

OFFERING CIRCULAR

Fixed Rate Certificates
5-Year Cornerstone Kids Certificates
Demand Certificates
Individual Retirement Account (IRA) Certificates
Retirement Advantage Certificates

CONVERGE CORNERSTONE FUND

2002 S. Arlington Heights Road
Arlington Heights, IL 60005

(877) 228-8810
E-Mail: csfund@converge.org

CONVERGE CORNERSTONE FUND

Up to \$120,000,000

Converge Cornerstone Fund (the "Fund"), is an Illinois not for profit corporation which was established by the Baptist General Conference, now known as Converge (the "Church"), for the purpose of making loans to district conferences, member churches and other affiliated entities of the Church. The Church is a religious Denomination incorporated as an Illinois not for profit corporation. The Certificates listed below are more fully described in this Offering Circular under the heading "DESCRIPTION OF THE CERTIFICATES."

| CERTIFICATE | INTEREST RATE | MATURITY/REDEMPTION | MINIMUM INVESTMENT |
|--|---------------------------|---|--|
| Fixed Rate Certificates | Fixed at time of Issuance | Any period from one (1) year to five (5) years, as may be offered by the Fund from time to time | \$ 100 |
| 5-Year Cornerstone Kids | Fixed at time of issuance | 5 Years from date of issuance | \$ 250 |
| Demand Certificates * | Adjustable Weekly | At any time without penalty upon 30 days advance written notice from the holder to the Fund | \$ 100 initial investment; \$ 25 subsequent additions |
| Individual Retirement Account (IRA) Certificates | Adjustable Semi-annually | Reinvestment of principal and interest will occur every June 30 th and December 31 | \$ 10 |
| Retirement Advantage Certificates (RAC) ** | Adjustable Quarterly | At any time without penalty upon 30 days advance written notice from the holder to the Fund | \$ 1,000 |
| * Demand Certificates held by a member church, district conference, or other entity related to Converge Worldwide ("Church Savings Certificates") will earn interest at a rate which is 0.125% to 0.5000% higher than the current interest rate for other Demand Certificates. | | | |
| ** Available only to church retirement plans as an investment vehicle for plan assets for the benefit of plan participants | | | |
| TO OBTAIN CURRENT INTEREST RATES, PLEASE CALL 1-877-228-8810 OR VISIT http://www.cornerstonetoday.org | | | |

All of the foregoing are hereinafter collectively referred to as the "Certificates" and may be singularly referred to as a "Certificate." The Certificates are issued on a parity basis, and are not secured by a pledge of collateral. As such, the Fund has a general obligation to repay the Certificates.

This offering is not underwritten and no commissions or discounts will be paid. The Fund will receive 100% of the proceeds from the sale of the Certificates, and will bear all of the expenses incurred in making this offering, which are not expected to exceed two-tenths of one percent (0.2%) of the offering. The aggregate amount of the Certificates being offered may be sold in any one or more of the offered categories. The amount currently anticipated is not a limitation on Certificates which may be offered.

There is no quoted market for the Certificates, and the Fund does not intend to effectuate a secondary market for the Certificates. This Offering Circular does not constitute an offering in any jurisdiction where such would be deemed illegal. Neither the delivery nor the sale of any Certificate implies that there has been no change in the matters described herein since the date hereof.

THIS OFFERING INVOLVES CERTAIN RISKS WHICH ARE MORE FULLY DISCLOSED BEGINNING AT PAGE 2 OF THIS OFFERING CIRCULAR UNDER THE HEADING "RISK FACTORS".

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

THE CERTIFICATES 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 THE CERTIFICATES OR APPROVED, DISAPPROVED, OR ENDORSED THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. WHEN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURE, MERITS AND RISKS INVOLVED.

THE CERTIFICATES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC), THE SECURITIES INVESTOR PROTECTION CORPORATION (SIPC), ANY STATE BANK OR INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE CERTIFICATES IS DEPENDENT UPON THE FUND'S FINANCIAL CONDITION. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW THE FUND'S AUDITED FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE CERTIFICATES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY, THE CHURCH, OR BY ANY MEMBER CHURCH, CONFERENCE, INSTITUTION OR AGENCY AFFILIATED WITH THE CHURCH (EXCEPT FOR THE FUND).

The date of this Offering Circular is April 1, 2021

THIS OFFERING IS EFFECTIVE FROM THE DATE OF THIS OFFERING CIRCULAR UNTIL THE EXPIRATION OF THE PERIODS OF TIME AUTHORIZED IN THE VARIOUS STATES IN WHICH THE FUND OFFERS ITS CERTIFICATES, WHICH IS GENERALLY TWELVE (12) MONTHS.

THE OFFER AND SALE OF THE CERTIFICATES IS LIMITED TO: (i) PERSONS (INCLUDING ENTITIES OR ARRANGEMENTS CONTROLLED BY, OWNED BY, OR EXISTING FOR THE BENEFIT OF SUCH PERSONS) WHO, PRIOR TO RECEIPT OF THIS OFFERING CIRCULAR, ARE MEMBERS OF, CONTRIBUTORS TO, OR PARTICIPANTS IN THE CHURCH, THE FUND, ANY PROGRAM, ACTIVITY OR ORGANIZATION WHICH IS AFFILIATED WITH THE CHURCH (INCLUDING, BUT NOT LIMITED TO, THE DISTRICT CONFERENCES AND MEMBER CHURCHES OF THE CHURCH) OR THE FUND, OR ANY OTHER ORGANIZATION THAT HAS A PROGRAMMATIC RELATIONSHIP WITH ANY OF THE FOREGOING, (ii) DISTRICT CONFERENCES AND MEMBER CHURCHES OF, AND ANY PROGRAM, ACTIVITY OR ORGANIZATION AFFILIATED WITH, THE CHURCH (INCLUDING, BUT NOT LIMITED TO, DISTRICT CONFERENCES AND MEMBER CHURCHES OF THE CHURCH) OR THE FUND, OR ANY OTHER ORGANIZATION THAT HAS A PROGRAMMATIC RELATIONSHIP WITH ANY OF THE FOREGOING, AND (iii) ANY ANCESTOR, DESCENDANT, OTHER RELATIVE, BENEFICIARY OR SUCCESSOR IN INTEREST OF PERSONS DESCRIBED IN (i) OR (ii) ABOVE.

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

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 FUND.

CONVERGE CORNERSTONE FUND IS NOT A MUTUAL FUND OR ANY OTHER TYPE OF INVESTMENT COMPANY WITHIN THE MEANING OF THE INVESTMENT COMPANY ACT OF 1940 AND IS NOT SUBJECT TO REGULATION THEREUNDER.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT WITH THE FUND'S CONSENT AND 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 BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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

ALABAMA RESIDENTS

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 8-6-10(8) OF THE ALABAMA SECURITIES ACT AND SECTION 3(a)(4) OF THE SECURITIES ACT OF 1933. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ALABAMA SECURITIES COMMISSION OR WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. NEITHER THE ALABAMA SECURITIES COMMISSION 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.

ARKANSAS RESIDENTS

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER ARK. CODE ANN. SECTION 23-42-503(a)(7) AND RULE 503.01(A)(7) OF THE RULES OF THE COMMISSIONER OF SECURITIES AND SECTION 3(a)(4) OF THE SECURITIES ACT OF 1933. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ARKANSAS SECURITIES DEPARTMENT OR WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. NEITHER THE DEPARTMENT NOR THE COMMISSIONER 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.

CALIFORNIA RESIDENTS

AUTOMATIC RENEWAL UPON MATURITY OF A CERTIFICATE, AS PROVIDED IN THIS OFFERING CIRCULAR, IS NOT AVAILABLE TO INVESTORS WHO ARE CALIFORNIA RESIDENTS. ALL CALIFORNIA INVESTORS WILL RECEIVE A MATURITY NOTICE AND A CURRENT OFFERING CIRCULAR WITHIN 30 DAYS OF EACH MATURITY DATE, AND CALIFORNIA INVESTORS WILL HAVE THE OPPORTUNITY TO NOTIFY THE FUND IF THEY INTEND TO RENEW THEIR INVESTMENTS. IF RENEWAL IS NOT REQUESTED, INVESTOR'S FUNDS WILL BE PROMPTLY RETURNED. RENEWALS CAN BE MADE ONLY IF THE FUND IS QUALIFIED TO MAKE SALES IN THE STATE OF CALIFORNIA. IT IS

UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE DEPARTMENT'S RULES. THE TRANSFERABILITY OF THE CERTIFICATES IS LIMITED BY SECTION 25130 OF THE CALIFORNIA CORPORATIONS CODE.

FLORIDA RESIDENTS

THE CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE FLORIDA OFFICE OF FINANCIAL REGULATION, DIVISION OF SECURITIES, BEING EXEMPT SECURITIES PURSUANT TO SECTION 517.051(9) OF THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT.

INDIANA RESIDENTS

RESIDENTS OF INDIANA WHO PURCHASE A FIXED RATE CERTIFICATE SHALL HAVE 90 DAYS FROM THE EFFECTIVE DATE OF ANY AUTOMATIC RENEWAL TERM TO REDEEM SUCH CERTIFICATE, WITH NO ASSESSMENT OF FINES OR PENALTIES.

KENTUCKY RESIDENTS

THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION KRS 292.400(9) OF THE KENTUCKY SECURITIES ACT.

MISSOURI RESIDENTS

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 ADEQUACY OF THIS OFFERING CIRCULAR. THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE MISSOURI SECURITIES ACT UNDER THE EXEMPTION PROVIDED BY SECTION 409.2-201(7)(B) OF THE REVISED STATUTES OF MISSOURI. NO APPROVAL HAS BEEN GIVEN TO THE ISSUER, THESE SECURITIES, OR THE OFFER OR SALE THEREOF IN CONNECTION TO ANY MISSOURI RESIDENTS.

OHIO RESIDENTS

IN THE EVENT THE OHIO HOLDER OF A FIXED RATE CERTIFICATE INADVERTENTLY ALLOWS SUCH CERTIFICATE TO AUTOMATICALLY RENEW AT MATURITY, THE FUND WILL HONOR REQUESTS FROM THAT HOLDER TO REDEEM THE FIXED RATE CERTIFICATE AFTER AUTOMATIC RENEWAL.

OREGON RESIDENTS

IN THE EVENT THE OREGON HOLDER OF A FIXED RATE CERTIFICATE INADVERTENTLY ALLOWS SUCH CERTIFICATE TO AUTOMATICALLY RENEW AT MATURITY, THE FUND WILL HONOR REQUESTS FROM THAT HOLDER TO REDEEM THE FIXED RATE CERTIFICATE AFTER AUTOMATIC RENEWAL.

PENNSYLVANIA RESIDENTS

EACH PERSON WHO ACCEPTS AN OFFER TO PURCHASE THE FUND CERTIFICATES SHALL HAVE THE RIGHT TO WITHDRAW HIS OR HER ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE FUND OR ANY OTHER PERSON, WITHIN TWO (2) BUSINESS DAYS AFTER HE OR SHE RECEIVES AN OFFERING CIRCULAR RELATING TO THE OFFERING. IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THE FUND'S CERTIFICATES MADE PURSUANT TO AN OFFERING CIRCULAR WHICH CONTAINS A WRITTEN NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(M) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, YOU MAY ELECT, WITHIN TWO BUSINESS DAYS AFTER THE FIRST TIME YOU RECEIVED THIS NOTICE AND OFFERING CIRCULAR TO WITHDRAW FROM YOUR PURCHASE APPLICATION AND RECEIVE A FULL REFUND OF ALL MONEYS PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A WRITTEN NOTICE (INCLUDING A NOTICE BY FACSIMILE OR ELECTRONIC MAIL) TO THE FUND INDICATING YOUR INTENTION TO WITHDRAW.

A REGISTRATION STATEMENT WITH RESPECT TO THE CERTIFICATES OFFERED BY THIS OFFERING CIRCULAR, WHICH INCLUDES CERTAIN EXHIBITS ONLY SUMMARIZED OR ALLUDED TO IN THE OFFERING CIRCULAR, HAS BEEN FILED IN THE OFFICES OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES, 17 N. 2ND STREET, SUITE 1300, ATTN: CORPORATION FINANCE OFFICE, HARRISBURG, PENNSYLVANIA 17101 (TELEPHONE: 717-787-8059). SUCH ADDITIONAL DOCUMENTS ARE AVAILABLE FOR INSPECTION AT THE OFFICES OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES DURING REGULAR BUSINESS HOURS. IT IS THE POSITION OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES THAT INDEMNIFICATION BY THE FUND OF ITS OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES IN CONNECTION WITH VIOLATIONS OF SECURITIES LAWS IS AGAINST PUBLIC POLICY AND VOID.

NOTHING CONTAINED IN THIS OFFERING CIRCULAR NOR IN ANY OF THE TERMS AND CONDITIONS GOVERNING THE FUND CERTIFICATES SHALL WAIVE COMPLIANCE WITH ANY PROVISION OF THE PENNSYLVANIA SECURITIES ACT OF 1972 OR ANY RULE OR ORDER THEREUNDER.

SOUTH DAKOTA RESIDENTS

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SDCL 47-31B-201(7)(B) OF THE SOUTH DAKOTA SECURITIES ACT. NEITHER THE SOUTH DAKOTA DIVISION OF INSURANCE (DIVISION) 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.

WASHINGTON RESIDENTS

THESE SECURITIES HAVE BEEN REGISTERED WITH THE WASHINGTON STATE SECURITIES DIVISION. HOWEVER, THIS FACT DOES NOT IN ANY WAY CONSTITUTE AN ENDORSEMENT OR RECOMMENDATION BY THE SECURITIES DIVISION, NOR HAS THE SECURITIES DIVISION PASSED UPON THE ACCURACY, ADEQUACY OR VALUES CLAIMED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. AUTOMATIC RENEWAL UPON MATURITY OF A CERTIFICATE, AS PROVIDED IN THIS OFFERING CIRCULAR, IS NOT AVAILABLE TO INVESTORS WHO ARE WASHINGTON RESIDENTS. ALL WASHINGTON INVESTORS WILL RECEIVE A MATURITY NOTICE AND A CURRENT OFFERING CIRCULAR AT LEAST 30 DAYS PRIOR TO EACH MATURITY DATE, AND WASHINGTON INVESTORS WILL HAVE THE OPPORTUNITY TO NOTIFY THE FUND IF THEY INTEND TO RENEW THEIR INVESTMENTS. IF RENEWAL IS NOT REQUESTED, INVESTOR'S FUNDS WILL BE PROMPTLY RETURNED. AS OF THE DATE OF THIS OFFERING CIRCULAR, THE FUND HAS REGISTERED \$5,000,000 IN CERTIFICATES FOR OFFER AND SALE IN WASHINGTON PURSUANT TO REGISTRATION.

FORWARD LOOKING STATEMENTS

Investment in the securities to be issued by the Fund involves certain risks. Prospective Investors are encouraged to review all the materials contained in this Offering Circular and to consult their own attorneys and financial advisors.

This Offering Circular includes "forward-looking statements" within the meaning of the federal and state securities laws. Statements about the Fund and its expected financial position, business and financing plans are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "pro forma," "anticipates," "intends," "projects," or other variations or comparable terminology, or by discussions of strategy or intentions. Although the Fund believes that the expectations reflected in its forward-looking statements are reasonable, the Fund cannot assure any Investor that the Fund's expectations will prove to be correct. Forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks, uncertainties and other factors. Accordingly, prospective Investors should not consider the Fund's forward-looking statements as predictions of future events or circumstances. A number of factors could cause the Fund's actual results, performance, achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by the Fund's forward-looking statements. These factors include, but are not limited to: changes in economic conditions in general and in the Fund's business; changes in prevailing interest rates and the availability of and terms of financing to fund the Fund's business; changes in the Fund's capital expenditure plans; and other factors discussed in this Offering Circular. Given these uncertainties, prospective Investors should not rely on the Fund's forward-looking statements in making an investment decision. The Fund disclaims any obligation to update Investors on any factors that may affect the likelihood of realization of the Fund's expectations. All written and oral forward-looking statements attributable to the Fund, including statements before and after the date of this Offering Circular, are deemed to be supplements to this Offering Circular and are incorporated herein and are expressly qualified by these cautionary statements.

Although the Fund believes that the forward-looking statements are reasonable, prospective Investors should not place undue reliance on any forward-looking statements, which speak only as of the date made. Prospective Investors should understand that the factors discussed under "**RISK FACTORS**" could affect the Fund's future results and performance. This could cause those results to differ materially from those expressed in the forward-looking statements.

TABLE OF CONTENTS

| | |
|--|-----|
| SUMMARY OF THE OFFERING..... | 1 |
| RISK FACTORS | 2 |
| HISTORY AND OPERATIONS | 5 |
| The Church | 6 |
| The Revolving Building Trust | 7 |
| The Fund..... | 7 |
| USE OF PROCEEDS | 7 |
| FINANCING AND OPERATING ACTIVITIES..... | 7 |
| Outstanding Certificates | 8 |
| Senior Secured Indebtedness | 8 |
| Sales of Certificates | 8 |
| Impact of COVID-19..... | 9 |
| OUTSTANDING LOANS | 9 |
| Maturity Information – Outstanding Certificates and Outstanding Loans..... | 10 |
| THE FUND’S LENDING ACTIVITIES | 11 |
| Loan Policies | 11 |
| Loan Processing..... | 11 |
| Loan Delinquencies | 12 |
| Loan Loss Reserve..... | 12 |
| INVESTING ACTIVITIES | 12 |
| Liquidity Reserves..... | 12 |
| Investments..... | 12 |
| Investment Management..... | 13 |
| SELECTED FINANCIAL DATA | 13 |
| Five Year Comparison of Financial Information | 13 |
| Summary of Operations and Selected Balances | 14 |
| Management Discussion and Analysis | 14 |
| DESCRIPTION OF THE CERTIFICATES | 15 |
| Description of Fixed Rate Certificates..... | 16 |
| Description of Individual Retirement Account (IRA) Certificates | 17 |
| Description of Demand Certificates | 17 |
| Description of Retirement Advantage Certificates | 18 |
| PLAN OF DISTRIBUTION..... | 19 |
| TAX ASPECTS | 19 |
| LITIGATION..... | 19 |
| MANAGEMENT AND GOVERNANCE | 19 |
| Conflicts of Interest | 21 |
| EVENTS OF DEFAULT | 21 |
| AUDITED FINANCIAL STATEMENTS | 21 |
| INVESTOR REPORTS | 21 |
| LEGAL MATTERS | 21 |
| INDEPENDENT AUDITORS’ REPORT..... | 22 |
| AUDITED FINANCIAL STATEMENTS | |
| Balance Sheets | 23 |
| Statements of Activities..... | 24 |
| Statements of Cash Flows..... | 25 |
| Notes to Financial Statements | 27 |
| Appendix - Definitions | “A” |

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SUMMARY OF THE OFFERING

This summary is provided for the convenience of potential Investors. It must be read in conjunction with, and is qualified in its entirety by, the more complete statements made in this Offering Circular, including the Audited Financial Statements. In particular, potential Investors are urged to review the discussion under the heading “RISK FACTORS.” Certain capitalized terms referred to herein are defined elsewhere in this Offering Circular and in Appendix “A” entitled “Definitions.”

1. **Issuer.** The Fund, the Issuer of the Certificates, is an Illinois not for profit corporation affiliated with the Church. The Fund’s principal offices are located at 2002 S. Arlington Heights Road, Arlington Heights, Illinois 60005. See “HISTORY AND OPERATIONS” herein.

2. **Description of the Certificates.** The Fund is offering unsecured debt securities in the form of Certificates at various interest rates, which are evidenced by Investment Confirmations and periodic statements specifying the value of the investment. The Certificates, which provide general obligation financing for the Fund, are not secured by particular loans to specific borrowers. The Certificates offered are: the Fixed Rate Certificates of terms of one (1) year to five (5) years, which include the 5-Year Cornerstone Kids Certificates, as may be offered by the Fund from time to time; the Demand Certificates; the IRA Certificates; and the Retirement Advantage Certificates. The Fixed Rate Certificates earn a fixed rate of interest as determined at the date of issuance. The Fund is also offering the Demand Certificates which earn a rate of interest that is adjustable weekly and which may be redeemed by the holder upon thirty (30) days’ notice to the Fund. The IRA Certificates are available for investment in the holder’s IRA and earn a variable rate of interest that is adjustable semi-annually. Retirement Advantage Certificates are available to church retirement plans as an investment vehicle for plan assets and earn a variable rate of interest that is adjustable quarterly. As of December 31, 2020, the Fund’s total outstanding Certificates equal \$248,647,507. See “DESCRIPTION OF THE CERTIFICATES” herein.

3. **Risk Factors.** The purchase of the Certificates is subject to certain described risks. See “RISK FACTORS” herein which Investors are urged to read carefully.

4. **Use of Proceeds.** The proceeds of this offering will be added to the Fund’s general funds and used primarily to make loans to member churches to be used for the construction, renovation and acquisition of church facilities. Loans are also made to other Church-affiliated entities. See “USE OF PROCEEDS” herein.

5. **Loans.** The Fund makes loans primarily to district conferences, member churches and other Church-affiliated entities. The loans are typically issued for fifteen (15) or twenty (20) year terms, and are generally secured by a first mortgage on real estate of the borrower. As of December 31, 2020, the Fund had \$237,110,203 in 174 loans outstanding, which is net of the allowance for doubtful accounts. See “THE FUND’S LENDING ACTIVITIES” herein.

6. **Management.** The affairs of the Fund are managed by its Board of Directors that meets six times per year. The day-to-day operations of the Fund are the responsibility of its executive officers. The members of the Board of Overseers of the Church are the corporate members of the Fund who elect the directors of the Fund. See “MANAGEMENT AND GOVERNANCE” herein.

7. **Summary of Financial Information.** The following selected financial information of the Fund is as of the five (5) most recent fiscal years.

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|---------------|---------------|---------------|---------------|---------------|
| Cash and investments | \$ 55,067,191 | \$ 42,674,931 | \$ 49,012,524 | \$ 62,331,110 | \$ 61,491,187 |
| Total loans receivable: | 240,436,594 | 222,733,892 | 203,251,632 | 192,144,162 | 192,877,955 |
| Amount of unsecured loans receivable: | - | - | - | - | - |
| Percent of unsecured loans receivable: | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Total Assets: | 293,369,425 | 263,006,981 | 249,825,369 | 252,258,924 | 252,238,585 |
| Total Certificates payable: | 248,647,507 | 222,488,019 | 213,933,990 | 216,172,083 | 220,623,907 |
| Amount of Certificates redeemed: | 39,546,688 | 30,015,074 | 44,635,882 | 41,291,229 | 27,142,984 |
| Net Assets: | 43,791,301 | 39,568,951 | 35,048,323 | 35,366,858 | 30,955,426 |
| Change in Net Assets: | 4,222,350 | 4,520,628 | (318,535) | 4,411,432 | 3,329,030 |
| Loan Delinquencies as percent of loans receivable: | 2.5% | 1.1% | 10.6% | 4.4% | 3.1% |

RISK FACTORS

The purchase of the Certificates offered herein involves a number of risks. In addition to the factors set forth elsewhere in this Offering Circular, prospective Investors should carefully consider the following risk factors.

Unsecured Obligations

1. The Certificates are unsecured obligations of the Fund. Therefore, principal repayments and interest payments on the Certificates will be dependent solely upon the financial condition and strength of the Fund. Additionally, no sinking fund or trust indenture has been or will be established by the Fund to provide for the repayment of the Certificates, and no other party, including the Church or any entity associated with the Church (except for the Fund), is obligated to repay the Certificates.

Non-transferability

2. The Certificates cannot be transferred without the written consent of the Fund. In addition, conditions on transfer of the Certificates may be imposed under the securities laws of certain states. There is no quoted market for the Certificates, and it is unlikely that such a market will develop. Therefore, Investors should view the purchase of a Certificate as an investment for the Certificate's full term.

Payment of Principal and Interest due on Certificates

3. Although the Fund's historical annual net cash flows from operating activities have generally exceeded the interest requirements on its outstanding Certificates, such cash flows alone would not have been sufficient to meet all of the principal requirements on its outstanding Certificates. The Fund is, therefore, dependent upon principal repayments on its outstanding loans and cash receipts from the sale of its Certificates to meet current requirements for the repayment of principal on its maturing obligations. To the extent that the amount of redemptions may increase in the future as a result of an increase in outstanding Certificates without a corresponding increase in cash flow and liquid reserves, it could have an adverse impact upon the ability of the Fund to redeem Certificates.

State and Federal Securities Laws

4. Changes in state and/or federal laws, rules or regulations regarding the sale of securities by religious, charitable or other non-profit organizations may make it more costly and difficult for the Fund to offer and sell its Certificates in some or all states in the future. Such an occurrence could result in a decrease in the amount of Certificates sold by the Fund. To the extent that the Fund is dependent upon the proceeds from future sales of its Certificates to make principal and interest payments on its outstanding indebtedness, a substantial decrease in such sales could affect its ability to meet its obligations.

Early Redemption of Certificates

5. Interest rates may fluctuate in the future. Investors should be aware that if commercial interest rates rise, the Fund is not legally obligated to redeem a Certificate prior to its maturity. Early redemption of Certificates may be allowed, but in such cases a penalty will be assessed. However, the Fund has the right to call any and all Certificates issued prior to maturity, without penalty or premium, upon sixty (60) days written notice to the holders thereof and payment of the full amount of principal, together with the interest accrued to the date of redemption. See "DESCRIPTION OF CERTIFICATES - Description of Fixed Rate Certificates" herein.

Churches as the Borrowing Entities

6. The Fund's loans are made primarily to affiliated member churches, regional districts, and other Church-affiliated entities, some of which might not be able to secure commercial financing from a bank or other financial institution for reasons which may include, but are not limited to, insufficient equity, insufficient revenues or a congregation which is not established. The vast majority of loans are made to member churches. In most instances, the ability of member churches to repay their loans will depend upon the contributions they receive from their members. To the extent that a member church experiences a reduction in membership or contributions, it could adversely impact the member church's ability to repay a loan made by the Fund.

Loan Policies and Loan Delinquencies

7. The relationship of the Fund to its borrowers and Loan Delinquencies cannot be compared to that of a normal commercial lender. Recognizing the relationship to its borrowers, the Fund's loan eligibility and approval criteria may be more flexible than might be applied by a normal commercial lender. In addition, in view of the relationship to its borrowers, the Fund may be willing to renegotiate the terms of loans and, accordingly, the timing and amount of collections on such loans may be

modified. See “THE FUND’S LENDING ACTIVITIES” herein. As of December 31, 2020, 2019, and 2018, the Fund had loans that were delinquent more than ninety (90) days as to payment of principal and/or interest having a total principal balance of \$5,977,424, \$2,378,311, and \$21,562,155, respectively, representing approximately 2.5%, 1.1%, and 10.6%, respectively, of the Fund’s aggregate principal balance on loans outstanding, and the total amount of interest and principal payments owing and delinquent on such loans was \$649,257, \$386,286, and \$4,621,983, respectively. The Fund has been working with the borrowers with regard to these delinquent loans and, as of the date of this Offering Circular, partial payments, or full payments under modified repayment terms, are being received with respect to all of these delinquent loans. The Fund believes that the foregoing steps taken to work with these borrowers, including those to receive partial payments or full payments under modified repayment terms, will enable the Fund to maintain adequate capital adequacy, liquidity and cash flow. See “THE FUND’S LENDING ACTIVITIES - Loan Delinquencies” herein. Significant increases in Loan Delinquencies could impair the ability of the Fund to pay Certificates when due.

Repayment Upon Certificate Maturity

8. A portion of the Fund’s Certificates have a maturity of one year or less or, as in the case of the Demand Certificates, have no fixed maturity. For the years ending December 2016 through December 2020, 74%, 74%, 60%, 80%, and 74%, respectively, of the Fund’s Fixed Rate Certificates were renewed or reinvested at maturity for an additional term. To the extent that demands for repayment upon maturity of the Fund’s Certificates may exceed prior experience and to the extent that the availability of funds from sources other than operating income is reduced, such factors may have an adverse effect on the Fund’s financial condition. The amount of Certificates maturing in calendar year 2021, inclusive of Demand Certificates, equals \$154,570,240. See “FINANCING AND OPERATING ACTIVITIES - Maturity Information” herein and Note 5 of the Audited Financial Statements herein.

Marketability of Loan Collateral

9. A church may be a single purpose building and in the event of a default on a loan made by the Fund, the marketability of a specific church’s real estate and improvements thereon may be limited. In addition, fluctuations in property values may result in a loan loss to the Fund in the event of a foreclosure action.

Certificates are a General Obligation of the Fund

10. The Certificates are issued on a parity basis and are a general obligation of the Fund. As such, there is no specific pledge of collateral in connection with the repayment of a Certificate. However, the Fund has the authority to create and issue new securities, or to obtain a line of credit, secured by a first lien on its assets, from time to time, at such rates and on such terms as its Board of Directors deems advisable. Notwithstanding the foregoing, it is the Fund’s policy that any debt or debt securities incurred or issued by the Fund, including any line(s) of credit, and secured by the tangible assets of the Fund in such a manner as to have a priority claim against any of the tangible assets of the Fund over and above the Certificates (“Senior Secured Indebtedness”) shall not exceed ten percent (10%) of the total assets of the Fund. As of December 31, 2020, the Fund had no such senior secured indebtedness.

Tax Considerations

11. Investors in the Certificates will recognize neither gain nor loss for Federal income tax purposes, nor will they receive a charitable deduction upon the purchase of a Certificate. Interest paid or payable on Certificates is taxable as ordinary income regardless of whether interest is received by the Investor or retained and compounded by the Fund. Furthermore, the Fund is required to comply with applicable reporting and/or withholding requirements. If interest paid on a Certificate is below market interest, the Internal Revenue Service may impute interest income up to the market interest level. See “TAX ASPECTS” herein.

Continuance of Existence

12. The Fund is not obligated to continue offering Certificates or to continue its current operations or its existence as a not for profit entity. Any such change in its operations or status could have a negative impact on its ability to repay the Certificates.

Church Liabilities

13. Although the Fund is a separate corporation and believes it has taken all legal steps to insure that the debts and liabilities incurred by it are independent of the financial structure of the Church and its other affiliated entities, because of the Fund’s relationship with the Church, it is possible that creditors of the Church could seek to hold the Fund liable for debts of the Church. It cannot be assured that unforeseen or future liabilities of the Church will not exceed its assets, or that creditors of the

Church would not seek payment from the Fund for any unsatisfied obligations of the Church. Such an occurrence could have an adverse impact on the financial condition of the Fund and its ability to repay the Certificates.

Geographic Concentration of Loans

14. There are risks related to geographic concentration of loans to member churches or other Church-affiliated entities within a limited region, such that changes in economic conditions of that region could affect the ability of the borrowers, as a group, to repay the loans. As of December 31, 2020, the Fund had \$240,436,594 in 174 mortgage loans outstanding. Although the Fund has no geographic restrictions on where the loans are made other than where member churches or other Church-affiliated entities are located, aggregate loans equal to or in excess of five percent (5%) of total balances of loans outstanding are located in the following states:

| State | Number of Loans | Principal Amount Outstanding | Percentage of Portfolio |
|--------------|-----------------|------------------------------|-------------------------|
| Arizona | 12 | \$ 62,570,492 | 26% |
| Colorado | 11 | 27,730,209 | 12% |
| Illinois | 18 | 25,866,344 | 11% |
| Minnesota | 23 | 23,740,141 | 10% |
| California | 17 | 15,235,665 | 6% |
| Washington | 12 | 13,992,635 | 6% |
| Maryland | 11 | 12,585,534 | 5% |
| Total | 104 | \$ 181,721,020 | 76% |

Thus, 76% of the Fund’s aggregate principal balance on its loans is attributable to borrowers located in seven (7) states.

Market Risk

15. The Fund’s liquid assets invested in readily marketable securities are subject to various market risks which may result in losses if market values of investments decline.

Risks May be Greater than Implied by Rates; Certificates are Uninsured

16. The risks of investment in the Certificates may be greater than implied by relatively low interest rates on the Certificates. The Certificates are not insured by any governmental agency or private insurance company, including the FDIC, the SIPC, any state bank or insurance fund or any other governmental agency.

Environmental Factors

17. There is potential environmental liability associated with the loans made by the Fund. With respect to all new loans, the Fund requires environmental surveys, unless the property serving as collateral for the loan is low risk for environmental problems or a recent environmental survey is on file with the Fund. If environmental contamination is found on or near the property securing a loan, the Fund’s security for the loan could be impaired due to an adverse effect on the value or marketability of the collateral. In addition, changes in environmental regulations could require the borrower to incur substantial unexpected expenses to comply with such regulations, and this could impair both the value of the collateral and the borrower’s ability to repay the loan.

Construction Loan Risks

18. In such cases where a loan is used for construction, the borrower may be subject to risks associated with such construction, which could have an adverse effect on a borrower’s ability to repay its loan. Construction risks may include, without limitation, cost overruns, completion delays, errors and omissions in construction documents, lack of payment and performance bonds or completion bonds, all of which may have a significant impact on the cost of the new construction, or the borrower’s ability to complete the project in accordance with the construction documents.

Liquidity

19. The Fund’s Fixed Rate Certificate terms range from one (1) year to five (5) years. The Fund utilizes the Certificate proceeds, in part, to fund loans that mature typically between 15 and 20 years. The Fund is dependent in part upon its loan repayments to fund redemption of its Certificates. In addition, new Certificate sales are necessary, on a cash-flow basis, to fund repayment of maturing Certificates. For the years ending December 2016 through December 2020, 74%, 74%, 60%, 80%, and 74%, respectively, of the Fund’s Fixed Rate Certificates were renewed or reinvested at maturity for an additional term. There

are no assurances, however, that this level or any other level of renewal will continue. The Fund has a policy which requires it to maintain at all times cash, certificates of deposit, mutual funds, and/or investment securities having an aggregate market value equal to at least eight percent (8%) of the aggregate principal balance of the Fund's outstanding Certificates. As of December 31, 2020, 2019, and 2018, the Fund's cash and liquid reserves were \$50,860,928, \$39,433,498, and \$45,864,780, respectively, representing 20.5%, 17.7%, and 21.4%, respectively, of the Fund's outstanding Certificates payable at such dates, respectively. In the event that the Fund experiences significant adverse fluctuations in (i) loan repayments; (ii) new Certificate sales; (iii) Certificate renewals; and/or (iv) cash and liquid reserves, such fluctuations could have an adverse impact on the Fund's ability to repay maturing Certificates.

Contribution of Net Operating Income to the Church

20. As described in Note 6 to the Fund's audited financial statements, the Board of Directors of the Fund has established a policy to contribute a portion of the Fund's net operating income to the Church. Such contributions are discretionary on the part of the Board of Directors, and the Board of Directors annually evaluates whether it is prudent to make a contribution considering the Fund's current financial condition and anticipated operating results and, if a contribution is to be made, in what amount. To the extent that the Fund makes a contribution to the Church, such contribution will reduce the net assets of the Fund.

Financial Results

21. The Fund had a positive change in net assets in four of the five prior years, as follows: \$4,222,350 in 2020, \$4,520,628 in 2019, \$(318,535) in 2018, \$4,411,432 in 2017 and \$3,329,030 in 2016. If the Fund were to experience significant negative changes in net assets in future years, the Fund's ability to repay maturing Certificates could be adversely affected. See "SELECTED FINANCIAL DATA" herein.

Material Loans

22. As of December 31, 2020, the Fund had three (3) churches with loans that equal or exceeded 30% of the total net assets of the Fund. The outstanding aggregate principal balance of these churches' loans, as of December 31, 2020, was \$48,026,338. These loans were not delinquent as of December 31, 2020. If the Fund experiences any significant losses on these loans, the Fund's resulting financial condition could adversely affect its ability to repay Certificates. See "Loan Policies" on page 11.

Coronavirus

23. In December 2019, a novel strain of Coronavirus (COVID-19) was reported in Wuhan, China. The World Health Organization declared the outbreak to constitute a "Public Health Emergency of International Concern." By March 2020, the COVID-19 outbreak reached every state in the United States. Public and governmental reaction to the outbreak has, among other things, resulted in the limiting of mass gathering of individuals, the closing of retail locations, and the disruption of supply chains, production and sales across a range of industries. Churches and schools, which are the Fund's primary borrowing entities, have also been affected. The extent of the impact of the COVID-19 outbreak on the Fund's operational and financial performance will depend on certain developments, including the duration of the outbreak, governmental reaction and mandates, and the impact on the Fund's investors, borrowers, and employees, all of which are uncertain and cannot be predicted. To date, the Fund has not experienced anything due to the impact of COVID-19 that would have a material effect on the Fund's operational or financial performance. See "Impact of COVID-19" on page 9.

HISTORY AND OPERATIONS

The Fund was incorporated as an Illinois not for profit corporation in November of 1989 for the purpose of making loans to the member churches, district conferences and other affiliated entities of the Church. The principal source of funds to make these loans is the sale of debt securities by the Fund to members of, contributors to, participants in and affiliates of the Church Denomination and its member churches. The Certificates are not specifically secured by particular loans to specific borrowers. Prior to December of 1989, the activities of the Fund were carried out by the Home Missions Revolving Building Trust of the Church (the "Revolving Building Trust"). The Fund's business address is 2002 South Arlington Heights Road, Arlington Heights, IL 60005, and its telephone number is (877) 228-8810. The Fund currently offers Certificates to Investors residing in 45 states.

The Church is recognized as exempt from Federal taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as an organization described in Section 501(c)(3) of the Code. The Church was issued a group

exemption ruling letter evidencing such exemption in March of 1972 by the Internal Revenue Service, and the Church has authorized the inclusion of the Fund in its group exemption.

The Church

The Church is a religious Denomination whose primary purpose and mission is to start new member churches and to strengthen and assist existing member churches and church members through various ministry services. Through the efforts of the Church's International and National Ministries, new churches are started in the United States and its territories in conjunction with district conferences, as well as in thirty-seven (37) other countries. Existing churches are assisted through Church support services, financial and otherwise, and individual church members are strengthened and nurtured through the Church's programs of church and pastoral services. In addition, the Church is affiliated with Bethel University, which is comprised of a liberal arts college and seminaries (Bethel University and Bethel Theological Seminary located in St. Paul, Minnesota; and Bethel West Seminary located in San Diego, California).

The Church had its beginnings in 1852, with the establishment of the First Swedish Baptist Church in Rock Island, Illinois. By 1879 the Church became a Denominational organization with the formation of The Swedish Baptist General Conference of America. The Church has had regular annual, now biennial, meetings since that time. In November of 1900, the Church was incorporated as an Illinois not for profit corporation.

The Church is a voluntary association of member churches, which subscribe to the Church's Affirmation of Faith and Purposes, and which practice Baptist principles of church government. Most member churches are also a part of smaller fellowships known as district conferences. These district conferences also subscribe to the Church's Affirmation of Faith and Purposes. All member churches and district organizations are separate and independent legal entities, and the Church has no direct control over the activities of member churches or district conferences. The mission and ministries of the Church are carried out through the voluntary cooperative efforts of member churches, district conferences and the Church's international office. The Church also cooperates with other mission compatible organizations to accomplish shared ministry objectives.

At the member church level, the Church has approximately 1,491 affiliated churches throughout the United States with approximately 400,000 individual members. At the district conference level, the Church has eleven (11) affiliated district conferences in the United States. These are regional districts, some of which encompass a single state. Each of the district conferences is a separate, distinct, and autonomous not-for-profit corporation. Generally, the purpose of the district conferences is to develop new churches, aid in pastoral placement, and assist congregations and pastors. The final authority in matters relating to its own district work is maintained by each separate district. The functions of each district conference are related primarily by a common religious identification and through a common moral and religious purpose. A spirit of cooperation among the districts is enhanced by periodic meetings of the District Executive Ministers Council, which is comprised of the executive leadership of all district conferences.

At the national level, the Church membership meets at its biennial meeting to make major corporate decisions, discuss issues of importance to the Denomination, elect board members, and approve the selection of key employees. All members of the member churches may attend biennial meetings and discuss the issues presented, but only the voting delegates representing member churches may vote upon the issues presented. At the biennial meeting, the membership receives reports on the work of the Denomination and considers issues governing the Denomination and its religious purposes and objectives.

The voting delegates at the biennial meeting elect members of the Board of Overseers of the Church. The voting delegates also elect the President of the Church and the Vice Presidents of the Church Ministry Divisions. The voting delegates meet biennially as the member of Bethel University to elect the Board of Trustees of Bethel University, its President and chief executive officers (including Vice President/Provost of Bethel Seminary and Bethel University) and confirm the appointment of the full-time faculty members at the seminaries.

The responsibility for the management of the Church rests with its Board of Overseers. To assist in fostering a cooperative effort between member churches, district conferences and the Church, each district conference is represented on the Board of Overseers, and each board member must also be a member in good standing of a church affiliated with the Church.

The Revolving Building Trust

The Revolving Building Trust was established by the Church on September 1, 1954, for the purpose of making loans to member churches and affiliated district conferences to assist in financing their building and capital improvement projects. The Revolving Building Trust was created by virtue of a Trust Agreement executed by and between the Church and an independent Trustee. The Revolving Building Trust supplemented a smaller loan fund that had been administered by the Church's Home Missions Department, and was, in fact, initially funded by assets transferred from that Home Missions loan fund. The Fund was created for the purpose of taking over the operations of the Revolving Building Trust.

The Fund

The Fund was established in November 1989, as an Illinois not for profit corporation, the membership of which consists of the members of the Board of Overseers of the Church, who elect the Board of Directors of the Fund. It was determined that the interests of the Church and of the investors of the Revolving Building Trust could be better served by a separate corporation, and thus, all of the assets of the Revolving Building Trust were assigned to the Fund in December of 1989 and January of 1990. The Fund assumed all of the liabilities of the Revolving Building Trust, and reissued certificates that had been obligations of the Revolving Building Trust as obligations of the Fund.

THE DEBTS AND LIABILITIES INCURRED BY THE FUND ARE INDEPENDENT OF THE FINANCIAL STRUCTURE OF THE CHURCH AND ANY OTHER CHURCH-AFFILIATED ENTITY, INCLUDING, BUT NOT LIMITED TO, MEMBER CHURCHES AND DISTRICT CONFERENCES; THUS, SUCH ENTITIES WILL HAVE NO LEGAL OBLIGATION WITH RESPECT TO REPAYMENT OF PRINCIPAL OR PAYMENT OF INTEREST ON THE CERTIFICATES.

USE OF PROCEEDS

Proceeds received from the sale of the Certificates will be added to the Fund's general funds. The general funds are used to make loans to member churches, district conferences and other Church-affiliated entities, primarily for the purpose of financing capital improvement projects, including the purchase of facilities, the construction of new church facilities and the remodeling of existing church facilities. See "HISTORY AND OPERATIONS" herein. The proceeds may, however, be invested in certain marketable securities or investment accounts pending their utilization for the Fund's activities, and upon consideration of the current loan demand. See "INVESTING ACTIVITIES - Investments" herein. As of the date of this Offering Circular, the Fund has not committed all of the proceeds to be derived from this offering for any specific projects. In the normal course of its operations however, the Fund is continuously making loan commitments based upon the availability of funds. The proceeds of this offering may be utilized to fund some portion of these loan commitments.

No underwriters are participating in this offering, and no underwriting discounts or commissions will be paid in connection with the sale of the Certificates. Sales of the Certificates will be effected solely through certain officers of the Fund. All expenses of this offering, including copying, mailing, attorneys' fees, accountants' fees, and securities registration fees, will be borne by the Fund, and are not expected to exceed two-tenths of one percent (0.2%) of the offering.

The Fund's sale of the Certificates is primarily related to its need for loan funds and its desire to maintain reasonable liquidity. The Fund does not presently require, nor does it anticipate that it will require, any proceeds of this offering to meet the interest or principal payments on its outstanding Certificates. Further, it is anticipated that all interest and principal due on Certificates, as well as operating expenses, will be charged against the Fund's unrestricted net assets and not against Certificate proceeds, although the cash flow from Certificate proceeds may, in fact, be used to pay interest, principal, or operating expenses to the extent that cash flow from other sources is insufficient.

FINANCING AND OPERATING ACTIVITIES

The repayment of principal and the payment of interest on the Certificates is dependent upon the financial condition of the Fund and the monies available to it. The primary source of funds available to the Fund includes receipts from the sales of new Certificates, and from cash flow generated from the Fund's outstanding loans and from its other investments. In prior years, the Fund has been able to meet principal and interest requirements on its outstanding Certificates from its available funds.

Throughout the history of the Revolving Building Trust and the Fund there has never been a default in payment of principal or interest to an Investor. See “FINANCING AND OPERATING ACTIVITIES - Maturity Information – Outstanding Certificates and Outstanding Loans” herein. The following is a description of the Fund’s sources of funds and financial condition.

Outstanding Certificates

The Fund’s primary means of obtaining the funds necessary to conduct its operations is through the receipt of proceeds from the sale of its Certificates. Rates of interest on the Fund’s currently outstanding Certificates range from 1.0% to 6.0%.

The following is a description of the outstanding Certificates of the Fund as of December 31, 2020:

| | Number of Certificates | Weighted Average Interest Rate | Aggregate Principal Balance |
|--|------------------------|--------------------------------|-----------------------------|
| IRA Certificates, Demand Certificates and Fixed Rate Certificates of 6-Month to and including 5-Year Terms bearing interest at 1.0% - 6.0% inclusive | 8,100 | 2.32% | \$ 248,647,507 |

See Note 5 of the Audited Financial Statements herein which sets forth outstanding Certificates of the Fund as of December 31, 2020, by term and year of maturity.

All of the Fund’s outstanding Certificates were sold at par for cash, and no financing terms were offered. Upon expiration of the term of an outstanding Certificate, an Investor may redeem his or her Certificate for the outstanding balance plus accrued interest or may reinvest the proceeds at the terms then offered by the Fund. The Fund has the right to call any and all Certificates issued without penalty or premium upon sixty (60) days written notice to the holders thereof by paying the full amount of the principal, together with the interest accrued to the date of redemption. The Fund is not required to redeem a Fixed Rate Certificate prior to its maturity; however, in the past, the Fund has redeemed such Certificates prior to maturity in its discretion and at the request of an Investor. In such cases, the Investor will be subject to an early redemption penalty as described in the section entitled “DESCRIPTION OF THE CERTIFICATES - Description of Fixed Rate Certificates” herein. No assurance can be given, however, that the Fund will be willing or able to make early redemptions upon request in the future, and there is no legal obligation of the Fund to do so.

Senior Secured Indebtedness

The Certificates are issued on a parity basis with one another and with respect to all other outstanding debt securities previously issued by the Fund, and are a general obligation of the Fund. Senior Secured Indebtedness is any debt or debt securities incurred or issued by the Fund, including any line(s) of credit, and secured by assets of the Fund in such manner as to have a priority claim against any of the assets of the Fund over and above the Certificates. The Fund’s Board of Directors has adopted a policy that the Fund will not incur or issue Senior Secured Indebtedness in an amount which exceeds ten percent (10%) of the tangible assets of the Fund. As of December 31, 2020, the Fund had no Senior Secured Indebtedness.

Sales of Certificates

In the calendar year ended December 31, 2020 the Fund sold \$114,424,087 of its Certificates, of which \$60,860,569 (not including interest which accrued and was compounded) was attributable to new sales (“New Sales”) and \$53,563,518 was attributable to reinvestment by holders of the outstanding principal (\$48,717,911) and interest (\$4,845,607) on matured Certificates on such terms as were applicable at the time of reinvestment. Payments by the Fund to redeem Certificates in the calendar year ended December 31, 2020 totaled \$39,546,688.

The Converge Foundation (the “Foundation”) is a separate Illinois not for profit corporation created by the Church in 1973 to receive and administer funds for charitable, educational, missionary, Denominational and religious purposes which will further such objectives of the Church. The Foundation held Fund Certificates in the amount of \$443,508 as of December 31, 2020. The Church also holds investments in the Fund as part of its short term investment portfolio. As of December 31, 2020,

the Church held Fund Certificates in the amount of \$4,721,393. In addition, the Converge Retirement Plan held a Fund Retirement Advantage Certificate (RAC) in the amount of \$3,207,003. Together, the Foundation, Church and Retirement Plan held approximately 3.37% of the Fund's total outstanding Certificates, as more fully disclosed in Notes 5 and 6 of the Audited Financial Statements herein.

Impact of COVID-19

As a result of the impact of COVID-19, although the Fund's borrowers have, for the most part, fared well, several churches experienced financial stress early in the pandemic due to government mandated shutdowns and, consequently, having to manage doing church in an on-line format, then in an online/in-person format as states began to open up. Many of these churches soon got back on track and made necessary adjustments to their budgets. Churches that are in states with more restrictive gathering rules are still struggling.

The Fund's response to the financial stress of the churches was to allow for payment reduction for a period of time (3-6 months). The Fund expected a minimum of interest only but pushed for interest plus a bit of principal to be paid as feasible. After the period of 3-6 months, required payments would revert to the pre-COVID-19 required payment. Many of the churches with negotiated payment reductions were back to regular payments by the end of August 2020. The Fund will likely continue this type of response with its borrowers which balances the current cash-flow needs of the borrowing church with the interests of the Fund's investors. As of December 31, 2020, of 174 total loans outstanding, the Fund had seventeen (17) loans that were still modified due to the impact of COVID-19. The loan modifications made related to COVID-19, as described above, did not meet the definition of troubled debt restructurings. See Note 4 of the Audited Financial Statements herein.

As the COVID-19 pandemic continues, the Fund is seeing some positive news in the mortality rate of those with the disease and in the treatments and response from the medical community in developing and administering a vaccine. It is anticipated that churches will continue to meet in some form and will continue to make payments on their loans. To date, the Fund has not experienced anything due to the impact of COVID-19 that would have a material effect on the Fund's operational or financial performance.

OUTSTANDING LOANS

At December 31, 2020, loans to churches and Church-affiliated entities, in most cases secured by real property, bearing interest between 3.5% and 7.00% inclusive are summarized as follows:

| Number of Loans | Weighted Average Interest Rate | Loans Receivable |
|-----------------|--------------------------------|------------------|
| 174 | 4.82% | \$240,436,594 |

The following is a description of loan fund activity in the Fund for the three-year period ending December 31, 2020:

| | December 31, 2020 | December 31, 2019 | December 31, 2018 |
|---------------------------|-------------------|-------------------|-------------------|
| Income from interest | \$ 11,075,617 | \$ 10,041,984 | \$ 9,245,718 |
| Loan principal repayments | \$ 19,685,800 | \$ 13,815,762 | \$ 13,530,526 |
| Loans made | \$ 37,538,212 | \$ 33,106,758 | \$ 23,997,423 |

For the calendar year ending December 31, 2020, the Fund's aggregate principal balance on its loans increased \$17,702,702 to \$240,436,594.

See Note 4 of the Audited Financial Statements herein for further detail of loans receivable for years ending December 31, 2020, December 31, 2019, and December 31, 2018, and for information regarding estimated maturities of loans for the next five (5) years and the aggregate thereafter.

Maturity Information – Outstanding Certificates and Outstanding Loans

The following is a summary of maturity dates of the outstanding Certificates of the Fund at years ending December 31, 2020, December 31, 2019, and December 31, 2018:

| Maturity of Certificates | December 31, 2020 | December 31, 2019 | December 31, 2018 |
|--|-------------------|-------------------|-------------------|
| 0 to 1 year | \$ 119,248,333* | \$ 88,768,426** | \$ 90,229,048*** |
| 1 to 2 years | \$ 31,752,948 | \$ 51,261,863 | \$ 40,370,199 |
| 2 to 3 years | \$ 25,339,368 | \$ 27,200,544 | \$ 27,928,778 |
| 3 to 4 years | \$ 16,170,691 | \$ 13,479,693 | \$ 10,884,064 |
| 4 to 5 years | \$ 20,814,260 | \$ 5,804,376 | \$ 9,199,646 |
| IRA Certificates | \$ 35,321,907 | \$ 35,973,117 | \$ 35,322,255 |
| Totals | \$ 248,647,507 | \$ 222,488,019 | \$ 213,933,990 |
| * Includes Demand Certificates in the amount of \$47,876,071 (excludes IRA Certificates) | | | |
| ** Includes Demand Certificates in the amount of \$30,777,387 (excludes IRA Certificates) | | | |
| *** Includes Demand Certificates in the amount of \$28,711,879 (excludes IRA Certificates) | | | |

The following is a summary of the maturity dates of the Fund's outstanding loans at years ending December 31, 2020, December 31, 2019, and December 31, 2018:

| Loans Maturing | December 31, 2020 | December 31, 2019 | December 31, 2018 |
|----------------|-------------------|-------------------|-------------------|
| 0 to 1 year | \$ 4,652,328 | \$ 9,921,201 | \$ 8,894,779 |
| 1 to 2 years | \$ 12,155,241 | \$ 10,254,896 | \$ 9,420,380 |
| 2 to 3 years | \$ 12,083,105 | \$ 9,504,797 | \$ 10,041,010 |
| 3 to 4 years | \$ 12,623,209 | \$ 9,600,441 | \$ 10,347,472 |
| 4 to 5 years | \$ 13,041,006 | \$ 9,816,362 | \$ 10,670,842 |
| Over 5 Years | \$ 185,881,705 | \$ 173,636,195 | \$ 153,877,149 |
| Totals | \$ 240,436,594 | \$ 222,733,892 | \$ 203,251,632 |

It has been the Fund's historical experience that only a portion of the principal balance of maturing Certificates is redeemed by holders. For the years 2018, 2019, and 2020, approximately 60%, 80%, and 74%, respectively, of the Fund's Fixed Rate Certificates reaching maturity were reinvested or extended. Conversely, a major portion of the principal balance on maturing loans each year is repaid. In 2020, the total investments in Demand Certificates increased \$17,098,684, and total investments in IRA Certificates decreased \$651,210.

The cash flows available to the Fund from operations and from receipt of principal repayments on loans prior to deduction of interest paid for years ending December 31, 2018, December 31, 2019, and December 31, 2020 totaled \$20,692,140, \$21,889,526, and \$27,875,973, respectively. For these same periods, Certificate repayments totaled \$44,635,882, \$30,015,074, and \$39,546,688, respectively, and interest payments on Certificates and other obligations totaled \$1,481,388, \$1,262,625, and \$1,271,772, respectively. Thus, of the cash flows available to the Fund from operations and from receipt of principal repayments on loans prior to deduction of interest paid, 100%, 100%, and 100%, respectively, for those periods, was applied to repayment of principal and interest on the Fund's outstanding Certificates. Approximately 30% of the amount required for Certificate repayments for the year ending December 31, 2020, was derived from sources other than the cash flows referenced above.

In the event that holders of matured Certificates do not extend their investments or reinvest funds in amounts as substantial as has been the Fund's historical experience, it may be necessary for the Fund to redeem a portion of its short-term investment portfolio or to obtain funds from other sources, including borrowing, to meet current cash needs.

It should be noted, however, that since its inception in 1954, the Revolving Building Trust, now operating as the Fund, has never missed a payment of principal or interest on any of its obligations.

THE FUND'S LENDING ACTIVITIES

The Fund intends to utilize the proceeds from this offering and from future offerings to make loans to member churches, district conferences and other Church-affiliated entities for use in their capital improvement projects. Pending such utilization of the funds, the Fund may invest such proceeds in interest-bearing obligations. See "INVESTING ACTIVITIES - Investments" herein.

Loan Policies

All loans made by the Fund are at interest rates that may be different than prevailing conventional mortgage market rates. The Fund currently has loans with interest rates ranging from 3.5% to 7.00%. On a construction loan, the initial interest rate is fixed upon final disbursement of loan proceeds. Typically, these loans are for a term of fifteen (15) or twenty (20) years, with the interest rate to be adjusted every three or five years pursuant to policies established by the Board of Directors of the Fund. Generally, loans made by the Fund must be secured by a first real estate mortgage or first deed of trust on the property of the borrower, and the loan-to-value ratio must not exceed 75% for improved property collateral and 50% for vacant real estate collateral. Particularly, at least ninety (90%) of the Fund's outstanding loans will be secured by real or personal property. On loans to borrowers where the Fund holds a prior first mortgage, a new loan may be secured by a second mortgage. As of December 31, 2020, 100% of the Fund's outstanding loans were secured by real or personal property or a guaranty by a third party. The Fund's Church Certificate Purchase Program may allow a borrowing church to fix the loan's interest rate upon approval of the loan provided the church agrees to take full disbursement of the loan at its inception, and purchase a Fund Certificate with the proceeds of the loan. Construction draws are subsequently funded through amounts held for investment in the Fund's Certificate.

It is the general policy of the Board of Directors of the Fund to limit loan amounts to a single borrower to an amount that does not exceed 30% of the total net assets of the Fund. However, the Fund may make exceptions to this policy upon such determinations as the borrower's exceptionally strong financial position and growth potential. As of December 31, 2020, the Fund had three (3) churches with loans that equal or exceeded 30% of the total net assets of the Fund. The outstanding aggregate principal balance of these loans, as of December 31, 2020, was \$48,026,338. These churches' loans were not delinquent as of December 31, 2020.

Loan Processing

The Fund receives requests for loans from member churches, district conferences, and other Church-affiliated entities at its headquarters in Arlington Heights, Illinois. After loan applications and accompanying documentation are properly filed, such applications are reviewed by the Fund's staff, which then accumulates and reviews pertinent information concerning the prospective borrowers in an effort to determine a prudent amount of indebtedness for the borrower to incur, and to realistically evaluate its ability to repay such indebtedness. The Board of Directors' prior approval is required for all new loans made by the Fund in excess of \$1,000,000, and all increases to existing loans in excess of \$500,000. In addition, the Fund may request information from the applicable district as to the member church's character and capacity to repay the loan.

With respect to all new loans, the Fund will require customary lender protections such as adequate surveys (unless, for example, a recent survey is on file), environmental surveys (unless the property is low risk for environmental problems or a recent environmental survey is on file), mortgagee's title insurance (or abstract searches and attorney opinion letters, depending on local practice and custom), adequate property insurance, and real estate appraisals for loans in excess of \$500,000. It is also the Fund's general policy that construction loans will be disbursed through a construction loan escrow. In addition, the mortgage and mortgage note executed in favor of the Fund contain an acceleration clause to the effect that in the event the borrower ceases its affiliation with the Church, the entire unpaid balance of principal and interest shall become immediately due and payable.

Loan Delinquencies

As of December 31, 2020, the Fund had eight (8) loans on which interest and/or principal were delinquent for ninety (90) days or more. These loans had an aggregate principal balance of \$5,977,424 or approximately 2.5% of the Fund's aggregate principal balance on loans outstanding. The total amount of interest and principal payments owing and delinquent on such loans was \$649,257. Due to the nature of the relationship with its borrowers, the Fund is willing to make accommodations with borrowers whose payments are not current, so long as such accommodations do not jeopardize the interests of the Fund's Investors.

The following table shows a three-year detail in connection with Loan Delinquencies:

| | 2020 | 2019 | 2018 |
|---|--------------|--------------|---------------|
| Total Loans Outstanding | 174 | 178 | 172 |
| Total Delinquent-90 days or more | 8 | 4 | 10 |
| Principal Balance-Delinquent | \$ 5,977,424 | \$ 2,378,311 | \$ 21,562,155 |
| Delinquent Loan Amount to Aggregate Loans | 2.5% | 1.1% | 10.6% |
| Principal & Interest Delinquent | \$ 649,257 | \$ 386,286 | \$ 4,621,983 |

Of the Loan Delinquencies described above, as of December 31, 2020, the Fund had one (1) loan that was also considered impaired, with an aggregate principal balance of \$1,872,642 or approximately 0.8% of the Fund's aggregate principal balance on loans outstanding. The total amount of interest and principal payments owing on such loans was \$409,475.

The Fund has been working with the borrowers with regard to these delinquent loans and, as of the date of this Offering Circular, partial payments, or full payments under modified repayment terms, are being received with respect to all of these delinquent loans. The Fund believes that the foregoing steps taken to work with these borrowers, including those to receive partial payments or full payments under modified repayment terms, will enable the Fund to maintain adequate capital adequacy, liquidity and cash flow.

Loan Loss Reserve

As of December 31, 2020, a loan loss reserve of \$3,326,391 has been established by the Fund. The loan loss reserve is maintained at a level that, in management's judgment, is adequate to absorb probable loan losses. In evaluating the adequacy of the reserve, management will analyze historical loan losses and the quality of the current loan portfolio. In addition, the net realizable value of property serving as collateral for delinquent loans will be assessed on an annual basis.

INVESTING ACTIVITIES

In accordance with its policy of maintaining reasonable liquidity, the Fund maintains a portion of its assets pending utilization in other investments which consist primarily of marketable securities.

Liquidity Reserves

The Fund has a policy which requires it to maintain at all times cash, certificates of deposit, mutual funds, and/or investment securities having an aggregate market value equal to at least eight percent (8%) of the aggregate principal balance of the Fund's outstanding Certificates. As of December 31, 2020, the Fund had outstanding cash and investments in the amount of \$55,067,191, which is in compliance with this policy requirement. However, except for \$169,316 of the investments held for a permanently restricted endowment, these funds are not set aside with a third party or otherwise restricted as to their use.

Investments

The Fund's investment portfolio may include liquid investments in US Treasury obligations, US Government Agency bonds, and bank certificates of deposit. Other investments, such as equity investments, money market funds, and commercial paper are limited to an amount that is compatible with the current liquidity, risk, and return requirements of the Fund. Certificate

of deposit investments above the insured amount may only be made in investment grade institutions and can at no time exceed \$250,000 with any one institution. At December 31, 2020, the Fund's investments were as follows:

| Description | Market Value | Percentage of Total Investments |
|----------------------------|---------------|---------------------------------|
| Mutual Funds | \$ 38,272,869 | 71.0% |
| Money Market Instruments | \$ 11,402,272 | 21.2% |
| Corporate Bonds | \$ -0- | 0.0% |
| Mortgage Backed Securities | \$ 168 | 0.0% |
| Other Term Investments | \$ 4,206,095 | 7.8% |
| Total | \$ 53,881,404 | 100.0% |

The following sets forth the aggregate realized and unrealized gains and losses from investments for each of the Fund's last three fiscal years:

| Year | Aggregate realized & unrealized gains and losses |
|------|--|
| 2018 | \$(1,983,071) |
| 2019 | \$2,577,302 |
| 2020 | \$2,012,390 |

Investment Management

In furtherance of its stated purpose, the Fund's financial objectives are to preserve its investments and to maintain a measure of liquidity, while providing as high a level of current income as is consistent with prudent investment management.

All funds and investments of the Fund are kept completely separate from all other funds and investments of the Church. Investment management for these funds and investments is provided under the direction of the Board of Directors of the Fund.

SELECTED FINANCIAL DATA

Five Year Comparison of Financial Information

The following table shows the Fund's cash and invested funds, net outstanding loans, total assets, outstanding Certificates, net assets, Loan Delinquencies as a percentage of loans receivable, and amount of Certificates redeemed over the past five (5) years:

| Year End Balances | Cash and Invested Funds* | Net Outstanding Loans | Total Assets | Outstanding Investment Certificates** | Net Assets | Loan Delinquencies as a Percentage of Loans | Amount of Certificates Redeemed During Fiscal Year |
|-------------------|--------------------------|-----------------------|----------------|---------------------------------------|---------------|---|--|
| 12/31/2016 | \$ 61,491,187 | \$ 190,107,883 | \$ 252,238,585 | \$ 220,635,631 | \$ 30,955,426 | 3.1% | \$ 27,142,984 |
| 12/31/2017 | \$ 62,331,110 | \$ 189,154,933 | \$ 252,258,924 | \$ 216,186,560 | \$ 35,366,858 | 4.4% | \$ 41,291,229 |
| 12/31/2018 | \$ 49,012,524 | \$ 200,176,225 | \$ 249,825,369 | \$ 213,933,990 | \$ 35,048,323 | 10.6% | \$ 44,635,882 |
| 12/31/2019 | \$ 42,674,931 | \$ 219,485,998 | \$ 263,006,981 | \$ 222,488,019 | \$ 39,568,951 | 1.1% | \$ 30,015,074 |
| 12/31/2020 | \$ 55,067,191 | \$ 237,110,203 | \$ 293,369,425 | \$ 248,647,507 | \$ 43,791,301 | 2.5% | \$ 39,546,688 |

*Consisting of cash, certificates of deposit and investments

** 2016 and 2017 figures include all interest accrued

Summary of Operations and Selected Balances

The following Summary of Operations and Selected Balances for the five (5) years ended December 31, 2020, have been derived from the Audited Financial Statements. The Audited Financial Statements for the years ended December 31, 2016 through 2020, have been audited by Capin Crouse LLP, Independent Auditors, whose report for three (3) years ended December 31, 2020 appears herein. THIS SUMMARY SHOULD BE READ IN CONJUNCTION WITH THE AUDITED FINANCIAL STATEMENTS AND NOTES THERETO INCLUDED ELSEWHERE IN THIS OFFERING CIRCULAR.

| | Years Ended December 31 | | | | |
|---|--|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Interest Fee and Dividend Income | \$ 12,038,981 | \$ 11,218,601 | \$ 10,693,590 | \$ 10,388,831 | \$ 9,846,574 |
| Interest Expense | (6,103,673) | (5,896,740) | (5,742,018) | (5,270,836) | (5,127,238) |
| Net Interest Income | 5,935,308 | 5,321,861 | 4,951,572 | 5,117,995 | 4,719,336 |
| General & Administrative Expenses | (1,925,348) | (1,580,526) | (1,583,714) | (1,761,588) | (1,719,766) |
| Net Operating Income | 4,009,960 | 3,741,335 | 3,367,858 | 3,356,407 | 2,999,570 |
| Contributions to the Church | (1,800,000) | (1,800,000) | (1,700,000) | (1,700,000) | (1,600,000) |
| Contributions to other churches | - | - | - | - | (20,000) |
| Net realized and unrealized gains (losses) on investments | 2,012,390 | 2,577,302 | (1,983,071) | 2,753,471 | 1,955,090 |
| Change in Value of Annuities | - | 1,991 | (3,322) | 1,554 | (5,630) |
| Change in Net Assets with donor restrictions | - | - | - | - | - |
| Change in Net Assets without donor restrictions | 4,222,350 | 4,520,628 | (318,535) | 4,411,432 | 3,329,030 |
| | | | | | |
| | Selected Balances - End of Period | | | | |
| Total Assets | \$ 293,369,425 | \$ 263,006,981 | \$ 249,825,369 | \$ 252,258,924 | \$ 252,238,585 |
| Total Liabilities | \$ 249,578,124 | \$ 223,438,030 | \$ 214,777,046 | \$ 216,892,066 | \$ 221,283,159 |
| Loans (net) | \$ 237,110,203 | \$ 219,485,998 | \$ 200,176,225 | \$ 189,154,933 | \$ 190,107,883 |
| Net Assets | \$ 43,791,301 | \$ 39,568,951 | \$ 35,048,323 | \$ 35,366,858 | \$ 30,955,426 |

Management Discussion and Analysis

The following financial information highlights the results of key financial benchmarks measured by the Fund as of the periods indicated.

Capital Adequacy – At December 31, 2020, the Fund’s net assets were equal to 14.93% of total assets determined as follows:

| <u>12/31/2020</u> | |
|--|----------------|
| Net Assets | \$ 43,791,301 |
| Total Assets..... | 293,369,425 |
| Net Assets Percentage of Total Assets | 14.93% |

Liquidity – At December 31, 2020, the Fund’s liquidity status, calculated as the percentage derived by dividing (i) the sum of cash, cash equivalents, readily marketable securities by (ii) the outstanding Certificates payable, was 20.39% as follows:

| | |
|--------------------------------------|----------------|
| Cash and Cash Equivalents | \$ 1,185,787 |
| Readily Marketable Securities | \$ 49,675,141 |
| Less: Investments held for endowment | \$ (169,316) |
| Total | \$ 50,691,612 |
| Investment Certificates Payable | \$ 248,647,507 |
| Liquidity Status | 20.39% |

Cash Flow – Cash flow performance examines the amount of available cash as compared to cash redemptions of Certificates. The calculation of the cash coverage percentage for the most recent three (3) fiscal years is as follows:

| | 2020 | 2019 | 2018 |
|---|-----------------|-----------------|-----------------|
| Cash flow from operations | \$ 2,072,794 | \$ 2,184,056 | \$ 1,412,933 |
| Liquid assets at beginning of year: | | | |
| Cash and Cash Equivalents | \$ 1,074,302 | \$ 3,362,886 | \$ 1,425,234 |
| Readily Marketable Securities | \$ 38,359,196 | \$ 42,501,894 | \$ 57,703,291 |
| Less: Investments held for endowment | \$ (169,316) | \$ (169,316) | \$ (169,316) |
| Loan principal repayments | \$ 19,685,800 | \$ 13,815,762 | \$ 13,530,526 |
| Loan advances | \$ (37,538,212) | \$ (33,106,758) | \$ (23,997,423) |
| Investment certificate sales | \$ 60,860,569 | \$ 33,942,020 | \$ 38,130,496 |
| Excludes Denominational Account Sales | \$ (8,010,819) | \$ (1,266,655) | \$ (4,444,971) |
| Denominational Account Redemptions over Deposits | \$ - | \$ - | \$ - |
| Cash Available (A) | \$ 76,334,314 | \$ 61,263,889 | \$ 83,590,770 |
| Investment Certificate Redemptions (B) | \$ (39,546,688) | \$ (30,015,074) | \$ (44,635,882) |
| Net Cash Available | \$ 36,787,626 | \$ 31,248,815 | \$ 38,954,888 |
| Coverage Percentage (A/B) | 193% | 204% | 187% |
| Source of balances: Derived from the Audited Financial Statements for the fiscal year indicated; Coverage Ratio was recalculated using information from the Audited Financial Statements. | | | |

Loan Delinquencies – As of December 31, 2020, the Fund had eight (8) loans on which interest and/or principal were delinquent for ninety (90) days or more. See “THE FUNDS LENDING ACTIVITIES - Loan Delinquencies” herein.

Profitability – The Fund has achieved positive operating income for five (5) out of the five (5) most recent fiscal years, and has achieved a positive change in total unrestricted net assets for four (4) out of the five (5) most recent fiscal years, as demonstrated by the following table:

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|--------------|--------------|--------------|--------------|--------------|
| Net Operating Income: | \$ 4,009,960 | \$ 3,741,335 | \$ 3,367,858 | \$ 3,356,407 | \$ 2,999,570 |
| Change in Net Assets: | \$ 4,222,350 | \$ 4,520,628 | \$ (318,535) | \$ 4,411,432 | \$ 3,329,030 |
| *Source of balances: Derived from the Audited Financial Statements for the fiscal year indicated. | | | | | |

DESCRIPTION OF THE CERTIFICATES

The Certificates offered hereby are Fixed Rate Certificates having terms of one (1) year to five (5) years, which include the 5-year Cornerstone Kids Certificates; the IRA Certificates; the Demand Certificates; and the Retirement Advantage Certificates. The Certificates are issued on a parity basis with respect to each other and with respect to other certificates previously issued and outstanding, and are a general obligation of the Fund. As such, there is no specific pledge of collateral in connection with the repayment of a Certificate. See “FINANCING AND OPERATING ACTIVITIES – Senior Secured Indebtedness” regarding assets of the Fund secured in such a manner as to have a priority claim over and above the Certificates. Although investors are investing in Certificates, the Fund does not issue paper certificates to investors evidencing such investment. Instead, the Certificates are book-entry securities evidenced on the books and records of the Fund and confirmed to an investor by Investment Confirmations and periodic statements specifying the value of the investment. The terms and conditions of Certificates will be construed under and governed by Illinois law.

The offer and sale of the Certificates is limited to: (i) persons (including entities or arrangements controlled by, owned by, or existing for the benefit of such persons) who, prior to receipt of this offering circular, are members of, contributors to, or participants in the Church, the Fund, any program, activity or organization which is affiliated with the Church (including, but not limited to, the district conferences and member churches of the Church) or the Fund, or any other organization that has a programmatic relationship with any of the foregoing, (ii) district conferences and member churches of, and any program, activity or organization affiliated with, the Church (including, but not limited to, district conferences and member churches of the Church) or the Fund, or any other organization that has a programmatic relationship with any of the foregoing, and (iii) any

ancestor, descendant, other relative, beneficiary or successor in interest of persons described in (i) or (ii) above (collectively, “Investors”).

The Fund has issued, and reserves the right to issue in the future, Certificates having terms and interest rates that vary from those described herein. In addition, the Fund reserves the right to create other securities or to issue private placement notes. Any such securities would be issued at such rates and on such terms as the Board of Directors of the Fund deems appropriate.

All accrued interest on Certificates is included in the amount shown under “Investment Certificate Redemptions” in the section entitled “Management Discussion of Financial Benchmarks - Cash Flow” herein. Certificates may be purchased with the investor’s check, money order, or wire transfer of funds.

Description of Fixed Rate Certificates

The Fund’s Fixed Rate Certificates are of varying terms (from one year to five years, as may be offered by the Fund from time to time) and pay varying rates of interest, as established at the time of issuance. The Fixed Rate Certificates are offered for cash as the Fund offers no financing terms for the purchase thereof. The purchase price of a Fixed Rate Certificate is 100% of its face value, and other than as described below, the minimum investment amount for a Fixed Rate Certificate is \$100.

The Fixed Rate Certificates will accrue interest daily from the date following the day of receipt by the Fund of the Investor’s check, cash, money order, or wire transfer, and interest is calculated on the basis of the actual number of days in the year. Interest at the rate set forth on the Investment Confirmation will be compounded semi-annually on June 30th and December 31st each year until the Fixed Rate Certificate’s maturity date. Interest will be paid to the Investor monthly, quarterly, semi-annually, or annually depending on the preference of the Investor as evidenced by his or her written notice. An Investor may also elect to have interest retained and credited to his or her account. If such preference is not evidenced by written notice, interest will be retained. At maturity, Fixed Rate Certificates must be redeemed or reinvested at the then prevailing rate of interest.

Interest on the 5-year Cornerstone Kids Certificates will be equal to the highest tier interest rate applicable at the time of investment. The 5-year Cornerstone Kids Certificates may be held only by a custodian for the benefit of a minor, as directed on the investment Application. If a 5-year Cornerstone Kids Certificate is renewed after the initial 5-year term, and at the time of renewal the beneficiary is still a minor, the interest paid for the renewal term will be equal to the highest tier interest rate applicable at the time of renewal. The minimum investment amount for a 5-year Cornerstone Kids Certificate is \$250.

Fixed Rate Certificates must be purchased in certain minimum amounts as stated on the cover page hereof. The Fund may change the interest rates on the Fixed Rate Certificates from time to time, in its sole discretion. However, the interest rate paid on a Fixed Rate Certificate cannot be changed during the applicable term thereof. To obtain current interest rates, please call 1-877-228-8810 or visit <http://www.cornerstonetoday.org>.

Early Redemption by the Fund and by the Investor - The Fund reserves the right to redeem the Fixed Rate Certificates prior to maturity without penalty, upon sixty (60) days prior written notice to the holder(s) thereof. Although there is no provision for redemption of Fixed Rate Certificates by the holder before the maturity date, it has been the policy and practice of the Fund to honor requests for early redemption in its sole discretion. However, in cases of early redemption there is an interest penalty assessment whereby an amount equal to three months interest earned on the redeemed Fixed Rate Certificate’s principal balance is deducted from the amount paid to the holder. There can be no assurance that the Fund will continue such policy of early redemption in the future and the Fund is not legally obligated to do so.

Automatic Renewal - The Fund’s Fixed Rate Certificates are evidenced by an Investment Confirmation and a periodic statement. The Certificate will be renewed automatically for additional terms of equal duration, unless within ten (10) days after the end of the original or any renewal term, the Investor’s written notice of his or her intentions to redeem is received by the Fund. In the event that the Fund no longer offers a Fixed Rate Certificate of similar duration at the time of maturity, then unless the Investor provides notice of his or her intentions to redeem or reinvest into a different Certificate term and/or type, the maturing Certificate balance will thereafter be treated as a Demand Certificate until the Investor provides instructions to redeem or reinvest the Certificate balance. After receipt of written notice of the investor’s intention to redeem, and that the investor elects not to extend or renew the Certificate, the Fund shall promptly repay to the investor the principal and accrued interest on

the Fixed Rate Certificate to the date of maturity. The Fund shall send notice of maturity at least thirty (30) days prior to maturity, which shall contain a reference as to how an Investor can access the interest rate applicable to the next subsequent renewal term. The Fund shall retain appropriate documentation to demonstrate mailing or delivery of the notice of maturity. A Fixed Rate Certificate which is automatically renewed shall be evidenced by a periodic statement. The rate for any subsequent term will be the applicable rate in effect at the time of maturity. Payment of a Fixed Rate Certificate at maturity, or redemption thereof by the Fund, shall be made in full and will not be made in installments or with other debt instruments. A holder of a Fixed Rate Certificate shall be furnished with a current Offering Circular containing the Fund's most recent Audited Financial Statements on an annual basis.

No collateral is pledged to secure the payment of the Fixed Rate Certificates, and there is no guaranty by any affiliate of the Fund to repay the Certificates or to pay interest thereon. The Fund's obligation to repay a Fixed Rate Certificate or to pay interest thereon is a general obligation of the Fund.

Description of Individual Retirement Account (IRA) Certificates

The Fund's IRA Certificates are available only for investment through an Individual Retirement Account for which the Fund engages a third-party custodian. In order to establish an Individual Retirement Account which invests in the Fund's IRA Certificates, an Investor must execute an IRA Application. Persons interested in opening an Individual Retirement Account to invest in the Fund's IRA Certificates should contact the Fund to request a copy of the IRA Application, a Custodial Agreement, and the Fund's IRA disclosure documents. Investors in the Fund's IRA Certificates shall be furnished on an annual basis with a current Offering Circular containing the Fund's most recent Audited Financial Statements. In addition, your rights and responsibilities with respect to your IRA will be determined by your direct agreement with the third-party custodian.

The IRA Certificates bear interest at a rate that is set by the Fund's Board of Directors and is adjustable semi-annually. Interest is calculated on the basis of the actual number of days in the year. Interest on the IRA Certificates compounds, on a semi-annual basis, on every June 30th and December 31st of each year at the then current interest rate. A holder of an IRA Certificate will receive from the Fund, as agent for the third-party custodian, a statement of the calendar year's activity of the Individual Retirement Account. A statement indicating an interest rate change will be furnished to holders of an IRA Certificate within ten (10) days after such change. To obtain current interest rates, please call 1-877-228-8810 or visit <http://www.cornerstonetoday.org>.

Additions to an IRA Certificate may be made by direct electronic funds transfer. If an Investor makes this election, the Investor instructs the Fund to withdraw, through the use of electronic funds transfer ("Electronic Funds Transfer"), a pre-set amount of funds (minimum addition allowed is \$10) from the Investor's bank account on a monthly basis for investment in the IRA Certificate. The Investor may cancel the Electronic Funds Transfer at any time. Electronic Funds Transfer may not be used for initial investment, and the Fund will require a current IRA contribution form from the Investor at all times.

Redemptions from an IRA Certificate are permitted without penalty upon at least 30 days' prior written notice to the Fund. Upon receipt of that notice, we will promptly redeem the requested amount from your IRA Certificate.

An Individual Retirement Account is governed by the applicable provisions of the Code. Further detail with respect to this account is discussed in the Fund's IRA disclosure documents and Custodial Agreement. Because an Individual Retirement Account is subject to specific requirements under the Code, Investors are encouraged to consult their tax advisors before deciding to invest in an IRA Certificate.

No collateral is pledged to secure the repayment of an IRA Certificate, and there is no guaranty by any affiliate of the Fund to repay IRA Certificates or to pay interest thereon. The Fund's obligation to repay an IRA Certificate or to pay interest thereon is a general obligation of the Fund.

Description of Demand Certificates

The Fund's Demand Certificates earn interest that is adjustable on a weekly basis by the Fund. Factors which determine the Demand Certificate interest rate are current rates paid on money market funds and bank certificates of deposit. Interest compounds on a semi-annual basis, on June 30th and December 31st of each year. Holders of a Demand Certificate are

furnished on an annual basis with a current Offering Circular containing the Fund's most recent Audited Financial Statements. To obtain current interest rates, please call 1-877-228-8810 or visit <http://www.cornerstonetoday.org>.

Interest is calculated on the basis of the actual number of days in a year, and is payable upon redemption or on a semi-annual basis, depending upon the preference of the Investor as evidenced by written notice. If an Investor does not indicate such preference by written notice, interest will be retained. All interest on Demand Certificates constitutes taxable income to the recipient when earned. See "TAX ASPECTS" herein.

Demand Certificates held by a member church, district conference, or other entity related to Converge Worldwide ("Church Savings Certificates") will earn interest at a rate which is 0.125% to 0.5000% higher than the current interest rate for other Demand Certificates. Unlike a for-profit issuer whose sole concern is almost purely financial, the Fund also has its religious purposes to consider and further as a primary concern. The Fund's religious purposes as set forth in its Articles of Incorporation are to assist and promote the goals and objectives of Converge and its local churches, conferences, districts, and other affiliated entities and also to further the charitable, benevolent, and eleemosynary goals and objectives of Converge, its subsidiaries and affiliated entities. By providing a higher interest rate to these affiliated entities, the Fund intends to encourage significant savings and investment by, and provide a financial return thereon to, these affiliated entities which will thereby assist these affiliated entities in achieving their goals and objectives and, in that way, carry out the Fund's religious purposes of assisting and promoting the objectives of Converge and these affiliated entities.

Redemption by the Fund and by the Investor - The Demand Certificates may be redeemed by the holder at any time upon thirty (30) days advance written notice to the Fund, without penalty, at which time payment of the outstanding principal and accrued interest shall be made in full, and shall not be made in installments or with other debt instruments. The Fund reserves the right to call for redemption any Demand Certificate at any time upon sixty (60) days prior written notice, and payment to the holder of all outstanding principal and accrued interest to the date of redemption.

The minimum initial investment amount for a Demand Certificate is \$100, and the initial investment in a Demand Certificate is evidenced by Investment Confirmation which provides that additions to the Demand Certificate may be made in minimum amounts of \$25 which will be evidenced in a periodic statement. The interest rate indicated in the quarterly statements furnished by the Fund to each holder of a Demand Certificate shall govern. Any addition to or subtraction from a Demand Certificate shall be evidenced with an acknowledgement of such activity by the Fund.

Additions to a Demand Certificate may be made by Electronic Funds Transfer. If an Investor makes this election, the Investor instructs the Fund to withdraw, through the use of Electronic Funds Transfer, a pre-set amount of funds (the minimum addition allowed is \$25) from the Investor's bank account on a monthly basis for investment in the Demand Certificate. The Investor may cancel the Electronic Funds Transfer at any time. Electronic Funds Transfer may not be used for an initial investment.

No collateral is pledged to secure the repayment of any Demand Certificate, and there is no guaranty by any affiliate of the Fund to repay the Demand Certificates or to pay interest thereon. The Fund's obligation to repay a Demand Certificate or to pay interest thereon is a general obligation of the Fund.

Description of Retirement Advantage Certificates

A Retirement Advantage Certificate ("RAC") is offered exclusively to church retirement plans (each a "CRP") as an investment vehicle for plan assets administered for the benefit of plan participants. If a CRP allows, participants in the CRP have the option of directing the CRP to invest part or all of their plan contributions and/or eligible existing plan assets in a RAC. Redemptions are permitted without penalty upon at least 30 days' prior written notice by a CRP to the Fund and subject to availability of funds. The RAC has a variable interest rate that we may adjust quarterly. Interest earned on the RAC is paid monthly on the last business day of each month.

A CRP will have sole legal and equitable title to the RAC. The Fund will act only on the instructions of the CRP with respect to all investments in and redemptions from the RAC.

PLAN OF DISTRIBUTION

The primary means of solicitation for the sale of Certificates will be through direct mailings, the Fund's Internet website, and email transmittals of the Offering Circular and Advertising materials to current, past and prospective Investors, and to local district conferences and member churches of the Church by officers of the Fund. On occasion, an executive officer of the Fund may discuss the nature and purpose of the Fund's work at meetings of the Church or its member churches. Prospective Investors will be able to obtain an Offering Circular and additional materials concerning the Certificates from the Fund's Internet website or upon request to the Fund in Arlington Heights, Illinois. Upon such request, the Fund will mail (or email if the Investor requests) the applicable materials, including this Offering Circular, to the prospective Investor. A purchase is made upon completion of the Application Form which accompanies the Offering Circular and the furnishing of a check or money order made payable to the Converge Cornerstone Fund at 2002 S. Arlington Heights Road, Arlington Heights, IL 60005, or wire transfer of funds. In the case of an investment through an IRA, a purchase is made upon review of the Offering Circular, IRA disclosure materials and the furnishing to the custodian of a completed application, Custodial Agreement, and check, money order or wire transfer of funds. All sales are made by the officers and employees of the Fund pursuant to broker-dealer, issuer or agent licensing or an applicable exemption therefrom. No underwriting or selling agreements exist in connection with the sale of the Certificates, and no direct or indirect commissions or other remuneration will be paid to any individuals or organizations in connection with the offer and sale of Certificates.

An Offering Circular containing the Fund's most recent Audited Financial Statements is mailed annually to each holder of an outstanding Certificate within one hundred twenty (120) days after the close of the Fund's fiscal year.

TAX ASPECTS

Investors in the Certificates will recognize neither gain nor loss for Federal income tax purposes, nor will they receive a charitable deduction upon the purchase of a Certificate. The interest paid or compounded on the Certificates will be taxable as ordinary income to the holder in the year it is paid or accrued. If interest is accrued over the life of a Certificate and paid at the maturity date, the holder must nevertheless report such interest as income on his or her Federal income tax returns and state income tax returns, if applicable, ratably over the life of the Certificate as it accrues. Investors who hold Certificates until their maturity will not be taxed on the return of the principal purchase price or on the payment of previously accrued and taxed interest. Any excess thereof will be interest income. An individual investor (or a husband and wife together) who has (have) invested more than \$250,000 in the aggregate with the Fund may be deemed to receive additional taxable interest under Section 7872 of the Internal Revenue Code. Such Investors should consult their tax advisors regarding the special income tax rules applicable to investments that are greater than \$250,000 in the aggregate. If an Investor does not provide a correct Social Security Number or Federal Tax Identification Number, the Investor will be subject to backup withholding requirements on interest earned pursuant to the Code.

LITIGATION

As of the date hereof, the Fund and the Church are unaware of any suits, claims or other legal or administrative proceedings or claims pending against the Revolving Building Trust, the Fund, or the Church.

MANAGEMENT AND GOVERNANCE

The management of the affairs of the Fund is conducted by its Board of Directors, which presently has six (6) members comprised of four elected directors, together with the President of the Fund who serves *ex officio* with vote and the President of the Church who serves *ex officio* without vote. The elected members of the Board of Directors are elected for up to three (3) year terms by the members of the Board of Overseers of the Church, who are the members of the Fund.

Fund's Board of Directors - The following are the members of the Board of Directors of the Fund as of the date of the Offering Circular:

Stanton H. Barnett (Chairman) – Senior Vice President of The Huntington National Bank (formerly known as FirstMerit Bank) from October 2004 to present. Prior to that, Mr. Barnett was Director of Business Development, UPS Capital Business Credit, from January 2002. Mr. Barnett was on sabbatical from August 2001 until January 2002, and prior to his sabbatical, he was the Chief Financial Officer of CrossCom National, Inc. in Illinois from January 2001 to August 2001. Mr. Barnett was

employed by Bank One in Illinois from June 1983 to January 2001, which employment included the position of Director in Bank One Capital Markets, Inc. Mr. Barnett holds a Bachelor of Arts degree in Economics from Northwestern University and a Master of Business Administration in Marketing and Finance from Northwestern Kellogg Graduate School of Management. Term expires 12/31/23.

Jarol F. Duerksen – Retired Pastor. From March 2000 to June 2010, Rev. Duerksen served as an Intentional Interim Pastor with Immanuel Baptist Church, Monmouth, Illinois; Jesup Bible Fellowship, Jesup Iowa; Faith Community Church, Ida Grove, Iowa; and Valley View Baptist Church, Cedar Rapids, Iowa. Rev. Duerksen graduated with a major in Biblical Studies from Multnomah University and holds a Bachelor of Science degree from the University of Southern Oregon and a Master of Science in Systems Management from the University of Southern California. Term expires 12/31/21.

Kenneth Klint (Vice Chairman) – President of Staalsen Construction Company, a family owned business in Chicago since 1980. Mr. Klint attended Moody Bible Institute, Oakton Community College and Northeastern Illinois University. Term expires 12/31/21.

Kenneth Robinson – Kenneth Robinson is a financial executive with a background in commercial lending, managing financial operations, consulting and developing strategic business solutions. Most recently Mr. Robinson served as Director of Nonprofit & Foundation Banking for Urban Partnership Bank, a certified Community Development Financial Institution with \$1 billion in assets where he oversaw the bank’s credit and financial services to mission-based organizations. His banking experience includes tenures at US Bank, Park National Bank and JP Morgan Chase. Prior to that he worked as a manager in Grant Thornton’s management consulting group. He has served in various leadership roles in community, business and commercial banking and has also worked as an adjunct business professor at Chicago State University. Mr. Robinson earned his bachelor’s degree in Economics from Florida A&M University and his MBA from Northwestern University’s Kellogg Graduate School of Management. Term Expires 12/31/23.

Scott Ridout (*ex officio, non-voting*) – President of Converge. A graduate of Virginia Tech and Columbia International University, he and his wife Lisa led Sun Valley Community Church, Gilbert, Arizona, from 1998 to 2014. Sun Valley grew from 375 to roughly 5,000 attendees on three campuses under his leadership. Previously, President Ridout served six years as a Converge overseer, including two years as chairman. He has been a co-leader of the Vision Arizona church planting team since 1998 and has led Converge Generosity since 2008. President Ridout is also a church leadership mentor and coach.

Stephen Schultz (*ex officio*) - President of the Fund and Vice President of Finance and Operations and Chief Financial Officer of the Church since August, 1989 (see biographical information below).

All directors serve on a volunteer basis and are not compensated for time and services rendered as Board Members.

Fund’s Officers - As of the date of the Offering Circular, the following are the officers of the Fund:

| | |
|--|-----------------|
| Chairman | Stanton Barnett |
| Vice Chairman | Kenneth Klint |
| President | Stephen Schultz |
| Vice President of Operations/Treasurer | Paul Kruit |
| Secretary | Kirk Tate |

Stephen R. Schultz, President of the Fund, who serves as Vice President of Finance and Operations of the Church, and has held such Church position since August 1989. He also serves as Plan Administrator for the Converge Retirement Plan. Mr. Schultz received a Masters of Business Administration from Northern Illinois University in 1999, a Bachelor of Arts degree in Business from Bethel College, now Bethel University, in 1987, and received his CPA Certificate in 1988. Mr. Schultz worked for Peat Marwick Main and Company, a for-profit accounting firm, prior to his employment with the Church and the Fund (from February 1987 to July 1989).

Paul Kruit, Vice President of Operations/Treasurer of the Fund, has been employed by the Church as Vice President of Operations since June 1991, and was appointed the Fund’s Treasurer in February 2007. Mr. Kruit received a Bachelor of Science degree in Accounting from the University of Illinois at Chicago, Illinois, in May 1988 and earned his CPA Certificate in 1996. Mr. Kruit currently manages and maintains the Fund in various aspects of its operation.

Kirk Tate, Secretary of the Fund, has been employed by the Fund since September of 2018 and currently serves as the Associate Director of Church Lending. Kirk is a 2006 graduate of Anderson University (SC) and holds a Bachelor of Arts in Christian Ministries.

All of the foregoing officers (other than the Chairman and Vice Chairman) are salaried employees of the Church or the Fund (and/or a Church affiliate), and receive no commissions, discounts, or other forms of remuneration for the sale of the Fund's Certificates. For the fiscal year ending December 31, 2020, the foregoing officers (other than the Chairman and Vice Chairman) received salary or other remuneration from the Fund, but no salaried officer of the Fund individually received total direct and indirect remuneration in excess of \$150,000. Aggregate annual remuneration for the salaried officers of the Fund for fiscal year ending December 31, 2020, is as follows:

| Salary | Health Insurance | Retirement Benefit |
|------------|------------------|--------------------|
| \$ 320,386 | \$ 29,023 | \$ 28,040 |

Conflicts of Interest

All transactions, including those with Affiliates of the Fund, in which any Board member or officer has a direct or indirect financial interest or control interest, or with respect to which a Board member or officer serves as a director, officer, member, or key employee, are made or entered into on terms that are no less favorable to the Fund than those that the Fund could obtain from an independent, unaffiliated third party or otherwise are appropriate under the circumstances to carry out the religious purposes of the Fund. A majority of the independent, disinterested members of the Fund's Board of Directors must approve such transactions. For this purpose, an Affiliate of the Fund is an entity that controls, is controlled by, or under common control with the Fund.

EVENTS OF DEFAULT

Non-payment of a Certificate's principal and interest payment when due shall constitute a default of the Fund, but only as to such Certificate. The holder of a Certificate has no rights of acceleration of payment of a Certificate upon an event of default, but may pursue all available legal and equitable remedies in the event of a default thereunder. In addition, any Fund Investor will be furnished with a current list of all other Fund Investors residing in the State of that Investor upon request and within thirty (30) days of an event of default if such occurs.

AUDITED FINANCIAL STATEMENTS

The Fund's Audited Financial Statements included herein consist of Balance Sheets as of December 31, 2020, December 31, 2019, and December 31, 2018, related Statements of Activities, and Statements of Cash Flows for each of the three (3) years in the period ended December 31, 2020. The Audited Financial Statements for the years ended December 31, 2020, 2019, and 2018, respectively, have been audited by Capin Crouse LLP, Independent Certified Public Accountants.

INVESTOR REPORTS

An Offering Circular containing the Fund's most recent Audited Financial Statements is available to Investors upon request and mailed to each holder of an outstanding Certificate within one hundred twenty (120) days after the close of the Fund's fiscal year.

LEGAL MATTERS

The law firm of Spencer Fane LLP, 1 North Brentwood Boulevard, Suite 1000, St. Louis, Missouri 63105, has given its opinion that the Certificates, when acknowledged with an Investment Confirmation issued by the Fund upon receipt by the Fund of the consideration therefor, will be legally issued and binding obligations of the Fund.

INDEPENDENT AUDITORS' REPORT

Board of Directors
Converge Cornerstone Fund
Arlington Heights, Illinois

We have audited the accompanying financial statements of Converge Cornerstone Fund, which comprise the statements of financial position as of December 31, 2020, 2019 and 2018, and the related statements of activities and cash flows for the three years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Converge Cornerstone Fund as of December 31, 2020, 2019 and 2018, and the changes in its net assets and cash flows for each of the three years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Naperville, Illinois
February 24, 2021

CONVERGE CORNERSTONE FUND

Statements of Financial Position

| | December 31, | | |
|--|-----------------------|-----------------------|-----------------------|
| | 2020 | 2019 | 2018 |
| ASSETS: | | | |
| Cash | \$ 1,185,787 | \$ 1,074,302 | \$ 3,362,886 |
| Investments | 53,712,088 | 41,431,313 | 45,480,322 |
| Loans receivable, net of allowance for doubtful loans | 237,110,203 | 219,485,998 | 200,176,225 |
| Accrued interest receivable | 1,156,066 | 782,480 | 618,889 |
| Other assets | 35,965 | 63,572 | 17,731 |
| Investments held for endowment | 169,316 | 169,316 | 169,316 |
| Total Assets | \$ 293,369,425 | \$ 263,006,981 | \$ 249,825,369 |
| LIABILITIES AND NET ASSETS: | | | |
| Other payables | \$ 929,477 | \$ 935,165 | \$ 540,778 |
| Gift annuity liability | - | - | 294,464 |
| Interest payable | 1,140 | 14,846 | 7,814 |
| Investment certificates | 248,647,507 | 222,488,019 | 213,933,990 |
| | 249,578,124 | 223,438,030 | 214,777,046 |
| Net assets: | | | |
| Net assets without donor restrictions: | | | |
| Undesignated | 17,433,072 | 17,326,764 | 15,981,841 |
| Board designated reserve | 19,891,801 | 17,783,034 | 17,114,783 |
| Cumulative unrealized gain on investments | 6,297,112 | 4,289,837 | 1,782,383 |
| | 43,621,985 | 39,399,635 | 34,879,007 |
| Net assets with donor restrictions | 169,316 | 169,316 | 169,316 |
| | 43,791,301 | 39,568,951 | 35,048,323 |
| Total Liabilities and Net Assets | \$ 293,369,425 | \$ 263,006,981 | \$ 249,825,369 |

See notes to financial statements

CONVERGE CORNERSTONE FUND

Statements of Activities

| | Year Ended December 31, | | |
|--|-------------------------|---------------|---------------|
| | 2020 | 2019 | 2018 |
| CHANGES IN NET ASSETS | | | |
| WITHOUT DONOR RESTRICTIONS: | | | |
| Interest and fees on loans receivable | \$ 11,430,258 | \$ 10,255,170 | \$ 9,472,803 |
| Interest and dividends on investments | 608,723 | 963,431 | 1,220,787 |
| Total interest and dividend income | 12,038,981 | 11,218,601 | 10,693,590 |
| Less interest expense on investment certificates | (6,103,673) | (5,896,740) | (5,742,018) |
| Net interest income | 5,935,308 | 5,321,861 | 4,951,572 |
| Other operating income and expenses: | | | |
| Other income | 6,426 | 87,282 | 4,163 |
| Provision for doubtful loans | (352,338) | (172,487) | (86,178) |
| Administrative expense | (1,169,815) | (1,146,523) | (1,102,158) |
| Professional services | (165,756) | (109,916) | (167,747) |
| Other operating expense | (243,865) | (238,882) | (231,794) |
| | (1,925,348) | (1,580,526) | (1,583,714) |
| Net operating income | 4,009,960 | 3,741,335 | 3,367,858 |
| Contribution to the Church | (1,800,000) | (1,800,000) | (1,700,000) |
| Change in value of annuities | - | 1,991 | (3,322) |
| Net realized gains / (losses) on investments | 5,115 | 113,355 | (1,952,067) |
| Net unrealized gains / (losses) on investments | 2,007,275 | 2,463,947 | (31,004) |
| | 4,222,350 | 4,520,628 | (318,535) |
| Change in net assets without donor restrictions | | | |
| Net Assets, Beginning of Year | 39,568,951 | 35,048,323 | 35,366,858 |
| Net Assets, End of Year | \$ 43,791,301 | \$ 39,568,951 | \$ 35,048,323 |

See notes to financial statements

CONVERGE CORNERSTONE FUND

Statements of Cash Flows

| | Year Ended December 31, | | |
|---|-------------------------|---------------|---------------|
| | 2020 | 2019 | 2018 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash received from mortgage loan interest | \$ 10,778,923 | \$ 9,900,386 | \$ 8,920,351 |
| Interest and dividends received on investments | 612,341 | 963,359 | 1,228,277 |
| Contributions and miscellaneous income received | 160,321 | 94,976 | 15,365 |
| Cash paid to vendors and the Church | (1,561,412) | (1,084,957) | (1,302,379) |
| Interest paid to investors | (1,271,772) | (1,262,625) | (1,481,388) |
| Reinvested interest on certificates payable | (4,845,607) | (4,627,083) | (4,267,293) |
| Contribution to the Church | (1,800,000) | (1,800,000) | (1,700,000) |
| Net Cash Provided by Operating Activities | 2,072,794 | 2,184,056 | 1,412,933 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Principal payments received on loans | 19,685,800 | 13,815,762 | 13,530,526 |
| Loans made | (37,538,212) | (33,106,758) | (23,997,423) |
| Proceeds from sales and maturities of investments | 14,777,789 | 7,101,340 | 24,877,784 |
| Purchase of investments | (25,046,174) | (428,754) | (11,607,381) |
| Proceeds from sale of assets held for sale | - | - | 22,766 |
| Purchase of enterprise software | - | (69,512) | - |
| Net Cash (Used) Provided by Investing Activities | (28,120,797) | (12,687,922) | 2,826,272 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Proceeds received from issuance of investment certificates | 60,860,569 | 33,942,020 | 38,130,496 |
| Reinvested interest on certificates payable | 4,845,607 | 4,627,083 | 4,267,293 |
| Payments made to redeem investment certificates | (39,546,688) | (30,015,074) | (44,635,882) |
| Payments on annuity agreements | - | (59,142) | (63,460) |
| Transfer of annuity assets to related entity | - | (279,605) | - |
| Net Cash Provided (Used) by Financing Activities | 26,159,488 | 8,215,282 | (2,301,553) |
| Change in Cash | 111,485 | (2,288,584) | 1,937,652 |
| Cash, Beginning of Year | 1,074,302 | 3,362,886 | 1,425,234 |
| Cash, End of Year | \$ 1,185,787 | \$ 1,074,302 | \$ 3,362,886 |
| SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES: | | | |
| Matured investment certificates reinvested | \$ 48,717,911 | \$ 52,283,188 | \$ 24,506,784 |

See notes to financial statements

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

1. NATURE OF ORGANIZATION:

On November 27, 1989, Converge Cornerstone Fund (the Fund) was incorporated as an Illinois not-for-profit corporation and assumed all of the assets and liabilities of its predecessor, The Home Missions Revolving Building Trust. The Fund is affiliated with Converge (the Church) in Arlington Heights, Illinois.

The purpose of the Fund is to make loans to the member churches, regional districts and other affiliated entities of the Church. Loans may be obtained for land purchases for future expansion and for the purchase, construction or remodeling of churches and related facilities. Churches make application for loans that include ministry and financial information for management of the Fund to evaluate the merits of the project. Management then provides information to the Board of Directors for final approval or denial of the application. The Fund's Board of Directors consists of two bankers, a pastor, a contractor, the President of the Fund and an employee of the Church. The Fund has 174 loans with an average balance of \$1,381,820 as of December 31, 2020.

Funding is provided by issuance of investment certificates to individuals and organizations associated with the Church. The Fund has 3,206 investors as of December 31, 2020. Certificates, which may be payable upon demand or for a specified term, are interest bearing obligations of the Fund and have interest rates at December 31, 2020, from 1% to 6.00%, with a weighted average rate of 2.32%. Term certificates mature within one to five years. Interest rates are established based upon comparison with bank certificate of deposit interest rates as well as U.S. Government Treasury certificate rates.

The Fund is governed by a Board of Directors. The Fund reimburses the Church for office and occupancy related expenses. The Fund is exempt from federal and state income taxes under the provisions of the Internal Revenue Code Section (IRC) 501(c)(3) and applicable state statutes and is not a private foundation under IRC Section 509(a)(1).

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The financial statements of the Fund have been prepared using the accrual basis of accounting, which gives recognition to income and related assets when earned and expenses and related liabilities when incurred. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The significant accounting policies followed are described below.

CASH

Cash consists of a checking account. The Fund's cash balance is maintained with one financial institution. At December 31, 2020, 2019 and 2018, the Fund's cash balances exceeded federally insured limits by \$1,619,954, \$1,259,803, and \$3,452,168, respectively. The Fund has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash.

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS

Investments are recorded at fair value except for five interest bearing deposits recorded at cost plus accrued interest. Fair values for investment securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. The Fund invests cash in excess of its immediate needs in money market funds, which are reported as investments in the statements of financial position. The money market funds are managed to maintain a net asset value per share of \$1.00, and are reported at the net asset value, which closely approximates fair value. Realized and unrealized gains and losses are included in the statements of activities as increases or decreases in unrestricted net assets.

LOANS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL LOANS

Loans receivable are stated at their principal amount outstanding less the related allowance for doubtful loans and are collateralized by church buildings and land. Generally, interest rates on loans are subject to review and adjustment every three to five years. Loans are typically amortized over a period of fifteen or twenty years.

The Fund may sell participation interests in our loans to third parties from time to time, including a pro-rata interest in the collateral securing the loan. When the Fund does so, it continues to service the loans and remit a portion of each loan payment it receives from the borrowers to the buyers of the participation interest. The participations are non-recourse, which means that the Fund will have no obligation to repurchase the portion of the loan it sold, and that the purchaser will assume the risk of loss on that portion of the loan. Accordingly, the portions of the loans it sells are not included in the outstanding loans receivable.

The Fund may also purchase participation interests in individual loans from third party lenders. Under these loan participation agreements, the third-party lenders maintain all records, collect all payments and remit monthly the appropriate pro rata share of both interest and principal collected on the loans. These agreements typically provide that the Fund will share ratably with the third-party lenders in the event of any extraordinary expenses required to preserve the collateral or enforce the lender's rights with respect to the loan. Similarly, the Fund shares ratably in the costs and proceeds in the event of any foreclosure, sale of collateral or other collection action. The Fund's right to take any enforcement action with respect to the borrower or collateral of any of these loans is subject to the cooperation of the third-party lender who originated the loan. These purchased participation interests are included in loans receivable in the statements of financial position.

The Fund charges loan origination and loan refinancing fees of up to 1%, 1.5% and 1.5% of the loan amount for the years ended December 31, 2020, 2019, and 2018, respectively. The Fund analyzes fees received in relation to direct expenses for underwriting new loans. Loan fees charged by the Fund approximate actual costs incurred for loan processing. Accordingly, such fees are recognized on the statements of activities as a component of interest income in the year of loan origination.

The allowance for doubtful loans is maintained at a level that, in management's judgment, is adequate to absorb probable loan losses. In evaluating the adequacy of the reserve, management will analyze historical loan losses and the quality of the current loan portfolio. To determine the balance of the allowance account, loans are pooled together and losses are modeled using historical experience as well as quantitative analysis.

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

LOANS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL LOANS, continued

The Fund reviews the total loan portfolio looking at three areas of risk, Construction Risk (is the loan a construction loan), Credit Risk (what is the payment history and how seasoned is the loan) and Concentration Risk (what is the total balance from all loans in a given state and what is the total amount to a given borrower). In addition, the net realizable value of property serving as collateral for delinquent loans will be assessed on an annual basis. Due to the nature of the relationship with its borrowers, the Fund is willing to make accommodations with borrowers whose payments are not current, so long as such accommodations do not jeopardize the interests of the Fund's investors.

A loan is considered impaired when, based upon current information and events, it is probable that the Fund will be unable to collect all amounts due according to the contractual terms of the loan agreement. Loans are classified as delinquent when payments are 90 days overdue. Loans will continue to accrue interest when a loan is 180 days delinquent; however, all accrued interest may be included in the allowance for doubtful loans. Payments for delinquent or impaired loans are treated as a payment of interest due until all accrued interest has been paid. Interest income on delinquent loans is recognized according to the original amortization schedule (accrual method).

The accrual of interest income is discontinued when, in management's judgment, the scheduled interest may not be collectible within the stated term of the loan. Interest income is recognized on a cash basis for loans classified as nonaccrual loans, with subsequent payments applied first to interest and fees, if any, and then to principal. Loans classified as nonaccrual loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

FUNCTIONAL ALLOCATION OF EXPENSES

All expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing the various program services and supporting activities have been allocated on a functional basis, determined by estimated staff time, level of support effort, and relative program benefited.

ANNUITY AGREEMENTS

The Fund has established a gift annuity plan whereby donors may contribute assets to the Fund in exchange for the right to receive a fixed dollar annual return during their lifetimes. This transaction provides for a portion of the transfer to be considered a charitable contribution for income tax purposes. The difference between the amount provided for the annuity contract and the discounted liability for future payments, determined on an actuarial basis, is recognized as donation income at the date of the gift if the Fund is the ultimate beneficiary or as a liability if another charity is the beneficiary. Upon the death of the annuitant, income distributions cease. The actuarial liability for annuities payable is calculated annually using published mortality rate tables adopted by the Internal Revenue Service at an assumed rate of return of 7%. Resulting actuarial gain or loss is recorded as a component of the change in value of annuities. Amounts due other beneficiaries are included in liabilities under annuity agreements. Administration and control of annuity agreements was transferred to the Church, a related entity of the Fund, as of December 31, 2019.

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

BOARD DESIGNATED RESERVE

This portion of net assets without donor restrictions is designated by Board action to provide a measure of protection against loss for the Fund's investors. Designated net assets are an amount equal to eight percent of the total investment certificates payable.

NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of endowment fund investments to be held in perpetuity, the income from which is to be paid to a member church. The disclosures required by the Reporting Endowment Funds topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) have not been included in these financial statements due to immateriality.

3. INVESTMENTS:

Investments consist of the following:

| | 2020 | 2019 | 2018 |
|--------------------------------------|---------------|---------------|---------------|
| At fair value: | | | |
| Mutual funds | \$ 38,272,869 | \$ 12,332,199 | \$ 9,588,276 |
| Money market instruments | 11,402,272 | 26,026,997 | 32,913,618 |
| Corporate bonds | - | 147,536 | 148,855 |
| Mortgage backed securities | 168 | 353 | 607 |
| | 49,675,309 | 38,507,085 | 42,651,356 |
| At cost: | | | |
| Other term investments | 4,206,095 | 3,093,544 | 2,998,282 |
| | 53,881,404 | 41,600,629 | 45,649,638 |
| Less: Investments held for endowment | (169,316) | (169,316) | (169,316) |
| | \$ 53,712,088 | \$ 41,431,313 | \$ 45,480,322 |

At December 31, 2020, corporate bonds, mortgage backed securities and other term investments mature as follows:

| | |
|----------------------------------|--------------|
| Within one year | \$ 4,206,095 |
| After one year through ten years | 168 |
| | \$ 4,206,263 |

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

3. INVESTMENTS, continued:

The Fund uses appropriate valuation techniques to determine fair value based on inputs available. When available, the Fund measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs were not available. The valuations for each of these levels are determined as follows:

Level 1 - Quoted prices for identical instruments traded in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets or model-based valuations where significant assumptions are observable.

Level 3 - Model-based techniques using significant assumptions that are not observable. These unobservable assumptions reflect estimates of assumptions that market participants would use.

The table below presents the level within the fair value hierarchy at which investments are measured at December 31, 2020, 2019, and 2018:

| | Total | Level 1 | Level 2 | Level 3 |
|---|----------------------|----------------------|-------------------|-------------|
| December 31, 2020: | | | | |
| Mutual funds: | | | | |
| US equity funds | \$ 14,022,865 | \$ 14,022,865 | \$ - | \$ - |
| Bond funds | 24,250,004 | 24,250,004 | - | - |
| Total mutual funds | 38,272,869 | 38,272,869 | - | - |
| Money market instruments | \$ 11,402,272 | 11,402,272 | - | - |
| Corporate bonds and mortgage backed securities | 168 | - | 168 | - |
| | <u>\$ 49,675,309</u> | <u>\$ 49,675,141</u> | <u>\$ 168</u> | <u>\$ -</u> |
| December 31, 2019: | | | | |
| Mutual funds: | | | | |
| US equity funds | \$ 11,720,047 | \$ 11,720,047 | \$ - | \$ - |
| Exchange traded funds | 612,152 | 612,152 | - | - |
| Total mutual funds | 12,332,199 | 12,332,199 | - | - |
| Money market instruments | 26,026,997 | 26,026,997 | - | - |
| Corporate bonds and mortgage backed securities | 147,889 | - | 147,889 | - |
| | <u>\$ 38,507,085</u> | <u>\$ 38,359,196</u> | <u>\$ 147,889</u> | <u>\$ -</u> |

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

3. INVESTMENTS, continued:

| | Total | Level 1 | Level 2 | Level 3 |
|---|---------------|---------------|------------|---------|
| December 31, 2018: | | | | |
| Mutual funds: | | | | |
| US equity funds | \$ 8,839,283 | \$ 8,839,283 | \$ - | \$ - |
| International equity funds | 578,369 | 578,369 | - | - |
| Exchange traded funds | 170,624 | 170,624 | - | - |
| Total mutual funds | 9,588,276 | 9,588,276 | - | - |
| Money market instruments | 32,913,618 | 32,913,618 | - | - |
| Corporate bonds and mortgage backed securities | 149,462 | - | 149,462 | - |
| | \$ 42,651,356 | \$ 42,501,894 | \$ 149,462 | \$ - |

Valuation techniques: Fair values for mutual funds, money market instruments, corporate bonds and mortgage backed securities are determined by reference to quoted market prices and other relevant information generated by market transactions.

Changes in valuation techniques: None.

4. LOANS RECEIVABLE, NET:

Loans receivable are summarized as follows:

| | 2020 | 2019 | 2018 |
|--------------------------------|----------------|----------------|----------------|
| Less than 3.75% | \$ 3,320,022 | \$ 3,770,103 | \$ 2,381,106 |
| 3.75% - 4.625% | 54,695,209 | 52,442,027 | 72,348,767 |
| 4.75% - 5.625% | 174,263,794 | 159,026,098 | 120,850,232 |
| 5.75% - 6.625% | 5,067,609 | 4,356,009 | 4,430,687 |
| 6.75% - 7.00% | 3,089,960 | 3,139,655 | 3,240,840 |
| | 240,436,594 | 222,733,892 | 203,251,632 |
| Allowance for doubtful loans | (3,326,391) | (3,247,894) | (3,075,407) |
| | \$ 237,110,203 | \$ 219,485,998 | \$ 200,176,225 |
| Average interest rate of loans | 4.82% | 4.82% | 4.74% |

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

4. LOANS RECEIVABLE, NET, continued:

An analysis of the allowance for doubtful loans is as follows:

| | 2020 | 2019 | 2018 |
|------------------------------|--------------|--------------|--------------|
| Balance, beginning of year | \$ 3,247,894 | \$ 3,075,407 | \$ 2,989,229 |
| Less: loan write off | (273,842) | - | - |
| Provision for doubtful loans | 352,339 | 172,487 | 86,178 |
| Balance, end of year | \$ 3,326,391 | \$ 3,247,894 | \$ 3,075,407 |

The Fund evaluates loans for impairment on an individual basis if the loan is more than 90 days delinquent. These loans are then given a specific allowance based on the estimated net realizable value of property serving as collateral. All other loans are evaluated for a loan allowance on a collective basis. At December 31, 2020, loans receivable totaling \$5,977,424, with allowances totaling \$481,267, were evaluated individually for impairment. All other loans were collectively evaluated and no impairment was noted.

The following table presents credit exposure by performance status for the years ended December 31, 2020, 2019 and 2018. Status for performing and nonperforming real estate loans is based on payment activity for the years ended December 31, 2020, 2019 and 2018. Payment activity is reviewed by management on a monthly basis to determine how loans are performing. Loans are considered to be nonperforming when days past due is greater than 60 days in the previous months.

| | 2020 | 2019 | 2018 |
|---------------|----------------|----------------|----------------|
| Performing | \$ 228,079,611 | \$ 220,355,581 | \$ 170,898,726 |
| Nonperforming | 12,356,983 | 2,378,311 | 32,352,906 |
| | \$ 240,436,594 | \$ 222,733,892 | \$ 203,251,632 |

An aging analysis of the principal of past due loans receivable is as follows:

| | 2020 | 2019 | 2018 |
|----------------------|----------------|----------------|----------------|
| Past due: | | | |
| 31-60 days | \$ 18,824,036 | \$ 5,432,712 | \$ 3,748,174 |
| 61-90 days | 6,379,559 | - | 10,790,751 |
| Greater than 90 days | 5,977,424 | 2,378,311 | 21,562,155 |
| | 31,181,019 | 7,811,023 | 36,101,080 |
| Current | 209,255,575 | 214,922,869 | 167,150,552 |
| | \$ 240,436,594 | \$ 222,733,892 | \$ 203,251,632 |

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

4. LOANS RECEIVABLE, NET, continued:

At December 31, 2020, there was one loan classified as impaired with a principal balance of \$1,872,642. The amount of interest and principal payments owing on the impaired loan was \$409,475. A higher reserve was booked against this loan in order to factor in these circumstances. Included in the allowance for loan losses was \$411,981 that was attributed to this impaired loan. Interest income recognized on this loan during 2020 was \$112,358, all of which was recognized subsequent to the loan being deemed impaired.

At December 31, 2020, the Fund had seven delinquent loans with a principal balance of \$4,104,782. The amount of interest and principal payments owing on delinquent loans was \$239,782. Interest income recognized on delinquent loans during 2020 was \$203,971. The Fund believes that the collateral related to the delinquent loans will be sufficient to repay the loan balance.

Impaired and delinquent loans totaling \$5,977,424 were 2.49% of the Fund's aggregate principal balance of total loans outstanding at December 31, 2020.

At December 31, 2019, there were two loans classified as impaired with a principal balance of \$1,980,318. The amount of interest and principal payments owing on the impaired loans was \$352,690. A higher reserve was booked against these loans in order to factor in these circumstances. Included in the allowance for loan losses was \$433,517 that was attributed to the impaired loans. Interest income recognized on these loans during 2019 was \$112,358, all of which was recognized subsequent to the loans being deemed impaired.

At December 31, 2019, the Fund had two delinquent loans with a principal balance of \$397,992. The amount of interest and principal payments owing on delinquent loans was \$33,596. Interest income recognized on delinquent loans during 2019 was \$18,350. The Fund believes that the collateral related to the delinquent loans will be sufficient to repay the loan balance.

Impaired and delinquent loans totaling \$2,378,311 were 1.1% of the Fund's aggregate principal balance of total loans outstanding at December 31, 2019.

At December 31, 2018, there were three loans classified as impaired with a principal balance of \$4,380,507. The amount of interest and principal payments owing on the impaired loans was \$390,265. A higher reserve was booked against these loans in order to factor in these circumstances. Included in the allowance for loan losses was \$487,521 that was attributed to the impaired loans. Interest income recognized on these loans during 2018 was \$502,016 all of which was recognized subsequent to the loans being deemed impaired.

At December 31, 2018, the Fund had four delinquent loans with a principal balance of \$17,181,647. The amount of interest and principal payments owing on delinquent loans was \$4,231,718. Interest income recognized on delinquent loans during 2018 was \$1,390,388. The Fund believes that the collateral related to the delinquent loans will be sufficient to repay the loan balance.

Impaired and delinquent loans totaling \$21,562,155 were 10.48% of the Fund's aggregate principal balance of total loans outstanding at December 31, 2018.

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

4. LOANS RECEIVABLE, NET, continued:

Loans at December 31, 2020, are estimated to mature as follows:

| | | |
|------------|--|------------------------------|
| 2021 | | \$ 4,652,328 |
| 2022 | | 12,155,241 |
| 2023 | | 12,083,105 |
| 2024 | | 12,623,209 |
| 2025 | | 13,041,006 |
| Thereafter | | <u>185,881,705</u> |
| | | <u><u>\$ 240,436,594</u></u> |

The Fund had 174 mortgage loans at December 31, 2020. Although the Fund has no geographic restrictions on where the loans are made other than where member churches are located, aggregate loans in excess of five percent of total balances are concentrated in the following states:

| State | Number of Loans | Amount | Percentage of Portfolio |
|------------|-----------------|-----------------------|----------------------------|
| Arizona | 12 | \$ 62,570,492 | 26% |
| Colorado | 11 | 27,730,209 | 12% |
| Illinois | 18 | 25,866,344 | 11% |
| Minnesota | 23 | 23,740,141 | 10% |
| California | 17 | 15,235,665 | 6% |
| Washington | 12 | 13,992,635 | 6% |
| Maryland | 11 | 12,585,534 | 5% |
| | <u>104</u> | <u>\$ 181,721,020</u> | <u>76%</u> |

Loans receivable are distributed by size of loan as follows:

| Balance | Number | Average Balance | Total Balance | Percentage of Portfolio |
|--------------------------|------------|--------------------|-----------------------|----------------------------|
| \$ 3,000,000 or more | 22 | \$ 5,871,192 | \$ 129,166,228 | 54% |
| \$ 1,000,000 - 2,999,999 | 37 | 1,789,062 | 66,195,298 | 28% |
| \$ 500,000 - 999,999 | 39 | 694,246 | 27,075,585 | 10% |
| \$ 250,000 - 499,999 | 34 | 377,019 | 12,818,639 | 5% |
| \$ 100,000 - 249,999 | 24 | 173,456 | 4,162,937 | 2% |
| Less than \$100,000 | 18 | 56,550 | 1,017,907 | 1% |
| | <u>174</u> | | <u>\$ 240,436,594</u> | <u>100%</u> |

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

4. LOANS RECEIVABLE, NET, continued:

Although the Fund has a geographically diverse portfolio of loans to member churches, concentrations of credit risk exist with respect to the amount of delinquent loans and with respect to individually significant loans, which are defined as those exceeding five percent of the total loan portfolio. At December 31, 2020, 2019 and 2018, these individually significant loans totaled \$48,026,338, \$27,097,951 and \$26,395,760, respectively.

As a result of the impact of COVID-19, certain borrowers experienced financial stress. In response, the Fund allowed 23 borrowers (28 loans) to make reduced payments for up to 6 months. As of December 31, 2020, of 174 total loans outstanding, the Fund had seventeen (17) loans with thirteen (13) different borrowers that were still modified for reduced payments due to the impact of COVID-19. The loan modifications made related to COVID-19, as described above, did not meet the definition of troubled debt restructurings.

5. INVESTMENT CERTIFICATES:

At December 31, 2020, the Fund was indebted on certificates as summarized below:

| Type | Fixed Rate and Demand Certificates | IRA Certificates | Total Certificates |
|------------|--|---------------------|-----------------------|
| Demand | \$ 47,876,071 | \$ 35,321,907 | \$ 83,197,978 |
| Six-month | 43,144 | - | \$ 43,144 |
| One year | 20,863,397 | - | \$ 20,863,397 |
| Two year | 28,987,633 | - | \$ 28,987,633 |
| Three year | 33,576,997 | - | \$ 33,576,997 |
| Four year | 36,365,724 | - | \$ 36,365,724 |
| Five year | 45,612,634 | - | \$ 45,612,634 |
| | \$ 213,325,600 | \$ 35,321,907 | \$ 248,647,507 |

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

5. INVESTMENT CERTIFICATES, continued:

Investment certificates, which bear interest at rates of 1% to 6%, mature as follows:

| Year of Maturity | Fixed Rate and Demand Certificates | IRA Certificates | Total Certificates |
|---------------------|--|---------------------|-----------------------|
| 2021 | \$ 119,248,333 | \$ 35,321,907 | \$ 154,570,240 |
| 2022 | 31,752,948 | - | 31,752,948 |
| 2023 | 25,339,368 | - | 25,339,368 |
| 2024 | 16,170,691 | - | 16,170,691 |
| 2025 | 20,814,260 | - | 20,814,260 |
| | \$ 213,325,600 | \$ 35,321,907 | \$ 248,647,507 |

Approximately 62% of all outstanding certificates are concentrated in six states as follows:

| State | Number | Amount | Percentage of Portfolio |
|--|--------|----------------|----------------------------|
| Minnesota | 1,846 | \$ 49,900,514 | 20% |
| Illinois (including related parties, Note 6) | 874 | 35,647,704 | 14% |
| California | 830 | 26,847,662 | 11% |
| Wisconsin | 824 | 17,219,269 | 7% |
| Florida | 270 | 13,223,908 | 5% |
| Connecticut | 141 | 12,952,796 | 5% |
| | 4,785 | \$ 155,791,853 | 62% |

Large investors, who are defined as customers with certificate balances of \$100,000 or more, are as follows:

| Investor Size | Number of Investors | Total Balance | Percentage of Portfolio |
|--------------------------|------------------------|------------------|----------------------------|
| Related parties (Note 6) | 3 | \$ 8,371,904 | 3% |
| Greater than \$500,000 | 71 | 79,227,104 | 32% |
| \$200,001-500,000 | 188 | 57,305,267 | 23% |
| \$100,000-200,000 | 335 | 46,308,586 | 19% |
| | 597 | \$ 191,212,861 | 77% |

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

6. RELATED PARTY TRANSACTIONS:

Administrative expenses on the statements of activities include administrative charges of \$324,750, \$321,240 and \$306,354 for the years ended December 31, 2020, 2019 and 2018, respectively, allocated to the Fund by the Church.

In addition, investment certificates have been issued to related parties. Certificate balances and interest paid to related parties are as follows:

| | 2020 | 2019 | 2018 |
|---------------------------|--------------|--------------|--------------|
| The Church: | | | |
| Investment certificates | \$ 4,721,393 | \$ 947,228 | \$ 1,246,571 |
| Interest paid | \$ 148,246 | \$ 20,489 | \$ 298,034 |
| Converge Foundation: | | | |
| Investment certificates | \$ 443,508 | \$ 453,379 | \$ 502,506 |
| Interest paid | \$ 13,850 | \$ 14,877 | \$ 15,163 |
| Converge Retirement Plan: | | | |
| Investment certificates | \$ 3,207,003 | \$ 1,749,623 | \$ 1,028,048 |
| Interest paid | \$ 73,795 | \$ 42,345 | \$ 28,735 |

The Board of Directors has established a policy to contribute a portion of the Fund's net income to the Church. This policy is reviewed annually in light of current circumstances. The objective of this contribution is to promote the health of borrowing churches and the growth of future churches as potential borrowers. For the years ended December 31, 2020, 2019 and 2018, respectively, \$1,800,000, \$1,800,000 and \$1,700,000 was paid to the Church. Distribution of these gifts were made in monthly installments to the Church.

7. COMMITMENTS:

In the normal course of business, the Fund makes commitments to extend mortgage loans to meet the financing needs of member churches. Outstanding commitments are letters that outline the terms and conditions of the loan to be granted. The commitments represent expected disbursements based on estimated construction costs and may vary based on actual costs of construction. The Fund's exposure to credit loss, in the event of nonperformance by the churches to which it has extended commitments, is limited to the amount of the commitment. The Fund controls the credit risk of its commitments through credit approvals, limits and monitoring procedures. At December 31, 2020, the Fund had extended loan commitments of \$30,539,762.

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

8. CONCENTRATIONS OF CREDIT RISK:

Financial instruments that potentially subject the Fund to concentrations of credit risk consist principally of cash, cash equivalents, marketable securities and loans receivable. At December 31, 2020 \$11,402,272 of the Fund's marketable securities was invested in money market mutual funds. The Fund has not experienced any losses on these accounts and does not believe it is exposed to any significant risk of loss related to these money market investments.

Concentrations of credit risk with respect to loans receivable are limited by the secured position of the Fund in most instruments, the number of organizations comprising the Fund's loans receivable base and their dispersion across geographic areas, and the Fund's general policy of limiting the maximum loan amount to any one borrower to 30% of total net assets. However, the Fund may make exceptions to this policy upon such determinations as the borrower's exceptionally strong financial position and growth potential. At December 31, 2020, the Fund had three churches with loans totaling 30% or more of total net assets. Loans made by the Fund are typically secured by first mortgages and are normally limited to 75% of the aggregate cost or value of the property securing the loan. While the Fund may be exposed to credit losses in the event of nonperformance by the above contracting parties, management has established an allowance for potential loan losses, which it believes is adequate to cover any such losses.

A substantial portion of the investment certificates issued by the Fund are demand instruments or will be maturing within the next two years. In addition, all demand investment certificates are payable upon 30 days written notice subject to availability of funds. The Fund has insufficient liquid assets to satisfy repayment of this amount. Management anticipates that a substantial portion of these certificates will be reinvested or rolled over into new certificates with the Fund, as has been the Fund's historical experience.

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

9. FUNCTIONAL ALLOCATION OF EXPENSES:

The following table presents the functional allocation of expenses for the year ended December 31, 2020:

| | Program Services | General and Administrative | Total |
|----------------------------|---------------------|-------------------------------|--------------|
| Salaries and benefits | \$ 629,327 | \$ 215,738 | \$ 845,065 |
| Contribution to Converge | 1,800,000 | - | 1,800,000 |
| Occupancy | 243,562 | 81,188 | 324,750 |
| Office expenses | 58,010 | 50,014 | 108,024 |
| Promotional supplies | 4,065 | - | 4,065 |
| Travel | 7,210 | 1,003 | 8,213 |
| Registration and loan fees | 20,736 | - | 20,736 |
| Professional fees | 125,917 | 39,839 | 165,756 |
| Insurance | - | 56,316 | 56,316 |
| Provision for loan loss | 352,338 | - | 352,338 |
| Miscellaneous | - | 46,511 | 46,511 |
| | \$ 3,241,165 | \$ 490,609 | \$ 3,731,774 |
| Total | | | |

The following table presents the functional allocation of expenses for the year ended December 31, 2019:

| | Program Services | General and Administrative | Total |
|----------------------------|---------------------|-------------------------------|--------------|
| Salaries and benefits | \$ 615,973 | \$ 209,310 | \$ 825,283 |
| Contribution to Converge | 1,800,000 | - | 1,800,000 |
| Occupancy | 239,766 | 81,474 | 321,240 |
| Office expenses | 66,528 | 24,474 | 91,002 |
| Promotional supplies | 16,140 | - | 16,140 |
| Travel | 23,591 | 1,605 | 25,196 |
| Registration and loan fees | 22,291 | - | 22,291 |
| Professional fees | 50,381 | 59,535 | 109,916 |
| Insurance | - | 52,692 | 52,692 |
| Provision for loan loss | 172,487 | - | 172,487 |
| Miscellaneous | - | 31,561 | 31,561 |
| | \$ 3,007,157 | \$ 460,651 | \$ 3,467,808 |
| Total | | | |

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

9. FUNCTIONAL ALLOCATION OF EXPENSES, continued:

The following table presents the functional allocation of expenses for the year ended December 31, 2018:

| | Program Services | General and Administrative | Total |
|----------------------------|---------------------|-------------------------------|--------------|
| Salaries and benefits | \$ 592,911 | \$ 202,893 | \$ 795,804 |
| Contribution to Converge | 1,700,000 | - | 1,700,000 |
| Occupancy | 228,248 | 78,106 | 306,354 |
| Office expenses | 38,666 | 22,631 | 61,297 |
| Promotional supplies | 15,379 | - | 15,379 |
| Travel | 21,314 | 2,222 | 23,536 |
| Registration and loan fees | 33,374 | - | 33,374 |
| Professional fees | 41,479 | 126,268 | 167,747 |
| Insurance | - | 58,757 | 58,757 |
| Provision for loan loss | 86,178 | - | 86,178 |
| Miscellaneous | 4,086 | 35,365 | 39,451 |
| | \$ 2,761,635 | \$ 526,242 | \$ 3,287,877 |

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and benefits and certain occupancy expenses are allocated on the basis of estimates of time and effort. Not included in the tables above is interest expense totaling \$ 6,103,673 and \$5,896,740, \$5,742,018 for the years ended December 31, 2020, 2019 and 2018, respectively, which is reported as a reduction from interest and dividend income in the statements of activities.

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

10. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects the Fund's financial assets as of December 31, 2020, 2019, and 2018, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or liquidity reserve limits required for church extension funds. The Fund considers general expenditures to be all expenditures related to its ongoing activities to provide loans to member church and Church-affiliated entities, as well as the conduct of services undertaken to support those activities.

| | December 31, | | |
|--|---------------|---------------|---------------|
| | 2020 | 2019 | 2018 |
| Financial assets: | | | |
| Cash | \$ 1,185,787 | \$ 1,074,302 | \$ 3,362,886 |
| Investments | 53,712,088 | 41,431,313 | 45,480,322 |
| Investments held for endowment | 169,316 | 169,316 | 169,316 |
| Loans receivable, net | 237,110,203 | 219,485,998 | 200,176,225 |
| Accrued interest receivable | 1,156,066 | 782,480 | 618,889 |
| Financial assets, at year-end | 293,333,460 | 262,943,409 | 249,807,638 |
| Less those unavailable for general expenditure within one year, due to: | | | |
| Loans receivable collectible beyond one year | (235,784,266) | (212,812,691) | (194,356,853) |
| Church extension fund required liquidity reserves * | (19,891,801) | (17,783,034) | (17,114,783) |
| Net assets with donor restrictions | (169,316) | (169,316) | (169,316) |
| Financial assets available to meet cash needs for general expenditures within one year | \$ 37,488,077 | \$ 32,178,368 | \$ 38,166,686 |

The Fund structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of the Fund's liquidity management, the Fund invests any cash in excess of daily funding requirements in a short-term investment account. The funds are immediately available to fund operating and funding requirements.

In addition to the cash and short-term investment account, the Fund has invested assets available to meet future funding and operational needs. The funds are immediately available in the financial markets. The Fund adjusts the values of those investments monthly to reflect fluctuations in the financial markets.

* The North American Securities Administrators Association's statement of policy regarding church extension fund securities states that at the end of its fiscal year, the church extension fund's cash, cash equivalents, readily marketable securities and available lines of credit shall have a value of at least 8% of the principal balance of its total outstanding certificates (excluding certificates held by affiliated organizations).

CONVERGE CORNERSTONE FUND

Notes to Financial Statements

December 31, 2020, 2019, 2018

11. RISKS AND UNCERTAINTIES:

In March of 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Fund for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

12. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through February 24, 2021, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Appendix “A”

Definitions

1. “Advertising” – All information and promotional materials, including, but not limited to, magazine or newsletter advertisements, brochures, video tapes, fliers, church bulletin inserts, mailers and Internet information posted by the Issuer or Denomination that are used, in addition to an Offering Circular to solicit Investors.
2. “Audited Financial Statements” – Financial statements prepared in accordance with generally accepted accounting principles applied on a consistent basis, and examined and reported upon by an independent certified public accountant.
3. “Certificate(s)” – The Fixed Rate Certificates having terms of six (6) months to five (5) years, including the 5-Year Cornerstone Kids Certificates, as may be offered by the Fund from time to time; the Demand Certificates; the Individual Retirement Account (IRA) Certificates; and the Retirement Advantage Certificates (RAC).
4. “Church” – Converge, an Illinois not for profit corporation.
5. “Denomination” – A national or regional religious organization or association that consists of or acts on behalf of its individual affiliated churches as well as the various national or regional administrative and other religious organizations or units affiliated with the Denomination.
6. “Foundation” – Converge Foundation, an Illinois not for profit corporation.
7. “Fund” – Converge Cornerstone Fund, an Illinois not for profit corporation.
8. “Investor(s)” – (i) persons (including entities or arrangements controlled by, owned by, or existing for the benefit of such persons) who, prior to receipt of this offering circular, are members of, contributors to, or participants in the Church, the Fund, any program, activity or organization which is affiliated with the Church (including, but not limited to, the district conferences and member churches of the Church) or the Fund, or any other organization that has a programmatic relationship with any of the foregoing, (ii) district conferences and member churches of, and any program, activity or organization affiliated with, the Church (including, but not limited to, district conferences and member churches of the Church) or the Fund, or any other organization that has a programmatic relationship with any of the foregoing, and (iii) any ancestor, descendant, other relative, beneficiary or successor in interest of persons described in (i) or (ii) above.
9. “IRA” – Individual Retirement Account.
10. “Issuer” – The Fund, being the organization that offers and sells the Certificates.
11. “Loan Delinquencies” – Borrowers’ loan balances on which payments of principal or interest are delinquent ninety (90) days or more, whether in default or not.
12. “Net Income” – All items of the Fund’s income and revenue, including income, gift revenues and gains or losses from investments, less all items of expenses, as reflected in the Fund’s Audited Financial Statements.
13. “Offering Circular” – This disclosure statement prepared by the Issuer.
14. “Revolving Building Trust” – The Home Missions Revolving Building Trust of the Church.
15. “Senior Secured Indebtedness” – Any debt or debt securities incurred or issued by the Fund and secured by assets of the Fund in such a manner as to have a priority claim against any of the assets of the Fund over and above the Certificates.