's ability to meet its payment obligations under the Notes.

No Public or Secondary Market for the Notes; Restrictions on Transfer

No public or secondary market exists for the Notes and none will develop. The marketability of the Notes is limited. The Notes are transferable only to Eligible Investors and upon written notice to the Issuer.

Recourse for Noteholders Limited to the Issuer

None of the denominations known as The United Methodist Church, the Global Methodist Church, nor any of their connectional units, nor TMF, will be liable for the repayment of the Issuer's Notes.

The Issuer as Administrator for Global Ministries Loan Fund

In 2012, Global Ministries transferred certain of its loan funds ("Global Ministries Funds") to the Issuer. The Issuer administers, invests and lends Global Ministries Funds for the benefit of Global Ministries on the basis of priorities established by Global Ministries to further charitable purposes aligned with the Issuer's charitable purposes and in accordance with lending policies and criteria established by the Issuer.

The Global Ministries Funds are comprised of funds available to make loans to United Methodist Church organizations. As of December 31, 2022, there were 13 such mortgage loans outstanding with a total principal balance of approximately $2,157,000.

Outstanding loan balances are included with mortgage loan receivables in the statements of financial position. The interest earned on loans issued from Global Ministries Funds is reported as an increase or decrease to mortgage loans receivable. In addition, these amounts are reported as increase or decrease to “Amounts held on behalf of General Board of Global Ministries.” These amounts are not reported as gains or losses of the Issuer. Similarly, since these assets are held for the benefit of others, the Issuer has not established an allowance for potential losses on loans made from Global Ministries Funds.

In its role as administrator of Global Ministries Funds, the Issuer could be held liable for any breach of its duties as administrator, which could negatively affect the Issuer’s ability to repay the Notes. Further, while the Issuer is a separate entity from Global Ministries, and is generally not liable for claims against Global Ministries, it is possible that claimants against Global Ministries might contend that the Issuer is also liable. If a claim like this were made or upheld, the Issuer’s financial condition may be negatively affected.

See Note 8, “GBGM Loan Fund,” and Note 12, “Related Party Transactions,” to the Audited Financial Statements for additional information regarding Global Ministries Funds.

Cybersecurity Risks, Dependence Upon Technology and Related Services

The Issuer’s operations are dependent upon technology and related services, some of which are provided by third party vendors. The majority of the Issuer’s business records are stored and processed electronically, including records of the Issuer’s loans receivable, Notes payable, and most other business records. The Issuer relies to a certain extent upon third-party vendors for providing hardware, software, and services (including our website functionalities) for processing, storing and delivering information. The Issuer’s electronic records include confidential customer information and proprietary information of the Issuer’s organization. Electronic processing, storage and delivery has inherent risks such as the potential for hardware failure, virus or malware infection, input or programming errors, interruption of website service, inability to access data when needed, corruption or permanent loss of data, unauthorized access to data or theft of data. Cyber threats are rapidly evolving and the Issuer may not be able to anticipate or prevent all such threats. While the Issuer and its vendors take measures to protect against these risks, the Issuer’s computer systems and network infrastructure are not immune to cyber-attacks, including denial of service attacks, hacking, terrorist activities, identity theft and other fraudulent, illegal or improper activity perpetrated by third parties. No cybersecurity measures will be 100% effective, and there may be other risks that have not been identified or that may emerge in the future. A successful penetration or circumvention of the Issuer’s or its vendor’s security could cause, among other consequences, significant disruption of all aspects of the Issuer’s operations, damage to hardware and software systems, misappropriation of confidential or proprietary information, personal information or identity of holders of Notes, or theft of the Issuer’s funds, which would have a material adverse effect on the Issuer, its operations, and its ability to repay its obligations under the Notes as and when due.

Future Litigation May Occur

From time to time, the Issuer may become involved in litigation in the ordinary course of its activities. Litigation can be time consuming and costly, and there can be no assurance that the Issuer will not become involved in litigation that could have a material adverse effect on its activities or its ability to repay the Notes when due or at all.

Regulatory Changes

Pursuant to current federal and state exemptions relating to certain securities offered and sold by non-profit charitable organizations, the Notes will not be registered with the Securities and Exchange Commission and may not be registered with any state securities regulatory body in certain states.

Federal and state securities laws are subject to change and frequently do change. Future changes in federal or state laws, rules or regulations regarding the sale of securities by charitable or other non-profit organizations, or the policies, practices and procedures under which regulators review registration materials or applications for exemptions, may make it more costly and difficult for the Issuer to offer the Notes and adversely affect the Issuer's ability to sell the Notes. Such an occurrence could result in a decrease in the amount of Notes sold, which could affect the Issuer's operations and the Issuer's ability to meet its obligations under the Notes. If the Issuer does not continue to qualify the Notes in any particular state, noteholders in such states may not be able to reinvest at maturity. The Issuer is not subject to regulation as a bank. Although the Issuer believes that its activities are in compliance in all material respects with applicable local, state and federal laws, rules, regulations and policies, there can be no assurance that this is the case or that more restrictive laws, rules and regulations governing the Issuer's lending activities will not be adopted in the future which could make compliance much more difficult or expensive, restrict the Issuer's ability to originate loans, further limit or restrict the amount of interest and other charges earned under loans the Issuer originates, or otherwise adversely affect the Issuer's operations or prospects, which could adversely affect its ability to operate and to make payments under the Notes and potentially lead to the termination of the offering of Notes or termination, winding-up or liquidation of the Issuer.

Federal Income Tax Considerations

Generally, for U.S. federal income tax purposes, interest paid or payable on the Notes will be taxable as ordinary income imputed to noteholders regardless of whether interest is paid or compounded, unless the Notes are purchased through an Individual Retirement Account ("**IRA**") or other tax deferred account. Additionally, there is always a risk that changes may be made in the tax laws, which changes could have an adverse effect on the ownership of Notes. See "Tax Considerations" beginning on page 35 for a more detailed discussion. Potential noteholders should consult their own tax advisors regarding their specific circumstances including for state, local, international and other considerations.

Forward-Looking Statements

Certain sections of this Offering Circular contain forward-looking statements based on management's expectations, estimates, projections and assumptions. Words such as "expects," "anticipates," "plans," "believes," "scheduled," "estimates," and other such expressions are intended to identify forward-looking statements, which include but are not limited to projections of revenues, income, cash flows, and other financial items. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Accordingly, actual future results and trends may differ materially from what is forecasted in forward-looking statements. All forward-looking statements speak only as of the date of this Offering Circular. The Issuer does not update or revise forward-looking statements to reflect circumstances or changes in expectations after the date of this Offering Circular.

HISTORY AND OPERATIONS

The Issuer

The issuer of the Notes is Wesleyan Impact Partners (the "**Issuer**"), a non-profit corporation that was incorporated on January 25, 1960 as "The Methodist Investment Fund" and also formerly known as "Wesleyan Investive" and "The United Methodist Development Fund." Its principal business address is 11709 Boulder Lane, Suite 220, Austin, Texas 78726. The Issuer is exempt from federal income tax under Section 501(c)(3) of the Code, as a religious organization, and no portion of its earnings inures to the benefit of any person or private shareholder.

The Issuer is an autonomous legal entity, the obligations of which are not guaranteed by The United Methodist Church, the Global Methodist Church, nor any separate denominational body deriving its origins in the Wesleyan Episcopal movement of the 18th century ("**Other Denominational Church**") or any local church, annual conference, council, general board, agency, or any unit forming the organizational structure of the Wesleyan/Methodist denominational entities ("**Church Organization**"). The Issuer does not guarantee, and management believes it is not legally responsible for, the liabilities or obligations of these entities or any of their connectional units; and, vice versa, these church entities and their connectional units are not legally responsible for the liabilities or obligations of the Issuer.

History and Relationship of the Issuer with The United Methodist Church and the Wesleyan/Methodist Denominations and Churches

The United Methodist Church and the Global Methodist Church established their roots in America in the 18th century. They represent the confluence of three streams of religious tradition: Methodism, the Church of the United Brethren in Christ, and the Evangelical Association. The present United Methodist Church was organized in 1968 with the merger of the Methodist Church and the Evangelical United Brethren Church. The Global Methodist Church and The United Methodist Church together have over 6.7 million members and approximately 32,100 organized churches within the United States. The United Methodist Church and the Global Methodist Church are religious denominations, and there are other denominations with common roots. The Issuer as it is constituted is in a position to continue to engage in its three purposes (selling Notes, making loans, and supporting the development of innovative leaders) with these new denominational entities or with any churches that may depart The United Methodist Church or Global Methodist Church and continue in the Wesleyan tradition.

The denominations are neither hierarchical nor congregational. They are a "connectional structure" maintained through their chain of conferences. These denominations are comprised of individuals, local churches, districts, annual conferences, jurisdictional conferences, the General Conference, and other organizations that are connected by their common religious heritage and by their desire to further the purposes and work of the denomination. Some of these organizations function within a particular geographical area, while others have responsibilities that are national or international in scope.

The organizations that comprise the connectional system are referred to in this Offering Circular as "connectional units." Unless there is a contractual agreement to the contrary, each connectional unit is legally responsible only for its own activities and affairs. It does not have responsibility for, nor assume the liability of, any other connectional unit.

Religious Purposes and Nature of Operations

The Issuer was organized and is operated exclusively for religious purposes. The general purposes of the Issuer are to raise funds from the sale of Notes and to use those funds to assist The United Methodist Church and Other Denominational Churches to spread the Gospel by providing financial assistance to Church Organizations, and to encourage the development of a new generation of clergy and laity leaders to further their ministry in new contexts appropriate to an evolving society. Specifically, the Issuer lends money to Church Organizations within The United Methodist Church and Other Denominational Churches who wish to build, expand, renovate and improve churches and mission buildings and for other purposes closely related to the religious purposes of such Church Organizations. All of the Issuer's loans that were made prior to January 1, 2017 are secured by first mortgages on real estate. In most cases, mortgage loans are secured by property owned by the borrower, but in some cases loans are secured by a mortgage on properties owned by another connectional unit of The United Methodist Church or Other Denominational Church. Beginning January 1, 2017, the Issuer authorized the use of funds realized from the sale of its Notes also to make: (i) equipment loans secured by security interests in and liens on equipment purchased with the proceeds of those loans; (ii) working capital loans; (iii) loans secured by the borrower's notes receivable; and (iv) unsecured loans. See "LENDING ACTIVITIES" beginning on page 22 for more information regarding the Issuer's loans.

The Issuer also provides financial consultation at no charge to applicant borrowers and related agencies within the United States and its territories. This consultation includes understanding and facilitating the mission and ministry of the organization and an analysis of the financial condition of a borrowing religious entity, including its ability to service debt, a discussion of construction alternatives, the evaluation of the borrower's financial strengths and weaknesses, and other items that may affect the financial condition of the borrower and its ability to engage in and expand its religious activities.

The Issuer supports the development of church leaders in three ways: (1) providing forums to bring together leaders in the church for peer-based learning opportunities; (2) organizing learning communities of clergy and laity who are developing new ways of engaging an evolving society; and (3) providing grants in the form of Innovative Leadership Awards to those who have demonstrated the capacity to reach a new generation of those who are experiencing and expressing their faith and spirituality in ways not consistent with the traditional local church model.

Offering of Notes

This offering of $100,000,000 of Notes is intended to raise funds that will be used primarily to make loans to local United Methodist churches and other connectional units, for the purpose of purchasing, refinancing, constructing, expanding, and making renovations and major improvements to churches, parsonages, and mission buildings. A portion of the funds will also be used for other purposes closely related to the religious purposes of the local churches. The Issuer offers these Notes on a nationwide basis to Eligible Investors.

The Notes, which provide general obligation financing for the Issuer, are not secured by particular loans to specific borrowing entities.

None of the proceeds of this offering are to be escrowed pending completion of the offering. Sales proceeds are temporarily invested pending their deployment, and some of the proceeds may be used to pay the Issuer's maturing investment obligations.

Relationship with the Texas Methodist Foundation

On March 21, 2016, the Issuer entered into an Agreement Providing for the Transfer of Operations and Governance (the "Contract") with Global Ministries and TMF. Pursuant to the terms of the Contract, on January 1, 2017, TMF began to manage and administer the Issuer's operations in accordance with the policies of the Board and established an endowment for the benefit of Global Ministries (the "Endowment"). As its initial contribution, the Issuer transferred $12.5 million of its net assets to the Endowment. On January 1, 2019, TMF assumed control of certain governance matters pursuant to the Contract, and that same day the Issuer transferred an additional $12.5 million of its net assets to the Endowment.

The President of TMF also serves as the President of the Issuer. Five (5) members of the Issuer's board of directors are elected from a pool of nominees selected by TMF, and some governance matters require the vote of at least three (3) of the five (5) directors nominated by TMF. In general, however, most matters requiring Board approval may be approved by a vote of a majority of the quorum present at a Board meeting.

The Issuer and TMF are also parties to an Employee Sharing Agreement and an Administrative Services Agreement. Under the Administrative Services Agreement and the Employee Sharing Agreement, TMF causes its employees to conduct the day-to-day business of the Issuer in the sale of the Issuer's Notes, the management of the Issuer's loan portfolio, the administrative procedure for reviewing loan applications and extending and documenting new loans, the conduct of the Issuer's leadership development and learning activities, management of the Issuer's investments, investor relations, accounting, regulatory compliance, and marketing. The two agreements provide to TMF certain operational authority to discharge its management responsibilities. That authority includes, among other things, the authority to install and utilize new hardware and software computer systems, to develop new operational policies and procedures, and to establish and maintain reasonable accounting and reporting systems and internal controls designed to help the Issuer protect its assets. Under the two agreements, TMF does not have authority to bind the Issuer. The Issuer retains its authority over matters handled by TMF and exercises decision-making authority with respect to the making of loans and raising of funds, including the sale of Notes.

TMF employs thirty-eight (38) employees whose day-to-day work is to support the work of both TMF and the Issuer. These include eight (8) individuals in the lending operations of the Issuer and TMF; three (3) individuals in investor relations; eighteen (18) employees in management, accounting, regulatory compliance, and marketing; and nine (9) employees in leadership development.

Administrative expenses, which are primarily for services rendered by TMF, are reimbursed by the Issuer its under agreements with TMF. During each of 2022 and 2021, the Issuer disbursed $1,200,000 to TMF for administrative expenses. See Note 10 to the Audited Financial Statements.

TMF also holds Notes with a total outstanding principal balance of approximately $9,805,000 as of December 31, 2022. Meanwhile, the Issuer holds an interest-bearing demand obligation issued by TMF with an outstanding principal balance of approximately $9,172,000 as of December 31, 2022.

USE OF PROCEEDS

The offering of the Issuer's Notes is intended to raise funds to be used for the general fulfillment of the Issuer's religious and charitable purposes, including to make loans—or fund some portion of applications in process, outstanding loan commitments, or loan contracts—to Church Organizations, to enable them to purchase, build, expand, or renovate and improve churches, parsonages, or mission buildings, and for other purposes closely related to the religious purposes of the local churches.

The Issuer adds the proceeds received from the sale of the Notes to its general funds. The proceeds will not be allocated to any specific loan or loans, and may be invested pending deployment of the funds or for maintenance of liquidity reserves. The Issuer may also use proceeds to pay outstanding Notes or other indebtedness and cover our overall operating expenses.

No underwriters or brokers are participating in this offering, and the Issuer pays no sales commissions in connection with the sale of the Notes. Sales of the Notes will be effected solely through officers and employees of the Issuer. The Issuer will use its operating capital to pay all expenses of this offering, including printing, mailing, attorneys' fees, accountants' fees, and securities registration fees, which are estimated to total less than 0.15% of the aggregate offering amount.

The Issuer expects to use proceeds from this offering consistent with past practices. In recent years, essentially all cash proceeds from sale of Notes have been used for lending activities. It is possible, however, that proceeds of this offering may be used for the other purposes discussed above.

FINANCIAL AND OPERATIONAL ACTIVITIES

The Issuer's principal sources of funds to finance its activities are proceeds that it receives from the sale of its Notes, interest and principal payments received by it on its outstanding mortgage loans, and income on its cash, cash equivalents and investments.

Outstanding Investment Obligations

At December 31, 2022, there were 2,717 holders of the Issuer's $77,873,242 in outstanding investment obligations. Those obligations ranged in principal amounts from $100 to approximately $759,000, not including a Flexible Investment Note held by Global Ministries in the approximate amount of $18,581,000, and Flexible Investment and Term Notes totaling approximately $9,805,000 held by TMF.

At December 31, 2022, the classification of holders and balances payable of these outstanding investment obligations were as follows:

Individuals	$ 23,652,978
Local Churches & Related Organizations	26,454,101
Annual Conference & Related Organizations	6,366,043
Colleges and Universities	47,269
General Agencies of The United Methodist Church	20,661,334
Institutions and Agencies	135,172
Cemeteries	167,278
Foundations	249,032
Finance and Community Organizations	79,699
Scholarship Funds	60,336
Total	**$ 77,873,242**

A breakdown of the type of investment obligations that make up the total of $77,873,242 of outstanding investment obligations at December 31, 2022, is as follows:

One Year Term Notes	$ 10,214,600
Two Year Term Notes	5,273,709
Three Year Term Notes	12,749,355
Four Year Term Notes	4,657,115
Five Year Term Notes	6,968,822
Flexible Investment Notes	6,379,393
IRA Notes	3,217,147
Certificates of Participation	26,581
Flexible Investment Note held by Global Ministries	18,581,160
Notes held by TMF	9,805,360
Total	**$ 77,873,242**

At December 31, 2022, the maturity dates and amounts of the Issuer's outstanding Term Notes (including those held by TMF) were as follows:

Year Ending December 31,	
2023	$ 23,931,438
2024	9,322,883
2025	13,910,745
2026	894,977
2027	1,608,916
Total	**$ 49,668,959**

Receipts from Sales of Notes and Redemption Payments to Investors

Annual sales proceeds and redemption payments on the Notes for each of the last five (5) years are reflected in the following table:

Year Ending December 31,	Sales Proceeds	Repayments
2018	$ 4,938,159	$ 9,264,270
2019	5,858,074	12,292,289
2020	14,676,870	8,087,693
2021	8,263,948	8,492,822
2022	3,079,633	12,925,406

Gains and Losses on Investments

The aggregate realized and unrealized (losses) gains from investments, including investments of amount held on behalf of the Global Ministries Funds, for the fiscal years ending December 31, 2022, December 31, 2021, and December 31, 2020 were $(952,304), $159,667, and $1,046,135, respectively.

Outstanding Loans Receivable

At December 31, 2022, the Issuer held mortgage loans with an aggregate principal balance of $100,162,186.[3] As of December 31, 2022, the mortgage loans bear rates of interest ranging from 0.00% to 7.75% per annum, as further described in Note 6 to the Audited Financial Statements. These loans were outstanding in nearly every state of the United States and most annual conference areas. No single loan in the Issuer's portfolio of outstanding loans receivable comprised ten percent (10%) or more of the Issuer's total assets. See "Concentration of Borrowers" on page 4 for more information.

[3] Total Loans Receivable reflects the aggregate principal amount of loans outstanding, and is not reflective of the loan loss allowance of $3,250,000. This sum includes $2,156,994 in loans that the Issuer manages for Global Ministries. Please see "The Issuer as Administrator for Global Ministries Loan Fund" on page 12 of this Offering Circular.

The following table shows the approximate maturity of the outstanding mortgage loans, as of December 31, 2022, and has been calculated on the basis of regularly scheduled contract payments:

2023	$ 5,099,416
2024	5,350,550
2025	6,495,619
2026	6,304,023
2027	6,394,521
2028 and thereafter	70,518,057
Total	**$ 100,162,186**[4]

All loans made by the Issuer may be prepaid. Accordingly, expected future cash flows may differ from the contractual amounts indicated above. The following table shows the outstanding balance of the Issuer's loans receivable by type of security.

At December 31, 2022:	
Loans Secured by First Mortgages Only	$ 94,704,444[5]
Loans Secured by First Mortgages and Guarantees	5,457,742
Total	**$ 100,162,186**

The policy of the Issuer requires it to secure at least ninety percent (90%) of its outstanding loans by real or personal property or by guarantees of third parties. The Issuer has exceeded that standard for at least the past 25 years.

Income and Expenses Unrelated to Operations

The Issuer does not have any direct or indirect material expenses or revenues that are unrelated to its operations.

Line of Credit

As of December 31, 2022, the Issuer had a line of credit with Frost Bank that allowed the Issuer to borrow up to $10,000,000, at an interest rate equal to the AMERIBOR-Term 30 rate plus 1.75% (6.15% at December 31, 2022). As a condition to the line of credit, the Issuer provided to Frost Bank a first priority security interest in substantially all of the Issuer's assets, including investments and loans receivable. The line of credit requires the Issuer to meet certain financial covenants, including unrestricted tangible net assets and interest coverage ratio. As of December 31, 2022, there was no outstanding balance on this line of credit, but the Issuer may draw on this line of credit from time to time.

[4] This sum includes $2,156,994 in loans that the Issuer manages for Global Ministries. Please see "The Issuer as Administrator for Global Ministries Loan Fund" on page 12 of this Offering Circular.

[5] This sum includes $2,156,994 in loans that the Issuer manages for Global Ministries. Please see "The Issuer as Administrator for Global Ministries Loan Fund" on page 12 of this Offering Circular.

LENDING ACTIVITIES

Nature and Types of Loans

The Issuer primarily makes first mortgage loans to Church Organizations for the purchase, construction, expansion, major improvement, renovation and repair of churches, parsonages, or mission buildings, and the refinancing of loans made for those purposes. First mortgage loans mean that the loans are secured by a first mortgage on real estate.

The Issuer's policies allow for the following additional loan facilities to eligible borrower applicants: (i) equipment loans secured by a security interest in and a lien on the equipment that the borrower purchases with the loan proceeds; (ii) working capital loans; (iii) loans secured only by a borrower's notes receivables; and (iv) unsecured loans. However, the Issuer secures no fewer than ninety percent (90%) of its outstanding loans with real or personal property or by a guarantee of a third party.

Most of the Issuer's loans are made to churches, and most of the loans to churches have been made to build, expand, or renovate church facilities or to refinance existing debt. However, the Issuer may also lend money to districts, city societies, district unions, mission institutions or annual conference church extension agencies to purchase, build, expand or renovate their facilities.

A table showing the Issuer's mortgage loans receivable and the dates of maturities of its mortgage loans may be seen at "Outstanding Loans Receivable" beginning on page 20.

Loan Policies

All loan activity of the Issuer is for religious purposes. In furtherance of that charitable purpose, the Issuer commonly works with potential and existing borrowers to reach a mutually satisfactory funding solution. As a church extension loan fund, the Issuer does not operate like a typical commercial lender and frequently acts in a more gracious and accommodating manner in its lending practices, including by making exceptions to loan policies when circumstances warrant.

Under circumstances where applications for loans exceed the available liquidity of the Issuer, the priorities for allocation of resources are guided by the underlying purpose to help Wesleyan/Methodist churches become more purposeful and more clearly focused on her God-appointed mission through the integration of financial and leadership resources. Among the considerations given to the appropriation of funds for available loans are the following: (i) to align with the Issuer's evolving understanding of its charitable purposes in line with the work of churches in a changing context; (ii) to assist racial or ethnic minority churches; (iii) for the construction of a new congregation's first church property or facility; (iv) for the renovation, expansion and/or remodeling of existing church facilities or mission institutions; (v) for site purchases and purchases of properties for the relocation of churches; (vi) for the purchase, refinancing and remodeling of parsonages; and (vii) for the refinancing of existing mortgages and loans.

1. Financial Information Required for Loan Applicants.

The Issuer determines on a case-by-case basis the credit information that the Issuer requires a loan applicant to submit to the Issuer. The information that the Issuer generally may require includes the following: (i) financial information including the applicant's statements of assets and liabilities and income and expenses for the prior three (3) years; (ii) the applicant's Local Church Annual Report Form to the Annual Conference or similar denominational entity for the most recent two (2) years; (iii) the applicant's Annual Report of Trustees to its denominational connection for the most recent two (2) years; (iv) the applicant's Annual Report of the Committee on Finance to the Administrative Board for the most recent two (2) years; (v) the applicant's current year budget; and (vi) such other credit information as may be determined by the Issuer.

In some cases, a representative of the Issuer's Loan Department may visit in person, or by appropriate technological device, the entity requesting a loan to interview the borrower's leadership, review documents, understand and provide consultation, if asked, on the borrower's mission and ministry. The representative also evaluates the collateral and determines if any additional information is required before the Issuer makes its decision.

2. Creditworthiness of Borrower.

The Issuer does not rely upon specific qualifying ratios in evaluating the creditworthiness of potential borrowers. Rather, the Issuer evaluates the creditworthiness of each borrower by relying on tools and analyses available to the Issuer to determine whether the borrower can repay a loan from its cash flow without materially affecting the missions and ministries offered by the borrower. The Issuer in most instances requires that an applicant's debt service payments (including with respect to the loan being requested) be twenty percent (20%) or less of its budget. However, the Issuer may depart from this debt service requirement under circumstances based on the historical performance and financial strength of the borrower.

3. Term of Loan.

Except with respect to working capital, equipment and unsecured loans, loans generally have a maturity of twenty-three (23) years or less and are amortized over a period not to exceed twenty (20) years. Working capital, equipment and unsecured loans generally have much shorter terms. In addition to any other Board-approved exceptions to these terms, loans for the purchase of a parsonage generally may have terms of up to thirty (30) years.

4. Interest Rates.

Rates charged by the Issuer are set by the Staff Loan Committee (the "**Staff Committee**"). Rates charged by the Issuer may be fixed or variable. Variable rate loans are adjusted monthly and may allow for a ceiling and a floor. Loans with a fixed rate allow for periodic adjustments under the terms of the loan agreement. This adjustment period generally does not exceed five (5) years. Interest rates for specific loans are based on factors outstanding at the time, which include general economic conditions, competitive lending environment, liquidity needs of the Issuer and other factors deemed necessary by the Staff Committee. The Issuer also has the discretion to charge an applicant origination, discount, legal or other fees associated with the loan process.

5. Single-Borrower Lending Limit.

The Issuer does not, as a matter of policy, lend funds to any one borrower that exceed twenty-five percent (25%) of the Issuer's net assets without donor restrictions at the time the loan is approved ("**Lending Limit**"). The Lending Limit is an aggregate amount and includes all debt to a borrowing entity of the Issuer, including funded and unfunded loans. Any loan recommended by the Staff Committee that is an exception to the Lending Limit will be identified to the Loan and Investment Committee of the Board (the "**Board Committee**").

6. Collateral Standard.

The Issuer secures no less than ninety percent (90%) of the total principal amount of its outstanding loans with real or personal property or by a guarantee of a third party.

Other Loan Policies

The Issuer may, from time to time, advance additional funds on a previously approved outstanding loan, provided (i) the financial condition of the borrower has not materially changed since the initial approval; (ii) use of the funds is authorized by the appropriate committee of the borrower; (iii) use of the funds is not prohibited by the borrower's denominational organizing documents; and (iv) the amount of the advance does not exceed $200,000.

Renewal of loans that conform to the criteria of the prior approval by the Board do not require additional approval, provided the financial condition of the borrower has not materially changed in an adverse way since the prior approval.

The Issuer's policies prohibit making loans: (i) to individuals; (ii) to organizations that do not have a clear connection to a church which originated from the Wesleyan Episcopal movement of the 18th century; (iii) where the ability to repay the loan is unlikely; (iv) that are not allowed by law; or (v) for speculative land buying or the purchase of land by a connectional entity where there is no congregation or fellowship in existence to develop the land for use.

Loan Application and Review

Each loan application is assigned to the Staff Committee, which includes the President and Treasurer of the Issuer and such additional persons as may be appointed by the President. The Staff Committee reviews each application.

Provided that a loan applicant's combined outstanding debt to the Issuer does not exceed $200,000, the Staff Committee, without the approval of the Board Committee, may approve or reject applications for loans (or restructurings) of not more than $200,000 aggregate debt if (i) a majority of the members of the Staff Committee approve the loan, and (ii) the vote of the Senior Vice President was one of the votes that formed the majority approving the loan. Loans approved in this manner are reported to the Board Committee at its next meeting.

The Board Committee must review and approve or reject applications for loans (or requests to restructure) that: (i) exceed $200,000; or (ii) are submitted by a loan applicant that has aggregate outstanding debt to the Issuer exceeding $200,000.

The Issuer does not in every instance require that the borrower provide the Issuer an independent appraisal of the property that an applicant proposes as security for the loan; nor does the Issuer, in the ordinary course, inspect the property upon which an applicant's construction or renovation is to take place. The Issuer also evaluates the collateral based upon tax assessment values, insured values, and valuations provided in the applicant's annual reports to its affiliated denominational entity. The Issuer generally requires an independent appraisal if the loan-to-value ratio exceeds seventy-five percent (75%).

Loan Documentation

Each applicant that has been approved for a loan must execute a Loan Agreement that establishes the terms and conditions on which the Issuer is willing to extend the loan.

The Issuer's Loan Agreement may provide that each borrower, as a condition to the Issuer's disbursement of loan proceeds, submit the following documents to the Issuer for its review and approval: (i) a note that reflects the terms of the loan; (ii) a mortgage or deed of trust covering the property that secures the loan; (iii) hazard insurance equal to the greater of the committed loan amount or eighty percent (80%) of replacement costs; (iv) survey with floodplain certifications (unless the appraisal otherwise indicates) and, when applicable, flood insurance; (v) evidence of property value acceptable to the Issuer; (vi) a title insurance policy or other such document that provides assurance of the Issuer's lien position; and (vii) other documentation as deemed necessary by the Issuer.

1. Working Capital and Equipment Loans

The Issuer may make loans for working capital and equipment purchases including, but not limited to, the purchase of computers, copiers, vehicles, pianos, and organs. The Issuer requires that these loans be documented with a note that reflects the terms of the loan and that the loan be secured with a perfected security agreement in equipment, together with other security interests as the Issuer may deem appropriate. The term of the loan generally may not exceed the life of the equipment that is being purchased, or one (1) year in the case of a working capital loan. Interest on such loans is payable monthly.

2. Loans Secured by Note Receivables

The Issuer considers extending loans to qualified borrowers and securing the loan by taking a collateral assignment of a note receivable, if the Issuer believes that the note receivable provides adequate security for the loan. In such cases, the Issuer reviews the creditworthiness of the maker of the note receivable, including its repayment history, as well as the collateral and the legal documentation of the note prior to accepting this type of collateral to secure a loan.

3. Unsecured Loans

The Issuer considers unsecured loans only to entities with impeccable financial strength and an identifiable source of repayment. These loans generally do not exceed three (3) years in maturity, and interest is generally collected monthly. Unsecured loans are documented with a note that reflects the terms of the loan.

Exceptions to Loan Policies

If the Board is asked to make exceptions to the Issuer's lending policies, the Staff Committee is required to identify the recommended exceptions on the loan summary that the Staff Committee presents to the Board Committee, and provide the Board Committee with a statement detailing the reason for the exception.

Loan Delinquencies

The Issuer considers a loan to be "delinquent" for purposes of this Offering Circular when payments of principal or interest are ninety (90) days or more past due, whether the borrower is in default or not. The Issuer had no delinquent loans as of December 31, 2022. The following table summarizes delinquent loans for the five (5) most recently completed fiscal years.

Fiscal Year End	Number of Loans	Past Due Amount	Principal Balance
2018	15	$ 323,019	$ 4,372,510
2019	2	34,671	463,407
2020	3	37,931	525,450
2021	2	145,056	1,138,396
2022	-	-	-

Loan Losses

The Issuer has not experienced any loan losses in any of its last three (3) fiscal years.

Allowance for Loan Losses

The Issuer has established an allowance of $3,250,000 for possible loan losses.[6] In at least the last 25 years of its history of operations, the Issuer has charged approximately $551,000 against the loan loss reserve. It is the policy of the Issuer to aid its borrowers in meeting their debt repayments. Such efforts have included, but are not limited to, providing consultation regarding fundraising, financial management and church growth, and working with the governing body of a mortgagor to re-set the terms for repayment. Accordingly, the delinquency experience of the Issuer is not comparable with that of a commercial lender. However, the Issuer may not be able or willing to continue such policies.

Loan Impairment and Loan Modifications

The Issuer considers a loan to be impaired when, based on current information and events, it is probable that the Issuer will be unable to collect all principal and interest payments due in accordance with the contractual terms of a loan agreement. In these situations, the Issuer commonly offers a variety of loan modifications to borrowers depending upon the individual circumstances of the loan, which may include a change of the interest rate; the maturity date, timing of payment or frequency of payment; the dollar amount payable; or a combination of such changes.

During 2022, one loan with a principal balance of approximately $1,138,000 was restructured by lowering the interest rate. The Issuer did not restructure any loans during 2021. At December 31, 2022, the Issuer had a total of $14,372,397 in unpaid principal balance of mortgage loans classified as impaired, with a related allowance for loan losses of $2,039,197 and a recorded total investment of $14,372,397. Of this amount, $5,324,625 was on accrual status and classified as troubled debt restructurings due to loan modifications. There were no restructured loans with a payment default which occurred within twelve (12) months of the restructuring date during 2022 or 2021.

Loan Deferrals

As a charitable organization, the Issuer works with its borrowers during times of adversity. Where appropriate, the Issuer assists church borrowers in adapting their missions and ministries to changing circumstances, including by identifying resources to assist them in making a pivot toward online giving during the height of the COVID-19 pandemic in 2020 and 2021. During 2022, the Issuer offered certain borrowers the option to defer principal payments, which borrowers representing approximately 15.4% of the Issuer's total loans receivable accepted. As of December 31, 2022, twelve (12) borrowers with loans representing approximately $15,095,000 (or 15.4% of the Issuer's total loans outstanding) continue to make payments of interest only.

[6] The Issuer's allowance for loan losses does not include any provision for potentially uncollectible loans made from Global Ministries Funds. See Note 8 to the Audited Financial Statements.

INVESTING ACTIVITIES

Nature and Amount of Invested Funds

In accordance with its policy of maintaining reasonable reserves to meet normal interest payments as they accrue and to repay principal amounts on outstanding investment obligations, the Issuer's investment portfolio is primarily invested in the I-Series of each of the Short Term Investment Fund, the Fixed Income Fund and the Multiple Asset Fund of Wespath Institutional Investments, a subsidiary of Wespath Benefits and Investments, which is a general agency of The United Methodist Church, at 1901 Chestnut Avenue, Glenview, Illinois 60025-1604. The investment objectives of the funds are described below. See also the Risk Factor entitled "Investment Portfolio Risks," beginning on page 8.

At December 31, 2022, the Issuer's investments consisted of:

	Book Value	Market Value	% of Total Investment
Short Term Investment Fund, I Series – Wespath	$ 1,000,991	$ 1,017,354	17.3%
Fixed Income Fund, I Series – Wespath	1,647,508	1,627,085	27.8%
Multiple Asset Fund, I Series – Wespath	3,046,158	3,217,588	54.9%
Total	**$ 5,694,657**	**$ 5,862,027**	**100%**

Liquidity Policies and Liquidity Status

The Issuer's liquidity policies require that at the end of each recent fiscal year, the Issuer's cash, cash equivalents, readily marketable securities and available lines of credit shall have a value of at least eight percent (8%) of the principal balance of its total outstanding Notes, except that the value of available lines of credit for meeting this standard shall not exceed two percent (2%) of the principal balance of its total outstanding Notes.

The Issuer's policies require the Issuer to maintain a liquidity reserve of at least eight percent (8%) of the principal amount in investments easily converted to cash without adverse effect on principal. This allocation is subject to revision in response to the needs of the Issuer.

Investment Policies

The investment policies of the Issuer require:

- Reasonable and prudent diversification.
- Investment of cash through investment managers in short- and intermediate-term securities based on cash flow needs.
- No more than ten percent (10%) of the Issuer's assets in a single "credit," except U.S. government and agency securities.
- Maximum maturity of any asset may not exceed five (5) years from time of purchase.

1. <u>Investment Objective</u>

The Issuer administers its investment policies to provide for reasonable and prudent diversification and preservation of its cash, cash equivalents, and readily marketable securities.

The Short Term Investment Fund–I Series (STIF-I) seeks to preserve capital by holding cash and cash equivalents in the form of units of a daily cash sweep account. The Fixed Income Fund–I Series (FIF-I) seeks to earn current income while preserving capital by primarily investing in a diversified mix of fixed income securities. The Multiple Asset Fund–I Series (MAF-I) seeks to attain current income and capital appreciation by investing in a broad mix of different types of investments.

2. Responsibility for Making Policy

The Issuer's investment policies are set by the Board.

3. Responsibility for Managing Investments

The Issuer's investments in the STIF-I, FIF-I and MAF-I are managed by Wespath Investment Management, a division of the General Board of Pension and Health Benefits of The United Methodist Church, 1901 Chestnut Avenue, Glenview, Illinois 60025-1604.

SELECTED FINANCIAL DATA

The following tables set forth certain selected financial data with respect to the Issuer's Statements of Financial Position and Statements of Activities for the most recent five (5) fiscal years. Management has compiled this data from, and it should be read in conjunction with, the Audited Financial Statements. See also "Key Risks to Investors Wesleyan Impact Partners' Notes" beginning on page 1. The Issuer's "Statements of Cash Flows" for its three (3) most recent fiscal years can also be found with the Issuer's Audited Financial Statements.

Summary of Statements of Financial Position

Description	2022	2021	As of December 31, 2020	2019	2018
Cash, Cash Equivalents and Investments (Combined)	$ 18,131,770	$ 29,706,654	$ 24,433,211	$ 12,473,993	$ 29,351,745
Accrued Interest Receivable	696,845	703,391	593,913	345,646	311,190
Loans to Churches, Less Allowance for Loan Losses	96,912,186	91,968,408	95,723,682	97,438,073	91,534,369
TOTAL ASSETS	115,777,576	122,498,918	120,773,156	110,277,832	121,205,674
Investment Obligations (Total Notes Payable)	77,873,242	86,288,449	84,992,661	76,817,064	78,219,296
Amounts Held on Behalf of Others (GBGM Loan Fund)	2,164,240	784,153	1,610,844	1,757,366	5,192,460
TOTAL LIABILITIES	80,324,739	87,397,755	86,923,044	78,644,584	83,499,781
TOTAL NET ASSETS	$ 35,452,837	$ 35,101,163	$ 33,850,112	$ 31,633,248	$ 37,705,893
Amount of Unsecured Loans Receivable	$ -	-	25,000	-	0
Unsecured Loans Receivable as a Percentage of Total Loans Receivable	-%	-%	0.03%	-	0
Loan Delinquencies as a Percentage of Total Loans Receivable[7]	-%	1.39%	0.53%	0.46%	1.75%

For additional information, please see "Statements of Financial Position" in the Audited Financial Statements and the Notes thereto.

[7] Loan Delinquencies include loans on which payments of principal or interest are delinquent for 90 days (or more), whether in default or not.

Summary Statements of Activities

Description	2022	2021	2020	2019	2018
Interest on Mortgage Loans (Income)	$ 4,261,064	$ 4,419,044	$ 4,551,768	$ 4,674,131	$ 4,475,750
Interest on Investment Obligations (Expense)	1,433,366	1,526,930	1,590,163	1,477,334	1,147,830
Net Interest Income	2,827,698	2,892,114	2,961,605	3,196,797	3,327,920
Reduction in Provision for Loan Losses	250,000	-	-	3,900,000	-
Net Interest Income after Provision for Loan Losses	3,077,698	2,892,114	2,961,605	7,096,797	3,327,920
Total Non-Interest Expenses	(1,784,617)	(1,810,989)	(1,790,876)	(1,375,332)	(859,486)
Change in Net Assets Without Donor Restrictions Before Transfer to TMF Related to Endowment for Benefit of Global Ministries and net assets released from restriction	342,105	1,240,670	2,216,864	6,427,355	2,554,130
Transfer to TMF Related to Endowment for Benefit of Global Ministries	-	-	-	(12,500,000)	-
Net assets released from restriction	-	-	-	-	311,316
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	$ 342,105	$ 1,240,670	$ 2,216,864	$ (6,072,645)	$ 2,865,446

Summary of Sales of Notes and Redemption Payments

Year Ending December 31,	Sales Proceeds	Repayments
2018	$ 4,938,159	$ 9,264,270
2019	5,858,074	12,292,289
2020	14,676,870	8,087,693
2021	8,263,948	8,492,822
2022	3,079,633	12,925,406

For additional information please see “Statements of Activities” in the Audited Financial Statements and the Notes thereto.

DESCRIPTION OF THE NOTES

The Issuer is offering up to $100,000,000 in unsecured notes to investors who certify in their Application to Purchase a Note that they are, before receiving this Offering Circular, one of the following: (i) entities within a Wesleyan or Methodist Church connectional system; (ii) entities which trace their origin to the Wesleyan Episcopal movement of the 18th century; (iii) persons who are members of, contributors to, or participants in a church with roots in the Wesleyan Episcopal movement, their connectional units or any programs, activities or organizations constituting a part of or sharing a programmatic relationship with such church, or the family members of, or entities controlled by, any such members, contributors or participants; and (iv) successors in interest to any of the foregoing ("**Eligible Investors**").

This offering consists of three types of Notes: (i) Flexible Investment Notes; (ii) Term Notes; and (iii) Individual Retirement Account Notes. This section first describes terms applicable to all three types of Notes, before individual sections describing terms specific to each type of Note.

All Notes

1. Application to Purchase Notes

All Notes are issued pursuant to the Application to Purchase a Note, which is found at Appendix B, and the Interest Rate Sheet. Applications are accepted via U.S. mail to the Issuer.

New Notes may be purchased in increments of $100. Payment may be made by check, ACH payment or wire transfer, in U.S. funds.

The Issuer does not sell a Note to an applicant unless the Issuer has provided the applicant with the Issuer's most current Offering Circular and Interest Rate Sheet.

2. Notes are Un-Certificated

The Notes are issued in book-entry form as un-certificated securities to be held and recorded in the book-entry-only system maintained by the Issuer. After purchase of any Note, the purchaser will not receive a physical Note but will receive a registration confirmation acknowledging payment for the Note. The Note will be registered in book-entry form by the Issuer. The Issuer will issue a physical Note to any investor upon request.

3. Accrual and Payment of Interest

For Term Notes and Flexible Investment Notes, each form of Note may be purchased either (a) as a Note on which interest is accrued daily and paid semi-annually within fifteen (15) days after June 30 and December 31 (a "semi-annual interest payment Note"), **or** (b) as a Note on which interest is accrued daily and compounded monthly until maturity (a "compound interest payment Note"). Holders of Term Notes and Flexible Investment Notes have the option, at any time upon thirty (30) days' written notice to the Issuer, to convert either a semi-annual interest payment Note to a compound interest payment Note or vice versa, without penalty.

For IRA Notes, investors must purchase compound interest payment Notes, which accrue interest daily and compound interest monthly.

4. Issuer's Right to Call

The Issuer has the right to call any of the outstanding Notes at any time upon three (3) months' prior written notice by payment of the principal amount of the Notes together with accrued interest plus a premium equal to one and one-half percent (1.5%) of the principal sum of the Note. An early redemption penalty will not be imposed on any Notes called.

5. Limited Transferability

The Notes are transferable only (i) to other Eligible Investors, (ii) upon written notice to the Issuer, and (iii) as permitted under the Securities Act of 1933, as amended, and the applicable state securities laws, pursuant to registration or exemption therefrom.

Flexible Investment Notes (not offered to residents of certain states)

Interest is computed from the date of issue and is paid either semi-annually or at maturity depending on the form of Note selected by the noteholder (see "Accrual and Payment of Interest" on page 31). If economic conditions in the market should warrant, the interest rate offered on Flexible Investment Notes may be increased or decreased from time to time and the new rate disclosed in advance to noteholders by the Issuer through periodic balance and interest reports. Principal and interest are payable at any time within fifteen (15) days of written demand from the noteholder.

Except as otherwise noted in this paragraph, the Issuer has the right to repay the principal in five (5) equal annual installments beginning fifteen (15) days after demand with respect to a Flexible Investment Note. In such cases, interest is payable annually at the then-current rate that the Issuer pays on its Flexible Investment Notes. The Issuer has waived its right to repay the principal on an installment basis with respect to Flexible Investment Notes issued to residents of certain states (as described more fully in "State Specific Information" beginning on page v). Although the Issuer has historically repaid promptly on demand the full amount of the principal on all outstanding investment obligations, no assurance can be given that the Issuer will be willing or able to make repayments without invoking these rights in the future.

Term Notes

1. Fixed Interest

All Term Notes accrue interest daily from the date of issue, and interest is paid semi-annually or at maturity depending on the form of Note selected by the noteholder (see "Accrual and Payment of Interest" on page 31). Each Term Note bears the interest stated in the Note for the full term of the Note. Any changes in interest rates by the Board affect only new Term Notes issued after the change in rate.

The interest rate payable on each Term Note is established by the Issuer at the time an investment is made and remains in effect until the maturity date of the Note. Investors may not increase the principal balance of their Term Note after the initial investment.

2. Maturity of Term Note—Renewal or Redemption

Term Notes have a fixed duration of one, two, three, four or five years. At least thirty (30) days prior to maturity, the Issuer will provide written notice to the holder of a Term Note that the Note is approaching maturity and that the holder has the option to redeem the Note or have it extended prior to its maturity, along with a copy of the Issuer's Offering Circular and any Supplements thereto then in effect. If the noteholder, on or prior to the maturity date, provides written notice to the Issuer that they wish to redeem their Term Note, the Issuer will repay the outstanding principal and accrued but unpaid interest. If the Issuer does not receive written notice from the noteholder of their desire to redeem the Term Note, the Issuer will, at maturity, either automatically renew the Term Note for the same maturity period at the then-prevailing interest rate for such Term Note, automatically convert the outstanding principal and accrued but unpaid interest into a Flexible Investment Note, or pay the outstanding principal and interest due on the Note, depending on the Note's date of issuance and the noteholder's state of residence.

In the alternative, if it shall elect to do so, and except as otherwise noted in this paragraph, the Issuer reserves the right to repay the principal in five (5) equal annual installments beginning thirty (30) days after demand, and accrue interest on the principal balance during the remainder of the payout at the same rate as the Issuer is then paying on its Flexible Investment Notes. The Issuer has waived its right to repay the principal on an installment basis with respect to Term Notes issued to residents of certain states (as described more fully in "State Specific Information" beginning on page v). Although the Issuer has historically repaid promptly on demand the full amount of the principal on all outstanding investment obligations, no assurance can be given that the Issuer will be willing or able to make repayments without invoking these rights in the future.

Except as to residents of certain states, if a holder of a maturing Term Note purchased prior to January 1, 2017 or after May 15, 2019 does not present it for payment (if certificated) or give the Issuer written instructions to pay or redeem it, that Note will automatically be renewed or "rolled over" into a like Term Note at the prevailing interest rate paid on the same kind of Term Note as that being rolled over, which interest rate may be lower than the interest rate offered on the expiring Note.

Except as to residents of certain states, for any Term Note purchased between January 1, 2017 and May 15, 2019, if the Issuer does not receive written instructions from a noteholder to redeem the Term Note at maturity or purchase a new Note, the Issuer will automatically convert the outstanding principal and accrued but unpaid interest on the Term Note into a Flexible Investment Note. See "State Specific Information" beginning on page v for information regarding the treatment of Term Notes at maturity for residents of certain states.

3. Early Redemption Penalty

Noteholders are not entitled to redeem a Term Note or any portion thereof prior to the stated maturity date without the Issuer's consent. If a holder of a Term Note redeems the Term Note before maturity, the early redemption penalty is four (4) months' interest (at the rate of interest for the Note) on the principal amount being redeemed; or the entire interest accrued on the Note if the Note has been issued for less than four (4) months. The penalty is charged first against any interest already accrued, which has yet to be paid, and then from the principal that would otherwise be returned to the noteholder. If the Issuer invokes its right to make payments of principal in five (5) equal installment payments, the early redemption penalty will be deducted from the first such installment payment. The Issuer has waived its right to repay the principal on an installment basis with respect to Term Notes issued to residents of certain states (as described more fully in "State Specific Information" beginning on page v). This early redemption penalty is generally waived if (i) the noteholder has died or has been declared incompetent by a court of competent jurisdiction, or (ii) the Note is held by an IRA and the request for redemption is made within seven (7) days of establishing the IRA, in which event the entire principal amount will be returned, without payment of interest.

Individual Retirement Account (IRA) Notes (not offered to residents of certain states)

IRA Notes are issued only to custodians for individual retirement plans set up by investors, pursuant to Section 408 of the Code. If economic conditions in the market should warrant, the interest rate offered on IRA Notes may be increased or decreased after thirty (30) days' prior written notice to noteholders by the Issuer. All or part of the principal and interest is payable at any time within thirty (30) days of written demand by the IRA custodian to the Issuer. Interest is computed from the date of issue and is accrued daily and compounded monthly.

There are certain risks and considerations involved in investing in self-directed IRAs. Noteholders considering an investment through their IRA should consider, at a minimum, (a) whether the investment is in accordance with the documents and instruments governing the IRA, plan or other account, (b) whether the investment satisfies the fiduciary requirements associated with the IRA, plan or other account, (c) whether the investment will generate unrelated business taxable income, or a UBTI, to the

IRA, plan or other account, (d) whether there is sufficient liquidity for that investment under the IRA, plan or other account, (e) the need to value the assets of the IRA, plan or other account annually or more frequently, (f) whether the investment would constitute a non-exempt prohibited transaction under applicable law, (g) whether and the extent to which the IRA will be subject to maximum contribution limits and/or required minimum distributions, and (h) whether the custodian will apply any fees to the account through which an investment in the Note will be made, including fees for opening, maintaining or terminating the IRA, fees applicable to certain transactions involving the Note, paper statement fees, or other fees. Consultation with the noteholder's own financial and tax adviser is recommended. The Issuer is not affiliated with an IRA custodian. States in which IRA Notes are not offered are noted under "State Specific Information" beginning on page v. More information on this investment option is available by contacting the Issuer.

PLAN OF DISTRIBUTION

Offers to Sell

Notes are offered and sold only through officers and employees of the Issuer.

The Issuer's officers and employees solicit offers to buy the Notes only in states which permit them to solicit offers. In addition, when the opportunity arises, other officers and directors of the Issuer may speak generally with regard to the nature and purpose of the Issuer's work.

Notes are offered for sale through advertising in national and regional United Methodist publications (including internet-based publications), and by distributing the Offering Circular to prospective and existing investors. On occasion, the Offering Circular is distributed at United Methodist meetings, generally those held on a conference-wide or national basis.

No funds are accepted for the purchase of a Note, nor will any Note be issued, unless and until the Issuer has received an executed Application from the investor.

No Underwriting or Selling Agreements

There are no underwriting or selling agreements, no commissions (direct or indirect), and no remuneration being paid to any individual or organization in connection with the offer and sale of the Notes.

Expenses of Offering

The expenses of this offering, which the Issuer expects to be less than 0.15% of the total offering amount, are paid from the Issuer's operating capital.

Annual Reports and Statement of Balances

Each investor will be provided with an Offering Circular, including the Issuer's financial statements audited by an independent auditor upon request. A written notice is sent at least semi-annually to each noteholder showing the principal and interest balance of each of the noteholder's Notes.

Withdrawal, Suspension or Reduction of Offering by the Issuer

The Issuer reserves the right at any time, and without prior notice or consent of investors or noteholders, to withdraw or suspend the offering or reduce the amount of Notes offered. There is no minimum amount which must be raised, and if the entire amount of the offering is not needed for the purposes intended, the offering may be withdrawn or suspended.

TAX CONSIDERATIONS

By purchasing a Note, noteholders may be subject to certain income tax provisions of the Code. Noteholders should consult their tax advisors on the specific federal, state, local or international tax consequences of their investment. Some of the significant U.S. federal income tax consequences of purchasing a Note generally include the following.

Although the Issuer is a Code Section 501(c)(3) organization, you will not be entitled to a charitable contribution deduction for the Note you purchase. Except for the IRA Notes, interest is fully taxable to you as ordinary income. You have the right to either receive periodic payments of interest or have those interest payments reinvested with your Note. The interest will be taxable to you whether you actually receive it or reinvest it, as of the time it is received or reinvested, as the case may be. You will not be taxed on the return of any principal amount of your Note or on the receipt by you of interest that was previously taxed and reinvested. Payments of principal and interest may be subject to “back-up withholding” of federal income tax if you fail to furnish us with a correct Social Security Number or tax identification number, or if you or the IRS has informed us you are subject to back-up withholding.

In addition, if you (or you and your spouse together) have invested or loaned more than $250,000 in the aggregate with or to us and other charitable organizations that control, are controlled by or are under common control with us, you may be deemed to receive additional taxable interest under Code Section 7872 if the interest paid to you is below the applicable federal rate, which is a minimum rate of interest which the Internal Revenue Service requires be included in certain loan transactions. In that situation, the Internal Revenue Service may impute income up to that applicable federal rate. To determine whether this applies, noteholders should consult their tax advisors.

If the law creating the tax consequences described in this summary changes, this summary could become inaccurate. This summary is based on the Code, the regulations promulgated under the Code and administrative interpretations and court decisions existing as of the date of this Offering Circular. These authorities could be changed either prospectively or retroactively by future legislation, regulations, administrative interpretations, or court decisions. Accordingly, this summary may not accurately reflect the tax consequences of an investment in the Notes after the date of this Offering Circular.

Finally, this summary does not address every aspect of tax law that may be significant to your particular circumstances. For instance, it does not address special rules that may apply if you are a financial institution or tax-exempt organization, or if you are not a citizen or resident of the United States. Nor does it address any aspect of state, local or foreign tax law that may apply to you.

LITIGATION AND OTHER INFORMATION

At the date of this Offering Circular, there were no suits, actions, or other legal proceedings or claims pending or threatened against the Issuer or its officers or directors. There has been no material legal proceeding against the Issuer for at least the last 25 years.

NO MATERIAL DEFAULT

For at least the last 25 years, the Issuer has not had any material default in the payment of any principal, interest, dividends or sinking fund installments on any security or indebtedness for borrowed money or on any rentals under material leases with terms of three (3) years or more.

MANAGEMENT

Organizational Structure

The management of the affairs of the Issuer is vested in its Board. As of the date of this Offering Circular, there were nineteen (19) directors, five (5) of whom were elected by the members of the previous year's Board from a pool of nominees selected by TMF. The remaining directors are elected by the members of the previous year's Board from a pool of nominees selected by the Issuer's Nominating Committee. At least one (1) director is elected from each of the six (6) jurisdictional areas of The United Methodist Church.

The Board meets at least twice each year.

For purposes of maintaining continuity on investment and loan operations, Board Members who were members of the Board on December 31, 2019, for whatever term, were all deemed eligible to serve for up to three (3) three (3)-year terms until their successors are elected. The directors cannot serve more than a total of three (3) consecutive three (3)-year terms. Service in filling an unexpired or vacated position is not considered for purposes of the term limit. The Board may also elect a retiring Board Chair to serve as a voting member of the Board for one or more additional one (1)-year terms, not subject to the three-term limit.

Elected Directors

Ruby D. Anderson currently resides in Southfield, Michigan. She was awarded a Bachelor of Science degree in Elementary Education by Lincoln University in Missouri, earned a Master of Science degree from Indiana University and holds an Administrative Specialist Certification from the Wayne State University College of Education. Anderson's career has included teaching social studies and most recently, as a real estate broker. Anderson served as a United Methodist Church volunteer-in-mission to Liberia; as Mission Ambassador for the Detroit Annual Conference to Sudan; as a volunteer-in-mission to Haiti; and as the leader of a volunteer-in-mission team to Northern Ireland. Anderson serves as a volunteer at several local nursing homes in the Detroit metropolitan area, and as a local and state officer of Church Women United. Anderson serves as 1st lay delegate to the UMC North Central Jurisdiction Conference, with her current term expiring in 2024. She is also Director on the national Board of Directors for United Women in Faith, formally United Methodist Women with her current term expiring in 2024. She will also serve as the 1st alternate delegate to the General Conference 2022 for Michigan. Anderson is serving her second term as a director, which will expire in 2023.

Reverend Dr. David S. Bell currently resides in Brighton, Michigan. He received his Bachelor of Arts degree from The College of Wooster, graduated magna cum laude with a Master of Divinity degree from Drew Theological School, and received a Doctor of Divinity degree from United Theological Seminary. He has completed post-graduate certificates in Executive Leadership from the Weatherhead School of Management, Case Western Reserve University. He currently serves as the President & Executive Director of the United Methodist Foundation of Michigan and an adjunct faculty member of United Theological Seminary. He is an Ordained Elder in The United Methodist Church. Bell is a thought leader whose intuitive curiosity about organizational systems and passionate emphasis on emotional intelligence combine to empower vital transformation. Bell is an executive leader with proven experience in capacity building, fund development, organizational visioning, and asset-based thinking. He is regarded as an insightful author, nationally recognized keynote speaker, and visionary leader who connects economic and cultural trends with planned giving theory in the context of Christian financial discipleship. Bell has served on several Board of Directors, including General Council on Finance and Administration, United Theological Seminary, and National Association of United Methodist Foundations. He is an active member of the Association of Fundraising Professionals, the National Association of Charitable Gift Planners, and the International Association of Advisors in Philanthropy. Bell is serving his first term of office as a director, which will expire in 2024.

Roland Fernandes resides in Atlanta, Georgia, and is the General Secretary of the General Board of Global Ministries of the United Methodist Church (Global Ministries) and the United Methodist Committee on Relief (UMCOR). He was elected to this position effective September 1, 2020. Prior to that, he was the Chief Operating Officer and General Treasurer of Global Ministries as well as the Executive Director and Treasurer of the UMCOR. He was also the lead staff providing oversight of the Issuer on behalf of Global Ministries. Fernandes has worked with Global Ministries since 1995 in various capacities starting as Area Financial Executive for Global Ministries in India and the Philippines in 1995 and 1996 before moving to New York at the beginning of 1997 to serve as Comptroller of UMCOR and the Health and Welfare unit of Global Ministries. From the year 2000, Fernandes served as the Treasurer of UMCOR, the Health and Welfare unit, and UMDF. Since 2003, he has been serving as the General Treasurer of Global Ministries with financial oversight and responsibility for all entities within Global Ministries. He has also served twice as interim Treasurer of the Women's Division of Global Ministries. In 2016, Fernandes was elected as the Chief Operating Officer in addition to being General Treasurer. As of March 2018, he is also the Co-Executive Director of UMCOR. Before working for Global Ministries, Fernandes was the Chief Auditor of the Methodist Church in India for eight years from 1988 to 1995. Originally from India, Fernandes attended St. Xavier's College in Calcutta, India, and graduated in 1985 with a Master of Commerce degree from Calcutta University. He has also been a Chartered Accountant, the British equivalent of a CPA, since 1987. As the former Board Chair, Fernandes is serving a one (1)-year term as director, which will expire in 2023, and is eligible for additional one (1)-year terms at the Board's election.

Dr. Bruce L. Hartman resides in Asheville, North Carolina and is the founder of Gideon Advisors, a consulting firm committed to "walking with people into the future" as they navigate life and career transitions and advance Christian values in the marketplace. A seasoned executive with 30 years of success creating shareholder value for Fortune 500 firms, he graduated in 2013 with a Master of Divinity and in 2018 with a Doctorate in Ministry from Drew University Theological School, earning the Daniel P. Kidder Award for the highest GPA in Pastoral Care. Prior to founding Gideon Advisors, he was the Executive VP and CFO at Yankee Candle Company, Cushman and Wakefield, and Foot Locker, Inc., where he established global banking and capital market structures. An active non-profit board member, Hartman serves on the Board of Theil College. Hartman is serving his second term as a director, which will expire in 2024.

Reverend Mary Kohlstaedt Huycke lives in Yakima, Washington. She is an ordained elder in the United Methodist Church currently serving as the executive director of Courageous Space Coaching & Consulting, where she provides reflective supervision, executive and team coaching, and consultation services. In partnership with Wesley House, Cambridge; BGHEM; and Leaderwise. Huycke is part of piloting reflective pastoral supervision in the United States and researching its impact. She has served previously as a district superintended and co-authored several books on leadership and congregational development for the Alban Institute. Huycke is serving her second term of office as a director, which will expire in 2023.

Dr. Maggie Jackson resides in Warrensville Heights, Ohio but grew up in Alabama and received a full scholarship to study Sociology at Northwestern College in Iowa. After receiving her bachelor's degree, she pursued a Master's in Social Work (MSW) at the University of Denver in Colorado. This provided the opportunity to work for the Denver County Department of Public Welfare, which allowed Jackson to work with students. She loved her work so much she pursed a Ph.D. in Social Work at Case Western Reserve University in Ohio. Following her Ph.D., Jackson became a professor at Cleveland State University in order to continue working with students. While there, she published two books and several journal articles. She also served as the Director of the School for Social Work for 18 years and received the Cleveland State University Distinguished Faculty Award for Service in 2010. Jackson is a faithful United Methodist, who served on the board for GBHEM for eight years. She served on the board of Global Ministries for eight years as well, taking the leadership role of Personnel Chair and as a current member of the Audit Committee. She was a four-time delegate to General Conference, President of

UMW for the East Ohio Conference, VP of UMW for the North Central Jurisdiction, and VP of UMW Social Action at the national level. Furthermore, she served on the Board of Trustees with Africa University for fourteen years and recently had an endowed scholarship named in her honor. Jackson is serving her second term as a director, which will expire in 2024.

George E. Johnson, Jr. currently resides in Missouri City, Texas. Johnson received Bachelor Degrees in Sociology & Political Science from Lamar University in 1969. He has earned numerous Certificates and Certifications in finance, real estate appraisals and real estate management. Johnson has also served as Adjutant Professor in Commercial Real Estate at Texas Southern University and is a Certified Mediator. Johnson is CEO of George E. Johnson Development Inc., a Brokerage and Real Estate Development firm founded in 1974. Johnson is currently a member of National Board of Directors for the Alzheimer's Association. Johnson is serving his second term as a director, which will expire in 2024.

Charles King currently resides in Amarillo, Texas but grew up in Muleshoe, Texas and earned a B.B.A. at Texas Tech University. Following his degree, he returned to Muleshoe to work in his family's agricultural supply company. After three years, King decided to attend Texas Tech University's School of Law. From 1975 until 2003, King was a partner in the Gibson, Ochsner, and Adkins Law Firm in Amarillo. Then in 2003, he became a partner in the Sprouse Shrader Smith, PLLC. He was a partner until 2016 and served as Of Counsel until his retirement in 2019. For 46 years, he has focused on estate planning, probate, and tax and trust administration. He was Board Certified in Estate Planning and Probate Law, a Fellow in the American College of Trust and Estate Council and has been a speaker and Course Chair for Texas State Bar continuing education events. Beyond his legal work, King has made a point of serving the community. He is on the SPRC and was on the Board of Trustees at Polk Street United Methodist Church, where he is a member. He has served on the TMF Board, TMF Executive Committee, and the TMF President's Advisory Council. King has served on the Board of Directors for the Amarillo Goodwill Industries, Amarillo Area Foundation, and the Harrington Cancer Center, where he was also a Chair of the Board. King is serving his third and final term as a director, which will expire in 2025.

Wayne Moy was the Executive Director of the Issuer from May 2005 to December 2007, Co-Executive Director of the Issuer from December 2011 to December 2017, and continued to serve the Board as an Advisory Director until he was elected to the Board in 2020. Between September 2008 and January 2014, Moy also served Global Ministries as Associate Treasurer and Director of General Services & Asset Management, which also included property, insurance and investments. Moy is currently the Director of Property Management and Financial Analysis for UWFaith. Prior to joining the Issuer, Moy worked in Financial Services for over 20 years. He was employed at Charles Schwab Capital Markets as a trader/market maker from April 1998 to December 2002. He was also an Analyst / Database Administrator for Atlantic Portfolio Analytics Management, a fixed income money manager specializing in analyzing and trading Mortgage and Asset Backed Securities. Moy also worked as a high net worth money manager for International Assets Advisory Corp, and as an institutional investor account manager at Instinet – Reuters. Moy received a Bachelor of Arts degree in Economics from Columbia University in 1995. He is a member of the Securities Traders Association, and has passed the NASAA Series 7, 55 and 63 examinations. Moy also serves on a few Investment Committees and Board of Directors, including for the United Methodist Higher Education Foundation, City Society of NYAC and Global Ministries. Moy is serving his second term as a voting director, which will expire in 2023.

Reverend René A. Perez Avalos resides in Falmouth, Massachusetts, and is currently serving as the pastor of the John Wesley Methodist Church in Falmouth, Massachusetts. Perez graduated from Temple University in Philadelphia, Pennsylvania with a B.A. in liberal arts with a concentration in Psychology; and a Masters of Divinity Degree from Drew Theological School in Madison, New Jersey. He served as Senior Pastor of the Trinity United Methodist Church in Springfield, MA from 2019 to 2022. Before then, he served as the District Superintendent of the Central Massachusetts District in the New England Conference for 8 years, and as Dean of that Cabinet for the last 3 years. While he lived in Pennsylvania, he was appointed to serve as the Director of Latino Ministries and Director of

Congregational Development in the Eastern Pennsylvania Conference from 2000 to 2008. Before then, Perez served with his wife, Wanda, as co-pastors of a multicultural congregation in Philadelphia, Pennsylvania from 1993 to 2000. From 2008 to 2011, Perez also served as the Senior Pastor of the Lititz United Methodist Church in Lititz, Pennsylvania. He has been a delegate to the United Methodist Church's Northeast Jurisdiction and the General Conference in 2004, 2008, and 2016, 2019 and is currently serving in the United Methodist Northeast Jurisdictional Committee on Appeals, and chair of the personnel committee of the General Board of Global Ministries of the United Methodist Church. Perez is serving his second term as a director, which will expire in 2024.

Reverend Dr. Gil Rendle lives in Haverford, Pennsylvania. Rendle is a retired Senior Vice President and part-time Consultant with The Texas Methodist Foundation in Austin, Texas and as an independent consultant working with issues of change and leadership in denominations. Prior to this position he served the Alban Institute as an author, seminar leader and senior consultant for twelve years. An ordained United Methodist minister, Rendle served as senior pastor of two urban congregations in Pennsylvania for sixteen years and as a denominational consultant for The United Methodist Church for nine years. Rendle has an extensive background in organizational development, group and systems theory, and leadership development. He has consulted with congregations on planning, staff and leadership development, and issues of change, including work with middle judicatory and national denominational offices and staff as they wrestle with denominational and congregational change. In training workshops and conferences, Rendle has led numerous large and small groups in practical learning that directly impacts participants' decisions and practice in their leadership roles. He is the author of eleven books, a contributor to four books, and the author of numerous articles and monographs. His most recent books include *Journey in the Wilderness: New Life for Mainline Churches* (2010) and *Back to Zero: The Search to Rediscover the Methodist Movement* (2011), both published by Abingdon Press, and *Quietly Courageous: Leading the Church in a Changing World*, (2021) and *Countercultural: Subversive Resistance and the Neighborhood Congregation* (2023), both published by Rowman & Littlefield. Rendle is serving his third and final term as a director, which will expire in 2025.

Reverend Dr. Eduardo (Eddie) Rivera lives in El Paso, Texas and currently serves in the New Mexico Conference as the District Superintendent of the El Paso District. He is a native of Monterrey, Mexico and is married to Hilda, a retired Professional Educator. In the summer of 1979, Rivera received a call to ordained ministry in the Methodist Church of Mexico. He has been in full-time ministry for over 30 years in both Mexico and the United States, ministering in the Conferencia Anual Oriental (Mexico), Southern Illinois Conference (now Illinois Great Rivers Conference), Northwest Texas Conference and in the New Mexico Conference. Rivera attended the Lydia Patterson Institute in El Paso, Texas where he learned English. He earned his Bachelor of Theology Degree from the Seminario Metodista Juan Wesley in Monterrey, México, a Master of Theology Degree and a Doctor of Ministry Degree from Candler School of Theology-Emory University in Atlanta, Georgia. He was ordained an Elder of the Methodist Church of Mexico in 1988 and transferred his credentials to the New Mexico Conference of the United Methodist Church in 1998. He has been an elected delegate to every General and Jurisdictional Conference since 2008. Rivera is serving his second term of office as a director, which will expire in 2023.

Reverend Dr. Owen Ross lives in Irving, Texas. Ross has been the Director for the Center of Church Development for the North Texas Conference UMC, since July 1, 2017. In this role, Ross leads the vitalization and church planting strategies for the United Methodist Church in North Texas and serves on the Bishop's cabinet. Prior to this work, Ross served as the founding pastor of La Fundición de Cristo/Christ's Foundry United Methodist Mission for fifteen years. A native of the rural East Texas town of Henderson, he holds a Bachelor of Arts with a double major in International Studies and Political Science from Texas A&M University, a Master of Divinity from Southern Methodist University, and a Doctor of Ministry from Asbury Theological Seminary. He has also done coursework at La Universidad de las Americas - Puebla, Mexico, and at Africa University - Zimbabwe. Ross is serving his second term as a director, which will expire in 2023.

Reverend Dr. Kristin Stoneking has served as Senior Pastor of Epworth United Methodist Church in Berkeley, California since 2017 and will transition to the role of Superintendent for the Bay District on July 1, 2023. An elder in the California-Nevada Annual Conference, she serves as chair for both the Western Jurisdiction Council on Finance and Administration and the Cal-Nevada Council on Finance and Administration. She is a member of the conference leadership body (Core Team), and on the 2020 Jurisdictional and General Conference delegation. Stoneking serves as a member of the external audit committee for the General Board of Global Ministries. With experience serving local churches in California, Illinois and Kansas, developing church property for innovative and income-producing ministry, and revitalizing campus ministry, Stoneking describes her call as one to service, renewal and transformation. Prior to her current appointment, Stoneking served as the Executive Director of the United States branch of the Fellowship of Reconciliation in New York, an interfaith peace organization with consultative status at the United Nations. Stoneking is a graduate of Rice University (B.A.) and Garrett-Evangelical Theological Seminary (M.Div.), and the Graduate Theological Union (Ph.D.), and is a former Fellow of the Pluralism Project at Harvard University. For the Graduate Theological Union, Stoneking has served on the Board of Trustees, Presidential Search Committee, and co-chaired the Committee on Diversity, Equity and Inclusion. A published author on leadership and strategic planning, Stoneking has acted as a consultant with GBHEM and conferences in the Western and South Central Jurisdictions and is adjunct faculty at Claremont School of Theology. Stoneking is serving her second term as a director, which will expire in 2023.

Reverend Dr. Ron Swain lives in Georgetown, Texas. Swain has over four decades of experience in higher education administration. For 20 years, Swain served in several positions at Shaw University in Raleigh, North Carolina, the oldest historically black college in the Southeastern United States. His last position at Shaw was Vice President for Institutional Advancement and Planning. In 1994, he became national director for the final phase of The United Negro College Fund's Campaign 2000. He subsequently served as the 15th President of Wiley College in Marshall, Texas. In August 2000, Swain joined the Senior Staff at Southwestern University as Senior Advisor to the President for Strategic Planning and Assessment. In addition to his higher education career, he is an ordained minister. Since 2014, Swain has served the Discipleship Team at The First United Methodist Church of Georgetown as Director of Transformative Missions Ministries. Swain is the initiator and convener of Courageous Conversations about Race in Georgetown. Since 2014, over five hundred residents have participated in Courageous Conversations as a respectful, civil process of dialogue about the difficult issue of race. In November 2022, Swain began serving as Chaplain and Director of Spiritual and Religious Life at Southwestern University in Georgetown, Texas. A native of Macon, Georgia, Swain holds Bachelor of Arts and Master of Education degrees from Duquesne University in Pittsburgh, PA; the Master of Divinity degree from the Shaw Divinity School in Raleigh, NC; the Master of Education degree from the University of North Carolina at Chapel Hill; and the Doctor of Education degree from The George Washington University in Washington, D.C. Swain is serving his third and final term as a director, which will expire in 2025.

Carmen F.S. Vianese currently resides in Nunda, New York. Vianese graduated from Herkimer County Community with an Associate of Applied Science degree in the field of Occupational Therapy. Vianese also received an Associate of Applied Science degree in Massage Therapy from the New York Institute of Massage. Since November 1986, Vianese has been employed in Perry, New York, as a staff therapist in the Occupational Therapy Department of the Finger Lakes Developmental Disabilities Service Office of New York State. For 12 years during her period of employment there, Vianese owned and operated Hands of Grace, a private clinical practice engaged in massage therapy, in Nunda New York. Vianese has served as a member of the board of directors of the Nunda Community Home and as a volunteer for Hospice Massage Therapy services. Vianese also continues to serve the UMC through her position as a board member for Global Ministries, as well as through the Upper New York Annual Conference as United Women in Faith's President and the Head delegate of the General & Jurisdictional Conference Delegations. Vianese is serving her second term as a director, which will expire in 2023.

Reverend Dr. Cynthia D. Weems lives in Coral Gables, Florida. Weems is the District Superintendent of the Southeast District of the Florida Conference. The Southeast District spans Delray Beach to Key West and encompasses five language groups. Formerly, she served as pastor of First United Methodist Church of Miami, a church with an extensive ministry to the diverse homeless population of downtown Miami. Weems has served congregations in Connecticut, Kansas, and Florida. After seminary, she spent two years as a volunteer missionary in Cochabamba, Bolivia. Weems is a Mississippian by birth, later raised in Kansas City, and the daughter of a pastor and public school teacher. She is a Phi Beta Kappa graduate of Millsaps College, was a Yale Fellow and Student Body President at Yale Divinity School. Later, she earned a Doctor of Ministry degree from Saint Paul School of Theology. Weems was a 2016 and 2020 clergy delegate to General and Jurisdictional Conferences from the Florida Conference. Weems is trilingual, having learned both Spanish and Portuguese in Latin America. She serves on the Board of National Justice for our Neighbors and chairs the Encounter with Christ in Latin America and the Caribbean Advisory Board. Weems is serving her second term as a director, which will expire in 2024.

Reverend Sara A. White currently resides in Columbia, South Carolina. White received her Bachelor of Arts degree in History from the University of South Carolina and was awarded a Master of Divinity degree from Lutheran Theological Seminary South, Columbia, South Carolina. White is the Lead Pastor of Hibben United Methodist Church in Mt. Pleasant, South Carolina. Previously, she served as Director of Congregational Development for the South Carolina Conference from 2012 until 2019. Prior to that, she held the position of District Superintendent of the South Carolina United Methodist Church in the Rock Hill District, and from 2001 to 2006, was the lead pastor of John Wesley United Methodist Church in Charleston, South Carolina. White served as delegate to the 2008 and 2012 General Conferences of The United Methodist Church and has also served as a Jurisdictional Conference delegate for the Southeastern Jurisdiction Conference. Her Annual Conference service includes membership on the Southeastern Jurisdiction Council on Finance and Administration; South Carolina Annual Conference CFA; and the Board of Trustees of the Epworth Children's Home. White is serving her second term as a director, which will expire in 2024.

Kay Yeager lives in Wichita Falls, Texas. Yeager served two terms as Mayor of Wichita Falls, Texas from 1996 through 2000. In 2015, Perkins School of Theology named her as a recipient of the 2015 Woodrow B. Seals Laity Award for her commitment as a civic leader and community volunteer . Born and raised in Wichita Falls, she graduated from the local high school, before pursuing her Bachelor's Degree in Chemistry at Sweet Briar College in Sweet Briar, Virginia. She also attended the University of St. Andrews, Scotland during her junior year. She graduated with honors in 1961 and then went on to serve her community. She has been a member of many boards, lending her leadership skills to organizations such as the Board of Directors of the Methodist Children's Home, Executive Board of Perkins School of Theology at Southern Methodist University, Texas Utilities Advisory Board, Presbyterian Manor Foundation, and the Board of the Texas Methodist Foundation. Yeager's work in the larger community includes serving as Chair of the Board of the Yellowstone National Park Foundation and the Notre Dame Advisory Council. Additionally, she served as Chairwoman of the Board of the Multi-Purpose Events Center (MPEC) in Wichita Falls. She is a lifelong member of First United Methodist Church Wichita Falls. Yeager is serving her third and final term as a director, which will expire in 2025.

Board Officers

Dr. Maggie Jackson is the current **Board Chair** of the Issuer; Ron Swain is its current **Board Vice Chair**; and Rev. Sara A. White is its current **Board Secretary**. Each of these officers is also a director of the Issuer who serves in such office until their successor is elected, and their respective biographies are set forth above.

Corporate Officers

Rev. Lisa Greenwood is President & CEO of the Issuer and TMF. Greenwood joined the staff of Texas Methodist Foundation in 2012 serving as Vice President for Leadership Ministry before becoming the President & CEO of TMF and Wesleyan Impact Partners in 2022. Rev. Greenwood is an ordained elder in the North Texas Conference of the United Methodist Church, where she served Highland Park United Methodist Church, First United Methodist Church in Denton, First United Methodist Church in Commerce, and First United Methodist Church in Richardson, Texas. During the last five years of local church ministry, Greenwood also served as a ministry strategist with Horizons Stewardship Company. Greenwood earned a Bachelor of Arts degree from the University of Texas at Austin and a Master of Divinity from Yale Divinity School.

Curtis Vick is Chief Operating Officer/Chief Financial Officer of the Issuer and TMF. Vick started his career with TMF in 1982, developing computer-based bookkeeping systems. Through the years he has been involved in all areas of TMF and has been integral in the four merger transactions during its history. Vick is the son of a Methodist minister and received a basketball scholarship to attend Southwestern University, a Methodist university in Georgetown, Texas where he earned a Bachelor of Science in Computer Science.

J. David McCaskill is Senior Vice President and Treasurer of the Issuer. He also serves as Senior Vice President of Texas Methodist Foundation, having been appointed to that position in 1999. Prior to joining TMF, McCaskill was employed as a National Bank Examiner for Office of the Comptroller of the Currency in 1978 until he took a position at First National Bank of Georgetown in 1984 as President and Chief Operating Officer. First National Bank was acquired in 1990 by what would become Bank of America. McCaskill worked within the retail division responsible for branch operations, loan and deposit growth, and community outreach all within the Central Texas region before he took the position at Texas Methodist Foundation. McCaskill received a Bachelor of Business Administration in 1978 from Texas A&M University.

Paula L. Sini is Vice President of Loan Operations of the Issuer. She also serves as Assistant Vice President of Texas Methodist Foundation, appointed to that position in 2015. Sini has 30 years' experience in consumer, real estate, and commercial lending. Prior to her appointment at TMF Sini was Senior Vice President, National Manager for BBVA Compass with responsibility for Commercial and Industrial, Public Finance, and Global Wealth Loan Documentation and Funding Control. During her career in commercial banking, she was involved in compliance and training and supervised work teams of 40 or more persons.

Tom Stanton is Corporate Secretary and General Counsel of the Issuer and TMF. Stanton became General Counsel of TMF in 2014. From 2005 through 2016 he served as Chancellor to two Bishops of a United Methodist Church Annual Conference. Stanton received his bachelor's degree in theology and economics from Georgetown University in 1979, and his Juris Doctorate from the University of Texas School of Law in 1987. He clerked for the Chief Judge of the Western District of Texas Federal Court from 1987 to 1989 and is licensed in the United States Supreme Court, the Fifth Circuit Court of Appeals, and the Western (Federal) District of Texas. Stanton practiced trial law with an emphasis in commercial and complex litigation and was a sought-after mediator for 10 years prior. Stanton has been active for 19 years in resourcing a medical clinic, women's school, seminary, and small college in the Democratic Republic of Congo ("DRC") with annual trips leading teams of medical, educational, and construction workers into the mission station in rural DRC. In addition to his legal responsibilities, Stanton resources churches and church-related entities in finding their missional purpose and developing strategies to deepen their cultures of philanthropy and mission.

Blair Thompson-White is Vice President of Leadership Ministry of the Issuer and TMF. Blair is an Ordained Elder in the United Methodist Church. She joined the staff of Texas Methodist Foundation in 2020, after serving as a pastor in a variety of settings, including small town Kansas, downtown Dallas, and suburban Richardson, Texas. She completed her dissertation on pilgrimage in the development of clergy leadership for her Doctorate of Ministry degree in 2018. Blair facilitates conversations with leaders from across the Wesleyan ecosystem especially in the areas of naming core values, discerning purpose, and expanding imagination. She serves as the Program Director of TMF's Lilly-funded Thriving Congregations initiative, Courageous Congregations Collaborative (C3). Blair is also the creator and producer of Leadership Ministry's podcast "Igniting Imagination." Blair is a versatile and skilled facilitator. She is known for her engaging presence, excellent session design, collaborative approach, and the ease with which she navigates difficult conversations.

Janet M. Mitchell is the Chief Marketing Officer of the Issuer and TMF. Prior to joining TMF on staff in 2022, she served as the organization's contract Chief Marketing Officer since 2014. Mitchell is the principal of M Group Agency, a strategic marketing agency founded in 2005 that builds the businesses and brands of for-profit and nonprofit organizations. As Chief Marketing Officer, Mitchell has developed and launched four companies in Austin, Texas, one to over a $90 million business and recognized as #6 in the Top 50 Fastest Growing Companies by PricewaterhouseCoopers. Prior to that Mitchell served as the Vice President, Marketing North America for Duracell, Inc. Mitchell holds a Bachelor of Science in Business Administration, double majoring in Finance and Marketing, from Babson College, Wellesley, Massachusetts and a Master of Business Administration, with a specialization in business policy and strategy, graduating magna cum laude, from the University of Connecticut, Hartford Connecticut.

Justin Gould is Vice President of Philanthropy of the Issuer and TMF. Gould joined the staff of Texas Methodist Foundation in 2013 after nearly a decade serving in various fundraising roles at Southwestern University during its successful $150 million comprehensive campaign. Gould leads all aspects of TMF's fundraising and gift planning programs. Gould holds Bachelor of Arts. in Business Administration from Southwestern University in Georgetown, TX, where he currently serves on the Board of Visitors, and a Master of Business Administration from Willamette University in Salem, OR. Additionally, Gould is a past-president of the Charitable Gift Planners of Austin and holds the Chartered Advisor in Philanthropy (CAP) designation.

Criminal and Civil Proceedings

During the past ten (10) years, no officer or director has been convicted of any criminal matter (other than for traffic violations and other minor misdemeanors) or has been the subject of any order, judgment, or decree of any court enjoining such person from any activities associated with the offer or sale of securities or limiting the right of the person to engage in any activity in connection with the purchase or sale of any security or to be associated with persons engaged in that activity.

Compensation

Officers and Directors. The Issuer's operations are administered by TMF pursuant to the Employee Sharing Agreement and Administrative Services Agreement described in the "Relationship with the Texas Methodist Foundation" section on page 16. The Issuer does not pay any compensation or other remuneration to the officers or directors of the Issuer, who often serve in dual roles with TMF. The total aggregate direct and indirect remuneration, including without limitation, salaries, health and other insurance benefits, and pension or retirement plans, paid by TMF to the employees, officers and directors of the Issuer for their services to the Issuer in 2022, was approximately $1,115,000. The Issuer estimates that the aggregate remuneration paid by TMF to the officers and directors of the Issuer in 2023 will be approximately $1,225,000. The Issuer or TMF may also reimburse officers and directors for expenses incurred in the performance of their responsibilities.

Administrative Expenses. Administrative expenses, which are primarily for services rendered by TMF, are reimbursed by the Issuer under the terms of a written agreement. During each of 2022 and 2021, the Issuer disbursed to TMF approximately $1,200,000 during 2022 and approximately

$1,185,000 during 2021, for administrative expenses, including wages and benefits of employees, officers and directors paid by TMF for their services to the Issuer.

Conflict of Interest

Other than Notes that have been purchased by officers and directors of the Issuer, there have been no material transactions, nor any proposed, between the Issuer and any director or officer of the Issuer; or between the Issuer and any family member of an officer or director of the Issuer; or between the Issuer and any entity in which an officer or director or a family member of an officer or director has a material interest (except as described with respect to TMF).

No officer or director of the Issuer shall hold more than two percent (2%) of the total Notes sold by the Issuer. Officers and directors of the Issuer may only purchase Flexible Investment Notes. The outstanding balance of Notes held by officers and directors of the Issuer was approximately $11,000 as of December 31, 2022.

The officers and employees of the Issuer are compensated by TMF in connection with the Employee Sharing Agreement and Administrative Services Agreement, which are described in greater detail on page 16 under "Relationship with the Texas Methodist Foundation."

INVESTOR REPORTS

The Issuer's current audited financial statements will be made available to any investor upon written request, and will be delivered to all noteholders within one hundred twenty (120) days of the end of the Issuer's last fiscal year.

INDEPENDENT AUDITORS

The Financial Statements as of December 31, 2022 and 2021 and for the Years Ended December 31, 2022, 2021, and 2020, are attached as Appendix A to this Offering Circular and have been audited by Maxwell Locke & Ritter LLP, independent auditors.

APPENDIX A

AUDITED FINANCIAL STATEMENTS

WESLEYAN IMPACT PARTNERS*

IGNITING IMAGINATION

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022 AND 2021 AND FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020 AND INDEPENDENT AUDITORS' REPORT

*FORMERLY KNOWN AS WESLEYAN INVESTIVE

Wesleyan Investive

Financial Statements as of December 31, 2022 and 2021 and for the Years Ended December 31, 2022, 2021, and 2020 and Independent Auditors' Report

Wesleyan Investive

Table of Contents

MAXWELL LOCKE & RITTER LLP
Accountants and Consultants
An Affiliate of CPAmerica International
tel (512) 370 3200 fax (512) 370 3250
www.mlrpc.com

Austin: 401 Congress Avenue, Suite 1100
Austin, TX 78701

Round Rock: 411 West Main Street, Suite 300
Round Rock, TX 78664

Independent Auditors' Report

To the Board of Directors of
Wesleyan Investive:

Opinion

We have audited the accompanying financial statements of Wesleyan Investive (formerly The United Methodist Development Fund) (a nonprofit organization) ("WI"), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years ended December 31, 2022, 2021, and 2020, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WI as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years ended December 31, 2022, 2021, and 2020, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WI and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Affiliated Company
ML&R WEALTH MANAGEMENT LLC
"A Registered Investment Advisor"
This firm is not a CPA firm

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WI's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WI's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WI's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Maxwell Locke & Ritter LLP

Austin, Texas
March 22, 2023

Wesleyan Investive

Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	$ 12,269,743	$ 10,863,223
Investments	5,862,027	18,843,431
Accrued interest receivable	696,845	703,391
Prepaid expenses and other assets	36,775	120,465
Mortgage loan receivables, less allowance for loan losses of $3,250,000 and $3,500,000 (Note 6), respectively	96,912,186	91,968,408
Total	$ 115,777,576	$ 122,498,918
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 287,257	$ 325,153
Investment obligations	77,873,242	86,288,449
Amounts held on behalf of the General Board of Global Ministries (Note 8)	2,164,240	784,153
Total liabilities	80,324,739	87,397,755
Net assets:		
Without donor restrictions	35,409,696	35,074,709
Without donor restrictions - Board-designated endowment	23,191	16,073
With donor restrictions	19,950	10,381
Total net assets	35,452,837	35,101,163
Total	$ 115,777,576	$ 122,498,918

See notes to financial statements.

Wesleyan Investive

Statements of Activities
Years Ended December 31, 2022, 2021, and 2020

	2022	2021	2020
Change in net assets without donor restrictions:			
Interest income on mortgage loans	$ 4,261,064	$ 4,419,044	$ 4,551,768
Interest expense on investment obligations	1,433,366	1,526,930	1,590,163
Net interest income	2,827,698	2,892,114	2,961,605
Reduction in provision for mortgage loan losses	250,000	-	-
Net interest income after provision for mortgage loan losses	3,077,698	2,892,114	2,961,605
Non-interest income (expense), net:			
Contributions	2,754	7,082	44,235
Other income	334,566	91,142	42,895
Grants expense	-	(100,000)	-
Other expenses	(2,121,937)	(1,806,971)	(1,874,862)
Total non-interest expense, net	(1,784,617)	(1,808,747)	(1,787,732)
Total interest and non-interest income, net	1,293,081	1,083,367	1,173,873
Realized and unrealized gains (losses) on investments	(950,976)	157,303	1,042,991
Change in net assets without donor restrictions	342,105	1,240,670	2,216,864
Change in net assets with donor restrictions:			
Contributions	10,897	10,259	-
Realized and unrealized gains (losses) on investments	(1,328)	122	-
Change in net assets with donor restrictions	9,569	10,381	-
Change in net assets	351,674	1,251,051	2,216,864
Net assets, beginning of year	35,101,163	33,850,112	31,633,248
Net assets, end of year	$ 35,452,837	$ 35,101,163	$ 33,850,112

See notes to financial statements.

Wesleyan Investive

Statements of Functional Expenses
Years Ended December 31, 2022, 2021, and 2020

	2022		
	Program	Support	
	Loans and Investor Services	General and Administrative	2022 Total
Interest on investment obligations	$ 1,433,366	$ -	$ 1,433,366
Salaries, wages, and benefits	781,654	333,346	1,115,000
Promotional programs	576,581	70,576	647,157
Administrative	36,667	181,645	218,312
Professional fees	85,096	35,642	120,738
Loan and investment system	13,888	-	13,888
Offering circular	6,467	-	6,467
State registration fees	375	-	375
Total expenses	$ 2,934,094	$ 621,209	$ 3,555,303

	2021		
	Program	Support	
	Loans and Investor Services	General and Administrative	2021 Total
Interest on investment obligations	$ 1,526,930	$ -	$ 1,526,930
Salaries, wages, and benefits	761,959	338,041	1,100,000
Promotional programs	411,442	21,875	433,317
Administrative	20,950	114,536	135,486
Professional fees	71,320	44,634	115,954
Grants	100,000	-	100,000
Loan and investment system	13,888	-	13,888
Offering circular	7,551	-	7,551
State registration fees	775	-	775
Total expenses	$ 2,914,815	$ 519,086	$ 3,433,901

See notes to financial statements.

Wesleyan Investive

Statements of Functional Expenses (continued)
Years Ended December 31, 2022, 2021, and 2020

	2020		
	Program	Support	
	Loans and Investor Services	General and Administrative	2020 Total
Interest on investment obligations	$ 1,590,163	$ -	$ 1,590,163
Salaries, wages, and benefits	784,030	315,970	1,100,000
Promotional programs	401,831	24,014	425,845
Administrative	15,966	121,892	137,858
Professional fees	103,168	45,786	148,954
Loan and investment system	14,387	-	14,387
Offering circular	2,850	-	2,850
State registration fees	7,127	-	7,127
Network services	37,841	-	37,841
Total expenses	$ 2,957,363	$ 507,662	$ 3,465,025

See notes to financial statements.

Wesleyan Investive

Statements of Cash Flows
Years Ended December 31, 2022, 2021, and 2020

	2022	2021	2020
Cash Flows from Operating Activities:			
Change in net assets	$ 351,674	$ 1,251,051	$ 2,216,864
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Realized and unrealized losses (gains) on investments	952,304	(159,667)	(1,046,135)
Reduction in provision for loan losses	(250,000)	-	-
Non-cash interest accrued	1,430,566	1,526,905	1,586,420
Changes in assets and liabilities that provided (used) cash:			
Accrued interest receivable	6,546	(109,478)	(248,267)
Prepaid expenses and other assets	83,690	(98,115)	(2,230)
Accounts payable and accrued expenses	(37,896)	5,614	249,385
Net cash provided by operating activities	2,536,884	2,416,310	2,756,037
Cash Flows from Investing Activities:			
Proceeds from maturities and sale of investments	12,050,000	4,500,000	2,003,146
Purchases of investments	(20,900)	(3,465,261)	(11,260,000)
Mortgage loan repayments received	8,904,071	9,939,570	6,084,111
Mortgage loans made to churches	(12,452,292)	(6,184,296)	(4,369,720)
Net cash provided by (used in) investing activities	8,480,879	4,790,013	(7,542,463)
Cash Flows from Financing Activities:			
Proceeds from issuance of term notes (investment obligations)	3,079,633	8,263,948	14,676,870
Repayments of investment obligations	(12,925,406)	(8,492,822)	(8,087,693)
Proceeds (repayments) of amounts held on behalf of others-General Board of Global Ministries	234,530	(826,691)	(146,522)
Net cash (used in) provided by financing activities	(9,611,243)	(1,055,565)	6,442,655
Net change in cash and cash equivalents	1,406,520	6,150,758	1,656,229
Cash and cash equivalents, beginning of year	10,863,223	4,712,465	3,056,236
Cash and cash equivalents, end of year	$ 12,269,743	$ 10,863,223	$ 4,712,465
Supplemental Disclosure -			
Cash paid for interest	$ 601,377	$ 657,418	$ 898,341

See notes to financial statements.

1. Organization and Nature of Operations

Wesleyan Investive (formerly The United Methodist Development Fund) ("WI") is incorporated as a nonprofit organization which, until December 31, 2018, was under the control of the General Board of Global Ministry ("GBGM"), an agency of the United Methodist Church. Commencing on January 1, 2017, GBGM transferred day to day management of all WI activities to Texas Methodist Foundation ("TMF"), a non-profit organization. On January 1, 2019, the parties entered into two agreements, and WI reorganized their entity under the laws of the State of Texas. A minority of directors on the WI's Board of Directors also serve on the TMF's Board of Directors, to aid in aligning the two ministries. TMF's officers and staff continue to manage WI's activities under the governance of the WI Board of Directors (the "Board"), which is further discussed in Note 10.

WI provides first mortgage loans to Wesleyan-related churches and other Wesleyan-related organizations for the purchase, construction, expansion, or major improvement of churches, parsonages, or mission buildings. WI's primary activities include the sale of its investment obligations to Wesleyan-related individuals and organizations and the lending of those funds to local churches and other Wesleyan-related organizations. Beginning in 2012, WI began administering GBGM's loan program, which is further discussed in Note 8.

2. Summary of Significant Accounting Policies

Basis of Presentation - The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as defined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification.

Net Asset Classifications - Net assets, revenues, gains, losses, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

<u>Without Donor Restrictions</u> **-** These net assets are not subject to donor-imposed stipulations. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law. Net assets without donor restrictions are those currently available for use, or at the discretion of the Board for WI's use. As of December 31, 2022 and 2021, the Board had designated $23,191 and $16,073, respectively, for the Legacy Endowment Fund in recognition of the contributions of leaders to the mission of WI.

With Donor Restrictions - These net assets are subject to donor-imposed stipulations which limit their use to a specific purpose and/or the passage of time, or which require them to be maintained permanently. WI has not received any permanently restricted contributions. As of December 31, 2022 and 2021, donor-restricted net assets were restricted for the Tom Locke Innovative Leaders Award Endowment Fund to foster innovation and entrepreneurship in the spiritual landscape particularly for those who demonstrated the ability to see beyond existing models (Note 11).

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Fair Value Measurements - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

Level 1 - Inputs based on quoted prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 - Unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value: 1) market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities, 2) cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost), and 3) income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Cash and Cash Equivalents - Cash and cash equivalents include interest-bearing time deposits and demand notes with original maturities of three months or less, except for short-term investments held by WI's investment managers as part of a long-term strategy.

Investments - Investments are reported at fair value in the statements of financial position. Investment transactions are recorded on the trade date and investment income is recorded in the statements of activities when earned. Realized gains and losses are recorded as the difference between historical cost and the proceeds received from the sale of the investment. Unrealized gains and losses are recorded for the change in fair value of investments between reporting periods.

Mortgage Loan Receivables and Interest Income - Mortgage loan receivables are stated at the outstanding principal balances, less the allowance for loan losses. Such loans are made primarily to United Methodist churches and are secured by a first lien on single purpose religious structures. While the mortgagors and the collateral are widely disbursed geographically, the mortgagors are United Methodist organizations, which rely on contributions to service such debt. Interest, due monthly, accrues at rates up to 7.75% (Note 6) and is calculated using the simple-interest method on principal amounts outstanding. Interest is recognized over the terms of the mortgage loans and recorded as interest income on mortgage loans in the statements of activities.

The accrual of interest on loans is discontinued when there is a significant deterioration in the financial condition of the borrower and full repayment of principal and interest is not expected. Loans for which interest is more than 90 days past due are individually reviewed to determine if the additional accrual of interest is warranted. Generally, all interest income accrued, but not collected, for loans that are placed on non-accrual status, is reversed against current income. Interest income is subsequently recognized only to the extent cash payments are received or after the borrower establishes a reasonable basis to expect future payments.

Allowance for Loan Losses - An allowance for loan losses is established to reflect management's best estimate of the losses inherent in the mortgage portfolio. Management establishes the allowance based on a variety of factors, such as loan payment history, current financial information, local economic conditions, geographic location, demographic changes, and other relevant factors. In establishing the adequacy of the allowance for loan losses, management performs periodic reviews of the mortgage portfolio. Loans are risk-weighted based upon a past due (aging) schedule. All loans which are at least 90 days past due are evaluated individually for collectability and a risk factor is assigned to each. This generally results in an allocation of the allowance for these loans.

Risk factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays or shortfalls generally are not classified as impaired. Management determines the significance of payment delays and shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

A loan is considered to be impaired when, based on current information and events, it is probable that WI will be unable to collect all principal and interest payments due in accordance with the contractual terms of the loan agreement. Impaired loans include loans that have been modified in a troubled debt restructuring and loans placed on nonaccrual status. Impairment is measured on a loan-by-loan basis based on the fair value of the collateral, since all loans are mortgage dependent.

Troubled debt restructurings generally result from WI's loss mitigation activities and occur when a concession is granted to a borrower that is experiencing financial difficulty in order to minimize the financial loss and avoid foreclosure or repossession of collateral. Once modified in a troubled debt restructuring, a loan is generally considered impaired until its contractual maturity, regardless of the borrower performance under the modified terms. While the modified loan may return to accrual status if it meets WI's criteria to do so, nevertheless, the loan will continue to be evaluated for the allowance for loan losses and the loan will continue to be reported as being impaired in the financial statements.

Impaired loans are classified as nonperforming and, consequently, income is only recognized on these loans when actually received from the borrower. Partial payments of contractual amounts due on impaired loans are treated as interest income on a cash basis until such time as the loan is restored to performing status. WI's practice is to charge off any loan or portion of a loan when the loan is determined by management to be uncollectible due to the borrower's failure to meet repayment terms, the borrower's deteriorating or deteriorated financial condition, the depreciation of the underlying collateral, or for other reasons. There were no charge-offs of any loans and no foreclosures during the years ended December 31, 2022, 2021, and 2020.

As of December 31, 2022 and 2021, $5,457,742 and $5,491,471, respectively, of mortgage loans were guaranteed by conferences of the United Methodist Church. Mortgage loans committed but not funded as of December 31, 2022 and 2021 totaled $2,867,207 and $1,996,581, respectively.

Investment Obligations - WI's outstanding investment obligations consist of one to five-year Term Notes (the "Term Notes"), GBGM loan fund (Note 8), Flexible Investment Notes, and IRA Notes, as well as untendered Certificates of Participation. Investment obligations are carried at cost. Since no public market exists (or is expected to develop) for WI's investment obligations, an estimate of fair value is not practical to obtain. However, because of the relatively short duration of the obligations and annual reset for new obligations, fair value is not believed to be significantly different than carrying value.

Contributions - All contributions are recorded at their fair value and are considered to be available for operations of WI unless specifically restricted by the donor. Unconditional promises to give cash and other assets are reported as net assets with donor restrictions, if they are received with donor stipulations that limit the use of donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or purpose is accomplished, the related net assets are reclassified to net assets without donor restrictions. This is reported in the statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire within the same fiscal year in which the contributions are received. Conditional promises to give, defined as those with a measurable performance or other barrier and a right to return, are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Advertising Costs - Advertising costs are expensed as incurred and were not significant during the years ended December 31, 2022, 2021, and 2020.

Federal Income Taxes - WI is a nonprofit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except to the extent of any unrelated business income. WI did not incur any significant tax liabilities due to unrelated business income during the years ended December 31, 2022, 2021, and 2020. WI is not required to file a Form 990 tax return in the United States ("U.S.") federal jurisdiction, as a public charity/association of churches.

Recently Issued Accounting Pronouncement - In June 2016, the FASB issued Accounting Standards Update No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which seeks to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments, including trade receivables and other commitments to extend credit held by a reporting entity at each reporting date. Entities are required to replace the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects current expected credit losses and requires consideration of a broader range of reasonable and supportable information to determine credit loss estimates. The amendment is effective using a modified retrospective approach for fiscal years beginning after December 15, 2022 and early adoption is permitted. WI is currently evaluating the impact the amendment will have on its financial statements.

3. Liquidity and Availability of Financial Assets

WI's financial assets available within one year for general expenditure were as follows as of December 31:

	2022	2021
Cash and cash equivalents	$ 12,269,743	$ 10,863,223
Investments	5,862,027	18,843,431
Mortgage loan receivables due within one year	5,099,416	4,683,261
Total financial assets available within one year	23,231,186	34,389,915
Less amounts unavailable for general expenditure within one year:		
Liquidity reserve	(6,229,859)	(6,903,076)
Board-designated endowment	(23,191)	(16,073)
Total financial assets available to management for general expenditure within one year	$ 16,978,136	$ 27,470,766

The Board has established a policy to maintain at least 8%, as of December 31, 2022 and 2021, of outstanding investment obligations in cash, cash equivalents, and investments as a liquidity reserve. This policy meets the minimum requirements established by the various state regulatory agencies which generally require a minimum of 8% of outstanding obligations (6% in cash and cash equivalents and investments, and no more than 2% in a line of credit).

WI's officers and staff work closely with the Board's Loan and Investment Committee to track the purchases and renewals of WI's notes, anticipated redemptions based on historical performance, gains and losses from investments, anticipated loan payments in the current period, and unfunded loan commitments. WI invests its funds to meet cash flow requirements set out in the policy of the North American Securities Administration Association adopted by the various states' regulatory bodies. Investments generally have minimal redemption restrictions (Note 5) and are kept short-term to meet any cash flow needs and to minimize interest rate risk. WI also has an available line of credit of $10,000,000 (Note 9).

4. Concentrations of Credit Risk

Financial instruments that potentially subject WI to credit risk consist of cash and cash equivalents, investments, and mortgage loan receivables. WI places its cash and cash equivalents with a limited number of high-quality financial institutions and may exceed the amount of insurance provided on such deposits. Investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain securities, it is at least reasonably possible that changes in the near-term could materially affect the amounts reported in the statements of financial position. WI provides mortgage loans solely to churches which draw their origin from the Wesleyan Reform movement as expressed through several denominations. A church borrower's ability to repay their mortgage obligation is dependent on their parishioners' financial support of the local church. Factors such as unemployment, aging congregations, and declining church attendance can result in a reduction in a church borrower's contribution income, which could impair their ability to repay their mortgage loan obligation.

As of December 31, 2022 and 2021, two investors accounted for 36% and 34%, respectively, of investment obligations.

5. Investments

WI's investment portfolio is primarily invested in the Wespath Short-Term Investment Fund ("STIF-I - Wespath"), the Wespath Fixed Income Fund ("FIF-I - Wespath"), and the Wespath Multiple Asset Fund ("MAF-I - Wespath"). The cost and estimated fair value of investments were as follows as of December 31, 2022:

	Cost	Fair Value	Realized Gains	Unrealized Gains (Losses)
STIF-I - Wespath	$ 1,000,991	$ 1,017,354	$ 55,344	$ (29,339)
FIF-I - Wespath	1,647,508	1,627,085	182,350	(502,132)
MAF-I - Wespath	3,046,158	3,217,588	-	(658,527)
	$ 5,694,657	$ 5,862,027	$ 237,694	$ (1,189,998)

The cost and estimated fair value of investments were as follows as of December 31, 2021:

	Cost	Fair Value	Realized Gains	Unrealized Gains (Losses)
STIF-I - Wespath	$ 10,495,646	$ 10,541,350	$ 4,175	$ (22,878)
FIF-I - Wespath	3,992,158	4,446,867	363,351	(472,508)
MAF-I - Wespath	3,025,261	3,855,214	-	287,527
	$ 17,513,065	$ 18,843,431	$ 367,526	$ (207,859)

As of December 31, 2022 and December 31, 2021, all investments were measured at fair value using the net asset value per share ("NAV") (or its equivalent) as a practical expedient, and have therefore not been classified in the fair value hierarchy.

Additional information about investments measured at NAV was as follows as of December 31, 2022 and 2021:

	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
STIF-I - Wespath	None	No limits	None
FIF-I - Wespath	None	No limits	Up to 15 days
MAF-I - Wespath	None	No limits	Up to 15 days

The investment objective of the STIF-I - Wespath is to preserve capital while earning current income higher than that of money market funds. The STIF-I - Wespath exclusively holds funds of the sweep account. The sweep account holds short-term fixed income investments.

The investment objective of FIF-I - Wespath is to earn current income while preserving capital by primarily investing in a diversified mix of fixed income securities. The FIF-I - Wespath seeks to achieve its investment objective by investing primarily in fixed income securities such as U.S. and non-U.S. government bonds, agency bonds, corporate bonds, emerging market debt, and securitized products. The corporate bonds held are primarily of companies that are domiciled in the U.S. and that are rated investment grade or high yield. FIF-I - Wespath also holds loan participation interests secured by mortgages and other types of loan participations originated through the PSP Lending Program, which invests in affordable housing and community development facilities in the U.S., as well as institutions focused on microfinance opportunities in developing countries.

The investment objective of the MAF-I - Wespath is to attain current income and capital appreciation by investing in a broad mix of investments. The MAF-I - Wespath is a fund of funds which seeks to achieve its investment objective by holding an allocation primarily among four other I Series Funds (including U.S. Equity Fund-I Series, International Equity Fund-I Series, Fixed Income Fund-I Series, Inflation Protection Fund-I Series) in accordance with pre-specified allocation targets.

As of December 31, 2022 and 2021, the effective duration of the STIF-I - Wespath was 0.2 and 0.3 of a year, respectively. As of December 31, 2022 and 2021, the effective duration of the FIF-I - Wespath was 5.7 and 6.6 years, respectively.

6. Mortgage Loan Receivables

Mortgage loans made by WI are subject to prepayments, as such, expected future cash flows may differ from contractual amounts. However, future mortgage payments scheduled to be collected on outstanding mortgage loans as of December 31, 2022 and 2021 were as follows:

Amount Due Within	2022	2021
1 year	$ 5,099,416	$ 4,683,261
2 years	5,350,550	4,991,028
3 years	6,495,619	5,692,048
4 years	6,304,023	6,254,172
5 years	6,394,521	6,111,993
Thereafter	70,518,057	67,735,906
	100,162,186	95,468,408
Allowance for loans losses	(3,250,000)	(3,500,000)
	$ 96,912,186	$ 91,968,408

Mortgage loans are generally approved for terms ranging from 10 to 20 years, but occasionally, to accommodate a particular situation, a term of up to 30 years may be approved. WI's Board may increase or decrease the interest rates of a loan when the loan contracts permit or decrease the rate without regard to the contractual rate where appropriate, in relation to the prevailing rates and economic conditions.

Mortgage loans bore annual interest rates ranging as follows, as of December 31:

Interest Rate	2022	2021
0.00%	$ 186,868	$ 190,118
1.00%	1,138,187	-
1.50%	-	1,349,091
2.15%	3,876	-
2.20%	1,349,091	-
3.25%	-	542,016
3.50%	-	27,622
3.70%	-	312,085
3.75%	-	1,235,261
3.95%	7,762,043	7,617,897
4.00%	12,981,805	278,906
4.25%	8,816,299	5,556,374
4.50%	36,603,537	43,605,977
4.70%	1,862,082	1,825,473
4.75%	18,220,156	19,579,309
4.95%	90,935	2,479,016
5.00%	827,190	2,917,331
5.20%	-	1,325,000
5.25%	304,883	132,887
5.50%	7,345,754	4,898,807
5.75%	76,765	475,778
6.25%	26,561	-
6.49%	224,992	244,734
6.50%	96,085	154,783
6.95%	670,890	718,829
7.00%	330,379	-
7.25%	-	1,114
7.75%	1,243,808	-
	$100,162,186	$ 95,468,408

As discussed in Note 2, WI individually reviews each impaired mortgage loan balance as well as each mortgage loan balance where all or a portion of the balance exceeds 90 days past due. Based on the assessment of the borrower's current creditworthiness, WI estimates the portion, if any, of the balance that will not be collected. Additionally, on the aggregate remaining loan receivables, WI estimates an additional allowance covering those amounts not specifically identified.

During the years ended December 31, 2022, 2021, and 2020, changes in the allowance for loan losses were as follows:

	2022	2021	2020
Balance, beginning of year	$ 3,500,000	$ 3,500,000	$ 3,500,000
Reduction of allowance	(250,000)	-	-
Balance, end of year	$ 3,250,000	$ 3,500,000	$ 3,500,000

WI's allowance for loan losses does not include any provision for potentially uncollectible loans made from the GBGM loan fund as management believes these mortgage loans receivable are collectible. WI has not charged off interest on any loans during the years ended December 31, 2022, 2021, and 2020.

As of December 31, 2022 and 2021, the allowance for loan losses established on mortgage loans evaluated individually and mortgage loans evaluated collectively are as follows:

	2022	2021
Ending balance: Individually evaluated for impairment	$ 14,372,397	$ 13,506,571
Allowance for loan losses	(2,039,107)	(2,461,264)
Ending balance: Collectively evaluated for impairment	85,789,789	81,961,837
Allowance for loan losses	(1,210,893)	(1,038,736)
Ending balance	$ 96,912,186	$ 91,968,408

The following table presents an aging analysis of WI's loans as of December 31, 2022:

31 - 60 Days Past Due	60 - 89 Days Past Due	Recorded Investment > 90 Days and Accruing	Total Past Due	Non-accruals	Current	Total Loans
$ -	$ -	$ -	$ -	$ 186,868	$ 99,975,318	$100,162,186

The following table presents an aging analysis of WI's loans as of December 31, 2021:

31 - 60 Days Past Due	60 - 89 Days Past Due	Recorded Investment > 90 Days and Accruing	Total Past Due	Non-accruals	Current	Total Loans
$ -	$ -	$ 1,138,396	$ 1,138,396	$ 190,178	$ 94,139,834	$ 95,468,408

WI does not consider the delinquencies to be significant in the context of total outstanding mortgage loans due to WI, in consideration of the allowance for loan losses as of December 31, 2022 and 2021.

The following presents WI's impaired loans as of December 31, 2022:

	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded:					
Mortgage loans	$ 8,862,150	$ 8,862,150	$ -	$ 8,355,230	$ 445,900
With an allowance recorded:					
Mortgage loans	5,510,247	5,510,247	2,039,197	5,584,254	240,945
Total	$14,327,397	$14,372,397	$ 2,039,197	$13,939,484	$ 686,846

The following presents WI's impaired loans as of December 31, 2021:

	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded:					
Mortgage loans	$ 7,848,310	$ 7,848,310	$ -	$ 8,243,778	$ 375,450
With an allowance recorded:					
Mortgage loans	5,658,261	5,658,261	2,461,264	5,737,258	171,947
Total	$13,506,571	$13,506,571	$ 2,461,264	$13,981,036	$ 547,397

No additional funds are committed to be advanced in connection with impaired loans as of December 31, 2022 and 2021.

WI offers a variety of loan modifications to borrowers, and modifications are dependent upon the individual circumstances surrounding the loan. Certain loan modifications are considered to be troubled debt restructurings when the borrower is experiencing financial difficulty and WI grants the borrower a concession. These loans are evaluated collectively for impairment in the estimate for the allowance for loan losses. The modification categories offered can generally be described in the following categories:

Rate Modification - A modification in which the interest rate is changed.

Term Modification - A modification in which the maturity date, timing of payment, or frequency of payment is changed.

Payment Modification - A modification in which the dollar amount of the payment is changed.

Combination Modification - Any other type of modification, including the use of multiple categories above.

The following table presents troubled debt restructurings as of December 31, 2022:

	Accrual Status	Nonaccrual Status	Total Troubled Debt Restructurings
Mortgage loans	$ 5,324,625	$ -	$ 5,324,625

The following table presents troubled debt restructurings as of December 31, 2021:

	Accrual Status	Nonaccrual Status	Total Troubled Debt Restructurings
Mortgage loans	$ 4,355,195	$ -	$ 4,355,195

One loan with a principal balance of $1,138,187 was restructured by lowering the interest rate from 4% to 1% during the year ended December 31, 2022. There were no loans restructured during the year ended December 31, 2021. There were no restructured loans with a payment default which occurred within 12 months of the restructuring date during the years ended December 31, 2022 and 2021.

7. Investment Obligations

The amounts outstanding as of December 31, 2022 and 2021, including reinvested interest by type of obligation, are as follows:

	2022	2021
One-year term notes	$ 13,537,618	$ 13,213,978
Two-year term notes	5,273,709	6,231,010
Three-year term notes	12,749,355	17,038,794
Four-year term notes	4,657,115	5,321,367
Five-year term notes	13,451,163	13,439,313
GBGM loan fund (Note 8)	18,581,160	19,750,700
Flexible Investment Notes	6,405,975	7,879,630
IRA Notes	3,217,147	3,413,657
	$ 77,873,242	$ 86,288,449

Term Notes bear interest at rates established at their issuance. At December 31, 2022 and 2021, the Term Notes bore interest as follows:

	2022	
	Interest Rate Per Annum	Weighted Average Interest Rate
One-year term notes	1.00 - 3.55%	1.76%
Two-year term notes	1.30 - 3.70%	1.50%
Three-year term notes	1.65 - 3.80%	2.13%
Four-year term notes	1.90 - 3.80%	2.75%
Five-year term notes	1.75 - 3.90%	2.90%

	2021	
	Interest Rate Per Annum	Weighted Average Interest Rate
One-year term notes	1.05 - 1.15%	1.05%
Two-year term notes	1.30 - 1.95%	1.61%
Three-year term notes	1.65 - 3.00%	2.33%
Four-year term notes	1.90 - 3.45%	2.75%
Five-year term notes	1.75 - 3.45%	2.87%

At the maturity date of a Term Note, an investor may redeem principal and unpaid accumulated interest by written demand. If demand for payment is not made, where permitted by state regulations, the Term Note will be extended for continuous identical terms at the then prevailing interest rate offered for similar Term Notes until demand for payment upon the extended maturity date is made. In accordance with the provisions of Term Notes and where permitted by state regulations, WI reserves the right to repay the principal amount of Term Notes in five equal annual installments beginning 30 days after the maturity date (such deferral is not available to residents of Alabama, Arkansas, California, Georgia, Idaho, Michigan, Missouri, Oklahoma, Pennsylvania, and Wisconsin).

As of December 31, 2022, the Term Notes' maturity amounts were as follows:

Year Ending December 31,	
2023	$ 23,931,438
2024	9,322,883
2025	13,910,745
2026	894,977
2027	1,608,916
Total	$ 49,668,959

During the years ended December 31, 2022 and 2021, Flexible Investment Notes ("Notes") bore interest at a rate of 1.20% and 0.70% per annum, respectively. The Board may increase or decrease the rate of interest from time to time, upon 30 days' written notice to the holders of such Notes. The Notes are payable on demand; however, in accordance with the provisions of the Notes and where permitted by state regulations, WI reserves the right to require 30 days' written notice and to repay the principal amount of the Notes in five equal annual installments (such deferral is not available to residents of Alabama, Arkansas, California, Georgia, Idaho, Michigan, Missouri, Oklahoma, Pennsylvania, and Wisconsin).

IRA Notes are those which are intended by the purchaser for his/her personal individual retirement account. During the years ended December 31, 2022 and 2021, IRA Notes bore interest at a rate of 2.75% and 1.80% per annum, respectively. The Board may increase or decrease the rate of interest from time to time, upon 30 days' written notice to the holders of such IRA Notes. IRA Notes are repayable at any time upon 30 days' written notice by the holder.

Effective April 1, 1996, WI recalled all of its outstanding Certificates of Participation (the "Certificates") for redemption and, as of September 30, 1996, outstanding Certificates no longer earned interest. The Certificates may be redeemed for the principal amount of the Certificates plus interest accrued through September 30, 1996, and a premium of 2.50% of the principal in accordance with the provisions of the Certificates. As of December 31, 2022 and 2021, there were untendered Certificates of $26,581.

WI may recall any of its investment obligations upon six months' written notice to the investor and the payment of a 1.50% premium of the face amount of the investment.

8. GBGM Loan Fund

During 2012, GBGM transferred a portion of its loan funds to WI for the purpose of making "missional" loans. The GBGM loan fund is comprised of funds available to make loans and the outstanding loan balances on these GBGM loans as of December 31, 2022 and 2021 were $2,164,240 and $784,153, respectively. These loans were reported as a liability for amounts held on behalf of GBGM.

Outstanding loan balances are included with mortgage loan receivables in the statements of financial position. As of December 31, 2022, there were thirteen mortgage loan receivables outstanding with a total balance of $2,156,994. As of December 31, 2021, there were ten mortgage loan receivables outstanding with a total balance of $781,966. Interest on mortgage loans issued from the GBGM loan fund are reported as increases to both the GBGM mortgage loan receivables and the liability for amounts held on behalf of GBGM, and are not reported in the statements of activities of WI. Since these assets are held for the benefit of GBGM, WI has not established an allowance for potential losses on loans made from GBGM funds.

9. Line of Credit

WI has a $10,000,000 revolving line of credit (the "Line of Credit") with a financial institution which bears interest at the AMERIBOR-Term 30 rate plus 1.75%, (6.15% and 1.90% at December 31, 2022 and 2021, respectively). There were no advances outstanding at December 31, 2022 or 2021. The Line of Credit matures on June 30, 2024 and is secured by substantially all of WI's assets, including investments and loans receivable, and requires WI to meet certain financial covenants, including unrestricted tangible net assets and interest coverage ratio.

10. Agreement with TMF

On January 1, 2019, WI entered into an Employee Sharing Agreement and an Administrative Services Agreement with TMF. Under the Administrative Services Agreement and the Employee Sharing Agreement, TMF causes its employees to conduct the day-to-day business of WI in the sale of WI's investment obligations, the management of WI's loan portfolio, the administrative procedure for reviewing loan applications and extending and documenting new loans, management of WI's investments, investor relations, accounting, regulatory compliance, and marketing.
The two agreements provide to TMF certain operational authority to discharge its management responsibilities. That authority includes, among other things, the authority to install and utilize new hardware and software computer systems, to develop new operational policies and procedures, and to establish and maintain reasonable accounting and reporting systems and internal controls designed to help WI protect its assets. Under the two agreements, TMF does not have authority to bind WI. WI retains its authority over matters handled by TMF and exercises decision-making authority with respect to the making of loans and raising of funds, including the sale of investment obligations.

The Boards of Directors of TMF and WI have determined that these two agreements, and the operational efficiencies they have achieved, advance the exempt purposes and missional priorities of the two entities.

As of December 31, 2022 and 2021, TMF's balance included in investment obligations totaled $9,805,361 and $9,580,243, respectively.

Administrative expenses, which are primarily for services rendered by TMF, are reimbursed by WI under agreement with TMF. During the years ended December 31, 2022 and 2021, WI incurred expenses totaling $1,200,000 and $1,185,000, respectively, related to administrative expenses with TMF. As of December 31, 2022 and 2021, WI has investments in TMF money market funds totaling $9,172,255 and $5,166,787, respectively.

11. Locke Innovative Leader Award

Starting in 2021, WI's Board authorized the creation of this annual award program - up to five awards are given out per cycle. An award ceremony and cohorts of past and present awardees are convened throughout the year as part of this program. Its programmatic purpose is rooted in a strong belief that investment in bold, enterprising leaders with inventive approaches to ministry not only advances the church but creates communities of genuine human flourishing.

As of December 31, 2022 and 2021, the program expenses were $415,596 and $290,769, respectively.

12. Related Party Transactions

WI holds cash and cash equivalents, from organizations affiliated with certain Board members totaling $1,647,054 and $2,686,674 as of December 31, 2022 and 2021, respectively. WI has investment obligations with a Board member affiliated with GBGM totaling $18,581,160 and $19,750,700 as of December 31, 2022 and 2021, respectively. WI also holds amounts on behalf of GBGM.

13. Subsequent Events

WI has evaluated subsequent events through March 22, 2023, the date the financial statements were available to be issued.

In January 2023, WI changed its name to Wesleyan Impact Partners Inc.

APPENDIX B

APPLICATION TO PURCHASE A NOTE

APPENDIX B
APPLICATION TO PURCHASE A NOTE

Wesleyan Impact Partners
11709 Boulder Lane, Suite 220
Austin, TX 78726

Date: ______________

APPLICATION TO PURCHASE A NOTE
(Includes Required Information for IRS Form W-9)

I enclose a check in full payment for the following indicated Note(s) in the principal amount of $________________.

MAKE ALL CHECKS PAYABLE TO: Wesleyan Impact Partners (Check one below)

Description	**Investment**	**Current Rates**
__Flexible Investment Note	$_______	1.40%
__One Year Term Note	$_______	4.20%
__Two Year Term Note	$_______	4.00%
__Three Year Term Note	$_______	3.80%
__Four Year Term Note	$_______	3.80%
__Five Year Term Note	$_______	3.80%

Interest rates shown are those in effect at **April 1, 2022**. Wesleyan Impact Partners (the "Issuer") may change the current interest rate payable on Flexible Investment Notes upon prior written notice to the holders of such Notes. The Issuer may also change the rate of interest on Notes to be sold in the future.

Check one below:

❒ **Please send me interest payments semi-annually.**

❒ **Please compound interest monthly.**

Note: Investors who wish to purchase a Note through a self-directed Individual Retirement Account (IRA) may also be required to fill out additional documentation in connection with such investment. The Issuer is not affiliated with any IRA custodian. For more information, please call the Issuer at **1-800-862-8633**.

The Notes will be issued in book-entry form as uncertificated securities to be held and recorded in the book-entry-only system maintained by the Issuer. After purchase of any Note, the purchaser will not receive a physical Note, but will receive a registration confirmation acknowledging payment for the Note. The Note will be registered in book-entry-only form by the Issuer. The Issuer will issue a physical Note to any Note holder upon request.

Investor Name:____

(*For existing investors*) Current Account # __________________

Mailing Address: ____

City: _________________________ State: ________________________ Zip: _____________

Home Telephone:(_____)_______________Business Telephone:(_____)_________________

I hereby acknowledge receipt of the Offering Circular of Wesleyan Impact Partners dated May 15, 2023 and the current Interest Rate Sheet. I represent that I am 18 years of age or older. I further represent that prior to receipt of the Offering Circular, I (or the organization on behalf of which I have authority to sign this form) was, and remains, one of the following: (i) an entity associated with a Wesleyan or Methodist Church connectional system; (ii) an entity which derives its origin from the Wesleyan Episcopal movement of the 18th century; (iii) a person who is a member of, contributor to, or participant in, a church with roots in the Wesleyan Episcopal movement, their connectional units, or any programs, activities or organizations constituting a part of or sharing a programmatic relationship with such church, or a family member of, or an entity controlled by, any such members, contributors or participants; or (iv) a successor in interest to any of the foregoing.

□ Please check the box if you have been by the Internal Revenue Service that you are subject to backup withholding.

CERTIFICATION: Under the penalties of perjury, I certify that the social security number and the information regarding backup withholding on this form are true, correct, and complete.

Signature:_____________________________Signature:______________________________

FOR ADDITIONAL INFORMATION, PLEASE CALL THE ISSUER AT 1-800-862-8633.

Please issue the Note in accordance with one of the following investment options: (Print or Type Information; please choose only one investment option)

(1) CHURCH / ORGANIZATION ACCOUNT (The Note is to be registered only in the name of one person or church)

Contact Name | Telephone No. | Organization Federal ID No

Mailing Address

Authorized persons on the account –

(2) INIDIVIDUAL/JOINT ACCOUNT (Registration of the Note in the names of two individuals under this designation): Both individuals listed here will own the Note in joint tenancy with right of survivorship. Interest will be reported to Internal Revenue Service using the social security number of the first named person unless otherwise directed.

Primary Owner: Name | Social Security No. or Federal ID No.

Joint Owner: Name | Social Security No. or Federal ID No.

(3) CUSTODIAN FOR A MINOR ACCOUNT: Interest will be reported to the Internal Revenue Service using the social security number of the minor.

Name of Custodian | Social Security No. of Custodian

as custodian for Name of Minor | Social Security No. of Minor

under the Name of State Uniform Transfers to Minors Act

(4) TRANSFER ON DEATH DESIGNATION: If you would like to designate an individual to receive ownership of your Note upon the last of the Owner(s)' deaths, please fill in the information below. In order to designate multiple beneficiaries, please attach a page setting forth each beneficiary's name, social security number, and the percentage of the Note you would like that person to receive. Be sure the percentages you wish for each to receive do not add to a number greater than 100. If the percentage amount is not filled in, the Issuer will split the benefit evenly between the beneficiaries. Until the death of the surviving Owner, the surviving Owner owns the Note and all interest earned on it. Upon death of the surviving Owner, the account will become the property of the beneficiary(ies) subject to: (i) the rights of creditors should the surviving Owner's estate have insufficient funds to pay the debts of the surviving Owner, and (ii) applicable inheritance taxes.

Name of Beneficiary | Social Security No. or Federal ID No.

(5) FORMAL TRUST ACCOUNT: Interest will be payable only to the Trustee. A copy of the written trust agreement ***must*** be enclosed.

Name of Trustee | Taxpayer Identification No. of Trust

Withdrawal of Purchase By Investor

If you have accepted an offer to purchase these securities made pursuant to an Offering Circular which contains a notice explaining your right to withdraw your acceptance pursuant to section 207(m) of the Pennsylvania Securities Act of 1972 (70 P.S. section 1-207(m)), you may elect, within two business days after the first time you have received this notice and an Offering Circular, to withdraw from your purchase agreement and receive a full refund of all monies paid by you. Your withdrawal will be without any further liability to any person. To accomplish this withdrawal, a letter should be sent to the issuer indicating your intention to withdraw. Such letter should be sent and postmarked prior to the end of the aforementioned second business day. It is prudent to send it by certified mail, return receipt requested, to ensure that it is received and also to evidence the time when it was mailed. Should you make this request orally, you should ask for written confirmation that your request has been received. Letters are to be forwarded to the Issuer at 11709 Boulder Lane, Suite 220, Austin, TX 78726.

Redeeming and Rolling Over Notes

Except as to residents of Arkansas, California, Georgia, Kentucky, Louisiana, Oregon, Ohio, Oregon, South Carolina, and Washington, if a holder of a maturing Term Note does not give the Issuer written instructions to redeem it, that Term Note will automatically be renewed or "rolled over" into a like Term Note at the prevailing interest rate paid on the same Term Note as that being rolled over. The rate of interest that the Issuer pays on the Term Note issued as a result of the roll-over may be less than the rate of interest paid on the maturing Term Note.

Upon the maturity of a Term Note held by residents of Arkansas, California, Georgia, Kentucky, Louisiana, Oregon, and South Carolina, the Issuer will pay the principal and accrued interest balance of the Note upon written instruction to the Issuer to redeem it. Alternatively, the holder may exchange the maturing Term Note for a new Term Note then offered by the Issuer upon written instruction to the Issuer and a delivery of a new signed Application To Purchase A Note. Until written instructions and new Application are received by the Issuer, the matured Note will become an account payable of the Issuer, earning interest at the rate then offered by the Issuer on Flexible Investment Notes, until a new Application has been received. The Issuer will continue to attempt to contact the holder after the maturity of a Note and assist the holder in completing the necessary steps either to purchase a new Note or obtain repayment of the matured Note. If the Issuer is unable to reach you, the matured Note will be handled in accordance with applicable law, including the rules of escheat.

For residents of the State of Washington, Term Notes will not be automatically renewed at maturity. Unless the Issuer receives a written instruction from the holder of a maturing Term Note to exchange the Note for a new Term Note or Flexible Investment Note, along with new signed Application To Purchase A Note to the Issuer, the holder will be paid at the maturity of the Term Note the full principal and accrued interest balance of the Note. If the Issuer does not receive written instructions from the holder regarding the maturing Term Note and is unable to reach you to repay the principal and accrued interest, the Note will be handled in accordance with applicable law, including the rules of escheat.

The rate of interest that the Issuer pays on the Note issued as a result of any "roll-over" of a maturing Term Note may be less than the rate of interest paid on this Note. If, at the Maturity Date, the Issuer is not permitted to sell its Notes in the state where the holder resides, the Issuer will redeem this Note and send the principal and interest due on the Note to the holder.

There is no right to early redemption of a Term Note. The Issuer retains the right to reject any request for early redemption. For Notes that are redeemed prior to their maturity, the Issuer will generally pay the principal in five (5) equal annual installments (except as to residents of certain states), and will charge an early redemption penalty. The early withdrawal penalty will be four (4) months' interest on the principal amount withdrawn; or the entire interest accrued on the Note if the Note has been issued for a period less than four (4) months. The Issuer reserves the discretionary right to change the early withdrawal penalty.

The penalty will be charged first against any interest then in the account and then from the principal. This early withdrawal penalty will be waived if: (i) the account owner dies or is declared incompetent, or (ii) if the account is an IRA account and the request for withdrawal is made within seven days of establishing the IRA account in which event the entire amount will be returned without payment of interest.