

# Impacting Churches; Impacting Lives

## Thrivent Church Loan and Income Fund (XCLIX)

By providing financing that can be used to improve facilities and expand outreach, the Thrivent Church Loan and Income Fund has made a positive impact on churches and other Christian organizations—and on the communities they serve.<sup>1</sup> Below are just a few examples of this impact.

### Translating the Gospel

A Baptist church in Tennessee was able to save more than \$100,000 a year in mortgage payments by refinancing with a new loan through the Fund. The church will use the savings to expand its ministry and its Bible translation program that makes it possible for people to read and hear the Gospel in their own languages.

### Addressing needs in the neighborhood

A community church in Texas was scheduled for a rate increase on an existing loan—an increase that would have added \$140,000 a year to its loan payments. By refinancing with a loan funded by Thrivent Church Loan and Income Fund, the church was able to lock in payments at the existing level for a longer period. The church plans to use the savings to support its services in the community, such as helping neighborhood residents with a variety of needs.

### Launching a Bible study institute

By taking out a mortgage through the Fund, a Bible church in California was able to purchase an office building to house its growing administrative staff and to serve as the campus of a new Bible institute. The financing will also help the church expand its ministry with new church plants while continuing to expand programs that bring the Gospel message to more youth.

### Controlling cash flow

A church in Mississippi that was facing a balloon payment on its loan with a local lender reached out to Thrivent to secure a new loan. The loan provided a longer-term fixed rate and a lower monthly payment, enabling the church to better predict and manage its cash flow needs.

### Inner-city assistance

A church in Maryland was able to get financing through the Fund to purchase the building it had been renting for more than 15 years to facilitate its 2,500 weekly worshippers. Savings from the new loan covered the cost of renovating the building and allowed the church to focus on its long-term outreach and multisite strategy. The church plans to establish new church sites around the Baltimore area and continue expanding its inner-city ministries.

### Establishing a youth and family ministry

Because of an anticipated increase in rates and payments on an existing loan through a local bank, an Episcopal church in North Carolina turned to Thrivent to refinance its loan. The church was able to lock in financing at its current payment amount, which provided more certainty over future expenses and allowed the church to focus on establishing new youth and family ministries.

<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.

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

Thrivent Church Loan and Income Fund launched in 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.

**Learn more at [thriventinterval funds.com](https://thriventinterval funds.com).**



**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 [thriventinterval funds.com](https://thriventinterval funds.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.

# thrivent