

# Impacting Churches; Impacting Lives

Thrivent Church Loan and Income Fund (XCLIX)

## Grace Fellowship Church: Expanding its reach locally and beyond



Grace Fellowship Church volunteers prepare to deliver food to people in need in their community.

In many ways, the Thrivent Church Loan and Income Fund has made a positive impact on churches and other Christian organizations. We've done this by providing financing that can be used to improve facilities, expand outreach and solidify the common bond throughout the Christian community.<sup>1</sup>

At Grace Fellowship Church in Timonium, Maryland, financing made it possible for the church to purchase a building it had been renting for more than 15 years. The loan provided a monthly cost savings that let the church focus on its long-term outreach and multisite strategy.

With its lease expiring and no other available facilities in the area that could accommodate its 2,500 to 3,000 weekly worshipers, "we were in a very vulnerable position," recalled Pastor Shea Strickland.

### Partnering with Thrivent

"But the Lord moved in a number of different ways to make it possible for us to purchase the space," he added. "It has been fantastic to have a partner like Thrivent, who is aligned with our mission, to come alongside us to work out a win-win scenario for us.

"This will allow us to not only purchase our existing building but also pay for the much-needed renovation of our space at a monthly cost that is less than the rent we would have paid."

### Expanding the ministry

The loan also means the church can begin to plan for the next phase of its ministry—to establish Grace sites around the Baltimore area and develop an inner-city ministry.

"Once our building is renovated, we plan to embrace a multi-campus strategy," Strickland said. "We're in an area that really needs help in terms of mission. About 90% of the people in this area currently do not attend church.

"My heart is big for the inner city," he said. "We would like to establish a 24/7 ministry in the downtown area, with job placement assistance and drug and alcohol recovery services.

"As we look to the future," Strickland continued, "this provides the necessary financial footing we need to go forward with our mission of advancing God's kingdom throughout our city and the world."

### Thrivent Church Loan and Income Fund: Shared mission and faith

Thrivent Church Loan and Income Fund launched in late 2018 and provides a way for investors to reflect their faith and values through investment choices. Thrivent has a long church-lending history—we made our first church loan in 1905 to Zion Lutheran Church in Rhinelander, Wisconsin, to help them rebuild after a fire. Thrivent manages nearly \$1 billion of church loans.

The Fund participates in funding Thrivent's new church loans with direct oversight from an independent board of trustees.

"This provides the necessary financial footing we need to go forward with our mission of advancing God's kingdom throughout our city and the world."

—Pastor Shea Strickland, Grace Fellowship Church

<sup>1</sup> Thrivent Church Loan and Income Fund portfolio management team works with Thrivent Church Finance group to source and structure the loans in the portfolio.

**Risks:** The Fund invests primarily in church loans and mortgage-backed securities. The value of the Fund is influenced by factors impacting the overall market, debt securities and specific issuers. The Adviser's assessment of investments may prove incorrect, resulting in losses or poor performance. The Fund is a non-diversified closed-end interval fund with a quarterly repurchase option. An investment in the Fund's shares should be considered a long-term investment with risks, including concentration risk, limited liquidity and the risk of a loss of some or all of the amount invested.

The church loans invested in by the Fund are mortgages taken out by U.S. non-profit organizations with a stated Christian mission. They are typically not listed on any national securities exchange and no active trading market exists for them. These church loans are primarily backed by real estate and are vulnerable to factors that affect the real estate market. Certain factors specific to churches may impact a borrower's finances and its ability to make payments. Churches rely on voluntary contributions from their congregations for their primary source of income, which may be used to repay church loans. The membership of a church, the attendance of its members, or the per capita contributions of its members may not remain constant or may decrease, which could have a negative impact on the ability of a church to repay a loan.

Loans are subject to a number of risks, including credit risk, default risk, refinance risk and modification risk. Credit risk is the risk that an issuer of a debt security may not pay its debt. Default risk is the risk that a borrower will not be able to make principal and interest payments, in which case the value of the Fund may be negatively affected. The value of mortgage-backed securities will be influenced by the factors affecting the housing market. A global pandemic, such as COVID-19, may result in substantial market volatility and business disruption, and may negatively impact church borrowers and the Fund's ability to process shareholder repurchases. Bond prices may decline during periods of rising interest rates. The Fund has received an exemptive order allowing co-investment with other Thrivent accounts, which may give rise to actual or perceived conflicts of interest and subject the Fund to the risk of regulatory changes and actions.

These and other risks are described in the Fund's prospectus.

The churches/entities discussed in this article are recipients of loans issued by Thrivent Church Loan and Income Fund. They have not been compensated for their participation.

This information should not be considered investment advice or a recommendation of any particular security, strategy or product. Investment decisions should always be made based on an investor's specific financial needs, objectives, goals, time horizon, and risk tolerance.

The Fund is a closed-end "interval fund." Limited liquidity is provided to shareholders only through the Fund's quarterly offers to repurchase between 5% to 25% of its outstanding shares at net asset value (subject to applicable laws and approval of the Board of Trustees). There is no secondary market for the Fund's shares and none is expected to develop. Investors should consider shares of the Fund to be an illiquid investment. If a repurchase offer is oversubscribed, your redemption request may be prorated. There is no assurance that investors will be able to redeem shares when and in the amount desired.

***Investing involves risk, including the possible loss of principal. The prospectus contains more complete information on the investment objectives, risks, charges and expenses of the Fund, and other information, which investors should read and consider carefully before investing. Prospectuses are available at [thriventintervalfunds.com](http://thriventintervalfunds.com) or by calling 800-847-4836.***

The distributor for the Thrivent Church Loan and Income Fund is Thrivent Distributors, LLC, a registered broker-dealer, member [FINRA](#)/[SIPC](#). Thrivent Asset Management, LLC, an SEC-registered investment adviser, serves as the investment adviser for the Thrivent Church Loan and Income Fund. Both entities are subsidiaries of Thrivent, the marketing name for Thrivent Financial for Lutherans.

