



TEXAS  
METHODIST  
FOUNDATION  
STEWARDSHIP POTENTIAL

INFORMATION STATEMENT  
2024



Dear Texas Methodist Foundation Investor,

Thank you for considering an investment with the Texas Methodist Foundation.

This Information Statement provides specific information for prospective investors to consider in evaluating an investment in the Texas Methodist Foundation Impact Certificates and Investment Funds. It details the anticipated returns and potential risks associated with the investment.

Texas Methodist Foundation is a nonprofit corporation. All revenues generated by our investment and lending activities are reinvested to support the mission and purpose of the church.

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

If you have any questions, please feel free to contact Sara Beltran or Randi Forrest at 800-933-5502 or by email:

:

- Sara Beltran: [sbeltran@texasmethodistfoundation.org](mailto:sbeltran@texasmethodistfoundation.org)
- Randi Forrest: [rforrest@texasmethodistfoundation.org](mailto:rforrest@texasmethodistfoundation.org)

Gratefully,

A handwritten signature in black ink that reads "Lisa G. Greenwood". The signature is written in a cursive style with a large initial "L".

Rev. Lisa Greenwood  
President & CEO, Texas Methodist Foundation



**TEXAS METHODIST FOUNDATION Inc. (“TMF”)  
INVESTMENT OPPORTUNITIES  
INFORMATION STATEMENT  
Effective September 1, 2024**

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## **ABOUT THE FOUNDATION**

The Texas Methodist Foundation Inc. (“TMF”) is a Texas nonprofit corporation operated as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986 (“Code”). TMF was founded in 1938 and exists to empower churches and related entities – with purposes in alignment with the Wesleyan tradition – to achieve their God-appointed missions.

TMF serves Methodist Churches, related institutions and other nonprofit entities (said churches and related institutions collectively the “Constituent Community”).

TMF is the issuer of Impact Certificates (“Certificates”), the proceeds of which support the origination of – and investment in -- loans to churches and related entities which draw their origins from the Wesleyan- Episcopal movement of the 18<sup>th</sup> Century and those churches and entities which share common purposes. The Certificates are issued in both variable rate and fixed rate form, and are herein referred to as the:

### **TMF Variable Impact**

#### **Certificates and;**

### **TMF Fixed Impact Certificates**

TMF’s investment services also include the management of the following Investment Funds (herein so called) which are described in this Information Statement (“Information Statement”) and the investment composition of which are governed by TMF’s Investment Policy Statement (the “Investment Policy”) established from time to time by TMF’s Board of Directors (the “Board”):

#### **TMF Balanced Fund**

#### **TMF U.S. Equity Fund**

#### **TMF International Equity Fund**

#### **TMF Fixed Income Fund**

#### **TMF Inflation Protection Fund**

#### **TMF Multiple Asset Fund**

TMF typically uses one or more of these Investment Funds for the investment of its own undesignated endowment assets and funds for which it has investment responsibility. TMF is willing to allow Eligible Investors (hereafter defined) to invest in one or more of the Investment Funds based upon the independent judgment of the respective Eligible Investor. TMF’s allowing investment in the Investment Funds by Eligible Investors is to accommodate the Eligible Investor and in so doing TMF is not offering any investment advice or direction and is not recommending any investment.

As used in this Information Statement the term “Eligible Investor” or, alternately, “Constituent Community” means, except as otherwise provided in this paragraph: (i) Methodist Churches and Methodist related institutions, both described in Section 501(c)(3) of the Internal Revenue Code of the United States and tax exempt and (ii) other Christian churches and related entities which trace their origin to the Wesleyan-Episcopal movement of the 18<sup>th</sup> Century; and (iii) those churches and related entities engaged in activities with purposes in alignment with the Wesleyan tradition (provided that each is a tax-exempt entity described in Section 501(c)(3) of the Internal Revenue Code of the United States.

“Eligible Investor” does not include individuals. Nor does “Eligible Investor” include entities with their principal place of business/state of incorporation in a state other than Texas and New Mexico.

Eligible Investors may obtain a copy of the Investment Policy by making a request for a copy to TMF. See “*Additional Information*” herein.

In addition to making available the Certificates and Funds, TMF provides various other financial services and non-financial services to churches and related entities within the Constituent Community, including:

- Consulting on proposed building projects, including financing options and debt service capabilities
- Consulting with congregations on issues of purpose and identity
- Connecting congregations with the resources they need to live out God’s purposes for them
- Developing cultures of generosity within congregations
- Providing loans to churches
- Building endowments to fund current and future ministries
- Assisting individuals in expressing their deepest values through legacy giving
- Providing grants for worthy causes working toward lasting change
- Offering learning platforms for clergy and lay leaders

## **THE INVESTMENT FUNDS**

### **CERTAIN DEFINITIONS**

As used in this Information Statement the following terms have the indicated meaning:

“Valuation Date” means the last business day of the respective calendar month.

“Wespath” means Wespath Institutional Investments LLC, a not-for-profit subsidiary of Wespath Benefits and Investments, which works exclusively with 501(c)(3) organizations—churches and related entities. Wespath Institutional Investments provides investment services to companies organized and operated exclusively for religious, educational, benevolent, fraternal, charitable, or reformatory purposes, and to certain pooled investment vehicles maintained by such companies (collectively, "Charitable Organizations"). WII is not registered as an investment advisor under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), or under any comparable local, state or federal law or statute, in reliance on exemptions from such registration available to investment advisers to such Charitable Organizations.

“TMF Fund” means an investment fund formed and managed by TMF but that may be subadvised by one or more external entities. The assets of the TMF Funds may be invested in one or more Wespath Funds in which the Foundation currently invests. The names of these funds are listed in the section below “Wespath Funds”. Descriptions of the Wespath Funds may be found at: <https://www.wespath.com/home.html>

“Certificates” means an investment in the TMF Impact Certificates. The Certificates are general obligations of TMF and are not secured or otherwise backed by an interest in the portfolio of loans held and managed by TMF.

## REFERENCES TO PAST PERFORMANCE

*All expressed or implied references to the past performance of any of the Investment Funds are qualified by the following: Past performance does not predict or guarantee future performance.*

### **TMF IMPACT CERTIFICATES (PREVIOUSLY KNOWN AS THE “LOAN FUND”):**

**Purpose:** The principal purpose of the Certificates is to raise capital for the origination of – and investment in -- loans to members of the Constituent Community for building programs and other capital investments.

**Loans:** The Certificates pools money invested by Eligible Investors and provides loans to members of the Constituent Community, mostly Methodist Churches. An investment in the Certificates does not entitle the investor to an interest in any particular assets or loans held or managed by TMF.

Loans are made pursuant to TMF’s Loan Policy which is established by the Board from time to time and implemented by the Foundation’s Director’s Loan Committee and TMF’s Officer’s Loan Committee. The Director's Loan Committee and the Officer's Loan Committee must approve any exception to the Loan Policy. Typically, the loans are for (i) building programs and secured by first lien deeds of trust on the borrower’s real property; or (ii) capital improvements and acquisitions or working capital for borrowers. Real estate-secured loans comprise the vast majority of all loans originated by TMF. Most borrowers are within the Constituent Community, but TMF may originate loans to borrowers outside of the Constituent Community from time to time. Occasionally, a loan may be originated which is not secured by a first lien deed of trust. In general, the loans are documented and secured by agreements and assignments of interests typical of “for profit” commercial lenders used in connection with real estate loans through borrowing entities, and, where applicable, must show compliance with the rules governing their denominational affiliation. The loans have terms that generally do not exceed 23 years and may be fixed for a specific time period and provide for adjustable interest rates thereafter. The loan interest rate is typically set by reference to the prime rate as reported in the *Wall Street Journal* and the variance (either above or below) from said prime rate is set by TMF from time to time.

TMF’s Offering Circular describes in detail the risks associated with the Certificates. Eligible Investors may obtain a copy of the Loan Policy upon request.

**Investments:** Most of the proceeds of the Certificates are invested in loans originated by TMF. When the capital raised by TMF through the issuance of Certificates exceeds the amount invested in loans, TMF may invest these assets in accordance with the Investment Policy.

**Terms of Investment:** Investments may be made in the Certificates through either a “Variable Rate Investment” or a “Fixed Rate Investment.”

An investment in a Variable Rate Certificate earns a rate that can be changed from time to time at the sole discretion of TMF. Rates vary and the current rates may be found at <https://texasmethodistfoundation.org/investments/impact-certificates>. Although TMF may take up to 90 days to honor all proper withdrawal requests, TMF historically has processed withdrawal requests within one business day of receipt of written request. Because most of the proceeds received by TMF through the issuance of Certificates are placed in loans, and therefore relatively illiquid, availability of sufficient liquid assets to return investments is contingent on available cash resources. If an unusually high number of investors demand repayment in a short period of time, TMF may not have sufficient liquid assets to immediately honor all repayments at once. See “*Risks of Investment – Liquidity of Investment*” and “*—Return of Investment*” herein.

A Fixed Rate Investment in the Certificates is designed for investments at a fixed rate and for a designated period of time in accordance with the terms offered by TMF at the time the investment is made. Current rates, which may be changed from time to time by TMF, may be found at: <https://texasmethodistfoundation.org/investments/impact-certificates>.

Each Fixed Rate Certificate has a designated maturity date. Principal may not be added to the account after the initial investment is made and the account is opened. Principal may not be withdrawn from the account before the maturity date without the consent of TMF, and a penalty will be charged for such early withdrawal. The penalty fee for early withdrawal is only applied to the amount withdrawn and shall equal the amount of interest earned in the preceding four months. In the event a withdrawal request is received prior to reaching the four month mark, the penalty shall not exceed the amount of interest accrued to date. The penalty will be charged first against any interest then in the account and then from principal. Upon maturity a Fixed Rate Certificate account is automatically converted to a Variable Rate Certificate account unless the account assets are withdrawn, or another fixed rate investment opportunity is offered by TMF and specifically chosen by the Investor.

**Returns:** Historically, an investment in the Variable Rate Certificates has provided a stable rate of return on investment. Operating within the budgets and goals set by the Board, TMF's staff sets and modifies the rate of interest paid on Variable Rate Certificates on a monthly basis. The rate of interest offered to Variable Rate Certificate investors is based in part on changes in interest rates and other changes in the broader financial markets.

An investment in the Fixed Rate Certificates provides a fixed rate of interest for a designated period of time. TMF's staff, operating within the budgets interest goals set by the semi-annual meetings of the Board of Directors, sets and modifies the rate of earnings on new Fixed Rate Note offerings on a monthly basis. The offering of Fixed Rate Note investments is based on the needs of TMF for fixed rate obligations and the current market for fixed rate investments.

Interest on both Variable Rate Certificates and Fixed Rate Certificates accrue daily, are credited and compounded monthly, and paid at the time requested by the respective Eligible Investor (*e.g.*, monthly or quarterly), but not more often than monthly. Interest earned is prorated for partial periods and computed daily based on the amount invested.

**Fund Stability:** The overall stability of the portfolio of loans held by TMF is dependent on the creditworthiness of its borrowers and the value of the collateral pledged to secure the loans and TMF does not make any representation regarding its stability. The standards in the Loan Policy established by the Board historically have been successful in generating performing loans, with a very low percentage of defaults.

As of September 1, 2024, TMF has foreclosed on six loans within its portfolio since 1938. In each case, TMF has been able to sell these properties so that no loss of principal occurred. TMF merged with another UMC Foundation in 2019 and the merged entity continues under the name, TMF. Prior to the merger with TMF, that entity experienced a loan loss on a loan that it originated. No foreclosures or losses have occurred since this merger.

**Suitability:** An investment in the Variable Rate Certificates is designed for investors with a time horizon of at least one year. There is no minimum investment requirement. A Variable Rate Certificates may be suitable for Eligible Investors that desire a stable investment with a variable rate of return and are interested in furthering the capital and borrowing needs of the Methodist community within the States of Texas and New Mexico.



An investment in the Fixed Rate Certificates is designed for investors with a designated time horizon of at least one year. While there is no minimum investment in the Fixed Rate Certificates, TMF encourages Eligible Investors to invest at least \$1,000. A Fixed Rate Note is suitable for Eligible Investors that desire a fixed rate and fixed term investment and are interested in furthering the capital and borrowing needs of the Methodist community within the States of Texas and New Mexico.

**Risks:** Investment in the TMF Impact Certificates are subject to one or more risks as described in the section of this Information Statement entitled “**RISKS OF INVESTMENT**”.

## **OVERVIEW OF THE TMF BALANCED FUND**

TMF offers the Balanced Fund, which is a fund vehicle (detailed below) designed specifically to enable Eligible Investors to achieve their long-term investment objectives.

### ***TMF Balanced Fund***

The TMF Balanced Fund offered by TMF is constructed primarily for consideration by fiduciaries of endowment funds and trust funds seeking prudent levels of diversification, growth, income, protection from inflation, and risk over long-term time horizons.

It is intended that the TMF Balanced Fund will typically allocate 60% and 70% of assets to equities and between 30% and 40% to debt instruments, including Certificates, and cash equivalents.

**Investments:** The TMF Balanced Fund is a multi-asset Fund that invests in both equities and debt instruments. The Fund mix is determined by the TMF Investment Committee upon recommendation by staff and is generally reviewed quarterly. Set forth on [Appendix A](#) is the current target allocation and permissible allocation ranges for the TMF Balanced Fund. A description of said Wespath Funds may be found at: [Wespath.com](http://Wespath.com)

Said description includes historic performance information but historic performance does not predict or guarantee future performance. TMF may change the allocation ranges and target allocations in accordance with the Investment Policy. Interim investments may invest in the TMF Impact Certificates as described in the *Terms of Investment* subsection within this *Balanced Fund* section.

**Terms of Investment:** There is a minimum investment amount of \$25,000 and investors in the TMF Balanced Fund are provided monthly liquidity.

The market value of the TMF Balanced Fund, and each Investor’s investment, is generally determined as of the close of trading on the final business day of each calendar month (the ‘Valuation date’). The market value, determined as of the respective Valuation Date, is the value used for purposes of additions to and withdrawals from the Fund. Additions to the TMF Balanced Fund must be received by TMF at least five business days prior to the respective Valuation Date to be able to invest in the Funds following that month’s Valuation Date. Any additions made within five business days of a Valuation Date or the following month, prior to that month’s Valuation Date, will be invested in the TMF Variable Rate Impact Certificates until the accounts are transferred into the appropriate Fund. All withdrawals must be requested at least five business days prior to a Valuation Date and will be paid within five business days following the Valuation Date. During the time from the first day of the month following the respective Valuation Date until the withdrawal is transferred, the withdrawal amount will be invested in the TMF Impact Certificates. TMF receives reimbursements of its costs from the Multi-Asset Funds for costs incurred in operating the Balanced Fund. See “*Administration and Management Fees*” herein.

**Returns:** The value of the TMF Balanced Fund reflects the aggregate value of the net assets owned within the respective underlying fund. The return is based on the actual performance of the investments within the respective Fund, after the deduction of all applicable fees.

Earnings on investments are reflected in the Fund's value. The valuation is established as of the close of business on each Valuation Date. Each Investor will have the choice to receive distributions on a scheduled basis, but not more often than monthly. If an Eligible Investor requests disbursement on a set frequency, disbursements will be paid within five business days following the respective Valuation Date. Unscheduled disbursement requests must be made at least five business days prior to a Valuation Date and will be paid within five business days following the respective Valuation Date.

**Fund Stability:** The overall stability of the Balanced Fund is dependent on the nature and quality of its assets and the performance of those assets and TMF does not make any representation regarding the stability of the Fund.

**Suitability:** The TMF Balanced Fund is designed for TMF to use for its long term investments and is available to Eligible Investors that likewise seek a vehicle for long term growth and understand and desire a return associated with a significant investment in assets usually associated with a greater risk of loss. The TMF Balanced Fund may not be a suitable investment vehicle for Eligible Investors whose investment period is less than three years. Also, if an Eligible Investor cannot sustain a loss of a significant portion of the investment, an investment in the Balanced Fund may not be appropriate.

**Risks:** Investment in the Balanced Fund is subject to one or more risks as described in the section of this Information Statement entitled "**RISKS OF INVESTMENT**".

## **TMF FUNDS**

TMF offers selected Funds to Eligible Investors to invest in one or more based upon the independent judgment of the respective Eligible Investor. Selected TMF Funds include:

- TMF U.S. Equity Fund
- TMF International Equity Fund
- TMF Fixed Income Fund
- TMF Inflation Protection Fund
- TMF Multiple Asset Fund

Each of the five TMF Funds referenced above invest 100% of fund assets in the Wespath I Series fund of a similar name. For Example, the TMF U.S. Equity Fund invests 100% of fund assets in the Wespath U.S. Equity Fund – I Series.

Eligible Investors can find the full Investment Funds Description and other information about the Wespath I Series of Funds online at <https://www.wespath.com/fund-performance>.

Wespath Institutional Investments

1901 Chestnut Avenue

Glenview, IL 60025-1604

1-847-866-4100

## **BOARD REVIEW AND SUPERVISION, TARGET ALLOCATIONS**

The Board meets semi-annually to, among other items, examine returns of the respective Investment Funds and earnings payments to investors in the Investment Funds, approve budgets for the next annual period and review budget performance for the current period. The Allocation Ranges and Targets are set forth on Appendix A. Due to the nature of investing, actual holdings may at times fall outside the target asset allocation ranges and TMF may change the allocation ranges and target allocations from time to time in accordance with the Investment Policy. The allocation objective is to move toward compliance with the stated asset allocation ranges unless TMF's Investment Committee makes a specific decision to do otherwise. TMF's Investment Committee will use the benchmarks set forth on Appendix B to evaluate the performance of the respective Wespath Funds. (The applicable benchmarks may be changed by TMF from time to time. Due to the nature and objective of the TMF Impact Certificates and the fact that the applicable interest rate is specified by TMF as described in this Information Statement, a specific benchmark to measure the relative performance of said funds is not appropriate.)

## **SUSTAINABLE INVESTMENT STRATEGIES**

TMF shall endeavor to adhere to sustainable and socially responsible investments guidelines and practices as outlined by Wespath from time to time.

## **RISKS OF INVESTMENT**

Participation in the Investment offerings are subject to a number of investment risks, some of which are inherent in investments of the types contemplated by the Investment Funds and some of which are unique to the Investment Funds. The following is a non-exclusive listing of possible risks of investment. Eligible Investors should consult their own advisers, and consider carefully the following risk factors, in addition to other information contained in this Information Statement, before participating in the Investment Funds.

**Market Risks:** The TMF Impact Certificates are unique in that they concentrate on one part of the general debt market. However, this offering, along with the TMF Balanced Fund, are also subject to general market conditions, national economic conditions, and global market conditions. Adverse changes in global or national economic markets may affect all of the Investment offerings.

**Unsecured Obligations:** An Investor's investment in any Investment Fund is not a secured investment. Eligible Investors have no direct right, either individually or as a group, in the assets of the Investment Funds. As unsecured obligations of TMF, each noteholder will have a claim on the assets equal to that of all other noteholders, both of Certificates now outstanding and those which may be issued by TMF in the future, as all noteholders are unsecured creditors of The Fund. Subject to the last sentence of this paragraph, TMF and its advisers will make all decisions regarding investments, sales, collection, amendment, enforcement and management of the Investment Funds' assets, all in the sole discretion of TMF's Board and its staff and officers. Provided however, as long as the TMF Balanced Fund is invested in the Wespath Funds, investment decisions within the respective Wespath Fund will be made exclusively by Wespath and the external investment management service providers hired by Wespath.

**No Trust Agreement:** Participation in the Investment Funds is not issued pursuant to any trust agreement or indenture involving any Eligible Investor, and no indenture trustee or other agent has been appointed to represent the interests of any of the Eligible Investors. If TMF fails to perform its obligations pursuant to the Investment Management Agreement or the terms of the Information Statement, the Eligible Investors must seek damages or other remedies against TMF and will have no direct recourse against any other entity or agency of the Methodist Church.

***Return of Investment:*** An investment in the Investment Funds is returnable as described in this Information Statement. At any given time, a substantial portion of each Investment Fund’s assets are invested in stocks, bonds, loans, and other permissible investments. It is, therefore, likely that TMF would be unable to fully and timely return investments if a substantial number of Eligible Investors present withdrawal requests within a short period of time. See “—*Liquidity of Investment*” herein.

Participation in the Investment Funds is not the same as or similar to deposit accounts with banks or other financial institutions. The Investment Funds are not regulated by any federal or state governmental authority and are not guaranteed or insured by any person or entity.

***No Licensing:*** Due to certain provisions of the Philanthropy Protection Act of 1995, TMF and its personnel are exempt from registration or licensing requirements applicable at both the federal level and in the states of Texas and New Mexico. Thus, neither TMF nor TMF personnel that administer the Investment Funds are licensed or registered as investment advisers, or otherwise, with any federal or state authority. TMF employs outside investment advisers for certain of its management decisions in the TMF Balanced Fund. Currently, the investment consultant is Wespath.

***No Minimum Interest Rate or Rate of Return:*** There is no minimum interest rate that must be paid by TMF to Eligible Investors in the Variable Rate Certificates. Likewise, there is no minimum rate of return on the TMF Balanced Fund. The rate of interest payable to investors in the TMF Variable Rate Certificates is adjustable and will be set by TMF’s staff within guidelines established by the Board. The rate of return on all of the Investment offerings (other than the TMF Impact Certificates) will be entirely dependent on the performance of the investments in such Funds.

The rate of interest offered on newly originated Fixed Rate Certificates will be set by TMF’s staff on a weekly basis within guidelines established by TMF’s Board. Both the interest rate and maturity date on the Fixed Rate Certificates will be established when the investment account is opened or renewed.

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

***Inability of borrowers to repay mortgage loans.*** Where the Certificates contain within the managed fund the purchase of interests in the Loan Fund, those interests in the Loan Fund depend on churches making prompt payment of their mortgage obligations to TMF. Those mortgage payments are the primary source of funds for TMF’s payment of its obligations to noteholders in the Loan Fund. Churches most often rely on their receipt of contributions from church members to repay their mortgage loans. If a significant number of church borrowers should experience declines in church attendance, they may not receive sufficient contributions to make full scheduled payments of their mortgage debt.

***The fund’s lending standards and forbearance practices; single purpose buildings secure loans.*** As to investments which include interests in the Loan Fund, TMF’s lending standards and its policies regarding the legal documentation of loans, particularly construction loans, are different than, and in some cases, less stringent than, those of commercial lenders. Moreover, TMF’s policies with regard to delinquencies are also less stringent than those of commercial lenders. As a result, TMF may experience a greater incidence of defaulting loans than a commercial lender would experience.

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

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

***Liquidity of Investment:*** There is no public trading market for the Investment Funds, and no trading market is ever likely to develop. The transferability of the interests in the Investment Funds is subject to restrictions that are established by applicable state and federal securities laws and as set forth below. An investment in the Investment Funds is returnable upon proper written demand subject to the terms of this Information Statement.

***Transferability of Investment:*** Except as provided below, investment accounts are not transferable. Upon receipt of proper authorization, including evidence of authority and written assignments, investment accounts may be transferred:

- (i) on the merger of two or more Eligible Investors;
- (ii) on the expressed, written, transfer from one Eligible Investor to another qualifying Eligible Investor provided that TMF is provided adequate documentary or other support confirming the transfer; or
- (iii) on the discontinuance of an Eligible Investor without merger or transfer as outlined above, to the denominational affiliation if the entity's bylaws do not provide for an alternate charitable beneficiary.

***Limited Publicly Available Information:*** TMF does not, and is not required, to file annual or other periodic reports with any governmental agency. Accordingly, only limited information is publicly available relating to the Investment Funds. Certain financial information regarding TMF, including its most recent audited financial statements, is posted on TMF's website at <https://texasmethodistfoundation.org/investments/investment-resources>. A copy of TMF's current audited financial statements will be mailed to any investor that submits a written request for such statements mailed to TMF's address listed under Additional Information on page 14. As required by Tennessee law, TMF will mail a copy of its audited financial statements to each investor domiciled in Tennessee no later than 120 days after the end of each fiscal year of the Foundation.

## **INVESTMENT CONSULTANT**

Wespath Institutional Investments is the investment consultant for the TMF Balanced Fund. See "*Administration and Management Fees*" for discussion of investment management fees charged by Wespath.

## **MANAGERS**

Wespath selects and monitors the investment managers of the Wespath Funds. TMF does not currently engage third party managers for the TMF Impact Certificates.

## ADMINISTRATION AND MANAGEMENT FEES

**Texas Methodist Foundation** TMF is a not-for-profit corporation whose primary goal is to provide financial, charitable, and educational assistance and support to Methodist congregations and affiliated organizations within the Constituent Community. TMF achieves this mission, in part, through its own funds, separate endowments and expense reimbursements from the programs it administers, including the Investment Funds. The Investment Funds are offered and sold without the payment of any direct or indirect underwriting, sales, or similar fees or commissions.

Expense reimbursements to TMF are intended to cover its direct costs of administration and its indirect overhead costs.

TMF will receive cost reimbursement from the Investment Funds in the following manner:

- **TMF Impact Certificates:** The Board also reviews the performance and rate of interest payable on the loans originated and held by TMF. The rate of return payable to Investors is expected to be lower than the weighted average rate of interest earned on the loans within the TMF fund. This difference is retained by TMF to cover its general costs of working with the Constituent Community, as well as the direct costs of operating the Loan Fund.
- **TMF Balanced Fund:** TMF receives administration fees in connection with a portion of each Balanced Fund's respective allocation of assets to the Wespath funds. The annual administration fee is the sum of 40 basis points (0.40%) of the market value of those funds. The market value of the TMF Impact Certificates is not included in the calculation of any fees described in this paragraph. The administration fee is payable monthly based on the market value of the respective investment as of the Valuation Date that immediately precedes the respective payment date. Fees are collected from the respective Fund or fund.
- **TMF Funds:** TMF receives administration fees in connection with the selected Wespath Funds offered to Eligible Investors on a stand-alone basis. The annual administration fee is the sum of 50 basis points (0.50%) of the market value of those funds.

The administrative fees are intended to cover TMF's costs of administering the TMF Balanced Fund and selected Wespath Funds as applicable and are not intended to be related to the sale of Wespath securities. TMF reserves the right to increase or decrease the administrative fees based on its experience of the actual costs or other factors.

Wespath will cause the respective Wespath Fund to pay fees based upon the expenses of managing the respective Wespath Fund. Those expenses include investment management fees, operating expenses, bank custodial fees and miscellaneous fund administration expenses. Thus, said fees are reflected in and reduce the value of the unit price of the respective Wespath Fund. The investment management fees charged by Wespath are set forth on the attached Appendix C. The amount of these fees may vary at the discretion of Wespath.

## **TAX ASPECTS**

Eligible Investors must be organizations exempt from income tax under Section 501(c)(3) of the Code. Each Eligible Investor must provide proof of tax-exempt status.

TMF DOES NOT PROVIDE ANY TAX ADVICE AND ELIGIBLE INVESTORS ARE URGED TO AND SHOULD CONSULT THEIR OWN TAX ADVISERS REGARDING THE CONSEQUENCES OF THEIR INVESTMENTS IN THE INVESTMENT FUNDS.

## **MANNER OF INVESTMENT**

In order to participate in the Investment Funds, each Eligible Investor must complete and return the **Investment Application** and **Master Investment Management Agreement**. An investment is completed only upon acceptance by TMF. The **Investment Application** contains the terms of its investment and information regarding investment choices and re-investment alternatives and the **Master Investment Management Agreement** governs all investments made by the Eligible Investor in the Investment Funds as outlined in this Information Statement. Checks should be made payable and delivered to Texas Methodist Foundation, Attn: Sara Beltran, 11709 Boulder Lane, Suite 100, Austin, Texas 78726-1808.

## **LITIGATION AND TRANSACTIONS**

TMF is not a party to or involved in any present, pending, or threatened material legal proceeding, and no such proceeding is known to be contemplated by any governmental authority, administrative body, or other administrative person. TMF is not a party to or involved in any transaction that may materially affect the offering of its Investment Funds or an investor's investment decision.

## **ADDITIONAL INFORMATION**

Each Eligible Investor is urged to contact TMF with any questions or requests for additional information or documents. For additional information concerning the Investment Funds, wiring instructions, or assistance with any questions, please contact Investor Services at TMF at (512) 331- 9971 or (800) 933-5502. Written requests may be faxed to 512-331-0670 or mailed to:

Texas Methodist Foundation, 11709 Boulder Lane, Suite 100, Austin, Texas 78726-1808

## GOVERNANCE

TMF seeks to assemble a Board of Directors representing all of its diverse Eligible Investors that it serves to govern TMF. The Board represents a diversity of backgrounds and experiences and is comprised of laypersons and clergy. The Board sets the policies for the Foundation and monitors the performance of staff in following policy.

The present members of the Board, as of the date of this Information Statement are:

### **Board of Directors:**

Tom Toevs

Board Chair – Denver, CO

#### **Austin**

\*\* James A. Cox, Jr.

Rev. Taylor Fuerst

Henry Joyner

#### **Beavercreek, OH**

Dr. Colette Pierce Burnette

#### **Brady**

Teresa Keese

#### **Dallas**

Rev. Richie Butler

\*\* Robert Dupuy

Dr. William Green

Rev. Katherine Glaze Lyle

Bishop Michael McKee

Bishop Ruben Saenz, Jr.

Kelvin Walker

Julie Yarbrough

#### **Damon**

Rev. Sharon Sabom

#### **Denver, Co**

Tom Toevs

#### **El Paso**

Dr. Eduardo Rivera

#### **Fort Worth**

\*\* Hiram Smith

#### **Georgetown**

Dr. Dale Knobel

Dr. Ron Swain

#### **Harpers Ferry, WV**

Randy Stutes

#### **Houston**

John Esquivel

Gene Graham

Dr. Matthew Russell

Dr. Deborah Vaughn

\*\* Jim Walzel

#### **Lubbock**

Dr. Todd Salzwedel

#### **Mansfield**

Randall Canedy

#### **Montgomery**

Rev. Morris Matthis

#### **Nacogdoches**

Dr. Richard White

#### **Pearland**

Rev. Reginald Clemons

#### **Richardson**

Dr. Clayton Oliphint

#### **Round Rock**

Rev. Brad Brittain

#### **San Antonio**

Nathan Johnson, Jr.

Dr. Robert Lopez

#### **Warrensville Heights, OH**

Dr. Maggie Jackson

#### **Wichita Falls**

\*\* Patricia M. Deal

Kathryn Prothro Yeager

### **Advisory Directors:**

#### **Houston**

Bishop Cynthia Fierro Harvey

\*\* Directors Emeritus

### **The officers of the Foundation are:**

Rev. Lisa Greenwood, President & CEO

Curtis Vick, Executive Vice President

Chris Miller, Vice President of Lending

Justin Gould, Chief Philanthropy Officer

Rev. Dr. Blair Thompson, Chief Learning &

Innovation Officer

Wendy Abel, Vice President – Grants Ministry

Janet Mitchell, Chief Marketing Officer

Tom Stanton, Vice President – General Counsel.

Corporate Secretary

Sara Beltran, Asst. Vice President – Investor Services

Susan Puhar, Asst Vice President - HR

Sonia Riley, Asst Vice President - Operations

Gerry Schoening, Asst. Vice President & Controller

Karyl Seibert, Asst. Vice President – Trust &

Endowment Services

Paula Sini, Asst. Vice President – Loans

Cheryl Westbrook, Asst Vice President – Loans

Krystol Wheeler, Asst Vice President – Strategic

Initiatives

Laura Fuqua, Assistant Corporate Secretary



Appendix A

**Allocations Ranges and Targets of the TMF Balanced Fund**

***TMF Balanced Fund***

	<u>Allocation Range</u>	<u>Target Allocation</u>
Wespath U.S. Equity Fund – I Series	33% - 37%	35%
Wespath International Equity Fund – I Series	28% - 32%	30%
Wespath Fixed Income Fund – I Series	12% - 20%	15%
Wespath Inflation Protection Fund – I Series	0% - 10%	5%
Wespath Impact Certificates – I Series	0% - 20%	15%

It is intended that the TMF Balanced Fund will typically allocate between 60 and 70% of assets to equities and between 30% and 40% to fixed income and cash equivalents, including, but not limited to, TMF Impact Certificates.

***Wespath Funds***

Information regarding the allocation guidelines for the Wespath Multiple Asset Fund, U.S. Equity fund, International Equity Fund, Fixed Income Fund, Inflation Protection Fund, or any other Wespath Fund offered by TMF can be found at the Wespath website: <https://www.wespath.com>

***TMF Impact Certificates***

Proceeds of the TMF Impact Certificates shall be invested in loans to Methodist churches and institutions and other entities engaged in activities with purposes in alignment with the Wesleyan tradition.

APPENDIX B

**Benchmarks for the TMF Funds**

<b><u>Fund</u></b>	<b><u>Benchmark</u></b>
TMF U.S. Equity Fund	Russell 3000 Index
TMF International Equity Fund	MSCI All Country World Index (ACWI) ex-USA Investable Market Index
TMF Fixed Income Fund	Bloomberg U.S. Universal ex-Mortgage Backed Securities Index
TMF Inflation Protection Fund	A blended index based on the following weightings: 90% Bloomberg U.S. Treasury Inflation-Linked Bond Index and 10% Bloomberg Commodity Index
TMF Multiple Asset Fund	A blended index based on the following weightings: 35% Russell 3000 Index; 30% MSCI All Country World Index ex-USA Investable Market Index; 25% Bloomberg U.S. Universal Index ex-Mortgage Backed Securities; and 10% Inflation Protection Fund Custom Benchmark.

## APPENDIX C

### Actual Expense Ratios for the TMF Funds During the 2023 Calendar Year

TMF U.S. Equity Fund	0.57%
TMF International Equity Fund	0.74%
TMF Fixed Income Fund	0.54%
TMF Inflation Protection Fund	0.47%
TMF Multiple Asset Fund	0.60%

The expense ratios presented herein do not include the 0.50% in annual administrative fees charged by TMF, which are assessed monthly.